



*Empowered lives.
Resilient nations.*

BUSINESS CASE ASSESSMENT FOR

Accelerating Development Investments in Famine Response and Prevention

IN NORTH-EAST NIGERIA, SOMALIA, SOUTH SUDAN AND YEMEN





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REPORT PREPARED FOR THE
UNITED NATIONS DEVELOPMENT PROGRAMME

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ACRONYMS

AfDB	African Development Bank
AfPCNI	Nigerian Presidential Committee for the North East Initiative
ARCSS	Agreement on the Resolution of the Conflict in the Republic of South Sudan
CPA	Sudan Comprehensive Peace Agreement
DFID	UK Department for International Development
DNA	Damage Needs Assessment
ERRY	Enhanced Rural Resilience in Yemen Project
EU	European Union
FAO	UN Food and Agricultural Organization
GAM	Global Acute Malnutrition
GDP	Gross Domestic Product
HRP	Humanitarian Response Plan
ICF	UN Interim Cooperation Framework
IDP	Internally Displaced Person
IED	Improvised Explosive Device
ILO	International Labor Organization
IMF	International Monetary Fund
IPC	Integrated Phase Classification
IsDB	Islamic Development Bank
NDP	Somali National Development Plan
NFI	Non-Food Items
NGO	Non-Governmental Organization
OCHA	UN Office for the Coordination of Humanitarian Affairs
ODA	Official Development Assistance
PSG	Peace and Statebuilding Goals
RPBA	Recovery and Peacebuilding Assessment
SDG	Sustainable Development Goals
SGBV	Sexual and gender based violence
SPLM	Sudan People's Liberation Movement
SSDP	South Sudan Development Plan
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNMISS	UN Mission in South Sudan
UNSF	United Nations Strategic Framework
WASH	Water, sanitation and hygiene
WFP	World Food Programme
WHO	World Health Organization

1. EXECUTIVE SUMMARY

In recent years, a combination of armed conflict, climatic shocks and long-standing socioeconomic and governance deficits in north-east Nigeria, Somalia, South Sudan and Yemen have led to acute humanitarian emergencies and famine or near famine situations.

In response to the United Nations Secretary-General's call to action in February 2017, a significant increase in humanitarian assistance has temporarily prevented worst-case scenarios from materializing. This has been accompanied by renewed focus on a more holistic approach to famine prevention and response that brings together life-saving assistance with measures to strengthen resilience and end conflict. In all four countries, attempts are underway to operationalize joint approaches by humanitarian, development and peace actors within the framework of the 'New Way of Working', with the overall collective aim of addressing the complex causes of famine to both mitigate its impact and prevent its reoccurrence.

The objective of this study is to inform the further development of a comprehensive approach to famine prevention and response at global and country levels by taking a deeper look at the complex dynamics of famine causation in the four countries; the underlying conceptual and operational tenets of a holistic approach to addressing famine risk; and the salience, added value and inter-relationship of humanitarian, development and peace interventions. It seeks to illustrate - based on data and evidence collected - how increased development investments in particular can assist countries in breaking chronic cycles of crisis and famine and put them on a sustainable path to resilient development, and the urgency of such investments in parallel to ongoing humanitarian operations and peacebuilding efforts.

The case for increased investment in development and peacebuilding to address famines articulated in this paper is derived from an analysis of the situation in north-east Nigeria, Somalia, South Sudan and Yemen which are summarized in the following chapters. The present chapter provides a synthesis of key findings, from which the following general conclusions and recommendations emerge:

Famines as 'complex emergencies'. As described in section 2, the four cases clearly demonstrate that heightened famine risk is a consequence of complex interactions between a range of different drivers, including conflict, environmental shocks and structurally weak social, economic and governance systems. The four cases also highlight how the disruption and loss caused by these drivers can in turn lead to a vicious cycle whereby institutions, systems and individual coping capacities are further weakened and eroded. Consequently, the analysis of famine risk and response measures can no longer be the sole preserve of the climate change specialist or agricultural economist, but rather requires a multi-disciplinary approach that cuts across the humanitarian, development, conflict resolution/peacebuilding communities. A key policy recommendation emerging from this is the need for strengthened collaboration on common frameworks and methodologies, such as the pilot UN-World Bank Humanitarian-Development-Peace initiative, for analyzing the drivers and underlying causes of

famine risk, identifying and monitoring early warning indicators, and developing preventive, mitigating and recovery measures.

