



# TECHNICAL CONSULTATION REPORT

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Implications of the Global  
Financial Crisis (GFC) for  
Household Food Security

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# Technical Consultation Report

## IMPLICATIONS OF THE GLOBAL FINANCIAL CRISIS FOR HOUSEHOLD FOOD SECURITY

### INTRODUCTION

In the autumn of 2007, the world's most important banks were paralyzed by a global "credit crunch" triggered by unprecedented losses from high-risk, sub-prime loans. Since then, this banking crisis has evolved into a global financial crisis (GFC), severely damaging both developed and developing countries economies. In an effort to better understand how the GFC is affecting food security for the world's most vulnerable populations, WFP hosted a technical consultation in Rome in June 2009 with economic and food security experts from a wide array of UN, NGO and government partners (see: *Appendix 6*). This report is a summary of key content from the presentations, discussions and working sessions of the meeting. For further reading, please see: *Appendix 5: Presentations and Reports*.

### MEETING OBJECTIVES

Mr. Amir Abdulla, WFP Deputy Executive Director and Chief Operating Officer, opened the meeting by stressing that the GFC is likely to exacerbate households (HHs) food security, nutrition and vulnerability statuses. This will worsen the situation of people who already receive assistance and will also increase the number of people at risk of food insecurity. The challenge for governments, humanitarian organizations and their partners is to better understand the scope of needs at HH level, elaborate genuine responses and support policy measures to mitigate the impacts of the crisis. While WFP's new strategic plan allows for assisting the hungry poor with a wide range of transfer modalities, it was hoped that the consultation would help improve knowledge of the impacts of the GFC and appropriate responses.

Ms. Valerie Guarnieri, Director of the Programme Design and Support Division in WFP, explained the objectives of the meeting as follows:

1. Understand the current situation and the future outlook for the GFC;

2. Draw lessons learned from analyses of the crisis' impact on national economies and HHs;
3. Identify top priority response options;
4. Identify actions to support government implementation of responses and to coordinate effectively as a humanitarian community.

## KEY INSIGHTS

The financial crisis is unique in its global impact. Most countries have been affected and particularly those most integrated into the global economy. Although the links between the macro-economic factors associated with the crisis and food security at the HH level are not fully understood, meeting participants have been conducting new studies that are yielding important insights.

Participants are seeing the impacts of the crisis in similar ways. Among the most important are:

- the loss/reduction of remittance income due to job losses for migrant workers;
- the loss/reduction of employment income due to job losses for workers in depressed export sectors;
- the loss/reduction of agriculture-related income due to devaluation of local currencies which drives up the cost of agriculture inputs and constrains agriculture production.

There is evidence that many of the HHs most directly impacted remain somewhat better-off than the traditional beneficiaries of humanitarian aid – the chronically poor and food insecure. However, these groups are not only becoming more vulnerable and food insecure themselves: they are an important source of income and support for those who are already severely food insecure. New policies and programming strategies must therefore be designed to support these groups.

Enhancing monitoring and analysis of the channels through which the GFC is transmitting impacts to national economies and HHs, is essential to mounting an effective policy and programming response.

Given the complex, systemic nature of the crisis, multi-lateral approaches to the provision of aid are more important than ever. This includes resource mobilization, policy making, monitoring and analysis, and programme design and implementation that are coordinated at both the regional and national levels.

## MEETING AGENDA

Monday	Tuesday	Wednesday
<p><b>GFC: Current Situation, Future Outlook &amp; Impacts</b></p> <p>Current situation &amp; future outlook (<i>Samantha Dart, Goldman Sachs</i>)</p> <p>Impacts on livelihoods (<i>Rizwanul Islam, ILO</i>)</p> <p>Discussion of observed &amp; anticipated impacts (<i>group exercise</i>)</p>	<p><b>GFC &amp; Food Security (continued)</b></p> <p>Impacts on HH food security: WFP Case Studies</p> <p>Systems, policy context &amp; use of information (<i>Alex Rees, SC-UK</i>)</p> <p>Programming responses &amp; challenges– HH level (<i>Julien Jacob, ACF</i>)</p>	<p><b>Action Planning &amp; Way forward</b></p> <p>Supporting governments &amp; coordinating as an international community (<i>group exercise</i>)</p> <p>Follow-up actions (<i>group exercise</i>)</p> <p>Way forward (<i>Joyce Luma, WFP</i>)</p>
<p><b>GFC &amp; Food Security</b></p> <p>Impacts of GFC on food security (<i>David Dawe, FAO</i>)</p> <p>Lessons from ODI case studies (<i>Isabella Massa, ODI</i>)</p>	<p><b>Response Implications of the</b></p> <p>Information requirements for effective response (<i>group exercise</i>)</p> <p>Responses, challenges and solutions (<i>group exercise</i>)</p>	

## GFC: CURRENT SITUATION, FUTURE OUTLOOK & IMPACTS

### Current situation & future outlook (Samantha Dart, Goldman Sachs)

Samantha Dart of Goldman Sachs provided insight into the overall context of the GFC with an explanation of the main economic drivers behind the crisis, how it is linked to the fuel and food crisis, and what we can expect going forward. Her principle message was that while there are signs that the GFC is easing, a new energy crisis lays ahead, and with it, a potential food price crisis.

According to Goldman Sachs', the high oil prices of 2007 and the first half of 2008 were largely due to a sustained period of economic growth in the developed and emerging economies pushing oil demand up against the limits of global oil production and refining capacity. Investments in new projects to boost capacity are not being realized today because of political restrictions in non-OPEC countries and the high costs of accessing new, but "harder-to-tap", oil reserves.

In the last 6 months, oil prices have come down. This is mainly due to the devastation of the manufacturing sector caused by the restriction on credit associated with the GFC. As global manufacturing output dropped, the demand for oil (and oil prices) dropped along with it.

However, this contemporary easing in the oil price has served to mask an underlying, long-term trend of rising demand. With the relaxing of credit restrictions, manufacturing activity and oil demand are expected to recover, but under-investment in new capacity, low inventories and long lead times to increase capacity are all pointing to severe constraints on future oil supply. Furthermore, rapidly growing economies such as China are expected to push oil prices even higher as they seek to fuel their growth.

These expected increases in oil prices will have serious implications for food security as increased demand for alternatives like bio-fuels drive up agriculture prices. In addition, , increases in oil prices will also affect agriculture prices by driving up the price of fertilizer.

In order to mitigate the risk and impact of an energy and food crisis, the more slowly growing developed economies (i.e. OECD) must reduce consumption, increase efficiency and develop alternative energy sources so that they can significantly reduce their oil consumption and allow the re-allocation of these to the more rapidly growing developing economies. This will help to limit the extent to which these growing economies drive up the price of oil, and with it the price of agriculture.

## Impacts on livelihoods (Rizwanul Islam, ILO)

Dr Islam commenced by stating that the GFC has now become a full-scale global economic crisis, causing a global employment crisis. The primary transmission channels to developing countries are through trade (merchandise trade expected to fall 9% in 2009), capital flows (decline in flow of private capital) and international migration of workers (decline in recruitment and increase in return of migrant workers; decline in remittances).

According to ILO's research, global unemployment is expected to be between 6.5% and 7.4% in 2009, up from 5.9% in 2008. A rise in vulnerable employment is also expected as people

in developing countries take up any form of employment they can find, but at the expense of social protection. ILO projections indicate an increase of up to 107 million vulnerable workers between 2007 and 2009, reaching of total of 1.6 billion vulnerable workers worldwide.

Although “green shoots” are appearing in the global economy, Dr. Islam warned that historical evidence suggests that it could take five or six years for the global labour market to recover. During this period we can expect to see some of the following impacts on livelihoods:

- Increased unemployment/underemployment/part-time employment;
- Decline in real wages;
- Changes in the structure of employment:
  - Shift from regular employment to temporary contracts;
  - Increase in informal sector employment;
  - Shift towards agriculture;
  - Decline in regular wage employment and shift towards self-employment.
- Adjustment through the supply side:
  - Reverse migration to rural areas (work sharing);
  - Temporary withdrawal from the labour force;
  - Longer working hours by the self-employed;
  - Increase in child labour.

