

SESSION SUMMARY

<p>1. Title of the Session</p>	<p>Experience to date in helping clients manage the Global Food Crisis</p>
<p>2. Date and Location</p>	<p>March 2nd, 3.00pm – 4.30pm, Preston Auditorium</p>
<p>3. Chair, Speakers, Panelists, Commentators</p>	<p><u>Chair:</u> Juergen Voegele <u>Panelists:</u> David Nabarro, Oscar Chemerinski, Chris Delgado, Benu Bidani, Bekzod Shamsiev, Anush Bezhanyan, Achim Fock <u>Discussants:</u> Vera Songwe, Mona Sur</p>
<p>4. Topic and main message/s communicated in the presentation/s</p>	<p>The session provided a brief overview of the World Bank’s Global Food Price Crisis Response Program (GFRP), its current status, and in-country experiences to date in implementing the program.</p> <p>Juergen Voegele started the session of by highlighting the challenges posed by the Food Crisis, the Bank’s successful response, and the continued need for this response given volatile food prices. David Nabarro highlighted the link between humanitarian aid and development assistance in responding to the food crisis, and the need for sustained support to smallholder food producers. He commended the collaboration between the UN and World Bank both at the global and local levels, and congratulated Bank staff on their achievements in their response to the crisis. He emphasized that \$6 billion in additional funds were needed in the next 12 months and that we should learn from the Avian and Human Influenza experience in the food crisis work. Oscar Chemerinski outlined the IFC’s response to the global food crisis and its focus on increasing Agro-business lending from \$1.2 billion in FY08 to \$1.6 – \$1.8bn in FY09. He mentioned how the IFC can complement the work of the World Bank on strengthening agricultural supply chains and ensuring availability of working capital in the supply chain. The IFC also has a large and expanding TA business in this field. Chris Delgado provided further details on the GFRP and the volume of lending and grants already processed under the GFRP. Each of the Four TTLs presented their experiences in dealing with the food crisis at the country-level and in developing and implementing food crisis response programs under the GFRP. Bekzod Shamsiev highlighted three lessons learned from the Tajikistan <i>Emergency Food Security and Seeds Imports</i> project; (i) at least 4 months should be allowed to bring seeds into a country to ensure timely delivery ahead of the planting season; (ii) effective coordination with partner agencies to ensure programs are compatible; and (iii) investment in local communities provides long-term benefits for transparency. In addition, he mentioned that a positive side-effect of the food crisis project was the opening up of a policy dialogue with the government, although the sustainability thereof is not certain given the short-term nature of the food crisis project. Anush Bezhanyan highlighted the logistical and institutional constraints faced in setting up cash-for-work and social safety net programs in Yemen. Lessons learned from this program included (i) the difficulty in rapidly reaching the poor without adequate institutional mechanisms and (ii) the time required to reach individuals vs. desired speed of disbursement. Referring to the weekly reporting on GFRP results, she also noted that it is time</p>

