

Food Security and Nutrition in the Arab Region: Key Challenges and Policy Options

A discussion paper prepared by FAO, WFP, UNICEF and AOAD for the LAS-UN cooperation meeting, 22-23 February 2012

Cairo, Egypt

(Draft - not to be quoted)

This concise paper will analyze the inherent weaknesses, opportunities and constraints for achieving greater household food security in the region in the context of humanitarian action. There will be a special focus on the vulnerability context (shocks and trends) and improvement to policies and institutions. The latter is considered a significant opportunity for governments to develop an environment more conducive not only to stimulating economic growth, but also to improving the efficiency and effectiveness of equity measures to safeguard the poorest in society.

PART I: CONSTRAINTS AND CHALLENGES

Structural Challenges

The Arab region faces a number of very distinct food security challenges. These include high dependency on imports, high levels of poverty and malnutrition, unemployment, high population growth rate, increased urbanization, single-sector economies, and scarce natural resources (water and arable land), among others.

Dependency on food imports

Largely a food-deficit region, the Arab World is the largest food-importing region in the world; Egypt is the single largest wheat importer, with about 10 million metric tons imported annually over the past three years. As a net importer of cereals, countries of the region are highly exposed to high and volatile international food prices. For most of the Arab countries, however, the increase in international food prices has not translated into high domestic prices due to government interventions aimed at maintaining subsidies on basic food items.

In Tunisia for instance, in spite of the country's high import dependency rate, the inflation rate in the food sector remained mostly stable in the first half of 2011. The year-on-year inflation rate in the food sector in September 2011 in Algeria, Tunisia and Morocco was around 5.7 percent, 4 percent and 1.5 percent, respectively. However, the budgetary impact in 2010 of the "compensation system" for wheat importers introduced by Morocco and the increase in welfare spending in Tunisia and Algeria was about 4 percent, 5 percent and 3.5 percent of the GDP of these countries, respectively. By contrast, the measures did not prevent an increase in domestic food prices in other countries like Egypt, where the year-to-year inflation rate in the food sector reached 25 percent in August 2011. Similarly, food price inflation accelerated to over 13 percent in Syria in 2010 as a result of the increase in international prices of food items.

Population growth and unemployment

Population growth is regarded as one of the major challenges and another key driver of current and future food and nutrition insecurity. The region's population is at 358 million (UN, ESA, 2010), with the majority of the population (226 million), residing in urban areas. The population is expected to grow by 50 percent towards 2050 (UNFPA, 2011). Without greater efforts in providing people with access to family planning services, promoting education, protection and sustainable management practices as well as employment generation, the ever-growing population number is expected to have disastrous effects on the dwindling natural resources.

Creating decent jobs for young people in rural as well as urban areas is already a priority for most countries in the region. On- and off-farm employment as well as within the value chain of agricultural commodities remains crucial for both urban dwellers and rural households in the region. However, unemployment rates exceed 9 percent in most countries in the region. Female unemployment is much higher, in some cases up to two or almost three times higher (e.g. in Egypt, Jordan and Syria), reaching nearly 39 percent in Palestine (ILO, Statistical Update, 2011). Unemployment is particularly severe among youth, who in many countries are at least twice as likely to be unemployed than adults. Youth unemployment in the region is the highest in the world, accounting on average for nearly 25 percent, with peaks of almost 40 percent in Palestine and 30 percent in Tunisia.

Emerging Challenges

In addition to structural problems, the region faces new and emerging challenges; these include political and social unrest, civil insecurity, low-intensity armed conflict (Syria and Yemen), cross-border population movement, slowdown of economic activities (tourism and associated service sectors), food inflation, and impact of climate change, among others. These multiple and concurrent shocks continue to push a significant number of poor households in the region towards high levels of food insecurity and a more uncertain future.

Political and social unrests

The region is currently facing one of the most challenging times in history and is undergoing a pivotal political and social transformation. While this change is welcomed by the people in the region and is expected to generate new opportunities, it also poses great risks and challenges. The transformation is also having profound short-term negative impact on the poorest and most vulnerable, and has been accompanied by civilian displacement, cross-border population movement, social unrest, disruption of economic activity and armed conflict. Adding to the ongoing global financial and economic meltdown and natural disasters, the prospects of a sustainable development and food security seem dim.

