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Preparatory Committee of the  
World Food Conference  
Second Session

Proposal by Sri Lanka

The Establishment of a World Fertilizer Fund

Addendum

The Prime Minister of Sri Lanka, H.E. Sirima R.D. Bandaranaike, made her proposal to establish a World Fertilizer Fund when inaugurating the thirtieth session of the Economic Commission in Asia and the Far East in Colombo, on 27 March 1974. Previously, on 6 September 1973, the Prime Minister, in her speech at the summit meeting of the non-aligned countries in Algiers, had made certain proposals for international action in agricultural development. The following is the relevant extract from that speech:

"We have recently witnessed one of the most severe shortages in food supplies that the world has so far experienced. With the present rates of growth in population, unless immediate remedial measures are taken, these food crises will not be a temporary phenomenon. Problems associated with food supplies are bound to continue and create grave problems for developing countries. I am not at all sure that sufficient attention has been given to the development of the world's agriculture. The developing non-aligned countries are essentially agricultural communities with pockets of industrialization here and there. What is now necessary is a supreme effort to develop the agricultural potential of the developing countries. The productivity of agriculture is so low in the developing countries that even a marginal increase in productivity will have a tremendous impact on the world's food supply situation. There are vast acres which are irrigated but yield only meagre returns. There are also vast extents which are unirrigable, but which could be irrigated if the money can be found for investment in agricultural development. In this context, it is obligatory on the developing non-aligned nations to assure themselves of a regular and secure food supply. However, mere good intentions will not have an impact on the agricultural situation. An action-oriented programme will have to be drawn up to do something concrete in agricultural development. Extensive surveys have been undertaken to locate areas of agricultural potential in the developing non-aligned countries. What has to be provided are the resources to develop this potential. It should be possible to think in terms of a Special Fund for Agricultural Development. This fund need not be necessarily centralized in one Institution. It could be a decision among, for example, existing financial agencies to divert a certain part of their resources to agricultural development on the basis of concessional lending. Developing countries themselves do sometimes divert funds to investment in developed countries because of the lack of facilities for investment in their own countries. There is for example the vast flow of resources from countries which are blessed with mineral wealth. Some of these countries do utilise these funds for the development of their own countries, but it should be possible for

them to divert some of these funds for the development of agriculture in the developing countries. There is also an area of possible co-operation among developing countries for the production of inputs which could improve their agricultural situation. Most developing countries cannot afford the drain which fertiliser tends to make in their foreign exchange budget. It may be possible to devise means by which fertiliser is produced in the developing countries themselves and supplies made available to other member countries which do not produce such fertiliser on the basis of concessional payments arrangements. All these require much thought and what I would suggest is that most urgent attention be given to possible ways and means of working out a strategy for overcoming the continuing food crises that we in the developing countries would otherwise be faced with.

There is also a need to provide adequate resources for agricultural research. Knowledge that is already available is not sufficiently shared. Maybe we have to think in terms of having a clearing house for information on agricultural practices."