



WFP

MITMUNC 2014

Hello Delegates,

My name is *Sven Schlumpberger*, and I will be one of your co-chairs for this year's conference. I am from Georgia, but was born and raised in Germany. I did my undergraduate degree at Georgia Tech and am now in my 4th year of Graduate School here at MIT. I was actively involved in planning Model U.N. conferences for High School students at Georgia Tech and on one occasion was one of the co-chairs for the IAEA. I always found those conferences to be an amazing and enlightening experience. This conference will be my first MITMUNC and I am very excited to watch all of you debate the two topics we have picked for you this year. I wish you all good luck and an amazing time!

I am *Nkwate Ebenezer* and will also be one of your co-chairs for this year's conference. Originating from Cameroon, I am a freshman pursuing a double major in Electrical engineering/computer science and Brain and Cognitive Sciences. This is my first time being a chair for MITMUNC and I am so excited to meet you. I see the need to help others as a hobby and think you will find that interesting too, if you haven't already. One thing I know for sure is that by the end, we will have had a great time while working on some of the world's biggest problems. You all have got what takes.

The two topics we have picked for you this year are "Humanitarian Relief Efforts for Syrian Refugees" and "Responding to Increasing Prices and Excess Price Volatility in Food Materials in Sub-Saharan Africa", two topics that are very relevant today. We hope that you find this background guide useful as a starting point for your own research efforts into these topics and we hope that you come well prepared so that we can have a very interesting conference. If you have any questions prior to the conference, please don't hesitate to contact us!

Cheers!

Sven Schlumpberger

and

Ebenezer Nkwate

Humanitarian Relief Efforts for Syrian Refugees

"We have not seen a refugee outflow escalate at such a frightening rate since the Rwandan genocide..."

- Antonio Guterres, U.N. High Commissioner for Refugees

Introduction

The World Food Program (WFP) is an active arm of the United Nations (U.N.) in charge of food aid. With the main objective of eradicating hunger and poverty, this program aims at eliminating the need for food aid. However the increase number of crises in the world such as the post Syrian civil war affects, the super typhoon Haiyan in the Philippines makes this not to be an easy task. It is therefore our hope that with your help, WFP would be able to find the right policies and solutions for one of its greatest challenges; providing resources for the refugees of the Syrian civil war commonly known as "Syrian Refugees".

Background/Timeline

Starting from the 15th March 2011, Syrian faced a civil war which led to the displacement of over four million people. By August 2012, the U.N. High Commissioner for Refugees (UNHCR) reported that the number of registered Syrian refugees had reached over 200,000. Moreover, by March 2013 the guardian reported that these numbers had risen to 1,204,707 people. With an average of 10,000 people crossing per day. Unlike 8,000 in February and 5,000 in January. The numbers are on a rise. As of date, the WFP counts almost 2.5 million

refugees in neighboring countries like Iraq, Jordan, Lebanon, Egypt and Turkey.

Syrian relief efforts is WFP's largest and most complex emergency worldwide. WFP is assisting refugees the above mentioned countries using food vouchers, conventional food distributions and nutritious snacks for refugees in school.

Current Situation

As a means to remedy the situation, WFP in collaboration with the UNHCR (UN Refugee Agency) distribute food assistance and non-food items from UNHCR simultaneously at distribution sites. Of greater concern, humanitarian agencies are responding to an influx of some 13,200 Syrian refugees who arrived to Arsal in the Bekaa Valley in the past five days (21 Nov, 2013), following heavy fighting in the Qalamoun area of Rural Damascus. Amid concerns about the influx of new refugees into Iraq, WFP is mobilizing stocks in the region and has airlifted food and other relief items into Erbil.

Countries Involved and number of registered refugees

Lebanon: 702,934 (Oct 2013)

Jordan: 545,035 (Oct 2013)

Turkey: 506,532 (Oct 2013)

Iraq: 205,503 (Jul 2013)

Egypt: 70,140 (Jul 2013)

Other countries with less than 70000 refugees include Algeria, Sweden, Germany, Libya, Italy, Bulgaria, Armenia, Argentina, Nagorno-Karabakh Republic, Russia, France.

