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State of Food and Agriculture in the Near East and North Africa Region

EXECUTIVE SUMMARY

The number of chronically undernourished people in the Region in 2010-13 reached 79.4 million, representing 11.2% of the population which was higher than in the 2008-2010 period. In addition, an estimated 43.4% of children under five are stunted. On the other side of the malnutrition spectrum, nearly one quarter of the population in the region is obese. In addition to the long standing structural constraints, conflicts and/or civil insecurity were the driving factors of food insecurity in the region in 2012-13.

In response to the recommendation of the 31st Session of NERC, this document outlines a set of key actions at national, regional and international levels as essential elements of a regional food security strategy for the Near East and North Africa. Major observations on efforts to address food security and nutrition challenges across the region include: lack of appropriate coordination of the multi-sectoral aspects of food security and nutrition, and the weak focus on building long-term resilience in order to cope with the vulnerabilities to which countries in the region are exposed. The proposed set of actions will need to be implemented in a coordinated manner for building effective and resilient food security and nutrition institutions, markets and production systems.

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I. INTRODUCTION

1. Countries in the Near East and North Africa (NENA) Region are facing enormous challenges in their efforts to achieve their goals of eradicating hunger and malnutrition while sustainably managing their natural resources. In addition to the structural challenges of high population growth, growing urbanisation, limited and fragile natural resource base, high exposure to climate change and low productivity, the Region is particularly vulnerable to increases and volatility in international food prices. This is compounded by the increasing incidence of natural and human-made disasters, including frequent incidence of droughts, trans-boundary animal diseases and conflicts.

2. Section II reviews progress in hunger reduction, and current levels and prevalence of undernourishment in the Region. In light of these trends and the food security challenges identified in Section III, Section IV highlights key actions at national, regional and international levels that are essential ingredients of a regional food security strategy, in response to the recommendation of the 31st Session of NERC¹.

II. UNDERNOURISHMENT AND MALNUTRITION IN THE REGION

3. Food security in the region is characterized by wide variations as some of its members are classified among the world's most undernourished countries while others are among the most affluent. Available regional data show that the number of the chronically undernourished in NENA in 2010-13 remains high, at about 79.4 million people, which represents 11.2 % of its population (Table 1). This is slightly above the number of the undernourished in 2008-2010. The regional averages may actually be higher, as several countries in the Region remain under protracted conflict, with limited update data.

4. A significant achievement in the Region has been the progress in meeting MDG1 target of halving the proportion of undernourishment by seven countries: Algeria, Azerbaijan, Djibouti, Jordan, Kuwait, Kyrgyz Republic and Turkmenistan. Ten other countries are expected to meet the MDG target by 2015 or have the prevalence below 5%, while 3 countries have shown no progress or deterioration in the MDG target.

5. The simultaneous occurrence of under- and over-nutrition among different population groups in the NENA Region, the so called double burden of malnutrition, has been instilling at different paces in almost all of the countries, and in some cases deteriorating in recent years. Chronic under-nutrition as measured by stunting among children under 5 is estimated at 43.4%. Among the 36 countries with the highest burden of stunting in the world, six (Afghanistan, Egypt, Iraq, Turkey, Sudan, Yemen) are in NENA. On the other end of the spectrum, nearly one-quarter of the population is considered obese, putting NENA among the regions with the highest prevalence of obesity (Table 1). This is double the world average and nearly three times that of developing countries as a whole. Micro-nutrient deficiencies are also common in both affluent and less affluent countries, with anaemia and its associated implications for health, school enrolment and productivity, being a significant public health concern in the region.

¹ Section I reviews the food insecurity situation in the 30 member countries of NERC, based on available information, while sections III and IV focus on the 19 countries that are operationally supported by the FAO Regional Office for the Near East and North Africa: Algeria, Bahrain, Egypt, the Islamic Rep. of Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates (UAE) and Yemen.

