

Evolving Roles in a Fragmented Aid Landscape: Responding to ODA Declines, Financial Reform, and the Shift toward Collaborative Financing

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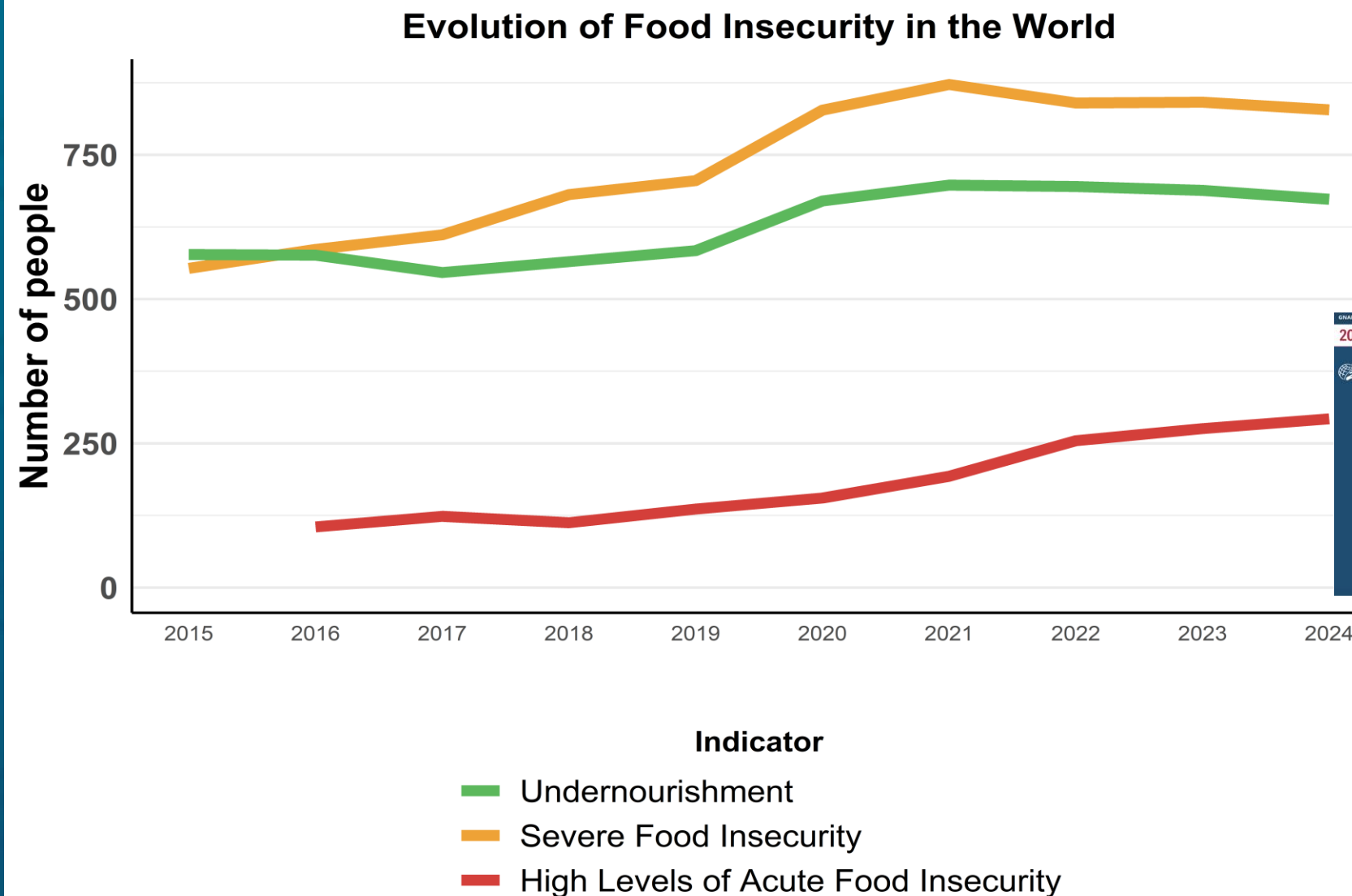
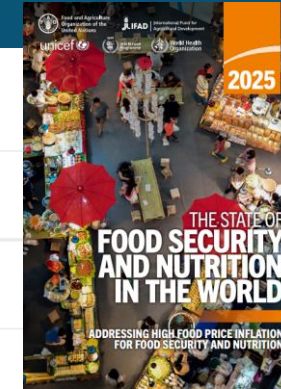
December 12th, 2025

Context

- **Evolution of food security vs Evolution of ODA**
 - Need to better monitor and coordinate. E.g tracker
 - Need to innovate -> new approach with the private sector, new tools
- **ODA is not enough** – was never enough and will be never enough– but need to be more catalytic and complementary
- **Eliminate coordination failure** – among MDBs
- To **trigger investment**, especially by the private sector we need to:
 - **Increase evidence profitability**
 - **De-Risk**. And risks are multiple ! (environmental, social and political). This requires de-risking by information and also financial
- **Coordination financial efforts between public and private actors:** right tools and consistency

Evolution of Food security vs ODA

Where do we stand globally on Food Security and Nutrition?



Where do we stand globally on Food Security and Nutrition?