Bridging the humanitarian, development and peace nexus. The protracted and/or cyclical shocks and other drivers of famine risk in the four countries underscore the importance of a comprehensive approach to prevention and recovery, as outlined in section 3, that combines life-saving assistance and strengthening of individual and systemic coping capacities within an overall long-term framework for addressing underlying development deficits and root cases of grievance and conflict. Building resilience—defined as “the ability of individuals, communities and institutions to cope, recover and

transform in response to crises”—should constitute the linchpin and conceptual foundation for this comprehensive approach. As ongoing efforts in the four countries demonstrate, there are clear complementarities between humanitarian and development efforts, with the latter serving to consolidate and sustain short-term mitigation gains while also addressing some of the social and economic deficits driving vulnerability. At the same time, improving security and prioritizing peacebuilding as objectives across political, development and humanitarian efforts, is also critical both to mitigate further disruptions to livelihoods and essential systems, and to address new forms of conflict that may emerge in context of deep social and economic destabilization and loss.



A key recommendation that emerges from this is the need to structure institutional engagement around joint humanitarian, development and peace efforts, and the recognition that they must be planned and implemented concurrently and in coordinated fashion, as well as the recognition of famine risk as a fundamental and shared strategic and operational priority across the respective communities.

Situating the value of development interventions.

As outlined in section 4, the four countries clearly demonstrate the importance and value of development assistance. In conceptual terms, development assistance can provide a critical bridge between addressing immediate life-saving needs and laying the foundations for long-term resilience building and transformational change to address root causes of instability and conflict, vulnerability and fragility. Bringing in development assistance 'earlier' in a crisis also demonstrates clear economic benefits, including through offsetting medium to long-term losses, mitigating famine-related risks by strengthening resilience, catalyzing economic growth, and decreasing reliance on recurrent humanitarian funding. A key recommendation emerging from this analysis is the need to develop a narrative of development assistance in famine prevention and response that highlights its role and economic benefits as a complement to humanitarian and peace efforts during a crisis, and removes it from the traditional and limiting discourse of post-conflict recovery and reconstruction.

Towards a new operational paradigm. At present, and as outlined in section 5 below, important progress is being made in developing more integrated approaches to addressing famine risk, building on both global commitments and norms such as the Sustainable Development Goals (SDGs), the "New Way of Working" and World Humanitarian Summit 'Grand Bargain' and as well as country level strategies that explicitly integrate humanitarian, development and

peace efforts. At the same time, a new operational paradigm is necessary to move from concepts to effective action, including:

- **Strengthened institutional engagement**, including moving from shared analyses to operational frameworks and instruments for real-time monitoring, analysis and targeting/coordination of efforts; greater political commitment and will to 'move the needle' on more integrated and holistic responses; and improved aid coordination and allocation mechanisms (harmonization and alignment).
- **Programmatic innovations**, including more flexible development programming, phased and adapted to different resilience needs; greater emphasis on innovative approaches to ensure effectiveness and sustainability; move away from project focus to broader programmatic and operational frameworks; improved transversal linkages with humanitarian and peacebuilding efforts.
- **More effective financing**, including more timely and predictable funding (for prevention, immediate response, and sustaining medium to long term efforts); adequate financing at scale and commitments over the long-term; more balanced allocations of humanitarian and development financing; clearer narratives on role and value different financing instruments and their role in addressing famine risk; and better use of existing financing instruments (high risk pooled funds, peacebuilding trust funds, etc.).
- **Greater focus on risk**, including shifting the focus away from risk prevention in development programming and financing to risk prevention and management, including through greater use of risk analysis and monitoring mechanisms and innovative strategies for mitigating risk factors and creating enabling conditions for development programming.

