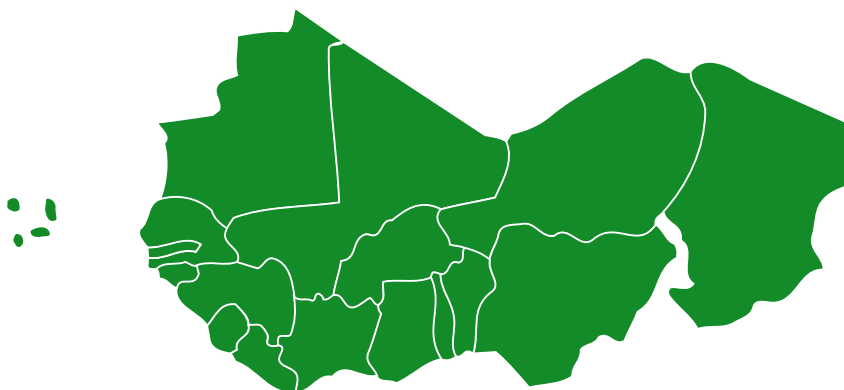


SET OF INSTRUMENTS FOR FOOD CRISIS MANAGEMENT



On 17 November 2011, Ministers in charge of food and agriculture of ECOWAS member countries, Chad and Mauritania, adopted in Conakry the “Charter for Food Crisis Prevention and Management”. The Charter was then approved at the 40th Ordinary Summit of ECOWAS Heads of State and Government held in Abuja on 16-17 February 2012. This was the completion of a long process of inclusive dialogue and negotiation facilitated since 2006 by the CILSS Executive Secretariat and the Sahel and West Africa Club Secretariat (SWAC/OECD).

The “Set of Instruments for Food Crisis Management” is a tool aimed at facilitating the application of the Charter, for which concerned parties committed to « define response options and instruments through the strategic framework for food crisis management depending on food crisis origin and causes ». To this end, they committed to « support the

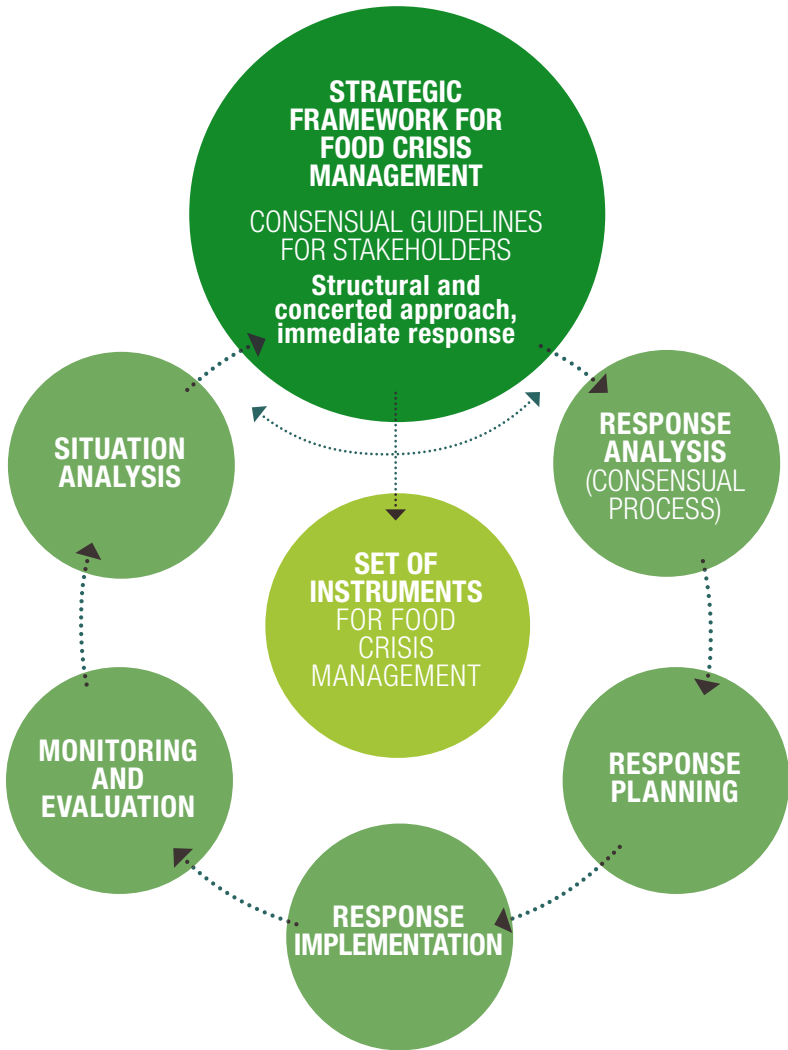
Food Crisis Prevention Network (RPCA) that produces and regularly updates a set of instruments including all options for and types of intervention ». The set of instruments aims to encourage a better use of response instruments based on the nature, importance and scope of each food and nutritional crisis.