Chronic Food Insecurity

Undernourishment
(in 2024)

673

Mln people

8.2%

Of the population

Severe Food

Insecurity (in 2024)

828

Mln people

10%

Of the population

Moderate or Severe Food

Insecurity (in 2024)

2285

Mln people

28%

Of the population



Acute Food Insecurity

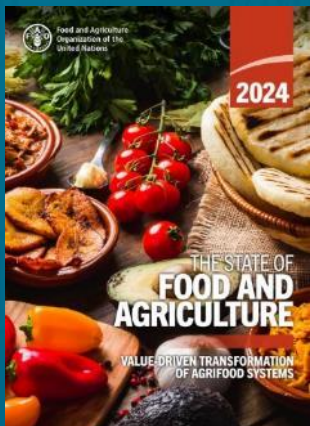
Acute food insecurity (Phase 3+) (in 2024)

IN 2024,
MORE THAN **294**
MILLION



IN **53**
COUNTRIES
/ TERRITORIES

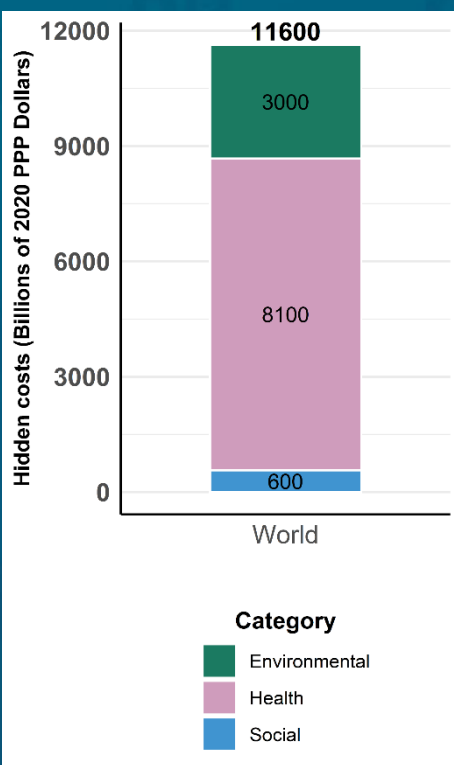




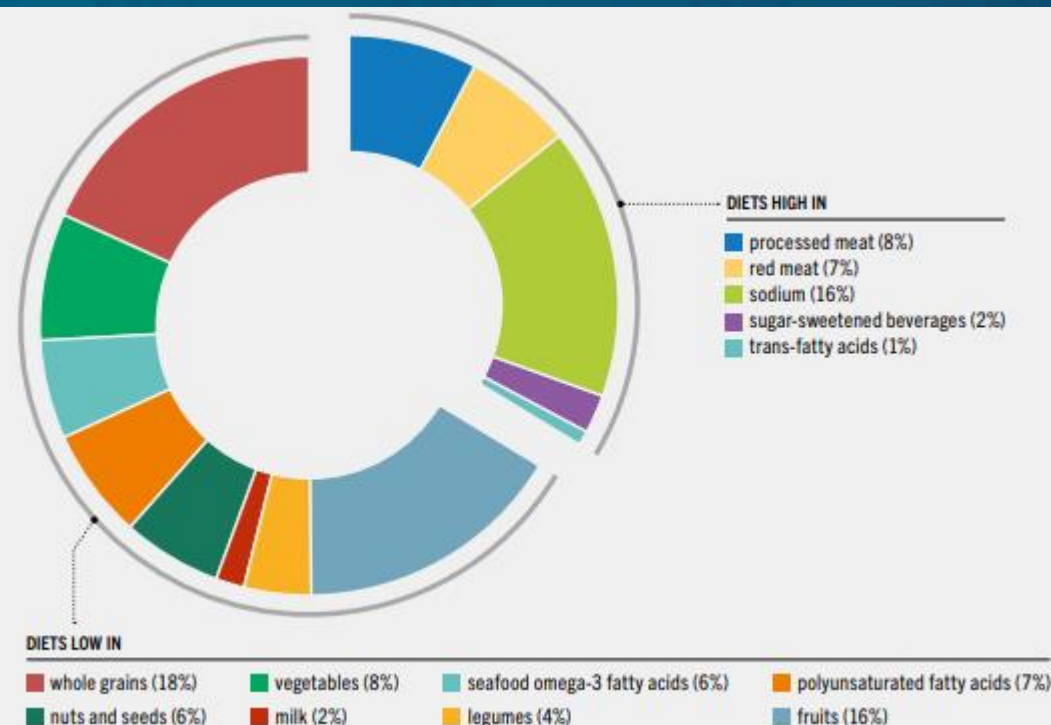
Inefficiencies of agrifood systems have a huge hidden economic costs, leading to growth loss opportunities

- Total agrifood systems amount to 11.6 trillion USD, or about 10% of global GDP, with large disparities
- Diets low in whole grains and fruits, and high in sodium are the leading dietary risks contributing to global health hidden costs