In order to mitigate the impact of the GFC on employment and livelihoods, the ILO is encouraging countries to sign up to the ILO Global Jobs Pact. The ILO Global Jobs Pact is an explicit commitment to make employment and social protection central to all economic and social policies, and to shorten the global labour market’s recovery period. Its key elements include:

- Strengthened income maintenance measures for the unemployed;
- Expanding social protection measures;
- Targeted support to vulnerable groups and sectors;
- Stronger active labour market policies to support employment and earnings;
- Investment in skills development;
- Strengthening of employment services;
- Support to enterprises, particularly small- and medium-sized enterprises;
- Public investment in infrastructure;
- Socially responsible restructuring of enterprises and sectors;
- Strengthened collective bargaining arrangements to facilitate negotiated wage settlements.

Discussion focused on the challenges governments face in providing social protection and since developing country governments face serious fiscal constraints, support from the World Bank and others will be essential

There was also consensus that monitoring the labour market is essential and should be improved. Reliable, contemporary data is, however, often difficult to obtain, and there is a significant use of anecdotal information.

For further insights from ILO’s research on the impact of the GFC on employment and livelihoods please see:

<http://www.ilo.org/public/english/support/lib/financialcrisis>.

## Discussion of observed & anticipated impacts (group exercise)

Participants engaged in a group discussion exercise to share some of their own observations and expectations about the impact of the crisis on countries and HHs.

### Discussion Questions:

1. What impacts of the GFC have you observed?
2. What further impacts do you anticipate?

### Perspectives:

1. National–level impacts
2. HH–level impacts

### Output:

The following is a synthesis of the impacts identified and discussed by all the groups.

### National Level Impacts

Observed Impacts	Anticipated Impacts
<ul style="list-style-type: none"> <li>• GDP down</li> <li>• Government revenues down</li> <li>• Budget deficit up</li> <li>• Delays in government payments up</li> <li>• Foreign Direct Investment (FDI) down</li> <li>• International donor support down</li> <li>• Capital flows down</li> <li>• Equity flows down</li> </ul>	<ul style="list-style-type: none"> <li>• Continued decline of GDP growth</li> <li>• Continued decline of Government revenues</li> <li>• Reduced income from key sectors (e.g. tourism, agricultural exports)</li> <li>• Budget deficit up</li> <li>• ODA up and slowing gap</li> <li>• Increase in social protection expenditure</li> <li>• Reduction in social services (e.g. Health)</li> </ul>

Observed Impacts	Anticipated Impacts
<ul style="list-style-type: none"> <li>• Private investment down</li> <li>• Currency value down</li> <li>• Foreign exchange reserves down or absent</li> <li>• Access to credit down and cost of extending credit up</li> <li>• Trade volume down and deficit up</li> <li>• Trade-related bans up</li> <li>• Slower rate of commercial imports (LIFDCs)</li> <li>• Basic fuel/food prices are much higher</li> <li>• Exports (incl. tourism) down</li> <li>• Export prices down</li> <li>• Agriculture production down</li> <li>• UDL and value of exportable commodities</li> <li>• Lower demand causing lower food prices</li> <li>• Remittances down</li> <li>• Employment down</li> <li>• Returns of migrant workers up</li> <li>• Lack of confidence, but improving</li> <li>• Stabilized but high food prices</li> </ul>	<ul style="list-style-type: none"> <li>• Increased government indebtedness (balance of payments)</li> <li>• Continued decline of FDI flows</li> <li>• Continued decline equity flows</li> <li>• Trade volume down</li> <li>• Export prices down</li> <li>• Decline of agriculture production</li> <li>• Remittances down</li> <li>• Increase in reserve of skilled labour</li> <li>• Unemployment and under-employment up</li> <li>• Social tension up</li> <li>• Security situation worsening</li> <li>• Increase in % of poor and very poor</li> <li>• Increase in risk = increase in non-performing loans</li> <li>• Change in agricultural productivity (MIC)</li> <li>• Decrease in government spending</li> </ul>

### HH Level Impacts

Observed Impacts	Anticipated Impacts
<ul style="list-style-type: none"> <li>• Income down               <ul style="list-style-type: none"> <li>○ Loss of employment</li> <li>○ Reduction or loss of remittances</li> <li>○ Reduced exports and commodity prices for farmers</li> </ul> </li> <li>• Purchasing power down</li> <li>• Reversed migration (from other countries and from urban to rural)</li> <li>• Coping behavior (including negative) up               <ul style="list-style-type: none"> <li>○ Reduced quality and quantity of food consumption</li> <li>○ Reduced food dietary diversity</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Income down               <ul style="list-style-type: none"> <li>○ Loss of employment</li> <li>○ Reduction or loss of remittances</li> <li>○ Reduced exports and commodity prices for farmers</li> <li>○ Increase in diversification in income sources</li> </ul> </li> <li>• High food prices</li> <li>• Reverse migration</li> <li>• Increased migration to rural areas</li> <li>• Coping behavior (including negative) up               <ul style="list-style-type: none"> <li>○ Reduced quality and quantity of food consumption</li> </ul> </li> </ul>

Observed Impacts	Anticipated Impacts
<ul style="list-style-type: none"> <li>○ Begging in urban and rural areas</li> <li>• Unusual levels of malnutrition</li> <li>• Availability of skilled labour up due to unemployment</li> <li>• Retention of food stocks</li> <li>• Access to improved agricultural inputs down due to high costs</li> <li>• Access to credit down</li> <li>• Increased indebtedness</li> <li>• Increase insecurity</li> <li>• Increase in national resources harvesting</li> </ul>	<ul style="list-style-type: none"> <li>○ Reduced food dietary diversity</li> <li>○ Begging in urban and rural areas</li> <li>○ Increase in child labour</li> <li>○ Increase in informal employment</li> <li>○ Increased dependence on family networks and social protection</li> <li>• Decrease in nutrition status</li> <li>• Unusual levels of malnutrition</li> <li>• Increase in numbers of urban vulnerable</li> <li>• Conflicts over resources</li> <li>• Decrease in food security assistance to HHs</li> <li>• Increased food insecurity and poverty</li> <li>• Change in credit behavior, especially informal</li> </ul>

## GFC & FOOD SECURITY

### Impacts of GFC on food security (David Dawe, FAO)

David Dawe from FAO shared his perspectives on the impacts of the GFC on food security. The GFC is coming at a time when hunger has already been on the rise during the past decade. Experience from other smaller, more localized economic crises suggests that years of poverty reduction can be wiped out by a crisis and it can take five to seven years to recover.

David Dawe outlined three unique characteristics of the GFC:

1. All economies in the world are being affected, therefore the policy actions of any one country has limited impact on the crisis;
2. It has come immediately after another crisis – the food and fuel crisis, so the coping mechanisms of the poor are already strained; and
3. Developing countries are more integrated into the world economy than in the past, thus making them more vulnerable to recession in the developed countries.

FAO research suggests that while food prices have come down in the past year, they are still substantially higher than they were two years ago. Adding to this strain, the integration of

the developing countries into the world economy means that they are vulnerable through the following transmission channels:

- International trade;
- Credit;
- Foreign direct investment (FDI);
- Official development assistance (ODA);
- Migration and remittances.

Remittances are one of the most important channels through which many HHs will be affected by the GFC. In South Asia, for example, remittances are more than three times FDI and ODA combined. They account for approximately 6% of GDP in low-income countries, but in some countries this figure can be much higher (e.g. in Tajikistan they are 46% of GDP).

In order to cope with the crisis, HHs attempt to maintain income by seeking new employment opportunities, often by gaining additional work for women and by migrating to new areas. Migration is more difficult in countries where mechanization has occurred, or where migrants have lived in urban areas for an extended time. In addition, the arrival of migrant workers can strain rural HHs, especially if the new migrants do not contribute to increased agricultural production or find other employment.