Table 1. Prevalence of malnutrition in the NENA Region

Country	Number of people undernourished (millions)		Prevalence of undernourishment (%)		Prevalence of stunting among children (%)	Prevalence of obesity among adults (%)
	1990-92	2010-13	1990-92	2010-13	Various years	2008
Afghanistan	6.5		46.1		59.3	2.4
Algeria	1.4	ns	5.5	<5	15.9	17.5
Azerbaijan	1.7	ns	23.8	<5	26.8	24.7
Bahrain	0	na	0	na	13.6	32.6
Cyprus	0	0.1	5.8	9.5	23.4
Djibouti	0.4	0.2	70.2	20.5	32.6	10.4
Egypt	1.3	ns	2.3	<5	30.7	34.6
Iran	1.8	ns	3.3	<5	7.1	21.6
Iraq	1.8	8.8	10	26.2	27.5	29.4
Jordan	0.2	ns	6.1	<5	8.3	34.3
Kuwait	0.8	ns	39.3	<5	3.8	42.8
Kyrgyz Rep	0.8	0.3	17.7	5.9	18.1	17.2
Lebanon	0.1	ns	3.5	<5	16.5	28.2
Libya	0	ns	0.9	<5	21.0	30.8
Malta	0	ns	1.2	<5	26.6
Mauritania	0.3	0.3	12.9	7.8	23.0	14.0
Morocco	1.7	1.6	6.7	5.0	14.9	17.3
Oman	0	na	0	na	9.8	22.0
Pakistan	31.2	31.0	27.2	17.2	43.0	5.9
Qatar	0	na	0	na	11.6	33.1
Saudi Arabia	0.5	ns	3.1	<5	9.3	35.2
Somalia	4.7		71.9		42.1	5.3
Sudan	0	na	0	na	37.9	6.6
Syria	0.6	1.3	4.7	6.0	27.5	31.6
Tajikistan	1.6	2.1	30.3	30.2	39.2	9.9
Tunisia	0.1	ns	0.9	<5	9.0	23.8
Turkey	0.3	ns	0.6	<5	12.3	29.3
Turkmenistan	0.3	ns	9.2	<5	28.1	14.3
United Arab Emirates	0	ns	1.1	<5	33.7
Yemen	3.7	7.4	29.2	28.8	57.7	16.7
NENA	61.8	79.4	...	11.2		
Developing	995.5		23.6	22.9	28.0	8.7
Developed	19.8		< 5	< 5	7.2	22.2
World	1015.3	842.3	18.9	12.0	25.7	11.7

Notes: <5 less than 5%; ns - not statistical significant; na - not assessed

Source: Compiled from FAO various sources; WHO global database on Child Growth and Malnutrition

6. Conflict and/or civil insecurity remained the single most important driving factor of food insecurity in the region in 2012-13. For instance in Yemen, Afghanistan, Somalia, Sudan, Iraq, Pakistan, West Bank and Gaza Strip (WBGS), most of Syria and Syria crisis-affected countries, the increase in the number of food insecure was mainly due to the on-going conflicts. Several recent assessments and studies by FAO, WFP and IFPRI in some of the countries experiencing conflict and civil insecurity confirm the existence of large number of people who are highly food insecure. Within Syria, for instance, it is now estimated that 6.3 million people are highly vulnerable and in critical need of sustained food and agricultural assistance. Similarly, the countries affected by the Syrian crises continue to receive influx of refugees in the border communities. The total number of registered Syrian refugees reached more than 2.1 million as of November 2013. These refugees are mostly residing in Lebanon, Jordan, Turkey Iraq, and Egypt.

III. UNDERLYING FOOD SECURITY CHALLENGES

7. The Region has wealthy but food-deficient countries, as well as poor countries with relatively high potential for food production, making the food security challenges of the Region somewhat unique. Despite this disparity, countries in the Region face some major common challenges.

A. Demographic trends

8. The NENA Region² is characterized by high population annual growth rate (2%) compared with the world average (1.2%)³. Nearly one-third of the population is under 15 years of age. In addition 70% of the population of the region will be living in cities by 2050. A rapidly increasing urban population, which has distinctly different food consumption habits and a greater dependence on the market than the rural population, is a particular challenge for the food system. Living in cities alters lifestyles and physical activity: people consume a higher share of animal-source products and processed foods, with a higher risk of overweight and obesity than rural dwellers. On the other hand, urbanization has also been associated with a number of positive socio-economic trends such as reduction in child mortality rates and better access to education.

