

FACTS BLAST MARCH 2009

GLOBAL FINANCIAL CRISIS, HIGH FOOD PRICES AND POVERTY

- Current estimates suggest that a one percent decline in developing country growth rates traps an additional 20 million people into poverty.¹
- **Investment:** foreign direct investment in developing countries will halve from 2007, from US\$1 trillion to US\$530 billion.²
- Prices of food commodities like maize, wheat and rice have fallen since the second quarter of 2008 by 35 to 50 percent - but most forecasts suggest prices will remain relatively high.³
- Global cereal prices are still 71 percent higher than they were in 2005, on average, and 7.5 percent above 2007 levels.⁴
- Higher food prices have increased both the incidence and severity of poverty worldwide.⁵
- Higher food prices are estimated to have increased global poverty by some 130–155 million people (over a two-year period).⁶
- The rise in primary commodity prices between 2003 and mid-2008 was larger and more sustained than those of earlier decades.⁷

GLOBAL HUNGER

Hunger on the rise

- The number of undernourished people worldwide increased to nearly one billion - 963 million compared to 923 million in 2007.⁸
- 115 million undernourished people were added to the ranks of the hungry. 75 million in 2007 and 40 million in 2008.⁹
- Much of the increase is attributed to high food prices.¹⁰

Where the hungry live

- The vast majority of the world's undernourished - 907 million - live in developing countries. Of these 65 percent live in only seven countries: India, China, the Democratic Republic of Congo, Bangladesh, Indonesia, Pakistan and Ethiopia.¹¹
- **Regional breakdown:** Asia, 583 million; sub-Saharan Africa, 236 million; Latin America and the Caribbean, 51 million; Near East and North Africa, 15 million.¹²

The human cost of hunger

- One in seven people (adults and children) go to bed hungry each night.
- Hunger (underweight) is No. 1 on the list of the world's top 10 health risks.¹³
- 25,000 people (adults and children) die a day from hunger and related causes.¹⁴
- Hunger kills more people every year than AIDS, malaria and tuberculosis combined.¹⁵
- One child every six seconds dying from hunger and related diseases (or 14,000 children a day).¹⁶

The economic cost of hunger

- The cost of child undernutrition to national and economic development is estimated at US\$20-30 billion per annum. When multiplied over the lifetime of today's undernourished children, this amounts to US\$500 billion – US\$1 trillion in lost productivity and income.¹⁷

¹ www.worldbank.org/html/extdr/financialcrisis/

² World Bank, 2008.

³ IMF

⁴ Ibid

⁵ World Bank. Global Economic Prospects, Commodities at the Crossroads, 2009

⁶ Ibid

⁷ Ibid

⁸ FAO, New Release, 9 December 2008.

⁹ FAO Director General, speech at the launching of the State of Food Insecurity in the World (SOFI) 2008.

¹⁰ FAO Briefing Paper: Hunger on the rise, 17 September 2008.

¹¹ FAO, New Release, 9 December 2008.

¹² Ibid.

¹³ The World Health Report 2002

¹⁴ FAO: The State of Food Insecurity in the World, 2002 (foreword)

¹⁵ In 2007, 2 million AIDS deaths (source: UNAIDS global report, 2008); 1.7 million TB deaths in 2006, including 231,000 people with HIV (WHO); and more than a million malaria deaths (WHO 2003). The up-to date figures on malaria will be released in mid September 2008.

¹⁶ www.unicef.org/media/media_40855.html and Under five deaths by cause 2006 doc from UNICEF

¹⁷ Global Framework for Action . Draft/Revised December 2006.

- For some countries, the cost of child malnutrition is as much as 2-3 percent of annual GDP.

Trends in reducing global hunger

- In developing countries, the proportion of undernourished in total population has been cut from 37 percent in 1969-1971 to 17 percent in 2000-2002.¹⁸
- The proportion of children under the age of five who are undernourished declined from 33 percent in 1990 to 26 percent in 2006. However, the number still exceeded 140 million.¹⁹
- Before the upsurge in food prices, FAO estimates for 2003-05 show that all four developing regions were making progress in reducing the prevalence of hunger. However, progress has been reversed in every region, resulting in increased hunger prevalence for the entire developing world.²⁰

Hidden hunger

- Hidden hunger (micronutrient deficiencies) makes people susceptible to infectious diseases, impairs physical and mental development, reduces their labour productivity and increases the risk of premature death.²¹
- Deficiencies in iron, vitamin A and zinc rank among the top 10 leading causes of death through disease in developing countries.²²
- Removing zinc deficiencies, for example, would prevent around 800,000 deaths per year.²³
- Eradicating vitamin A deficiency would cut child deaths from measles by 50 percent.²⁴

