

# Executive Brief: **Guinea Conakry** Impact of high prices on food security and nutrition

## Main findings of the rapid assessment - May 2008

### Overview

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Guinea is a low income and food deficit country. In the past decade, the country has experienced governance problems and a macro-economic deterioration which undermine living conditions. More than half of the population lives below the poverty level. Guinea has also suffered from an instable regional and internal political context, leading to internal displacements and the influx of refugees.

Lately the country has showed signs of political and social instability. In early 2007, violent strikes took place in urban areas mainly triggered by high food and fuel prices. At that time the government implemented measures aimed at reducing the costs of food in urban markets. A ban on food, fish and forest exports was imposed. While failing to durably contain urban prices, it harmed fruit and vegetable production, depressed markets for agricultural commodities, preventing rural populations from taking advantage of higher worldwide commodity prices.

In the past year, the real price of imported rice has increased by 85 percent, the country imports a quarter of its rice needs. Gas prices increased by 62 percent on April, 1<sup>st</sup> 2008. The Prime Minister was dismissed in May. The security situation is volatile in urban areas.

There is some concern that the recent worldwide increase in commodity prices could further jeopardise political stability and that higher prices could lead to a decline in the quantity and quality of food consumption, leading to higher global acute malnutrition rates, especially during the upcoming lean season. The purpose of the assessment was to analyse the current and future outlook of prices and the current and foreseen impact on food security.

**How was the study done?** It is based on the analysis of secondary data and discussions with partners active in the field of food security and nutrition and the government. The anthropometric and household food security data used is from the Hellen Keller International « Suivi des enfants, des femmes et des familles en alimentation-nutrition » (SEFFAN survey), and was collected in Conakry in March 2008. A one-day trader survey was conducted.

### What is the impact of rising food prices on households' food security?

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**The fuel and food price shock is exacerbating structural food insecurity in Guinea.** Food consumption is getting worse and likely to continue so.

Food insecurity is a chronic phenomenon, linked to poverty and the lack of agricultural development. Although markets are well stocked, the poorest cannot afford to buy food. Poverty affects 53 percent of the population. 70 percent of the poor live in rural areas.

### Who are the most affected people?

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**Rural areas: Rural households are directly affected** by the rise of food prices as they already have chronic difficulties in securing adequate food.

It is estimated that the 6 percent of rural households, representing about 378,000 persons that are food insecure at normal times (2005 VAM survey), are directly affected by the food price increase. They practice agriculture, but their production satisfies less than 30 percent of their needs. During the lean season, they usually consume only one or two meals a day. 64 percent have no durable assets.

In 2006, it was estimated that 17 percent of the population was vulnerable to food insecurity. It is likely that a proportion of them is directly effected by the higher food prices. Even if they have a higher capacity to cope as their income sources are more diverse and they have more assets, such as livestock, it is likely that their activities do not guarantee an adequate food consumption throughout the year and that some would fall into food insecurity as a result of higher prices.

Cash crops are the main income source for 30 percent of the rural population. The ban on exports directly affects their income opportunities.

**In urban areas,** food insecurity is more difficult to gauge. A terms of trade deterioration has affected informal and unskilled labour since January, leading to a decline in household food consumption in Conakry's most

deprived neighbourhoods, where over 11 percent of children under 5 are acutely malnourished<sup>1</sup>. **It is estimated that as many as 225,000 people could be considered food insecure, of which 115,000 in Conakry.**<sup>2</sup>

In Conakry's most deprived neighbourhoods, 61 percent of the household budget is spent on food. According to HKI, households in these areas are increasingly reverting to severe coping strategies such as skipping meals and reducing meal portions. The most at risk are casual workers and petty traders. Households from other categories such as civil servants, salaried workers and transport workers had an upward adjustment of their income in April.

## **What is the impact on markets and traders?**

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The price of rice in Conakry is among West Africa's highest. A monopolistic import sector, high port costs and an unstable exchange rate have exacerbated the impact of higher world prices.

Compared to a year ago, the commercial food system is straining due to low demand and increased costs, in a context where credit is rare and risky. Traders blame slow economic conditions (low demand and high prices) for their difficulties in running their business. However traders' warehouses are full.

## **How is the situation likely to evolve in the coming months?**

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The situation is likely to further deteriorate during the lean season which lasts from June to September, as households buy at high prices on the market. The most difficult period will be at the end of the lean season which coincides with the end of Ramadan, when prices are usually higher. **Increased levels of food insecurity and children malnutrition are likely.**

## **What are the ongoing responses?**

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In May, the Government appealed for international assistance and announced macro-economic measures to support consumers (eased access to foreign currencies, suspension of rice import tax, etc) and agricultural production (emergency support with seeds, fertilisers, veterinary inputs, etc).

WFP, FAO, UNFPA and UNICEF launched an emergency programme last April. Many international NGOs are present among which the Red Cross, ACF, CRS, Terre des Hommes, Hellen Keller international, Save the Children. They intervene through small scale programmes, with little possibility to scale up, in the sector of child protection, health, education. HKI recently established a food security monitoring system in Conakry.

## **Response options**

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***To ensure that the vulnerable groups have access to food in the short term and the lean season, it is recommended that WFP implements the following interventions:***

- **Expansion of WFP health/nutrition programmes** to an additional 80,000 beneficiaries in rural and urban deprived areas (opening of new centers, and provision of family discharge rations). Total coverage 95,000 people.
- **Lean season dry ration distribution** to 370,000 food insecure through schools in rural areas.

This program extension doesn't cover all assessed needs in urban areas. Due to security and capacity concerns, only low visibility interventions are recommended: based on ongoing interventions and relying on less preferred foods, vouchers and implemented with clear selection criteria and a strong communication strategy. WFP should explore local purchase opportunities and voucher-based programmes given Guinea's strong market potential.

A mix of different measures, including non-food interventions, such as subsidies (if shown to be cost effective) and improved access to therapeutic feeding that food aid will complement are important to mitigate the effect of the price rise and ensure that the poorest have access to food.

Longer term interventions to diversify the local diet, which is at present, too dependent on rice, improve local production, and the food supply chain, and improve income opportunities, access to education and health services are also needed.

WFP should advocate a lifting of the food export ban. The WFP country office in Guinea will require immediate support to expand capacity to scale up distributions.

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<sup>1</sup> According to the SEFFAN survey of urban Conakry

<sup>2</sup> Based on the acute malnutrition rates of 7,1 in Conakry and 9,1 in upcountry urban areas and on a family size of five