

Fall 2023 Global Food Crisis Update— Recent Developments, Outlook, and IMF Engagement¹

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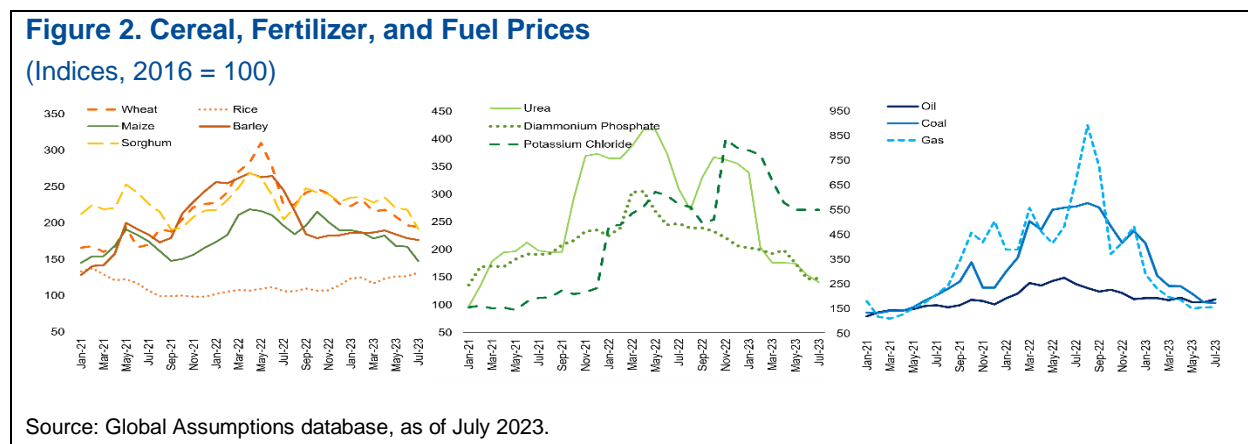
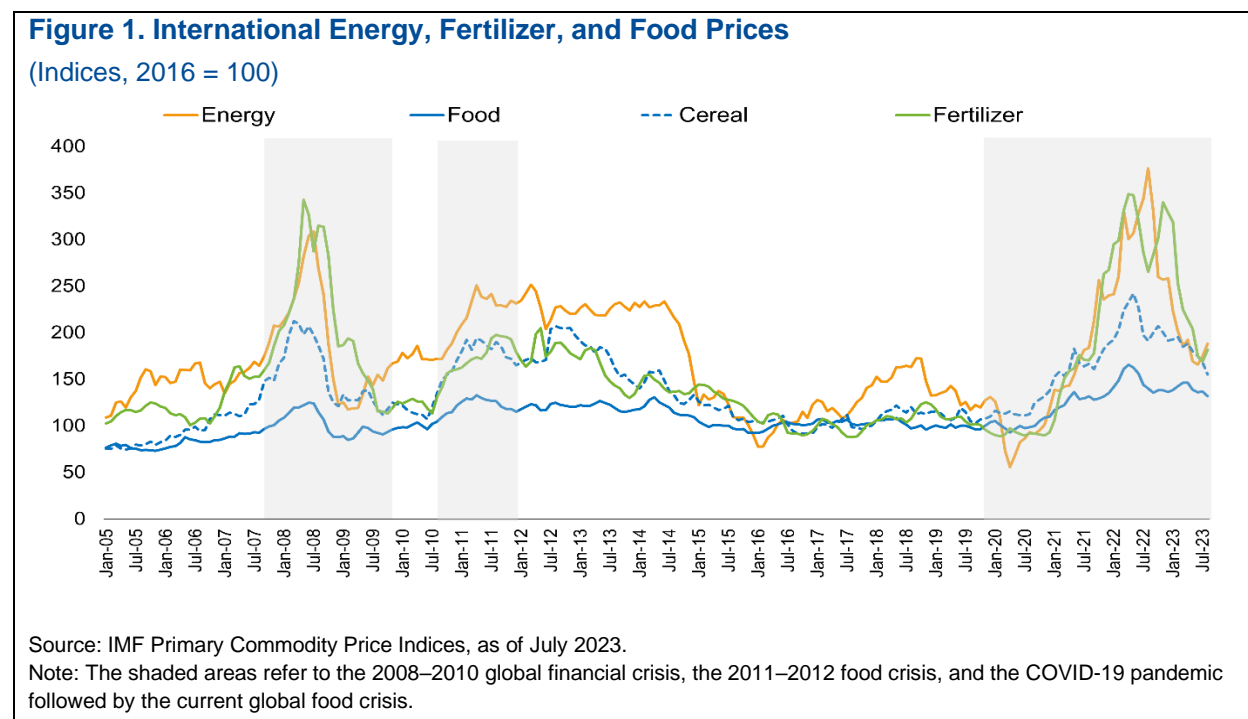
The food crisis is far from over, notwithstanding recent favorable price movements on global markets for food staples and fertilizers. According to the Food Security Information Network, an estimated 238 million people in 48 countries—up ten percent from a year ago—face high levels of acute food insecurity. Moreover, domestic food price inflation in many parts of the world remains high. The IMF's updated analysis on countries particularly affected by the food crisis shows that many of these countries also have low external and fiscal buffers and are thus particularly vulnerable to risks on the horizon, including from El Niño and the non-renewal of the Black Sea Grain Initiative. Concerted efforts to address the global food crisis and build resilience remain of paramount importance. The international community needs to remain steadfast in mobilizing assistance to the most affected countries, including to help them strengthen social safety nets, maintain open trade, and build more robust agriculture systems. The IMF, working in close cooperation with other international organizations, continues to provide policy advice, capacity development, and financial support through Upper Credit Tranche Arrangements and the Food Shock Window. As of September 2023, the Fund has committed SDR30.5 billion (US\$40.1 billion) in financial assistance to 29 countries assessed as significantly affected by the food shock. Financial support is under negotiation for several more, while others do not experience an overall balance-of-payments need because pressures related to the food crisis are compensated by other favorable factors.

Recent Developments and Outlook

Global food market conditions have improved in 2023. Since peaking in April 2022, global food prices have declined by 21 percent as of August 2023 (Figure 1), easing pressures on most international food markets. Adjusted for inflation, the food price declined by 25 percent in real terms during this period according to the Food and Agriculture Organization's (FAO) [food price index](#). These developments were supported by strong harvests in large food producing countries, steep declines in shipping costs, and more affordable energy and fertilizer prices (Figure 2). The easing of food price pressures was broad-based, including in the markets for cereals, vegetable oil, meat, and dairy products. Sugar and rice

¹ This note is an update to the IMF Note "Tackling the Global Food Crisis: Impact, Policy Response, and the Role of the IMF," 2022a, and "Global Food Crisis Update—Recent Developments, Outlook, and IMF Engagement," 2023a. The note was prepared under the general guidance of Guillaume Chabert (Strategy, Policy and Review Department). Helpful comments from several IMF departments and other International Organizations are gratefully acknowledged. The authors also thank Alexandra Panagiotakopoulou and Linda Bisman for outstanding production assistance.

were notable exceptions from this trend, seeing their prices spike by double digits in recent months due to production disruptions and, in the case of rice, new trade restrictions and stockpiling in main producing countries amid concerns over potential shortages.²