B. Increasing food import dependency

9. As a consequence of the high population growth rates, increasing urbanization and growth in incomes, slow growth in domestic production, demand for food in the region over the past decades has surpassed domestic production. With the exception of fruit and vegetables, all other major food commodity groups have experienced a widening gap between aggregate consumption and domestic production. As a result, the region has become increasingly dependent on the world market to meet its basic food needs. In 2006-10, the region imported 47% of its needs of cereals, 72% of vegetable oils and 60% of sugar. Cereals, the main import item in the region, account for about 40% of the region's total food imports.

10. The aggregate dependency on food imports masks a wide variation between commodities and countries. Some countries have achieved impressive gains in meeting a greater share of their food needs from domestic sources while others have been less successful in doing so.

11. For the 19 NENA countries, projections to 2022, carried out in the context of the OECD/FAO medium-term food outlook, point to an increasing dependence on the world market for most of its basic foodstuffs (Table 2). For the wealthy countries, this development reflects an increasing capacity to import and improve diets while, for others, it presents a growing burden to import basic foodstuffs and hence leads to deteriorating diets.

² From this section onwards NENA Region refers to the 19 countries defined in footnote 1.

³ Average of 2010-2015

Table 2. Projections of food imports of the NENA Region to 2022

	Imports			Self-sufficiency		Share in World		Share in World		Share in World	
	Volume (1000 MT)		Annual Growth Rate (%)	Ratio (%)		Imports (%)		Consumption (%)		Production (%)	
	2010-12	2022		2010-12	2022	2010-12	2022	2010-12	2022	2010-12	2022
Wheat	40554.5	49480.7	1.8	50.6	49.9	29.9	33.3	11.5	12.4	5.8	6.1
Coarse Grains	32696.6	44938.2	2.9	44.0	41.9	26.5	27.8	5.0	5.6	2.2	2.3
Rice	7700.0	11841.7	4.0	43.2	32.9	20.9	27.3	2.7	3.2	1.2	1.1
Butter	274.0	384.7	3.1	61.6	61.6	33.3	37.7	6.9	7.2	4.2	4.4
Cheese	530.3	761.6	3.3	95.4	95.2	22.5	26.7	6.8	7.4	6.5	7.1
Skim Milk Powder	342.1	420.8	1.9	2.8	4.9	21.1	19.1	8.5	8.1	0.2	0.4
Whole Milk Powder	621.7	660.4	0.6	1.4	0.3	27.9	25.4	11.3	9.3	0.2	0.0
Beef & Veal	1335.4	1612.6	1.7	63.6	64.3	14.8	15.1	5.2	5.6	3.3	3.6
Poultry Meat	2529.7	3332.7	2.6	68.3	68.3	21.1	24.5	7.3	8.1	5.0	5.5
Sheep Meat	391.3	431.5	0.9	92.1	92.2	37.2	35.8	18.1	18.8	16.6	17.4
Oilseeds	5037.0	6284.6	2.0	28.9	28.7	4.5	4.4	1.8	1.8	0.5	0.5
Vegetable Oils	8207.1	10337.4	2.1	21.8	20.2	12.8	13.2	5.5	5.9	1.2	1.2
Sugar	12522.3	16544.2	2.6	30.0	31.0	25.2	28.7	8.7	9.4	2.5	2.8

Source: Compiled from OECD/FAO annual projections database.

12. **The burden of food imports.** The average share of food imports in total merchandise imports stood at 10% for the Region, i.e. twice the world average. However, the average share of food imports in total merchandise exports for the region is not substantially different from the world average (6.5% vs. 4.8%), but this is largely due to the oil-rich countries of the region. About nine countries spend over 20% of their merchandise export earnings on food imports, while four spend over 100%. It is clear that the vulnerability of countries due to their reliance on the world food market depends on how much they import in relation to their needs and on their ability to afford such imports. Countries with a relatively high self-sufficiency ratio (SSR) and a positive overall trade balance in total merchandise trade (net overall exporters) would be in better position to meet their food import needs (Figure 1), while countries with low SSR and a negative overall trade balance would be the most vulnerable.

