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ACTION AGAIST HUNGER FRANCE'S RECOMMENDATIONS

TO ADRESS THE GLOBAL IMPACTS OF THE WAR IN UKRAINE ON FOOD SECURITY

Faced with the many ongoing discussions and initiatives following the outbreak of war in Ukraine — particularly those related to an emergency plan for food security (Food and Resilience Mission) announced by the French government following the G7, EU, and NATO summits — Action Against Hunger France (AAH France) wishes to share its analysis of the impacts already underway in the areas in which it operates as well as the elements to be taken into account in these international initiatives. Significant support and positive short and long-term impacts for populations threatened by worsening food insecurity must be the main priority of any response. These initiatives must strengthen some existing mechanisms and include an in-depth transformation of our food systems to support and relieve those suffering from hunger.



OUR ANALYSIS

WHEAT, AN ESSENTIAL COMMODITY FOR FOOD SECURITY

Two major wheat-producing countries — many dependent countries

Wheat (along with rice and corn) is a key food commodity to ensure global food security, yet many countries depend directly on wheat imports to cover their needs. This particularly applies to countries in North Africa (Egypt, Libya, Algeria, etc.), in the Middle East (Yemen, Lebanon, Iraq), and to a lesser extent, to countries in Sub-Saharan Africa (Nigeria, Sudan, Senegal, etc.) and in Asia (Bangladesh).

Among other food commodities¹, Ukraine and Russia were part of the top five wheat exporters in 2021 (in 5th and 1th position respectively²). However, many countries are particularly dependent on one or both of these countries for their wheat imports³. This is the case for two of AAH France's intervention countries — the Democratic Republic of the Congo (DRC) and Madagascar — which are totally reliant on wheat exports⁴. A significant amount of these exports come from Russia: over 80% for the DRC and 50% for Madagascar, the latter country relying on Ukraine for nearly 25% of its wheat supplies⁵.

High global prices further impacted by the Russian-Ukrainian crisis

Since 2020, international wheat prices have experienced a substantial increase. They have exceeded the levels reached during the 2007-2008 economic crisis that led to the "hunger riots", and are approaching those of 2011⁶. This situation is mainly due to China's recent positioning on this market, of which the continuously increasing demand is contributing to a rise in prices. The war between Russia and Ukraine will further exacerbate this trend: export disruptions (affected or undermined transit infrastructures⁷), potential stock destruction, difficulties in launching the next cultivation campaign and/or maintaining crops, etc. International wheat trade and production — and ultimately its availability to the poorest households — are therefore severely threatened in the immediate and medium-term.

OTHER RISING INTERNATIONAL PRICES AFFECTING FOOD SECURITY

Rising prices of other staple foods

Not only are international price increases affecting wheat, but they are also impacting many other basic food items, particularly corn and food oils. These rising prices existed prior to the war in Ukraine, which has only made the situation worse. Reasons for this price rise may come from reduced exports from Russia and Ukraine, speculation on world prices, and market tensions. For example, the AAH office in the DRC and its Director Giovanni Sciolto have noted an increase in the price of certain commodities due to reduced exports from neighbouring countries (Tanzania and Rwanda), which are anticipating market strains. According to Grégoire Brou, AAH's Office Director in Burkina Faso, "the

¹ In particular corn, rapeseed, sunflower oil...

² FAO, <u>Information note – The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated</u> with the current conflict, 2022.

³ FAO, <u>Information note – The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict, 2022. Cf p10 Figure 15: Wheat import dependency, 2021.</u>

⁴ WFP, <u>Food security implications of the Ukraine conflict for the southern Africa region</u>, March 2022.

⁵ FAO, Information note — The importance of Ukraine and the Russian Federation for alobal agricultural markets and the risks associated with the current conflict, 2022.

⁶ FAO, <u>Information note – The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated</u> <u>with the current conflict</u>, 2022, p12.

 $^{^{7}}$ The port of Odessa, in particular, is a strategic stake through which many Russian and Ukrainian exports transit.

conflict in Ukraine is also likely to have an impact on soaring grain prices, making a bad situation even worse. An estimated 3 million people are faced with food insecurity in Burkina Faso. This number is expected to significantly increase this year, particularly during the lean season. Now is the time for everyone to mobilise, not withdrawal."

