

ADDRESSING FOOD SECURITY PROBLEMS IN THE WAKE OF COVID-19 PANDEMIC -

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KEY RESPONSES OF MEMBER STATES OF ISLAMIC ORGANISATION FOR FOOD SECURITY



Islamic Organization for Food Security
l'Organisation Islamique pour la Sécurité Alimentaire
المنظمة الإسلامية للأمن الغذائي

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Introduction: Food Security Situation in OIC Member States

- ▶ 64.5 million suffering acute hunger in 2018 in OIC MS. 821m are undernourished globally in 2017 (FAO).
- ▶ Food trade deficit =US\$ 67 billion annually
- ▶ 28 MS among LIFDC - increased food import bills, food trade deficits, low human capital development, etc.
- ▶ Low agricultural productivity, inability to meet increasing food demand, food waste and food losses.
- ▶ Poor market access.
- ▶ Low level of agricultural technology and limited rural infrastructure.
- ▶ Inadequate institutional and policy coordination.

Food Security SWOT Analysis: Intra-OIC Comparative Advantages

Weaknesses

- ▶ Food is the major OIC imports (\$184.2 bn-2018) with top exporters from non-OIC countries (eg Brazil, USA, India, Russia and Argentina)
- ▶ Population growth- surpassing GDP growth. 25% vs. 10%
- ▶ Climate change, soil degradation, and decreasing harvests- traditional agrifood production methods
- ▶ 22 LDC Countries out of 47 globally

Opportunities

- ▶ 1.5 billion market with 20 largest producers of major agricultural/ staple food commodities.
- ▶ 18 MIFECs. Huge proven Oil/Gas deposits
- ▶ Young and vibrant youthful rural population and 29% of world agricultural area in 2017.
- ▶ Halal Food Market estimated at \$436.8 bn in 2016

IMPACTS OF COVID-19 PANDEMIC

- ▶ Decline of local food production and supply due to lockdown measures, estimated at between 2.6-7%.
- ▶ Border closure aggravated food exports, food price hikes.
- ▶ Locust outbreak in parts of OIC MS
- ▶ Reduced national income, incl. sharp fall in oil prices. 30% drop in economic activities (WB)
- ▶ Export restrictions by countries
- ▶ Massive unemployment and labour loss in all sectors, including social.
- ▶ Increased requirements for humanitarian food assistance and resources for palliatives
- ▶ Depletion of national food strategic reserves.
- ▶ UN appeal for emergency funding est. @ US\$6.7 bn as at 07/05/20 to avert conflict, hunger, poverty and multiple famine.

Supporting National Containment Measures

- ▶ Social and humanitarian measures- flash appeals for food aid, multilateral coordination of food donations
- ▶ Encourage use of national food strategic reserves and increased food palliatives
- ▶ Diplomatic intercession to discourage food export restrictions
- ▶ Encourage measures to exempt food sector operators from lockdown and quarantine measures
- ▶ Allocation and disbursement of funds by OIC funding and development institutions to address healthcare and food deliveries. IsDB=\$730m; ITFC=\$850m; BADEA \$100m; ICIEC, ISF

A Typical National Emergency Response: Saudi Arabia

- ▶ SAR 50 bn aid to private sector to ease impact,
- ▶ 60% coverage of salaries 4 Saudi employees in the private sector,
- ▶ SAR 120 bn for stimulus and recovery,
- ▶ US\$10 m donation to WHO,
- ▶ Free testing and treatment for all,
- ▶ free accommodation for stranded pilgrims