**TOTAL AGRIFOOD SYSTEMS
HIDDEN COSTS**



DECOMPOSITION OF THE HEALTH HIDDEN COSTS



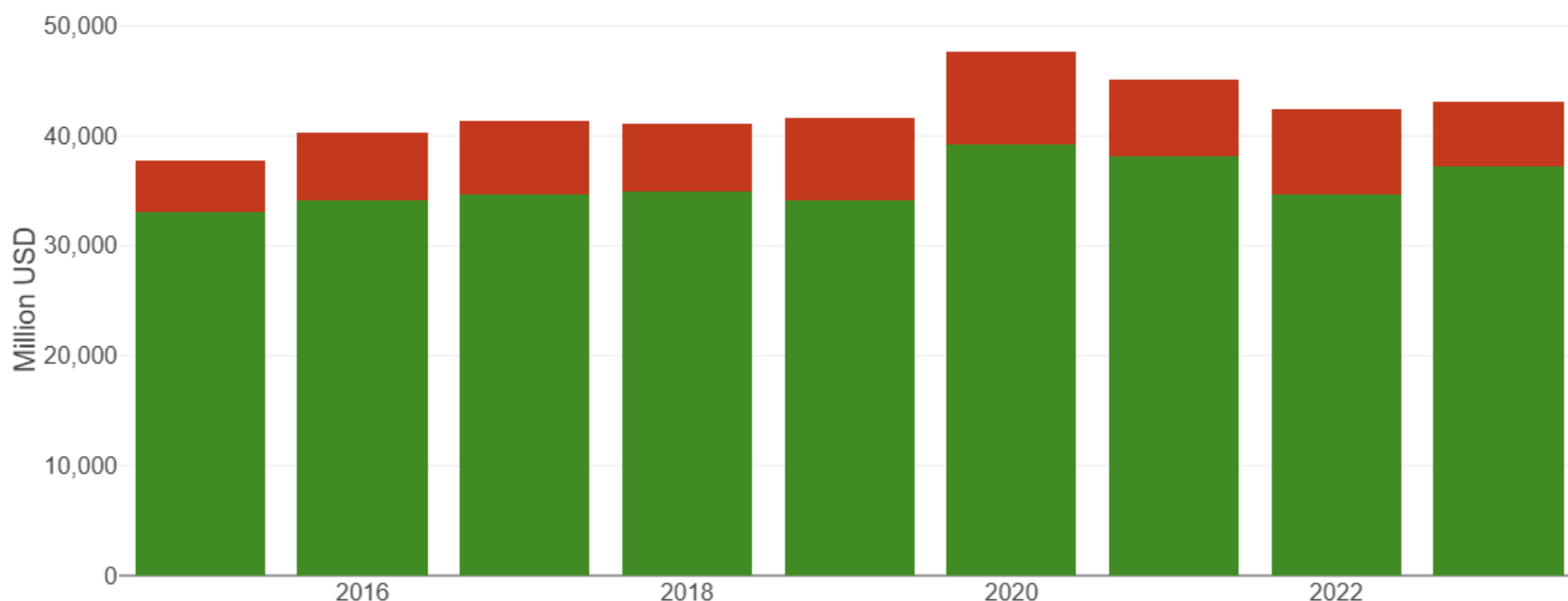
| Total hidden costs as a share of GDP | |
|--------------------------------------|-----|
| Low income | 38% |
| Lower-middle income | 13% |
| Upper-middle income | 9% |
| High income | 6% |

ODA evolution

- Over the past years, ODA towards food security and nutrition have increased by 12% between 2015 and 2023, against a 37% increase for total ODA.
 - Assistance for the long-term development of food security and nutrition is therefore under prioritized.
- Donors increased during the same period emergency food assistance by 25%.
 - We are therefore spending more to tackle the fire than to prevent the fire. We need to move more to anticipatory action,

Long-term aid for food security and nutrition is losing ground

Development finance for emergency vs long-term development assistance



Note: Aggregate of ODA Grants, ODA Loans disbursed from all donors to all recipients.
 Values expressed in USD, 2023. Volume of financing defined according to Hesat2030 (beta) definition..
 In the case of individual countries, only bilateral flows are considered; contributions made through multilateral organizations are excluded.
 Source: Food Security and Nutrition Aid Analyser [Accessed 10 December 2025].

■ Emergency food assistance ■ Long-term development assistance

Between 2015 and 2023:

- Total ODA: **+36.8%**
- Emergency food assistance: **+24.7%**
- Long-term development assistance to food security and nutrition: **+12.4%**

Despite previous stability, the share of aid for long-term food security and nutrition dropped from ~15% (2015–2021) to ~12.5% since 2022.

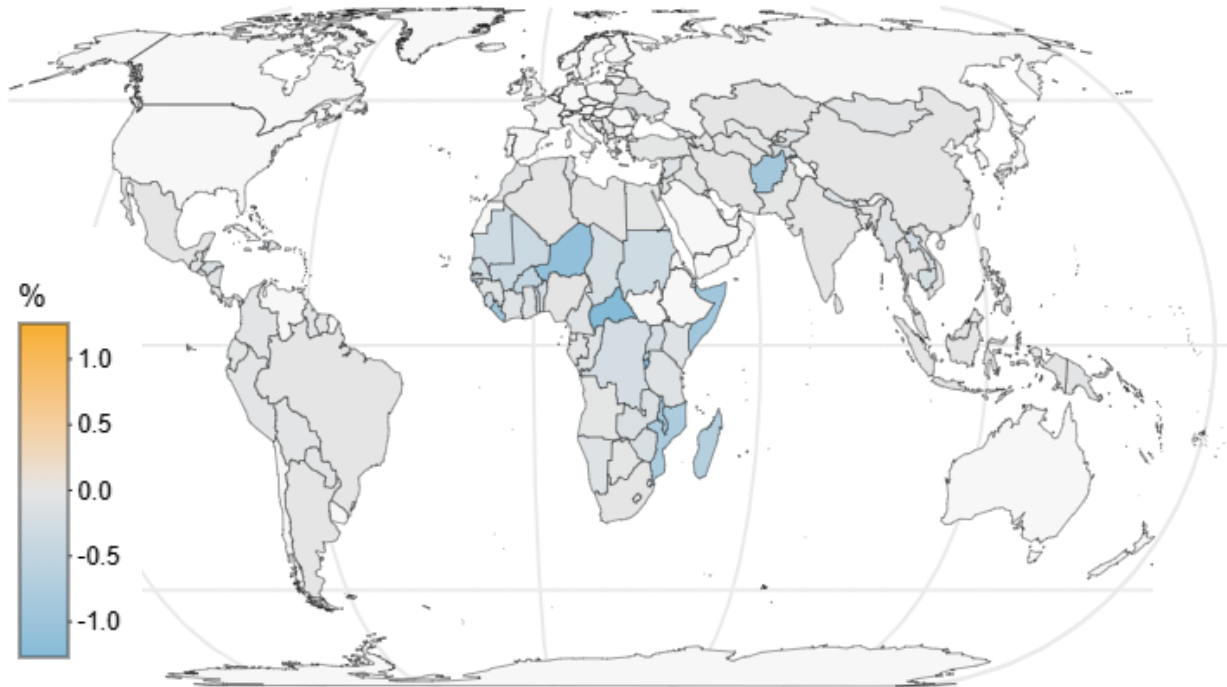
Which countries may be the most impacted by cut in ODA FNS?