	<p>consuming to report weekly and quite difficult to obtain required information from remote communities for weekly reports due to lack of availability of technology. Positively the project was catalytic in securing additional funding from other donors. Benu Bidani explained that the Haiti Supplemental Development Policy Grant (DPG) was a response to the fiscal pressure in the country resulting from rapid food inflation and the ensuing social and political crises. This allowed for rapid disbursement and stabilization of the situation in country. She emphasized that it is important to be pragmatic and recognize the socio-political context. In addition, she highlighted that despite the DPG being the necessary short-term response, TTLs should recognize areas that need a sustainable medium term response. Positive externalities from this program was (i) the development of an Agriculture project as part of a sustainable medium-term response, whereas there had been no Ag work in Haiti prior; (ii) better donor coordination in Ag and social protection following the food crisis response. Achim Fock explained that the severe food inflation and high reliance on food aid for the 7.7 million chronically food insecure in Ethiopia added to the macroeconomic crisis and BOP imbalance in the country resulting in a large foreign exchange deficit. The Ethiopia GFRP operation provided much-needed foreign exchange for fertilizer inputs. The GFRP provided the team with the opportunity to review the country's portfolio and rapidly restructure 12 operations without the need to go to the Board for each individual restructuring. Without the fast-track procedures under the GFRP the \$250 million program would not have been possible, but it could have been faster given that it is an emergency operation. The program did not achieve a more intense sector dialogue or further thinking on the fertilizer distribution system. Mona Sur and Vera Songwe reflected on the presentations and raised additional thoughts for discussion and possible areas for further assessment. Mona raised the following questions – (i) A major rationale for GFRP was to help ensure that the short-term measures of government to deal with a crisis do not create problems down the road for food supply response. To what extent have we been successful in achieving this?; (ii)What lessons can we learn from the ST response and how can we shift effectively from the ST to the MT?; (iii) How can we do things differently in the longer run?; (iv) Have we done enough to engage the private sector? (v) Have agricultural responses under GFRP adequately addressed gender concerns and (vi) Is sufficient supporting work been done on the analytical side? Vera highlighted the rapid processing time of operations achieved under the GFRP and the fact that regular GFRP reporting made IDA fast-track possible. She raised the question of how much more we could do as an institution and whether teams were being sufficiently innovative as productivity increase must come through innovation – What new technology can be used on the ground? For example: (i) in Tajikistan community organizations assisted in governance and oversight; (ii) build links with the private sector; (iii) 40% of production lost in transportation – how to prevent this? Requires integrated projects. She emphasized the need for adequate accountability and governance structures to be put in place – TTLs should work with FM teams and not see them as obstacles, and recognize that civil society can play a crucial part in governance and accountability. Within the Bank, teams should be made up of staff from across different sectors, and collaborate with the IFC.</p>
<p>5. Gist of the discussion</p>	<p>Questions -</p> <ul style="list-style-type: none"> • Why was fertilizer seen as the most important response in

(provide a brief summary of the questions and answers)

Ethiopia?

- What resources do we have for lessons learned and what can we do collectively?
- Food security in Afghanistan is problematic due to trade restrictions through Central Asia. Does the same problem exist in Tajikistan?
- How does one put in place effective targeting mechanisms when no national data for targeting is available? What targeting mechanisms were used in Tajikistan and Ethiopia?
- Who represent SMEs in Africa? How can we bring them together and help them in their attempt to do business?

Responses –

- **Achim:** The operation focused on productivity as the humanitarian assistance is well-covered by other donors already. The fertilizer import and distribution system in Ethiopia is imperfect and due to the macroeconomic crisis foreign exchange was most needed. Although no targeting was used, fertilizer goes mostly to smallholder farmers. Through the M&E we may be able to engage more on the ground. Due to the speed of the operation limited time was available to be innovative, but in reviewing the operation we can engage on technology.
- **Oscar:** IFC conducts no direct lending to SMEs but mostly works through financial intermediaries and traders. TA is also provided to build trader capacity. .
- **Bekzod:** In Tajikistan FAO provides farmers with training on the use of improved seeds and fertilizer application. Tajikistan has a good network of NGOs that can be used for social safety net targeting. In addition a consultant is working with the government.
- **Anush:** In Yemen, project identified poor governorates, after which communities identify poorest households through a self-identification process. Use different layers of targeting. Important to learn lessons from the food crisis for other crises e.g./ the restructuring of the portfolio
- **David:** There is a trade-off between working quickly and working smartly; taking into account lessons learned. Bank should engage in a very careful stocktaking of the immediate response by May/June. Joint interagency assessments in almost 50 countries and joint implementation in c. 30 countries shows good collaboration despite institutional and policy differences. Need to recognize value of engaging CSOs, farmer institutions and regional bodies. It is a challenge to work cross-sectorally. Need for a greater connection between research and practice. Under Avian Influenza a strong strategic consensus and programmatic coherence existed initially. In addition, templates for countries to follow benefitted from similar degree of agreement among the Bank, UN and donors. To attain success, political support needs to be maintained and institutional alignment achieved. For success, we need (i) strategic consensus; (ii) political support; (iii) recognize that even when institutions are not strong they can achieve a lot.

Other points raised -

- World Bank should engage with IFC counterpart in – country
- Important to bring HD and Ag. together in developing response