Agriculture can play an important role in times of crisis as it tends to serve as a macro-economic buffer. While it usually grows more slowly than other sectors during “normal” times, it grows more rapidly (or contracts less) during times of crisis. It will be important, therefore, to increase investment in agriculture in order to prevent depletion in agriculture capital stock, increase productivity, provide incomes to farmers and provide lower prices to poor consumers. In the short-term, effective safety nets will be needed to make sure people do not end up in poverty traps. Based on evidence from Argentina, Bangladesh and India that safety nets are less well-targeted during times of economic crisis, it will be important to ensure that there are adequate investments in social safety net targeting as well.

## Lessons from ODI case studies (Isabella Massa, ODI)

In June, 2009, ODI published a synthesis of 10 case studies on the impact of the GFC on developing countries. Isabella Massa presented the key findings.

In each of their case studies, ODI explored the following elements:

- Global shock (private capital flows, trade, migration/remittances, aid);
- National shock (private capital flows, trade, migration/remittances, aid);

- Macro effects (growth, development and debt);
- Policy responses (short-term – economic and social, long-run – economic);

Findings from the case studies indicate that the same transmission belts are affecting countries differently. For instance, while Indonesia, Nigeria and Kenya were all badly hit by a decrease in portfolio investment flows, in Indonesia this was due to a decline in bond flows and in Nigeria and Kenya this was due to a decline in equity flows. Ghana, Benin, and to some extent Zambia, experienced decreases in both FDI *and* portfolio investment inflows. All countries saw their stock markets fall (30–50% since start of the GFC).

With regard to trade, the impact of the crisis on volume and prices differs depending on the degree of trade openness and the degree of export concentration (i.e. reliance on a single or small group of commodities). Export shocks affected countries in the form of a commodity price shock (Nigeria, Bolivia, Benin, Zambia, Uganda, Ghana, and Kenya), a manufacturing volume shock (Cambodia, and to some extent Bangladesh), a tourism receipt shock (Kenya, Cambodia, Zambia) or multiple shocks of declining commodity prices and lower demand for simple manufactured goods (Indonesia). Import shocks in the form of lower oil prices affected Bangladesh and Kenya.

Dependency on remittances varies by country. Growth in remittances slowed in all countries in Q4 of 2008, but Bolivia (down from 97% in 2007 to 5% in 2008) and Cambodia (down from 19% in 2007 to 0% in 2008) were amongst the hardest hit. Remittances will likely go down for Bangladesh and Cambodia due to lower emigration flows (down by 38.8% February 2008 – 2009 in Bangladesh) and for Kenya and Ghana due to lower stocks.

There has been little evidence of a significant reduction in aid so far. Uganda did see some reduction in aid between 2007 and 2008, and Bangladesh saw gross disbursement fall by 9% in fiscal year 2008–2009.

The net effect of these impacts is a slow-down in growth for all of the countries and this is expected to worsen throughout 2009. The early signs of increased poverty are also expected to worsen due to job losses, reduced remittance income, rural–urban shocks and gender issues.

Economic policy responses vary widely, from ‘business as usual’ to more pro-active approaches, such as implementing/accelerating long term growth policies (e.g. Cambodia), implementing a fiscal stimulus (Indonesia) and small monetary policy steps (e.g. Kenya or Uganda). Social policy responses range from struggling to meet existing social protection commitments (Kenya, Uganda), to extending coverage significantly (Bangladesh, Ghana,

Cambodia), to expanding existing programmes (Indonesia), to reducing social sector allocations (Nigeria, Zambia). The scale of the social protection response is affected by the extent of revenue contraction, the ability of the government to access resources to finance the fiscal deficit, government willingness to increase deficit in order to support social protection provision, and relative priority given to social protection and social sector programming.

The institutional context for developing and implementing policy differs in terms of governments' capacity, fiscal space or willingness to implement crisis-related policies. ODI's hypothesis is that institutions matter (e.g. state-business relations and the ability to respond to a shock). For example, some countries (e.g. Kenya, Ghana, Bangladesh, and Nigeria) have established a GFC task force.

With reduced income and pressure to restore growth and provide social protection, governments are likely to increase their debt and see a deterioration of their account balance. A few countries have started to cut public expenditure on the social service sector in a context of a widening deficit (Kenya, Zambia, and Nigeria).

With the conclusion of this study, ODI intends to focus further research on:

1. Continuing to monitor the effects of the GFC on developing countries with developing country research teams;
2. Monitoring developing countries policy responses to the GFC with developing country research teams
3. Monitoring developed country responses to the GFC.

## Impacts on HH food security: WFP Case Studies

Joyce Luma and her team from OMXF shared their work on the impacts of the GFC on HH food security. The team's approach was to:

1. Identify countries most vulnerable to increased food insecurity;
2. Conduct case studies to assess HH-level effects of the financial shocks;
3. Identify key indicators for monitoring changes in food security;
4. Provide support to enable country offices to implement sustainable food security monitoring;
5. Provide information, technical and operational support to governments to help them reinforce food security.

To identify countries most vulnerable to increased food insecurity, the WFP team set out to identify countries whose economies are most integrated with other national economies, particularly the more developed economies. In these countries, HH food security is affected when the impacts of the GFC are transmitted along the main points of economic integration to the HH level.

The WFP team developed the Economic Shock and Hunger Index (ESHI), introduced by Arif Husain (see box below), and used it to analyze data for 126 countries. From this analysis, the team identified 40 countries most likely to be affected by the GFC.

**WFP Economic Shock & Hunger Index (ESHI) (Arif Husain, WFP)**

Arif Husain shared the approach WFP has taken to study the links between the global macro-economic situation and food security at the national and HH level. OMXF undertook the research, by combining both financial and food security indicators into what is being called the “Food Security and Hunger Index (ESHI)”. The following are some of the key measures incorporated into the ESHI:

**Financial:**

Remittances, Trade, FDI, ODA, Currency Values, Current Account Deficits, Debt Servicing, GDP

**Food Security:**

Country food deficit, Population undernourished, Children underweight

Using the ESHI, the WFP team analyzed 126 countries and identified forty countries likely to be most significantly impacted by the GFC and most vulnerable to a worsening of their food security situation. They then selected five countries representative of different regions and of the main channels through which the GFC is transmitting vulnerability to the HH level. In each of the five countries, case studies were then conducted to study these vulnerability transmission channels through a review of national economic statistics and interviews with government, industry, aid-sector, and HH informants.

To better understand the HH-level affects of the GFC, the WFP team conducted case studies in the following five countries:

1. Armenia (presented by Claudia AhPoe)
2. Bangladesh (presented by Issa Sanogo)
3. Ghana (presented by Henk-Jan Brinkman)
4. Nicaragua (presented by Agnes Dhur)
5. Zambia (presented by Arif Husain)

Each presenter identified the key transmission channels through which HHs in their study country are being most impacted by the GFC (e.g. remittances, exports and loss of employment, etc.), the magnitude of the impact on those transmission channels, the impacts

that are evident at the HH level, and the livelihood types and HHs most affected. They also shared some preliminary recommendations for how government and the international community can help to mitigate the impacts of the crisis.

Overall the transmission channels through which impact is being felt are largely as predicted, but there were some surprises in terms of the magnitude of impact. For example, remittances account for 20% Armenian GDP and so was severely impacted by the 32% drop in remittances between March 2008 and March 2009. A 40% decline of the flow of migrants to the Gulf countries was also recorded in Bangladesh in Q1-2009 compared to Q1-2008. Similarly, the decline in tourism in Zambia has led to 75% of tourism workers being laid off or working fewer hours and 50% of hotel workers losing their jobs.

Export economies have also been hard-hit. For instance, copper accounted for 74% of Zambia's export revenue in 2008 so even a relatively small drop in copper exports has resulted in layoffs of 25% in Copperbelt. The ready-made garment which makes up 80% of total exports (or 16% of the GDP) in Bangladesh decreased by about 20% (in terms of volumes) in February 2009 compared to 2008. On the other hand, Ghana has been fortunate in that cocoa and gold, which account for 71% of exports, have remained steady, but the 50% – 70% decline in shea nut prices has had a devastating effect on the mainly poor women who rely on them as a vital source of income in lean periods.