Illustrative scenario based on *some* announcements (the landscape is moving)

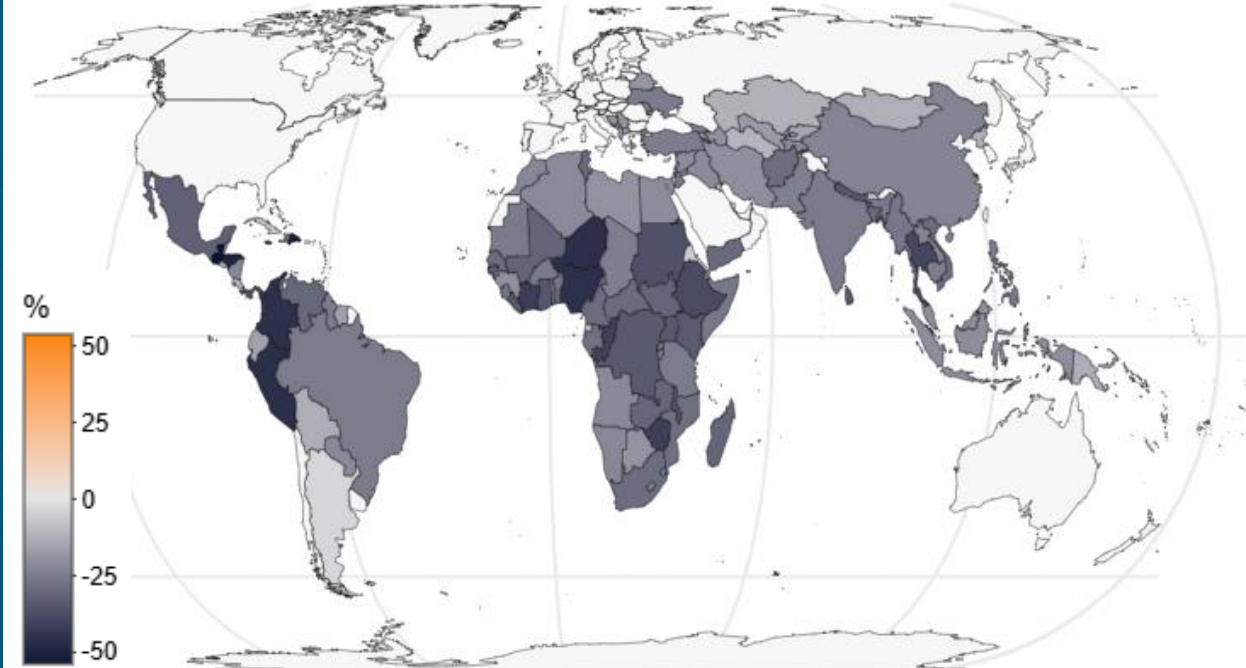
As percentage of recipient GNI

As percentage of initial ODA

Simulated percentage change of ODA relative to average GNI 2021-2023
Hesat2030 (beta) definition



Simulated percentage change of ODA compared to 2021-2023 average
Hesat2030 (beta) definition