Also, some of these figures have increased in recent days e.g. estimated by the Egyptian government, there are 300,000 refugees.

Important questions

What is the effects of Syrian refugees on the economy of neighboring countries?

According to the trend of war and movement of Syrian refugees propose locations that might need help?

Challenge

With the movement of Syrian refugees to a many different places, which of these countries requires the most aid at present?

Other Current Issues

With Over 4.5 million people were affected by the typhoon in the Philippines and nearly half a million left homeless in places like the devastated city of Tacloban the WFP aims to reach 2.5 million people with food assistance over the next six months. How would this

affect your proposal and how can this be remedied?

Note: We live in a world with limited resources, if it were not the case, we would have supplied food to everyone at each instance but this is not possible. So, your job is to use the limited resources to provide to a great number of people. Your proposals should be feasible. "The easiest method is not always the most feasible."

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Responding to Increasing Prices and Excessive Price Volatility in Food Materials in Sub-Saharan Africa

Introduction

Over the past decade, prices for basic food stuff have skyrocketed and have been accompanied by high food price volatility, causing economic harm to millions of people in Sub-Saharan Africa (SSA). High food prices and high food price volatility can become a severe threat to impoverished populations in Sub-Saharan Africa (SSA) by pushing them deeper and deeper into poverty and causing increasing numbers of people to go hungry. However, consumers are not the only party affected by high food prices and high food price volatility that needs to be considered. Producers of foods are affected just as much by these factors, though high food prices tends to generally have a positive effect on this group of people. However, producers are also harmed by high food price volatility, since economic uncertainty makes it hard for them to make sound business decisions and exposes them to unnecessary risk.

Countries in SSA have tried to implement policy to improve the situation, but very few of the policies that have been implemented did so without significant side-effects. Since food security is one of the central missions of the World Food Programme (WFP) and since the WFP has in the past ensured food security by delivering emergency food aid to many countries, including countries in Sub-Saharan Africa, and in areas of crisis, this topic is of particular relevance to this committee. When considering this topic, the WFP cannot lose sight of the fact that

consumers are not the only affected party, but that producers are affected by these issues as well. However, one difficulty in this topic is that national interests in this topic vary widely. Nevertheless, it is important for the World Food Programme to tackle these problems and ensure food security in countries in SSA suffering from their effects.

Impact of High Food Prices on Sub-Saharan Africa

High food prices have been a major problem for countries in SSA. They are fundamentally caused by demand outstripping supply, which can be due to a multitude of factors. On the demand side, growing populations are certainly putting upward pressure on the food price, but so are growing per capita incomes in emerging economies. On the supply side, weather disruptions, such as droughts, lack of access to inputs, constraints in vital resources, such as land or water, and underinvestment in necessary infrastructure and innovation can impair productivity growth and also cause a shortage in food supply.

Other factors than can also contribute to higher food prices are higher energy and fertilizer cost and rising biofuel production in the U.S. and the European Union. The years leading up to the global fiscal crisis of 2007/2008 saw a moderately high increase in food prices with prices for basic foods, such as maize, wheat, and rice, increasing as much as 100 percent (doubling).

However, as the fiscal crisis struck in full force, food prices spiked with prices for basic foodstuffs jumping by another 100 percent, devastating many of the more vulnerable populations in SSA, pushing millions of people into poverty, and causing millions more to go hungry [1]. Interestingly, in the wake of the fiscal crisis the global food price index dropped by about 50 percent to roughly its pre-crisis value [2]. Yet in the years since the end of the fiscal crisis, there is yet another dramatic rise in food stuff prices and the global food price index is again approaching its crisis peak values.

Negative Impact of High Food Prices

The most important negative impact of high food prices is the direct hit that is taken by the poor and ultra-poor (those making less than 0.50 USD/day). Food prices that increase faster than inflation slowly deteriorate household purchasing power for this population. On one hand, this forces these households, which often already spend 50 to 70 percent or more of their income on food, to spend an even larger fraction of their income on food, which poses a serious threat to their food security.

