

Remarks by Secretary of the Treasury Janet L. Yellen at Green Climate Fund Agriculture Site

January 24, 2023

As Prepared for Delivery

Thank you very much. It's great to be here. This project shows how our countries can partner to address two of the most critical issues facing Zambia and the world: food security and climate adaptation.

Today, hunger and food insecurity are exacting a heavy toll on communities around the world, including right here in Zambia. The number of people facing acute food insecurity has risen to 345 million across over 80 countries. In Zambia, around 2 million people face acute food insecurity — and nearly half of the population is unable to meet their minimum caloric intake requirements.

Global food systems have been strained for some time by climate change, regional conflicts, and COVID's economic disruptions. Nowhere has this been more apparent than in Africa. And this difficult situation has been exacerbated by Russia's illegal war on Ukraine, which has further stressed food, fuel, and fertilizer prices across the world. Russia's war has cut off significant supplies of wheat, corn, and sunflower oil destined to global markets, including in Africa, leading to shortages and price spikes. Higher global energy prices raised shipping costs for food and other commodities, squeezing cash-strapped countries. And a surge in the price of fertilizer has hurt agricultural output in communities across Africa.

The first to be hit hard are the world's poor — in the United States as well, but particularly in developing countries in Africa and elsewhere. Simply put, Russia's unprovoked war of aggression against its neighbor has hurt Africa by exacerbating existing food insecurity and creating an unnecessary drag on the continent's economy.

During last month's Africa Leaders Summit in Washington, President Biden and I met with African heads of state to discuss how we can redouble our efforts to strengthen food security. Today, I want to speak to the actions we are taking to respond to the urgent food security crisis. I would also like to speak to our long-term partnership with African nations to build more

resilient food systems. Our goal is to get to a place where the need for humanitarian aid is exceptional and rare. And we want to advance a future where Africa participates more fully in global food and fertilizer markets and supply chains.

The United States is taking strong and immediate actions to alleviate hunger. Last year, the United States committed \$13 billion in humanitarian and food security assistance across the globe. This includes President Biden's announcement last month of \$2 billion in emergency, lifesaving assistance in Africa.

We have also rallied countries and international organizations to avoid export restrictions and impediments to humanitarian aid delivery. It is important that food and other critical supplies can flow more freely. The United States has made sure to exempt food and key agricultural commodity exports from its sanctions programs to further enable their flow onto global markets.

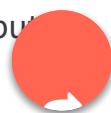
And we have worked with partners to facilitate Ukrainian food exports through the Black Sea Grain Initiative, including shipments bound for Africa.

And with our partners, we are leading efforts to stabilize global energy prices by introducing a cap on the price of Russian oil. This policy maintains flows of discounted Russian oil – helping mitigate further price shocks on emerging economies while also reducing Russian revenues.

While the policy is in the early stages of implementation, Treasury estimates that it could result in around \$6 billion in annual savings for the 17 largest net oil-importing African countries.

We are also working with international financial institutions to surge and scale their food security efforts. Last April, I convened a “call to action” with the heads of these institutions and representatives from the G7 and G20 to spur coordinated global action. The World Bank is implementing up to \$30 billion in projects — including \$12 billion in new programming — to respond to the food security crisis. The African Development Bank continues to advance a \$1.5 billion facility to address the food crisis in Africa. This facility is projected to benefit 20 million African smallholder farmers. With new seeds and fertilizer, these farmers will be better prepared to rapidly produce up to 38 million tons of wheat, maize, rice, and soybeans to meet the demands of the continent.

As we tackle acute needs now, we must also take a longer view and scale up investment in long term food system resilience. Africa is a perfect example of these dual challenges. It is a continent that faces acute food needs. But it is one that also has the potential not only to feed itself but



also to help feed the world – if the right steps are taken. As an example, Zambia’s maize production has the potential to turn it into a regional food hub.

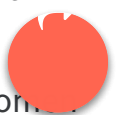
Under President Biden’s leadership, the United States announced a U.S.-Africa strategic partnership on food security at the Africa Leaders Summit last month. We will work together to improve Africa’s access to global agricultural commodity markets and meet its growing demand for fertilizer. And we will promote effective agricultural practices and approaches, including strengthening climate resilience.

Let me speak for a moment specifically on climate. We know that over the last decade, storms, floods, and droughts in Africa have increased in severity and frequency. This has hurt agricultural yields. The same is true globally as well. Indeed, farmers – like the ones we work with here – are often the first witnesses of the changing climate and its consequences. They know that climate change is not just a future threat; it is already here.

We must take urgent action to adapt agricultural practices and technology to the changing climate. The project we are visiting today helps small-scale farmers better manage the impacts of climate change. It’s funded by the Green Climate Fund, which the United States is proud to be a part of. We are committed to making sure that the Fund has sufficient resources to carry on this important work. We are also advancing climate adaptation through our latest \$155 million contribution to the Global Agriculture and Food Security Program. We are prioritizing innovative projects, such as providing farmers with new seeds that are more resilient to droughts, heat, and other extreme conditions. Already today, two-thirds of the Program’s projects are climate-related.

Africa’s long-term strategy to address food security also requires developing its infrastructure and logistics capabilities. The continent needs a robust capacity not only to grow food, but to make sure it can be cultivated, stored, and efficiently transported. The G7’s Partnership for Global Infrastructure and Investment will mobilize hundreds of billions of dollars over the next five years into a range of global infrastructure investments. The United States is also advocating against export bans in the agricultural sector so that food can move more freely. And we are strongly supportive of increased trade between African countries through the implementation of the African Continental Free Trade Area.

An issue of personal importance to me is the role of women in the economy and society. In Zambia, women constitute more than half of the agricultural labor force. And yet significant gender inequities persist in access to land, capital, seeds, and fertilizer. This suppresses agricultural productivity and harms output. I believe that we must advance the cause of women.



farmers across Africa. It's the right thing to do. But it is also crucial for food security and the economy.

This is a difficult time for many in Africa and around the globe. But that makes our partnership even more important. As President Biden said last month, it's not just about showing the will to work with Africans. It's also about doing the hard work of tackling these challenges together. We are prepared to do just that.

Thank you.