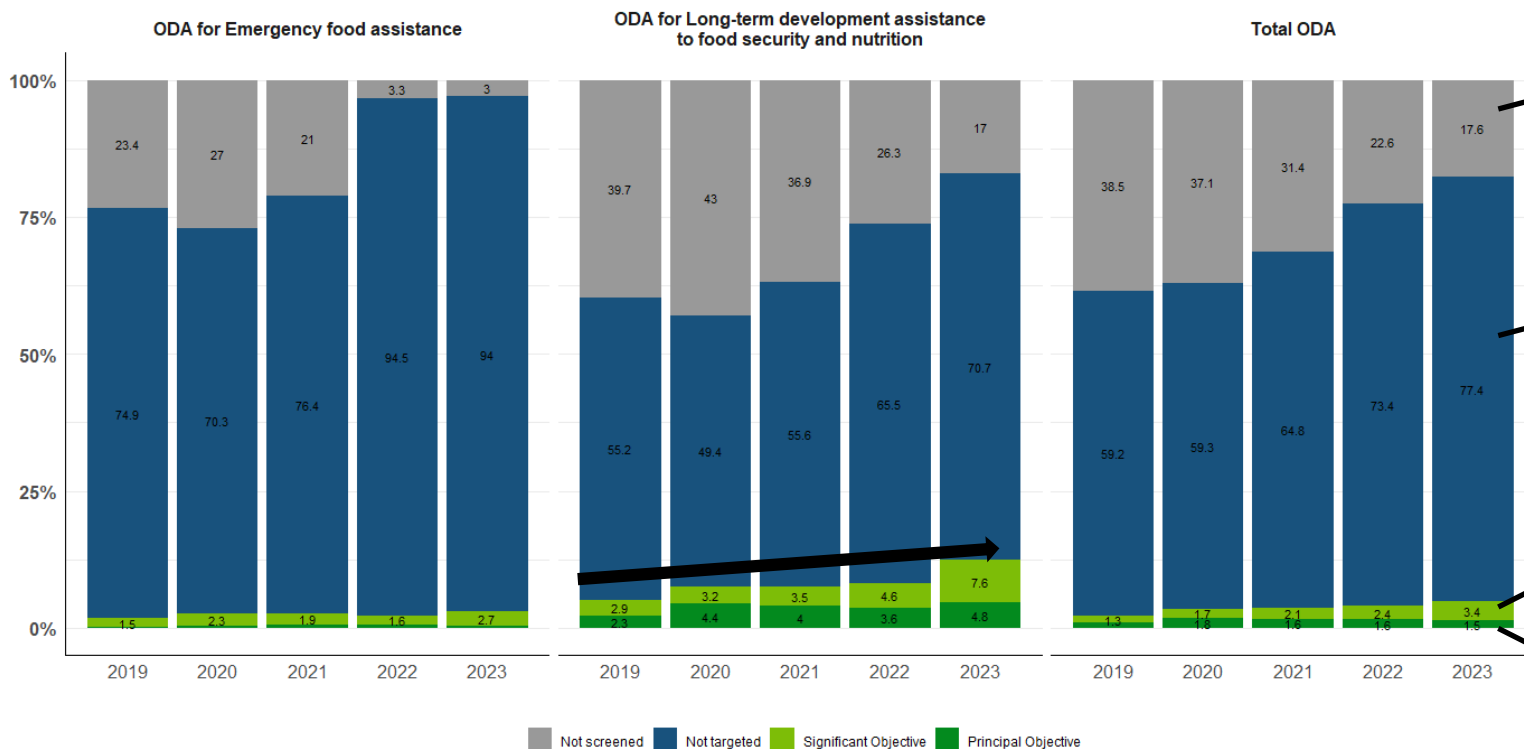


ODA evolution associated to Disaster Risk Reduction

- Looking at the evolution of Disaster Risk Reduction (cf. about **prevent new disaster risks, reduce existing risks, and strengthen resilience.**) - in 2023
 - 12.3% of the spending to long term development assistance for food security and nutrition - against 7.2% in 2019
 - Increasingly taking more into account DRR component, more than the average for total aid - but not sufficiently.
- *[Marker reported from the year 2018 - Common Ground Between the Paris Agreement and the Sendai Framework (EN) + NOT voluntary: The markers for nutrition and for inclusion and empowerment of persons with disabilities are voluntary.]*

Despite some progress, Disaster Risk Reduction Remains under-considered in the design of ODA projects

Integration of Disaster Risk Reduction Policy Marker into ODA



Note: ODA grants and ODA loans disbursed from DAC donors.
Volume of financing to long-term development assistance for food security and nutrition defined according to Hesat2030 (beta) definition.
Values expressed in USD, 2023.
Source: Food Security and Nutrition Aid Analyser [Accessed 10 December 2025]

Not screened

Not relevant for DDR

Significantly relevant

Principal Objective

Despite increases in risk and disasters, ODA focus on DDR has increased but at a moderate speed

More on Disasters & Agriculture:

Share of projects with DRR objective in 2023

- Total ODA: **4.9%** (against 2.6% in 2019)
- Emergency food assistance: **3%** (against 1.3% in 2019)
- Long-term development assistance to food security and nutrition: **12.3%** (against 7.2% in 2019)

THE IMPACT OF
DISASTERS ON AGRICULTURE
AND FOOD SECURITY
DIGITAL SOLUTIONS FOR REDUCING
RISKS AND IMPACTS

What we need

- **Ensure transparent and comprehensive analysis of ODA trends**, to track changes in overall volumes over time.
- **Assess the composition of ODA**, including the balance between humanitarian and development assistance and the share allocated to disaster risk reduction.
- **Analyze ODA by actors and recipients**, to identify countries and populations that are becoming more—or less—vulnerable as funding patterns shift.
- **Support evidence-based decision-making** through tools such as the *HESAT2030 Food Security and Nutrition Aid Analyzer*, developed by FAO and the Shamba Centre.
- **Reinforce FAO's role as a trusted knowledge partner**, providing actionable insights to governments, donors, and development actors.

The Food Security and Nutrition Aid Analyser



Anniversary

Food Security and Nutrition Aid Analyser

Towards more and better foreign aid for ending hunger and malnutrition

How much foreign aid is spent on food security and nutrition in 2023?

\$8 billion - \$102 billion

It all depends on how you count it

[\[Click to learn more!\]](#)

Definitions

How is aid counted?

