Russia’s War on Ukraine and Its Impacts on Global Resilience

July 21, 2022
9:00-10:15 am ET
Opening Remarks

Technical Presentations:
- Tim Frankenberger, TANGO International
- Luca Russo, FAO
- John Ulimwengu, IFPRI
- Volli Carucci, WFP
- Vidhya Sriram, CARE USA

Open Q&A

Closing Remarks
Tim Frankenberger
President and Co-Founder
TANGO International
Meet the Speakers

Luca Russo
Team Lead, Office of Emergency & Resilience
*FAO*

John Ulimwengu
Senior Research Fellow,
*International Food Policy Research Institute*

Volli Carucci
Director, Resilience & Food Systems Service
*World Food Programme*

Vidhya Sriram
Director of Global Village Savings & Loans Associations
*CARE USA*
Acute Food Insecurity: main figures in 2021 and trend since 2016

- **193M** people in 53 countries/territories in Crisis or worse (IPC/CH 3 or above)
- **39.2M** people in 36 countries/territories in Emergency (IPC/CH 4)
- **570,000** people in 4 countries/territories in Catastrophe (IPC/CH 5)

- **2016**: 94M (13%) in 48 countries
- **2017**: 111M (15%) in 51 countries
- **2018**: 106M (14%) in 53 countries
- **2019**: 115M (17%) in 55 countries
- **2020**: 147M (21%) in 55 countries
- **2021**: 180M (22%) in 53 countries

Same 39 countries in all GRFC editions

Prevalence

Global Network Against Food Crises

Integrated actions for lasting solutions
Key Drivers of Acute Food Insecurity

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflict/insecurity</td>
<td>73.9M</td>
<td>77.1M</td>
<td>99.1M</td>
<td>139.1M</td>
</tr>
<tr>
<td></td>
<td>21 countries</td>
<td>22 countries</td>
<td>23 countries</td>
<td>24 countries</td>
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Between 2018 and 2021, increased by a staggering **88 percent**

<table>
<thead>
<tr>
<th>Economic shocks</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td></td>
<td>10.2M</td>
<td>24.0M</td>
<td>40.5M</td>
<td>30.2M</td>
</tr>
<tr>
<td></td>
<td>6 countries</td>
<td>8 countries</td>
<td>17 countries</td>
<td>21 countries</td>
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The number of countries affected by economic shocks **almost tripled between 2019 and 2021**, due to the adverse impacts of the COVID-19 pandemic on livelihoods, incomes and food prices

<table>
<thead>
<tr>
<th>Weather events</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td></td>
<td>28.8M</td>
<td>33.8M</td>
<td>15.7M</td>
<td>23.5M</td>
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<tr>
<td></td>
<td>26 countries</td>
<td>25 countries</td>
<td>15 countries</td>
<td>8 countries</td>
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</table>

Although the number of countries with weather extremes as the primary driver declined from 15 to 8 between 2020 and 2021, the **number of people in Crisis or worse** (IPC/CH Phase 3 or above) or equivalent increased by **50 percent**
DYNAMICS OF THE CRISES

ARE EVOLVING AND INCREASING IN COMPLEXITY: THE EXAMPLE OF THE SAHEL

STRUCTURAL RURAL POVERTY, MARGINALIZATION, POPULATION GROWTH AND FRAGILE FOOD SYSTEMS

- CLIMATE DYNAMICS WITH REPEATED DROUGHTS (2012 and 2017) FURTHER FRAGILIZING FOOD SYSTEMS
- HEALTH CRISES (Ebola from 2013, COVID-19 from 2020)
- ESCALATING LEVEL OF CONFLICT INCLUDING OVER NATURAL RESOURCES (from 2015)
- INCREASING FRAGILITY OF NATIONAL GOVERNMENT AND REDUCTION OF GOVERN CAPACITY TO REACT AND RELATED BUDGETARY CONSTRAINTS
- UKRAINE CRISIS

INFLATION CRISIS
AN IRRIVERSIBLE SYSTEMIC COLLAPSE AHEAD?