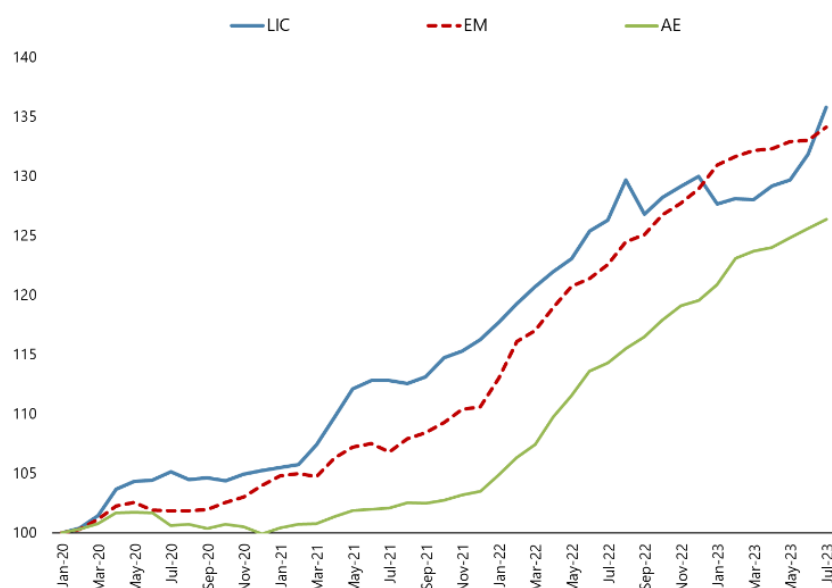
At the same time, domestic food inflation and acute food insecurity remain important challenges especially for low-income countries (LICs).

² In July 2023, India, the world’s largest rice exporter, introduced a ban on exports of non-basmati white rice citing a late start to seasonal monsoon rains, among other concerns. Additional restrictions on rice exports were introduced in August 2023. Russia also announced a ban on the export of rice and rice groats in July 2023 to maintain price stability in the domestic market (IFPRI, 2023). Thailand, the second-largest global exporter of rice, has urged farmers to restrict planting to only one crop this year given significant drought risks in early 2024 (USDA, 2023b).

- Households in many LICs continue to face a cost-of-living crisis and are not yet seeing the benefits of improved global conditions.** Whereas domestic food prices have begun to show signs of peaking in advanced and emerging market economies, average food price inflation remains strong in LICs (Figure 3). As of June 2023, almost a quarter of them saw annual domestic food inflation of more than 15 percent. The persistence of high food price inflation in LICs reflects logistical challenges, domestic market distortions, the offsetting impacts of currency depreciations and local weather shocks, as well as broader socio-economic fragilities and conflict. Limited food storage capacity in many LICs compounds their vulnerability to food shocks.

Figure 3. Domestic Food Prices

(Indices, January 2020 = 100, median prices by group)



Sources: Haver Analytics and IMF staff calculations.

Note: Low-income countries (LICs) are the group of countries eligible for IMF concessional lending. Emerging market and middle-income countries (EMs) are consistent with the World Economic Outlook grouping of emerging markets and developing economies (EMDEs), excluding LICs. Advanced economies (AEs) are consistent with the AE World Economic Outlook grouping.

- Millions of people still experience acute food insecurity.** According to the Food Security Information Network’s Global Report on Food Crises (GRFC), 238 million people in 48 countries faced high levels of acute food insecurity as of mid-2023, up from 216 million in 2022. These numbers do not yet include an update for another ten countries where 41 million people faced acute levels of food insecurity in 2022.³

³ See [FSIN and GNAFC, 2023b](#). Acute food insecurity is defined as experiencing phase 3 or higher according to the Integrated Food Security Phase Classification/Cadre Harmonisé (IPC/CH) scale, which ranges from minimal (1) to catastrophe/emergency (5). Using a somewhat different methodology, the World Food Programme (WFP) predicts that 345 million people will experience acute food insecurity in 2023, defined as any manifestation of food deprivation that threatens lives or livelihoods irrespective of the underlying causes, context, or duration. Notably, this figure is more than double the count in early 2020 (see Box 2 and WFP, 2023).

- ***On a global level, about one in three people struggles with chronic food insecurity and hunger.*** According to FAO, 735 million people remain undernourished globally,⁴ and 2.4 billion people struggle with moderate to severe food insecurity. These statistics demonstrate that achieving the Sustainable Development Goal of a world free of hunger by 2030 is a steep challenge.⁵

The food crisis is often exacerbating broader fragilities and vulnerabilities. A significant number of the countries most strongly affected by the food crisis are also categorized as fragile and conflict-affected states (FCS).⁶ For them, food insecurity tends to act as a fragility multiplier, exacerbating the compound effects of other challenges—such as climate change (which LICs, and particularly FCS, are least prepared to face)⁷—and contributing to conflict and violence which, in a circular logic, are a primary driver of hunger.⁸ Despite a slight narrowing of the gender gap in food insecurity in 2022, food insecurity continues to disproportionately affect women and population living in rural areas.⁹ Meanwhile, [funding shortages](#) are affecting the ability of the World Food Programme (WFP) and other international relief agencies to provide assistance to those most in need.

Looking ahead, risks are tilted to the downside. The latest forecasts point to a continued growth of supply during the 2023/24 season for key cereals, vegetable oil, soybeans, and sugar. This should support overall food price stability (FAO 2023a-c, USDA 2023a). At the same time, significant downside risks weigh on the outlook, stemming from (i) further disruption of food shipments through the Black Sea following the non-renewal of the Black Sea Grain Initiative in July 2023; (ii) new food export restrictions by large producers of key agricultural crops, which could tighten supply conditions and trigger price pressures for other commodities through substitution effects; and (iii) if sustained, the recent rise in global oil prices. Most importantly, a strong El Niño season now seems highly probable according to the [World Meteorological Organization](#) and the [U.S. Climate Prediction Center](#). It could disrupt food production in many parts of the world through warming of ocean waters, dryer conditions in some regions—including in Asia’s key rice-producing countries—and heavy rains and damaging floods in others (see Box 1).

Mutual Reinforcement of Food Insecurity and Macroeconomic Vulnerabilities

IMF staff estimates that 45 emerging and low-income countries are currently strongly affected by the food crisis (Figure 4 and Annex) based on the latest balance-of-payments data and FAO-WFP/GRFC publications.¹⁰ Forty-eight such countries were identified in 2022. Since then, eight countries have exited the list either because they are no longer classified as experiencing major food

⁴ These are mid-range estimates, based on FAO analysis (FAO, IFAD, UNICEF, WFP, and WHO, 2023).

⁵ A household is classified as moderately or severely food insecure when at least one adult in the household has reported to have been exposed, at times during the year, to low quality diets and might have been forced to also reduce the quantity of food they would normally eat because of a lack of money or other resources, based on the Food Insecurity Experience Scale (FIES) or a compatible experience-based questionnaire.

⁶ Of the 16 hunger hotspots identified as of highest or very high concern (FAO and WFP, 2023), 14 are FCS.

⁷ IMF 2023d argues that the negative impact of extreme weather events is both larger and more persistent in FCS relative to non-FCS. For example, rainfed farms in FCS stand to lose 11 percent of their agricultural production (as proxied by farmland vegetation) when a rainy season disappoints.