WFP's toolbox of nutritional interventions

- WFP is the leading purchaser worldwide of fortified blended foods in humanitarian operations.²⁵
- WFP distributes cooking oil that is fortified with vitamins A and D, iodized salt, fortified blended foods such as corn-soya-blend (CSB) as well as wheat-soya-blend (WSB).²⁶
- WFP is actively pursuing local milling and fortification of maize and other staple food where possible.²⁷
- WFP is expanding its toolbox of nutritional interventions to include a new range of products - from pre-prepared, ready-to eat foods, such as chick pea paste or fortified **date bars**, to "**Sprinkles**"- small doses of vitamins and minerals that come in sachets that can easily be added to food.
- **WFP's "Iodine Initiative"**: WFP is supporting medium and small-scale salt producers with salt iodization in Ghana, Senegal, India, Pakistan and Sudan, five of the 14 most at-risk countries from iron deficiency. Iodine deficiency causes a range of abnormalities including goitre (swelling of the thyroid gland in the neck), cretinism, dwarfism and mental slowness.

How WFP is helping

- WFP is seeking full funding for the life-saving projects programmed for 2009 and for targeted food safety nets and mother-child health programmes in extreme situations.
- WFP is scaling up school feeding and using it as a platform for urgent, nutritional interventions.
- WFP is also expanding cash and voucher programmes and supporting local purchases from small farmers, helping them to afford inputs and sustain livelihoods.
- *Number of countries: WFP provides food assistance in 74 countries and is present in 88 countries.*

In 2008

- *WFP allocated US\$920 million in response to high food prices, for both ongoing operations affected by the crisis and new projects, which support 23 million people in 24 different countries.*
- *Extended school feeding and take-home rations – 2.6 million children reached in six countries (Haiti, Liberia, Pakistan, Senegal, Sierra Leone and Tajikistan).*

¹⁸ FAO: The State of Food Insecurity in the World 2001, page 8 and Office of the FAO Director-General

¹⁹ The Millennium Development Goals Report 2008.

²⁰ FAO Briefing paper: Hunger on the rise , 17 September 2008

²¹ WFP Occasional paper No. 16, page 2

²² Fighting World Hunger Through Micronutrient Fortification Programs, Food Technology, November 2003, Vol 57. No. 11.

²³ Ibid

²⁴ Ibid

²⁵ Fighting World Hunger Through Micronutrient Fortification Programs, Food Technology, November 2003, Vol 57. No. 11.

²⁶ Ten Minutes to learn About . . . Micronutrient Powder for Home fortification, Sprinkles TM or MixMeTM, Volume 1, Number 6, WFP, September 2008.

²⁷ Ibid.

- *Supplementary rations of nutritious food to malnourished children and women – 130,000 children in seven countries (Djibouti, Ghana, Guinea, Haiti, Liberia, Senegal and Tajikistan)*
- *Voucher programmes – to enable people to access food through available markets – first in Africa in Burkina Faso, 180,000 people in two urban areas, where prices of basic staples are 25 percent higher than last year.*

How some of our partners are helping

- **World Bank:** The World Bank Group created a new US\$1.2 billion rapid financing facility—the Global Food Response Program (GFRP)—in May 2008 to speed assistance to the neediest countries. GFRP has approved and begun disbursing US\$851 million in 27 countries as of December 18, 2008. An additional US\$309 million is being earmarked for programs in 10 countries.²⁸
- **FAO:** In 2008, FAO launched an emergency initiative on soaring food prices and called for US\$1.7 billion and begun an emergency initiative to give small farmers in some of the poorest countries the seeds, fertilizers, and other tools they need to boost agricultural production for the upcoming planting seasons through 2009.
- **IFAD:** In 2008, IFAD made available US\$200 million to help poor farmers in the most affected countries to boost food production by providing essential inputs.

WFP's global funding needs

- **Number of beneficiaries: In 2009,** we will need to provide food for **at least 98 million beneficiaries** but that number could easily grow with more emergencies and more need.
- **Total budget for 2009:** Despite recosting our budget, and saving nearly US\$1 billion due to lower food and fuel prices, we still need **US\$5.2 billion** in 2009 to take care of the urgent-most hunger needs of 98 million people.
- **Total donations in 2008: Historical record donations of US\$5 billion (cash, US\$3 billion; and in-kind, US\$2 billion)** – about US\$2 billion more than the previous record. The donations included resources generously provided by donors in response to WFP's extraordinary emergency appeal launched in March for special funds to cover the impact of high food and fuel prices on its operations. The total budget for 2008 was almost US\$6 billion.
- In 2008, WFP received the highest ever level of contributions in any given year.

WFP AND LOCAL PURCHASES

Food

- WFP procures on markets all over the world about 50 percent of the food it distributes.
- WFP increased the total amount of food purchased around the world. WFP purchases went up from US\$767 million in 2007 to **US\$1.4 billion in 2008**.
- The total tonnage of commodities bought went up from 2.1 million tonnes to **2.8 million tonnes in 2008**.
- The continent where WFP purchased the most food, for the fourth consecutive year, was **Africa (US\$427 million; 1 million tons of food)**.
- **Developing Countries: In 2008,** the value of what WFP spent on purchasing food nearly doubled - from **US\$612 million (1.6 million tonnes)** in 2007 to **US\$1.1 billion (2.1 million tonnes)**.
- **Developed Countries: In 2008,** WFP purchased food valued at **US\$314 million (691,000 tonnes)** from developed countries. This compares with **US\$155 million (428,000 tonnes) in 2007**.