13. **Low productivity and high food losses.** For a region that is so dependent on the world market for meeting its food needs, two factors aggravating this situation stand out: low productivity of basic food commodities and the high losses along the food supply chain. At 1.8 MT/ha in 2006-10, cereal yields of the region are only 56% of the world average, and a mere 25% of those attained in Western Europe (Figure 2). There is scope for increasing production and productivity in most of the countries in the Region, particularly in Least Developed countries (Sudan, Yemen and Mauritania). An estimated 20% of food supplies suitable for human consumption are being lost, which indicates there could potentially be substantial gains from reducing food losses and waste in the Region as detailed in document NERC/14/6.

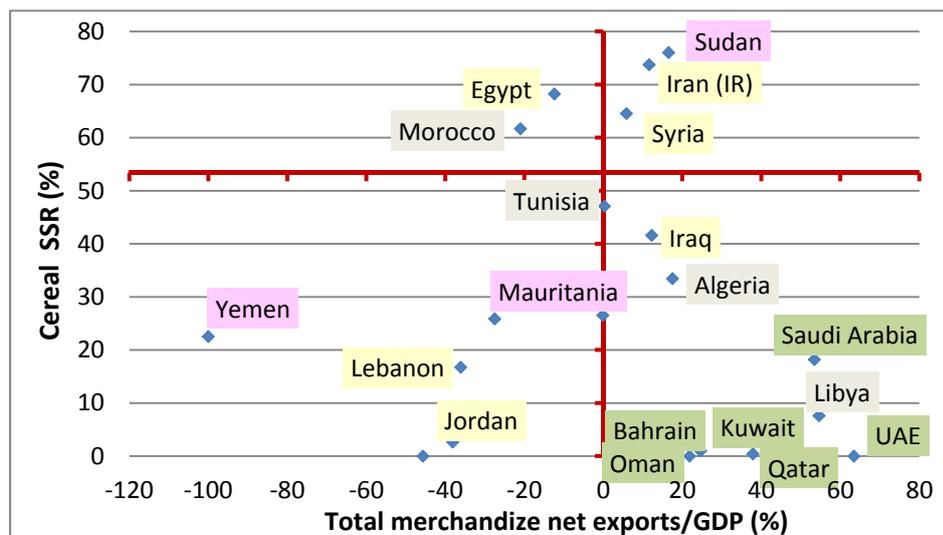
C. High incidence of natural and man-made disasters

14. Countries in the Region are facing a wide range of natural and human-made shocks, including frequent incidences of droughts, high exposure to climate change, transboundary animal and plant pests and diseases, e.g. locusts or highly pathogenic avian influenza (HPAI), conflicts and socioeconomic difficulties/instability (e.g. Arab spring or Syria crisis), or in case of protracted crises (Sudan, WBS, Yemen) a combination of natural and human-induced factors. The region exhibits the highest number and intensity of conflicts in the world.

D. Policy and institutional framework

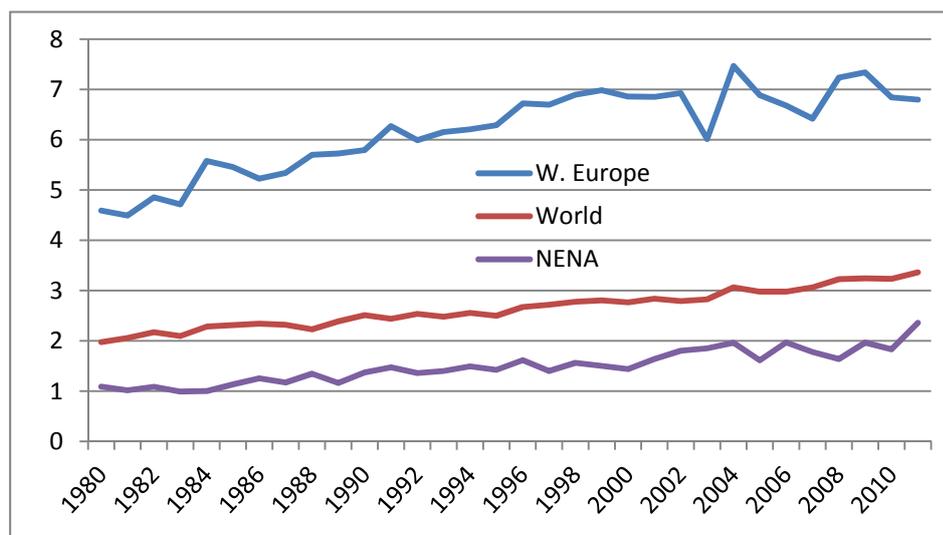
15. Efforts have been exerted by all countries in the region to address the above-mentioned food security and nutrition challenges with various degrees of success and failure. Observations, based on past review and analysis, show that major shortcomings in these efforts are the lack of appropriate coordination of the multi-sectoral aspects of food security and nutrition, and a weak focus on building long-term resilience to tap on existing opportunities and cope with the vulnerabilities to which these countries are exposed.

