Statement by
Supachai Panitchpakdi,
Secretary-General of UNCTAD,
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To many people, the food crisis of 2008 may now seem like a distant memory, and perhaps even diminished in importance, having since been overshadowed by the financial crisis. The further deterioration of the financial crisis into a more generalised economic recession has diverted attention as well as resources to a rapidly developing emergency; last year's images of food riots and spiking commodity indexes have accordingly receded in peoples' minds.

However, it would be a mistake to imagine that food insecurity is no longer a pressing concern: indeed, the World Food Program estimates that high food prices in the first half of 2009 pushed another 105 million people into hunger, bringing the total number of people suffering from hunger to more than a billion this year. Food insecurity remains at a critical level for many African countries: 21 [African] countries currently face a food security crisis and over 300 million Africans face chronic hunger. Furthermore, the causes of the food crisis have not been adequately addressed, leaving many countries in the region vulnerable.

The causes of the food crisis do not just lie in the specific conditions of last year's price spike, among which included climatic conditions, such as drought, and widespread speculation in commodity markets. UNCTAD has consistently drawn attention to the long-term causes of both the financial crisis and the food crisis, and it is on these causes that I would like to re-focus attention today. In so doing, I would also like to emphasise - as I have done in the past - that the food crisis reveals an underlying and persistent crisis of development in some countries' agricultural sectors: it will require nothing short of a Green Revolution in Africa, similar to experiences elsewhere in Asia and Latin America, to address the long–term threat of food insecurity.

A long term decline in agricultural productivity in Africa

Overall, growth in Africa's agricultural sector has averaged 2 to 2.5% per annum since the late 1970s, with serious implications for its ability to feed itself: it is a well-known fact that having been net food *ex*porters until as recently as 1988, the continent is now a net food *im*porter. The situation is compounded by the recent price increases, which have meant that a growing proportion of Africa's export earnings are used to feed a rapidly expanding population, set to double to 1.9 billion by 2050. However, higher prices also provide opportunities and incentives for producers and for investment in agriculture, which I will come to later.

Given that average per capita food production has been falling constantly over the past three decades, and average farm size shrinking, the outlook for Africa's agricultural growth and food production is indeed alarming, as it will have to depend more on yield gains than on the expansion of cultivated land. Yet there is also the potential for rapid increases in yields if better access can be provided to fertilizers and technology – not necessarily sophisticated biotech solutions, such as genetically manipulated plant varieties, but new crop varieties, tractors, ploughs and irrigation systems. Additionally, the latitude and soil quality of some of Africa's agricultural regions offer the possibility of 2 or more harvests a year, using a crop rotation system. Greater productivity would also be supported by an expansion of extension services and agricultural banking.

The necessity for investment in the agricultural sector

As is now widely accepted, the relative neglect of the agricultural sector in many developing countries, especially in Africa, has led to disinvestment in supply capacities, such as extension services and infrastructure. In the past, market reforms, including Structural Adjustment Programmes, have also played a role in undermining agricultural productivity in Africa: SAPs encouraged the dismantling of extension services, marketing boards, and special agricultural banks and 'caisses de stabilisation'. The role of the State in agricultural development was significantly reduced. The result: private investment, both domestic and foreign, tending to go more into cash crops for export than into food production for local consumption.

UNCTAD research has shown that FDI into agriculture (including forestry and fisheries) and food processing (including tobacco) has grown more slowly than in other industries from 1990 to 2006, in both flows and stocks. Thus the shares of these industries in total FDI inflows declined during this period by nearly half, and are now insignificant both in developed and developing host countries. The agricultural sector accounted for 0.2% of world FDI inward stock in 2006, while the food processing sector attracted less than 3%. Given the very healthy long-term prospects for the agricultural sector, these small proportions are quite surprising.

In poorer economies where domestic investment in agriculture is limited, the potential for increased investment in agriculture relies on either ODA or the attraction of FDI. The uncertainty of ODA trends in view of the unfolding global economic crisis makes it imperative that the option of increased investment in the agricultural sector receives greater attention. This means developing countries will have to redesign their investment strategies and formulate policies targeted at attracting FDI into the agricultural sector, in particular food production.

UNCTAD's World Investment Report for 2009 is devoted to this particular issue, in particular the role of TNCs in agricultural production and supply. The report will address FDI flows into the agricultural sector and whether the recent food crisis has in any way influenced the perception and investment decisions of TNCs. We have also observed in recent months that concern over long-term food security has led some Sovereign Wealth Funds from developing countries to explore the possibility of investing in food production in other developing countries where the potential and comparative advantage for food production is great. This form of foreign investment could, in the near future, play a critical role in providing food security to both the investing and the producing countries.

However, I should add as a warning that recent UNCTAD figures predict FDI flows will decline by 25% in developing countries in 2009. This means that African governments and foreign donors will have to play an increasing role in bridging the gap in finance until private investment – both foreign and domestic – can recover.

ODA needs to target agriculture in order to support food security

Multilateral and bilateral ODA for agriculture dramatically declined between 1980 and 2002, by 85% and 39%, respectively. And while the greater emphasis now being placed on social and humanitarian aid is clearly justified, it has also resulted in less aid going to the productive sectors and to agriculture, with potentially disastrous consequences. This situation is in part due to the relative neglect of agriculture by both donors and African governments in recent decades. Additionally, the austerity measures imposed on African countries have reduced the State's ability to support agriculture in many African countries.

