

BREAKING THE CYCLE OF DEBT, POVERTY, AND HUNGER TO BUILD RESILIENT AGROECOLOGICAL FOOD SYSTEMS



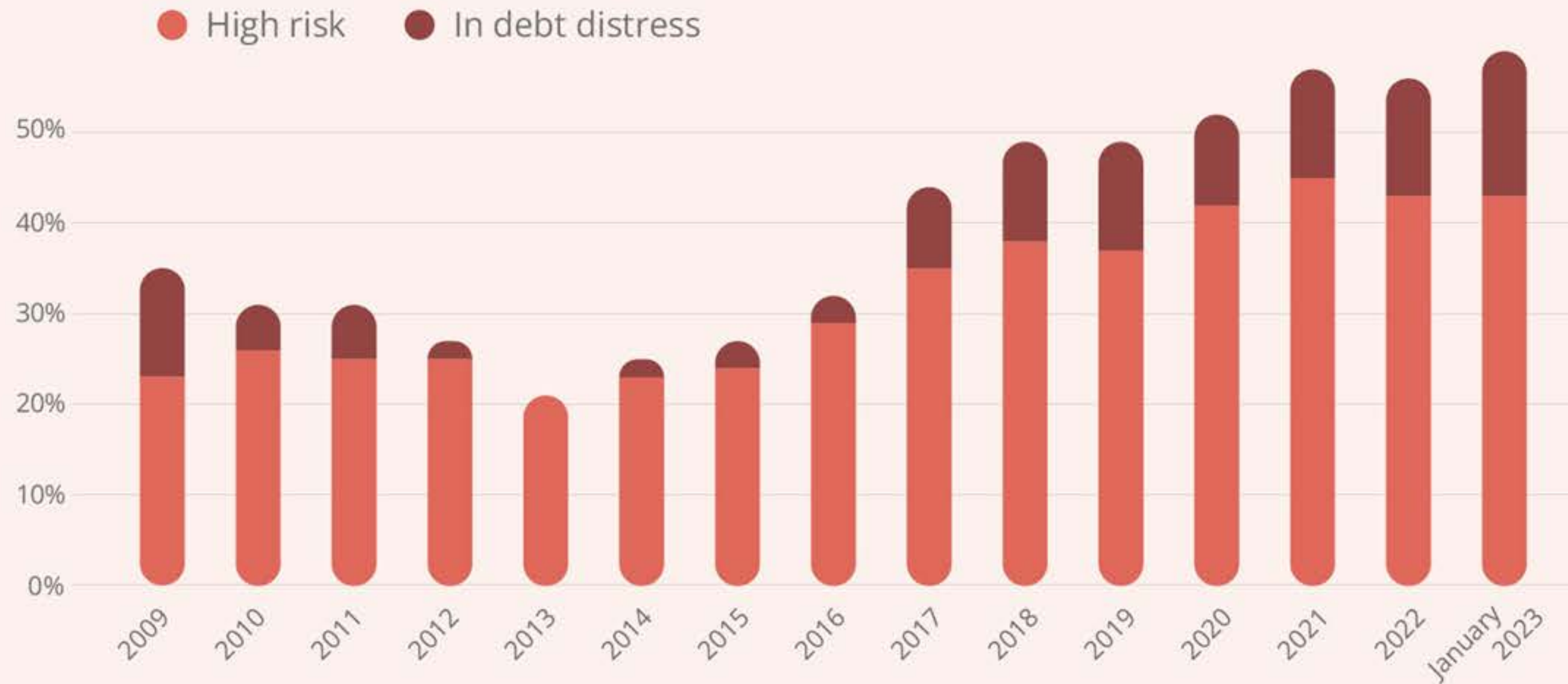
Eastern Africa Agroecology Conference



The worsening debt and hunger crises

- Food prices are down from 2022 peak, but still historically high, and global hunger levels are rising
- Global public debt is at its highest levels in almost sixty years. For LDCs, debt service exceeds core social spending **by 125%**
- **60% of low-income countries** are now considered at high risk of, or already in, debt distress
- **21 countries** are nearing catastrophic levels of both debt distress and food insecurity, including Djibouti, Ethiopia, Kenya, Somalia, South Sudan, and Sudan

