

CERF's Response to the Effects of Current Food Price Crisis
Criteria and Considerations
May 2008

As a result of the unprecedented rise in food prices, the CERF may continue to expect an increase in requests for funding of related humanitarian programs. For example, the World Food Programme, which has received the most CERF funding of any agency in the past two years, has already requested US\$ 61 million for projects related to rising food costs in Afghanistan, Bangladesh, Djibouti, oPt, Sri Lanka, Sudan, Syria, Tajikistan and Yemen in 2008. The CERF has allocated over US\$28 million from its rapid response window alone to projects linked to rising food costs. Furthermore, the Fund has already allocated over US\$ 58 million so far this year to food-related interventions, as compared to US\$ 88 million for all of 2007.

As an initial measure, the Emergency Relief Coordinator, as the manager of the CERF, recommends a reserve of US\$ 100 million from current resources be set aside to respond to the most immediate life-saving activities in sectors directly linked to the effects of this crisis, namely food, food security and agriculture, health, and nutrition, for priority countries. The resources would be allocated by the ERC through the regular CERF grant windows and will be complemented by the loan facility.

The objective is to protect those most vulnerable to food price shocks from nutritional deprivation, from resorting to harmful coping strategies such as selling assets (including livestock), forced migration, sexual exploitation, and from a reduction in their real purchasing power. Such protection not only saves lives, it strengthens livelihoods and promotes longer term development.

The global prioritization of countries will be undertaken with key stakeholders (i.e., FAO, WFP, World Bank, UNICEF, WHO, etc.) using the most up-to-date information¹ through the Global Food Security Challenge Task Force led by the Policy Development and Studies Branch/OCHA. This will permit evidence-based responses through improved targeted assessments and analysis of impact to most food insecure vulnerable populations. Submissions to the CERF will continue to be country-based through the HC/RC system.

Allocations will be guided **by the CERF life-saving criteria** based on the following:

1. Countries with an existing humanitarian situation and/or slow-onset emergencies, facing food shortages with significantly lower food stocks than previous years, weather-related production shortfalls would receive priority. Special attention would be paid to net food-importing countries with large segments of the population highly vulnerable to an increase in food prices which could result in higher levels of food insecurity and cases of acute malnutrition.
2. Most vulnerable groups affected by food insecurity would be targeted. This will include: displaced populations, war-affected populations, small-scale subsistence farmers within humanitarian areas of response (including urban and peri-urban farmers), pastoralists, and the most vulnerable urban populations. Emphasis will be given to the most nutritionally vulnerable groups: young children under five, pregnant and lactating mothers, and single female-headed households. Malnutrition benchmarks and indicators would inform decisions on the types of activities to be funded.
3. In priority countries facing crop damage/loss where widespread poverty/vulnerability will make food purchases more difficult, integrated food security responses coupling food aid with agricultural aid (joint FAO/WFP programs, for example) will receive consideration. Therefore, strong inter-agency cooperation on this issue would need to be reflected in project proposals. Response options, including the strategic re-stocking of agricultural inputs (seeds, fertilizers, and livestock) and pest control supplies (pesticides, nets) would be considered.
4. Food activities related to recovery and rehabilitation, nutritional programs with malnutrition rates below 10% and with no aggravating factors, institutional feeding, and food for education will not be considered in the context of these submissions.

Furthermore, the CERF will request impact analyses on the use of international versus local food procurement and on the alternative use of cash or other methodologies. This must be weighed together with an assessment of the impact on local markets, local food production and dependency/social impact of food aid.

¹ Reference to: WFP Vulnerability Analysis and Mapping, FAO Global Information and Early Warning System (GIEWS), FAO Crop Prospects and Food Situation, FAO Integrated Food Security Phase Classification (IPC); UNICEF ongoing assessments, etc.