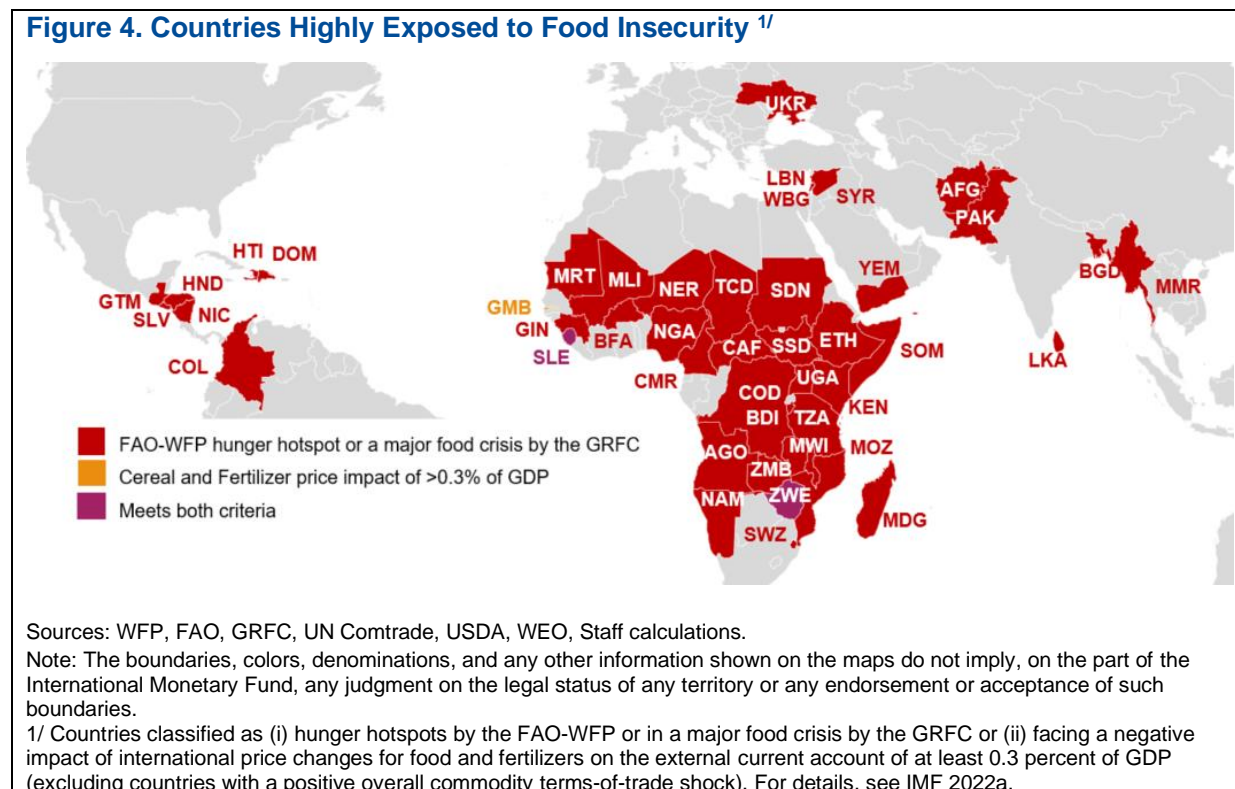
⁸ IMF, 2022b.

⁹ Moderate or severe food insecurity affected 33.3 percent of adults living in rural areas in 2022 compared with 28.8 percent in peri-urban areas and 26 percent in urban areas. For details, see FAO, IFAD, UNICEF, WFP, and WHO, 2023.

¹⁰ Based on an updated exercise described in Chapter 2.1 of IMF 2022a using the latest FAO-WFP Hunger Hotspots Report, the 2023 GRFC, and IMF’s latest balance-of-payments data and projections. The most affected countries are defined as those that (i) are either flagged as hunger hotspots according to the FAO and WFP Hunger Hotspots Report or are included in the list of countries in a major food crisis according to GRFC, or (ii) are facing a negative terms-of-trade shock associated with higher import prices of cereals and fertilizers of at least 0.3 percent of GDP. For details, see IMF, 2022a.

crises or are not flagged as hunger hotspots by the FAO-WFP/GRFC (Benin, Cabo Verde, and Lesotho) or because the balance-of-payments impact of food and fertilizer imports has softened (Nepal, Tajikistan, Djibouti, Thailand, and Vietnam). Meanwhile, five countries have been added: four due to worsening food insecurity according to the FAO-WFP/GRFC (Colombia,¹¹ Dominican Republic, Myanmar, and Tanzania) and one owing to significant negative balance-of-payments pressures from food and fertilizer prices (Gambia).

Figure 4. Countries Highly Exposed to Food Insecurity ^{1/}

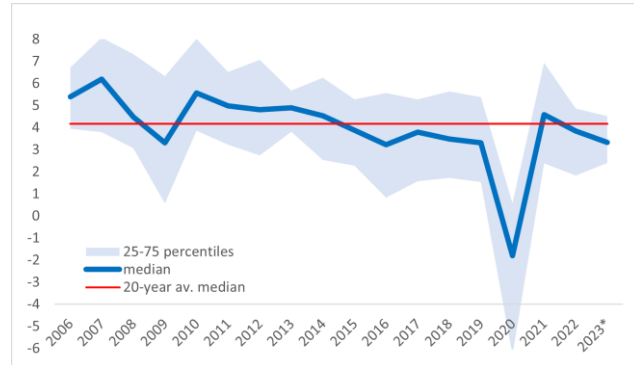


Due to worsening financial conditions that affects capacity to respond through policy measures, many of these countries are becoming more vulnerable to future shocks. In addition to a significant humanitarian cost, the food crisis—combined with higher energy prices and tighter global liquidity conditions—has taken a significant macroeconomic toll (Figure 5). After an initial post-pandemic rebound, median real GDP growth in the countries strongly affected by the food crisis has weakened. Headline inflation appears to have peaked but remains elevated, exceeding an annual 20 percent in about a quarter of countries. The external imbalances have widened, and fiscal positions remain weaker compared to pre-pandemic levels amid multiple competing needs. These pressures have led to a significant depletion of foreign exchange reserves with the median reserve coverage in months of imports approaching its lowest level in over a decade. Furthermore, with debt levels already elevated and spending on interest payments rising, the fiscal space to meet new challenges is extremely limited.

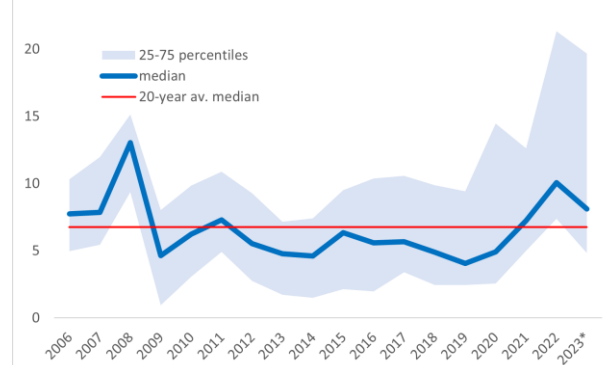
¹¹ Colombia was added to the list due to food insecurity concerns among specific groups, notably the world's largest population of Venezuelan refugees and migrants, which are hosted by the country. Colombia has been making strong efforts to regularize and integrate them by granting Temporary Protection Status (TPS) and increasing access to social protection programmes. Nevertheless, many refugees and migrants still face access barriers to official and informal safety nets, which increase their vulnerability (FSIN and GNAFC, 2023a).