An unprecedented food crisis situation driven by interlinked drivers

Ukraine crisis is the black swan and creates additional burden

Countries alone do not have margin to scale up responses to food crises

AN OVERALL CHANGE OF PARADIGM IS REQUIRED
The Russia–Ukraine War: How steep is the path to recovery?
Outline

- Learning from historical trends
- Early macro-economic impacts
- Brief look at policy responses
Fertilizer Index, 2016 = 100, includes DAP, Potash, UREA

- August 2008: 332.07
- April 2022: 325.53
- June 2007: 122.18
- June 2020: 88.55
Consequences of Reduced Fertilizer Use

Just 1.5-2 million tons less fertilizer used will result in production losses of ~30 million tons of grain and 60 million fewer people fed.

IFDC (2022)
Fuel (Energy) Index, 2016 = 100, includes Crude oil (petroleum), Natural Gas, Coal Price and Propane Indices

- Jul. 2008: 312.41
- Mar. 2022: 338.33
- Apr. 2020: 52.77
The world needs to race to prevent a supply crisis on top of the current access crisis.
Early Macro-Economic Impacts

(IFPRI with support from BMGF, FCDO and USAID)

- **Reductions in GDP and employment**
  - Agri-food system is more adversely affected
  - Agriculture is particularly at risk to fertilizer shocks

- **Vulnerability of poor households**
  - The urban poverty rate is increasing, but there is a greater increase in rural poverty rates
  - Food shocks are causing diet quality to deteriorate
Policy Responses

- Policy responses should match the **urgency** of the needs.
- **Trade bans** are fueling the crisis.
- In the short term, **comprehensive agriculture-based social protection** mechanisms should be implemented to save the next planting season.
- All-out fertilizer distribution is **not** the solution.
Volli Carucci

Director, Resilience & Food Systems Service | World Food Programme
From Crisis Response to More Resilient Food Systems

WFP PROR – Resilience & Food Systems Service

July 2022
The Global Food Crisis in Numbers: Clear and present danger
Update on the Global Food Crisis fuelled by conflict, climate shocks, COVID and spiralling costs of food, fuel and fertilizer (June 2022)

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
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<tbody>
<tr>
<td>People facing acute food insecurity</td>
<td>345M</td>
</tr>
<tr>
<td>People facing Emergency (Phase 4* or above)</td>
<td>50M</td>
</tr>
<tr>
<td>People facing Catastrophe (Phase 5*)</td>
<td>882K</td>
</tr>
<tr>
<td>People WFP is aiming to support</td>
<td>152M</td>
</tr>
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Projected increase in acute food insecurity:

*The crisis in Ukraine increased WFP’s monthly costs by USD 73.6 million, an increase of 44%*
Responding to Urgent Needs: An absolute priority

1. Activate the Corporate Global Food Crisis and CONOPS
2. Engage with donors, IFIs, Governments and NGOs
3. Mobilise resources
4. Deploy, Deploy, Deploy
5. Focus on priority areas
WFP’s Sahel Resilience Initiative (main donors: USAID, BMZ)

**Target:** 5 countries (Niger, Mali, Burkina Faso, Mauritania and Chad)

**Building blocks:** 1) Community-based participatory planning & ecosystems rehabilitation; 2) Convergence, Integration and Scale; 3) Social Cohesion & Value chains; 4) Partnerships; and 5) Measurement
Resilience Scale-Up Results in the G5 Sahel Countries (2021)

- **Over 2.5 million people** benefited from WFP integrated resilience package
- **2,000 villages**
- **1.4 million beneficiaries of assets creation activities** with over 110,000 ha of land rehabilitated, 1500 water infrastructure, etc.
- **450,000 children with school meals and 1 million children <2yrs and women** reached through nut. treat./prev.