Aid has neglected not only agriculture, but economic development in general. Between 2000 and 2006, aid committed by OECD/ DAC countries for the development of the social sector and governance in the LDCs increased from 34 to 42 per cent of total ODA commitments (disbursements accounted for 41 per cent in 2006), whereas aid committed by OECD/DAC countries for the development of economic infrastructure and production in the LDCs fell from 29 to 18 per cent of total ODA commitments (disbursements accounted for only 13 per cent in 2006). In agriculture, total ODA declined from a high of about 18% in 1979 to less than 3% in 2006.

Developing productive capacities in the agriculture sector in African countries is necessary for higher rates of economic growth which create more sustainable productive employment opportunities, and also, ultimately, food security. Promoting the development of productive capacities is therefore the most promising strategy in the fight against food insecurity. However, it is a strategy which requires a major rebalancing of aid, especially in the LDCs, towards production and infrastructure in the agricultural sectors, as I mentioned before.

Aid for trade is certainly important in this context, but it will need to be complemented by aid for productive capacity development more broadly. This is because poor countries require not only assistance with respect to storage transport, product standards, customs procedures and trade rules; more fundamentally, they require aid for the development of vital physical infrastructure, banking systems, business support institutions, technologies, skills and knowledge-systems.

Increased aid and investment in agriculture is a challenge not only to governments in developing countries and development partners but also to civil society and the private sector. For donors, the challenge is to live up to their commitments and to recognize the importance of building economic and agricultural supply capacities in their aid disbursements. For governments in the developing countries, the main lesson is the need to implement policies that help promote investment and productivity improvement in the agricultural sector and mobilize greater domestic investment. Of course, the global financial crisis has made such measures even harder to achieve. Access to short-term capital and trade-finance is particularly acute in developing countries for smallholders, while a general economic slowdown is putting further pressure on fiscal budgets in many developing countries. And yet, the fall out of the financial crisis makes such "Counter-Cyclical" investment more necessary than ever before. Therefore, a concerted effort and partnership between major donors and governments in developing countries is needed to create a "stimulus package" for agriculture. Such a package could help limit the impact of the global slowdown, and also build the irrigation systems, silos and feeder roads needed to support agricultural production and insulate countries against food insecurity.

Conclusions: the role of the UN and UNCTAD

African countries need to address constraints that are keeping African agricultural productivity low. In this respect, it will be necessary for the State to take up a more proactive role than has been the case in recent years. Under the auspices of the UN Secretary General, a Comprehensive Framework for Action has been developed proposing a Global Partnership for Food. This aims to address both emergency responses and the need to invest in production.

- The Comprehensive Africa Agriculture Programme (CAADP) and its four pillars should be the framework for implementing the MDG Africa initiative on improving agricultural productivity and achieving food security.

- Practical measures for achieving sustainable increases in agricultural productivity must be identified. These include measures that improve farmers' access to agricultural inputs such as credit, seeds, fertilisers and pesticides.

- Food security and nutrition issues must be addressed urgently. Interventions should adopt a twin-track approach including both increasing the supply of food in domestic markets (through higher productivity and production but also food imports) and social safety measures to protect vulnerable food insecure groups.

The United Nations agencies have been active in addressing global and regional food security. In this respect I am pleased to welcome today's discussant, Assistant Secretary General Dr. David Nabarro, the Coordinator of the UN Task Force on the Global Food Security Crisis.

In May 2008, the United Nations named Olivier De Schutter as the Special Rapporteur on the right to food, whose responsibility it is to monitor the global food crisis. He was not able to participate in today's events, but wishes to inform the Members of the Trade and Development Board of his interest in its discussion. He states in his letter to myself that he "welcome[s] this important discussion and the leadership of UNCTAD on this subject."

In conclusion, I would like to draw your attention to some of UNCTAD's analytical and technical cooperation work on the food crisis and the long term development of the agricultural sector in Africa. Among other things, UNCTAD has continued to provide support to countries on commodities issues, including work on diversification, price stabilization, risk management, and speculation prevention; additionally UNCTAD also organised a series of high level forums on the development issues surrounding cotton, cocoa and coffee. UNCTAD continues to work with developing countries on their agricultural negotiations under the Doha Round of trade talks, as well as collaborate with international organisations on how to deal with trade-distorting subsidies and export restrictions. We are increasingly looking at the potential of biotechnology for balancing food and energy needs and at ways of helping countries to attract private investment in agricultural food production that also guarantees the benefits are shared by investors and host countries alike. Finally, UNCTAD has also been intensifying its work on gender and trade, identifying ways of supporting women's role in production and agriculture, as well as continuing our work on organic agriculture as a sustainable alternative for raising the productivity of African smallholders, many of whom are women.

As I stated in my introduction, the problem of food insecurity is primarily a problem of development. For this reason, it requires comprehensive policies and actions to address its causes, not just emergency efforts to deal with the immediate crisis of high prices and food shortages. UNCTAD's depth and breadth of expertise in all of the issues I have previously discussed, places an onus upon us to support developing countries as they seek to address their food security concerns and stimulate a Green Revolution in their lands.