

Launching of the Cluster on Trade and the Productive Sectors

FAO statement

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FAO has been highly supportive of the cluster from the very beginning and has participated enthusiastically in the specific activities organised under the cluster so far. More policy coherence, interagency cooperation and integrated activities by all partners involved in development at the country level is a must for making our individual efforts more effective and for maximizing the limited development assistance resources. The synergies are many and the results on the ground are clearly much more than the sum of the individual efforts.

FAO is conscious of the crucial link between trade and the productive sectors. Productive sectors for many developing countries are basically synonymous with their agricultural sectors and it is the agricultural sector that holds the most promise for poverty reduction, food security and agricultural growth. The fundamental challenge before us is making agricultural products competitive, both in price and quality. Supply response is critical here.

The current situation in commodity markets underlines the importance of our work on the productive sectors. Soaring prices are a threat to food security at a time when there are already more than 800 million under-nourished people in the world. They risk increasing the number of poor people in the world by 100 million.

Action to increase agricultural productivity in developing countries is needed urgently. Helping countries close the productivity gap is the best way to enhance food security, while supporting poor farmers seize the opportunities offered by increasing commodity prices. That is why FAO has launched on December 17, 2007 an initiative on Soaring Food Prices. This initiative focuses on enhancing the supply response of developing country agriculture by improving farmers' access to inputs such as fertilizers and seeds. FAO has put \$ 17 million in this initiative, and is working closely with donors like the World Bank, as well as regional organizations like CAADP. The activities of the cluster complement and strengthen our efforts in this area.

Thank You.