Short Term Measures

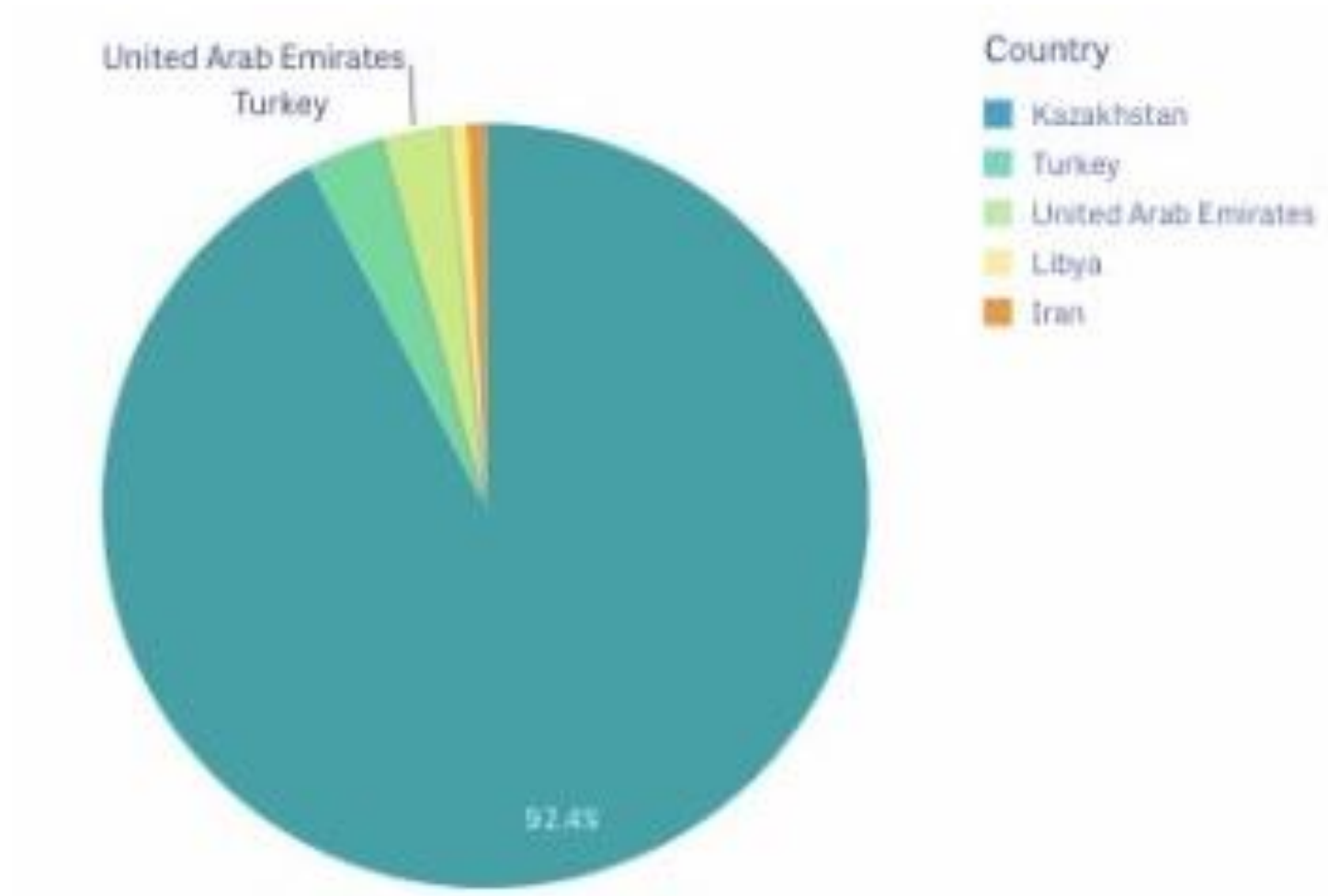
- ▶ **Eradication of Food Waste**, post harvest losses -estimated as surpassing total annual food trade deficit of US\$67 billion. Expand national campaigns on food waste. Saudi Arabia and Turkey recently mounted such sensitization campaigns.
- ▶ **Post harvest losses-** creating a regional advocacy against post-harvest losses - Islamic Food Processing Association.
- ▶ Inclusive mobilization of the **private sector** and high net-worth individuals for increased investment in commercial agriculture and modern food production methods.
- ▶ Addressing **financial exclusion** through deepening Islamic financial products and Islamic social finance windows, such as zakat, endowment trusts (wakf) and charity (sadaqat)

Short Term Measures (cont'd)

- ▶ Intra-OIC food trade expansion- Implement TPS-OIC, deepen ownership and execution of existing treaties on investment promotion, insurance and export credits. Achieve intra-OIC trade target of 25% by 2025
- ▶ Remove technical barriers to food trade through Halal standardization and mutual recognition of Halal certificates. The roles SMIC, ICCIA and IOFS.
- ▶ Fund mobilization for national food strategic reserves, use of Islamic bonds (sukuk) and other modes of Islamic social finance.

Medium Term Measures: Supply Chain Development

- ▶ The implementation of **OIC Programme of Action for the Development of Strategic Food Commodities** (Wheat, Rice, Cassava)- R&D, project funding and support for community-based and smallholder farmers.
- ▶ Development of **National Gene Banks**- new pest and climate resistant crops and promoting agrifood diversity. Mechanism for acquisition, conservation and exchange of plant and animal genetic resources for food and agriculture.
- ▶ **Water-Use Management** for agriculture and acquisition of cutting-edge technology for water conservation, irrigation and management.



Wheat Value-Chain

Top wheat exporting OIC countries.

Medium Term Responses

- ▶ Addressing paucity of intra-OIC investments. Deepen financial inclusion among the vulnerable segments of OIC populations. FDI stood at 13.9% of global figure in 2018.
- ▶ Implementation of the OIC Agreement of promotion, protection and guarantee of investments and the activities of ICIEC, a subsidiary of IsDB dealing with investment and export guarantees.
- ▶ South-South/Triangular Cooperation- aimed at promoting intra-OIC human and physical capacity-building in the food sector.
- ▶ Regional and international collaboration on pest control and debt remission/relief. China and a few OIC member states have announced some debt relief packages for developing countries.
- ▶ COMCEC mechanisms of Project Cycle Management, and Working Groups would play the greatest role in the execution of all these measures, considering its profile as a Summit level Standing Committee for economic and commercial cooperation.

Thank you
for your kind attention