

Round Table: Fragile countries facing food and oil shocks – the boom and the bust



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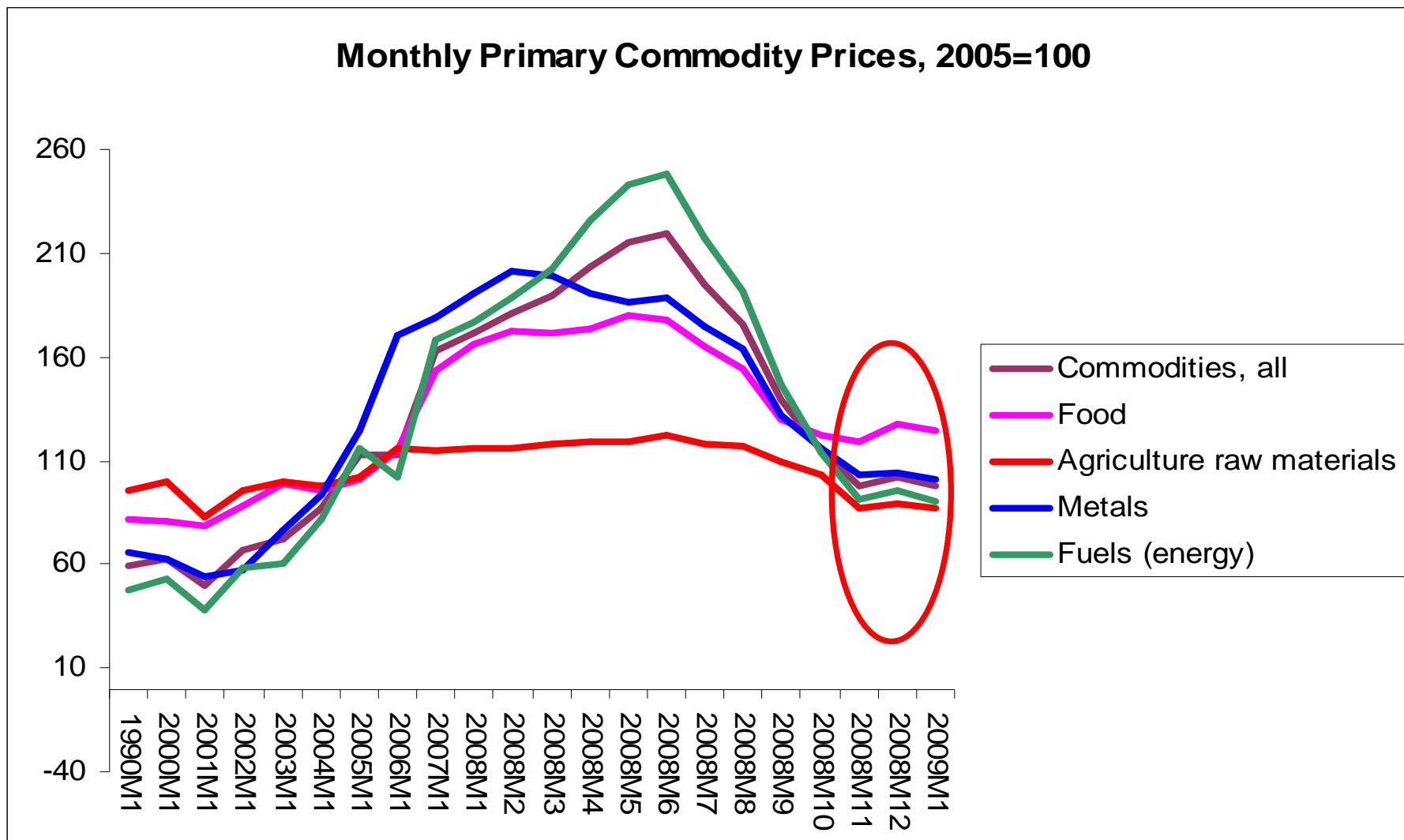
Overview



EUROPEAN REPORT
ON **DEVELOPMENT**

- **Situations of fragility: common characteristics and (substantial) heterogeneities**
- In the workshop we addressed the issue of **Fragility and vulnerability to the (recent) food (raw materials) crisis**
- **In this Round –Table, building on the papers & questions, we aim at drawing some policy guidelines**

