

**Inaugural Ceremony: 30<sup>th</sup> Anniversary Session  
of IFAD's Governing Council**

Statement by  
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**WFP**

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Thank you Madame Chairperson.

It is an honour for me to address the distinguished Members of the International Fund for Agricultural Development Governing Council.

And thank you President Bage, for your partnership, leadership and commitment to cooperation. I appreciate your invitation to join you, the Governing Council and your guests on this special occasion.

I am also pleased to join James Butler, FAO's Deputy Director General.

On this occasion, marking the thirtieth anniversary of IFAD's establishment, let me commend IFAD's commitment to strengthening the collaboration among the Rome-based agencies with the purpose of enacting effective solutions and real results on reducing hunger and food insecurity.

I first met Lennart when Kofi Annan appointed us both to the High-Level Panel on UN Coherence. During my travels with the Panel, I learned a great deal about the humanitarian and development work within the UN but I also learned about the fact that IFAD is a highly respected institution which knows its mission and delivers results.



During the past three decades, WFP and IFAD have enjoyed extensive collaboration dating back to our first project together in Burundi in 1979. There, through Food-for-Work, we supported IFAD projects that created local roads and other infrastructure. Both agencies continued working together successfully in Africa and Asia. We partnered to help communities rebuild their lives in the aftermath of civil strife and natural disasters in Rwanda and Mali, and our long cooperation together in China helped lift hundreds of thousands of people out of rural poverty, eventually leading to the successful conclusion of WFP assistance programmes in China.

Over the years, the strategy has been to combine WFP food assistance together with financing from IFAD to address rural hunger and poverty. These Food-for-Work and Food-for-Training projects have enabled our beneficiaries to participate in IFAD's micro-credit programmes and income-generation projects. We have also collaborated in disaster recovery, providing communities with opportunities for sustainable development and helping them to resist future shocks.

As the world's hungry and poor face rapidly increasing challenges, our continued cooperation and collaboration is more important than ever.

The good news is that through all of our combine efforts, the world today produces food for more people than ever before in human history. The proportion of hungry in the developed world has been halved from 1969 till today. But recent evidence indicates slow progress towards meeting Millennium Development Goal 1, which aims to cut the proportion of the hungry again in half by 2015.

Worldwide, the proportion of undernourished people is still declining, but not fast enough to keep up with population growth adding at least four million to the ranks of the hungry every year. Today the world still loses a child every six seconds to hunger. The World Health Organization declares hunger and under-nutrition as the number one threat to public health.

Since June, WFP has been raising the alarm that a "perfect storm" of challenges may be forming, and the world's hungry are being hit hardest in the developing world. Now with soaring global food and oil prices,



increasingly severe weather shocks, due in part to climate change, and declining global food stocks, we see that storm already hitting countries with less ability to rebound from such shocks.

*The Economist's* December cover story entitled “The End of Cheap Food”, reports that its food price index is higher than at any time since it was created in 1845 and that the price of wheat alone had doubled from May to September.

As we know, tension over the food prices and food supply has surfaced on all continents from Mexico to Senegal to Yemen to Pakistan, Indonesia, Afghanistan, and even here in Europe.

Among the major drivers of high food prices include rise in oil and energy prices which affect the entire value chain of food production; the economic boom in nations such as India and China, creating increased demand; climate and weather-related events, like hurricanes and floods and drought, have made for some bad harvests in particular regions; and the shift to increase biofuels production which has led to market speculation, and food prices being set at high fuel price levels.

Because of this, we are seeing the profile of hunger changing as households that depend mostly on markets face deteriorating conditions. These households will spend more on food to the detriment of non-food expenditures such as education and health.

There is no doubt that rising food prices and increased demand will be a boon for many farmers. But we are not yet seeing the benefits reaching smallholder farmers who often cannot even produce enough to meet their own family needs. For them, the price of inputs – seeds, fertilizer, water – are soaring, further taxing their limited resources.