In addition to threatening food security, higher food prices generally also lead to the deterioration of this population's diets, since poor people will limit their food consumption and will shift to a less-balanced diet (relying heavily on staple crops), both of which have a potentially harmful effect on their health and nutritional status. For example, in Malawi and Zambia people tend to heavily rely on maize, whereas in Nigeria they rely more heavily on cassava and yam. On the other hand, deterioration of the poor's purchasing

power also has an effect on the purchase of other non-food goods and services, such as health care, shelter, heating, lighting, sanitation, water, and education [3].

The extent to which the poor in different countries suffer under high food prices depends, among other factors, on whether the country is a net-importer of food (which is bad – examples are Angola, Burundi, Chad, and Ethiopia [1]), whether current hunger rates are high (countries with high hunger rates include Burundi, DRC, Ethiopia, Liberia, Niger, and Sierra Leone [1]) and to what extent safety nets exist in the country. In most countries, these safety nets only reach a small fraction of the poor. For example, Ethiopia's safety net reaches only about 25 percent of the poor [3]. Furthermore, net-importing countries can see deterioration in public finances when food prices increase, which can eventually lead to inflation and depreciation of the exchange rate [4].

Finally, high food prices can cause social unrest in countries that are adversely affected. For example, in the late 2000's, Burkina Faso saw demonstrations in several cities, Cameroon saw protests over food and fuel prices, and Niger had food-price related riots [5].

Positive Impact of High Food Prices

High food prices also have a positive side, especially for those that are net-producers of food stuff, such as farmers. These groups are able to make a little more income via these higher food prices, through higher food prices often come with increased prices for the inputs required to produce the food. In turn the farm workers may also be able to benefit from higher food prices, since some of

the increased income of the farm may be passed on to them. On a national level, those countries that are net food exporters enjoy improved terms of trade.

Nonetheless, many countries in SSA restrict exports of food in order to protect their own consumers. In addition to higher income, higher prices also provides an incentive to producers to increase production if possible. An important point to note here is that many of the poor farmers are still net-buyers of food and hence are hurt by high food prices. Furthermore, a large fraction of the poor farmers also face significant obstacles, such as limited access to resources, in their attempt to increase production of food materials [3].

Impact of High Food Price Volatility on Sub-Saharan Africa

Food price volatility, a measure for the variation of food prices over time, is fundamentally caused by demand or supply shocks (significant changes in demand or supply within a short time span). With regards to food prices, most of the volatility is due to supply shocks, which can be caused by a variety of factors, such as local environmental and climatic factors (for example, catastrophic weather conditions that destroy large parts of the harvest), currency exchange fluctuations, sudden changes in energy prices, financial speculation in financial food commodity markets, or unexpected trade restrictions [6].

Trends in food price volatility are difficult to evaluate. There is general agreement that prices in the international grain market have become more volatile since the crisis of 2007/2008; however, price volatility in African staple food markets seems to have

stayed relatively constant. Nonetheless, food price volatility in the SSA market is up to twice as high as in other regions of the world and in the international market⁷. In addition, the implied food price volatility, a measure of how high market participants expect volatility to be, has been steadily increasing, which means that perceived uncertainty has increased [4].

Negative Impact of High Food Price Volatility

The most significant negative impact of high food price volatility is that it adds uncertainty to the food market, which affects both the producers (particularly the small and poor ones) and poor consumers. On the large scale, countries in which agricultural products make up a large fraction of exports or imports see significant uncertainty in their balance of payments, since large food price changes can cause significant adverse effects on their trade balance. This uncertainty may reduce investments, adversely affect capacity utilization, and have a negative impact on economic growth [4]. On a smaller scale, individual producers are also impacted negatively by high food price volatility. In the short-term, farmers have to make decisions about how much, how, and what to produce.

Fluctuating prices makes this decision much more difficult. For example, a farmer that pursues a strategy based on the current (maybe high) price could risk losing their investment if prices fall significantly. However, not only do they risk losing money on their current year's investment, but many farmers in SSA are poor smallholders who may have difficulty financing the inputs necessary to plant crops for the following year, which means that high volatility

threatens both their family and their farm. In essence, highly volatile food prices can send the wrong signal to farmers about how much to produce [4]. On the consumer side, high food price volatility can cause much uncertainty, since consumers may suddenly be faced with the choice of having enough food or meeting another essential need due to a temporary spike in food prices.