Trends

How have financial flows evolved?

Profiles & Simulator

What is the money spent on?

Donor Coordination

Opportunities for donor coordination?

Policy Integration

How well are gender and climate integrated?

Future Priority

What does the evidence say?



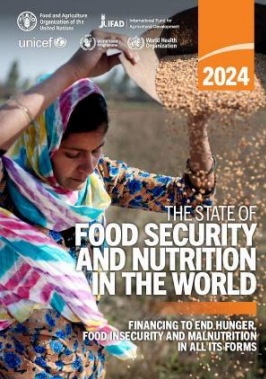
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Increasing Private investments

To expand private sector engagement, it is essential to address the risk component, and, as importantly, the profitability.

De-Risking

- It is essential to de-risk, to ensure an environment favorable to business to scale bankable projects.
- To achieve so, it is important to have technical and financial de-risking:
- On technical de-risking:
 - More **information** about the potential risks - importance of the FAO Situation Room - an open platform gathering evidence on 12 major risks driving food crises with information on draught, floods, conflicts....
 - Deploy **technology and infrastructure**, including social ones, to further the risk, with for instance draught tolerant crops, targeted social safety net....
 - **Reduce policy risks** by developing consistent policies, owned by countries and actors
 - Technical assessment of bankable/profitable projects
- On financial de-risking:
 - Develop **innovative financial solutions** and blended finance so as to efficiently reduce the risk for the private sector through an involvement of the public sector



Different countries have different risk profiles and challenges to access to finance: we need tailored solutions and instruments

| Countries' ability to access financing | Number of countries affected by food insecurity and malnutrition major drivers | | | | | | | | | Food security and nutrition indicators | | |
|---|--|------------------|--------------------|----------|---------------------------------------|-------------------------------|-----------------------------|--|-------------------------------|--|---|---|
| | Total | Climate extremes | Economic downturns | Conflict | Climate extremes – economic downturns | Conflict – economic downturns | Conflict – climate extremes | Climate extremes – economic downturns – conflict | Not affected by major drivers | Prevalence of undernourishment in total population | Prevalence of stunting in children (<5 years) | Prevalence of overweight in children (<5 years) |
| | 2013–2022 | | | | | | | | | 2023 | 2022 | 2022 |
| | (number of countries) | | | | | | | | | (% average) | | |
| Limited ability: High financial risk | 44 | 12 | 4 | 3 | 3 | 2 | 9 | 4 | 7 | 23.1 | 23.9 | 4.9 |
| Moderate ability: Medium financial risk | 31 | 9 | 3 | 2 | 3 | 0 | 4 | 0 | 10 | 10.4 | 20.9 | 6.4 |
| High ability: Low financial risk | 44 | 11 | 3 | 2 | 5 | 1 | 6 | 2 | 14 | 6.9 | 13.3 | 7.7 |
| Total | 119 | 32 | 10 | 7 | 11 | 3 | 19 | 6 | 31 | – | – | – |

NOTES: Prevalence of undernourishment, childhood stunting and childhood overweight averages are unweighted. See [Supplementary material to Chapter 3](#) for the list of countries analysed and the methodology on defining countries affected by major drivers of food insecurity and malnutrition. See [Supplementary material to Chapter 5](#) for the details about the criteria for assessing countries' ability to access financing.

SOURCE: Authors' (FAO) own elaboration.

A. LIMITED ABILITY TO ACCESS FINANCING

CONCESSIONAL FINANCE FOR DE-RISKING PRIVATE FINANCING

- Grants
- Low- or no-interest loans
Combined with technical assistance for effective de-risking

REALLOCATING FUNDS FOR FOOD SECURITY AND NUTRITION

- Debt swaps
Debt service reallocated towards food security and nutrition investments
- Special drawing rights reallocation
Increased lending opportunities for low- and middle-income countries

INSURANCE AND GUARANTEES FOR RISK-RESILIENT FOOD SECURITY AND NUTRITION INVESTMENTS

- Parametric insurance
Better management of agricultural risks
- Risk pools
Increased insurance affordability
- First loss
Absorbed losses for high-risk investments

B. MODERATE ABILITY TO ACCESS FINANCING

INCREASED FUNDING FOR PUBLIC SPENDING

- Sovereign bonds
Linked with contingencies to decrease default risk
- Health taxes
Increased revenues and healthier food environments

DE-RISKING FOOD SECURITY AND NUTRITION INVESTMENTS THROUGH BLENDED FINANCE

- Donors and development finance institutions
- Public sector and development banks
- Philanthropic foundations
Strategic placement to further leverage private funding environments

INSURANCE AND GUARANTEES FOR RISK-RESILIENT FOOD SECURITY AND NUTRITION INVESTMENTS

- Parametric insurance
Better management of agricultural risks
- Risk pools
Increased insurance affordability
- First loss
Absorbed losses for less risky investments

C. HIGH ABILITY TO ACCESS FINANCING

SCALING UP FINANCING WITH SUSTAINABILITY CONSIDERATIONS

- Green, social, sustainability and sustainability-linked bonds
Increased private financing for development objectives

EMBEDDING DEVELOPMENT OBJECTIVES IN INCREASED PRIVATE FINANCING

- Results-based funding
Mobilized private financing for better development impacts
- Incubators and accelerators
Projects financed in early stages
- Impact investment funds
Public-private finance mobilization