The principle impact of the GFC on HHs is in the loss or reduction of remittance and/or employment income. The following are some of the additional HH level impacts and coping strategies identified:

- Loss of employment benefits (severance pay, health, education, etc.) – has severe implications for HIV/AIDS affected HHs;
- Reduced ability to invest in agriculture or afford the input costs;
- Increased farming;
- Return migration;
- Increased purchases on credit or other borrowing to meet health and education expenses;
- Reduced or delayed healthcare;
- Withdrawal of children from school due to the expense or to allow them to earn extra income;
- Increased risk to child care and nutrition because mothers are spending more time working;
- Reduced quantity and quality of food consumption;

- Increased reliance on extended family support;
- Negative coping strategies, such as theft and prostitution, are also on the rise.

Many HHs are also affected by secondary effects, such as a decline in income for small traders due to reduced demand or increased purchases on credit, and for casual labourers due to fewer employment opportunities. In addition, female-headed HHs tend to be hardest hit.

A summary of preliminary general recommendations includes:

#### **From Case Study Presentations**

1. Leverage existing safety nets;
2. Improve targeting of national safety-net programmes;
3. Food or cash-for-work opportunities in public works projects for infrastructure and services;
4. The food voucher programmes;
5. Health and nutrition interventions, including extra food for HIV/AIDS and TB patients;
6. Enhance monitoring (food consumption, nutrition, remittances);
7. Fair-price food shops in poor urban neighbourhoods.

#### **From Earlier Overview Presentation**

8. Assist governments in enhancing national safety net programmes, including large public works projects (e.g. rural roads, education, health, water and sanitation);
9. Advocate for protection of budgetary allocations and spending for social safety-net programmes;
10. Expand school feeding to ensure that children get at least one nutritious meal per day;
11. Consider interventions in new areas like Copperbelt in Zambia and Sylhet (remittance-dependent division) in Bangladesh due to emerging vulnerabilities;
12. Ensure continuation of agricultural development activities;
13. Implement light and flexible monitoring systems that can reliably track changes in the HH food security situation and provide real time actionable information and analysis.

### **Systems, policy context & use of information (Alex Rees, SC-UK)**

With a focus on MDG 1 and 4, SC-UK is working to reduce under-nutrition, which is the leading cause of disease and mortality in children under five, killing 9.2 million children per year. Shocks may vary, but impacts are similar: inability to afford sufficient quantity & quality

of food. Ample evidence on consumption coping strategies demonstrates that people tend to cut food costs, cut down on staple foods and resort to other negative coping strategies. Women with young children tend to suffer the most.

In the face of the GFC, these negative coping strategies must be prevented. Nutrition is ‘the’ vital investment in the future of children and their well-being.

One of the principle challenges in supporting the nutritional status of children during the GFC is that the data required to take action is insufficient. There is a need for systematic measurement and analysis of hunger, dietary diversity and anthropometry at all levels. There is also a need to integrate food security with nutrition information and an understanding of malnutrition to inform policy analysis and debate.

SC-UK believes that the international community and its government partners must solve how to generate, share and maintain this information together. As a contribution to this effort, Save the Children has designed and will be trialing a new hunger monitoring system called ‘Listening Posts’. Key elements of the trial include:

- Understand access (purchasing power, and livelihoods – HEA);
- Cost of Diet;
- Nutrition surveillance/Anthropometric;
- Coping Strategies;
- Context & Response analysis.

SC-UK is proposing a holistic response package comprised of:

1. Focus on the right group: children under two years old;
2. Early warning & VA information (food security/nutrition);
3. Treatment of acute malnutrition/community/health systems;
4. Strengthen good awareness, culture and practices on nutrition;
5. Social protection and safety nets to support mothers and children;
6. Investment in agriculture/pastoralist support that is measured in terms of improvements in child nutrition;
7. New food products & fortification;
8. Investments in health –at a time when governments are making tough decisions on government expenditure;
9. Infant/young child food security/nutrition: support for breastfeeding and complementary feeding.

The Listening Posts model includes food surveillance which is designed to be low maintenance and uses indicators which can be narrowed in focus. There was agreement that government ownership and leadership, and strong collaboration within the international community are essential.

### Programming responses & challenges– HH level (Julien Jacob, ACF)

Julien Jacob from *Action Contre Le Faim* (ACF) discussed some of the impacts of the GFC on HHs as experienced by ACF, programme responses and contingency planning to mitigate the effects, and operational challenges and limitations.

Jacob noted that the GFC is more complex, more diffuse and probably will have more long-term consequences than the food price crisis. Primary impacts at the HH level include:

1. Un(der)employment;
2. Lower wages;
3. Local food prices volatile and higher than 2007 levels (+ 30 %);
4. Insufficient or non-existent protection;
5. Lower remittances:

ACF is targeting HHs which are chronically poor and already highly vulnerable due to the food price crisis. While the impacts of the GFC are not new, they are compounding the normal seasonal challenges. ACF is also addressing the issue of rural versus urban vulnerability.

Limited income due to the GFC is affecting vulnerable HHs' purchasing power thus impeding access to food. Although food prices have fallen somewhat they remain very high. To cope, HHs are applying the same strategies used during seasonal price spikes: reduction of food intake and diet diversification. ACF has not seen a direct increase in acute malnutrition, but it does expect long-term implications for diet and livelihoods. In addition, although richer HHs appear to be most directly affected, they play a key role in the coping strategies of the poor as they sell them cereals, loan money, hire daily labour and buy land.

ACF's response to the GFC is focused on capacity building, contingency planning and risk reduction. It is also taking a regional approach to tackle the global dimension of the crisis, such as migration and remittances and trade of commodities and food. Conditional cash/food-based interventions are being targeted to specific groups and indexed to food prices. Efforts are also being undertaken to partner with the humanitarian community in the development of hunger safety nets that include predictable and multi-year cash or food-based interventions that target the poorest of the poor.

The GFC is still unfolding and it is early for drawing conclusions. It is a very global issue, with links to the food price crisis, but there is no clear cut affect on food security and nutrition. Since the analysis of these affects is not directly related to ACF's traditional areas of expertise it will need to build partnerships and build its understanding of the links to move from the micro to the macro level. Creation of a sustainable IGA or MMW4P approach in the context of global economic stress, and the potential reduction of operational capacities of NGOs due to a decline in private and/or public funding are additional challenges that must be addressed.

Discussion after the presentation focused largely on the issue that while the humanitarian community has traditionally targeted chronically poor HHs, it may be the more well-off HHs that are most directly affected by the GFC and suffering transitory rather than chronic poverty. It was commented that the social stigma associated with accepting social protection may be a deterrent for these HHs to participate in programmes and must be taken into account.

At this stage, ACF is still mainly focused on malnutrition in chronically poor HHs but does assist those with malnutrition sitting on the poverty line.

## RESPONSE IMPLICATIONS OF THE GFC

### Information requirements for effective response (group exercise)

This purpose of the group discussion exercise was to consider the information required to respond effectively to the crisis both in terms of policy making and the design and implementation of programming.

Discussion Questions:

1. What key information is required to respond to the GFC and mitigate the impact on HHs?
2. How can this information be generated and by whom?
3. How frequently should it be generated?

Perspectives:

1. Policy making
2. Programme design and implementation

Highlights of the Discussion:

The discussion highlighted that there is greater need for macro-economic information. There is also a need to better understand the linkages between the macro-economic indicators and the more familiar poverty, hunger and food security indicators. Information and insight about the flow of impacts through the transmission channels can provide early warning for more effective policy making and programming. Policies can be implemented to influence conditions earlier in the transmission channels and prevent or alleviate impacts at the HH level. Detection of issues early in the transmission channels can trigger the start of operations even before impacts are felt and inform where to look for traditional programming information (who, what, where, how much, etc.).

Outputs: See *Appendix 2: Information Requirements* for synthesis of the information requirements identified.

## Responses, challenges and solutions (group exercise)

The purpose of this group exercise was to discuss what is actually being done, what else should be done, what implementation challenges will need to be overcome and what some solutions to these challenges may be.

