



UN-OHRLLS
UNITED NATIONS OFFICE OF THE HIGH REPRESENTATIVE FOR THE
LEAST DEVELOPED COUNTRIES, LANDLOCKED DEVELOPING
COUNTRIES AND SMALL ISLAND DEVELOPING STATES



Food and Agriculture
Organization of the
United Nations

COVID19 and Impacts on Food Security in LDCs, LLDCs and SIDS Virtual conversation

Organized by OHRLLS and FAO

in collaboration with the Chairs of the LDC Group, LLDC Group and AOSIS, 7 May 2020 from 3 – 4.30
pm

The Director of OHRLLS, Ms. Heidi Schroderus-Fox chaired and moderated the meeting.

Opening remarks

Ms. Fekitamueloa Katoa 'Utoikamanu – High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (USG) underlined the difficult circumstances for many countries across the globe resulting from confinement, economic downturn and the lack of basic needs such as health, shelter and food, which are even more dramatic for LDCs, LLDCs, SIDS. She warned that the global health crisis could cause a major food crisis and set back years of economic development and achievement of SDGs. She called for an unprecedented policy response and solidarity between all actors to expand health and social protection programs, strengthen food supply chains by keeping trade channels open and facilitating free movement of goods and essential workers to avoid food price spikes. She stressed that apart from accelerated technical assistance, transfer of technology, and capacity building for LDCs, LLDCs and SIDS, immediate and substantive debt relief was necessary.

Keynote presentations

Mr. Máximo Torero, Chief Economist, FAO explained the effects of Covid 19 in two phases; i) Containment phase in which governments prioritize health measures and implement rigid lockdown policies that resulted in significant consequences: Lockdowns and other containment measures disrupted agriculture production and food supply as they restricted labor mobility, created logistical problems on movement of inputs. Logistical problems affected trade markets and consequently increased food prices. (slide 1-2)

Protectionist trade policies, albeit temporary (Russia for wheat, Vietnam for rice) raised concerns for global wheat and rice flows. FAO has been constantly informing its member countries, through the [Agriculture Market Information System \(AMIS\)](#) on global food supplies (focusing on wheat, maize, rice and soybeans) and policy actions. As of today, the number of countries that implement protectionist trade measures has reduced from 16 to 10. During the 2008 food crisis, there were 33 countries with export restrictions. AMIS showed that global supplies of basic foodstuffs remain abundant. Most affected are the complex fruits, vegetable, dairy and fish supply chains, or foods sold primarily through restaurants. These supply chains are more labor intensive and perishable and sensitive to labor shortage and logistical problems. Many countries have fortunately not implemented restrictions on mobility for these commodities and have kept the value chain alive (slide 3). Our main challenge is not food availability but food access, and logistical problems that need to be addressed now. (See also [May 2020 Market Monitor](#))

Consequences: The lockdown affected the demand side of the food chain. The April 2020 [IMF World Economic Outlook](#) projects an optimistic GDP growth from 2019 to 2021. However, it also projects that there will be negative changes in 2020 in food importing/exporting countries. These projections seem

very optimistic, as they look at GDP growth to happen in South Asia and Africa, but these regions are facing today significant challenges. (slide 4-5). If the anticipated global recession, because of COVID-19, were to trigger a reduction in the growth rate of gross domestic product (GDP) of between two and ten percentage points in all countries in 2020, then the number of undernourished people in net food-importing countries would increase [by 14.4 million to 80.3 million](#), with the majority of the increase coming from low-income countries. Economic stimulus must be focused on keeping the food supply chains functioning, while also protecting access to locally-, regionally- and globally-produced food. Stimulus measures improving food access should emphasize efforts to build resilience into food systems to safeguard them against future economic slowdowns and downturns. (slide 6)

In Africa, many food import dependent countries are also oil exporting countries. The budgets of oil exporting countries are being seriously affected by the recent massive drop in the price of crude. Highest valued exports in Africa are from cotton, coffee to oil and due to the pandemic, all these sectors are affected (slide 7-8-9). SIDS are affected even worse from the COVID-19, due to high dependence on tourism, remittances, food dependency from exporting countries, decrease in oil prices and their vulnerability to climate change. FAO is assessing the financial needs of SIDS because of COVID 19 and how to diversify income sources. Here multilateralism could play a significant role. Remittances is also affected by the current pandemic which directly affects food security as many poor livelihoods is remittances dependent (slides 10-19).