Figure 5. Macroeconomic Developments in Countries Particularly Affected by the Food Crisis

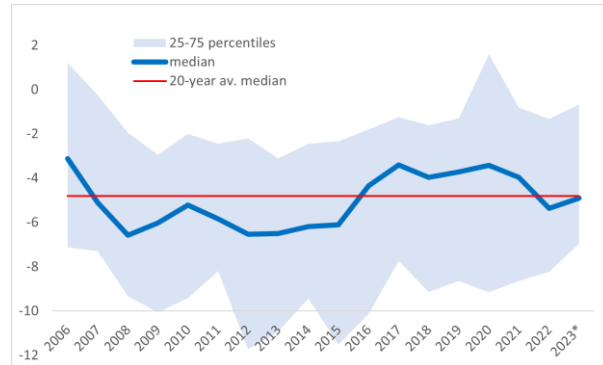
Real GDP Growth
(Percent)



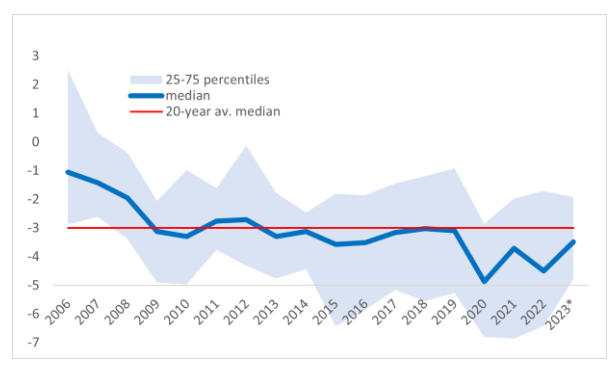
Annual CPI Inflation, eop
(Percent)



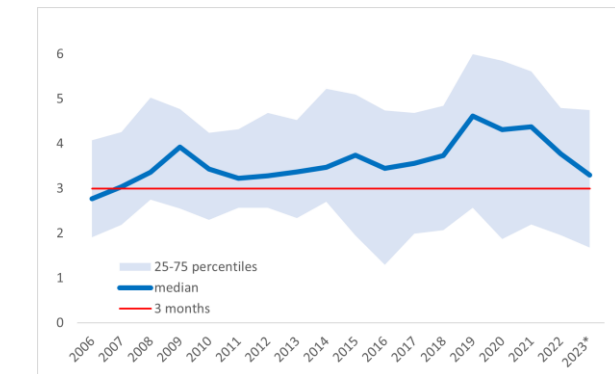
Current Account Balance
(Percent of GDP)



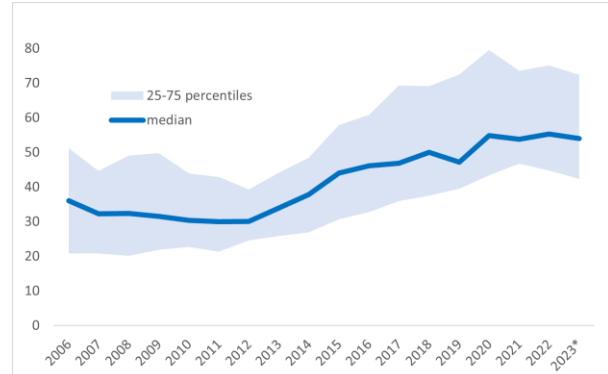
Fiscal Balance (Net Lending)
(Percent of GDP)



International Reserves
(Months of Imports)



Public Debt
(Percent of Fiscal Year GDP)



Sources: World Economic Outlook (October 2023) database and IMF staff calculations.

Note: The median, 25, and 75 percentiles are calculated for each year across all the identified food insecure countries for which the data is available. The 20-year average median represents the average value of the median over 2004–2023.

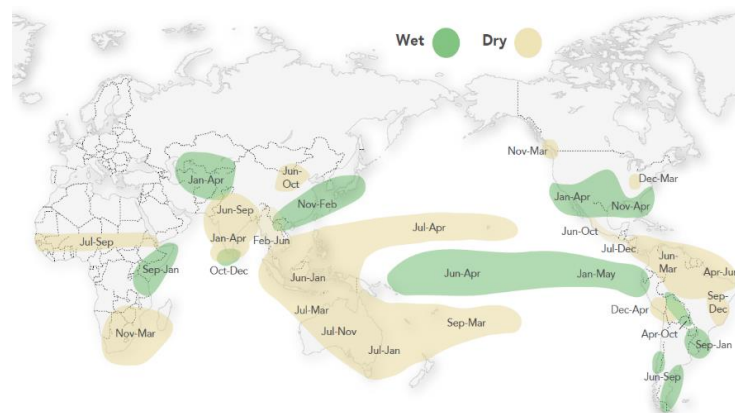
* For 2023, IMF staff projections are used.

Box 1. El Niño and Its Expected Impact

El Niño is a climatic phenomenon characterized by warming sea surface temperatures in the central and eastern equatorial Pacific Ocean. In July 2023, the World Meteorological Organization [declared](#) the onset of El Niño conditions. In September 2023, the U.S. Climate Prediction Center issued an [advisory](#) of an El Niño event persisting throughout the 2023/24 winter with a greater-than 95 percent probability and 71 percent odds of the event being “strong.”

Historically, El Niño events have had visible effects on agriculture, fishing, and energy markets, with substantial differences across regions. Vast swaths of western and southern Africa, Australia, Southeast Asia, and Central America typically experience drier conditions with adverse effects on crop yields. Significant sources of world supply of wheat and rice are particularly at risk. Warmer ocean surface waters along South America’s western coastline disrupt the marine ecosystem—with negative effects on fish output—and increase hurricane activity. By contrast, barring damaging floods, increased precipitation in parts of southern South America, the Horn of Africa, and Central Asia could boost agricultural output. Shifting temperatures and precipitation patterns can also be expected to have varied impact on energy demand and production, particularly from hydroelectric dams (Box Figure 1).¹²

Box Figure 1. Typical Precipitations Patterns Under El Niño Conditions



Source: ENSO Resources, April 2023. International Research Institute for Climate and Society, Lamont-Doherty Earth Observatory, Columbia Climate School – Columbia University. Palisades, New York, 2023. <https://iri.columbia.edu/our-expertise/climate/ens/>

While the presence of El Niño conditions does not necessarily lead to food shortages, price spikes, or severe weather events, their likelihood is increased. The impact on global food markets will depend on the strength and duration of El Niño, as well as countries’ policy responses. Specifically, stockpiling by food importers and a proliferation of export restrictions by food exporters could contribute to a destabilization of global markets by causing large fluctuations in commodity prices. The IMF staff estimates previous El Niño episodes to have raised global food prices by an average of 5 percent in the course of a year (IMF, 2023c).

Key Elements of the International Policy Response to the Food Crisis

Concerted efforts to address the global food crisis and prepare for new challenges remain crucial:

- Governments in food insecure LICs should strengthen social safety nets to protect vulnerable households through timely and targeted support from the impact of the food shock. In many countries, this can be achieved by gradually phasing out untargeted subsidies, which disproportionately benefit wealthier households. It will also be important to use the respite provided by the improved global food

¹² For details on the potential impact on Latin America, see IMF, 2023e. FAO 2023d provides a holistic analysis of El Niño and its impact on crops.

market conditions to pursue policies and reforms aimed at strengthening macroeconomic resilience and rebuilding fiscal and external buffers.

- Countries at risk of adverse El Niño effects need to activate early warning and response plans and prepare temporary and targeted contingency measures to protect their populations should risks such as droughts, landslides, and flooding materialize.
- Maintaining open trade is crucial for ensuring a steady flow of food staples to vulnerable countries. Efforts should focus on removing trade barriers for food staples, fertilizers, and other agricultural inputs, phasing out export bans by food producers, avoiding market-distorting subsidies, facilitating food transportation, and addressing supply bottlenecks.
- The international community needs to continue mobilizing assistance to the most vulnerable countries and facilitate international food market integration and information-sharing, notably on climate-related risks and global food supply conditions.
- Long-term efforts to address food insecurity should include support for transforming food production and distribution. Moreover, as food insecurity is increasingly linked to climate-related shocks, it will be important to accelerate climate adaptation and mitigation efforts, including investments in climate-resilient agriculture. Enhancing support for the most vulnerable countries, especially those impacted by the compounding effects of fragility and conflict, will be required.

