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“Competition for Resources in a Changing World:  
New Drive for Rural Development”

## Rising Food Prices - Causes, Consequences and Impact for the GTZ

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### Abstract

Since the end of 2007 one could observe worldwide an enormous rise in food prices. In many developing countries serious implications have become visible. Besides the low income food deficit countries also wealthier countries experience increasing inflation and problems with the balance of payments, social unrest and political instability due to high food prices in about 30 countries. Analysts fear that the achievements of poverty reduction in the past years may be lost and more than 100 million people may additionally fall below the poverty line.

There exists a broad consensus about the causes of the crisis. Important factors were decreasing stocks, failing harvests in important export countries, changing consumption pattern in populous emerging countries, the rise in fossil energy, fertilisers and transport. The declining investments in agriculture (private and public) have added to the situation. The effect of biofuel quotas are being discussed controversially and the influence of speculative investments are not yet fully transparent.

The international community has reacted swiftly and decisive. Under the auspices of the Secretary General of the UN a Task Force has been established that has developed a catalogue of measures. Most important is the fact that there is no blind actionism but the will to coordinate the efforts with the other actors.

For Germany BMZ has made available additional resources of approximate € 77 million for coping with the food price rises. In addition a number of extremely needy countries have been identified with an emphasis on subsaharan Africa. Those countries are to served first

This situation poses a number of challenges for the work of GTZ. The presentation will show how GTZ is dealing with these challenges give examples of concrete concrete.

**Keywords:** Climate change, economic policy, food security, investment in agriculture, poverty alleviation, rising food prices, social policy, water for food