INSURANCE AND GUARANTEES FOR RISK-RESILIENT FOOD SECURITY AND NUTRITION INVESTMENTS

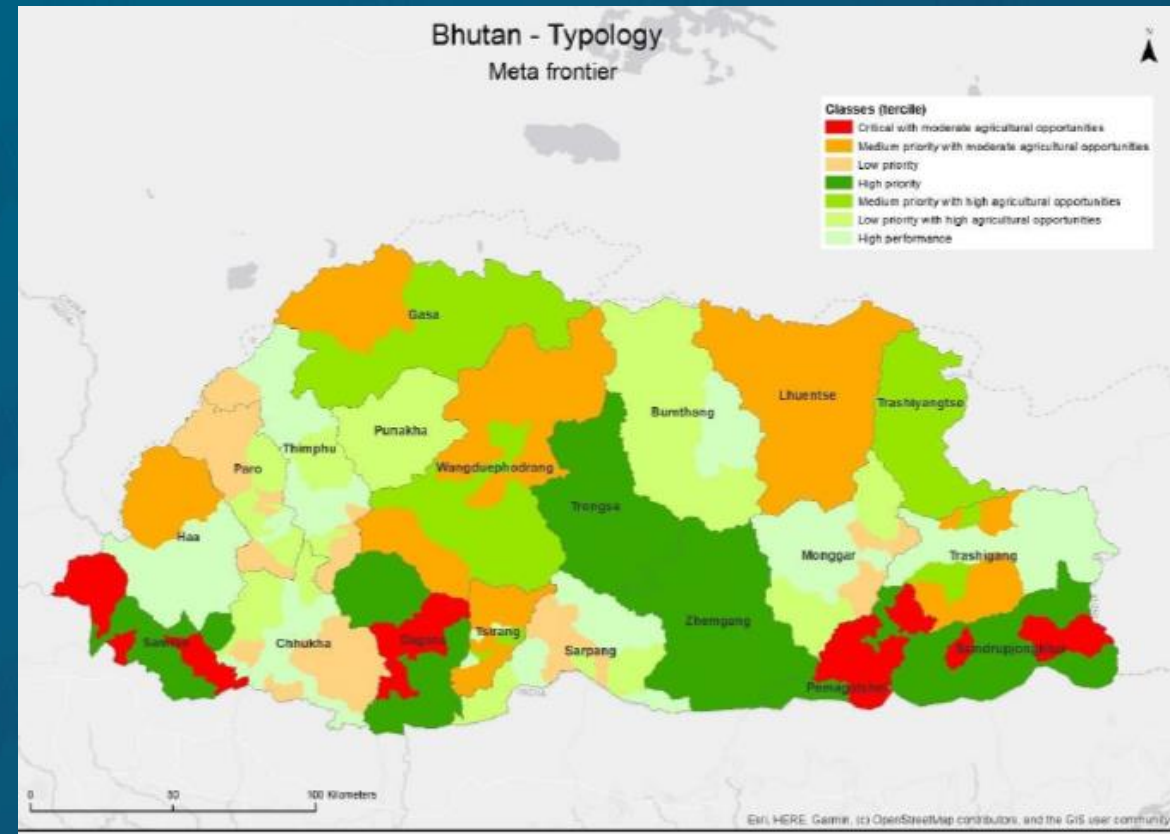
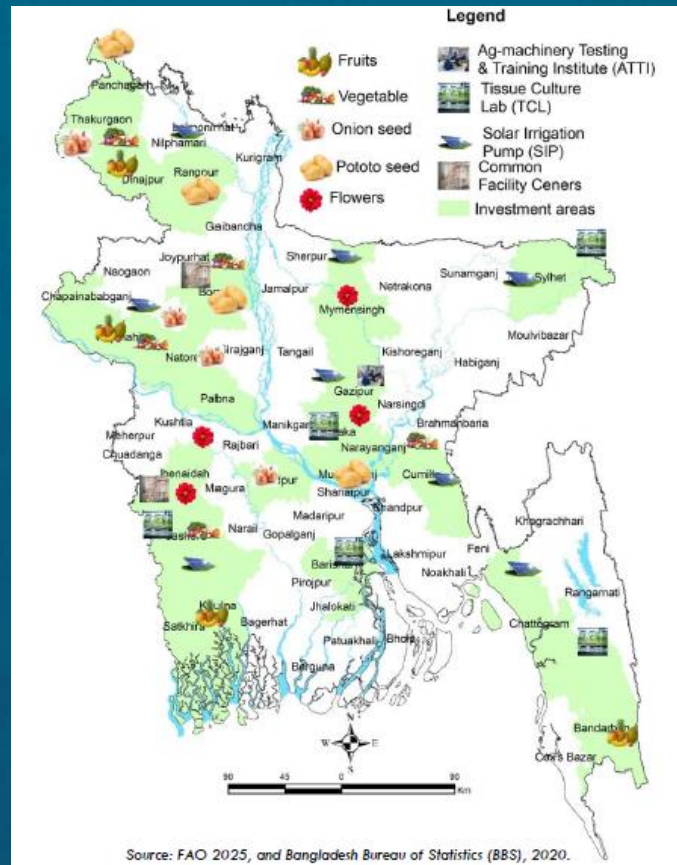
- Parametric insurance
Better management of agricultural risks
- Risk pools
Increased insurance affordability
- First loss
Absorbed losses to boost project bankability

Profitable and Sustainable investments

- **Ensure projects are sufficiently profitable and bankable** to attract public and private investment at scale.
- **Inform investment decisions and prepare robust investment plans**, grounded in sound analytics and country priorities.
- **Leverage the Hand-in-Hand Initiative and its geospatial platform** to design projects that reflect country and territorial specificities, including spatial typologies.
- **Create an enabling environment** through coherent policy frameworks, adequate provision of public goods, and well-aligned incentives that make sustainable and resilient investments bankable—anchored in the FAO Global Roadmap.

