



***OMD INTRODUCTORY STATEMENT: EB A/2008  
FOOD INSECURITY AND THE IMPACT OF RISING FOOD PRICES  
IN WEST AFRICA***

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In this presentation, I would like to provide an update on the impact of high food prices in West Africa and WFP's response, and to introduce two projects in Liberia and Niger for your review. I am joined here by the Country Directors in Liberia and Niger, Louis Imbleau and Jeff Taft-Dick.

**HISTORICAL CONTEXT**

The West African region has historically been faced with two types of crises: natural disasters and civil conflict.

A swath of countries across the Sahel are periodically affected by severe droughts, including in Niger – whose Country Programme will be presented today. Civil conflict has also been particularly pronounced in the coastal countries of West Africa, and has strongly affected such countries as Liberia – whose development project is also on your agenda.

Chad is the one country that has been subject to both natural disasters and civil conflict on a repeated basis, with very little opportunity to recover before the next crisis hits. These two factors of natural disasters and civil conflict have undermined efforts of countries and populations in West Africa and can be considered among the principal, underlying causes of their ongoing food insecurity.

As a result, we see that this region includes the lowest 5 countries on the Human Development Index, and 7 of the bottom 10. The average HDI rank in OMD countries is 156 out of the 177 countries. No other region comes close to this.

These conditions are reflected in the region's social indicators and such historical trends have caused some of the highest chronic and acute child malnutrition rates in the world, as well as some of the lowest levels of adult literacy and primary school enrolment. This unfortunate context has determined both national governments' and WFP's programme priorities with emphasis on education and health/nutrition. The Niger Country Programme and the Liberia Development Project, like many WFP projects in West Africa, are aimed at directly addressing some of these social problems. In the region, joint nutrition and education interventions are being carried out in close partnership with the World Bank and the UN agencies, particularly UNICEF, through the Sahel Education Alliance and the Northern Sahel Nutrition Programme.

### **IMPACT OF HIGH FOOD PRICES**

Food insecurity in the region is currently aggravated by the increased cost of living – both from increased food and fuel prices, which have had an impact on the cost of almost everything. West African countries import a significant percentage of what they eat, particularly rice and wheat, so they are quite exposed to price hikes. OMD is, therefore, faced with a context of long-term, structural food insecurity, complicated by the population enduring a significant and widespread shock -- the greatly increased cost of living. This will seriously aggravate food access during the current lean season.

Overall, most countries covered by OMD are net importers of food. The West Africa region as a whole produces some 50 million tons of cereals annually. This consists primarily of coarse grains – millet, sorghum and maize --, as well as tubers such as cassava and yams. However, modern food habits, particularly in the cities, have moved heavily to consumption of bread and rice. As a result, West Africa has become dependent on the imports of wheat and rice to the tune of some 12 million tonnes per year, which represents almost a quarter of the region's own cereal production. Increasing international prices are making consumption of locally produced cereals more attractive, and West African governments are now consulting on how to shift consumption habits so people eat what the country produces, and on ways to increase food production to meet local consumption needs. It will not be possible for each and every country to do this: Cape Verde and Mauritania, for example, are not well equipped to produce

enough food for their own population, but the region as a whole CAN make this change successfully. WFP has been encouraging local agricultural production in the region for years. For example, in 2007 we purchased almost 70,000 tonnes of food in West Africa, mostly cereals and beans, but also salt and vegetable oil, at a cost of 23 million US Dollars. With increased production in the region, there is scope for increasing our purchases and it is worth noting that at least 3 pilot countries are included in the Purchase for Progress programme.

As you no doubt know, West Africa has been experiencing increased levels of civil disturbances linked to food prices and cost of living increases. These have occurred in Abidjan, Dakar, Monrovia, Conakry, Ouagadougou and several other locations. One of the initial responses of Governments, in an attempt to maintain a better supply to domestic markets, was to restrict cross-border trade; this unfortunately further aggravated food supply in some countries. ECOWAS organized a meeting of Finance and Agriculture Ministers in May, and both ECOWAS and CILSS have appealed for a dismantling of trade barriers. Civil instability, however, remains a major concern to West African governments.