Figure 1. Self-sufficiency ratio (SSR) against total merchandise trade balance



Source: Based on FAOSTAT and World Bank data

Figure 2. Comparisons of trends in cereal yields



Source: Based on FAOSTAT data.

IV. ELEMENTS FOR A REGIONAL STRATEGY

16. This section attempts to respond to the request of the 31st Session of NERC for formulating a regional food security strategy. Considering the diversity of country situations, the paper does not propose a strategy in itself, but rather identifies key policy options from which countries can draw selectively, based on their environmental, economic and social context, to address their food security challenges. These options have been grouped by nature of actions: at national, regional and international levels

A. Selected measures at the national level

17. Food security issues are a continuous preoccupation of the countries of the region and a multitude of measures and policy initiatives have been considered and implemented. From the many studies, reports and consultations conducted by FAO and other organizations, three strategic areas for action at the national level are considered critical for improved food security and nutrition in the region:

- enhancing domestic food supply and improving rural livelihoods by addressing lagging productivity growth through increased investment in research and development;
- reducing exposure to market volatility and other shocks by improving supply chain efficiency;
- strengthening safety nets and promoting nutrition education.

18. Below are key actions proposed under each of the three strategic areas. These actions need to be implemented in a coordinated manner for building effective and resilient food security and nutrition institutions, markets and production systems.

Enhancing domestic food supply and improving rural livelihoods

19. ***Increasing food productivity especially by smallholders.***⁴ In countries with relatively abundant agricultural resources, low agriculture productivity is linked to both limited investment in research and development, which stands at less than 1% of GDP, and to slow adoption by farmers of existing effective technologies which, in turn, points to serious deficiencies in extension policies and institutions. As a result of the food-price spikes in 2007-2008, there has been a renewed interest to allocate more public investment for increasing the productivity of the food system. Key elements of a comprehensive approach to increasing agriculture productivity in the region will include: i) reform of extension policies to promote public private partnership in extension services and upscale farmer field schools; ii) strengthening of farmers associations and cooperative; iii) increasing over a sustained period of expenditure in R&D; and iv) promotion of regional collaboration.

20. ***Providing targeted support to farmers.*** The countries of the Region differ considerably as regards their capacity to support their farmers. Some have ample resources to afford a high degree of support and they have done so in recent years, although not always with full regard to economic and environmental feasibility. Others have limited possibilities for providing subsidies to their farmers. In all cases, consideration could be given to targeted “market-smart” input subsidies to increase productivity.

21. ***Investing in rural livelihoods and employment generation for youth and women.*** Recent political upheavals in several countries in the Region have been underpinned by, *inter alia*, unemployment, especially of the urban youth. The agriculture sector has an important role to play as a provider of gainful employment, considering that the sector is of pivotal importance in the economies of several countries in the Region. Related policies should include, *inter alia*, public investment in essential rural infrastructure such as organized and well-functioning local product markets, improving the quality and relevance of educational and vocational training for the types of skills demanded by the market; facilitating access to credit and financial services, especially for youth and youth groups; providing support services to rural SMEs to harness the potential of food processing, retail and other aspects of the rural non-farm sector; supporting high-value agriculture and non-farm rural sector while enhancing rural-urban linkages

⁴ In Countries with significant Agriculture base

22. ***Managing water resources in a sustainable manner.*** Availability of fresh water is the binding factor for agriculture production in the NENA Region. Document NERC/14/5 articulates the various actions for better management of water resources in the Region.

