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Dear John

Hunger

During the debate on the Queen's speech on 19 November, you made the point that underinvestment by OECD countries in agriculture was a main cause of growing levels of hunger in developing countries.

Underinvestment is one of the causes certainly. Recognising this, earlier this year the G8 committed to spend up to $20 billion over the next three years to address hunger and agricultural development. The UK government's share of this will be over £1 billion.

But as Josette Sheeran, the head of the UN's World Food Programme, said last year, there has been a "perfect storm" of factors which have contributed to rising prices and growing food insecurity among the world's poor. A perfect storm which includes a growing world population, increasing affluence in China and India, biofuels, climate change, failures in the international trading system, and rising levels of poverty due to the global economic downturn.

In order to address hunger effectively we cannot focus our efforts on a single factor. We must work with others to ensure, as the Prime Minister put it when he wrote to G8 colleagues last year, a "comprehensive and coordinated international response" to hunger.

The greatest cause of hunger is poverty. Even when international food prices were at historic lows, in 2000, there were still 800 million people who couldn't afford to buy enough food to meet their needs. Simply investing in agricultural production in developing countries will not solve the problem. By way of example, the Government of Malawi's fertiliser subsidy programme has enabled farmers there to produce a large maize surplus in each of the last four years. While this has helped drive economic growth, nearly one-third of the population continue to go hungry because they are too poor to buy the food that is there in abundance. In contrast, the Government of Ghana has used the income from many years of broad-based economic growth to fund social welfare programmes targeting poor and vulnerable families, and in so doing has already more than met its 2015 Millennium Development Goal target on hunger.

This "whole of government" approach is critical. In developing countries no one ministry can tackle hunger on its own. Ministries of finance, health, education, transport, water, power, as well as agriculture, all need to work together to ensure a coordinated and effective response. And leadership needs to be provided at the highest level

At the same time, the international community needs to do more to get the international trading system working more effectively. Lack of confidence in international trade has resulted in a number of countries banning the export of food commodities to protect their own markets. It has also encouraged some major food deficit countries like China and Saudi Arabia to buy up large tracts of land in Africa. The inability of agriculture in developing countries to compete on equal terms with often subsidised systems in rich countries has choked off investment. Getting the Doha Development Round back on track, and ending the payment of distortionary subsidies to farmers in the EC and the US are therefore high priorities for the UK government.

Climate Change

You also asked for more information on how climate change finance for developing countries will contribute to meeting the Millennium Development Goals.

The UK's climate finance for developing countries is targeted both at helping countries to adapt to the effects of climate change, and to reduce greenhouse gas emissions. At the Commonwealth Heads of Government meeting last month, the Prime Minister proposed a 'Copenhagen Launch Fund' of $10 billion a year by 2012 to help poorer countries tackle climate change immediately, of which the UK will contribute £800 million in total over three years. The Prime Minister proposed that half of this fund should be used to help developing countries to adapt to climate change, giving priority to the poorest and most vulnerable. This will ensure that priority is given to ensuring the Millennium Development Goals are met in the context of a changing climate.

It is vital that this support has impact on the ground. The UK, through the Climate Investment Funds administered by the World Bank, is supporting a Pilot Programme for Climate Resilience which will test ways to provide large-scale funding for country-wide plans for adapting to climate change. The programme aims to ensure that sectors such as water, agriculture, energy and health – all key for the reaching the MDGs - maintain progress with poverty reduction despite climatic changes, and that this type of support achieves results.

UK funding for developing countries to adapt to climate change is already benefiting poor people. For example in Bangladesh, DFID has helped over 300,000 families to protect their homes and livelihoods from flooding. In Zambia, where agriculture is threatened by frequent droughts and flooding, the UK has helped the Government to set up a crop monitoring programme which serves as an early warning system to allow relief and recovery to be provided when it is needed.

Many developing countries, for example the Maldives and Rwanda, are also asking for support to grow in a low-carbon, green way. Reducing greenhouse gases involves not only switching to greener sources of energy, but also protecting forests, on which the livelihoods of more than a billion of the world's poorest people depend. DFID is supporting a range of initiatives to protect forests and reduce poverty, including £50 million to the Congo Basin Forest Fund, £24 million to the Forest Governance and Trade Programme, and a £15 million contribution to the World Bank's Forest Carbon Partnership Facility.

You also asked for information on the take-up of forestry projects under the Clean Development Mechanism. Some forestry projects are eligible for carbon credits under the Clean Development Mechanism. Only a small number have so far been approved because of the difficulty in calculating the carbon benefits to be gained from each project. We are working with international partners to establish a system which will help to increase the flows of funds to forestry. Reaching a global agreement to protect forests is a key UK objective for climate change negotiations at Copenhagen.

I hope you find this response helpful.

Yours ever

Bill

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