THE SET OF INSTRUMENTS AIMS TO ENCOURAGE A BETTER USE OF RESPONSE INSTRUMENTS BASED ON THE NATURE, IMPORTANCE AND SCOPE OF EACH FOOD AND NUTRITIONAL CRISIS.

This set of instruments is the result of the analysis and synthesis conducted by an expert panel, under the auspices of the RPCA and facilitated by the SWAC Secretariat, in particular Mr. Sibiri Jean Zoundi, Principal Administrator, and Ms. Coralie David, Policy Analyst on Food Security. The process has built on numerous exchanges, including electronic consultations, and various contributions, in particular from non-governmental organisations co-ordinated by OXFAM. The document was then validated at the RPCA meeting on 13 April 2012, that gathered experts from network members as well as other researchers and practitioners.



STRATEGIC FRAMEWORK FOR RESPONSE ANALYSIS



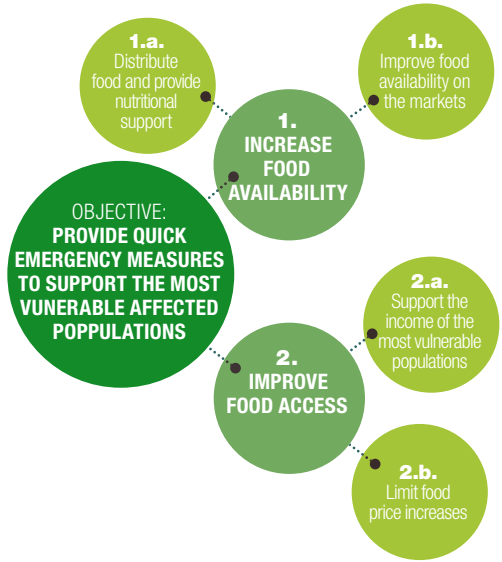
STRUCTURE OF THE SET OF INSTRUMENTS

THIS TOOL IS COMPOSED OF THREE PILLARS:

- 1. DIRECT AND IMMEDIATE SUPPORT** TO THE MOST VULNERABLE AFFECTED POPULATIONS;
- 2. POST-CRISIS SUPPORT** AND PREVENTION OF FOOD AND NUTRITIONAL CRISES;
- 3. INFORMATION SYSTEMS** FOR FOOD AND NUTRITIONAL CRISIS PREVENTION AND MANAGEMENT.

PILLAR 1. DIRECT AND IMMEDIATE SUPPORT TO THE MOST VULNERABLE AFFECTED POPULATIONS

Measures proposed in this pillar aim at mitigating the effects of food and nutritional crises on the most vulnerable households by reducing social, physical, moral and psychological impacts resulting from crises, in particular by avoiding losses of human lives. These emergency measures focus on improving both food availability and access to food for the most vulnerable affected populations.



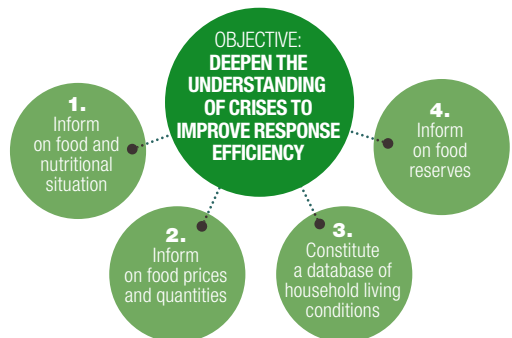
PILLAR 2. POST-CRISIS SUPPORT AND PREVENTION OF FOOD AND NUTRITIONAL CRISES

Medium- and long-term measures proposed in this pillar aim to support the recovery of affected populations and to prevent future food and nutritional crises.



