

2022 second regular session of the Executive Board

Hybrid session

Opening remarks by the Executive Director

D. Beasley, Executive Director: Thank you, Mr President. It is very good to see everybody back in the auditorium for the first time in a long time. I had forgotten how crowded it gets when everybody is back in the room around the table.

But it is this crowd right here that is providing solutions to what is the world's number one problem, and that is the hunger crisis that we face because of the extraordinary conditions created by a perfect storm of conflict, climate change, and COVID-19's economic ripple-effects, which have placed unprecedented pressures on the world. Countries are very fragile right now and we have to find solutions. Fortunately, I do not think there is any group better prepared to lay a pathway to peace and stability than this group right here.

Before I delve into my official remarks, I would first like to make one comment about the employees of the World Food Programme.

The pressure that has been put upon them out in the field in the last four to five years has been unprecedented. With COVID-19, when everyone else was shutting down, our teams were delivering supplies and food in extremely challenging conditions. And whereas five or six years ago we had a relatively small number of L2s and L3s, today we have got 23 "corporate scale-ups" and "corporate attention" emergencies, to use WFP's new nomenclature. They have faced an extraordinary level of pressure.

But I can tell you first hand, from my experience - and I have been in 19 countries since our last Board meeting - the commitment of our employees is just as strong and wonderful today as it was five years ago.

Back then, we were reaching 80 million people, while today we are assisting around 130 million people. But we need to reach many, many more. Last year and earlier this year, I was already warning that in 2022 we were facing the worst humanitarian crisis since World War II. I wish I could give you some good news today and say it is going to get better but, quite frankly, I do not think the crisis has bottomed out yet. I think it will get worse and I do not think it will turn until 2024.

While we are facing unprecedented food pricing problems right now, we will also have a food availability problem soon if we do not coordinate our actions in resolving many of the issues - such as the global shortage of fertilizers, and the continuation of the Black Sea Grain Initiative - which we are currently confronting.

The number of people in IPC3/4/5 is now higher, even, than two weeks ago when I talked to you at the list meetings. The updated number we are releasing today is now 349 million people marching towards starvation. And of these, 49 million people in 49 countries are knocking on famine's door. If you want to know which countries very well may have famine, destabilization, mass migration, those are the 49 to start with. In view of this, strategic financing and attention and collaboration between donors, especially now, is vital to the safety and security, not just of the nations where the poor live, but also the nations where these vulnerable people will have to migrate in search of peace and food. We know what happens when people do not have food, cannot feed their families and cannot live in peace. They do what any mother and father would do for their children, they will migrate out of necessity.

We have been able to avert famine despite the extraordinarily challenging conditions in the last few years because world leaders have heard our call and have responded in unprecedented ways.

I have been to donor capitals, meeting with party leaders and Parliamentary leaders from across the political spectrum. I was just in the United States, in Canada, in Germany, in Finland, in Iceland, in Japan, and in the Republic of Korea, talking with the different party leaders within



2022 second regular session of the Executive Board

Hybrid session

each Parliament. And while we see the world politically more divisive than we have ever seen it before, it is remarkable to see how the different interests have converged in relation to this global crisis.

For example, in my country, the United States, Republicans and Democrats do not appear to talk about anything together at all. But when it comes to food security, it is quite a beautiful thing to see them lay aside their differences and come together. I am now seeing that in countries all over the world and that is a good thing.

The United States, has stepped up its donations from what was USD 1.8/9 billion only five years ago, when I arrived, to now USD 5.5 billion. Germany just stepped up with an additional appropriation and will probably reach USD 1.7 billion to USD 2 billion this year. Canada has stepped up in an unprecedented way, as well as Sweden and Finland and France - and I could go on.

So, we are looking at this year, and sadly, because of conflict, climate, COVID-19, the needs have gone up beyond anything we would have ever expected. This year, while we believe that our revenue will be somewhere between USD 12.2 billion to probably USD 13 billion, which is good news, the bad news is that needs are actually USD 22.2 billion.

The IFIs, the international financial institutions, are also providing more funding. We were only receiving about USD 20 million from them just three, four years ago. This year we are expecting to receive about USD 1 billion. And my message to the IFIs as well as donor nations around the world has been very simple lately. You do not have enough money to fund every need that is out there. But you need to fund the programmes that will allow the Titanic to avert the big icebergs out in front of it. We do not have enough money to fund everything right now. So, let us strategically align ourselves on those matters that bring peace and stability around the world - and food security is the most important challenge, in my opinion, out there.

We also know that a climate emergency is a hunger emergency. As we saw last year, the number of people displaced by climate crises was as much as 30 million people - even more than due to conflict. We do not anticipate that the number of climate shocks will decrease any time soon, as we have seen in Europe and in Pakistan.

