



BANGLADESH FOOD SECURITY INVESTMENT FORUM 2010

26–27 May 2010 • Pan Pacific Sonargaon • Dhaka

Inaugural Session
26 May 2010 • Dhaka, Bangladesh

Address by
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Honorable Prime Minister Sheikh Hasina, Honorable Ministers, Honorable Secretaries, Members of the Diplomatic Corp, Distinguished Representatives and Delegates from International and Regional Organizations, Distinguished Guests, and Ladies and Gentlemen:

Bangladesh has undergone remarkable economic transformation and development during the past 50 years through the implementation of a range of reforms, technological innovations, and strategic policies. In the past decade especially, Bangladesh has made impressive economic and social progress towards achieving many of the Millennium Development Goals. Poverty for example, has fallen from 57 percent of the population in 1990 to 40 percent in 2005, despite repeated natural disasters and external shocks, and economic growth during the last decade has averaged an impressive annual growth rate of 6 percent.

Today, the number of people in the world suffering from hunger and poverty has risen to more than one billion and Bangladesh is not immune to this reality. Overcoming challenges to food security has played and continues to play a significant role in the development agenda of Bangladesh. According to IFPRI's 2009 Global Hunger Index—which is a combined measure of the proportion of undernourishment, child malnutrition, and child mortality—food security has improved in Bangladesh since 1990, with the country moving from an “extremely alarming” to an “alarming” level of hunger. The proportion of undernourished has fallen from 36 percent of the population to 26 percent in 2006. Despite this progress, Bangladesh's food security is still fragile and major challenges remain. The levels of child stunting, underweight, wasting, and childhood anemia are very high in Bangladesh, as are levels of maternal chronic energy deficiency and anemia. Moreover, the recent spikes in global food and energy prices have taken their toll on Bangladesh and deepened food insecurity.

Thus, Bangladesh needs to continue to improve the availability, access, and utilization of food while maintaining progress in areas of success. Efforts to improve food security need to take into account natural and man-made challenges and changes in the domestic and international landscape, including population growth, urbanization, natural resource constraints, and climate change. The high and volatile of global food prices will remain after the 2007/2008 global food crisis. Population growth in general and urbanization in particular put high and growing pressure on land, making it imperative to increase agricultural productivity. The importance of better quality, high-value and perishable commodities—such as fruits and vegetables, fish, meat, and dairy products—

in the food consumption basket is increasing. Agricultural production is dominated by millions of marginal and small farms, while crop diversification is still limited. Smallholders need to adapt to changing demands, markets, and supply chains. Moreover, the soil is heavily degraded in many parts of the country, fresh water availability for irrigation is increasingly scarce, and natural disasters regularly damage part of the agricultural output. Looming over all this is climate change and its potential negative impacts on agricultural production potential and productivity through more unpredictable weather patterns, including the increasing frequency of severe floods and cyclones.

The future food security agenda needs to sustain successes in areas where positive trends have been seen; while, at the same time, achieving certain milestones that have not yet received adequate attention. Public investment is one of the most direct and effective instruments that governments can use to promote growth, food security, and poverty and hunger reduction. There is considerable evidence that public spending on agricultural and rural development has the largest positive effects on growth and poverty reduction in developing countries, creating a win-win outcome. Given both the current state of food insecurity in Bangladesh and the challenges that the country will face in the future, a comprehensive policy framework is needed that places focus on investment strategies in three major areas: (1) agricultural research and extension, (2) improved access of farmers to well-functioning markets, and (3) improved insurance and targeted social safety net programs for vulnerable groups, especially undernourished women and children. Across these three areas, attention needs to be focused on capacity building and good governance.

The question remains, however, how should the government prioritize its investments not only within and across sectors but also across regions of Bangladesh? This includes, but is not limited to, investments in rice versus high-value crops, investments in crops versus livestock and fisheries, and investments in different types of infrastructure versus research and development. Since public resources are scarce and the opportunity cost is high, prioritizing public spending is essential to achieving specific development objectives and improving the effectiveness of food security efforts. However, the economic growth and poverty reduction impact of public investments can occur through a number of different channels, for example increased farmer's productivity and income, lower food prices, increased nonfarm employment opportunities. Public investment decisions should therefore be based on a careful analysis and exploration of the returns to specific investment strategies, how these returns vary across regions, and the complementarities and synergies that exist among the different investment strategies. The goal of this forum is therefore to examine the multidimensional investment strategies that are needed to tackle the future challenges to food security in Bangladesh.

In closing, I would like to express my sincere hope that this forum deepens our understanding of the various challenges besetting food security in Bangladesh and the role of different policies and investments in supporting food security efforts. IFPRI appreciates the opportunity to provide technical and logistical support to facilitate this forum. I would like to gratefully acknowledge the great contribution and dedication of Akhter Ahmed, senior research fellow at IFPRI, to this forum and indeed to IFPRI's research.

For over two decades, IFPRI has been involved in collaborative research in Bangladesh on food policy, building capacity, and providing research-based information to policymakers and thereby influencing policy reform through its research products. We look forward to continuing this work with collaborators and partners in Bangladesh to support a Bangladesh-led, -driven and -owned food security investment strategy. Thank you very much for your kind attention.