2. UNDERSTANDING FAMINE CAUSATION AND ITS IMPACTS

Famines are rarely caused by one factor alone, but rather by a combination of shocks, stresses and underlying structural constraints and deficits. This is particularly the case in north-east Nigeria, Somalia, South Sudan and Yemen, where increased famine risk must be understood as the result of complex interplay between conflict, environmental shocks and structurally fragile social, economic and governance systems.

For the purposes of understanding famine causality in these four countries, the 'complex emergencies' model is used in order to explain the evolution and dynamics of famine risk in the four countries. It builds on the common elements found across all four cases, and takes as its point of departure the Integrated Phase Classification (IPC) system for classifying food insecurity, in which famine is defined in terms of extreme food insecurity (at least one in five households faces an extreme lack of food); acute malnutrition (wasting) affects over 30% of the population; and a morbidity rate of 2 deaths out of 10,000 each day (see figure 1).¹

The main premise underlying the 'complex emergencies' model of famine causation is the existence of multiple variables that directly cause or contribute to famine, including its nature, distribution, rate and overall scale. In this model, food insecurity is caused by loss of access to productive assets (e.g. farmland and livestock) and reduced income and unemployment, which reduces the people's ability to buy food. These losses ensue from the disruptive impact of insecurity, violence and conflict-induced displacement on livelihoods and the functioning of markets and trade, which in turn effectively bring economic production to a

stand-still. The speed and scale at which productivity and livelihoods are disrupted is influenced by pre-existing structural constraints such as low agricultural productivity, endemic poverty and unemployment, and underdeveloped market and road infrastructure, among others—all of which have served to weaken systemic, institutional and individual capacities over time, leaving them susceptible to shocks. A critical feature of these dynamics is that systemic disruptions—and resulting losses—carry high risk of further exacerbating structural stresses, thereby creating a vicious cycle of underdevelopment and increased vulnerability over time.

For the purpose of clarifying the role and relationship of different causal variables, the following classification of variables has been identified based on the dynamics of famine in the four countries. These consist of: primary drivers, including stressors (protracted or recurrent conflict) and underlying structural weaknesses and fragility; secondary drivers or direct triggers of increased famine risk, including external shocks and systemic disruptions (e.g. market failures); and tertiary drivers (the direct impact on individual and household food security, livelihoods and exposure to malnutrition and disease).

1 The Integrated Phase Classification (IPC) system defines five levels of food insecurity: Phase 1 (minimal); Phase 2 (stressed); Phase 3 (crisis); phase 4 (emergency) and phase 5 (famine).

Conflict as a core stressor. In all four countries, protracted armed conflict, high levels of violence and insecurity have acted as a core 'stressor', resulting in mass population displacement, deaths and injury, as well as the disruption and destruction of economic, social and governance systems. While the dynamics of armed conflict differ among the four countries, they share several characteristics, notably the protracted nature of the conflict, the deliberate targeting of civilian populations through violence or economic governance violations, and roots in historical grievances and socioeconomic tensions.

- In **north-east Nigeria**, the Boko Haram armed insurgency has been accompanied by high levels of violence, destruction and insecurity in which civilians are directly targeted. Despite recent military gains by the government, it remains active in rural areas and continues attacks and raids using asymmetric tactics to perpetuate the conflict.²
- In **South Sudan**, a conflict triggered in 2013 by a political power struggle within the ruling party has spread throughout the country and metastasized, with opposing factions fragmenting and dynamics becoming more localized, and new conflicts emerging driven by historical, communal, ethnic and tribal grievances and competition over natural resources.³
- In **Yemen**, the failure of the 2011 transition process and national dialogue escalated into armed confrontation between the Houthis and the central government. From 2015 onwards, this conflict has spread throughout most of the country with devastating consequences, and has been compounded by the involvement of Saudi-led regional forces.
- Finally, in **Somalia**, the fall of the Siad Barre regime in 1991 led to the collapse of the Somali state and fragmentation of political power among conflicting factions. This has led to recurrent cycles of conflict and insecurity that have lasted to the present day and has severely inhibited socioeconomic development and growth, leaving many parts of the country fragile and vulnerable to drought-induced disruptions.

