

International Financial Institutions Respond to Global Hunger Crisis

International financial institutions (IFIs) provide financial and technical assistance to lower-income nations to support economic growth and improve people's living standards. Financial assistance may be in the form of grants or loans with zero or low interest rates.

The IFIs are the largest source of international financing for many low- and middle-income countries. Their support is more critical than ever as increasing numbers of people around the world face hunger and life-threatening malnutrition. The main causes include worsening climate impacts, armed conflict, and continuing economic strains due to the COVID-19 pandemic.

The IFIs have responded to the surges in global malnutrition and hunger with unprecedented financial commitments. The resources listed below total nearly \$50 billion for food security efforts, yet this is not a comprehensive list.

In April 2022, U.S. Secretary of the Treasury Janet Yellen convened a meeting of the IFIs and other major global economic leaders to plan a response to the world's rapidly rising food insecurity, hunger, and malnutrition. The result was the [IFI Action Plan to Address Food Insecurity](#).

World Bank

- The World Bank will allocate [\\$12 billion in new food security projects](#) by mid-2023, in addition to \$18 billion for food and nutrition security projects that had already been planned.
- The World Bank's International Development Association (IDA) [financing for food security has more than tripled](#) since 2008, from \$2 billion that year to \$6.8 billion in FY20. After the COVID-19 pandemic began in early 2020, IDA committed [\\$5.3 billion in new funding to food security](#), of which half was allocated to meet immediate food needs and half to strengthen longer-term food security.

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- IDA [extended its Crisis Response Window](#) to include \$500 million in financing dedicated to meeting people's needs during either the early stages of a slow-onset food-security crisis, or a sudden surge in infectious disease. Some of this financing is being used to support increased agricultural production in Niger, Burkina Faso, Cameroon, and Mauritania.

Global Agriculture and Food Security Program (GAFSP)

- In 2022, GAFSP committed \$139 million to support crisis response actions by countries or agricultural producers themselves. These actions include, for example, ensuring that farmers have access to essential agricultural products such as seeds, improving fertilizer practices and water management, and supporting delivery of critical nutrition services.
- In 2020, GAFSP allocated nearly [\\$60 million in additional funding](#) to 15 countries to enable national governments, small-scale farmers, producer associations,

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and others to complete their existing projects or adapt them to pandemic conditions.

International Fund for Agricultural Development (IFAD)

- IFAD will invest [\\$3.5 billion in 78 countries](#) by 2025 to help farmers and their communities build resilience to hunger crises, including through affordable access to fertilizer, biofortified crops, and drought resistant seeds.
- In response to the impacts of the war in Ukraine, IFAD established the [Crisis Response Initiative](#) (CRI) with initial commitments of \$11.1 million. The CRI will prioritize 22 countries that are most affected by the global hunger crisis. Funding will support small-scale infrastructure as well as smallholder farmers' access to essential agricultural inputs such as seeds, fertilizer, and fuel.
- IFAD launched a \$93 million multi-donor [Rural Poor Stimulus Facility](#) (RPSF) in 2020 to respond to the impacts of the COVID-19 pandemic on rural farmers. The resources are designed to help preserve the livelihoods of low-income, vulnerable rural people. Failing that, resources can also support people in developing new livelihood strategies more quickly, whether that support means providing farming supplies, access to markets, or help in finding paid work.

African Development Bank (AfDB)

- In 2022, the African Development Bank Group established the [Emergency Food Production Facility](#) to help African countries avert hunger crises. The \$1.5 billion in available resources will provide seeds and fertilizer to 20 million smallholder farmers in several African countries. The plan is to increase the value of food production by \$12 billion over the first two years.
- In 2020, the African Development Bank Group created a dedicated facility—the COVID-19 Rapid Response Facility—of [up to \\$10 billion](#) to help protect its member countries and private sector partners from the economic and social impacts of the pandemic. The African Development Fund allocated \$3.3 billion, 57 percent of its 2020 funds, to help establish the rapid response facility.

Food Security and Nutrition Activities Funded by the IFIs

- Scaling up safety net programs
- Food-for-work and cash-for-work programs
- Distributing and improving access to food and food vouchers
- Scaling up micronutrient supplementation programs
- Facilitating access to finance and markets for farmers
- Providing support for farmers to purchase livestock and agricultural inputs, such as seeds, fertilizer, and fuel
- Securing commitments to reduce non-tariff trade barriers for critical agricultural products
- Expanding grain storage capacity
- Supporting research and capacity building to make food systems more resilient

Asian Development Bank (AsDB)

- The AsDB's Asian Development Fund committed [\\$405 million](#) in grants to support food security, health services, and education in Afghanistan. Among other support, the grant will provide more than 800,000 people with emergency food and also supply essential agricultural inputs, such as seeds and fertilizer, to nearly 400,000 families.
- In 2021, the AsDB allocated [\\$4.1 million](#) to support the efforts of countries in Asia and the Pacific to address the damage to their food systems and rural economies from the COVID-19 pandemic.
- The AsDB [committed \\$20 billion](#) in 2020 to respond to the COVID-19 pandemic. This included \$2.5 billion in concessional loans and grant resources for low-income countries.

Inter-American Development Bank (IDB)

- IDB plans to invest [\\$400 million](#) in 2022 to increase the resilience, inclusiveness, and productivity of food systems in Latin America and the Caribbean.
- In 2020, IDB [provided \\$3.4 billion](#) in financing to respond to the impacts of the COVID-19 pandemic on the region, focusing on strengthening safety nets.