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## **IMF Managing Director Strauss-Kahn Calls Donor Support of Food Aid for the Poor a Moral and Economic Imperative**

In remarks presented at a High-Level Conference on World Food Security in Rome, International Monetary Fund (IMF) Managing Director Dominique Strauss-Kahn today warned that high food prices are a serious humanitarian concern as well as a source of macroeconomic instability affecting budgets, trade balances, prices and incomes almost everywhere in the world. He urged donor governments and agencies to move swiftly to support appropriate food aid, particularly for the world's poor, calling effective action a "moral and economic imperative."

Mr. Strauss-Kahn noted that there is enough food to feed the world but the problem is that prices have risen beyond the means of many people. "We need to get food—or the money to buy food—to those most in need", he said. "The immediate and highest priority is to feed the hungry. The most serious risks are starvation and malnutrition, which will impact the quality of life for children in the poorest countries for decades."

There are steps that governments can take to ease the burden of higher food prices on the poorest people. "Emergency measures should be cost effective, well targeted, and not undermine the long-term objectives of increasing food production," Mr. Strauss-Kahn said.

It is also important to stop the food crisis from turning into a general inflation or balance of payments problem. Mr. Strauss-Kahn said that the rise in food prices accounted for almost 45 percent of total inflation worldwide in 2007 – far more than the rise in oil prices – and that in about one half of African countries the increase in the cost of food imports could exceed 1 percent of GDP this year.

Mr. Strauss-Kahn said that the IMF is helping countries to create the space for stepping up expenditures related to the food crisis and discussing with them the design of targeted social measures to help the poorest people. The IMF is also helping with financial support. "We have already doubled our assistance to four low-income countries because of increases in prices of food and also imported fuel—Burkina Faso, Kyrgyz Republic, Mali and Niger—and we are discussing additional support with another 11 countries."

Mr. Strauss-Kahn also thanked the UN Secretary General, Mr. Ban-Ki Moon, for convening the High Level Conference. “A global approach is required to tackle high food prices. I thank the Secretary General for his leadership in ensuring close coordination between the United Nations system, the World Bank and the International Monetary Fund,” he noted.