



Food and Agriculture  
Organization of the  
United Nations

# FINANCING FOOD FOR A BETTER FUTURE

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**NEW POLICY BRIEF**

Repurposing domestic public  
support to agriculture



**735 million  
people in  
chronic  
hunger**

SOFI 2023

**16.5  
Gigatons of  
CO2 eq per  
year**

FAO 2023

**282 million  
people in  
acute food  
insecurity**

GRFC 2024

**At least 10  
\$trillions of  
hidden cost  
per year**

SOFA 2023

**About 1 trillion  
of additional  
expenditures  
per year needed  
to achieve SDG2**

Laborde & Torero,  
2021

**Domestic**

**Foreign**

**Public**

Investment,  
Subsidies &  
Taxations

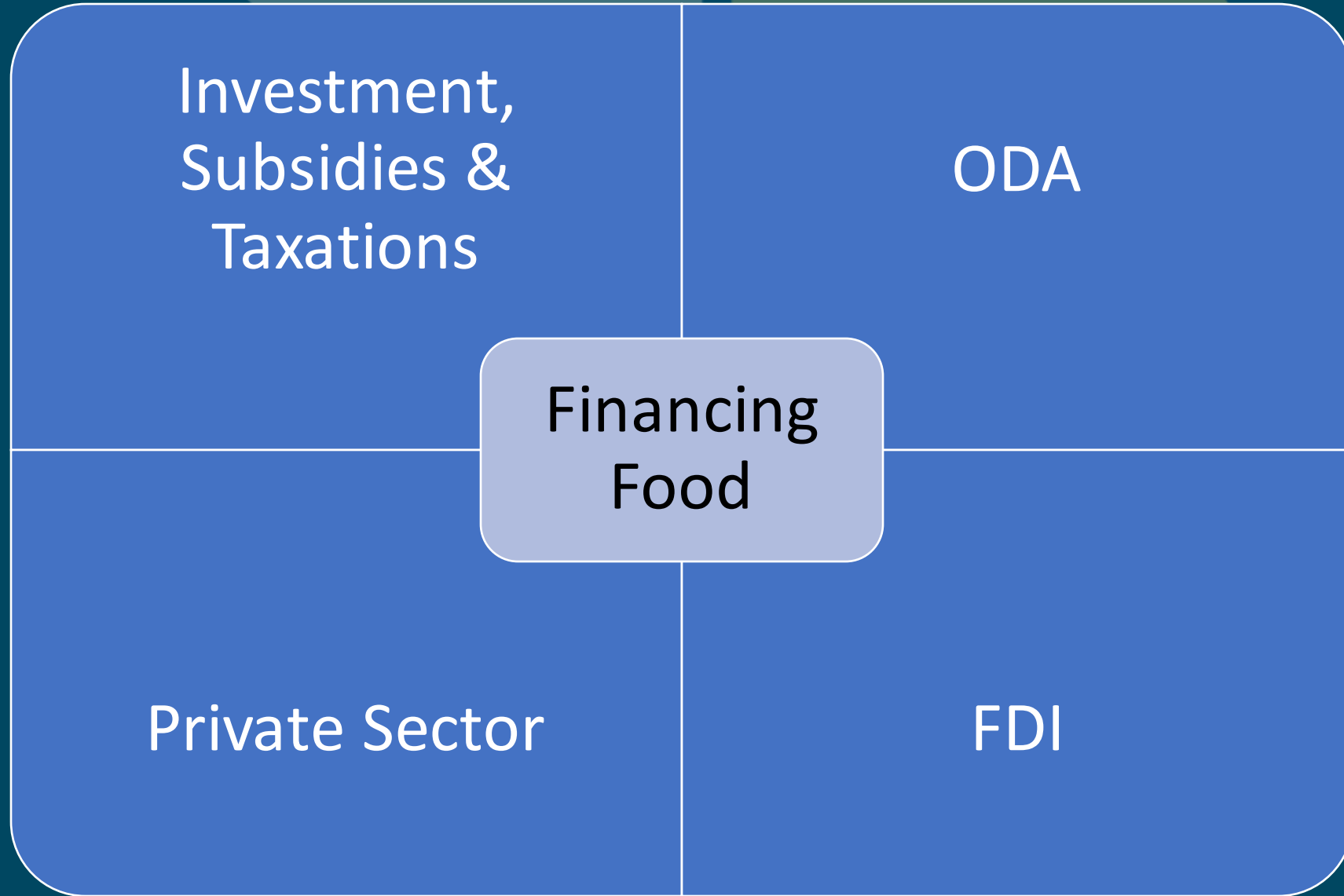
ODA

Financing  
Food

**Private**

Private Sector

FDI



**Domestic**

**Foreign**

**Public**

Investment,  
Subsidies &  
Support

ODA

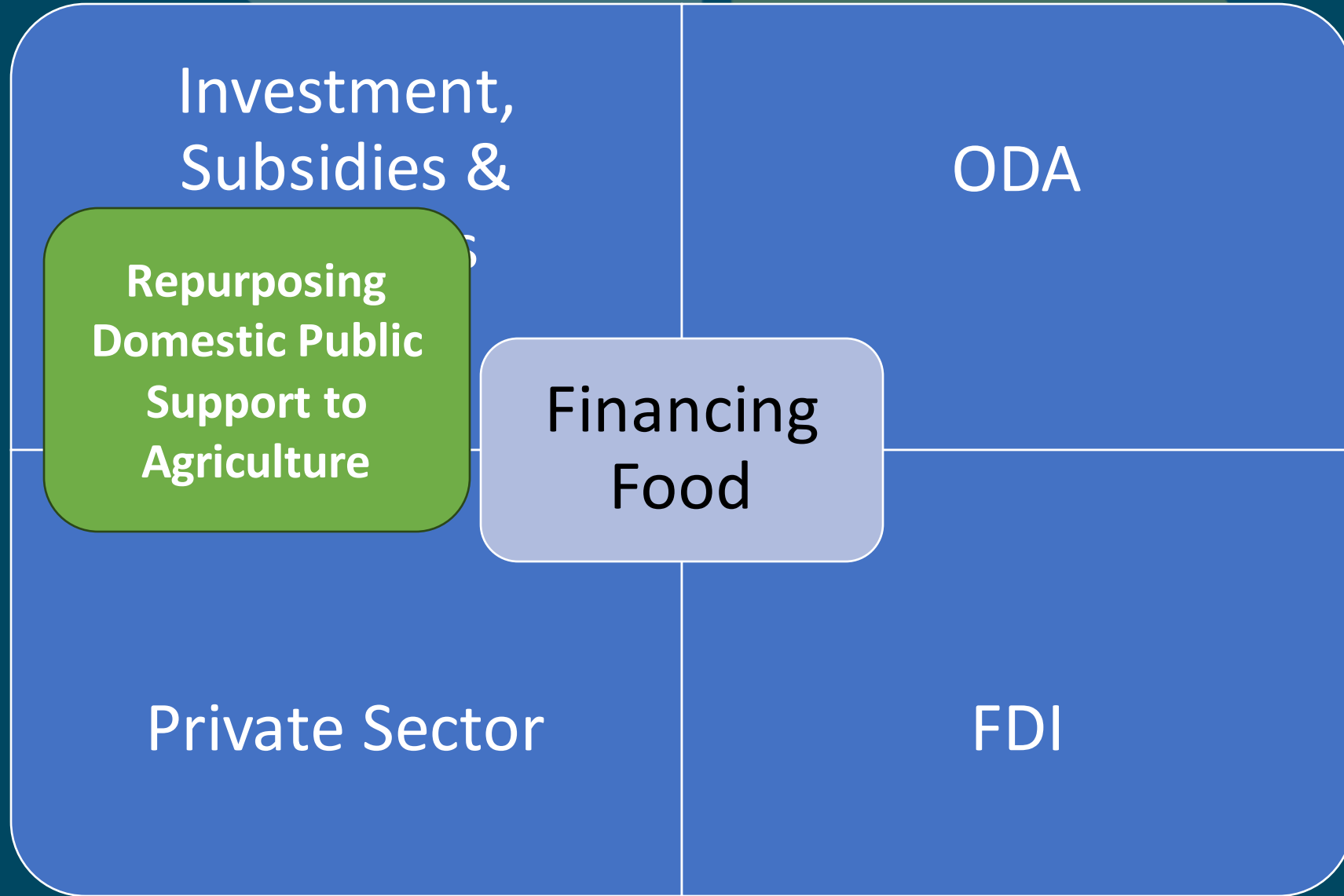
Repurposing  
Domestic Public  
Support to  
Agriculture

Financing  
Food

**Private**

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FDI



# Uneven distribution of support and food insecurity

Delivering on the Agenda 2030 requires the transformation of our agrifood systems.