Discussion Questions:

1. What is currently being done?
2. What else should be done?
3. What are the challenges to implementing these responses?
4. How can these challenges be overcome?

From the perspective of:

1. Policy making
2. Monitoring and analysis
3. Programme design and implementation

### Highlights of the Discussion:

Traditional policy responses are being implemented but there is an opportunity to design and implement additional policies that are informed by insights into transmission channels. At the same time traditional programming responses may need to be complemented by programmes that are adapted to the needs of new target groups. Both of these efforts will require monitoring of new types of information. And finally, the traditional challenges of resource, information, capacity and coordination constraints within governments and among donors will be exacerbated by the GFC so creative new solutions will be required.

Outputs: See *Appendix 3: Responses, Challenges and Solutions*

## ACTION PLANNING & WAY FORWARD

### Supporting governments & coordinating as an international community (group exercise)

The purpose of this exercise was to consider how the international community can support governments in implementing those responses, and how it can better coordinate its own response.

Discussion Questions:

1. What can the international community do to support the government response?
2. What can the international community do to offer a more coordinated response?

From the perspective of:

1. Policy making
2. Monitoring and analysis
3. Programme design and implementation

#### Highlights of the Discussion:

A key point raised was the importance of the government taking ownership and providing leadership for the overall response. The international community can support with traditional contributions such as funding, advocacy, capacity building and programme implementation.

For this particular crisis there may be an increased need for support in the area of monitoring and analysis as the systemic nature of the crisis and its impacts calls for the gathering and processing of more information from a more complex array of sources. This will require not only the provision of information but support for the development and maintenance of government monitoring systems.

With regard to funding, it was emphasized that there should be a funding basket that is multi-sectoral and multi-year to enable a holistic and sustained response. It should also be accompanied by a system of transparency and accountability.

The importance of multi-agency and multi-sectoral approaches was stressed, leveraging existing coordinating bodies and mechanisms where possible. It was also suggested that these approaches should include joint funding and joint programming.

Outputs: See *Appendix 4: Supporting governments and coordinating as an international community.*

## Follow-up actions (group exercise)

In the final group exercise of the meeting, working groups selected three actions from the previous exercise that they felt were most important and that they could take concrete steps toward achieving. Then for each of the selected actions, they identified the specific next steps that should be taken.

Discussion Questions:

1. What can WE do to implement the action?
2. Who will take responsibility?
3. When should it be completed by?

Perspectives:

1. Policy making
2. Monitoring and analysis
3. Programme design and implementation

Output:

### Policy

Action	Next Steps	Responsibility	Timing
1. Share Information	a. Convene UNCT/VAC for briefing, update etc	Partners	Immediate
	b. Determine need for assessment/analysis	Development partners, governments and registered entities	Next step
	c. Strengthen food security/nutrition surveillance and monitoring	Govt, WFP, UNICEF, FEWS NET, FAO, regional entities	Continuous
2. Advocate and Mobilize Resources	a. Dissemination of findings/recommendations (targeted for greatest effect)	FAO, ODI, ILO, WFP, ACF	Immediate

Action	Next Steps	Responsibility	Timing
	b. Costing and cost-benefit analysis		
	c. Technical Assistance with funding proposals – identifying potential sources of funding	Partners	Continuous
3. Contingency Plan	a. Identify possible scenarios (including funding scenarios)	Government and Partners	Immediate
	b. Adapt any existing contingency plans	Government and Partners	Immediate
	c. Identify urgent gaps in response – develop strategies to address these gaps	Government and Partners	Immediate

### Monitoring & Analysis

Action	Next Steps	Responsibility	Timing
1. Raise Awareness	a. Sharing reports	Governments, WFP, others	Immediate
	b. Rational response option workshop	Government UNCT, NGOs	Third quarter
	c. Reactivate coordination mechanisms	Government, UNCT, NGOs	Immediate
	d. Brief: Regional director, team, RS6s, country task forces	WFP	Immediate
	e. Prepare briefing kit	WFP HQ	Immediate
	f. Use regional bodies (CILSS, SADC etc) and country level forums as entry points for building consensus on the magnitude of the crisis as well as identifying priority actions	JRC, WFP, FAO, FEWS NET, etc.	3 <sup>rd</sup> quarter 2009
	g. Support the expansion of existing FSMS to include urban areas and food access/income/employment and	WFP, FAO, JRC, FEWS NET etc.	End of 2009

Action	Next Steps	Responsibility	Timing
	related issues		
	h. Advocate for multi-agency, multi-sectoral assessments in order to identify who are the most affected, what their priority needs are and what interventions are required to address the identified needs.	Donor round tables, UNCT, regional bodies, existing country level coordination forums	
2. Adapt monitoring	a. Identify additional indicators and agree on them	All	Immediate results will take longer
	b. Streamline monitoring initiatives	Government, RECs	Immediate results will take longer
	c. National and regional frameworks for information management enhanced and including joint analysis	All	Third quarter
	d. Monitor/early warning (contingency planning)	All	Immediate
3. Carry out additional assessments if required	a. Identify sectors, areas where additional assessments are required (countries, regions)	Government, UN, NGOs	Third quarter
	b. Periodic assessment of national response capacities		Continuous, starting third quarter

## Programme Design & Implementation

Action	Next Steps	Responsibility	Timing
1. Situation analysis	a. Monitoring		
	b. Contingency planning and scenario building	Government and Partners	Immediate
	c. Prevention response	Government and Partners	Immediate
	d. Scenario building	National – EWS, FSMS, FS committees	Ongoing if not asap
	e. Prioritisation	Regional – CILLS, SADC, NEPAD, FEWS NET, CSO, Arab League	Ongoing if not asap
	f. Capacity	Global – lessons learned from case studies provide normative guidance/directives	Ongoing if not asap
2. Advocacy	a. Forums for information sharing	National: Government sectoral WG, high-level government bodies, UNCT, NGO consortiums, private sector	Ongoing if not asap
	b. Tools (TF, RT)	Regional: same as above	Ongoing if not asap
	c. Communication strategy and fund strategy	GVA, head of agencies, high-level task forces	Ongoing if not asap
3. Responses	a. Immediate	National: depends on capacity and needs	
	b. Contingency	Regional: continued fund-raising and project policy design	
	c. Monitoring	Global: same as above	
	d. Policy		

## Way forward (Joyce Luma, WFP)

To close the meeting, Joyce Luma, Chief of WFP’s Food Security Analysis Service (OMXF), provided input on the way forward. While there are new groups of people who need help, it will be important to find ways to provide that help without jeopardizing support for existing beneficiaries. It will be an ongoing struggle to find sufficient resources to address all needs and good analysis will be needed to compare the new situation with the old.

Referring to Goldman Sachs presentation, Ms. Luma stressed that the crisis is not over and it is expected to continue for some time. As ILO and others illustrated, recovery could take up to 5 or more years. The challenge will be to keep governments focusing on the hungry poor. One important way is through monitoring and analysis. For its part, WFP is planning to support five food security monitoring systems this year, and possibly ten next year. But it is essential that monitoring and analysis be an inter-agency effort that also involves government.

It will not be sufficient to conduct analyses, put them on the web and hope people will use them. Finding ways to ensure that the information generated contributes to advocacy efforts and is shared with all of the partners, especially governments is essential. This will require some creativity in how to identify and make use of appropriate channels.

Ms. Luma also expressed her hope that some of the high priority actions identified can be taken forward to support governments and improve coordination among partners.