PILLAR 3. INFORMATION SYSTEMS FOR FOOD AND NUTRITIONAL CRISIS PREVENTION AND MANAGEMENT

These measures and actions aim to better characterise and understand food and nutritional crises, their importance, scope and evolution. A deeper understanding of each crisis is a precondition for improving choices of instruments and better targeting response instruments proposed in the first two pillars. Information systems also facilitate the monitoring and the evaluation of interventions.



PILLAR 1. DIRECT AND IMMEDIATE SUPPORT TO THE MOST VULNERABLE AFFECTED POPULATIONS

CATEGORY	INSTRUMENT	DESCRIPTION	OBJECTIVES	SITUATIONS / CONDITIONS TO USE THIS INSTRUMENT	ADVANTAGES	DISADVANTAGES	
1. FOOD AVAILABILITY	1.A. FOOD DISTRIBUTION	Food distribution	Free distribution (general or targeted) of a combination of food commodities.	<ul style="list-style-type: none"> Meet immediate food needs and prevent further deterioration of the nutritional situation; Protect or recover livelihoods by preventing the sale of assets and allowing households to spend time on productive activities. 	<ul style="list-style-type: none"> Emergency situation; Lack of food availability; Alternative ways of increasing access to food would take too long. 	<ul style="list-style-type: none"> Only possible solution in a context where food markets do not function (lack of food availability). Can allow for a price decrease depending on the quantity of food aid delivered; If food is purchased locally, can increase demand and enhance production. 	
		Food for Work (FFW)	Public (or individual) works programmes and/or quick impact projects following an emergency (such as emergency repair and maintenance of infrastructure) where workers are paid in food and/or fodder.	<ul style="list-style-type: none"> Provide food aid to the poor or unemployed; Rehabilitate and/or build community infrastructure. 	<ul style="list-style-type: none"> Slow onset of a crisis, recovery stage, or chronic food insecurity; Lack of availability and access to food but no acute food insecurity or high levels of malnutrition; Labour potential and capacities; Damaged infrastructure and/or degraded land; Good security. 	<ul style="list-style-type: none"> Easy targeting - the food ratio can be calculated to be less than the daily wage rate for the poorest to self-select; Restores community assets in addition to providing food; Enhances community resilience. 	
		Nutritional programmes	Free targeted distribution of nutritious food commodities.	<ul style="list-style-type: none"> Meet immediate nutritional needs; Prevent a deterioration of the nutritional situation. 	<ul style="list-style-type: none"> High malnutrition rates and nutritional needs. 	<ul style="list-style-type: none"> Quick impact; Easy targeting (health clinics, schools...). 	<ul style="list-style-type: none"> Relatively costly; High logistics requirements; May not meet local food preferences; Significant costs on the beneficiaries who have to travel to access the food if delivered through health centres or clinic attendance feeding schemes; Dependence of targeted populations.
1.B. FOOD AVAILABILITY ON THE MARKET	Monetsation	Put large quantities of specific food commodities on the market. Food commodities can be provided by public food reserves.	<ul style="list-style-type: none"> Improve access to staple foods for consumers; Stabilise food prices. 	<ul style="list-style-type: none"> Relatively high local food prices; Food deficits in targeted areas; Some purchasing power of the affected population; Insecurity preventing direct food distribution. 	<ul style="list-style-type: none"> Potential for quick impact on a large population; Can support local food reserves. 	<ul style="list-style-type: none"> No targeting; Can undermine local food production and the good functioning of existing local food markets; Does not meet local food preferences; Benefits mainly accrued to large traders. 	
	Direct livestock support	Provision of water, fodder, supplementation, and veterinary care to the livestock.	<ul style="list-style-type: none"> Prevent loss of livestock and destocking through sales or slaughter; Assist in herd recovery; Avoid decreasing prices. 	<ul style="list-style-type: none"> Chronic food insecurity; Lack of pasture and/or water for the livestock; Livestock disease. 	<ul style="list-style-type: none"> Supports meat consumption; Supports local economy and herders' purchasing power. 	<ul style="list-style-type: none"> High logistical costs; Difficult targeting. 	