The majority of the countries in the region have shown relatively positive economic performances around or above the world average in the past few years. Egypt, Jordan, Lebanon, Libya Syria and Tunisia, for instance, had an average GDP growth of more than 5 percent between 2005 and 2010, (Breisinger *et al.* 2011). Nevertheless, widespread

dissatisfaction seems to point out that growth in GDP did not translate into increases in living standards. In particular, most countries in the region still face structural employment challenges which are dramatically interlinked with increasing spatial, political, and social inequalities. The high unemployment rates among young people are undoubtedly one of the most important contributing factors to the recent uprisings in the Arab countries, including Egypt, Libya, Morocco, Tunisia and Yemen. The prevailing social and political unrest in many parts of the region demonstrates the incapacity of the current patterns of economic growth to generate good quality and diversified jobs to absorb young, and increasingly educated, labour market entrants.

Climate change and depletion of natural resources

Climate change has emerged as one of the greatest global challenges of this century. The Arab region, where scarce natural resources are already under considerable pressure, is one of the areas of the world most vulnerable to any climatic anomalies. A series of threats posed by the impact of climate change are foreseen to degrade regional food security significantly and deteriorate the livelihoods of large segments of the regional population.

Deteriorating climatic conditions are projected for the Arab region in coming decades. Studies indicate that temperatures could rise by from 3° to 7° C in much of the region towards the end of the century (IPPC, 2007a). As a result of increasing temperatures and decreasing precipitation, a reduction of groundwater levels by over 40 percent is expected towards the end of the century in Mediterranean coastal areas (IPPC, 2007c as cited by Curtis *et al.*, 2010). Severe drought, already a major concern in the region, could increase in frequency, leading to further land degradation and desertification. Effects of climate change would also raise sea levels and threaten the coastal areas of the region with an increasing risk of flooding and coastal erosion and, as a consequence, degradation of natural ecosystems. Some parts of the region, notably the Nile Delta and the Gulf coast of the Arabian Peninsula, are particularly vulnerable to flooding from rising sea levels.

Natural resource endowments in the region have witnessed extreme over-exploitation over the past three to four decades. Pressure from population growth and the resulting increase in demand for food and other services, mismanagement and natural hazards - particularly more frequent and severe droughts - have led to serious degradation of forests and agriculture and pasture lands, pollution of surface and ground water and increased risks for the loss of ecosystems and biodiversity. In many parts of the region, the damages have reached irreversible stages with desertification, loss of fertile lands and reduction in fresh water resources.

Most countries rely on groundwater to meet their water demands for all sectors. The contribution of groundwater to the total water use varies from 2.3 percent in Egypt and 13 percent in Algeria to over 80 percent in Libya. A significant part of the groundwater withdrawn comes from deep aquifers that have a very negligible rate of recharge on the human time-scale and is thus considered non-renewable, particularly in Libya and Saudi Arabia. With internal renewable water resources above 1,000 m³ per capita per year and a dependency ratio (on external water) below 50 percent, Lebanon is the only country not in a critical water situation in the region. Algeria, Jordan, Libya and Tunisia have less than 500 m³ per capita per year and are therefore in critical water shortage. The remaining countries are in

the range 500 – 1,000 m³, but with a high dependency on water flowing from outside in the case of Egypt and Syria. The impact of climate change is expected to exacerbate these threats unless drastic measures are taken.

PART II: FOOD SECURITY FROM A HOUSEHOLD PERSPECTIVE

Food availability and food access

In the Arab region, although food is available in the local markets, prices are subject to fluctuations and inflation. The increases in food prices are directly affecting the purchasing power of poor households. Poverty is at the core of the food security problem in the Arab Region, especially among urban poor and rural landless households. High and growing dependence on imported foods, particularly food commodities that feature heavily in the regular diets of the poor (cereals and sugar), has undermined access to food by the poor. Of particular concern is the low and declining self-sufficiency rate (SSR) of cereals such as wheat. Poor households in the region tend to spend 35 to 65 percent of their income on food purchases, which is notably undermining their access to food, both in the urban and rural areas.

Socio-economic activities, including livestock and poultry production, and remittances from within the region, contribute significantly to food and nutrition security at the household level in rural areas. However, loss of employment and disruptions of markets and income-earning activities due to civil unrest (and conflict in some areas) have affected the food security of these rural households. The degradation of rangelands, livestock diseases and limitations of veterinary services have also directly affected the quality and quantity of animal by-products, thus further diminishing income for poor households in rural areas.

Quality and nutritional value of food

Arab countries, regardless of income or humanitarian situation, have been witnessing in the last three decades a nutrition transition associated with changes in lifestyles and dietary habits. These have in turn led to the prevalence of the double burden of malnutrition, where under-nutrition coexists with over-nutrition in the same households and same communities. The difference among the Arab countries has been in the scale and prevalence of each end of the malnutrition spectrum.

