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Summary

- The G7 countries made a commitment in 2015 at Elmau to lift 500 million people out of hunger and malnutrition by 2030.
- Living up to this commitment requires policy reforms, innovations, and development finance. This policy brief focuses on development aid finance needed to come near to the G7 commitment.
- Taking into account current aid flows to food systems improvements, the G7 countries would need to increase their current ODA spending on food systems by about US\$ 14 billion per annum until 2030 on top of the emergency aid to cope with the acute food crises of 2022 resulting from the Covid-19 crisis and consequences of conflicts (including the Russian war in Ukraine).
- The majority of G7 countries, except France and Germany, have fallen short of the needed scaling of development aid for food systems.
- The upcoming G7 meeting Elmau II in 2022 offers the opportunity to add concrete funding targets to the commitment made in 2015. This policy brief identifies how G7 members might contribute to filling the financing gap for investments to lift 500 million people out of hunger and malnutrition by 2030:
 - The G7 countries would need to spend 0.08 percent of their Gross National Income (GNI) per annum on food systems aid to secure the total required annual funding of US\$ 31.7 billion per annum.
 - Considering current spending on food systems of US\$ 17.7 billion, G7 countries would need to increase spending by 0.036 percent of their GNI to reach the required additional US\$ 14 billion per annum.
 - Providing a basis for G7 policy considerations, the calculations show the implications of two alternative options for sharing the required spending among the G7 countries.

To achieve SDG2 and end hunger and malnutrition by 2030, investments need to increase substantially, especially in Asia and Africa. However, according to a study by the Center for Development Research (ZEF) and the Food and Agriculture Organization of the United Nations (FAO)¹, achieving SDG2 does not need to be prohibitively expensive, provided that a mix of least-cost measures with a large potential of reducing hunger is prioritized. Overall, the study estimates that approaching the end of hunger globally by 2030 will require an additional US\$ 39-50 billion annually until 2030.

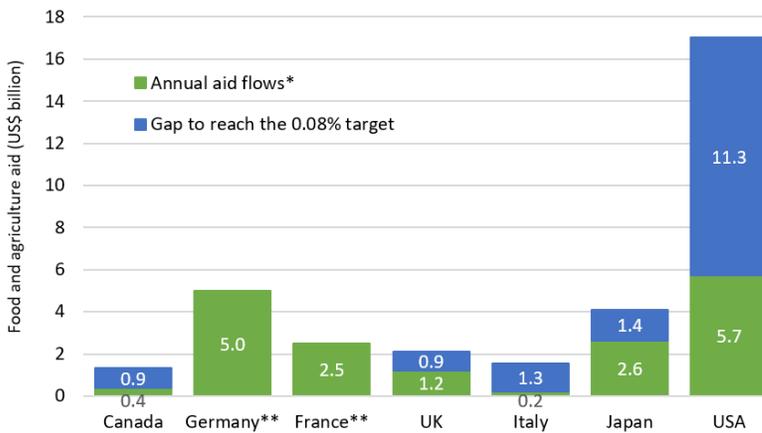


FIGURE 1: Actual and required annual food systems related development aid* by G7 (US\$ billion) – Option I

*Average 2017-2019

** Germany and France exceeded the 0.08 percent by US\$ 1.9 billion and US\$ 0.4 billion respectively

Data sources: OECD CRS (2021) (aid flows) and ZEF & FAO (2020) (required aid flows)

Progress towards this goal since 2015 has been slow and the trend even reversed with the global Covid-19 health crisis.² Russia’s war in Ukraine and its worldwide direct and indirect effects on food markets, prices, and complex implications for global food and nutrition security, particularly due to reduction in global grain trade³, come on top of existing risks of economic crisis and climate change. Therefore, international commitments need to be revitalized.

