

Food security in S,M & L run

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What is the OECD?



An inter-governmental organization financed by its 30 member countries

Mission: to foster economic growth, sustainable development and prosperity

Provides comparative data, analysis and forecasts

Forum for policy dialogue for members and non-members





Who works on food security at the OECD?



Development Cooperation Directorate:

- Tracks aid flows including to agriculture, aid for trade...
- Lead role in monitoring L'Aquila commitments
- Fosters best practice - Paris Declaration on Aid Effectiveness
- Promotes international dialogue on aid architecture (governance)

Trade and Agriculture Directorate:

- Monitors agricultural policies in OECD and some non-OECD
- Undertakes analysis to inform policy choice:
 - Agriculture
 - Trade (including aid for trade)
 - Development

Joint work on food security, aid for trade and aid effectiveness...



Improving food security in the short run

Short term responses to 2007-08 price spikes impressive:

- **WFP gets high marks:**
 - quickly mobilized resources
 - local procurement proved effective and complementary to development
 - lessons learned on best practice and potential for better targeting
- **High Level Task Force:**
 - fostered coherent response from international organizations
 - promoted high profile dialogue
- **Rapid scaling up of financing by IO's (new initiatives at FAO, World Bank, IFAD, EU...)**

Responses by some countries unhelpful, even if understandable



Improving food security in medium term



Increase ag productivity/output in developing countries:

- **Additional funding for public goods: research, extension, market information, infrastructure, institution building...**
 - **Address market failures**
 - **Commit funds to activities that generate sustainable results**
 - **Recognize diversity of situations across and within countries**
- **Promote ag trade reform, develop trading capacity**
 - **Open markets so competitive suppliers respond to global price signals**
 - **Reduce distortions to global markets due to ag support policy (OECD &)**
 - **Implement Aid for Trade Initiative to boost capacity and infrastructure**
 - **Improve coherence between trade and development policies**



Improving food security in long term (1)



Focus on access, affordability or availability?

Population & ag productivity:	Region of the world			
	Developing		Developed	
	~ %annual growth ~			
	1960-05	2005-50	1960-05	2005-50
<i>Population</i>	1.99%	0.93%	0.61%	0.13%
<i>Agricultural TFP¹</i>	1.32%	2.00% ²	1.65%	2.00% ²
<i>Difference</i>	-0.67%	1.07%	1.04%	1.87%

(1) Taken from Fuglie, K. 2008. "Is a Slowdown in Agricultural Productivity Growth Contributing to the Rise in Commodity Prices?" *Agricultural Economics*, 39 supplement: 431-441.

(2) ??? = averages of estimated rates 1991-2006

« **Viewing long run food insecurity as poverty**

Enlarges and re-orientes portfolio of policy choice

- Agriculture and trade policy will continue to feature
- **But also wider framework and policies that:**
 - *recognizes inclusive economic growth as only sustainable cure*
 - *promote pro-poor income opportunities both on and off farm*
 - *foster adjustment and transition out of farming (faster than ever)*
 - *focus on outcomes, not agents (e.g., small-holders)*
 - *ensure social protection for the most vulnerable*

« **Improving food security in the S,M&L runs**



Summing up:

- **Short term responses to successive waves of crises impressive - important lessons learned**
- **In the medium term focus on policy & market failures, socially profitable public investments in agriculture**
- **Long run policy agenda more than just agriculture**

Best policy 'mix' depends both on the length of run and stage of development