

A fund for people and planet, the World Bank's International Development Agency (IDA) offers expertise and concessional financing to 75 recipient countries for critical investments in a country's national development plans across a breadth of sectors, including infrastructure, agriculture, water, health systems, education and climate. IDA is the largest source of sustainable financing in the form of grants and low-interest loans for low-income countries, leveraging USD\$3.50 for every \$1 of donor contributions. IDA's Crisis Response Window supports recipient countries in responding and building resilience to climate catastrophes, conflict, and economic crises. The replenishment of IDA occurs on a three-year cycle that brings together donor governments and recipient countries to review IDA's policy package and replenish its funds. The 21st Replenishment of IDA that will be negotiated and concluded in December 2024 will guide IDA investments and policies over the next three years — a critical period that will determine the achievement of the 2030 Global Goals and the WB's mission to end poverty on a liveable planet.

The world is trapped in a cycle of food crises. The number of hungry and malnourished people is now rising year on year. <u>286.1 million people in 59 territories</u> faced acute food insecurity in 2023. Acute malnutrition in women and children worsened in food crisis countries with an estimated <u>9.8 million children facing severe acute malnutrition</u>, the most life-threatening form of malnutrition. At the same time, <u>3.1 billion people</u> globally cannot afford a healthy diet while <u>2 in 3 children</u> are missing a minimally healthy diet needed to grow.

The situation is particularly stark in the 75 IDA countries that are home to a quarter of humanity. One in three IDA nations are poorer now than pre-COVID-19 pandemic. Half face or are at risk of debt distress. 33 are fragile and conflict-affected states while the cost of climate disasters has doubled in IDA countries in the last ten years. All of these factors have contributed to the doubling of food-insecure people in IDA countries since 2019, reaching 651 million people in 2023. The prevalence of child stunting in IDA countries (24.7%) is double that of other emerging market and developing countries (12.1%) and nine times higher than advanced economies (2.7%).

Malnutrition prevents millions of individuals from reaching their full potential, with ripple effects for their families and communities. A malnourished child is significantly more likely to suffer from slowed cognitive development and linear growth, a weakened immune system and an increased risk of mortality, with an estimated 45% of child deaths linked to poor nutrition. If they reach adulthood, the child is likely to face an increased risk of chronic diseases. Beyond health, malnutrition is linked to reduced school attainment and lower wages that make it difficult for an individual to escape poverty and restrict a country's economic growth. All forms of malnutrition costs the global economy an estimated USD \$3.5 trillion a year. With the working-age population of IDA countries projected to increase over the next 60 years but decline in the rest of the world, ensuring access to affordable nutritious food is an investment in grey matter infrastructure, equitable economic growth and global prosperity.

Rural communities are being left further behind. Smallholder farmers, many of whom are women, face persistent poverty, food insecurity and malnutrition that leads to poor health outcomes, limit their agricultural productivity and incomes, and perpetuate intergenerational poverty and inequality. Living in remote areas, rural people face multiple barriers to accessing health services, social protection, financing, insurance and other inputs. Despite these barriers, smallholders play a critical role in ensuring food and nutrition security, growing as much as 80% of all the food produced in parts of Sub-Saharan Africa and parts of Asia. Smallholders are also on the frontlines of climate change without the necessary tools to adapt. To end extreme poverty, hunger, and malnutrition while safeguarding and transforming future food systems, IDA21 must reach the people and communities who feed the planet. Find here a deep-dive on the opportunity of IDA21 for the African continent.

The World Bank has been a leader on food security and nutrition issues to date. Through IDA20, 183.5 million women and children were granted access to basic nutrition services and 2.63 million farmers adopted improved agricultural technology. In response to greater demand for food security support in 2022 due to the rise in global food prices, the World Bank increased its original commitment from \$30 billion to \$45 billion — one of the more significant financial pledges during the polycrisis — to benefit 335 million people. Food security and nutrition is one of eight global challenges and one of the six Global Challenges Programs adopted by the World Bank within its Evolution Roadmap. In addition, the World Bank Group's new Corporate Scorecard includes several indicators for food security and nutrition in outcome areas "Healthier Lives" and "Sustainable Food Systems". Prioritising food security and nutrition in IDA21 is a critical pathway to achieve this mission.

There is an appetite for continued World Bank leadership on food security and nutrition. In the Joint Nairobi IDA Communique, 19 African Heads of State acknowledged the vital role of IDA as "dependable development partner for Africa" and identified food security and nutrition as IDA21 priorities within the areas of "stronger human capital" and "building resilience to climate and fragility". 26 countries are developing Food Security Crisis Preparedness Plans that promote greater preparedness and early action to halt major food and nutrition crises with a coordinated response.

Recommendations for IDA21

The IDA21 Replenishment comes at a time when there is an urgent need to address the mounting risks of overlapping extreme poverty, malnutrition, food insecurity, health and climate crises. In the six years remaining to 2030, the world is universally off track to achieve Sustainable Development Goal 2 to end hunger and all forms of malnutrition, particularly in IDA countries where 92% of people who face hunger live. With the right policy package and financial investments that address malnutrition and food insecurity, the IDA21 Replenishment can be a vital lifeline of evidence-based solutions that save lives now, build resilience and secure the future.

To leverage the full extent of IDA21 and the expertise of the World Bank during this global food crisis, three actions must take place:

- Include a lens on Nutrition and Food Security within IDA21 to signal the centrality of the issue and spark the robust commitments needed to address the multi-sectoral nature of nutrition.
- 2.Incorporate IDA sub-indicators on anaemia and child wasting.
- 3. Increase the volume of IDA financing and pace of disbursements for nutrition, especially around crisis prevention, preparedness and response in line with the proposed Fragility, Conflict and Violence (FCV) lens.
- 4. Address the critical role that nutrition interventions play within crisis prevention, preparedness, and response within the proposed lens on Fragility and the Crisis Response Window (CRW) by:
 - a. Increasing the CRW and Early Response Financing (ERF) by at least 50% above the ceiling of \$1 billion, which was reached in the first fiscal year of IDA20;
 - b. Establishing clear links to the Preparedness Plans for Food and Nutrition Security Crises, which enable systematic action at country, regional and global levels, and dedicated arrangements at global and regional levels to support the Preparedness Plans and ensure timely action when they are triggered.
 - c. Revising the triggering criteria for food security crises in the CRW by eliminating the requirement that countries demonstrate a worsening trend of at least five percentage points to provide Bank staff more discretion and enable an earlier response to emerging food insecurity and malnutrition events.

- d. Supporting countries with technical assistance to prevent, detect and treat acute malnutrition in their crisis preparedness and response plans, including specificity on the most cost-effective interventions to build resilience of vulnerable populations. Maternal nutrition status and child wasting are key indicators of how well this is being addressed.
- 5. Supporting countries with technical assistance to prevent, detect and treat acute malnutrition in their crisis preparedness and response plans, including specificity on the most cost-effective interventions to build resilience of vulnerable populations. Maternal nutrition status and child wasting are key indicators of how well this is being addressed.
- 6. Within the "People" special theme/focus area, policy commitments should better reflect equitable support for countries to promote child development by expanding access to maternal and child health and nutrition services, and for countries to develop resilient nutrition delivery systems.
- 7. Within the "Planet" special theme/focus area, the approach should include a clear definition of what a resilient, healthy sustainable food system is, prioritise smallholder farmers, and provide specificity on the range of investments governments can make to improve cross-sectoral nutrition and healthy diets solutions and smallholder livelihoods.