And we have worked to bring attention to the unfolding global food crisis sparked by the war in Ukraine. While everybody was focused on the hostilities, we were saying: look, you must understand that what is happening in Ukraine is going to impact the rest of the world. Ukraine produces enough grain to feed 400 million people, we have to open the Black Sea ports. And I visited the port of Odesa.

Russia and Ukraine together produce 30 percent of the world's supply of wheat, 20 percent of the world's supply of maize. Russia is a number one exporter of fertilizer. There are 8 billion people on the planet, 4 billion of them receive their food because of fertilizer.

So, fertilizers are critical and whether you have a problem with Russia or not, fertilizers have got to move once more across global markets. So I want to thank those of you in this room who have helped us facilitate the movement of grain and fertilizers out of the region. As you know, WFP has been involved with the Black Sea Grain Initiative, trying to draw attention and bring pressure to bear on world leaders to provide a pathway for the grains and for fertilizers to get out.

Fortunately, we have been able to make some progress but it is still a very fragile agreement. We are not out of the woods yet but, honestly, if we do not move these fertilizers as quickly as possible, it will only exacerbate the probabilities of a food availability crisis in 2023.

When I look at the ongoing analysis of the impact of a lack of fertilizer, or the rising costs of fertilizer - which creates just as much an availability problem for the poor - I am concerned.



2022 second regular session of the Executive Board

Hybrid session

For example, smallholder farmers in Africa, or some of the farmers in the United States that I have been talking to who say they are going to plant less because they cannot afford the fertilizers. In Africa alone, for example, where there are 33 million smallholder farms, we could be looking at USD 2 billion worth of fertilizer not being available, which could impact and reduce food production by as much as 20 percent.

Ukraine, for example, traditionally exports about 5 million metric tons of grain per month. That is 60 million metric tons that goes out into the global supply annually. That is a lot of food for a lot of people. Now in addition to this, because of the constraints in global fertilizer markets, we are looking at an additional 60 million tons of fertilizer not being available. This will have a similar impact as that of shutting down Ukraine exports.

All these things added together, you can see why we are very concerned. And then this is compounded with the droughts we are now facing. I was in India earlier this year talking with the leadership, seeing the dramatic devastation of drought. I was just in Somalia and Ethiopia and northern Kenya seeing the devastation of drought. I was just in South America, Central America and the United States seeing the devastation of drought.

Food production is going to be down, which means the poorest of the poor will suffer the most. And when the smallholder farmers in Africa - who, by the way, produce 70 percent of the food consumed in Africa - cannot grow food, imagine what happens. They cannot afford the fertilizers and their families cannot afford the inflationary food pricing.

In the 2008 food price crisis and the Arab Spring which followed shortly afterward there were 48 nations that saw riots, civil unrest and protests. Today the economic factors are much worse, especially on top of COVID-19's impact in recent years. COVID-19 has devastated the coping capacity of the poorest of the poor and it has increased the debt of many of the poorest countries, which cannot afford to expand their national safety net programmes.

Against this background, the Black Sea Grain Initiative is up for renewal. It must be renewed. We all must work to move fertilizers and food from the region out onto global markets. In the New York meetings of the United Nations General Assembly, we had strategic discussions. President Macron called a particular meeting on fertilizers and many of us - from President Macky Sall in Senegal, to the Head of the World Bank, the Head of the IMF and many others - had strategic conversations about what needs to be done.

Sometimes I get a little bit frustrated with meetings in New York because there is a lot of talk, but this was a practical discussion about how we move fertilizers and who needs to do what. The United States has really been, in my opinion, with regard to the sanctions issue, it has been extraordinary in alleviating pressures to ensure that food and fertilizers are not sanctioned. We have had a lot of experience there because of places like Yemen. We have worked through these types of technical issues before, but we still are struggling in Europe with regard to this issue.

So, President Macron and I met again Friday and had extensive conversations. I must also express thanks to the Netherlands - Marcel - and Austria, for a variety of reasons, for their help as we try to move fertilizers. As many of you know, there are about 283,000 metric tons of Russian fertilizer stuck in European ports.

This is more than symbolic. It is absolutely critical because, as you know, while we do not have sanctions on food and fertilizer, banks, shipping companies, insurers do not want to take chances, so they need reassurance. And this is where the World Food Programme has provided that leadership, working with the Secretary-General, and so that we can move grain out of Odesa, under the Black Sea Grain Initiative, and so that we can move fertilizers out of Europe to ensure that the world does not starve to death in 2023 and 2024.

I believe we are putting the final touches to an arrangement to allow us to have a ship leave the Netherlands, which should start loading Wednesday, and hopefully will be soon be moving



2022 second regular session of the Executive Board

Hybrid session

towards Malawi within a week. That is very, very good news. The Russian fertilizer company has offered all of the 283,000 metric tons as a donation to the World Food Programme and also to the countries that are in greatest need of fertilizers. The right type of fertilizer has to arrive at the right place at the right time, so we are at a critical point in time right now. The Russian company is going to pay for this for this first shipment. And France has stepped up and said, thanks to President Macron, that they will pay for the next few ships.