To tackle the pandemic, we need to establish linkages between health-food and development trilogy. Solving the health and food situation is not enough, it needs to be linked to sustainable development. First, to meet the immediate needs of vulnerable populations, countries should urgently increase food availability from smallholder farmer food production. (slide 20-22) Second, countries need to adjust their trade and tax policies (slide 23-24).

LLDCS, LDCS and SIDSs should strengthen inter-regional trade. This can (i) stimulate income growth and enable countries to reach minimal size to develop industries in the region (ii) generate a lot of intra-sectoral trade leading to reduced adjustment costs; (iii) regional value chains are important to support integration in global value chains, (iv) Integrated markets are more resilient to risks: e.g. weather shocks, locusts etc. (slide 25-30).

Arif Husain, Chief Economist and Director of Food Security Analysis and Trends Service, WFP noted that, even before the COVID-19 outbreak, in the last four years, the number of people with acute hunger has gone up from 80 million people to 135 million people, an increase of almost 75 per cent. Root causes of acute hunger include (a) conflict, impacting 77 million people (b) climate shocks, impacting 34 million people and (c) economic instability, impacting 24 million people. Often people are impacted by a combination of all three. Of the 135 million people facing levels of acute hunger, 73 million people are in Africa, 43 million are in the Middle East and Asia, and 19 million are in Latin America and Caribbean.

There were 40 million people in emergencies before the COVID-19 outbreak. To understand the impacts of COVID-19, WFP looked at the income effect in low- and middle-income countries, observing a 20 per cent loss of remittances so far, as well as loss of jobs in tourism, manufacturing, informal, service and mining sectors. By projections, 130 million more people will be food insecure, in addition to the current 135 million people already accounted for, by the end of 2020, meaning over a quarter of a billion people will be acutely food insecure by the end of this year. WFP is worried about places where there are lockdowns without social protection and safety nets, as well as places where the disease has already hit and the southern hemisphere, where flu season is just coming now.

WFP provides assistance to countries without social protection. Before COVID-19, WFP was providing (a) 28 million people with cash-based support, (b) school meals for 18 million children and (c) mother and child assistance for 17 million mothers and children. While WFP continues to provide assistance to countries without social protection, we also have to assist governments in building their capacity to tackle the problem by providing fiscal space to support people, as lockdowns without assistance for a poor person does not work.

This is a global problem that requires a global solution. Until the vaccine is available, we need to make sure that we save lives and protect livelihoods. The commercial supply chain needs to work so humanitarian assistance can work. The message not to implement trade barriers needs to continue, as trade barriers are counterproductive and will backfire. This not only a supply issue but also also a demand problem due to a loss of purchasing power. Furthermore, the agriculture sector needs to be protected and treated as a critical service, otherwise we will have a problem next year with no ample stocks, particularly in Africa but elsewhere as well. The COVID-19 crisis is unique, as it is both a supply- and demand-side at the same time and at a global level. Famines are never about availability but are always about access, particularly now physical and economic access is disrupted. WFP's goal remains to protect lives and livelihoods during this crisis.

Lead discussants

H.E. Mr. Perks Master Ligoya, the Chair of Group of Least Developed Countries (LDCs) noted the crucial role of food emergency/humanitarian response in previous crises and emphasized the multi-stakeholder and overlapping nature of food security and the importance of collaboration between the Rome based agencies. Ambassador Ligoya referred to 2018 hunger report with over 113 million people across 53 countries experiencing acute hunger and requiring assistance; and with 821 million people (one in nine people in the world) being undernourished. He noted that of the 113 million, 80 million were from 29 LDC countries.