23. ***Reducing food losses and waste.*** Document NERC/14/7 summarises the necessary measures for reducing food losses and waste in the region. Key among these measures are: strengthening databases on losses and waste; investing in infrastructure; promoting innovation and technologies; streamlining institutions and regulations dealing with food losses and waste; raising awareness about ways of reducing losses at all levels; and building technical capacity.

Reducing exposure to market volatility and other shocks

24. ***Managing risks and role of food security reserves.*** For a region with high dependency on food imports, the associated price and availability risks are major concerns. While there is very little that can be done by the importing countries unilaterally to reduce the incidence of these risks, they can employ various risk management tools to ensure some certainty on the availability of supplies as well as to reduce exposure to world price volatility.

- *Hedging instruments* such as future contracts or option contracts which transfer the price risk to someone else but at some cost. While some countries have the full knowledge capacity to take advantage of these instruments, others may need adequate technical assistance from specialized agencies.
- *Food security stocks* appear to be a more attractive option for countries in the region, in terms of both price and availability, because stockholding is fully under government control and can be used flexibly. However, stocks tie up capital, supplies are prone to physical deterioration and losses, and thus expensive to maintain. Hence, determining the size of food security stocks based on assessed contingencies and establishing clear rules of accumulation and release are critical parameters.

25. ***Retaining flexibility in border protection.*** Despite the variability in world agricultural prices and the sharp increases in recent years that are projected to continue for some time, past experience indicates the real possibility for much lower and even depressed prices at some time in the future. Resorting to border protection has been the main instrument against depressed world prices in developing countries, mainly because of lack of budgetary resources to support farmers. Countries of the Region should preserve some flexibility, in the form of bound tariffs above applied levels, in order to defend against external price volatilities.

26. ***Rationalizing land acquisitions.*** As part of the quest to minimize the risks emanating from the world market, several countries of the region (in particular GCC countries) have been investing in land-abundant countries by buying or leasing land to ensure a secure access to food produced on such land. There are potentially mutual benefits from such transactions, as long as certain principles are adhered to, as regards, *inter alia*, tenure rights, compensation, employment creation, distribution of harvests and other benefits. As regards the investing countries themselves, land acquisitions may also pose a number of risks, including political disruptions in the host country.

Strengthening safety nets and promoting diet diversification and nutrition education

27. ***Promoting diet diversification and nutrition education.*** Increasing availability of and access to food is not enough, on its own, to address the double burden of malnutrition in the Region. Government policies need to consciously make the food supply more diversified and adapted to the nutritional challenges of the population, whether through the promotion of more diversified cropping patterns. In addition, nutrition-sensitive producer and/or consumer subsidy schemes, or trade policies conducive to better nutrition, are paramount. On the other hand, increasing consumers' knowledge of what constitutes good nutrition can help consumers make healthier dietary choices and follow healthier lifestyles⁵. Nutrition education in schools, especially through garden-based learning, is particularly

⁵ The FAO and WHO have been promoting nutrition education and related guidelines since the International Conference on Nutrition in 1992.

interesting in addressing problems of malnutrition and behaviour. Similarly integrating nutrition education and awareness raising into programs that aim to improve household food security and livelihoods, especially when targeting women, has been shown to improve the nutritional outcomes of the more vulnerable, especially children.

28. ***Improving efficiency and effectiveness of social safety nets (SSNs).*** In the face of scarce resources, refocusing nutrition-enhancing interventions on vulnerable groups would require shifting resources from universal subsidies to targeted programmes, together with consolidation of numerous fragmented interventions of the latter into fewer comprehensive targeted packages. An overriding objective in reforming SSNs, especially those that address food and nutrition needs, should be enhancing their impact. This calls for more than simply feeding people today. It requires supporting social inclusion and better nutrition outcomes by prioritizing interventions that promote investment in human capital with an ultimate goal of breaking the poverty trap. Social safety net programmes should be fiscally sustainable, cost effective, flexible and responsive to changing needs, especially in periods of crisis.