There are also certain things that Board Members can continue to do to move us forward, and one of them is to give us greater flexibility with regard to funding, so that when shocks do happen, the impact is not nearly as great. You have heard me talk about this for five or six years. We have humanitarian silos, development silos and the two, in many places, do not talk. We have made a lot of progress in the last few years but we still have a long way to go. I do not care if it is a development dollar or a humanitarian dollar and I can assure you that the beneficiary does not care. Most beneficiaries that I have met, almost all of them, they do not want hand-out after hand-out after hand-out. They want to take care of their own families, grow their own food and be self-sufficient. And when you have given us the flexibility to help them do just that, we have been able to put down water wells and harvest water and do the things that we know create resilience. This means that when a shock does happen, the impact is less severe and so less financially devastating.

It saves money when we do it and we can show you and prove it to you. Quite frankly, I do not need a whole bunch of studies in a lot of these places. You can just go and look for yourself on the ground - it is not complicated - and talk to the mothers who can then show you their community gardens and say, we are now feeding ourselves, we are taking care of ourselves. This is what we must fund more of. This is why we need more flexibility from your capitals. This is the message I have been delivering to all sides of the aisle and in each of your capitals and the political leaders get it, and I think we have got to scale it up to a whole other level.

Let me also briefly update you on developments in Ethiopia just in the past few days. I have been to Ethiopia several times, I have talked with Prime Minister Abiy Ahmed several times about access and issues inside Ethiopia and I do believe we will see a significant breakthrough in the next few days. Let me touch on a couple of those points because following the signing of the peace treaty, both sides have agreed to reach civilians. the Prime Minister has personally assured me that he will do everything he can.

So, it is expected that we will have immediate humanitarian access that will begin imminently. In fact, hopefully the first UNHAS flight will be tomorrow. I have got a schedule for that from Mek'ele and several other locations for moving cargo, to moving food. Inspections in the warehouses, which is technical, will only be by federal authorities and Tigrayan authorities.

Federal authorities will enter Mek'ele and other areas to restore essential services which is extremely important, as you can imagine. They will be accompanied by a small number of troops. There will be simultaneous disengagement in seven days and incredibly important is that all foreign and extra-regional troops are to leave in 11 days, and there will be a simultaneous handover of heavy weapons. These are very positive developments.

If we can continue in this direction, actually I believe that for Ethiopia, there is a chance to calm that storm. This is what I have been saying in Yemen and in other places - if we can calm these storms, this will make available billions of dollars to do the type of development work that creates resilience so that families can survive when shocks do happen.

That is a general overview of the world, without getting it into too many details. You will be hearing a lot more detail from our team this week.

Let me also really quickly touch on just a couple of small things before I close. Internally, one of the things that we have been talking about is with regards to flexibility on two items, on internal



2022 second regular session of the Executive Board

Hybrid session

project lending mechanisms and on the global commodity management facility. We need to set flexible ceilings. So, we are hoping to move these to 10 percent of the global contribution forecast to give us greater flexibility in pre-positioning foods around the world in anticipation of problems that we may face.

Finally, when I talked to you in the List meetings the other day, I mentioned that we had hired an additional 3,666 more women since I arrived. I want to apologize to you, that number is not right - it is actually 4,225. It is incredible and I really want to compliment you for keeping the pressure on. I have heard these types of goals set by organizations before and it is all talk, talk, talk, talk. When I arrived I said, we are going to set goals, objectives and benchmarks and John Aylieff and I sat down and had some pretty intense discussions about which countries about the way forward. Like in Yemen, can you move the numbers in Yemen? Can you move the numbers in some of these very challenging countries? Now we see that we have gone from 34 to 42 percent across our entire workforce worldwide; we have gone from 31 to 39 percent among national employees and 42 to 47 percent among international employees.

It is really quite remarkable. That additional 4,225 women, I can assure you has made us a stronger, better organization in many, many ways. This is about management. It is about team leadership, executing down through the organization, and that is what so wonderful about the World Food Programme because we know how to get it done.

Excellencies, we are facing, in the next couple of years, unprecedented hunger, unprecedented potential for destabilization around the planet. But if you continue to work with us as you have, holding us accountable, keeping the pressure on but maintaining positive dialogue like we have had, I do believe we will continue to make progress.

There is a lot more that I could say but I think I have spoken long enough. This is going to be a very productive week with a lot of CSPs, a lot of evaluation reports, a lot of issues to discuss. Thank you for holding us accountable, making us more strategic, and more effective - and we look forward to a great week. Thank you.