Ambassador Ligoya highlighted that the number of undernourished people in LDCs increased by 32.7 million between 2011-2017. He added that LDCs already suffer from commodity price shocks, loss of exports, investment and remittances along rapid plummeting tourism and COVID 19 adds another layer on these pre-existing conditions. LDCs shall triangulate social, economic and environmental issues to create policies that address COVID 19 but also take into account pre-existing and continuing crises as well as poverty, resilient food systems, climate change and digital divides.

Ambassador Ligoya emphasized the importance of multilateralism and partnership and the need to look into pre-existing inequalities, in the face of new ones. Further that LDCs shall take a holistic outlook on development to encompass a comprehensive, holistic and cross-sectoral approach at different scales, with different stakeholders, including public and private sectors and civil society. LDCs also need policies for long term investment in climate resilience, agricultural and socio-economic innovation, recognition of technology and its crucial role, as well as finance. He concluded by informing that the LDC Group had finalized a COVID 19 Statement that called for a "global stimulus package for LDCs.

Chair of the LLDC Group, His Excellency Mr. Kairat Umarov, Ambassador and Permanent Representative of Kazakhstan to the United Nations noted that it took decades to build the US food industry into an intricate system that matches supply with demand and only weeks for COVID-19 to flip it around and that no country was spared from such a global crisis. He further noted that for the 3 groups (LDCs, LLDCs &

SIDS), agriculture - and the food system more broadly – was the backbone of the economy and of employment and that these common challenges were the good basis to strengthen the cooperation.

Ambassador Umarov highlighted the LLDCs challenges, such as geographic remoteness, lack of direct sea access, high transport and trade cost which result in higher costs of imported food items and that are passed on to consumers. He noted that domestic foods prices in LLDCs are often three times more volatile than their coastal neighbors. Further that one third of the population of LLDCs still live in extreme poverty and the prevalence of moderate to severe food insecurity persists. Other challenges included the impact of climate change with 54 per cent of LLDCs land being classified as dryland, and vast areas affected by desertification along with flooding, landslides and biodiversity loss. To mitigate the impacts of Climate Change, LLDCs lack capacity to adapt new technologies.

Ambassador Umarov referred to WTO reporting on an increase in the use of new export prohibitions and restrictions on medical supplies, pharmaceuticals, and medical equipment and foods. He called for adapting a holistic approach to support LLDCs involves both humanitarian and development interventions. This will require innovation, resources, and new levels of regional and global collaboration and information sharing. He also referred to the 2021 UN Food Systems Summit as an opportunity to come together to achieve this fundamental objective. He concluded by requesting FAO and WFP to inform of their plans for assisting the three groups to overcome the pandemic and further enquired if these plans were including regional efforts or best practices.

Chair of the Alliance of Small Island States (AOSIS), H.E. Ms. Lois Michele Young, Permanent Representative of Belize to the United Nations. Excellency, Ambassador Young noted that food security and nutrition was already long recognized as a persistent SIDS challenge. SIDS suffer from a limited resource base, geographic insularity, and susceptibility to natural disasters. SIDS disproportionately rely on global markets for food supply with some 50% of SIDS importing more than 80% of their food but as the other groups agreed that COVID-19 will aggravate the situation. Domestic food supply chains are impacted, and unemployment has increased. These directly impact food security and nutrition. Ambassador Young emphasized that there is a need more international unity and solidarity, and to avoid more vulnerable countries going deeper in the pockets of poverty. Now is not the time for trade barriers and restrictions/sanctions. Countries such as Cuba are seriously impacted. Access should be maintained for food supply chains. She reiterated the main challenges including the lack of resources Further food security needs to be a priority, and that SIDS need a solution that is addressed at the systemic level to tackle this crisis in addressing the food security.