We also know that 80 percent of food-insecure people live in rural areas and half of them are smallholder farmers. In our collective response, we must continue to strike a balance between helping the vulnerable meet today's needs while keeping a focused eye to creating sustainable agricultural solutions for tomorrow. And we must all raise our voices to enact strategies and policies to ensure this boon for farmers does not by-pass smallholders in Africa, Asia and Latin America.



This is why WFP has shifted to purchasing from local farmers whenever and wherever possible. Today, I am proud to report WFP spends 80 percent of its cash for food aid purchases in 69 developing nations. That equals a more than US\$ 612 million a year investment in developing-world agriculture. This creates a powerful win-win response to hunger, with local farmers helping meet the needs of the hungry.

In fact, this trend represents a revolution in food aid, where the way we intervene becomes part of the solution. WFP is in the process of developing a strategic plan with our Board that aims to mark this change from a food aid agency to what I call a “food assistance” agency, embedding local purchase and more nuanced, market sensitive interventions alongside life-saving emergency commodity contributions that today, for example, sustain up to 3.1 million people a day in Darfur alone.

This transformation – and the partnership between WFP, IFAD and FAO – is even more vital in an era of climate change. I have just returned from speaking to the UN general assembly about the dire projections of climate change’s potential impact on food production. We must act now with innovative solutions, and practical, village level, adaptation and mitigation measures.

WFP and IFAD collaboration provides an important link between meeting urgent needs and creating long-term solutions. In 2007, WFP and IFAD cooperated in 13 countries, mainly in agricultural development and environmental protection, while assessments, project design, capacity-building and education were also important features of our global cooperation.

Since our joint participation in the 2002 Monterrey International Conference on Financing for Development, WFP, IFAD and FAO, now deliver joint statements to United Nations intergovernmental meetings. These messages are based on the “twin track” strategy to reduce hunger and rural poverty; which recognizes that fighting hunger requires direct action to alleviate hunger immediately for the most vulnerable on the one hand; and longer-term agricultural, food security, nutrition and rural development programmes to eliminate the root causes of hunger on the other hand.



The Rome-based agencies are also collaborating in the joint Food Security Theme Groups at the country level, and currently in 55 countries. One of the most active is Mozambique, which is also a UN “Delivering as one” pilot country. Within the framework of the UN Reform, WFP is engaged in 6 Joint Programmes and leads the Building Commodity Value Chains and Market Linkages for Farmers’ Associations Joint Programmes, together with IFAD and FAO.

The Rome-based agencies also work together when there are opportunities for cost-efficiency in administrative services. Currently WFP is hosting IFAD’s field presence Unit in India and in China WFP and IFAD are based in the same premises. WFP is looking into expanding areas of shared administration and management services with FAO and IFAD, where they are practical and make financial sense.

Last year was a prominent year for Rome-based agencies’ cooperation, helping shape our way forward. In 2007, and in line with the request of our membership, WFP, IFAD and FAO initiated a joint mapping exercise to identify and report on our collaboration at three levels: headquarters, regional and country levels around four pillars as follows: (1) Agricultural Investment, (2) Policy formulation, capacity building, knowledge management and advocacy; (3) Emergency and rehabilitation; and (4) Administration.

WFP submitted the paper on this collaboration to our Board this past October, and in its decision, the Board urged WFP, to undertake a joint document on the directions for future purpose-driven operational partnerships at the global, regional and country levels in consultation with the Rome-based agencies. And IFAD has followed suit. WFP is very encouraged to work with IFAD and FAO on developing this joint paper.

This will critically depend on further consultation among the relevant departments of FAO, IFAD and WFP over the next few months as well as the endorsement of the Governing Bodies on strategic areas for future collaboration.



Our continued strong collaboration and cooperation gives me hope, that even in the face of our global challenges, together, working with Member States, we can make great progress in our fight against hunger and poverty.