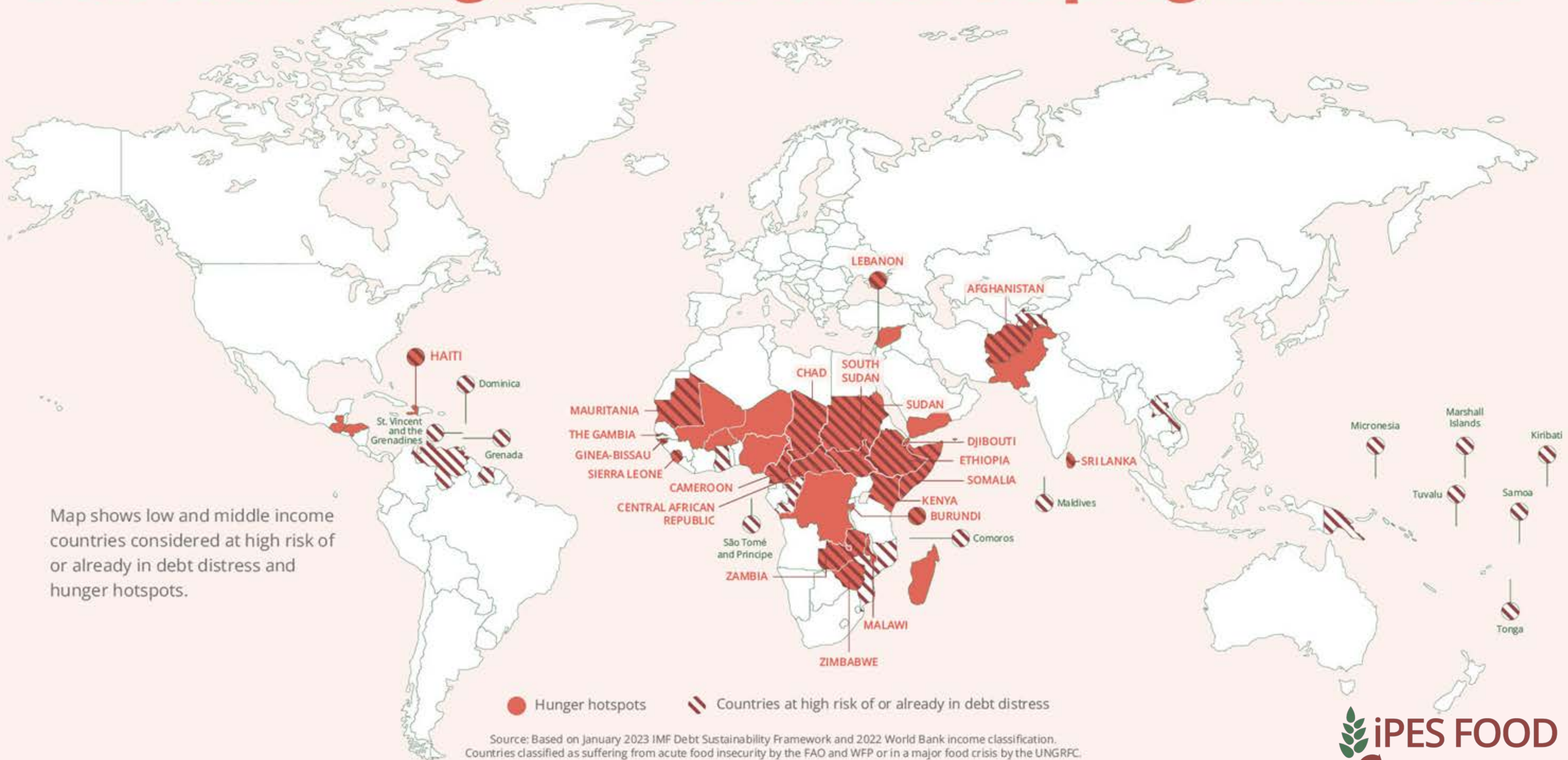
Rising debt distress among low-income countries