Low-income countries like Djibouti, Mauritania, Somalia, Sudan and Yemen have seen high levels of malnutrition, especially among children, as represented by the high levels of stunting; these reached 32.6 percent in Djibouti, 42.1 percent in Somalia, and a staggering 57.7 percent in the case of Yemen prior to the ongoing civil uprising since the beginning of 2011. (WHO 2010)

With such an alarming nutritional situation in these countries, concerns started also to grow about the nutritional situation of children in middle-income countries that have witnessed revolutions in 2011. In Egypt, for instance, stunting among children reached 29 percent in 2008, and recent surveys have confirmed these high rates of malnutrition. In Libya, stunting

rates among children under 5 also reached a 21 percent high before the revolution. On the other hand, high-income countries like the Gulf countries have experienced very high levels of over-nutrition, both overweight and obesity among adults, and surprisingly moderate levels of child malnutrition.

Vulnerable Resilience of Households

Case study: WFP Programs for enhancing safety nets in Yemen

The Social Welfare Fund (SWF) is one of the key national safety nets in Yemen. Housed by the Ministry of Social Affairs and Labor, it assists more than 1 million households with monthly cash transfers delivered through the national Yemen Post Office system. In 2010, WFP launched a seasonal emergency safety net (ESN) providing food transfers to severely food-insecure households confirmed and targeted through the SWF lists. Similarly, cash transfers were distributed using the Post Office network established by the Fund. As part of its efforts to support and work with the member countries, WFP will continue to support the Government's capacity to integrate food security and nutrition indicators into its SWF targeting mechanism.

Policies and Institutions

Case study: FAO Egypt Inter-ministerial Food Security Advisory Board

The institutional setting dealing with food security information and policies in Egypt is characterized by a multiplicity of organizations that often overlap or partly duplicate some functions within and between ministries. The Government of Egypt has recently established a Food Security Policy Advisory Board (FSPAB) at the ministerial level, and has requested the support of FAO and other UN agencies to strengthen technical and institutional capacity for policy decisions on food security.

The FAO Regional Office for the Near East developed a Technical Cooperation Programme (TCP) with the aim of providing insitutional support to enable the government to address the root causes of food insecurity through the implementation of appropriate policies. The Food Security Advisory Board (FSPAB), with technical assistance from FAO, engaged relevant government bodies to enhance technical and institutional capacities for food security policy formulation, analysis and monitoring and evaluation at the national, regional and household levels. Building the institutional structure of the Board and developing policy communication and cooperation mechanisms within the government institutions, such as the Ministries of Agriculture, Trade and Economy, Social Solidarity, and the Food Security Information Center (FSIC), as well as with the civil society and the international development community, is already under way.

PART III: ONGOING EFFORTS TO ADDRESS FOOD SECURITY AND NUTRITION IN THE REGION: PROGRAMMES AND POLICY

The UN agencies have various projects supporting populations affected by natural and man-made emergencies across the region. These projects respond to a range of crises, spanning from short-term, small-scale, local flooding to long-term extensive support to vulnerable households in Iraq, occupied Palestinian territory, Somalia, Syria, Sudan and Yemen. Current assistance initiatives include immediate emergency response to those displaced/directly affected by ongoing conflicts such as in Syria and Yemen (or Libya during 2011), but also those affected by such underlying factors as the global food and fuel crisis in Yemen or drought in Somalia. For instance, FAO is currently implementing several projects throughout Somalia focusing on: infrastructure rehabilitation, inputs provision and seed multiplication, training, animal disease surveillance and control, cash-for-work and information management. The interventions aim at supporting farmers in the short term while building resilience and self-sufficiency in the long term. Such assistance usually targets those directly affected by the crisis through displacement or loss of livelihoods, concentrating on households that were already vulnerable or rendered vulnerable by the crisis, including migrant workers expelled from Libya and potentially elsewhere.

UN humanitarian support, in collaboration with member countries, is provided through in-kind food assistance or through indirect assistance like cash and/or vouchers, depending on the environment, market capacity, ease of movement, etc. UN agencies in the region endeavour to ensure that in this sector, as in others, the assistance provided meets or exceeds SPHERE standards.