The IMF's Responses

The IMF has continued its strong engagement to help tackle the global food crisis. It has been working closely with international partners, including the World Bank (WB), World Trade Organization (WTO), WFP, FAO, and others, to ensure timely, tailored, efficient, and coordinated responses that build on each institution's core mandate and comparative advantage (see Box 2 for an overview of activities by international partners to mitigate acute and chronic food insecurity).¹³

The IMF's policy advice and capacity development assistance have focused on strengthening social safety nets and on trade policy, as well as broader macroeconomic policy frameworks. This helps guide our members' decisions on how to protect vulnerable groups, reduce inflation and macroeconomic instability risks, and identify sustainable ways to tackle food insecurity without recourse to export restrictions. The IMF has also intensified efforts to help countries strengthen resilience to climate change and facilitate donor engagement. In addition, IMF's strategy for FCS countries envisages significant scaling up of capacity development assistance to countries with fragilities (IMF, 2022b).

Since the onset of the food crisis, the IMF has deployed existing financial assistance tools and put in place new ones to better help our members most affected by the global food shock. Twenty-nine countries that were assessed as particularly affected by the food shock have received financing from the Fund, in addition to several precautionary arrangements approved for countries without immediate financing needs:¹⁴

- **Upper Credit Tranche (UCT) Arrangements**, with their multi-year engagement to foster strong and continuous policy dialogue, are generally best suited to support members' policy and reform agendas. As of September 2023, 25 UCT-quality programs are in place with countries strongly affected by the

¹³ The IMF Managing Director has so far cosigned three joint statements with partners drawing attention to the urgency of the food crisis and advocating for a large and timely response.

¹⁴ Countries using precautionary arrangements (FCL, PLL, and SLL) are excluded from both the count of 29 countries receiving financing from the Fund and the remaining discussion, including Table 1.

food shock (Table 1).¹⁵ Of these, 14 countries have benefited from new programs since the start of the war in Ukraine (Bangladesh, Benin, Burkina Faso, Burundi, Cabo Verde, Central African Republic, Honduras, Mauritania, Mozambique, Pakistan, Sri Lanka, Tanzania, Ukraine, and Zambia). Moreover, the IMF has approved five augmentations of existing programs.

- **The new Food Shock Window (FSW)** under the Rapid Financing Instrument (RFI) and the concessional Rapid Credit Facility (RCF) was approved by the IMF Executive Board in September 2022—initially for 12 months, with a subsequent additional 6-month extension until end-March 2024—to make available emergency financing for urgent balance of payments needs associated with the global food shock where a UCT-quality program is either not feasible or not necessary.¹⁶ As of September 2023, six requests (Burkina Faso, Guinea, Haiti, Malawi, South Sudan, and Ukraine) for financing under the new FSW have been approved (Table 2) in the amount of SDR1.4 billion (US\$1.8 billion). Two of the beneficiary countries, Ukraine and Burkina Faso, have since transitioned to UCT-quality programs.
- **Discussions on new IMF financing are ongoing for several other of the 45 countries particularly affected by the food crisis.** Some of these countries do not face a balance-of-payments need, which is a necessary condition for Fund financing. In a few countries, IMF financing is currently not possible due to recognition issues or severe governance and debt challenges.
- **To help all member countries tackle the longer-term challenges of climate change and improve pandemic preparedness, last year, the Executive Board of the IMF approved the establishment of the Resilience and Sustainability Trust (RST).** Since its inception, 11 countries have benefitted from RST financing totaling SDR4.4 billion (US\$5.7 billion) in support of their efforts to strengthen resilience to climate change, including through more climate-resilient agriculture in rural area. Examples include reforms to improve water management in Senegal, and to incentivize land and water management in Kenya. Adaptation reforms include strengthening disaster risks management in Barbados, Rwanda and Bangladesh, and building an early warning system against floods and climate-related events in Kenya.

Box 2. Recent Activities of the Food and Agriculture Organization, World Food Programme, World Bank Group, and World Trade Organization to Combat the Global Food Crisis

Food and Agriculture Organization of the United Nations (FAO)

Emergency and humanitarian response. In 2022, FAO reached at least 36 million people with direct emergency and resilience assistance to households and individuals in 77 countries worldwide to save livelihoods and lives. This assistance was delivered in partnership with 49 international and 287 national partners. The main emergency and resilience interventions were in support of crop production (19 million people assisted with inputs and technical assistance/capacity development), and the livestock sector and animal health (14.5 million people assisted with vaccinations of more than 35 million animals, emergency feed distributions, value chain assistance, and technical assistance/training). Moreover, 3.2 million beneficiaries received US\$67 million worth of cash and voucher assistance in 34 countries, and 1.4 million people, including farmers, partners and government staff were trained. A specific effort was targeted at Ukraine, with FAO implementing the FAO Ukraine Rapid Response Plan (RRP) for May-December 2022 to assist nearly 1 million rural people. In addition, FAO has been active in assessing the investment needs for the country's agricultural reconstruction and recovery, estimated at US\$29.7 billion over a ten-year period.

¹⁵ For details, see footnote 1 in Table 1. Other LICs that are facing food insecurity but have not met the criteria explained before have also received financial support under new UCT-quality programs or augmentations since February 2022.

¹⁶ For details, see IMF, 2023b.

Box 2. Recent Activities of the Food and Agriculture Organization, World Food Programme, World Bank Group, and World Trade Organization to Combat the Global Food Crisis (continued)

Information to enhance market transparency and guide policy responses. FAO has intensified its market intelligence services in providing up-to-date, objective, and timely data and information on market developments and outlook to governments and international and national actors.

Global governance. FAO is at the forefront of the efforts to address the world food crisis in a wide range of global governance mechanisms. In this regard, FAO hosts the Committee on World Food Security (CFS) and is technically supporting and informing discussions in the context of the UN Bodies, the G7 and G20, and the Global Forum for Food and Agriculture (GFFA). In addition, FAO co-leads the work stream on food of the UN Global Crisis Response Group on Food, Energy and Finance (GCRG).

Social protection and gender. To help mobilize the financing needed to expand the coverage of social protection to poor and vulnerable rural populations, FAO is co-leading the formulation of a statement on behalf of the Global Partnership for Universal Social Protection. The statement makes the case for directing climate finance towards expanding coverage of social protection and will be released ahead of the upcoming 28th UN Climate Change Conference (COP28). Other activity areas include animal health, the blue transformation, and facilitation of the effective use of fertilizers.

The UN World Food Programme (WFP)

Emergency and humanitarian response. As the global food crisis deepens, WFP's priority remains to meet existing and critical new needs. In 2022, WFP reached 160 million people with food, cash, and commodity vouchers—a historic high. In the first two quarters of 2023, WFP assisted an estimated 120 million people with food, cash, and commodity vouchers, 8 million more people than a year earlier. WFP plans to assist upwards of 170 million people this year.

Enhancing resilience through food procurement. WFP's response reinforces efforts to meet immediate humanitarian needs and to develop medium- to long-term resilience. With its large food procurement footprint, WFP leveraged its catalytic purchasing power to boost local and regional markets and livelihoods for small producers.

