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Remarks by World Bank Group President David Malpass at the Event "Addressing Food Loss and Waste: A Global Problem with Local Solutions"

September 29, 2020

Good afternoon. It's a pleasure to be here. I'm glad UN Deputy Secretary General Amina Mohammed is joining us as well.

The pandemic is having severe economic and health impacts around the world. The food sector is critical and felt the impact. In many countries, consumers faced food shortages and price hikes. Farmers were stuck with food they could no longer sell. Restrictions on movement and business closures led to an upsurge in food loss and waste at different points of the food value chain. We all saw images of farmers forced to dump milk and plow crops back into their fields, while others ran out of food. Other shocks—such as the largest desert locust outbreak in decades, and droughts—also showed the vulnerability of harvests to climate change.

Food insecurity is on the rise in many countries. It's most acute in countries experiencing conflict and climate impacts. But hunger is also growing in rural and urban areas, where many people lost a share of their income because of the pandemic. Phone surveys that we conducted over the past few months show significant percentages of people running out of food or reducing food consumption to adjust spending to their worsening circumstances. Even where harvests are good and food is available, income shocks and rising retail prices are putting nutritious food out of reach for many households.

COVID-19 has exposed long-standing problems in the global food system. Healthy diets are too expensive for more than 3 billion people in the world. According to new data, around 57% of people in sub-Saharan Africa and South Asia can't afford a healthy diet. Price subsidies are often costly and not well targeted. Food safety is another major problem in many countries. Foodborne diseases cause an estimated 600 million illnesses each year. Food systems are also a source of pollution and the main driver of biodiversity loss. And food producers are among the poorest social groups in many countries. That's why it's critical to put food systems on a more healthy, sustainable and prosperous track.

This is where reducing food loss and waste comes in. About a third of all food globally is lost and wasted. This situation is egregious when 1 in 11 people are undernourished and that number is growing dramatically due to COVID-19. Food loss occurs because of spoilage on farms and along the supply chain. By contrast, food waste occurs when food successfully reaches markets or consumers but is not purchased or consumed. A great deal of loss and waste occurs for technical, physical reasons: damage, spoilage, food past its expiry date. However, market forces are another driver: a mismatch between what is grown and what consumers want leads to waste. Food price subsidies or pricing that does not include the environmental cost of production are a major cause of waste, both through overproduction and poor utilization.

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Done well, food loss and waste interventions can increase food and nutrition security, reduce the environmental footprint of food systems and improve the welfare of producers and consumers. There are many practical entry-points to address food loss in the supply chain. Improved storage and cold supply chains are key. So are better roads, better information, and better capacity to meet food safety standards. But food systems are complex, and it's important to have a solid understanding of problems along the value chain in individual countries. We can't afford to fly blind in this area. As we see right now, nutrition is important for better immunity, and low-income workers spend a disproportionate amount of their income on food. We want our interventions to help countries achieve food loss and waste reduction targets in a way that advances health, poverty reduction and other goals.

I'm pleased to launch today new World Bank analysis that will help identify the right entry-points for countries to achieve their goals. You will hear in greater detail about this analysis soon. But first let's look at what's *especially* promising. To date, about 20% of our agriculture and food lending has dealt with pieces of the food loss and waste puzzle—things like cold storage and value chain logistics. We've also been working to raise awareness and increase financing to help countries tackle the issue: for example, the World Bank Treasury has issued over \$2.2 billion in Sustainable Development Bonds dedicated to food loss and waste.

Our new country diagnostics will help countries better target food loss and waste investments. This is not a one-size fits all agenda. Every country presents a different set of challenges and opportunities.

Vietnam, for example, is a major exporter of food commodities. Here, food safety is paramount. And addressing it could reduce food loss and waste and could allow Vietnam to produce more and better food and meet the standards of importing markets so that food is not rejected.

Guatemala faces challenges in food security and nutrition, especially among its rural indigenous population. Investments in storage systems at the farm or cooperative levels could reduce losses and generate more sales from poor subsistence farmers.

And a final example: Nigeria. Nigeria's population is expected to double from 201 million to around 400 million by 2050. Most of the population growth is expected to be in the South. But domestic agriculture production is in the North, and distribution takes place along a difficult North-South corridor. Here, addressing transportation constraints is important to reduce food loss and waste. And a reliable cold chain system would help deliver safer and more nutritious food to consumers. About 37% of Nigerian agricultural production is lost due to inefficient or non-existent cold chains. That's a big opportunity for investment.

The food loss and waste agenda is still relatively new, but it's extremely promising. Consider the UK, one of the few countries that has made a significant stride and has good data: food loss and waste has been reduced by 27% per capita over the past 7 years. This is a reduction of 1.7 Megatons/year, valued at £4.7 billion/year, that could make 4 billion meals—enough food to feed the UK population 3 meals a day for 2 months. That's an example of how action in this space can achieve real results.

I hope these reports motivate partners to find ways to cut food loss and waste, so that we end hunger and work together to create a healthy planet, healthy people and healthy economies. Thank you.