2. FOOD ACCESS	2.A. INCOME SUPPORT	Food vouchers	Distribution of vouchers that can be exchanged for a fixed quantity of certain food commodities (and/or fodder) from certified traders, either at distribution outlets, markets or special relief shops.	<ul style="list-style-type: none"> Meet basic needs and provide income support; Stimulate food markets. 	<ul style="list-style-type: none"> Second phase response in acute emergencies; Food availability and functioning markets; 	<ul style="list-style-type: none"> Promotes the purchase of local products; Can leave to beneficiaries the choice over food products; Opportunities to make agreements with traders. 	
		Cash vouchers	Cash vouchers have a fixed cash value and can be exchanged for a range of items up to this value, from special shops or traders.	<ul style="list-style-type: none"> Provide income support; Support livelihood recovery; Stimulate markets and trade. 	<ul style="list-style-type: none"> Second phase response in acute emergencies; Food availability and functioning markets. 	<ul style="list-style-type: none"> Risk of forgery; May create parallel economy (risk of exchanging vouchers against cash at a lower value); May need regular adjustment to protect from inflation. 	
		Cash transfers	Distribution of cash to targeted people.	<ul style="list-style-type: none"> Increase revenues and food access; Increase resilience of vulnerable communities. 	<ul style="list-style-type: none"> Emergency situation; Food availability and functioning markets; Low risk of inflation; Good security; Presence of banks in rural areas. 	<ul style="list-style-type: none"> Cost efficient compared to food distributions; Choice left to beneficiaries on how to use this source of revenue; Stimulates markets. 	<ul style="list-style-type: none"> Difficult targeting; Difficult monitoring; Risk of inflation; Security risks; Can increase tensions with households if only women are targeted.
		Cash for Work (CFW)	Public (or individual) works programmes and/or quick impact projects (such as repair and maintenance of infrastructure) where workers are paid in cash.	<ul style="list-style-type: none"> Provide income support to meet basic food and non-food needs; Rehabilitate and/or build community infrastructure; Stimulate the local economy. 	<ul style="list-style-type: none"> Food insecurity as a result of loss of income, assets or employment; Food availability and functioning markets; Security and reliable access to beneficiaries. 	<ul style="list-style-type: none"> Easy targeting - the daily wage rate can be relatively low for the poorest to self-select; Restores community assets in addition to providing cash; Stimulates markets. 	<ul style="list-style-type: none"> Not everyone can work - exclusion of handicapped persons and young children; Intensity of work sometimes not proportional to the payment; May interfere with existing livelihoods strategies; High management requirements and high administrative costs.
2.B. REGULATION OF FOOD PRICES	Reduction of import barriers	Reduction / removal of food import tariffs and/or quota.	<ul style="list-style-type: none"> Stabilise/reduce domestic food prices. 	<ul style="list-style-type: none"> Most of the poor are net food consumers; The local market does not meet demand; 	<ul style="list-style-type: none"> Reduced trade distortions; Stimulates imports; Improved access to food for poor populations if the decrease in prices is passed on to local markets. 	<ul style="list-style-type: none"> No targeting; Adverse impact on non-competitive domestic producers; Foregone government revenues; Increase in world prices that may offset the decrease in domestic prices. 	
	Import subsidies	Subsidies on food imports.	<ul style="list-style-type: none"> Stabilise/reduce domestic food prices. 	<ul style="list-style-type: none"> Most of the poor are net food consumers; The local market does not meet demand; Importers are regulated and large importers are only a few. 	<ul style="list-style-type: none"> Improved access to food for poor populations if the decrease in prices is passed on to local markets. 	<ul style="list-style-type: none"> No targeting; Trade distortion; Negative impact on non-competitive domestic producers; High budgetary cost; Increase in world prices that may offset the decrease in domestic prices. 	
	VAT on food products	Reduction of the VAT on food products.	<ul style="list-style-type: none"> Reduce domestic food prices. 	<ul style="list-style-type: none"> Low purchasing power; Should not go against existing fiscal policies. 	<ul style="list-style-type: none"> Improved access to food for poor populations if the decrease in prices is passed on to local markets. 	<ul style="list-style-type: none"> Foregone government revenues; Higher pressure to reduce VAT for other goods; Inconsistent with the need of broadening the tax base and avoiding sectoral tax breaks. 	