Insufficient funding is hampering WFP's capacity to respond. WFP faces the largest funding gap in its six-decade history and is forced to reduce life-saving assistance at a time when hunger is at record levels. The scale of the current global hunger and malnutrition crisis is unparalleled, with, according to the WFP methodology, 345 million people acutely food insecure in 2023—more than double the number in 2020. At the same time, WFP's current funding forecast for 2023 stands at US\$10 billion, leaving a staggering 60 percent gap. Almost half of WFP country operations have already cut—or plan to soon cut—the size and scope of food, cash, and nutrition assistance programmes. This includes some of the most critical operations like Afghanistan, Bangladesh, Democratic Republic of Congo, Haiti, Jordan, Palestine, South Sudan, Somalia, and Syria.

Prioritizing humanitarian action, investing long-term. WFP must do more with less and prioritize humanitarian action, but also proactively invest in long term programmes that tackle the root causes of hunger, build communities' resilience to shocks, and break the cycle of recurring crises, hunger, and destitution. There is increasing evidence that action to make fragile communities more resilient to shocks contributes to reducing humanitarian needs. With sufficient funding, WFP can deliver resilience programmes that, when combined with early responses, are a cost-efficient investment. They help to reduce needs, prevent crises, and revive highly pressurized food systems. This approach improves food security and nutrition, boosts agricultural productivity and protects farmers, helping them adapt to climate shocks.

Box 2. Recent Activities of the Food and Agriculture Organization, World Food Programme, World Bank Group, and World Trade Organization to Combat the Global Food Crisis (continued)

The World Bank Group (WBG)

Multi-sectoral approach to address critical needs and strengthen resilience. The WBG's response to the food and nutrition security (FNS) crisis has been through a targeted and scaled-up multisectoral approach to address both short-term and longer-term needs. The World Bank has exceeded its commitment of US\$30 billion, announced in May 2022, to enhance food and nutrition security support. The Bank has made available US\$45 billion within a short span of 15 months by combining US\$22 billion in new lending with US\$23 billion from the existing portfolio - exceeding the target of new commitments set at US\$12 billion, as announced earlier, by 83 percent. These interventions primarily come from agriculture, social protection, and health and nutrition operations. The WBG's multisectoral response is a combination of both immediate actions to address emergencies and longer-term investments/strategies to enhance resilience, with US\$20 billion committed towards short-term responses and US\$25 billion towards resilience. To address urgent needs, social protection interventions have been the primary means of support for people in crisis. While the Bank has scaled up support across 90 countries, it has also focused on targeting those countries most affected by the global crisis. Forty percent of the Bank's new food and nutrition security commitments or US\$8.8 billion dollars have been made in what are considered food and nutrition security "hotspots." The Bank's FNS response is expected to reach over 335 million people, of which about half will be women. So far, almost 90 million people have been reached.

The Crisis Response Window Early Response Financing (CRW ERF). The World Bank's CRW ERF is one of the primary tools available to countries to respond to emerging FNS crises. The ERF supports early responses to major food and nutrition security crises while also incentivizing resilience-building. Since the start of the global crisis, the ERF has allocated US\$898 million to 23 countries. This facility is now nearly depleted with only about US\$100 million remaining for the remainder of the IDA20 cycle (through June 30, 2025), and efforts are ongoing to seek additional support to help replenish the facility by the end of the year.

Engagement with partners. The WBG is working closely with partners to address the global FNS crisis. In May 2022, the WBG and the G7 Presidency jointly convened the Global Alliance for Food Security to catalyze an immediate and concerted response to the FNS crisis. Furthermore, the World Bank has also led a joint effort with FAO, IMF, WFP, and WTO to discuss food security and develop coordinated responses to the FNS crisis. Together, three joint statements have been issued, which have sent clear messages on urgent actions required to address the crisis. Other initiatives such as Global Food and Nutrition Security Dashboard and Food Security Crisis Preparedness Plans (FSCPPs)¹⁷ also address the FNS crisis.

World Trade Organization (WTO)

The 12th ministerial conference (MC12). As part of a package of measures adopted at the MC12 in June 2022, WTO members agreed a landmark declaration on food security,¹⁸ as well as a decision on humanitarian food aid and export restrictions,¹⁹ and a Fisheries Subsidies Agreement.²⁰ In the declaration on food security, WTO members acknowledged that progress towards Sustainable Development Goal 2 (SDG2) has been undermined, and committed to take concrete steps to facilitate trade and improve the functioning and long-term resilience of global markets for food and agriculture.

In recent months, the WTO has continued to play a particularly active role in the global response to the surge in the number and share of hungry people in the world. This has included engaging with partners, building on MC12 outcomes, monitoring trade restrictions, strengthening transparency, and negotiating reforms.

¹⁷ See Food Security Crisis Preparedness Plan.

¹⁸ "Ministerial Declaration on the Emergency Response to Food Insecurity", adopted on June 17, 2022. WT/MIN(22)/28, WT/L/1139.

¹⁹ "Ministerial Decision on World Food Programme Food Purchases Exemption from Export Prohibitions or Restrictions," adopted on June 17, 2022. WT/MIN(22)/29, WT/L/1140.

²⁰ "Agreement on Fisheries Subsidies". Ministerial Decision of June 17, 2022. WT/MIN(22)/33, WT/L/1144.

Box 2. Recent Activities of the Food and Agriculture Organization, World Food Programme, World Bank Group, and World Trade Organization to Combat the Global Food Crisis (concluded)

Engagement with partners. The WTO is participating actively in the Global Crisis Response Group on Food, Energy and Finance that was set up by the UN Secretary-General, including its work on fertilizers. The WTO Director-General is also working with the principals of other international agencies to articulate joint responses, including through a series of joint statements on the global food crisis. Despite the lapse of the Black Sea Grain Initiative in July 2023, the WTO continues to support the UN's efforts, with Türkiye, to ease exports of food and fertilizers from the Black Sea region. The organization is also continuing to work with partners on research and analysis to help inform policy responses.²¹

Building on MC12 outcomes. The WTO is continuing to build on the food security outcomes of MC12, including through the two work programmes that WTO members agreed to pursue. These focus on 1). The food security challenges faced by Net Food-Importing Developing Countries and Least Developed Countries;²² and 2). Sanitary and Phytosanitary issues (concerning food safety, and plant and animal health) raised under the MC12 declaration on this topic.²³

Monitoring restrictions. The WTO closely monitors trade restrictions, including export restrictions, imposed by its members on food, feed, and fertilizers, and issues regular reports on the latest situation. As of August 25, out of 110 such export restrictions imposed since the start of the war in Ukraine, 44 were phased out, bringing the total number down to 66.

Strengthening transparency. WTO committees also continue to play a vital role in strengthening transparency and improving the predictability of global markets for food and agriculture, by providing a forum for its members to address issues with one another. In May, the WTO also launched the wheat maritime trade and food security dashboard, which was developed jointly with the International Grains Council, and which provides a tool for users to monitor short-term trends in international maritime wheat trade flows in response to changing market conditions.²⁴

Negotiating reforms. WTO members are currently prioritizing the issue of food security in their negotiations on agricultural trade ahead of the organization's thirteenth ministerial conference, which is due to be held in Abu Dhabi in February 2024. A meeting of senior officials scheduled for end-October 2023 will be an important steppingstone towards this conference. Negotiations on updating WTO rules on domestic support to the farm sector, and also on how these could affect developing countries' ability to procure food at administered prices for public stocks, are among the key topics under consideration in the talks, along with questions on access to agricultural markets and export restrictions on food.

²¹ See for example "Rising Global Food Insecurity: Assessing Policy Responses. A Report Prepared at the Request of the Group of 20 (G20)." April 2023. UN Food and Agriculture Organization, World Trade Organization, World Bank Group.