While WFP continues to address basic food security challenges in the context of relief and recovery activities, special emphasis is placed on developing national capacities – through partnerships with governments and the humanitarian community – to ensure a longer-term sustainable impact on national and regional food security. This entails contributing to improving nutrition and addressing the underlying causes of food insecurity, when appropriate. Within the LAS, emergency and/or recovery food assistance projects are currently ongoing in Algeria, Iraq, Libya, oPt, Somalia, Sudan, Syria, Tunisia and Yemen.

In line with global humanitarian practice, the Food Security and Livelihoods Cluster under the overall co-leadership of FAO and WFP, is working with other UN agencies like UNDP, UNICEF and UNOCHA as well as LAS institutions like the AOAD to ensure strong and effective leadership and coordination of humanitarian actions under the food security sector. UN agencies' assistance has focused on programmes and policies aimed at enhancing the livelihoods of rural and peri-urban households, improving agricultural structures (irrigation, rangeland, forest, infrastructure, etc.) and issues related to adaptation to climate change, and development of new skills for income-generating activities.

The AOAD, on the other hand, monitors the implementation of a sustainable agricultural development strategy and programmes in the Arab countries, and sets its annual work plan

based on the main programmes of the strategy as well as the components of the emergency programme. The strategy incorporates seven main programmes of work that involve 34 sub-programmes including the main programme on improvement of agriculture and agro-industries investment. The emergency programme incorporates three main components: improvement of productivity in current agriculture, more investment, and utilization of water saved through the improvement of irrigation techniques and integrated investment projects related to the programme. The expected outcome of the emergency programme includes increased production of cereals by 57 to 93 percent, 81 percent for sugar crops, and 60 percent for oil seeds. This is besides availing about 8.8. million job opportunities and an added value of US\$ 4.6 billion.

Emergency nutrition interventions like general food distribution (GFD) rations, which are provided to the affected population as a whole, and selective (or supplementary) feeding programmes (SFP), which are provided to the nutritionally vulnerable or malnourished individuals, are necessary to save lives, especially in the relief phase.

The ongoing emergency nutrition response by UNICEF and partners in the region includes nutrition surveillance activities (including SMART Surveys) to establish or update the nutritional situation and appropriately identify nutritionally vulnerable populations, Community-based Management of Acute Malnutrition (CMAM) to treat children with severe and moderate acute malnutrition, advocacy for targeted food distributions for the food-insecure and populations at risk of malnutrition due to food insecurity (mainly in Djibouti, Sudan and Yemen), provision of adequate water sanitation and hygiene services and disease treatment. These life-saving nutrition interventions are complemented by the promotion of appropriate infant and young child feeding practices, food fortification efforts and micronutrient supplementation, including nutrition education to reduce the occurrence of malnutrition and promote the population's nutritional status.

It should be noted that emergency nutrition programmes raise the difficult questions of sustainability, cost-effectiveness and how the nutritional quality of the food commodities provided may be insufficient to meet the needs of infants, young children, and pregnant and lactating women. Investment in the improvement of populations' resilience should accompany the emergency response in order to facilitate the transition from relief to recovery. The UNICEF-led Nutrition Cluster Coordination forum was established to improve coordination and partnerships in an emergency context, (Djibouti, Sudan and Yemen); in non-emergency contexts, a focal person or unit in the relevant ministry does the coordination. Partnerships are established and maintained through these coordination mechanisms. The line ministry, usually the Ministry of Health of the member countries, establishes partnerships with the NGOs and UN agencies (UNICEF, WFP, WHO, FAO) to implement responses and monitor the nutritional situation.

PART IV: RECOMMENDATIONS

In line with the Updated Comprehensive Framework for Action of the High-Level Task Force on Global Food Security Crisis (UN, 2010), and the Guidance Note for Integrating Food and Nutrition Security into Country Analysis and the UNDAF (UNDG, 2011), and in partnership with LAS organizations including the AOAD, the lead UN agencies on Food Security

recommend five key structural and policy actions that would help mend the aforementioned challenges, to be implemented at the regional and national levels by member countries, regional and international organizations. These recommendations are aligned with the UNDG Response Strategy and Framework for Action in Arab States for Food Security which aims at increased investment in agriculture to enhance domestic food production, improved trade through market transparency, climate change resilience capacities, and governance improvements in food subsidy schemes within a right-to-food approach (UNDG MENA, 2011).

- **Smallholder Farming**

Smallholder farming is prevalent in all Arab countries and constitutes almost 90 percent of the farming activity in some of the Arab countries. Priority is to support access to microcredit and capacity development for small land holders, through microfinance, extension services and local institutions. Timely availability of finance and information resources enables farmers to respond effectively to market and production requirements, as well as giving farmers the option and ability to diversify crops to hedge market risks and respond to changes in demand.