Angelica María Jácome Daza, FAO Director of the Office of SIDS, LDCs and LLDCs introduced new office, OSL informed LDCs, LLDCs and SIDS were a priority for the new FAO DG established in Jan 2020. She laid out the role and function of the office, that will engage in all related intergovernmental processes. She also informed of an ongoing stocktaking exercise to elaborate priorities, gaps, reporting requirement, and mobilization of resources. She noted upcoming FAO inputs into the roadmap for implementation of Vienna Programme of Action. She also noted the need for more data, to foster exchanges across the globe and invited participants to visit FAO website on a page dedicated to COVID19 and also the policy briefs on SIDS.

Q & A

Trinidad and Tobago: Agreed with the presenters on the fragility of the food system and the potential rise in food insecurity during COVID 19 pandemic. It is a unique challenge to keep global markets for food and agriculture stable, accessible, and affordable especially when we are faced with uncertainty in SIDS, LDCs

and LLDCs. Food security was always a challenge for Trinidad & Tobago and the wider Caribbean where food importation bill is alarming, unsustainable and not a new challenge. With the current crisis we can go into a food security emergency exasperating their current overreliance on foreign food imports. Question: 1) Seeing panic buying and trade barriers mounting how countries and suppliers can continue food production and exportation and implement measures that keep food supply chains open, accessible and affordable. 2) How can SIDS bolster their domestic food supply and interregional trade in CARICOM region. 3) What funds, programs are available to partner for SIDS. 4) How we can overcome Climate Change challenges, building sustainable food systems. NCD discussion must be part of the discussions and local knowledge be considered.

Nauru noted the country is relying heavily on imported food supplies. The domestic food production is essentially zero. There is a single shipment of food once a month. Looking at vulnerability of global supply lines in the current crisis, Nauru must scale up local food production dramatically. However, as market logic dictates, large scale food production can always be done cheaply elsewhere. Whether the tradeoffs between economics and national security for individual SIDS have been looked at? How much small islands with little arable land should invest in food production? Is high tech agriculture or hydroponic the answer, kitchen gardens are not enough during a crisis. Nauru has been seeking FAO assistance to update its their strategic plan for food security. Follow up the session by engaging with FAO to look at individual assistance to their countries.

Gambia. Highlighted that the emergence of COVID has brought enormous health and socio-economic challenges and called upon countries to work together during the pandemic. The crisis is hitting country's tourism, trade, remittances, transport, ability to create jobs and social safety nets. Countries already struggle with high debt burden, drastic decline of tourism and remittances and potential decline of agriculture activity and COVID adds another layer in devastating their resilience and economic growth. The potential of food insecurity is very high, and recovery will be hard. LDCs and SIDS are struggling with huge challenges of debt, climate change, peace and security and development and now COVID 19. FAO/WFP and others should pay attention to food security needs of LDCs, LLDCS and SIDS, especially enhancing local production and protecting global food supply chain. International community shall support enhance local food product in any food aid program for LDCs and SIDS and Improve capacity of governments in facing agriculture and economic recovery. Ensure commitment to coherence, consistency and working together. What mechanism are put in place to serve LDC, SIDS better?

Maldives referred to Belize statement on challenges of SIDS. A chain of stresses are compromising food security in SIDS. The economic and social impact of covid19 is unprecedented. It has laid bare the fragility of SIDS countries. Fall in tourism and reduction in tax revenues balance of small economies. GDP was expected to increase by 7.5 % in 2020, however since covid19, Maldives expects a contraction by 11.5 %. Government revenue is expected to fall by 50 %. Loss of foreign exchange is a big concern. Importance of UN to support SIDS to access funding. SIDS need specific funding windows. Question: What kind of assistance FAO/WFP they can provide to SIDS to source critical food imports? How to strengthen food security? Looks forward to the policy brief on SIDS.