Our primary and immediate worry is the lean season that will last until October, and which, as expected, has started early this year. Even in rural areas, most households do not produce enough food to feed themselves for the whole year, and as their stocks run out they start buying from the market. At the current high prices, their resources are used up quickly. As a result, some areas have reported that household lean season coping mechanisms have been called on long ahead of the traditional season. In Niger, lean season population migration has been heavier and earlier than normal. In Liberia, the price of rice surged 28% between November 2007 and May 2008. In Guinea, many urban dwellers have been making ends meet by eating primarily mangoes, and now that the mango season is finishing, prospects are not good. In the end, the biggest worry is that the poorest sector of the population will run out of money before the next harvest becomes available—that is for the rural areas. And for the urban areas—that their spending power will be so eroded that the vulnerable will start the downward spiral into malnutrition. This is shaping up to be a VERY difficult lean season in West Africa.

## **WFP STRATEGY – WHAT WE AND OUR PARTNERS ARE DOING ABOUT HIGH FOOD PRICES IN WEST AFRICA**

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WFP's response to this crisis needs to be seen in the perspective of the overall response in West Africa by a multitude of actors.

In many cases, Governments have reduced import tariffs and taken other measures to limit price increases. Several Governments have been reconstituting their emergency cereal reserves and using them to distribute food or, in line with recommendations from CILSS, subsidizing the purchase of cereals, particularly in urban areas. This approach of subsidized sales is a very helpful measure for the poor, though when people get to the point of having no money left at all, they cannot even buy subsidized cereals and are in need of targeted free food assistance.

ECOWAS and CILSS have been helping by encouraging the free flow of commodities throughout the region. CILSS, along with WFP, FAO and NGO partners, has reinforced the capacity in the region to monitor the markets and the impact of rising prices on households.

Along with regional organizations and FAO, Governments are laying the basis for increased and diversified production, focussing primarily on the production of coarse grains, tubers and pulses. Several WFP Country Offices are accompanying FAO's seed distribution programmes with seed protection rations. Central African Republic is a good example, with seeds and seed protection rations being provided to some 50,000 displaced persons.

The World Bank and IMF have entered the arena and are financing projects, including in Liberia and perhaps Togo. The Gates Foundation has just come through with a \$10 million contribution for meeting the challenge of rising food prices, focussing specifically on nutrition interventions in Burkina Faso, Cote d'Ivoire and Niger.

In the area of nutrition, UNICEF and WFP have provided support to Country Offices on measures to be taken to deal with increased rates of malnutrition.

And in general, Governments throughout West Africa have established task forces focusing on increased prices, some of which have prepared action plans for addressing the problems. Early warning systems are active, and are focused on detecting the impact of rising prices and identifying those most affected.

### WFP as First Line of Response

In this context, WFP's primary role, clearly, is that of the "first line of response", and along with Governments, we are in the forefront of implementing immediate interventions. We are doing this primarily by reinforcing existing safety nets for the most vulnerable. In concrete terms, this translates into the following:

1. provision of dry rations during the lean season through primary schools. WFP-assisted schools are in the areas of highest vulnerability; but they are closed during the lean season, so in several countries, it has been agreed to maintain staff at the schools in order to distribute monthly family dry rations to help the children's families get through the lean season.
2. discharge rations are distributed when malnourished children complete their treatment at nutrition centers.
3. a variety of different interventions as appropriate in each country, such as reinforcing cereal banks in Niger and community food reserves, seed protection rations, and youth employment programmes.
4. Targeted free food distributions to the most vulnerable are also required in some areas, such as parts of Mauritania, Niger, Guinea, Senegal, and also in northern Ghana where some households lost last year's crop to floods.

These additional activities are being integrated into the expansion of existing projects, and to this effect, we are preparing budget revisions for several PRRO projects in the most seriously affected countries, such as Guinea, Mauritania, Senegal, Liberia, Burkina Faso and Sierra Leone. Overall, WFP's beneficiary coverage in the region will consequently increase from 10 to 15 million vulnerable people.

