

U.S. Department of the Treasury Welcomes IFI Action Plan to Address Food Insecurity

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WASHINGTON – Today, the U.S. Department of the Treasury welcomed the *IFI Action Plan to Address Food Insecurity* developed by the Asian Development Bank (ADB), the African Development Bank (AfDB), the European Bank for Reconstruction and Development (EBRD), the International Fund for Agricultural Development (IFAD), the Inter-American Development Bank (IDB), the International Monetary Fund (IMF) and the World Bank Group. This Action Plan stems from a meeting convened in April 2022 by Secretary Yellen on “Tackling Food Insecurity - The Challenge and Call to Action”, which included the heads of the IMF, World Bank, IFAD, and the Finance Ministers of Indonesia and Germany representing the G20 and the G7, respectively, as well as lead technical experts on food security and agriculture from the International Financial Institutions (IFIs).

The Russian war against Ukraine is the latest global shock that is exacerbating the sharp increase in both acute and chronic food insecurity in recent years driven by conflict, climate change and economic downturns, such as those associated with the COVID-19 pandemic. The IFIs are working swiftly to bring to bear their financing, policy engagement, technical assistance, and knowledge work to address rising food insecurity. The *IFI Action Plan to Address Food Insecurity* details how IFIs are stepping up, surging, and scaling their work on food security and agriculture. Highlights include:

- The **Asian Development Bank (ADB)** is working with the World Food Program (WFP) and the Food Agriculture Organization (FAO) to address severe food insecurity through emergency food assistance, food-for-work and cash-for-work programs. In Afghanistan, ADB is financing \$200 million for sustaining essential food and livelihood-related services to the vulnerable communities and will re-align planned activities as necessary to respond to immediate needs. In Sri Lanka, ADB is supporting the country to address food insecurity challenges through repurposing its existing portfolio. The assistance may include cash transfer to the poor and vulnerable groups and livelihood development

program in relation to food and nutrition. In addition, ADB is also exploring different options of trade finance and private sector loans to support food imports.

- As part of the African Emergency Food Production Facility, a proposed \$1.5 billion facility, the **African Development Bank (AfDB)** will deliver climate-smart, certified seed, fertilizer and extension services to 20 million farmers, as well as provide financing support for large-scale procurement of fertilizer to African countries through wholesalers and credit guarantees to aggregators, local input suppliers, and other players along the fertilizer value chain. The Facility also aims to support policy reforms facilitating modern agritech to farmers, including strengthening African national institutional capacity to oversee input and output markets. The AfDB is also seeking opportunities to provide budget support to certain countries to support vulnerable consumers.
- The **European Bank for Reconstruction and Development's (EBRD)** Resilience and Livelihood Framework will support businesses and public services across all sectors affected by the war in Ukraine and neighboring countries with a package of investments expected to reach €2 billion over the next two years. Food security and trade finance of agricultural and food products are expected to represent €500 million, of which €200 million is for Ukraine and €300 million is for neighboring countries.
- The **Inter-American Development Bank (IDB)** will support countries to broaden and deepen social programs that target food insecure people and households, including through unconditional cash transfers, food vouchers, school meals, and other programs. IDB is preparing a \$60 million cash transfer program for Haiti that will support vulnerable populations, as well as similar activities in Honduras. Also, the IDB aims to finance investment projects and technical cooperation for over \$400 million in 2022 to increase food systems' resilience, inclusiveness, and productivity in Latin America and the Caribbean.
- The **International Fund for Agricultural Development (IFAD)** will aim to invest \$3.5 billion in 78 countries to build the resilience of the world's poorest and most vulnerable rural people to current global challenges, including the Ukraine crisis and other food system shocks over the next three years. IFAD's newly launched Crisis Response Initiative aims to address short-term food security needs in 22 countries primarily in Africa, and Asia. IFAD has received initial pledges of €11 million for the Crisis Response Initiative.
- The **International Monetary Fund (IMF)** will support countries affected by food insecurity with the full range of its instruments, focusing on its macroeconomic expertise. Working closely with the World Bank and other IFIs, the IMF will provide policy advice,

capacity development assistance, and financial support either through programs or emergency financing. The IMF will work with country authorities on macroeconomic frameworks, improving social safety nets to protect vulnerable households from the imminent threat of food insecurity, and safeguarding food security without resorting to export restrictions. These policy objectives are reflected in program engagement. IMF financing support for Moldova and Mozambique, for instance, includes a focus on strengthening social safety nets.

- The **World Bank Group** response is global and will provide clients with comprehensive, streamlined solutions to the impacts of the crisis with \$30 billion available for the next 15 months, comprising \$12 billion towards new projects and about \$18 billion of undisbursed balance in the existing portfolio of projects linked to food and nutrition security. It will assist clients and partners to mitigate against the short-term negative impacts on food and nutrition security of the current global food and fertilizer price crises while remaining focused on medium- and longer-term actions that create pathways out of the crisis and greater resilience to price spikes going forward. The World Bank's global response will address four priorities: (i) Facilitate unhindered trade: Build international consensus (G7, G20, others) and commitment to avoid export restrictions that exacerbate global food price increases; (ii) Support consumers: Scale up nutrition-sensitive social protection programs and replenish early-response financing mechanisms to protect vulnerable households (including in some exceptional circumstances directly financing the food imports); (iii) Support producers: Ensure next season's production by removing input trade barriers, focusing on more efficient use of fertilizers, repurposing public policies and expenditures to better support farmers; and (iv) Invest in sustainable food and nutrition security: Strengthen food systems to make them more resilient to rising risks (conflict, climate, pests, diseases), trade disruptions and economic shocks - balance immediate/short term needs with long-term investment for transforming the food system.

[See the full plan here](#)  .