²² https://www.wto.org/english/tratop_e/agric_e/wrkprog-fsldcs_e.htm

²³ "Sanitary and Phytosanitary Declaration for the Twelfth Ministerial Conference: Responding to Modern SPS Challenges". Adopted on 17 June 2022. WT/MIN(22)/27, WT/L/1138.

²⁴ <https://globaltradedata.wto.org/real-time-data-based-on-non-wto-data-sources>

Table 1. Recent New Upper Credit Tranche–Quality Programs and Augmentations for Countries Particularly Affected by the Food Shock Since February 2022¹

Country	Commitments (US\$ millions)	Key program objectives
Honduras (September 2023)	822	New Program: The authorities' economic program supported by a Fund arrangement seeks to preserve macroeconomic stability and begin to address these challenges to foster more robust and inclusive growth . The program will also support the authorities' efforts to build a well-targeted and wide-reaching social safety net to reach the most vulnerable groups . The program also aims to support the authorities' efforts to build resilience to climate change.
Burkina Faso (September 2023)	302	New Program: Burkina Faso faces protracted balance of payments problems, reflecting large development needs and the impact of shocks such as the COVID-19 pandemic, adverse weather conditions, deteriorating domestic security, the food insecurity crisis, and spillovers from Russia's war in Ukraine . The ECF will help create fiscal space for priority spending, strengthen resilience to shocks while reducing poverty , and bolster fiscal discipline, transparency and governance.
Burundi (July 2023)	271	New Program: Burundi faces a widening current account deficit and low foreign reserves, large development needs, and macroeconomic challenges triggered by spillovers from the war in Ukraine, domestic climate shocks and livestock sanitary crisis . Higher spending needs, including on fertilizers, social programs, and vaccines have raised fiscal financing needs. The 38-month arrangement aims to address Burundi's protracted external imbalances and strengthen inclusive economic growth and resilience, while being attuned to reducing fragility and tackling poverty and inequality .
Pakistan (July 2023)	3,019	New Program: Pakistan's economy was buffeted by significant shocks over the past year. The severe impact of the floods, the commodity shock from the war in Ukraine, and the tightening of external and domestic financing conditions together with policy backsliding aggravated economic conditions and halted the post-pandemic recovery. Policies under the new program aim to support the authorities' immediate efforts to stabilize the economy and rebuild buffers.
Kenya (July 2023)	551	Program Augmentation: The authorities are facing several near-term issues related to the high cost of living; exchange rate pressures; difficulties in mobilizing budgeted resources —including due to worsened outlook for external commercial financing since the 4 th EFF/ECF reviews and underperformance in revenue collection . As part of a comprehensive strategy to address challenges posed by continued disruptions in global markets and untested market access for over a year, the authorities are requesting augmentation of access under the EFF/ECF arrangements, supported by more robust and mutually reinforcing policies to achieve the program's objectives and underpin market confidence.
Central African Republic (April. 2023)	190	New Program: The Central African Republic has been affected by a confluence of shocks related to the COVID-19 pandemic, internal security upheavals, and Russia's war in Ukraine . As a result, its humanitarian needs have spiked, and food insecurity has continued to deteriorate with up to 3 million inhabitants affected. The ECF arrangement will help free up fiscal space and catalyze donor support for essential public services, as well as provide a framework for implementing domestic reforms.

Table 1. Recent New Upper Credit Tranche–Quality Programs and Augmentations for Countries Particularly Affected by the Food Shock Since February 2022¹ (continued)

Country	Commitments (US\$ millions)	Key program objectives
Ukraine (March 2023)	15,600	New Program: The overarching goals of the authorities' program are to sustain economic and financial stability at a time of exceptionally high uncertainty, restore debt sustainability on a forward-looking basis in both a baseline and downside scenario, and promote reforms that support Ukraine's recovery on the path toward EU accession in the post-war period.
Sri Lanka (March 2023)	3,062	New Program: Sri Lanka has been hit hard by a catastrophic economic and humanitarian crisis. The EFF-supported program aims to restore Sri Lanka's macroeconomic stability and debt sustainability, mitigate the economic impact of the crisis on the poor and vulnerable by strengthening social safety nets , safeguard financial sector stability, and strengthen governance and growth potential.
Bangladesh (January 2023)	3,300	New Program: The robust economic recovery from the pandemic has been interrupted by Russia's war in Ukraine, leading to a sharp widening of the current account deficit , depreciation of the Taka, and a decline in reserves. The ECF/EFF arrangements will help preserve macroeconomic stability and prevent disruptive adjustments to protect the vulnerable while laying the foundations for strong, inclusive, and environmentally sustainable growth.
Mauritania (January 2023)	86	New Program: A confluence of shocks, including Russia's war in Ukraine and regional tensions , have reverted the trend accumulation of reserves in 2022 and narrowed the space for policy intervention, while surging international commodity prices have led to inflationary pressures and food insecurity . Mauritania's program supported by the IMF arrangement aims to preserve macroeconomic stability, strengthen the fiscal and monetary policy frameworks, consolidate the foundations for sustainable and inclusive growth, and reduce poverty .
The Gambia (December 2022)	21	Program Augmentation: Balance-of-payments financing needs are significant, with a wide current account deficit stemming from the exogenous shocks. Forex shortages are also causing international reserves to decline. The augmentation aims to help meet the urgent financing gap in 2022 while maintaining adequate forex reserves to prepare for the large increase in debt service obligations from 2025 after the expiration of the debt rescheduling period.
Kenya (December 2022)	216	Program Augmentation: The multi-season drought has worsened food insecurity for vulnerable populations in arid and semiarid regions and has kept food prices elevated. The augmentation aims to ease pressures on official foreign exchange reserves and ensure continuity in budget financing, including to respond to the ongoing drought and food security needs .
Pakistan (September 2022)	936	Program Augmentation: The domestic and external imbalances reflect large fiscal policy slippages, a delayed monetary response to inflationary pressures, and high food and fuel prices as a consequence of the war in Ukraine . The augmentation intends to help guide policy implementation in the face of persisting macroeconomic vulnerabilities as well as external and domestic risks.

Table 1. Recent New Upper Credit Tranche–Quality Programs and Augmentations for Countries Particularly Affected by the Food Shock Since February 2022¹ (concluded)

Country	Commitments (US\$ millions)	Key program objectives
Zambia (August 2022)	1,272	New Program: Zambia has been dealing with the legacy of years of economic mismanagement, with an especially inefficient public investment drive. Growth has been too low to reduce rates of poverty, inequality, and malnutrition that are among the highest in the world. The ECF-supported program seeks to help reestablish sustainability through fiscal adjustment and debt restructuring, create fiscal space for social spending to cushion the burden of adjustment , and strengthen economic governance and public financial management.
Benin (July 2022)	637	New Program: Benin faces significant headwinds from a deteriorating security situation at its northern borders, pandemic-induced scars, and a higher cost of living amid the war in Ukraine , which could affect hard-won macroeconomic gains and cause hardship. The program seeks to help address pressing financing needs (related to security, COVID-19 scars, and the war in Ukraine), support implementation of the national development plan centered on achieving sustainable development goals , and catalyze donor support.
Tanzania (July 2022)	1,046	New Program: The 40-month financing package will assist the economic recovery and address the spillovers from Russia’s invasion of Ukraine, help preserve macroeconomic stability, and support structural reforms toward sustainable and inclusive growth, drawing on the government’s priorities.
Cabo Verde (June 2022)	60	New Program: Cabo Verde’s economy has faced significant challenges associated with the lingering effects of the global pandemic, as well as rising food and fuel prices because of the war in Ukraine and the impact of the ongoing five-year drought. The financing package will help mitigate the impact of the COVID-19 pandemic and the spillover effects of the war in Ukraine , reduce the fiscal deficit and preserve debt sustainability, protect vulnerable groups , and support a reform agenda that leads to higher and more inclusive growth.
Mozambique (May 2022)	455	New Program: Mozambique has been hit by a series of severe shocks that risk intensifying vulnerabilities and worsening socioeconomic conditions, including a growing food security crisis in the north that has left up to 900,000 people at risk. The three-year arrangement will help support the economic recovery and policies to reduce public debt and financing vulnerabilities, thus creating space for priority investments in human capital, climate adaptation, and infrastructure while supporting the recovery from COVID-19. It will also alleviate constraints on addressing the humanitarian and security crisis in the north.
Moldova (May 2022)	260	Program Augmentation: Spillovers from the war in Ukraine are affecting the Moldovan economy through a variety of channels, including a spike in energy prices, trade disruptions, adverse confidence effects and the indirect impact of sanctions.
Total (US\$ billions)	32.1	