Haiti stressed that it should be acknowledged that this is a health crisis in both developed and developing countries. At the same time to recognize the risk of the socio- economic impacts of the crisis. Reference was made to World Food Summit of 1996 where the situation was intolerable and the 2018 report, where the situation was improving.

COVID 19 calls to our attention to the commitments we have made over 24 years. Although the infection rate in Haiti is still low, assistance is needed in health, food, education and development areas. Immediate technical and financial support is needed. In the food context, IFAD in Rome is essential. The issue of increase in the number of voluntary return of migrants and its impact on food requirements was also raised.

With the Hurricane season forthcoming in the region, it is important to be well prepared.

Afghanistan noted that the most devastating impact of Covid will be not be health only, but also hunger. The virus is impacting the global economic system. Reference was made to its impact on the situation of countries in conflict, including Afghanistan.

Country suffers increasing food prices and collapsing incomes. Wheat and wheat flour prices have increased between 20-25% since early March. Purchasing power of people are declined 31% since the Covid. Borders need to remain open for humanitarian aid and supplies. Trade needs to be kept open. More can be done to facilitate trade and transport, with solidarity. It is essential that ceasefire is implemented and respected by all countries. Without ceasefire food insecurity will increase. The food crisis must be tackled fully.

Response

FAO

- Paraguay question: The HIHI is focusing to bring investment to most affected countries and target and priorities areas with potential for investment. Regarding policies recommended for net exporting countries like Paraguay, a net exporter of soya beans. The country is already doing the right thing, country is located centrally, solve all logistical problems and avoid scarcities. If recession continues, there will be lower prices for soya beans and the country will face a loss in revenue and a potential compensation through exchange rate devaluation. Keep producing and exporting.
- Nauru question: For example, UAE continues to import food but has also increased local production, through horizontal farming of vegetable. Recommends developing a portfolio of options, diversify local production especially for vegetables but also diversify diets.
- TT question: Regarding panic buying the big solution is increase information flow on exports and food information to show world availability. Facts and figure in a transparent manner. AMIS, created by G20 was key in providing market information during COVID crisis. AMIS now also includes information on vessel movement. Regarding interregional trade required elimination of tariffs etc, establish food standards and food safety and inter-development banks can support those processes to happen. COVID has shown how food systems are interrelated. look at food, climate and food systems.
- Afghanistan question: The cancellation of Cotton contracts has created enormous problems for many countries (Mali, Pakistan and Bangladesh). Created unemployment. Another source of problem.
- How we can work regionally and collectively: FAO convened two interregional roundtables with African ministers that developed and discussed TORS for free trade agreement. Most importantly is matching partners.
- Best practices – Refers to [FAOs webpage on COVID-19](#) providing information and best practices.

WFP

- COVID-19 is a mega-crisis that requires collective action and solutions.
- Governments need fiscal space to implement social protection and safety net programmes.

- In past crises, there comes a stage when people are forced to sell their productive assets to meet daily needs, which contributes to chronic poverty and then takes years for them to return to the economic stream. Preventing this is not a question of what needs to be done, but at the pace of which it needs to be done—which is urgently—to avoid getting to this stage.
- While some governments' immediate response to this shock has been protectionism, international trade must continue to work.
- The COVID-19 crisis shows the bottlenecks in food systems, and we need to better connect farmers to markets to build their resilience.
- We need to start the recovery to the COVID-19 crisis as the crisis itself continues to unfold.

Conclusion

USG welcomed the fruitful discussion. OHRLLS will continue to engage with FAO and WFP on key processes to support LDCs, LLDCs, and SIDS. In the lead-up to the LDC-V conference and beyond, it is analysis like this that will help to come up with a new programme of action that will be responsive to the needs of the LDCs. In addition, this type of assessment will help to accelerate the implementation of the LLDC Programme of Action and SAMOA Pathway for the SIDS.