PILLAR 2. POST CRISIS SUPPORT AND PREVENTION OF FOOD AND NUTRITIONAL CRISES

CATEGORY	INSTRUMENT	DESCRIPTION	OBJECTIVES	SITUATIONS / CONDITIONS TO USE THIS INSTRUMENT	ADVANTAGES	DISADVANTAGES	
1. FOOD AVAILABILITY	1.A. FOOD DISTRIBUTION/RESERVE	School feeding programmes	Free distribution of food in targeted schools.	<ul style="list-style-type: none"> Improve the nutritional status of the children and their learning capacities; Provide incentives for school attendance. 	<ul style="list-style-type: none"> Chronic food insecurity in targeted regions; Poor rate of school attendance and high likelihood of drop out. 	<ul style="list-style-type: none"> Targets children. 	
		Nutritional programmes	Free targeted distribution of nutritious food commodities.	<ul style="list-style-type: none"> Meet nutritional needs. 	<ul style="list-style-type: none"> High malnutrition rates and nutritional needs. 	<ul style="list-style-type: none"> Quick impact. 	
		Food reserves	Food reserves at the community, national or regional level.	<ul style="list-style-type: none"> Provide food in emergency situations; Stabilise domestic food prices. 	<ul style="list-style-type: none"> Chronic food insecurity; Non functioning food markets. 	<ul style="list-style-type: none"> Rapid response in case of food crisis. 	
	1.B. INCREASED AGRICULTURAL PRODUCTION	Input distribution	Free distribution of inputs, including seeds, tools, pesticides, and fertilizers.	<ul style="list-style-type: none"> Provide inputs to increase agricultural production and productivity. 	<ul style="list-style-type: none"> Recovery stage or protracted emergencies; Food insecurity due to limited crop production resulting from low input use; Producers cannot afford the inputs. 	<ul style="list-style-type: none"> Increase agricultural productivity. 	<ul style="list-style-type: none"> Short-term measure only; High logistics requirements; Requires knowledge of locally adapted inputs.
		Input vouchers	Distribution of vouchers that can be exchanged for a fixed quantity of certain inputs from certified traders, either at distribution outlets, markets or special relief shops. This can also be done through input fairs.	<ul style="list-style-type: none"> Provide inputs to increase agricultural production and productivity. 	<ul style="list-style-type: none"> Second phase response in acute emergencies; Food insecurity due to limited crop production resulting from low input use; Producers cannot afford the necessary inputs; Availability of inputs and functioning markets, including in particular reliable and efficient network of input distributors. 	<ul style="list-style-type: none"> Promotes purchase of local products; Beneficiaries can choose inputs; Opportunities to make agreements with traders; Cheaper than general input subsidies. 	<ul style="list-style-type: none"> Risk of forgery; May create parallel economy (risk of exchanging vouchers against cash at a lower value); Higher transaction costs than for cash transfers; Can generate inflation if low availability of inputs; Difficult to control the quality of inputs sold (which can be done more easily through input fairs).
		Input subsidy	Subsidisation of input prices, for instance by subsidising fertilizer companies.	<ul style="list-style-type: none"> Lower the costs of inputs to increase agricultural production and productivity. 	<ul style="list-style-type: none"> Food insecurity due to limited crop production resulting from low input use; Producers cannot afford the necessary inputs; Inefficient markets for inputs. 	<ul style="list-style-type: none"> May increase agricultural productivity. 	<ul style="list-style-type: none"> Poor targeting - the biggest producers are the main beneficiaries; Main benefits accrued to large private companies producing inputs if they receive direct subsidies; High budgetary cost; Can distort production decision-making if input markets function well; Can encourage an overconsumption of inputs with negative environmental impacts; Displacement of commercial sales; Difficult to scale down or remove - should be limited in time.
2. FOOD ACCESS	2.A. INCOME SUPPORT	Credit for the purchase of inputs	Targeted programme to provide credit to support producers in purchasing inputs.	<ul style="list-style-type: none"> Facilitate access to inputs to increase agricultural production and reduce food prices. 	<ul style="list-style-type: none"> Food insecurity due to limited crop production resulting from low input use; Availability of inputs and functioning markets, including in particular reliable and efficient network of input distributors; Limited access to inputs and credit. 	<ul style="list-style-type: none"> Promotes purchase of local products; Beneficiaries can choose inputs; Cheaper than general input subsidies. 	
		Reduction of import taxes on agricultural inputs and equipment		<ul style="list-style-type: none"> Reduce the price of agricultural inputs and equipment. 	<ul style="list-style-type: none"> Food insecurity due to limited crop production resulting from low input use and low mechanisation; Producers cannot afford the necessary inputs and equipment; Functioning markets and efficient distribution networks. 	<ul style="list-style-type: none"> Can increase agricultural production. 	<ul style="list-style-type: none"> Foregone government revenues.
		Insurance	Multi-peril crop insurance.	<ul style="list-style-type: none"> Manage production risks. 	<ul style="list-style-type: none"> Regular shocks; Limited access to private insurance. 	<ul style="list-style-type: none"> Avoids sales of assets in case of a shock; Stabilises income and thus incentivises investment. 	<ul style="list-style-type: none"> Asymmetric information resulting in adverse selection and moral hazard; Requires good capacities to ensure financial viability.
2. FOOD ACCESS	2.B. LIMITATION OF FOOD PRICE INCREASE	Food subsidy	Subsidisation of food prices in targeted areas and for certain commodities.	<ul style="list-style-type: none"> Reduce domestic food prices to increase access to food. 	<ul style="list-style-type: none"> Functioning food markets; Low income of targeted beneficiaries. 	<ul style="list-style-type: none"> Immediate improvement in food access. 	