Soaring oil and gas prices also affecting food security

The rise in oil and gas prices caused by this conflict is also increasing the cost of ocean freight, which is directly impacting the cost of food. Sooner or later, this could affect all imported products as well as households' purchasing power.

Energy price, particularly gas, is also affecting the production costs of nitrogen fertilisers (with energy prices representing up to 80% of the fertiliser's total production cost). In Nigeria, despite being a producer country, oil prices have been on the rise for several months, impacting the prices of fertilisers, food, and manufactured goods. In Myanmar, the price of oil went up from 14% to 18% in February and is expected to keep on increasing in April. This will affect food production, post-production, and transportation costs, as well as smaller industries. Ultimately, the situation of the poorest households will continue to deteriorate. In Sierra Leone, oil prices have risen sharply by more than 80% in the space of a few days and are expected to worsen. This increase is heavily impacting the prices of public transport. According to Mohamed Takoy, AAH's Country Director in Sierra Leone, "the situation here was already very precarious due to the impacts of the COVID-19 pandemic. Over 1.2 million people are faced with food insecurity. With this new crisis, this number could increase by 400,000 within a few months. The significant rise in the price of oil will strongly impact the country's food security."

A rise in prices leading to increased hunger

All these elements are directly linked to making food products increasingly expensive. As already mentioned in July 2021 in the SOFI report⁸, 3 billion people worldwide were lacking access to proper nutrition, due to insufficient income. The same report predicted that these figures would worsen as a result of the COVID-19 pandemic. A combination of reduced incomes and rising commodity prices could be disastrous. There is enormous concern that the next SOFI report will be even more alarming than expected, given this new crisis on top of an already tense global situation. According to the FAO and depending on the possible scenarios, the impact of the Ukrainian crisis on food insecurity could increase the number of undernourished people from 7.6 million to 13.1 million⁹.

If the trend continues, it is feared that in countries already devasted by conflict or under pressure, tensions will resurge and violence increase.

The 2021 SOFI report already stated that we were not on track to reach the "Zero Hunger" goal by 2030 — a goal which is even more out of reach now with this new crisis added to the climate crisis already underway.

⁸ FAO, IFAD, UNICEF, WFP, WHO, The State of Food Security and Nutrition in the World, 2021.

⁹ FAO, Information note – The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict, 2022.

IMPACTS ON HUMANITARIAN AID

The World Food Program (WFP) is heavily dependent on Russian and Ukrainian wheat for its supplies. Ukraine is WFP's main partner (14% of WFP's total purchases) while Russia is the fourth in line (with 5% of purchases). The war in Ukraine questions WFP's ability to continue its provisioning from Ukraine and Russia, at least during the upcoming weeks. Nevertheless, the programme has stocks for the next few months.

In addition to the immediate supply difficulties, the increase in wheat and oil prices will also strongly impact the cost of humanitarian aid. With increasing costs of travel, food, and non-food products, AAH France is already examining the consequences for its programmes and missions. According to Isabelle Robin, Regional Director of Operations for Central Africa at AAH France: "With the rise in prices, AAH France may not be able to purchase and transport as much food and non-food items as expected. We may have to reduce our assistance and not help as many people as anticipated at a time when humanitarian needs will be rising sharply. It is therefore essential to mobilise donors to help the most vulnerable overcome this new crisis." Jean-Baptiste Lamarche, Director of Logistics and Information Systems at AAH France notes that "even before the COVID-19 crisis, the international supply chain was already experiencing strains (scarcity of certain resources, longer delays, price increases in some sectors, etc.). The COVID-19 crisis exacerbated those trends, which were further heightened by the Ukraine-Russia war. This situation could threaten the success of our current and upcoming projects."

For its part, WFP estimates that rising food and oil prices will increase the cost of humanitarian aid by 20%.

Countries such as Yemen are already facing a significant funding shortfall at a time when 17.4 million Yemenis are faced with food insecurity, and 538,000 of the 2.2 million children under the age of five are severely malnourished. According to the latest projections, the number of people faced with food insecurity will have reached 19 million by June. The conflict in Ukraine will further aggravate this already devastating situation. Yemen is almost entirely dependent on food imports and 30% of its imported wheat comes from Ukraine. The sharp increase in wheat prices caused by the conflict in Ukraine will directly affect the cost of food and restrict access to food supplies for the most vulnerable. The humanitarian response for food security will face increased costs, and without financial support, the number of people receiving aid will be reduced.