The G7 governments bear a particular responsibility after committing to lift 500 million people out of hunger and malnutrition by 2030 at their Summit in Elmau in 2015.⁴ Meeting this commitment would require roughly a doubling of current aid flows for the improvement and resilience of food systems. A food systems approach - as highlighted by the UN Food Systems Summit 2021⁵ - entails actions and investments for all components of food systems, i.e. agriculture, food sectors, rural development, aquatic foods,

forestry, food aid, environmental protection, water supply and sanitation.⁶ A food system will only be sustainable and serve nutrition if components such as water and sanitation are co-invested in.⁷

Between 2017 and 2019, the G7 countries together spent on average US\$ 17.7 billion annually on food systems improvements. An additional US\$ 14 billion annually would therefore be required to reach US\$ 31.7 billion to achieve the Elmau target, on top of necessary emergency assistance to address the current acute global food crisis. While the absolute value may seem significant, the amount constitutes only a fraction of the combined G7 Gross National Income (GNI). Looking at the combined GNI of the seven countries (Table 1), **0.08 percent of the G7 GNI annually would be needed to secure the required US\$ 31.7 billion and thereby fill the financing gap for investments to lift 500 million people out of hunger and malnutrition by 2030.**

Looking at average annual food and agriculture aid flows from the seven countries between 2017 and 2019 shows that **only Germany and France exceeded 0.08 percent, while aid flows of the other G7 members remain considerably below that share.** At the national level, a contribution of 0.08 percent of GNI is the equivalent of minimum spending of US\$ 1.32 billion by Canada, US\$ 2.12 billion by France, US\$ 3.13 billion by Germany, US\$ 1.53 billion by Italy, US\$ 2.09 by the UK, US\$ 4.08 billion by Japan, and US\$ 17.01 billion by the USA (Figure 1 and Table 1).

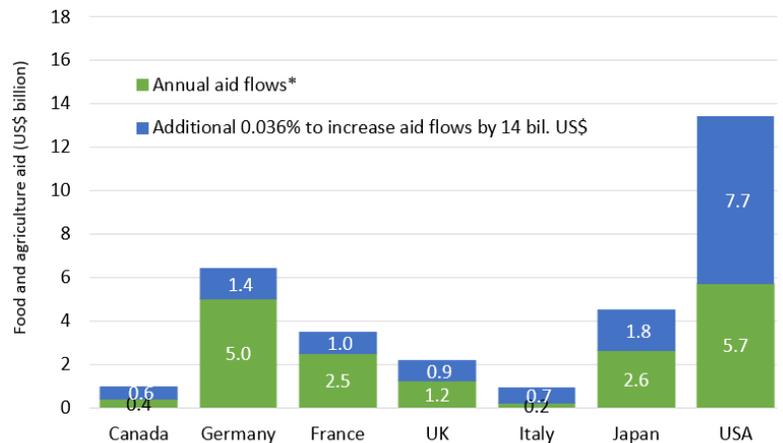


FIGURE 2: Actual and required proportional annual food systems related development aid by G7 (US\$ billion) – Option II

*Average 2017-2019

Data sources: OECD CRS (2021) (aid flows) and ZEF & FAO (2020) (required aid flows)

As noted above, G7 countries already spend US\$ 17.7 billion annually on food systems assistance. **The additional US\$ 14 billion required annually would**

	GNI in 2020	0.08% of GNI	Annual aid flows for food system (av. 2017-2019)	Gap to reach additional US\$ 14 bil. (0.036% of GNI)	Gap to reach the 0.08% target
Canada	1,654	1.3	0.4	0.6	0.9
Germany	3,917	3.1	5.0	1.4	0
France	2,655	2.1	2.5	1.0	0
UK	2,618	2.1	1.2	0.9	0.9
Italy	1,918	1.5	0.2	0.7	1.3
Japan	5,101	4.1	2.6	1.8	1.5
USA	21,262	17.0	5.7	7.7	11.3
Total G7	39,125	31.3			

Table 1: Calculations of national contributions (US\$ billion) per annum

Data sources: OECD CRS (2021) (aid flows as defined in footnote 6) and World Bank (2021) (GNI)

amount to 0.036 percent of G7 countries' GNI. If shared proportionally, this would translate into an increase in ODA spending of US\$ 0.6 billion by Canada, US\$ 1 billion by France, US\$ 1.4 billion by Germany, US\$ 0.7 billion by Italy, US\$ 0.9 by the UK, US\$ 1.8 billion by Japan, and US\$ 7.7 billion by the USA (Figure 2 and Table 2).

