



Sub-Regional Consultation on Policy and Programmatic Actions to Address High Food Prices in the Pacific Sub-Region

Concept Note

Background

World food prices surged to a new historic peak in February, for the eighth consecutive month, according to the updated FAO Food Price Index, a commodity basket that regularly tracks monthly changes in global food prices. The Index averaged 236 points in February and was up 2.2 percent from January 2011. This is the highest level (both in real and nominal terms) since FAO started measuring food prices in 1990. Except for sugar, prices of all major commodity groups monitored registered gains in February with dairy products and cereals climbing the most.

While the wheat and maize prices continue to increase rapidly and rice prices have increased moderately in the world market, domestic markets in some Asia and Pacific countries have witnessed a steep increase in rice prices. Moreover, prices of sugar, cooking oils, vegetables and condiments such as onion, garlic and coconut, which form important parts of the food basket in the region, continue to remain high. In the Pacific sub-region, with the damage by floods to wheat and rice crops and dairy, beef and sheep industries in Australia and New Zealand coupled with the rising price of fossil fuels, food grain and animal product prices are expected to increase further in the coming months.

High food prices are of major concern, especially for poor households which spend a large share of their income on food. Food-deficit low-income countries may find it difficult to meet increased food import bills. During the 2007-08 food security crisis, millions of people in the region were unable to meet their minimum food requirements. In 2007 alone an additional 75 million poor people fell below the hunger threshold – of which more than half, or 41 million people, were from the Asia-Pacific region. Given this, there is a growing concern globally and in the region that measures to address the emerging food price crisis should be initiated immediately taking into account the experiences and lessons from the previous crisis. It is also recognized that the emerging crisis can be better addressed through understanding of individual country situations, in-depth review of measures taken by various countries, and the needs and priorities as well as perspectives and capacities of different stakeholders, such as governments, the private sector, development partners and civil society organizations.

In this context, the FAO Sub-regional Office for the Pacific countries (SAP) intends to organize a regional consultation in Nadi, Fiji from 14 to 15 April 2011. The consultation will involve the fourteen member countries from the sub-region (Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Solomon Islands, Tonga, Tuvalu and Vanuatu), regional inter-governmental organizations (Pacific Islands Forum Secretariat, Secretariat of the Pacific Community and University of the South Pacific), development partners and bilateral donors and civil society organizations.

Objectives

The regional consultation aims at assisting governments of member countries in identifying various options and designing country-specific immediate actions in response to the current food price crisis. Specifically, it aims to achieve the following:

- sharing country experiences regarding rising food prices, the commodities involved, the government priorities, policies and action programmes, and the implementation problems/constraints and their impact;
- raising awareness of the various policy options and programmatic actions and their implications to facilitate appropriate policy and programmatic decisions at the country level;
- internalizing lessons from the 2007-08 crisis based on country and development partner experiences in the region as appropriate;
- identifying the needs and opportunities for external financial assistance and technical support to governments and potential development partners and stakeholders; and
- identifying the way forward and processes to design, coordinate and implement appropriate policy and programmatic actions as well as the arrangements for monitoring, updating and sharing of information on price changes, policy measures and results.

Expected Impact

Governments design policies and programmatic actions that better address rising food prices that threaten the food security of low-income consumers and at the same time provide opportunities for producers and/or exporters.

Expected outcomes

- Participants share and learn lessons gained during the last crisis in 2007-08, and identify options to cope with emerging new crises.
- Participants use and disseminate knowledge gained from the regional consultation to design measures to address high food prices at the country level.
- Participants engage at the country level with development partners to seize opportunities for collaboration and support discussed during the regional consultation.
- FAO prepares a consolidated report to be shared with member countries.

Expected Outputs

- For participating countries:
 - Participants are familiar with the FAO Guide for Policy and Programmatic Actions at Country Level to Address High Food Prices, and exchange with their peers and other stakeholders measures for addressing high food prices.
 - Participants are better informed about opportunities for collaboration and support from development partners.
 - Participants have worked out the next steps for policy and programmatic actions to be implemented once back in their countries with the aim of launching policy dialogues and mobilising national resources and/or development partner support.
- For FAO and development partners:
 - FAO and development partners are better informed about the situation and needs of participating countries in addressing high food prices.
 - Questionnaires on the situation and measures taken in participating countries are collected and analyzed by FAO.
 - A report of the Regional Consultation with the list of next steps is prepared by FAO.

Organizational arrangements and participants

SAP intends to organize this regional consultation in collaboration with interested multilateral and bilateral partners, and linked to the implementation of the Food Security and Sustainable Livelihoods Programme (FSSLP) for Pacific Islands. It will maintain appropriate policy, technical and operational linkages with the Policy and Programme Development Support Division (TCS) in FAO headquarters and the Economic, Social and Policy Assistance Group (ESP) in the Regional Office for Asia and the Pacific (RAP)..Direct technical support will be provided by RAP-ESP.

Representations at the country level

It is expected that the regional consultation will be attended by one senior Ministry of Agriculture official from each of the FAO member countries in the Pacific listed above, and one senior official from Ministry of Finance or other relevant ministry, each from four selected Pacific countries.

SAP will send the invitation letters and a questionnaire to be completed and returned to SAP by each country on its experiences with high food prices, the commodities concerned, the government priorities, policies and action programmes, implementation problems and constraints and needed support. Completing this questionnaire should help participants prepare for the consultation and effectively present their countries' priorities and perspectives in break-out group sessions.

As an active partner of the member governments contributing to the development of the countries in the region, multilateral and bilateral development partners are expected to fully participate and make interventions in all plenary sessions and the break-out sessions of their choice. Furthermore, in Session 3 of the Agenda, the development partners are expected to make presentations/interventions on high food prices in the region/sub-region and their initiatives to address them. Development partners interested in making a short presentation are requested to inform the organizers in advance.