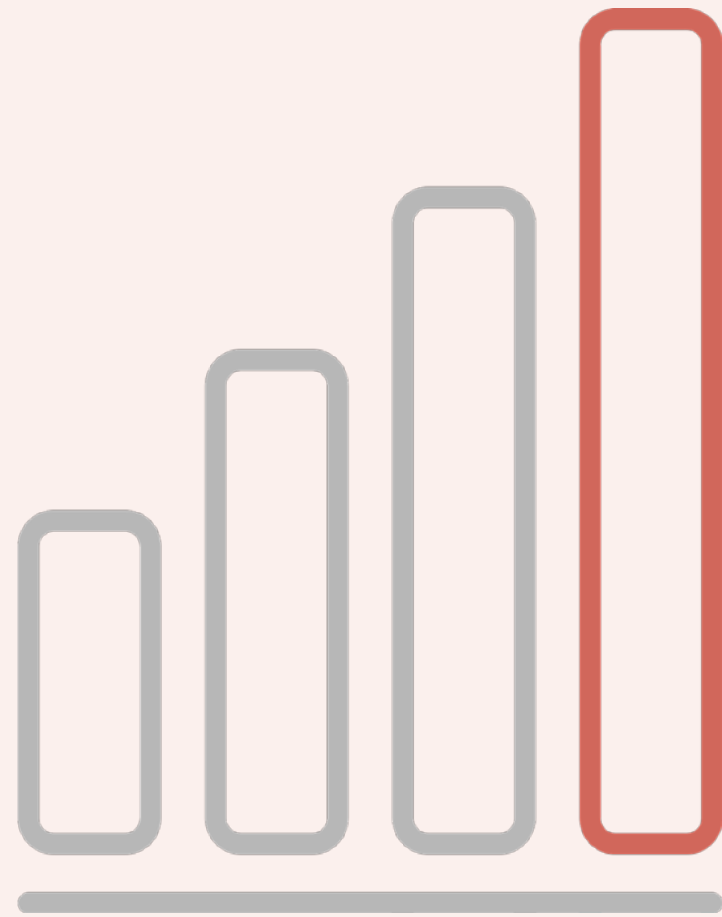
The graph shows the percentage of low income countries at or near debt distress. Since 2013 the number has nearly tripled.

Source: Based on IMF and World Bank low-income country Debt Sustainability Framework.

Debt and hunger crises in developing countries



Source: Based on January 2023 IMF Debt Sustainability Framework and 2022 World Bank income classification. Countries classified as suffering from acute food insecurity by the FAO and WFP or in a major food crisis by the UNGRFC.



What is different today?