Positive Impact of High Food Price Volatility

The only group that benefits from high food price volatility is a group of financial market actors, mostly hedge funds and exchanges, which means that for all intents and purposes, there really are not any positive impacts of high food price volatility [8].

Past Policy Actions by Sub-Saharan African Countries

Countries in SSA have tried many different policies to deal with high food prices and high food price volatility. Overall, these policies can be divided into three categories: namely short-term, medium-term, and long-term.

Short-term policies mostly aim at immediately alleviating suffering by the poor. Some of these policies include paying workers with food, emergency food aid, and school feeding. The first two in this list were for example implemented by Burundi and Kenya but suffered from significant leakages in food before reaching the people in need. School feeding was implemented in Burundi, Kenya, and Zimbabwe, but, while effective, failed to address malnutrition in infancy, which can be very damaging to a child's development [1].

Medium-term policies tend to aim at lowering and stabilizing costs of food for the consumer. Some of these policies included

reduction in tariffs and value-added tax on staple foods, consumer price subsidies and ration cards, bans or taxes on grain exports, and having a grain buffer stock. Reductions in tariffs and value-added taxes on staple foods was implemented in Burundi, Djibouti, Kenya, Ethiopia, Madagascar, Sudan, Tanzania, and Zambia. While generally successful in reducing food prices for consumers, reduction in tariffs and value-added taxes have reduced government revenues, which can have a significant impact on public finances and hence investments by the government. Giving price subsidies and ration cards to consumers was implemented in DRC, Eritrea, Mauritius, Rwanda, and Zimbabwe, which suffered from similar limitations as reducing taxes. Price subsidies and ration cards came at a high fiscal cost to the government, which can affect its ability to invest in and stimulate the economy. Ethiopia, Kenya, and Tanzania implemented bans or taxes on export of grain. However, this policy caused sharp price fluctuations for importers due to direct meddling with supply, making price volatility worse. Lastly, the idea of establishing grain buffer stock was implemented by Ethiopia, Kenya, Sudan, Tanzania, and Zambia. While this aimed at both giving the government some control over food prices and hence also over food price volatility (since it could supply more grain from its stock during international price spikes and hence suppress prices domestically), it did come with a high fiscal cost, which caused strain on public finances.

Lastly, in the long run, countries are focusing on becoming more self-sufficient and competitive to be better able to cope with or prevent high food prices and to be able to reduce food price volatility. To this end, countries have started to invest in things

like research & development and infrastructure [1].

In addition to these policies, there have been a few additional successful efforts and initiatives that have been tried in a few countries. One of these initiative, namely to subsidize inputs to food production instead of subsidizing consumer food prices has been successfully implemented in Malawi and Zimbabwe. Furthermore, Kenya has successfully piloted an index insurance which protects farmers against climate change effects [1]. Lastly, some SSA countries, together with some other affected countries outside of SSA have piloted a program called the “Famine Early Warning System”, which has increased the availability of data about crop supply, demand, stocks, and export availability to governments in these SSA countries [4].

Impacts of Policy Actions on Countries outside of Sub-Saharan Africa

Many policies that countries or groups of countries consider in order to confront the food security issue will impact other countries. One example of a policy that has been attempted in some SSA countries and had effects outside of these countries was the attempt to control prices and price volatility by banning or taxing exports of grains. While this has the effect of reducing food shortages in the implementing country in the short-run, it can also eventually backfire by reducing farmers’ incentives to produce more food. This strategy also causes the international market to shrink and price volatility to increase, which has adverse effects on food importing countries. In the end, this kind of

policy encourages protectionism and deteriorates trust in trade [3].

Past and Current Action by the World Food Programme

The World Food Programme has been very active in fighting hunger and supporting communities in SSA. There are running projects and initiatives in almost every African country. One example that represents overall efforts by the WFP in SSA very well is Madagascar. Madagascar is a low income country and 92 percent of the island’s population lives below the poverty line (2 USD/day). Furthermore, the island frequently experiences natural disasters, such as cyclones, floods, droughts, or locust plagues. In addition, the ecosystem is becoming more and more unstable due to deforestation and and problems with land management. As a result, 28 percent of households in Madagascar suffer from food insecurity.