¹ Countries are defined as facing major food crises if they are included in the 2022 or 2023 *Global Report on Food Crises* or are flagged as hunger hotspots in the June–September 2022, October 2022–February 2023, or June–November 2023 outlooks of *Hunger Hotspots: FAO-WFP early warnings on acute food insecurity*, or have a negative terms-of-trade shock associated with higher import prices of cereals and fertilizers of at least 0.3 percent of GDP based on the latest data. Precautionary arrangements are excluded.

Table 2. IMF Emergency Lending Support through the Food Shock Window

Country	Disbursements (US\$ millions)	Key objectives
Burkina Faso (March 2023)	80.9	Food access for poor households deteriorated significantly, and at present, about 3.4 million Burkinabés (out of a population of 21.5 million) experience food crisis. The authorities committed to use the disbursed resources under the Food Shock Window to provide urgent financial and direct food support to the most vulnerable households , including through the provision of well-targeted cash transfers and the distribution of free food as well as sales of cereals at subsidized prices. Furthermore, they committed to use the disbursed resources to improve clean water supply and distribution and to sell key agricultural inputs such as fertilizers at subsidized prices. Finally, they also committed to gradually lift temporary food-related export restrictions.
South Sudan (March 2023)	113.8	About two-thirds of South Sudan’s population is experiencing severe food insecurity, the highest level since the country’s independence. This is a result of multiple compounding factors, including severe multiyear floods due to climate shocks, intercommunal violence in parts of the country, and the impact of Russia’s war in Ukraine that is contributing to high global food and fuel prices. The disbursement designated for budget support will enable the authorities to avoid a premature fiscal contraction and to allocate immediately US\$15 million to the WFP and US\$5 million to the International Organization for Migration to bolster their humanitarian operations and to help address food insecurity in South Sudan during 2023. The remainder will be used predominantly to finance education spending.
Haiti (January 2023)	110.6	Haiti has been hit hard by the global food price shock. In September 2022, food inflation reached 44 percent, with rice inflation accelerating to nearly 70 percent. With more than half of the population already below the poverty line, Haiti faces a dire humanitarian crisis. Food Shock Window support will help address urgent balance of payment needs attributable to acute food insecurity and higher food import costs. The authorities will use emergency financing to support spending allocated in the budget for mitigating the impact of the food price shock on the population. Measures, among others, include increasing cash transfers and food rations for poor households, beginning school feeding programs and providing hot meals for vulnerable households and community restaurants, and waiving school fees.
Guinea (December 2022)	71.4	Guinea faces chronic food insecurity, but the global price shock exacerbated difficulties. The WFP estimates that 0.7 million people, 6 percent of the population excluding Conakry, are affected by acute food insecurity. Emergency financing support will help address urgent balance-of-payment needs and mitigate the food shock. About 30 percent of the resources will be used for direct in-kind food distribution, managed by the WFP. About 40 percent would be used for cash transfers , and the rest would help import fertilizers.
Malawi (November 2022)	91.1	Food insecurity in Malawi has increased dramatically under the impact of multiple tropical storms, below-average crop production, and increasing prices for food and agricultural inputs such as fertilizer and seeds. As a result of these factors, about 20 percent of the population is projected to be acutely food insecure during the upcoming 2022–23 lean season (October 2022–March 2023), almost 50 percent up from 2021. Emergency financing support will help address urgent balance-of-payment needs and mitigate the food shock , including by strengthening cash transfer programs for vulnerable households.
Ukraine (October 2022)	1,290.1	The Ukrainian authorities requested financial assistance under the new Food Shock Window of the Rapid Financing Instrument in the context of persistent urgent balance-of-payment needs, including due to a large shortfall in cereal exports. The purchase under the Rapid Financial Instrument has provided critical support to mitigate the serious consequences of this shock to the export base and has played a catalytic role for financing from other partners to close the external financing gap.
Total (US\$ billions)	1.8	

Annex. Countries Vulnerable to Food and Fertilizer Price Increases

Country	Major Food Crisis/Hunger Hotspot ¹	Terms-of-Trade Shock ²	
		2023	2024
Afghanistan	Yes	...	...
Angola	Yes	0.03	0.03
Bangladesh	Yes	0.05	-0.01
Burkina Faso	Yes	0.03	0.01
Burundi	Yes	0.05	0.04
Cameroon	Yes	0.07	0.05
Central African Republic	Yes	0.03	0.03
Chad	Yes	0.00	0.00
Colombia	Yes	0.07	0.04
Democratic Republic of the Congo	Yes	0.01	0.01
Dominican Republic	Yes	0.02	0.01
El Salvador	Yes	0.05	0.03
Eswatini	Yes	0.07	0.03
Ethiopia	Yes	0.00	-0.01
Gambia, The	No	0.34	0.30
Guatemala	Yes	0.04	0.02
Guinea	Yes	0.16	0.14
Haiti	Yes	0.05	0.04
Honduras	Yes	0.19	0.12
Kenya	Yes	0.00	-0.03
Lebanon	Yes	...	...
Madagascar	Yes	0.15	0.13
Malawi	Yes	-0.10	-0.22
Mali	Yes	0.00	-0.09
Mauritania	Yes	0.03	0.01
Mozambique	Yes	0.14	0.11
Myanmar	Yes	-0.15	-0.13
Namibia	Yes	0.03	0.02
Nicaragua	Yes	0.10	0.05
Niger	Yes	0.12	0.11
Nigeria	Yes	0.05	0.07
Pakistan	Yes	-0.08	...
Sierra Leone	Yes	0.37	0.34
Somalia	Yes	0.01	0.00
South Sudan	Yes	-0.01	-0.02
Sri Lanka	Yes	...	...
Sudan	Yes	0.02	-0.02
Syria	Yes	...	...
Tanzania	Yes	-0.05	-0.05
Uganda	Yes	0.02	0.02
Ukraine	Yes	-0.27	...
West Bank and Gaza	Yes	...	...
Yemen	Yes	0.16	0.14
Zambia	Yes	-0.07	-0.10
Zimbabwe	Yes	0.33	0.18

Sources: WEO, UN Comtrade, USDA, World Bank and IMF Staff calculations.

1/ As determined by the FSIN GRFC 2023 report and FAO-WFP Hunger Hotspots June–November 2023 Outlook.

2/ See IMF 2022a for details on methodology and commodities analyzed. Impacts equal to or above 0.3 percent of GDP are in red, those below are in green.

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