- **Optimizing Social Protection**

Governments in the region implement large food subsidy and safety net programmes. Nevertheless, many of the subsidy programmes are now outdated, skewed away from the targeted beneficiaries, and require reform. Given the rapid population growth and the stagnation of some of the government revenues, these programmes are no longer fiscally sustainable. Food- and cash-based safety nets such as school feeding and cash transfer programmes are ideally recommended for safeguarding the transfer of food value to households, as well as guaranteeing an education for new generations. On the other hand, direct cash transfers to households give budget holders more flexibility in food choices for better localized food security and nutrition as per local dietary habits. UN agencies experienced in such programmes (FAO, WFP, UNDP and UNICEF) can provide technical support to government programmes in order to facilitate micronutrient fortification of items provided under national food subsidy programmes.

- **Mitigation of Volatile Food Prices**

An array of policy instruments aimed at reducing the impact of the global price increases while ensuring sufficient supply in the market and stimulating domestic production should be applied. To reduce the impact of the volatility and high international prices of food commodities, the countries of the region are recommended to pursue one or all strategies, depending on the national context: 1) develop strategic grain reserves, 2) leverage strategic partnerships while maintaining a diversified portfolio of suppliers, and 3) actively participate in the international markets through hedging risks by utilizing such tools as options and futures. By investing in infrastructure and import supply chains, countries of the region will be able to save the base cost of food imports while reducing loss (FAO and WB, 2011).

- **Early Warning and Price Monitoring System**

Market transparency is a key aspect of efficient markets, and efficient markets are key for hedging high prices and avoiding localized shocks. Member countries, in cooperation with the regional and international organizations, are recommended to develop national and regional Early Warning and Price Monitoring Systems in order to strengthen information sharing and improve knowledge on shocks and vulnerabilities. Governments are recommended to develop monitoring capacity and strengthen preparedness and response capacity with a central role for increased capabilities inside national governments.

- **Nutrition**

The relevance and selection of nutrition interventions need to be determined locally, on the basis of an analysis of malnutrition causes by population group. Numerous evaluations have demonstrated over time that successful nutrition programmes have the following characteristics: they are participatory, multi-sectoral, based on an analysis of local needs, contribute to food and income diversification, particularly for women, have a well-built integrated approach (in particular on nutrition, health and hygiene) with an education and awareness-raising component, and are implemented with a strong involvement of women (Dufour, 2009). The promotion of a healthy lifestyle (dietary diversity, exercise, etc.), which is emphasized in nutrition education, is needed to reduce incidences of over-nutrition (obesity) and related health problems such as diabetes and heart disease common in some affluent communities.

Short-term interventions do not undermine longer-term interventions based on community mobilization and improved utilization of local resources. Hence, international organizations in the field (FAO, WFP and UNICEF) are recommended to coordinate and assist governments to develop and/or update national nutrition strategies and related policies, systems, as well as strengthen the capacity of governments and implementing partners for the development of national guidelines. Example actions include facilitating micronutrient fortification of items provided under national food subsidy programmes, micronutrient supplementation as well as promoting policies and strategies enhancing behavioural practices of infant feeding, dietary diversity, etc.

The Way Forward: UN Collaboration with LAS

Collaboration between LAS institutions and UN agencies has been ongoing in the area of food security, especially with AOAD, which focuses on agriculture and development. FAO has particularly continued providing and supporting the institution with technical assistance, information sharing in sustainable agricultural development and food security. AOAD was invited to a number of food security coordination meetings and workshops including the Multi stakeholder Regional Workshop on Food Security and Nutrition in the Arab region involving UN agencies and key partners. Moreover, the AOAD is a member of the UN-led Regional Coordination Mechanisms (RCM) Thematic Working Group on Food Security. The Thematic Working Group on Food Security is a regional forum for sharing analysis and information in the Region and for coordinating actions and interventions undertaken by the different stakeholders. With these types of engagements with the AOAD, UN agencies envisage strengthening access to/capacities of the AOAD in regional food security and nutrition information.

A recent mission by the FAO Regional Office to Khartoum explored areas of priority and collaborative work with AOAD, which included the areas of Early Warning and Price Monitoring, as well as Food Security Financing and Investment facilities. WFP and FAO will study the AOAD Agricultural Development Strategy and explore areas where future collaborations could be instituted. Moreover, FAO is in discussion with the LAS on how best technical support could be provided to build the capacity of the LAS institutions in areas of early warning and food security monitoring systems.