The WFP’s program for development in Madagascar has focused on three areas: a school meals program to reduce school drop-outs during the lean season, activities that focus on the protection of the environment and the mitigation of natural disasters, such as reforestation and water catchment systems, and a supplementary feeding and nutritional support to pregnant and nursing women, children under the age of two, and tuberculosis and HIV-AIDS patients. Furthermore, the WFP is very involved in disaster relief through direct food distribution after disasters and by supporting early stage recovery. Lastly, in 2009 the WFP established a local food purchase policy through which it seeks to stimulate the local agriculture and economy [9]. Actions by the

WFP in other SSA countries are very similar in nature, though efforts have often been confined to single countries.

Country Blocs

Net-importing Sub-Saharan African Countries

The group of net food importing countries in SSA is the group that suffers the most from high food prices and high food price volatility. As such, these countries are very interested in finding solutions that would keep food prices at a level that on one hand allows the poor people in the country to get sufficient amounts of food and a sufficiently diversified diet without spending too large a fraction of household income on food. However, while these countries would like support a significantly lower food price than net-exporting countries in SSA, they also do not want to ruin their farmers, since that would make them even more dependent on imports. In fact, they ideally want to find a policy that allows the poor people to obtain adequate nutrition while still stimulating growth in the domestic supply of food materials. These countries would also be interested in reducing price volatility in order to stabilize access to food for the poor and to expose farmers to less risk. Some examples (not an exhaustive list) of countries that are part of this bloc are Angola, Burundi, Chad, DRC, Ethiopia, Liberia, Niger, and Sierra Leone [1][10].

Net-exporting Sub-Saharan African Countries

While this group of net food exporting countries also has significant issues with

poverty, it would likely support a higher food price than the group of net food importing countries, since a higher price will support the many small farmers in these countries. However, a price that is too high will hurt the poor net food consuming groups in these countries and may eventually cause social unrest if prices are allowed to rise too high. Also, these countries have a vested interest in reducing food price volatility, since, most importantly, lower food price volatility would expose their producers to less risk, and on the other hand, it would also cause a more stable trade balance, which would encourage investment by both the countries and its farmers. Some examples of countries that are part of this bloc are Botswana, Cameroon, Cote d'Ivoire, Kenya, Madagascar, Namibia, South Africa, and Swaziland [10].

Developed Countries, particularly the U.S. and E.U.

While developed countries certainly also have a small fraction of their population that is struggling to get enough food, food security is not the major policy issue that these countries worry about (especially since safety nets tend to be reasonably good). These countries are more concerned about protecting their producers from cheap competition from abroad and they often do so by paying subsidies on some of the food materials. Furthermore, these countries often also use food materials to produce biofuels in an attempt to use more renewable energies. The use of food materials to produce biofuels causes increases in international demand for food materials and hence can contribute to increasing prices [3].

Conculsion

In fighting the problem of food security in SSA, the WFP needs to keep in mind both the suffering of the consumers, but also the problems that are faced by the producers in these countries. The countries themselves have tried to alleviate some of these problems through policy action with little to no success. Only effective action on an international scale can provide effective help without imposing collateral damage on neighboring economies. Some questions that the committee needs to ask in solving these problems are

1. How can we best ensure food security in these countries keeping both consumers and producers in mind?
2. Is there a way for us to lend support to local governments to effect long-term changes and ensure food security and self-sufficiency in the long term?
3. How would any such decision affect countries outside of SSA?

Further Resources

- <http://documents.wfp.org/stellent/group/s/public/documents/newsroom/wfp076525.pdf>
- <http://www.un.org/africa/osaa/reports/Achieving%20Food%20Security%20in%20Africa-Challenges%20and%20Issues.pdf>
- <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Knowledge/AEC%202012%20-%20Rainall%20Shocks%20Food%20Prices%20Vulnerability%20and%20Food%20>

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