Within countries, territories are different: need to have a well designed approach

Right location, right value chains, and right set of interventions



Building effective collaborative financing mechanisms

Need to be country led for ownership

Building alignment in public –national and international – and private investments to achieve a shared vision: the FAO Global Roadmap and building consistent metrics

Innovating in finance for managing risks: FSFC



A constructive and disruptive solution to guide actions: The FAO Global Roadmap to connect...

ACTIONS

Livestock

Inclusi
Polic

Data

Enabling
Healthy
Diets for
All

Food Loss
and Waste

Clean Energy

Forest and
Wetlands

Crops

Fisheries
and

Aquac
ulture

Soil
and
Water

ACTORS

Farmers

Firms

Financers

Private
sector

Civil
society

Public
sector

Global
Governance

National
Governance

Local
Governance

COUNTRIES



Pilot countries (2025)
Different levels of income

What the FAO Global Roadmap *is*

1. a pragmatic
framework and
language for all
countries

2. A tool to ensure
policy cohesion
and address trade-
offs & synergies



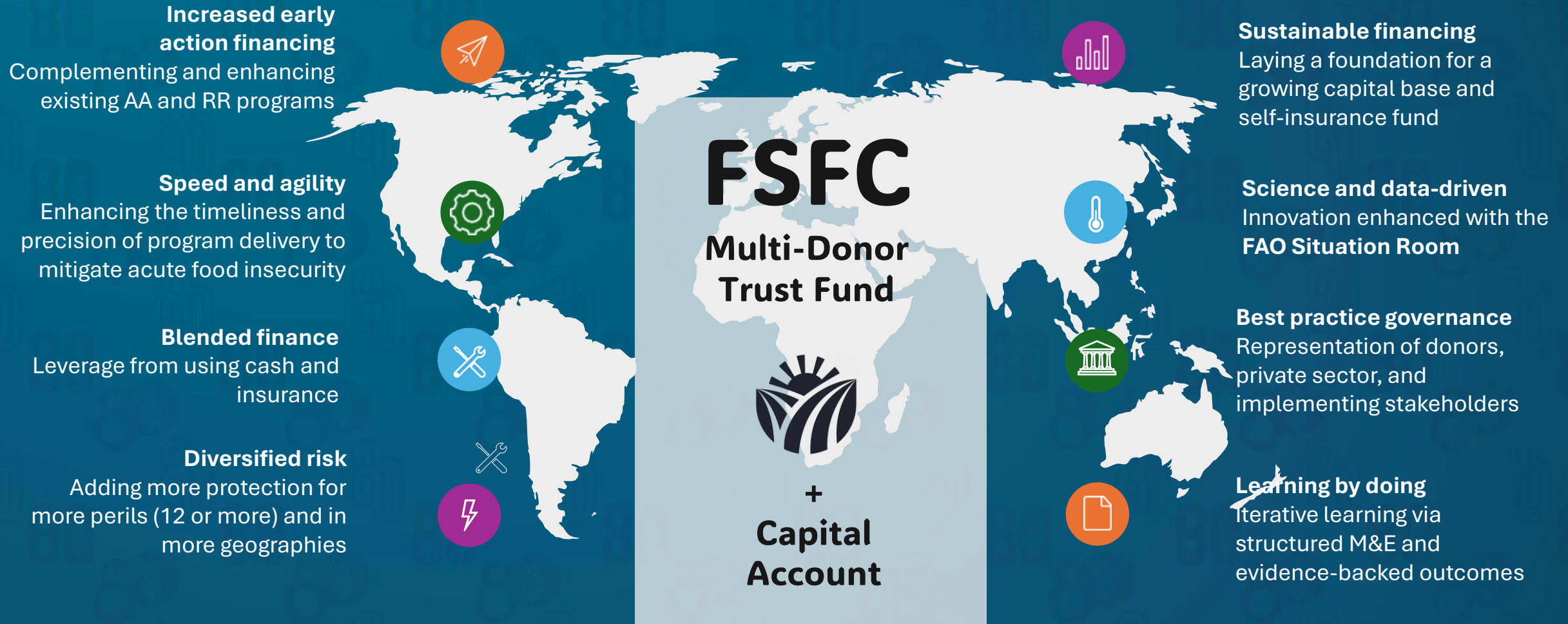
Consistent policies
Consistent set of metrics
for aligning impact

3. A platform to
accelerate
international
cooperation

4. Way to attract
investment

5. Living process

Need new tools to mitigate acute food insecurity crises before they escalate



To know more about...



Financing for Shock Driven Food Crises Facility

<https://www.fao.org/interactive/2025/risk-into-response/en/>

<https://www.youtube.com/watch?v=DLhDZ9EBVIE>



The Financing for Shock Driven Food Crises Facility

Q&A with Máximo Torero,
Chief Economist of FAO



FAO RISK MONITOR

FOOD SECURITY RISK INTELLIGENCE AND EARLY WARNING ROOM

<https://riskmonitor.fao.org/>

Thank you



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