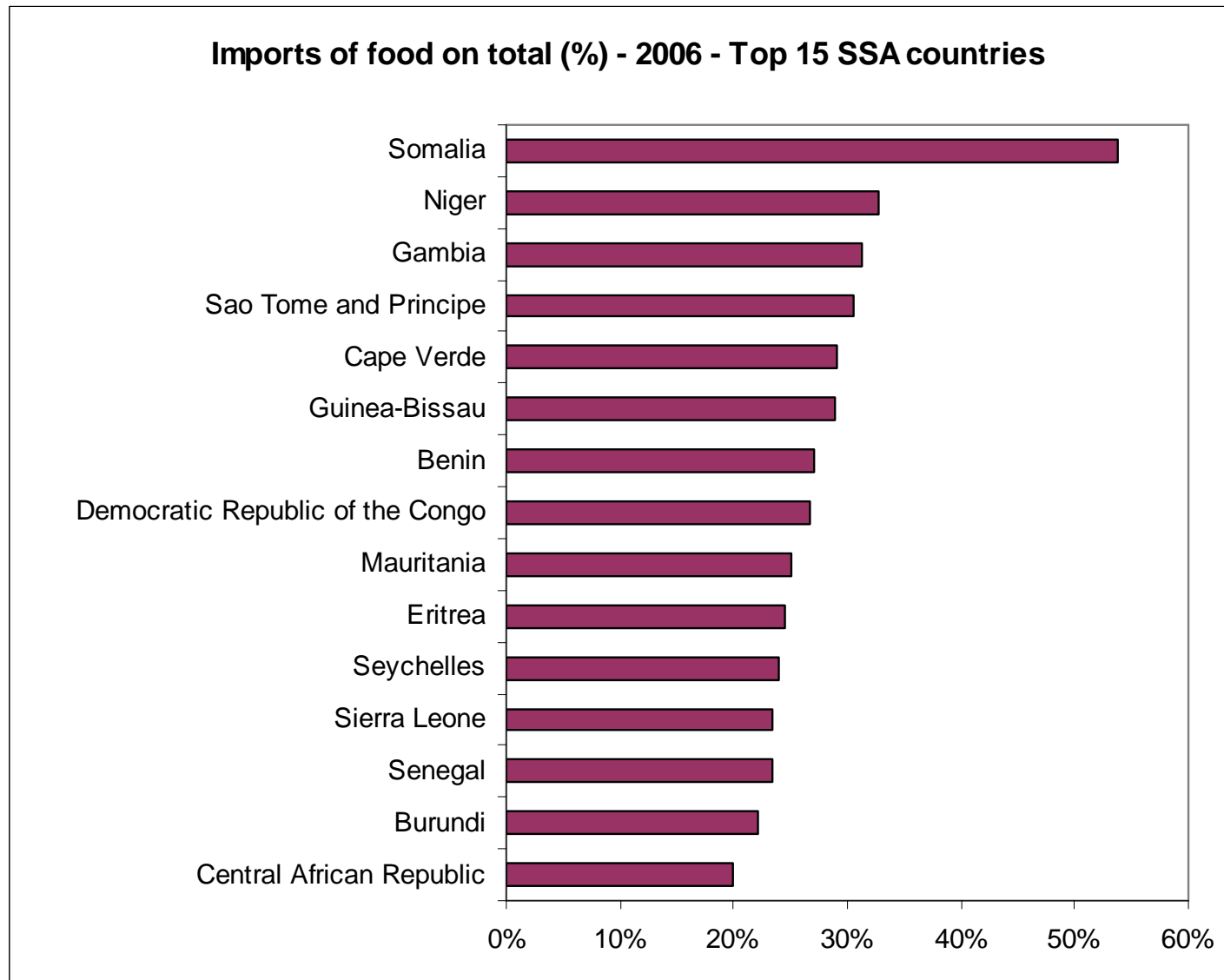
The current situation: ups and downs in relevant prices



... so that we cannot overlook price shocks, particularly in the context of fragility

- Fragile countries have been particularly adversely affected by the price shock (e.g. no reserves left).
- The modest relief brought about by the current decline in prices is offset by many negative shocks: decline in remittances, trade, and aid (most likely).
- Which is the long-run impact on poverty of the price shock?