## APPENDIX 1: OBSERVED AND ANTICIPATED IMPACTS

### National Level

Observed Impacts	Anticipated Impacts
<ul style="list-style-type: none"> <li>• GDP down (Kenya, Bangladesh)</li> <li>• Government revenues down</li> <li>• Budget deficit up</li> <li>• Delays in government payments up</li> <li>• Foreign Direct Investment (FDI) down</li> <li>• International donor support down</li> <li>• Capital flows down</li> <li>• Equity flows down (Ghana)</li> <li>• Private investment down (Ghana)</li> <li>• Currency value down</li> <li>• Foreign exchange reserves down or absent</li> <li>• Access to credit down and cost of extending credit up</li> <li>• Trade volume down and deficit up</li> <li>• Trade-related bans up</li> <li>• Slower rate of commercial imports (LIFDCs)</li> <li>• Basic fuel/food prices are much higher</li> <li>• Exports (incl. tourism) down (Kenya, Bangladesh)</li> <li>• Export prices down</li> <li>• Agriculture down (Kenya, Bangladesh)</li> <li>• UDL and value of exportable commodities</li> <li>• Lower demand causing lower food prices</li> <li>• HFP up (Kenya)</li> <li>• Remittances down</li> <li>• Employment down</li> <li>• Returns of migrant workers up</li> <li>• Lack of confidence, but improving</li> <li>• Stabilized but high food prices</li> </ul>	<ul style="list-style-type: none"> <li>• GDP down (Kenya, Bangladesh)</li> <li>• Economic growth down (10% )</li> <li>• Government revenues down</li> <li>• Reduced income from key sectors (e.g. Tourism, agricultural exports)</li> <li>• Budget deficit up</li> <li>• ODA up and slowing gap</li> <li>• Increase in social protection expenditure</li> <li>• Reduction in social services (e.g. Health)</li> <li>• Increased government indebtedness (balance of payments)</li> <li>• Foreign Direct Investment (FDI) down</li> <li>• Equity flows down (Ghana)</li> <li>• Trade volume down</li> <li>• Probably more cooperatives?</li> <li>• Exports (incl. tourism) down (Kenya, Bangladesh)</li> <li>• Export prices down</li> <li>• Agriculture down (Kenya, Bangladesh)</li> <li>• Remittances down</li> <li>• Increase in reserve of skilled labour</li> <li>• Employment down</li> <li>• Social tension up</li> <li>• Security situation worsening</li> <li>• Increase in % of poor and very poor</li> <li>• Decrease in risk = decrease in profitable banking</li> <li>• Change in agricultural productivity (MIC)</li> <li>• Decrease in government spending</li> </ul>

## HH Level

Observed Impacts	Anticipated Impacts
<ul style="list-style-type: none"> <li>• Income down                             <ul style="list-style-type: none"> <li>○ Loss of employment</li> <li>○ Reduction or loss of remittances</li> <li>○ Reduced exports and commodity prices for farmers</li> </ul> </li> <li>• Purchasing power down</li> <li>• High food prices</li> <li>• Reversed migration (from other countries and from urban to rural)</li> <li>• Coping behavior (including negative) up                             <ul style="list-style-type: none"> <li>○ Reduced quality and quantity of food consumption</li> <li>○ Reduced food dietary diversity</li> <li>○ Begging in urban areas</li> </ul> </li> <li>• Unusual levels of malnutrition</li> <li>• Availability of skilled labour up due to unemployment</li> <li>• Retention of food stocks</li> <li>• Access to improved agricultural inputs down due to high costs</li> <li>• Access to credit down</li> <li>• Increase in fear</li> <li>• Increase in national resources harvesting</li> </ul>	<ul style="list-style-type: none"> <li>• Income down                             <ul style="list-style-type: none"> <li>○ Loss of employment</li> <li>○ Reduction or loss of remittances</li> <li>○ Reduced exports and commodity prices for farmers</li> <li>○ Increase in diversification in income sources</li> </ul> </li> <li>• High food prices</li> <li>• Reverse migration</li> <li>• Increased migration to rural areas</li> <li>• Coping behavior (including negative) up                             <ul style="list-style-type: none"> <li>○ Reduced quality and quantity of food consumption</li> <li>○ Reduced food dietary diversity</li> <li>○ Begging in urban areas</li> <li>○ Increase in child labour</li> <li>○ Increase in informal employment</li> <li>○ Increased dependence on family networks and social protection</li> </ul> </li> <li>• Decrease in nutrition status</li> <li>• Unusual levels of malnutrition</li> <li>• Increase in numbers of urban vulnerable</li> <li>• Conflicts over resources</li> <li>• Decrease in food security assistance to HHs</li> <li>• Second round effects?</li> <li>• Increased food insecurity and poverty</li> <li>• Change in credit behaviour, especially informal</li> <li>• Trends (things worsening) to continue until 2010</li> </ul>

## APPENDIX 2: INFORMATION REQUIREMENTS

### Policy

Information	Generation/Source	Frequency
1. Macro-economic data a. Earnings/remittances b. Foreign direct investment c. Foreign exchange reserves d. Exchange rate e. Employment rate f. CPI	<ul style="list-style-type: none"> <li>Government</li> </ul>	Quarterly
2. Price surveys	<ul style="list-style-type: none"> <li>Ministry of Statistics</li> </ul>	Weekly
3. Cost of food basket	<ul style="list-style-type: none"> <li>Government</li> <li>Ministry of Statistics</li> </ul>	Quarterly
4. Follow a consumer basket	<ul style="list-style-type: none"> <li>Market</li> <li>CSO</li> </ul>	Monthly
5. Prices (referencing transmission channels)	<ul style="list-style-type: none"> <li>Government agencies</li> <li>Ministry of Statistics</li> </ul>	Monthly
6. Government resources, programmes (like safety nets)	<ul style="list-style-type: none"> <li>Government</li> </ul>	Annually
7. Partners capacity and resources	<ul style="list-style-type: none"> <li>Partners (NGOs, donors)</li> </ul>	Once or twice annually
8. Look at existing and planned programmes first: a. Government b. Other actors	<ul style="list-style-type: none"> <li>Diverse</li> </ul>	Annually and update depending on programme dynamics
9. Check program attrition rates	<ul style="list-style-type: none"> <li>Schools – Ministry of Education</li> <li>Clinics – Ministry of Health</li> </ul>	Every few months
10. School attendance	<ul style="list-style-type: none"> <li>Government surveys</li> </ul>	Twice a year
11. HH surveys (consumption – urban and rural)	<ul style="list-style-type: none"> <li>Government</li> <li>NGOs</li> <li>Partners (donors)</li> </ul>	Twice a year
12. Source and amount of income	<ul style="list-style-type: none"> <li>HHs</li> <li>CSO</li> <li>VA</li> </ul>	Twice annually
13. Expenditure patterns – simple indicator of shares to see delta	<ul style="list-style-type: none"> <li>HHs</li> </ul>	Monthly, seasonally
14. Food consumption	<ul style="list-style-type: none"> <li>Government</li> <li>UN</li> <li>NGOs</li> </ul>	Quarterly
15. Nutrition (referencing nutrition	<ul style="list-style-type: none"> <li>Government</li> </ul>	Quarterly

Information	Generation/Source	Frequency
indicators)	<ul style="list-style-type: none"> <li>UN</li> <li>Relevant agencies</li> </ul>	
16. Coping strategies	<ul style="list-style-type: none"> <li>Government</li> <li>UN</li> </ul>	Quarterly
17. Migration patterns?	<ul style="list-style-type: none"> <li></li> </ul>	

## Programme Design and Implementation

Information	Generation/Source	Frequency
1. Who, where are the vulnerable?	<ul style="list-style-type: none"> <li>Secondary data</li> </ul>	Annually
2. Effectiveness of targeting of the current system/s?		
3. Impact and coping	<ul style="list-style-type: none"> <li>HH interviews, Focus Group Discussions</li> </ul>	Quarterly and annually
a. Sources of livelihoods b. Real wages/earnings c. Dietary patterns d. Expenditure on non-food items e. Borrowing		
4. Capacity of governments to respond (budgets and fiscal space)		
5. Macro changes	<ul style="list-style-type: none"> <li>Government ministries<sup>1</sup></li> <li>National / central banks</li> <li>IMF</li> <li>NSO</li> <li>Ministry of labour</li> <li>Ministry of finance</li> <li>Ministry of Statistics</li> <li>External Resources</li> </ul>	Examine trends – every 6 months, except inflation and currency (monthly)  Quarterly and annually
a. GDP growth b. Remittances c. Migration d. Investment trends – private, public, foreign e. Exports/imports f. Sectoral trends (exports of commodities) g. Currency h. Inflation i. Debt burden j. National budget – sectoral allocation, size of deficit k. Employment l. Job losses		

<sup>1</sup> Note possible difficulties due to government sensitivity to pro-poor policies and social protection policies.