Effective targeting of these aid flows to follow a food systems approach and finance a bundle of promising investments will be crucial. Currently, the sectoral priorities within food systems-related aid programs differ across G7 countries. To date, G7 countries have spent most (in this order) on water supply and sani-

tation, emergency food aid, and agriculture (Table 2). Short-term measures, such as humanitarian assistance, are needed to provide social protection and nutrition programs to the hungry poor, including those affected by COVID-19. In addition, long-term measures requiring high up-front investments but also generating a high long-term impact are needed, such as research and development (R&D) in the agricultural sector, investing in sustainable irrigation, reducing food loss, and reforming trade policy. Optimally phasing-in such investments will be essential: those with longer-term impact should be front-loaded if their benefits are to be reaped before 2030.

	Agriculture (311)	Forestry (312)	Fishing (313)	Emergency food aid (72040)	Food aid (52010)	Environmental protection (410)	Rural development (43040)	Water supply and sanitation (140)
Canada	154.4	8.9	6.3	127.8	9.5	37.1	33.2	44.4
Germany	783.7	211.1	37.9	683.3	280.3	1240.2	225.6	1671.9
France	490.7	62.0	2.5	8.9	37.1	516.6	121.3	980.0
UK	236.3	60.3	2.0	456.5	36.3	317.4	12.1	83.8
Italy	75.4	0.7	2.0	18.1	1.6	48.3	5.5	18.0
Japan	990.3	163.4	161.6	91.2	86.9	71.8	22.8	1481.9
USA	1023.8	5.7	0.6	2997.0	732.3	548.1	12.7	469.9
Total G7	3754.6	512.1	212.8	4382.9	1184.0	2779.5	433.3	4749.9

Table 2: Actual food systems related development aid by G7 (US\$ million) by CRS category per annum

Data sources: OECD CRS (2021) (aid flows as defined in endnote 6) and World Bank (2021) (GNI)

Endnotes

¹ ZEF and FAO (2020) [Investment costs and policy action opportunities for reaching a world without hunger](#).

And also published: B. B. Chichaibelu, M. Bekchanov, J. von Braun and M. Torero 2021. [The global cost of reaching a world without hunger: Investment costs and policy action opportunities](#). In Food Policy. Volume 104, October 2021, 102151.

² [FAO, IFAD, UNICEF, WFP and WHO. 2021. The State of Food Security and Nutrition in the World 2021. Transforming food systems for food security, improved nutrition and affordable healthy diets for all. Rome, FAO.](#)

³ Kornher and von Braun 2022. Higher and more volatile food prices - Complex implications of the Ukraine war and the Covid-19-pandemic. ([ZEF Policy Brief 38](#))

⁴ [Leader's Declaration G7 Summit](#), 7-8 June 2015.

⁵ see the UN Secretary-General's Chair Summary and [Statement of Action on the UN Food Systems Summit](#) and the science based propositions by the Scientific Group for the UN FSS and its partners at <https://www.un.org/en/food-systems-summit/news/science-and-knowledge-un-food-systems-summit-2021>

⁶ The specific components are: 1) Agricultural Development – OECD code 311; 2) Fishing – OECD sector code 313; 3) Forestry – OECD sector code 312; 4) Food Aid – OECD purpose codes 52010 and 72040; 5) Environmental Protection – OECD sector code 410; 6) Rural Development – OECD purpose code 43040; 7) Water Supply and Sanitation – OECD purpose code 140.

⁷ Gerber, N., von Braun, J., Usman, M.A Hasan, M.M., Okyere, C.Y., Vangani, R. and Wiesmann, D., (2019), [Water, Sanitation and Agriculture Linkages with Health and Nutrition Improvement](#), ZEF – Discussion Papers on Development Policy No. 282.

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March 2022



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