DRIVERS OF FOOD INSECURITY

Update for the 14th Horn of Africa Initiative Ministerial Meeting

OCTOBER 2022
AT CURRENT ESTIMATES

Up to 55 million people in the Horn of Africa continue to experience increased acute food insecurity in the coming months as La Nina continues into a 3rd year. The risk of famine is high in several areas.

The number of highly food insecure people in the 3 drought affected countries is projected to rise to 23-26 million in February 2023.

Prevalence of undernourishment in SSA by subregion, with projections to 2030

Consecutive failed rainy seasons

5TH
Failed rainy season happening
EACH FLOOD OR DROUGHT INCREASES FOOD INSECURITY BY 5-20%

3X More Droughts

4X More Storms

10X More Floods

RELATIVE TO 1970-79, NATURAL DISASTERS IN 2010-19 HAVE INCREASED

Photo credit: drought: Al Jazeera; Flood: MSF
SEVERE IMPACTS ON HUMANS & ANIMALS

FLOODING
Sudan saw the worst flooding in 60 years in 2020. More than 500,000 people were displaced and 5.5 million areas of farmland destroyed.

ANIMAL DEATHS
More than 7 million animals dead in Ethiopia, Kenya and Somalia in the current drought

In South Sudan in 2021, over 10 million animals were exposed to excessive water, diseases, and starvation with more than 8% dying.

FOOD INSECURITY
About 18.6 -21.1 million people across Somalia, Ethiopia and Kenya are currently highly food insecure due to drought.
### Drivers of Food Insecurity

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Climate</strong></td>
<td>Increasing frequency of severe droughts and floods and their impacts.</td>
<td>• The frequency of climate shocks has increased from once every 12.5 years to once every 2.5 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Extreme climate conditions have contributed to pest and disease outbreaks and related agricultural production losses.</td>
</tr>
<tr>
<td><strong>Conflict</strong></td>
<td>Violent conflict has surged since 2010, with food insecurity both a consequence and a cause of conflict.</td>
<td>• 8.8 million internally displaced people and 4.6 million refugees and asylum seekers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Impact of War in Ukraine</td>
</tr>
<tr>
<td><strong>Policies</strong></td>
<td>Agriculture policies in many countries have not contributed to transformation of their food systems.</td>
<td>• Increasing share of expenditures on input subsidies crowding out more productive public investments.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Trade restrictions are still pervasive for outputs and inputs</td>
</tr>
<tr>
<td><strong>Zoonoses &amp; Pests</strong></td>
<td>Increased frequency and impact of other outbreaks of zoonotic diseases over the past two decades.</td>
<td>• 3/4 of emerging human infectious disease outbreaks are zoonotic. AFE one of the hotspots for emerging infectious zoonotic diseases with multiple outbreaks of epidemic diseases (Ebola, Rift Valley Fever)</td>
</tr>
<tr>
<td><strong>Macro-economic Crises</strong></td>
<td>Currency depreciation, debt distress, fiscal deficits, and fallen GDP growth and job creation.</td>
<td>• Public debt has tripled as share of GDP to 78% and is crowding out productive and social spending.</td>
</tr>
</tbody>
</table>
The Case of Fuel & Fertilizer Prices

- Fertilizer prices declined 16% since June but still 54% higher in August 2022 than in August 2021.

- Year-on-year fuel prices increased by 17-75% in April 2022

- Eastern & Southern Africa accounts for 60% of SSA fertilizer consumption; top 3 users are in the HOA: Ethiopia, Kenya, and Sudan

- Continued high fertilizer prices could depress SSA cereal production by 16%. Highest declines would be in Ethiopia (21%), Kenya (12%) and Sudan (16%).

![Real Prices for food and fertilizer](chart.png)

Real Prices for food and fertilizer
Index based on constant USD prices. Base 100= Average 2000-2020

- Russian invasion
- China starts export restrictions on fertilizers
- European natural gas price reached a five-year lowest level

AFDB: AFRICAN EMERGENCY FOOD PRODUCTION FACILITY (AEFPF)
Supporting African Countries Through a Global Food Crises

STATUS UPDATE FOR HOAI COUNTRIES

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount (millions, USD)</th>
<th>Approval</th>
<th>Disb. Effectiveness</th>
<th>Launching</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia</td>
<td>70</td>
<td>Mar-23</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kenya</td>
<td>70</td>
<td>Jul-22</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Somalia</td>
<td>5.2</td>
<td>Jul-22</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>South Sudan</td>
<td>7.8</td>
<td>Jul-22</td>
<td>Yes</td>
<td>Done</td>
</tr>
<tr>
<td>Sudan</td>
<td>73</td>
<td>Nov. 2022</td>
<td>Yes</td>
<td>-</td>
</tr>
<tr>
<td>Multinational AEFPF</td>
<td>10.5</td>
<td>Oct-22</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

OBJECTIVES (CONTINENT WIDE)

1. Supply 20 million Farmers with climate-smart certified seeds
2. Deliver 3.54 million metric tons of fertilizers to smallholder farmers
3. Provide technical and financial resources
4. Make policy commitments

US$ 236.5 million
WORLD BANK: FOOD SYSTEMS RESILIENCE PROGRAM

Increasing the resilience of food systems and preparedness for food insecurity in the participating countries.

PILLAR 1
Responding to a deteriorating food security situation

PILLAR 2
(Re-)Building Resilient Agriculture Production Capacity

PILLAR 3
Sustainable Development of Natural Resources in Agriculture Landscapes

PILLAR 4
Getting to Market

PILLAR 5
Greater Focus on Food Systems Resilience in National and Regional Policymaking

PHASE 1
US$788 MILLION
- Ethiopia
- Madagascar
- IGAD
- CCARDESA

PHASE 2
US$200 MILLION
- Tanzania

PHASE 3
TBD
- Malawi
- Mozambique
- Comoros
- African Union Commission

PHASE 4
FUTURE PHASES
- Countries and organizations added as formal requests are submitted

WORLD BANK GROUP
US$2.3 billion
QUESTIONS FOR THE MINISTERIAL PANEL

1. What do you need now to address the GHOA food security crisis?
2. What successes in your country would you share with the rest of the Horn?
3. How to balance the immediate needs with the longer-term investments?
4. What support and collaboration would be most helpful from the HOAI?