Information	Generation/Source	Frequency
6. Micro changes	<ul style="list-style-type: none"> <li>• Early Warning systems</li> <li>• Monitoring systems – government, NGOs, UN</li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>a. Expenditures (food and non-food)</li> <li>b. Incomes</li> <li>c. Consumption</li> <li>d. Coping mechanisms</li> <li>e. Employment (by sector)</li> <li>f. Relative prices (terms of trade, wage rates)</li> <li>g. Monitoring policy response (impacts)</li> <li>h. Monitor evolving crises</li> </ul>		
7. Most affected/at risk groups	<ul style="list-style-type: none"> <li>• Assessments, surveys</li> <li>• FSMS Bulletins</li> <li>• NGOs, UN, Government</li> </ul>	Monthly
8. Food and non-food prices	<ul style="list-style-type: none"> <li>• Ministry of Agriculture</li> <li>• Central Bank</li> </ul>	Monthly, weekly, daily
9. Existing safety nets and coverage levels	<ul style="list-style-type: none"> <li>• Departments of social welfare</li> <li>• Development partners</li> </ul>	Ongoing
10. Public and private food stocks	<ul style="list-style-type: none"> <li>• Government</li> <li>• Private organs</li> </ul>	Quarterly
11. Sectoral policies and capacities	<ul style="list-style-type: none"> <li>• Government</li> </ul>	Quarterly

## APPENDIX 3: RESPONSES, CHALLENGES AND SOLUTIONS

### Policy

Current Responses	Required Responses
<ol style="list-style-type: none"> <li>1. Monetary policies</li> <li>2. Fiscal policies (stimulus packages)</li> <li>3. Measures to stabilize food prices</li> <li>4. Promote productive / employment sectors</li> <li>5. Interest rate cuts</li> <li>6. Relax credit regulations for exports</li> <li>7. Monitor currency baskets</li> <li>8. Subsidize for consumers / inputs</li> <li>9. Expand social safety nets (e.g. public works)</li> <li>10. Task force to monitor macro-economic developments</li> <li>11. Expansion of social protection programmes</li> </ol>	<ol style="list-style-type: none"> <li>1. More targeted policy and action</li> <li>2. Measures aimed at food security               <ol style="list-style-type: none"> <li>a. Employment</li> <li>b. Income maintenance</li> <li>c. Access to nutritional food</li> <li>d. Reintegration of returning workers</li> <li>e. Re-skilling</li> <li>f. Social protection with focus on nutrition</li> </ol> </li> <li>3. Wave fees (education, health, transport, water, electricity)</li> <li>4. Realign / maintain budget for social sectors</li> <li>5. Increase investment in infrastructure (labour intensive)</li> </ol>

Challenges	Solutions
<ol style="list-style-type: none"> <li>1. Resources / fiscal space</li> <li>2. Resource mobilization</li> <li>3. Overcoming the perception that the food crisis is over</li> <li>4. Focusing on the social dimensions of the economic crisis</li> <li>5. Capacity constraints in education and health</li> <li>6. Potential leakages / targeting for pro-poor</li> <li>7. Time frame for policy impacts</li> </ol>	<ol style="list-style-type: none"> <li>1. Advocacy / campaigns</li> <li>2. Evidence / monitoring</li> <li>3. Assistance in creating fiscal space               <ol style="list-style-type: none"> <li>a. Concessionary lending from DFI</li> </ol> </li> <li>4. Reallocation of resources</li> <li>5. Strengthening capacity</li> <li>6. Contingency planning to respond to unforeseen developments</li> <li>7. Government / donor / partner consultation and coordination               <ol style="list-style-type: none"> <li>a. Debt cancellation / restructuring</li> <li>b. Emergency financing (grants)</li> <li>c. Brady Bills (2011)</li> <li>d. Increased government / public dialogue</li> </ol> </li> </ol>

- 8. Improve assessments, targeting and programme design
- 9. Balance portfolio on short-term versus long-term policy options

## Programme Design and Implementation

Current Responses	Required Responses
<ul style="list-style-type: none"> <li>1. Expand social safety nets</li> <li>2. Enable access to agriculture inputs</li> <li>3. Increase emphasis on cash and voucher programmes</li> <li>4. Provide nutritious products</li> <li>5. Provide subsidies</li> <li>6. Scale-up / extension of programs</li> <li>7. Advocate</li> </ul>	<ul style="list-style-type: none"> <li>1. Sharpen targeting</li> <li>2. Strengthen resilience</li> <li>3. Support urban livelihoods (agriculture)</li> <li>4. Returnee programmes</li> <li>5. Maintain and expand safety nets                             <ul style="list-style-type: none"> <li>a. Nutrition</li> <li>b. Cereal banks</li> <li>c. Livelihoods</li> <li>d. Training</li> </ul> </li> </ul>

Challenges	Solutions
<ul style="list-style-type: none"> <li>1. Budget constraints (donors, governments, WFP, FAO)</li> <li>2. Resources (fiscal space)</li> <li>3. Capacity – collectively</li> <li>4. Adapting to new environment</li> <li>5. Uncertainty – when do we get out</li> <li>6. Coordination</li> <li>7. Emergency–development choice dilemma</li> <li>8. Targeting, especially in urban areas</li> <li>9. Returnees – skills, land, housing</li> </ul>	<ul style="list-style-type: none"> <li>1. Political will and leadership</li> <li>2. Advocacy</li> <li>3. Bring in new competencies</li> </ul>

## Monitoring and Analysis

Current Responses	Required Responses
<ol style="list-style-type: none"> <li>1. Monitoring systems expanded, strengthened due to crisis (PC) – markets FAO policy</li> <li>2. Macro-economic monitoring (GoB) – indicator for remittances, credit, investment, inflation, interest rate, exports and imports, etc.)</li> <li>3. Cross border monitoring – ECI, WFP, FEWS</li> <li>4. Urban studies / assessment = f(pc) – WFP, HEA</li> <li>5. Increase government interest, engagement, capacity in monitoring, analysis and response = f(pc, fc)</li> <li>6. Task forces (analysis)</li> <li>7. Increase funding = f(pc)</li> <li>8. Increase analysis = f(pc) IFPRI, WB</li> <li>9. FSMS (Ghana) – prices, terms of trade, rainfall, production, health data (malnutrition, etc.)</li> <li>10. FSMS (FEWS) – same with market data (food security updates)</li> <li>11. Price Watch (FEWS) – markets</li> <li>12. Deviation from baselines</li> </ol>	<ol style="list-style-type: none"> <li>1. Need more on labour and labour markets – both formal and informal</li> <li>2. Need credit for HHs, small and medium sized businesses (SMEs)</li> <li>3. Increase partnership and collaboration with local government</li> <li>4. Increase local government capacities in monitoring, analysis and response</li> <li>5. Transfer expertise from rural to urban</li> <li>6. Adjust ENS to encompass new situation</li> <li>7. Monitoring of social protection funding (lag)</li> <li>8. Monitoring of stimulus packages</li> <li>9. Expansion of existing FSMS systems</li> <li>10. Monitoring of programme implementation progress and impact</li> <li>11. Establishment of coordinating mechanisms</li> <li>12. Include GFC-specific indicators in urban assessments (job losses, etc.)</li> <li>13. Devise system to monitor informal sector</li> <li>14. Monitor cross border trade / movement</li> </ol>