		Cash transfers	Distribution of cash to targeted people.	<ul style="list-style-type: none"> Increase revenues; Increase resilience. 	<ul style="list-style-type: none"> Food availability and functioning markets; Low risk of inflation. 	<ul style="list-style-type: none"> Cost efficient; Choice left to beneficiaries on how to use this source of revenue; Stimulates markets; Successful examples in South America 	<ul style="list-style-type: none"> Difficult targeting; Difficult monitoring; Risk of inflation; Security risks.
		Income-generating activities	Creation of agricultural or non-agricultural income generating activities.	<ul style="list-style-type: none"> Increase and diversify revenues; Improve resilience; Improve access to basic social services by vulnerable groups. 	<ul style="list-style-type: none"> Opportunities of agricultural diversification (irrigated sites, markets...); Existence of credit systems tailored to vulnerable groups; Dynamic informal sector in rural and urban areas. 	<ul style="list-style-type: none"> Sustainability; Increased resilience to external shocks. 	<ul style="list-style-type: none"> High cost; Complex management, risk of loan default; Must be combined to policy reforms aiming to improve the business climate.
	2.C. MARKET FUNCTIONING	Export restrictions	Reduction, prohibition or taxation of exports of strategic food commodities.	<ul style="list-style-type: none"> Stabilise / reduce domestic food prices; Encourage local value-addition. 	<ul style="list-style-type: none"> Most of the poor are net food consumers. 	<ul style="list-style-type: none"> Improved access to food for poor populations if the decrease in prices is passed on to local markets. 	<ul style="list-style-type: none"> Trade distortion; Negative impact on net food crop producers; Main benefits accrued to rich urban consumers; Encourages illegal exports; Increase of world food prices that may offset the decrease of domestic food prices.
		Reduction of import barriers	Reduction / removal of food import tariffs and/or quota.	<ul style="list-style-type: none"> Stabilise / reduce domestic food prices. 	<ul style="list-style-type: none"> Most of the poor are net food consumers; The local market does not meet demand. 	<ul style="list-style-type: none"> Reduced trade distortions; Improved access to food for poor populations if the decrease in prices is passed on to local markets. 	<ul style="list-style-type: none"> Adverse impact on non-competitive domestic producers; Foregone government revenues; Increase of world food prices that may offset the decrease of domestic food prices.
		Import restrictions	Investment in safeguard clause increasing import taxes for certain strategic food commodities.	<ul style="list-style-type: none"> Protect domestic producers; Reduce imported food price volatility. 	<ul style="list-style-type: none"> Protect producers from the competition of imported products. 	<ul style="list-style-type: none"> Trade distortion; Costs for consumers. 	
2.D. ACCESS TO CREDIT	Infrastructure projects, including public-private partnerships	Investment in transport and irrigation systems, storage facilities, information and communication technologies, electricity, water points, and livestock migration roads.	<ul style="list-style-type: none"> Promote on-farm and off-farm investment to increase production and productivity; Improve market access. 	<ul style="list-style-type: none"> Lack of adequate infrastructure; Fragmented markets resulting in food insecurity. 	<ul style="list-style-type: none"> Facilitates trade; Brings about long lasting changes in productivity and income. 	<ul style="list-style-type: none"> In-depth market analysis required; Often poorly done through FFW or CFW if the focus is on providing food or cash; Significant budget required. 	
	Warrantage	Storage of production in a warrantage warehouse for which producers receive a certificate indicating the quantity and quality of the stored products. This certificate can then be used as a credit guarantee.	<ul style="list-style-type: none"> Facilitate access to credit; Stimulate other market instruments such as market information systems and stock markets. 	<ul style="list-style-type: none"> Better prices for producers who can wait for higher prices to sell their harvests; Reduced seasonal price volatility. 	<ul style="list-style-type: none"> Requires banks' trust in certificates produced by warehouses, which may require a certification by a third party; Requires efficient information market systems to assess the value of stored commodities; Requires the possibility to sell certificates in case of default. 		
	Subsidised credit	Concessional credit rates through government subsidies.	<ul style="list-style-type: none"> Facilitate access to credit. 	<ul style="list-style-type: none"> Limited access to credit by smallholders; High interest rate. 	<ul style="list-style-type: none"> Increases investment capacity. 	<ul style="list-style-type: none"> May support investment in non competitive activities; May not result in effective risk sharing between government and producers. 	
2.D. ACCESS TO CREDIT	Loan guarantees	Government support to reduce risks of banks.	<ul style="list-style-type: none"> Facilitate access to credit. 	<ul style="list-style-type: none"> Limited access to credit by smallholders. 	<ul style="list-style-type: none"> Increases investment capacity. 	<ul style="list-style-type: none"> Risk of default taken by the State. 	
	Microfinance	Provision of financial services, including loans and insurance, to people with limited access to the formal banking system.	<ul style="list-style-type: none"> Restart local economies through enterprise and employment creation; Allow for increased investment. 	<ul style="list-style-type: none"> Stable economy (no hyper-inflation); Skilled workforce; Relatively secure context. 	<ul style="list-style-type: none"> Can be sustainable; Can facilitate cash transfers. 	<ul style="list-style-type: none"> High management costs; Risk of default on loans. 	