... for countries heavily dependant on food imports



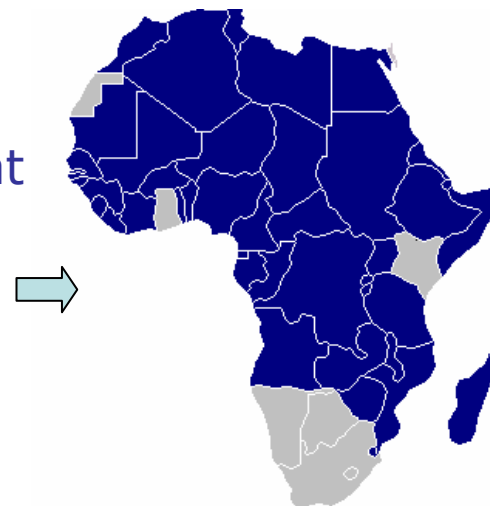
No matter how fragility is defined, it matters....

-Call (2008) distinguishes between *weak, divided, post-war, semi-authoritarian, and collapsed states*.

- USAID (2005) defines situation of fragility across four temporal scenarios: deterioration, post-conflict transition, arrested development, and early recovery.

-The World Bank distinguishes different situations of fragility requiring a differentiated approach: deterioration, prolonged crisis or impasse, post-conflict, gradual improvement in a situation of fragility and capacity-constrained

- Stewart and Brown (2009) adopt a broad concept of fragile states as those states that are failing, or at risk of failing, with respect to authority, comprehensive service entitlements or legitimacy. **According to this definition almost all African countries fall in this category.**



First question is: which aspects of fragility matter when it comes to food security?

Note that there is some convergence in referring the concept of “state fragility” to countries with dysfunctional, not fully legitimate or seriously incapacitated state institutions.

There are several trade-offs: how relevant are they?

- **Need of immediate and urgent responses to possible humanitarian, food crisis or other shocks **VERSUS** need of rebuilding, renovating (or not further jeopardizing) capacity of local and national institutions**
- **Call for interventions by outsiders **VERSUS** aim of triggering an authentic sustainable development based on a local ownership**

Food crisis interacts with other factors....

...and has different drivers (and therefore different extension and impact). The most affected seem to be countries in conflict/post-conflict situations

Post-conflict recovery period, conflict, IDPs, refugees	Civil strife	Adverse weather, drought, recent floods	Economic crisis, economic constraints	Localized crop failure and insecurity
Somalia Eritrea Sierra Leone Burundi Central African Republic Chad Congo, Rep. Liberia Guinea	Burundi Congo, Dem. Rep. Côte d'Ivoire Kenya Sudan Uganda	Somalia Zimbabwe Mauritania Kenya	Zimbabwe Eritrea	Ethiopia Guinea-Bissau

Source: FAO Crop Prospects and Food Situation, February 2009

The issues

- **Check possible links between food prices developments and**
 - Capacity to diversify (imports and exports)
 - Access to international markets (domestic demand is not enough to guarantee growth)
 - Access to domestic markets (infrastructures)
- **Likely asymmetric responses to price shocks**
 - if negative shocks, situation in fragile countries worsens substantially, but if positive shocks no opportunity to get out

1/Questions and issues: are there common challenges and common responses?

- What are the **most important challenges** faced by African countries in situation of fragility in achieving food security?
- Can we identify some **common guidelines in the design of food security policies** in different contexts of state fragility?

2/ External shocks and channels of transmission

- **The role of institutional fragility** in driving/solving food crisis (if any)
- How can fragile African countries develop local resilience in terms of market, state and community responses to shocks?

3/Long-term and short-term responses

- **When do short term measures to alleviate food crises have negative effects in long run food production, productivity and trade?** How could these effects be avoided?
- **When should external intervention move from humanitarian food aid to food support policies** and how can donors work to facilitate this shift in contexts of fragility?
- **Is there a role for agriculture development as driver “out of fragility”?** To which model of food production and distribution, do fragile countries need to refer?