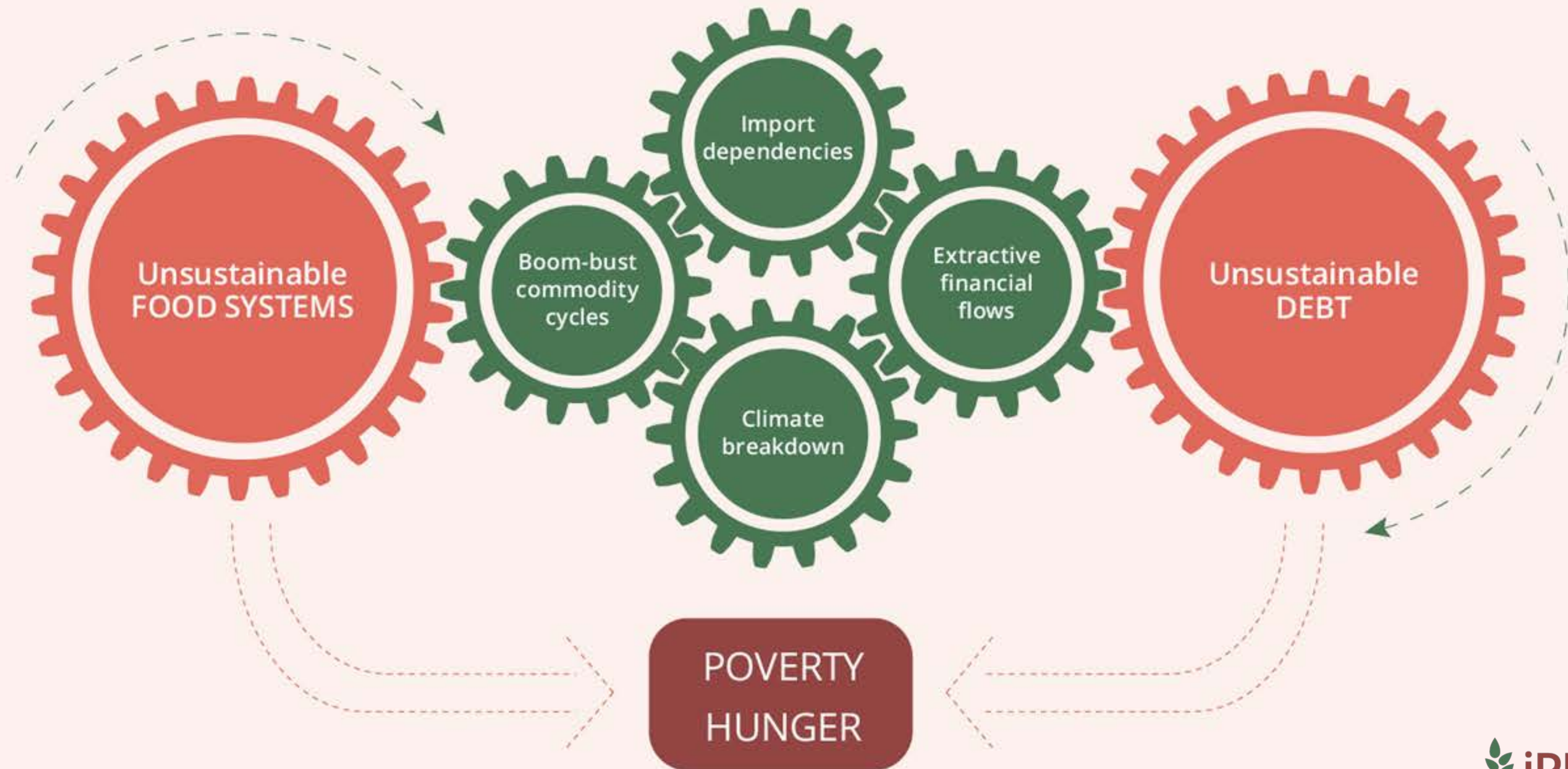
- High import costs for food, fertilizer, and energy, rapidly-rising interest rates, and depreciating currencies
- The world's poorest countries saw the costs of servicing their debt **increase by 35% in 2022**
- **Creditor makeup has changed.** For low-income countries in 2022:
 - 47% of external debt payments were to private lenders
 - 12% to China, 14% to other governments
 - 27% to multilateral institutions



FOOD SYSTEMS: A key overlooked factor

- Today's **unsustainable and inequitable food systems** are driving rising debt and hunger
- Unsustainable debt leaves countries critically exposed to shocks and undermines their ability to invest in sustainable, climate-resilient food production and food security

What's driving the vicious cycle of unsustainable food systems and unsustainable debt?



Recommendations to break the cycle of unsustainable food systems, hunger, and debt

1

Provide debt relief and development finance on a scope and scale for COVID-19 recovery, climate action, resilient food systems, and the Sustainable Development Goals.

2

Repair historical food system injustices and return resources to the Global South.

3

Democratize financial and food systems governance to put the interests of the world's poorest countries and marginalized populations first.

Thank you

Find the full, Special Report at:
www.ipes-food.org/pages/debtfoodcrisis