Evidence of the impact on the ground

Survey data from beneficiary households shows improvements on several aspects:

- **70%** of households indicated improvements in their natural environment
- **More than 75%** of the household state that the assets created have reduced day-to-day hardships and have improved access to markets and basic services

Diets are overall becoming more regular, more frequent and more diversified, despite shocks
Resilience in the Sahel: Evidence from space

Implementation of Sylvo-pastoral Half Moons in Koona (Niger)

May 2018

October 2021

September 2019

World Food Programme
Looking Ahead on Global Resilience: A few opportunities

1. Scaling-up land rehabilitation to restore the productive potential of degraded lands: reversing desertification (C/FFA, RNA, WH, etc.) promoting jobs, generate multiplier effects
   - Potential: 10 million ha in Africa alone by 2027?

2. Ramping up fertilizer’s substitution/supplementation with compost making/FYMA: optimization of reduced quantities, regenerative effects on rehabilitated spaces, moisture conservation, enhancing production
   - Potential: 25 million MT of compost by 2027?

3. Scaling up local procurement of local foods, including of nutritious foods, for local consumption: leveraging WFP’s procurement capacity, value chains assessments, support to public-private sector longer term pro-smallholder farmers actions
   - Potential: 10 million MT of food purchased locally or regionally from SHF by WFP and Gvt by 2025?

4. Scaling up Post Harvest Losses Solutions across the value chains: improved storage construction and handling using innovative local and new techniques, solar powered cold chains, pro-SHF training, use of bio-solutions, etc.
   - Potential: reduction of 5% PHL by 2027 (7-8 mill MT in Africa alone)?
Thank you
Vidhya Sriram

Director, Village Savings & Loan Associations | CARE USA
Russia–Ukraine War: The Differential Impacts on Women
Outline

- Macro-economic trends
- Differential impacts on women
- Programmatic responses
Fertilizer/Agri-Inputs

- In 2020, Russia exported $7.6B in fertilizers, making it the largest fertilizer exporter in the world.
- In Tanzania, agri-inputs importation is a challenge, particularly for women who struggled to access inputs even prior to the crisis.
- In Malawi, fertilizer prices have doubled, even tripled.

Many women probably won’t be farming this year “because of the ridiculously high cost of living and the risks involved which gives no guarantee of harvest even after investment”. CARE Participant, Nigeria
Food: Access & Availability

- Poor families spend **over 60% of their income** on food.
- **Tanzania**: 75% of wheat is imported from Ukraine. Tanzanians spend more than $40b to import just sunflower oil, let alone other oils.
- **Malawi**: Maize prices have doubled, even tripled — it is clear that women will struggle to access maize during the upcoming lean season.
- **Nigeria**: Women farmers have been left with no choice but to abandon farming due to rapidly rising costs and increasing threats of violence.
Farming has become very risky and the few who are able to cultivate and harvest go through many challenges just to transport their crops to the market and when they do, they have no choice but to raise the prices to help them cater for the expense they incurred during farming and on transport especially now when there is a fuel crisis.

– CARE VSLA PARTICIPANT
Nigeria has oil, but not enough refineries — as such, the country is buying back its own oil. The price of diesel has increased nearly 5x.

In Ethiopia, fuel shortages impact food distribution to conflict-affected communities. 13+ million people are in need of humanitarian assistance in northern Ethiopia.

CARE and the broader humanitarian community are struggling to dispatch commodity supplies to distribution centers.
Currency: Price Fluctuations & Market Volatility

- **Petrol prices and fertilizer costs** added to broader instability in global markets — this has had severe effects on currency with **increased impacts on the rural poor, especially women**, who are not insulated from shocks.

- In **Malawi**, price increases have made it difficult for women in small-scale businesses to earn enough or grow their business.

- **Local currency is losing its value** through devaluation, affecting locally-produced and sold goods.
Programmatic Responses

- **Funding** — whether cash, vouchers, locally-sourced food or US commodities — must be *flexible and context-specific*.

- The current crisis would be even worse without **Feed the Future**. Investing in **long-term agricultural development** has made global food systems more resilient.

- It is necessary to **invest in women and girl farmers**, who make up the majority of the agricultural workforce in many countries.
Thank You

Keep an eye on your inbox for post-event resources!
Questions? Email contact@resiliencelinks.org