Sadly, the example of Yemen is not an isolated one and the consequences of the Russian-Ukrainian war are already visible and go far beyond both of these countries' borders.

UKRAINIAN WAR: A NEW EXAMPLE OF AN AGRO-INDUSTRIAL SYSTEM REACHING THE END OF THE ROAD

With this war and its consequences on global food security, several voices and political initiatives were raised to strengthen industrial agricultural production, on the grounds of supporting international demand. After the COVID-19 pandemic and its impact on trade flows, this war once again illustrates the fragility of industrial food systems based on unbalanced international trade flows and countries' specialisations in agricultural production. These same systems also have a particular impact on ecosystems, human and animal health, the climate crisis, and social justice. All these elements are the root causes of hunger. This war cannot be used as an excuse to reinforce a detrimental system. Quite the contrary, respecting international (particularly the Paris Agreement), regional (EU Green Deal, etc.), and national commitments has never been more crucial.

OUR RECOMMENDATIONS

Action Against Hunger France's requests, in the short and long-term, to avoid a humanitarian disaster

 Urgent humanitarian aid that meets immediate needs and avoids the predicted famines must be a priority

AAH France is strongly calling on an immediate cessation of hostilities in Ukraine in order to protect civilians and facilitate a humanitarian response.

In Ukraine and Black Sea ports, the international community must prevent the use of hunger as a weapon of war, under international law (Resolution 2417). Attacks on granaries, markets, and other essential civilian infrastructures, and all the more so on people preparing, sowing, and harvesting the land, should not go unpunished. Everything must be done to enable Ukrainian farmers to carry out the 2022 agricultural season. Similarly, access to the port of Odessa as well as the flow of cereal raw materials must be sustained and protected.

In countries most vulnerable to food insecurity, early and preventive humanitarian aid must include an immediate response by increasing aid to existing food crises and by quickly addressing deteriorating situations at the local level to avoid a new hunger spiral. Thus, some existing mechanisms (such as the G7 Compact to prevent famine and humanitarian crises) must be strengthened and implemented as soon as possible. Specifically, immediate responses must be supported and enforced, particularly for the Sahel (international conference on the 6th of April) and Afghanistan (donor conference on the 31th of March). Similarly, an adequate humanitarian response must be provided in the event that international sanctions against the Russian Federation result in shortages of essential products, particularly basic staple food.

In particular, Action Against Hunger France calls:

donors,

- to respond to increasing food prices not by reducing the number of beneficiaries targeted in relief programmes but rather by increasing budgets dedicated to humanitarian aid. It is particularly important to take into account the additional costs linked to inflation (salaries, raw materials, transport) by increasing budgets in order to be able to carry out the planned projects;
- to respond immediately to the needs of crises (Yemen, the Sahel, Afghanistan, Myanmar, etc.), which are ongoing and could even worsen due to the impact of the Ukrainian crisis and the complex international context. Humanitarian and development needs which remain largely underfunded in many countries must continue to be covered. Pre-existing aid, resources or political commitments by donor governments to existing food crises and the most vulnerable countries and populations must not be redirected. Of the \$42.2 billion requested to address the global crises in 2022, only 5.1% has been raised so far.

the international community,

- to ensure the viability of WFP's operations with other producer countries taking over supplies and by providing financial support to WFP and humanitarian actors given the extra costs arising from the increase in energy and commodity prices;

¹⁰ https://fts.unocha.org/appeals/overview/2022.

- to curb the impact of speculation on cereal raw material prices by releasing stocks of countries with large reserves and by implementing measures to regulate cereal markets. Governments should avoid export restrictions that contribute to upward trends and price volatility;
- to support the High-Level Task Force on Famine Prevention (FAO, WFP, and OCHA) to strengthen its scope and improve its work, particularly on humanitarian access and the application of international humanitarian law. If organisations do not have access to populations and if humanitarian space is not preserved, immediate response to famine or worsening food insecurity will be impossible in many conflict countries;
- to take emergency measures to ensure the basis of social protection for everyone according to recommendation 202 of the International Labor Organization (ILO). Although local shortages are beginning to emerge, this crisis is so far primarily a food access crisis rather than a food availability one. These measures in favour of those who do not have or no longer have access to food must be strengthened in all countries faced with rising food prices. A basic income for the first 1000 days of a child's life and access to Universal Health Coverage, including nutritional care, would prevent more households from sinking into poverty and provide prompt treatments to those who are undernourished. Today, official development assistance for social protection represents less than 1% of global ODA. The G7 countries meeting in Germany on the 26*-28* of June must commit to including a mechanism for additional financing in the recently proposed Global Employment and Social Protection Accelerator to rapidly make up for the financing gap for universal social protection floors in the poorest countries.
- Now and in the future, it is necessary to strengthen the food and economic States' sovereignty