PILLAR 3. INFORMATION SYSTEMS FOR FOOD AND NUTRITIONAL CRISIS PREVENTION AND MANAGEMENT

INSTRUMENT	DESCRIPTION	OBJECTIVES	SITUATIONS / CONDITIONS TO USE THIS INSTRUMENT	ADVANTAGES	DISADVANTAGES
Market information systems	Data collection on food prices and quantities and other market indicators on local, regional, national and international markets.	<ul style="list-style-type: none"> • Provide data on prices and other market indicators. 	<ul style="list-style-type: none"> • Dedicated institution; • Good coordination. 	<ul style="list-style-type: none"> • Allows for the implementation of instruments enhancing market functioning, such as warrantage; • Allows producers and economic agents to access market information to sell their production at or negotiate better prices; • Allows for the analysis of price transmission mechanisms and market fragmentation. 	<ul style="list-style-type: none"> • Requires good management capacities; • Requires good communication infrastructure to ensure that the information is disseminated widely.
Datasets on households and nutritional surveys	Data collection on household vulnerability and socio-economic conditions.	<ul style="list-style-type: none"> • Identify vulnerable households to ensure better targeting of policies and programmes. 	<ul style="list-style-type: none"> • Dedicated institution; • Good coordination. 	<ul style="list-style-type: none"> • Ensures better targeting and better budget allocation. 	<ul style="list-style-type: none"> • Expensive; • Requires good technical capacities.
Food stock information systems	Set up a regular monitoring of food stocks in each country on a sample of producers, traders and consumers.	<ul style="list-style-type: none"> • Develop a barometer to follow the evolution of food stocks and food stock practices. 	<ul style="list-style-type: none"> • Existence of food reserves managed by the government and private actors. 	<ul style="list-style-type: none"> • Guarantees data comparability across time; • Improves the reliability of the food security analysis. 	<ul style="list-style-type: none"> • Difficult data collection

RPCA MEMBERS would like to express their gratitude to all experts who have contributed to design this tool. More particularly, they would like to thank: Mr. Johny Egg, Institute for Research and Application of Development Methods (IRAM); Mr. Franck Galtier, Agricultural Research Centre for International Development (CIRAD); Mr. Altiné Boubacar, Billital Maroobé Network (RBM); Mr. Illiassou Adamou, Association for the Promotion of the Livestock Sector in Niger (AREN).