29. Most countries of the region have at least one cash-transfer program that could be adapted and scaled-up to become a significant safety net. In this respect, conditional cash transfers are an attractive option that could foster human capital development and help break the cycle of poverty. Non-conditional cash transfer should be favoured in crisis situations and for highly vulnerable populations.

30. ***Considering incentives and disincentive measures to reduce malnutrition.*** Food-based SSNs have generally promoted the consumption of energy-rich staple foods. However, much less common have been incentives to encourage the consumption of a more diverse food basket (including desirable food items such as fruit and vegetables), or disincentive measures to discourage the consumption of energy-dense and nutrient-poor foods. In their efforts to address malnutrition, especially overweight and obesity, countries of the region could look at the option of introducing such measures. Reviewing the content of the food subsidy basket to make it more nutrient-rich and less energy dense is one option. Taxing energy-dense and nutrient-poor foods and using the revenues to subsidize nutrient-rich foods and to finance health and social security expenditures could be another option.

31. ***Relieving demographic pressures:*** Policy options for making durable improvements in food security over the longer term must combine measures that address both the supply and the demand for food. Countries with high fertility rates have ample scope for establishing and/or strengthening existing family planning services, including publicly supported nationwide information, education and communication programmes on family planning. The need for such programmes is much greater in rural areas where family planning services and access to information are generally limited.

B. Selected policy options at the regional level

32. As the countries of the region share many common threats and challenges in their efforts to improve food security, regional cooperation and joint action in response to some of these challenges would render national efforts much more effective.

33. ***Strengthening regional cooperation.*** As members of the WTO (plus those in the process of accession) most countries of the region have transitioned to a rules-based trading system with lower tariff barriers. However, much remains to be done at the regional level, especially in i) reducing non-tariff barriers and divergence in regulatory frameworks, ii) harmonizing domestic policies and procedures, iii) trade facilitation, iv) improving transportation facilities, and v) undertaking related regional infrastructural projects. Greater integration in the trade area could also facilitate better collaboration between countries of the region in promoting policies in international fora on issues of crucial regional importance, especially on food security. One obvious opportunity is in the multilateral negotiations under the WTO – because by taking a unanimous common position, the Region would be much more effective in promoting issues of importance to food security and nutrition.

34. ***Considering regional food security stocks.*** Beyond what was explained in Paragraph 30, food reserves at the regional or sub-regional level could also be considered. Regional food security stocks are based on the concept of pooling resources into a common reserve, to be drawn upon based on pre-agreed rules. The establishment of such regional reserves would entail the earmarking of a certain

percentage of each country's national stocks into the regional food reserve. The obvious benefits of pooling resources at a regional level would include establishing economies of scale, greater price stability, enhanced regional cooperation and integration, facilitated movement of supplies across borders, enhanced regional market information and monitoring of available food supplies.

35. ***Improving market information, coordination and knowledge exchange.*** Recent episodes of price volatility revealed the need for strengthening market information systems on basic foodstuffs at regional level. This would reduce uncertainties and panic behaviour by consumers and others in the supply chain, especially during periods of crises, and allow governments to better gauge the volume of imports, thus avoiding fiscal and food security adversities.

Putting a trade surveillance system in place. For the region to be prepared to face threats of import surges in periods of depressed world prices and for timely scheduling of cereal imports in situations of increasing prices, an effective trade surveillance system at the regional level could provide timely market information and give an early warning of impending problems. Such a regional system could be a complement to the already constituted Agricultural Market Information System (AMIS)⁶.

Promoting multi-stakeholder dialogue and knowledge exchange. Given the diversity in country food security experiences, there is scope for governments and other stakeholders to exchange related knowledge and good practices. Further to the NERC-31 recommendation, a regional coordination mechanism linked to CFS has been established by FAO and other UN agencies. It needs to be appropriated by countries and institutionalized.

36. ***Cooperating in conflict resolution.*** The Region suffers from serious and protracted conflict situations impacting negatively on all aspects of human welfare including food security. As conflicts extend beyond national borders, regional cooperation in conflict resolution is imperative.