Only a small percentage of all domestic support to farmers – USD 851 billion per year from 2020 to 2022 – supports activities that help to achieve that transformation.

Public support to agrifood systems can disproportionately benefit larger, richer farmers, failing to meet stated goals of reducing inequality and increasing income for lower-income households.

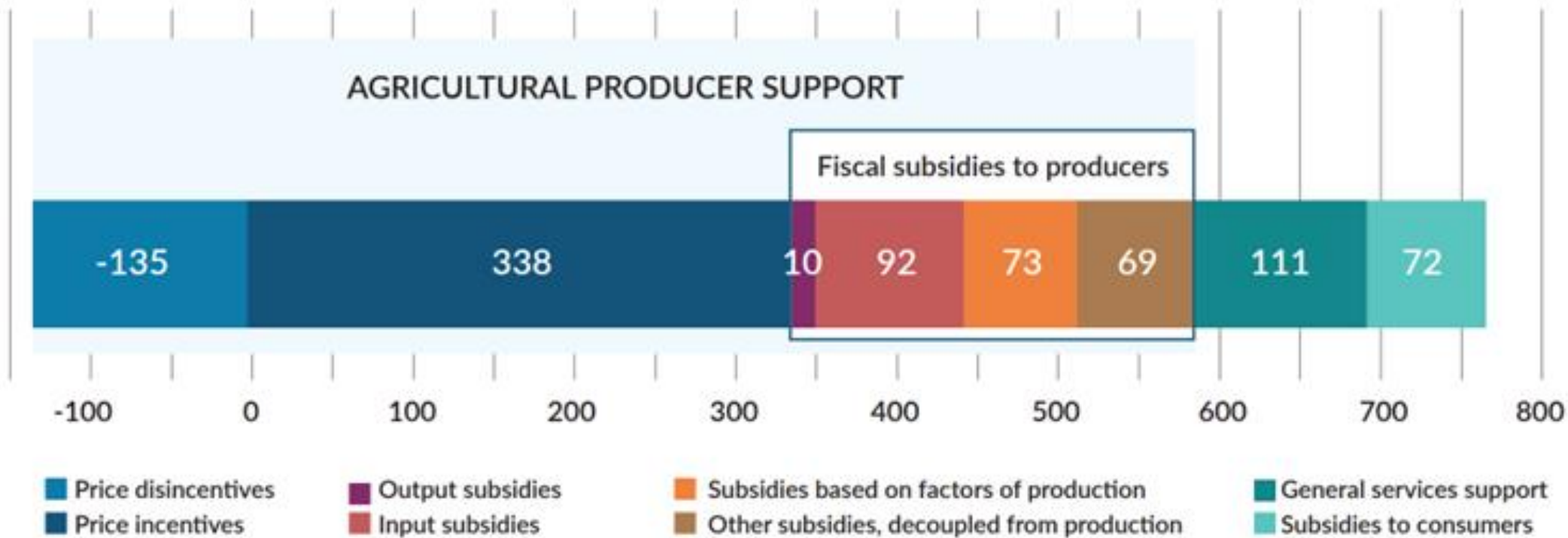
Such support could be repurposed to reduce GHG emissions from agricultural production and safeguard biodiversity while improving equity and promoting access to healthy diets.

Some of this reallocation needs to take place within countries; some could result from increasing ODA flows to LMICs and LICs where little money is available to meet fundamental food security and nutrition investment needs.

To be successful, the repurposing process will need to navigate the political economy of policy reform, understanding the trade-offs, winners and losers both nationally and internationally, and undertaking reform in a way that respects principles of a just transition.