Non food

- **In 2008,** WFP purchased **US\$395 million worth of non-food goods and services** worldwide.
- **In 2008,** WFP spent more than **US\$740 million on transport-related activities** - landside transport, storage and handling (LTSH).

Purchase for Progress (P4P)

- In September 2008, WFP launched P4P, an initiative that builds on WFP's already extensive experience in local food procurement, and takes it a step further – reaching smallholder and low-income farmers and strengthening their access to markets by more actively engaging them in supplying food to the agency's global operations.
- P4P will be implemented in 21 pilot countries over the next five years: the 1st phase includes Burkina Faso, El Salvador, Guatemala, Honduras, Liberia, Malawi, Mali, Mozambique, Nicaragua,

²⁸ www.worldbank.org/html/extdr/foodprices/

Tanzania and Uganda ; the 2nd phase includes Afghanistan, Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Laos, Rwanda, Sierra Leone, Sudan and Zambia.

- In the first year, through the P4P approach WFP plans to purchase at least 35,000 tonnes of food from an estimated 40,000 smallholder farmers.
- The Bill & Melinda Gates Foundation committed US\$66 million to fund pilot projects in 10 countries in Africa, and the Howard G. Buffett Foundation committed US\$11.1 million to support pilot projects in seven countries. The government of Belgium contributed US\$750,000 for the project in the Democratic Republic of Congo.

TONS TO PEOPLE

In emergencies

- One metric ton of food (mixed commodities) is enough for about 1,800 individuals for one day.
- One metric ton of high energy biscuits is enough for 2,100 people for one day.
- Recommended daily energy intake - 2,100kcal.
- Total quantities per person per day - WFP standard ration, an average 550 grams; one packet of high energy biscuits = 466 grams.

COST OF WFP FOOD AID RATIONS

- **School feeding** – 25 US cents a day to feed a child through school or US\$50 a year.
- **Nutritional support to HIV patients** – Average daily cost for an adult and his/her family is 70 US cents; 30 US cents for an orphan or vulnerable child.²⁹

LOGISTICS

- WFP has greater logistical power and operates a larger transport network than any other humanitarian organisation. On any given day, WFP has an average 30 ships, 5,000 trucks and 70 aircraft delivering food across the globe.³⁰

WFP AND GLOBAL LEADERSHIP

- Last year, WFP took a lead role in raising awareness of the need for a robust international response to the increasing hunger needs resulting from high food prices.
- WFP's logistics network includes a humanitarian air service that ferries 400,000 people in and out of conflict and disaster zones every year.
- WFP set up and manages UN Humanitarian Response Depots (UNHRD) in Italy, Malaysia, Ghana, Dubai and Panama.
- WFP provides telecommunication services supporting the safety and security of humanitarian staff, through the Emergency Telecommunication Cluster. WFP currently provides such services in 14 countries, and has led inter-agency ICT operations in all major emergencies since 2005.

CLIMATE CHANGE

- Natural disasters have doubled in number in the past decade alone.³¹
- Numbers of people at risk have increased: 2.6 billion in the past decade compared with 1.6 billion the decade before.³²
- More than 90 percent of the people exposed to natural disasters live in the developing world.³³
- According to the UN's Intergovernmental Panel on Climate Change, climate change alone could increase the number of undernourished people to between 40 million and 170 million.³⁴

STAFF SECURITY

- WFP staff, along with all other humanitarian workers, faces increasingly serious threats to their safety in many parts of the world.
- Since the beginning of this year: **Two staff members** have been killed (**both in Somalia**); and **one WFP contractor** has been killed (**Gaza**).
- **In 2008**, a total of **14 people lost their lives**, **26 were wounded** and **44 were abducted or detained in the line of duty**.

²⁹ WFP Fact sheet: Cost of Nutritional Support for HIV/AIDS projects July 2008

³⁰ WFP Logistics Info Pack

³¹ EM-DAT: Office of Foreign Disaster Assistance (OFDA)/Centre for Research on the Epidemiology of Disasters (CRED) International Disaster Database. www.em-dat.net

³² Report: "Hazards of Nature, Risks to Development" - the World Bank's Independent Evaluation Group (IEG); 2006

³³ UNEP 2007. Fourth Global Environment Outlook: environment for development assessment report. Chapter 7.

Vulnerability of People and the Environment: Challenges and Opportunities. Page 302

³⁴ Climate Change 2007: Impacts, Adaptation and Vulnerability (Cambridge University Press)