C. Selected policy options at the international level

37. The international community has a role to play in supporting the region's efforts to improve food security sustainably. Actions by the international community should aim basically at reducing the incidence of volatility in the world market and alleviating its adverse effects when it is unavoidable. These include, *inter alia*, promoting improvements in the international policy environment, especially in the trade area, and providing technical support and material assistance to improve resilience.

38. ***Strengthening food assistance programmes.*** Food aid has been a valuable resource for helping food deficit countries meet their food needs. However, food aid's role as a general assistance to countries in bridging their import gap has become rather limited as volumes have dwindled. Yet, food aid remains a critical resource in periods of natural and human-made disasters. Considering the growing incidence of emergency situations in the Region, broadening the food aid donor base beyond the traditional contributors would allow the system to better respond to increasing needs. Some countries of the Region that have the means to do so (especially in the form of cash resources) could become much more involved in food assistance initiatives and in supporting established international institutional arrangements, such as the Food Assistance Convention (FAC) and the UN World Food Programme (WFP).

39. ***Implementing the Marrakesh Decision.***⁷ The Marrakesh Decision, an integral part of the Uruguay Round Agreement, recognizes that certain vulnerable countries that depend on the world market for a substantial part of their basic food needs may face additional difficulties in financing basic foodstuffs as a result of anticipated higher prices from the implementation of the Agreement on Agriculture. Existing IMF facilities have proven to be of limited value in connection with the Marrakesh Decision.

40. The soaring world food prices of 2007-2008 highlighted the continued need for a functional multilateral instrument to help affected countries finance imports of basic foodstuffs. This could take

⁶ Saudi Arabia participates as a member of the G20 group and Egypt as a major food trading country.

⁷ Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries.

the form of credit guarantees to meet the cost of excess food import bills. In the spirit of the Marrakesh Decision, such an instrument would reassure net food importing countries that the world market is an affordable source of food supplies. NENA countries should continue to support related initiatives at the WTO.

41. ***Strengthening WTO disciplines on export restrictions.*** Many of the countries that faced domestic supply imbalances during the 2007-2008 and 2010-2011 periods of high food prices practised export prohibitions and restrictions. This included several major exporters. The potential effects of export restrictions on importing countries, especially net food-importing countries, can be serious, in terms of both aggravating the increase in world prices and limiting physical availability of food supplies. While WTO rules and disciplines applicable to importation are binding, the same is not applicable to export prohibitions and restrictions. Countries in the region should continue to support measures aimed at removing food export restrictions or taxes for food purchased for non-commercial humanitarian purposes, such as purchases by the WFP.

42. ***Rationalizing biofuel mandates and related policies.*** The diversion of large quantities of foodstuffs into biofuel production has contributed to world price volatility in recent years. This phenomenon has been largely driven by large and often highly distorting subsidies as well as policy directives and inflexible biofuel mandates of some large food producing countries. Going a step further, flexible mandates could make diversion to biofuels conditional on the price of food, so that mandated annual targets can be reduced or eliminated if food prices rise beyond some trigger level. Such novel approaches by the international community should receive the support of the countries of the region, as they offer promising ways of stabilizing world food prices.

V. GUIDANCE SOUGHT

43. The FAO regional initiative on “building resilience for improved food security and nutrition in NENA”, as outlined in document NERC/14/2, attempts to contribute to the adoption of a coherent framework for food security and nutrition at country and regional levels along the lines of the policy elements identified in this document.

44. The Regional Conference is invited to:

- note the persistence of high levels of undernourishment and malnutrition in the Region, and the fact that conflicts and civil insecurity are major factors aggravating the situation;
- take note of the proposed elements for a regional strategy for food security and nutrition and encourage countries to step up efforts for improved and coherent policy frameworks for food security and nutrition at the national and regional levels;
- welcome the launch by FAO of the regional initiative on FSN and call on countries to support the initiative, including through provision of extra-budgetary funding;
- call on countries to agree on an appropriate institutional framework to host the regional coordination mechanism on food security and nutrition proposed by the 31st NERC.