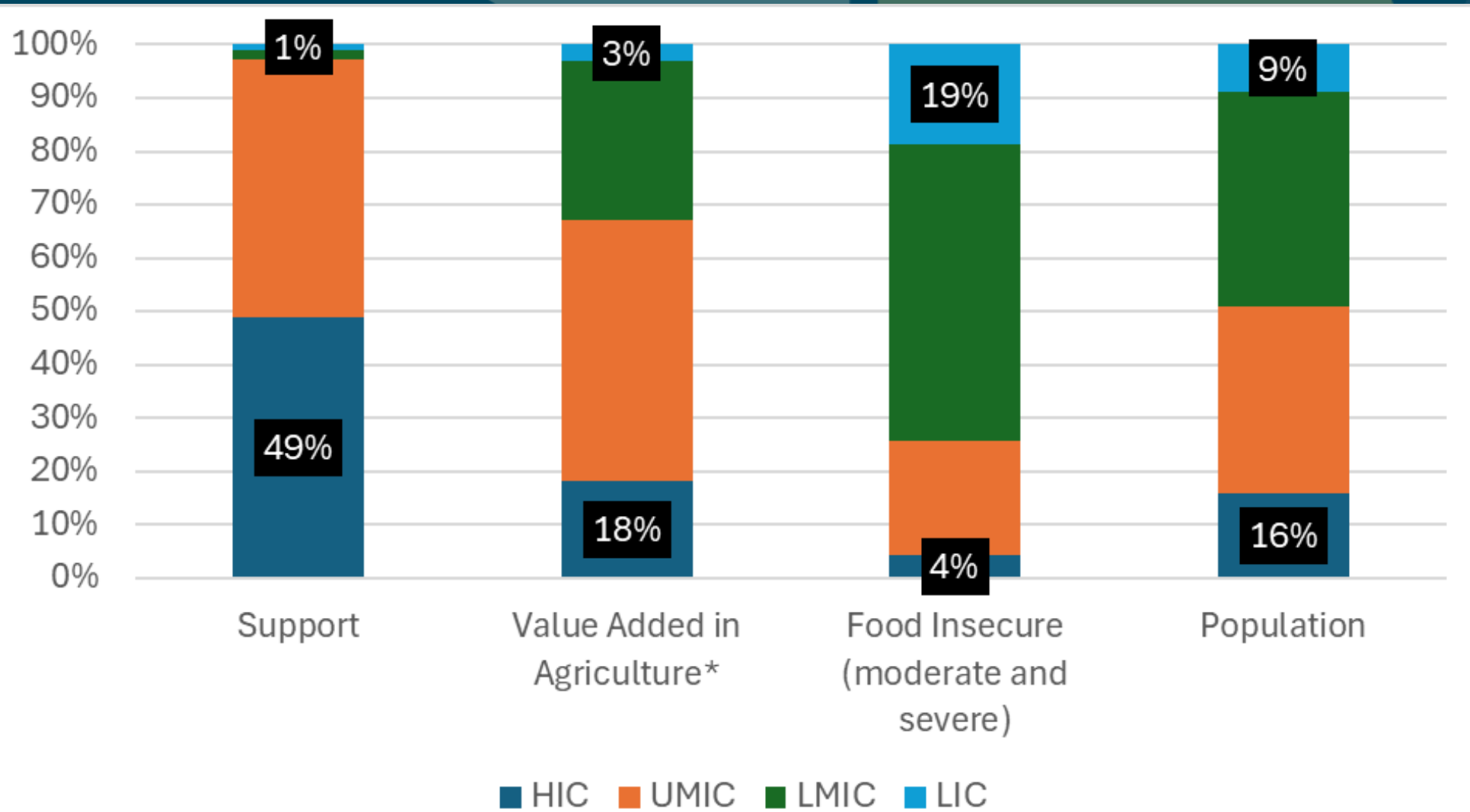
A significant amount of domestic resources dedicated to food and agriculture... Still, it represents only 1.2% of global public expenditures.

Figure 2. Average annual level and composition of global support to food and agriculture, 2020-2022 (USD billion)



OECD. 2023. *Agricultural policy monitoring and evaluation 2023: adapting agriculture to climate change*. Paris, OECD Publishing.

# Uneven distribution of support and food insecurity



## Time to act

Stop doing the **bad** things: stop harmful payments, remove biases in production pattern, eliminate pro-rich payments and service deliveries

Do the **right** things: promote the production and consumption of products support healthy diets; target practices and innovations that reduce GHG emissions and protect biodiversity, have inclusive targeting... and transfer resources to Low and Lower Middle Income countries (ODA)

Prepare for **success**: have a clear plan; map actors and understand the political economy, adopt a proper governance structure (internal and external with IFI) ; Communication plan; and Global cooperation



# FAO STRATEGY TOWARDS

## THE FOURTH INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT 2025

### FOCUS: Prevention and Mitigation of Food Crises and Transformation of Agrifood Systems

#### ✓ RESEARCH POLICY AGENDA:

- Series of Policy Briefs and Background Papers
- **SOFI 2024**
- Achieving SDG2 without breaching the 1.5C threshold: Part 2
- First FAO Report on Financing for Development to Prevent and Mitigate Food Crises and Transform Agrifood Systems

#### ✓ ADVOCACY AGENDA:

- Technical support to UN related documents
- Participation to UN Forums
- Organization of events