Challenges	Solutions
<ol style="list-style-type: none"> <li>1. Coordination and collaboration</li> <li>2. Building sectoral linkages</li> <li>3. Utilize comparative advantage of different organizations well (nationally, regionally)</li> <li>4. Institutional efficiency and capacity (CB)</li> <li>5. Ownership</li> <li>6. Resources (human, technical, financial)</li> <li>7. Cost (cost sharing, PPP, Gates)</li> <li>8. Knowledge</li> <li>9. Linking information to response</li> <li>10. How to translate information and analysis into action</li> <li>11. How to prioritize</li> <li>12. Availability of data (info sharing, transparency)</li> <li>13. Access</li> <li>14. Sustainability</li> <li>15. Finding solutions</li> </ol>	<ol style="list-style-type: none"> <li>1. New ways of coordinating through committee and working group (?)</li> <li>2. Harmonize and standardize indicators and monitoring (improve regional analysis and implications of regional on national)</li> <li>3. Increase information exchange</li> </ol>

## APPENDIX 4: SUPPORTING GOVERNMENTS AND COORDINATING AS AN INTERNATIONAL COMMUNITY

### Policy

Support for Governments	Coordination
<ol style="list-style-type: none"> <li>1. Share best practices / lessons learned from other countries / regions</li> <li>2. Share priority areas / groups for priority actions</li> <li>3. Assist with brokering cost-sharing and strategic partnerships to meet costs / fill gaps (PPP)</li> </ol>	<ol style="list-style-type: none"> <li>1. Joint assessments</li> <li>2. Basket funding and division of labour</li> <li>3. Database</li> <li>4. Joint programmes / programming</li> <li>5. Timely sharing of upstream and downstream information</li> <li>6. High-level TF – consultative groups (led by</li> </ol>

Support for Governments	Coordination
<ul style="list-style-type: none"> <li>4. Government must maintain ownership</li> <li>5. In-kind donations, geographic and beneficiary targeting, logistics, etc. (TA) (macro-economic)</li> <li>6. Advocacy and resource mobilization, both internally and externally</li> </ul>	<ul style="list-style-type: none"> <li>government) – cluster approach</li> </ul>

Key Points
<ul style="list-style-type: none"> <li>1. Capacity-building is cross-cutting issue</li> <li>2. In-kind is crucial (TA)</li> <li>3. Response architecture similar to other emergencies</li> <li>4. Focus should be on preventative actions to mitigate impact e.g. Bangladesh: forward looking</li> <li>5. Discourage protectionist actions, such as visa cancellations (high level advocacy required, for example Bangladesh Prime Minister lobbying the host country leaders directly to avert visa cancellations)</li> </ul>

## Monitoring and Analysis

Support for Governments	Coordination
<ul style="list-style-type: none"> <li>1. Government should take ownership and be in the lead</li> <li>2. Government capacity assessment</li> <li>3. Secondment</li> <li>4. UN Coordinated response to government needs</li> <li>5. Multi-sectoral approach</li> <li>6. Support inter-agency assessment</li> <li>7. Institutional set up to support inter-sectoral analysis and to coordinate FSM and analysis (VAC)</li> <li>8. Strengthening FSMS where they exist</li> <li>9. High level presentation of analysis results to</li> </ul>	<ul style="list-style-type: none"> <li>1. UN Agencies to work through the Resident Coordinator / Clusters</li> <li>2. Government take the lead in the coordination</li> <li>3. Regional bodies harmonization (e.g. methods)</li> <li>4. Facilitate translations of commitments to action, e.g.:               <ul style="list-style-type: none"> <li>a. Paris declaration</li> <li>b. Accra agenda</li> <li>c. Maputo declaration</li> <li>d. World Summit (June 2008)</li> </ul> </li> <li>5. Track achievement of these commitments</li> </ul>

Support for Governments	Coordination
decision makers 10. Break down information to make it actionable 11. Funding basket 12. Multi-year commitment based on needs 13. Taps into expertise and funds 14. Ensures transparency and objectivity 15. Advocacy	

## Programme Design and Implementation

Support for Governments	Coordination
1. Analysis and assessment identifying the vulnerable for targeting 2. Resources 3. Technical assistance (monitoring, targeting, safety nets) 4. Direct implementation (country context dependent) 5. Advocacy and awareness (consensus) 6. Financing support (production social programming) 7. Capacity building (large scale, MOV, ...) 8. Starting at institutional / education level 9. Short term 10. Bringing information to grassroots level and back up (what programmes are about, apply...) 11. External evaluation	1. UN CTS 2. Cluster approach revisited 3. Round tables 4. Effective sectoral coordination (among sectors / comparative advantage) 5. IT / communication support 6. International community coordination by using existing entry points (PRS, UNDAF...) 7. Multi-sectoral working group for effective coordination 8. Joint programming / funding (DAO)

## APPENDIX 5: PRESENTATIONS AND REPORTS

### Presentations

Current Situation & Future Outlook (Samantha Dart, Goldman Sachs).ppt

Impacts on Livelihoods (Rizwanul Islam, ILO).ppt

Impacts of GFC on Food Security (David Dawe, FAO).ppt

Lessons from ODI Case Studies (Isabella Massa, ODI).ppt

Impacts on HH food security: WFP Case Studies.ppt

Systems, Policy Context & Use of information (Alex Rees, SC–UK).ppt

Programming Responses & challenges at HH Level (Julien Jacob, ACF).ppt

The presentations are downloadable at:

[http://fsa.wfp.org/special\\_documents/gfc\\_technicalmeeting\\_june09.zip](http://fsa.wfp.org/special_documents/gfc_technicalmeeting_june09.zip)

### Reports

The GFC and Developing Countries, ODI Working Paper 306, Dirk Willem te Velde et al.

### Links

<http://www.ilo.org/public/english/support/lib/financialcrisis>

## APPENDIX 6: MEETING PARTICIPANTS

	Name	Organization	Based in
1	Alex Rees	Save the Children	UK
2	Allan Mulando	OMJ	Zambia
3	Asif Niazi	OMC	Egypt
4	Brahima Sidibe	CILSS/Agrhymet	Niger
5	Cedric Carpentier	OMC	Tajikistan
6	Choice Ginindza	Govt.	Swaziland
7	Daniel Molla	OMS	Sudan
8	David Dawe	FAO	Italy
9	Dr Habibur Rahman	Central Bank/PAU	Bangladesh
10	Dr. Rizwanul Islam	ILO	Switzerland
11	Duncan Samikwa	SADC	Bostwana
12	Elliot Vhurumuku	OMJ	Ethiopia
13	Eric Kenefick	OMJ	South Africa
14	Henk-Jan Brinkman	UN/NY	WFP/USA
15	Henri Josserand	FAO	Italy
16	Isabella Massa	ODI	UK
17	Jean-Martin Bauer	OMD	Senegal
18	Joao Manja	OMJ	Kenya
19	Joseph Gondo	Agritex	Zimbabwe
20	Julien Jacob	Action Contre la Faim	Spain
21	Marcela Mayorga	OMP	Nicaragua
22	Mark Gordon	OMJ	Uganda
23	Michelle Snow	USAID	Italy
24	Mildred Majut	FEWSNET	USA
25	Mr. Artem Asatryan	Min. Labour & Social	Armenia
26	Nusha Choudhury	OMB	Bangladesh
27	Patricia Bonnard	FEWSNET	USA
28	Samantha Dart	Goldman Sachs	UK
29	Scicchitano, John	USAID	USA
30	Sibi Lawson-Marriott	OMD	Ghana
31	Simon Dradi	OMB	Thailand
32	Thierry Negre	EC Europa	Italy
33	Agnes Dhur	OMXF	Italy
34	Al Kehler	OMXD	Italy
35	Alphonsine Bouya	OMXD	Italy
36	Arif Husain	OMXF	Italy
37	Claudia AhPoe	OMXF	Italy
38	Edit Heynes	OMXD	Italy
39	Issa Sanogo	OMXF	Italy
40	Joyce Luma	OMXF	Italy
41	Levan TchaTchua	OMXD	Italy
42	Wanja Kaaria	OMXF	Italy
43	Caroline Chaumont	OMXF	Italy
44	Ceren Gurkan	OMXF	Italy
45	Mark bennett	OMXF	Italy
46	Nicolas Syed	OMXF	Italy
47	Rama Mwanudu	OMXF	Italy
48	Roberta Fenix	OMXF	Italy
49	Yande Prudence Mwape	DMMU	Zambia
50	Fraser Hore	Facilitator	Switzerland