In addition to our expansion of safety nets, we are undertaking a systematic review of the composition of the food basket in all our projects with a view to getting better value for money. The primary purpose is to replace high cost cereals, such as rice, with more self-targeting, cost effective, and nutritious alternatives, such as maize, maize meal, millet and sorghum, which preferably can be purchased locally or in the region.

IN CONCLUSION: The successful implementation of these food

security measures to combat rising food prices in West Africa can only be effective if adequate cash and commodity resources are quickly mobilised from the donor community. WFP-supported projects and operations in West Africa have been chronically underfunded for the past few years, provoking repeated pipeline breaks in practically all of the major operations. Projects that are currently the most underfunded are in Liberia, Guinea, Mauritania, Senegal, Cote d'Ivoire, Ghana, and Cameroon. This trend has, of course, been further aggravated by commodity supply shortages caused by rising food prices.

The lean season in West Africa started early this year, in early May, so we are entering into the period when poor people's resources and capacity to cope are at their lowest. This period will last to the end of October when harvests start coming in. As West Africa is probably the poorest region in the world, the lean season is always difficult. The situation this year is seriously exacerbated by the phenomenon of increased food prices, which means that this lean season will be a particularly critical period for the most vulnerable populations.

Liberia School Feeding Project and Niger Country Programme

Now a few words about the two projects which OMD has submitted for the Executive Board's consideration:

In its report on soaring food prices submitted to the High Level Conference last week, FAO identified both Liberia and Niger as among the 22 most vulnerable countries in the world in terms of assessing the critical impact of rising food prices. The projects we are presenting today – the Niger Country Programme and the School-Feeding Development Project in Liberia – are good examples of

projects representing an expanded safety net for the poor and food insecure. Both social protection projects focus on the areas of their respective countries where the need is the greatest.

In Liberia, a PRRO already addresses the needs of the northwest and central areas of the country where food insecurity is more transitory. The Development project, which will be exclusively primary School Feeding, will concentrate on the geographically isolated and infrastructure-poor southeastern counties, and will address both low enrolment and chronic food security problems over a longer term. But it is interesting to note how this safety net will help in the shorter term, in the context of rising prices.

The increase in prices of commodities, especially rice, will have a particularly serious impact on the southeastern counties as the price of rice in this region is usually 20 to 25% higher than that in Monrovia. As the food price shock reaches critical levels, families will be forced to pull their children out of school to work, resulting in higher drop out rates. In addition, families will cope with the increased cost of living by changing their diet, eating less quality foods which will impact on the health of children and their capacity to learn. The introduction of a long term development school feeding programme targeting the southeast region is, therefore, particularly timely, and the World Bank has already made a provisional commitment of \$4 million in support of this project.

For both the Liberia and Niger, the new projects have been prepared in line with the Poverty Reduction Strategy and are harmonised with the Government's priorities. The projects were prepared in close coordination with the UN Development Assistance Framework (UNDAF), and as a result, the projects are embedded in a strong partnership framework. Collaboration with UNICEF in provision of the various components of the Essential Learning Package is particularly pronounced.

As a result of the 2005 crisis in Niger, a PRRO was formulated to complement the CP, with the PRRO addressing the crucial area of nutrition for which the malnutrition rates were at an "emergency" level, requiring a more vigorous response.

The Niger Country Programme will provide 55% of its resources to school feeding. 33% will go to community cereal Banks and food for training, and the project has been specifically formulated to respect the Government's April 2007 suspension of all in-country food for work activities. The remaining 12% of the resources will provide support in the health sector, particularly for TB patients and people living with HIV/AIDS.

In Niger, WFP would like to encourage local agricultural production as much as possible through local cereal purchases. In 2007 we were only able to buy pulses, and we appeal to the Government of Niger to lift the ban imposed in 2005 on WFP's local purchase of cereals so that, if the harvest is a good one, we can renew our local purchasing policy.

These two projects will help shield people from the impact of rising food prices and, over the longer term, will help lay a basis for social development and progress.

Thank you Mr. President, and goodbye and good luck.