The COVID-19 crisis and the war in Ukraine show the fragility of a food security model based on international food flows and the hyper-specialised production by countries. The current context reminds us of the urgent need to radically transform food systems in order to reduce States' dependence on staple food imports and to achieve food sovereignty in each country, or at least at regional level. It is crucial to support sustainable and local agriculture to achieve local, even regional, consumption. This radical food system transformation must also take into account the climate crisis in order to drastically reduce our impact while adapting to its effects.

In particular, Action Against Hunger France calls:

- States to massively support peasant agroecology in international agricultural investments as well as in national and regional policies. Peasant agroecology works towards food sovereignty with localised, diversified, and food-crop agricultural production. It reduces farmers' and countries' dependence on multinational agro-industrial groups (supplying seeds and chemical inputs), by producing diversified and quality food, and by putting an end to the specialisation of countries for certain food commodities based on international trade;
- countries with a high HDI to deeply transform their food systems to make them sustainable and with less impact on the rest of the world. The rising strain on international corn and wheat prices is also due to the development of intensive livestock farming and an animal protein-rich diet, particularly in northern countries. Moreover, food systems in the North contribute directly to the climate crisis by emitting large quantities of greenhouse gases, which is weighing even more heavily on the current food crisis. The exported agricultural model also contributes to the loss of biodiversity, both through monocultures and farming practices that reduce soil fertility and disturb the nitrogen and phosphorus cycles;

- France to reject certain lobbies ¹¹ attempts to recover from this conflict by seeking to diminish some necessary environmental assets in agriculture (e.g. ending fallow land, easing restrictions on chemical inputs, etc.). In France, increased production of certain commodities for export would be a short-term solution leading to extremely serious consequences in the long-term: increasing other countries' dependence on imports, aggravating France's burden in the climate crisis, worsening the collapse of biodiversity as well as, more broadly, exceeding planetary limits. The agro-industrial model combined with unbalanced international trade flows jeopardises the food sovereignty of States, contributing in large part to the climate, social, and environmental crises. All are the root causes of hunger. Instead, France must support production methods that reduce carbon emissions, limit land and coast erosion, and preserve biodiversity, while taxing food systems that encourage nitrogenous and phosphorus fertilisers, emit greenhouse gas emissions, etc.;
- UN member States to implement the Right to Food and prioritise food for humans. The use of cereals for animal feed (currently 47% worldwide) or for agro-fuels must be considerably reduced. The use of mineral fertilisers must also be cut, especially in countries with high consumption, in order to mitigate price increases, reduce dependence, and protect the climate and biodiversity;
- France and UN member States to politically and financially strengthen the Committee on World Food Security (CFS) the most inclusive body to work on these issues and refuse attempts of agribusiness multinationals and other players of the Green Revolution to monopolise international governance of food security (cf. the Summit on Food Systems organised in September 2021). States must commit to international coordination to fight against the worsening food crisis within the CFS. A special session of the CFS must be organised without delay. States and all stakeholders within the CFS, including peasant representatives, must be involved in the elaboration of preventive and emergency measures;
- The G20 countries meeting in Indonesia on the 15th and 16th of November to strengthen the fight against poverty and commit to ending fiscal consolidation measures promoted by the international financial institutions. These austerity measures are forcing poor countries to cut public spending, resulting in the disintegration of essential services and cutbacks in social protection, leaving millions out of work. A fairer and more redistributive global economic recovery is essential to enable low-income countries to mobilise their own fiscal resources and to provide them with the necessary policy space for universal social protection.

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¹¹ FNSEA, press release, <u>Conséquences de la guerre en Ukraine : l'Union Européenne doit remettre la souveraineté alimentaire en priorité absolue, 2nd March of 2022.</u>