Structural constraints as 'famine enablers': In all four countries pre-existing structural constraints and weaknesses have eroded the capacity of local economic, social and governance systems, leaving them fragile and highly susceptible to shocks.

- In **Nigeria**, the north-eastern states have historically remained underdeveloped in comparison to the rest of the country, partly due to sub-optimal economic productivity, endemic poverty and chronic unemployment, as well as historical under-investment in economic infrastructure, basic social service provision and governance.
- Since independence, **South Sudan** has been confronted with a number of deep structural and systemic constraints to peace, stable governance and economic recovery and development. The resulting fragility and lack of resilience in the South Sudanese economy and its institutions have directly contributed to exacerbating both the nature of the conflict and its devastating impact on the population.
- In **Yemen**, pre-existing political, economic, social and governance constraints and deficits, rooted in historical and structural antecedents, led to the unrest of 2011, and were deepened by the subsequent turmoil and volatility of the transition period (2011-2014).
- In **Somalia**, economic productivity constraints, absence of a strong state's institutional and governance framework, and environmental degradation and natural resource scarcity explain the high susceptibility of Somalia's population to short-term climatic or man-made shocks, and why these engender such high costs.

External shocks. In some countries, the deterioration of food security has been catalyzed by exogenous factors, which have triggered breakdowns in systemic resilience and individual coping abilities already weakened by conflict and structural weaknesses. In Somalia, climate changes constitute an exogenous variable that have taken the form of cyclical droughts and floods. Droughts take place every 2-3 years in

2 United Nations, November 2016.

3 International Crisis Group, *Instruments of Pain (II): Conflict and Famine in South Sudan*, April 2017.

the Deyr season, and every 8-10 years in both Deyr and Gu seasons.⁴ The last major drought of 2011-2012 constituted a failure of both Deyr and Gu rains in 2010 and 2011. The direct impact of this drought was a shortage of water, leading to widespread crop failure and death of livestock, and their subsequent disruptive impacts on economic productivity and individual/household food security.

Systemic disruption and failures. Conflict stresses, structural constraints and external shocks constitute the core drivers for food insecurity and famine risk in the four countries, while their negative impact on essential systems sustaining economic productivity and trade, social cohesion and delivery of services is what contributes most directly to food insecurity and famine risk in the short term. Disruption or collapse of these systems directly leads to loss of livelihoods, employment and access to services, decreasing ability of individuals and households to meet minimal food needs and increasing their susceptibility to malnutrition and disease. The most significant systemic disruptions across the four countries include:

■ **Population displacement and social trauma.** In all four countries, displacement has been accompanied by loss of basic human entitlements and livelihoods, deepened poverty, deprivation and vulnerability, settlement in host communities and urban centers with very little absorptive capacity, and increased socioeconomic marginalization. In north-east Nigeria over 20,000 people have been killed through conflict-related violence (most as direct targets of Boko Haram) since 2009, while 2 million people (80% of whom are estimated to be women and children) have been displaced within the region and neighboring countries.⁵ In South Sudan, successive waves of conflict have displaced 4 million people, 1.9 million of whom are internally displaced, and

2 million are refugees or have taken refuge in neighboring countries. Of the 1.9 million IDPs, approximately 400,000 are living in camps and informal settlements, with the rest living in host communities. In Yemen, the insecurity, violence and destruction of property and infrastructure caused by the conflict has displaced over 3 million people (with over 2 million still displaced at present). In Somalia, displacement has been induced both by drought and conflict/insecurity, with the latter occurring on an almost continuous basis given the shifting geography of local conflict over time. During the current crisis, over 815,000 people have been displaced through a combination of drought (accounting for 81 per cent of the total) and conflict-related causes.⁶

■ **Productivity and market disruptions.** In all four countries, destruction or loss of access to productive assets, namely farming land and livestock, has disrupted livelihoods, reduced individual and household purchasing power, and made many destitute given the high dependence on subsistence-based agriculture. The disruption of markets and transportation has also severely curtailed trade, limiting availability of both essential inputs (such as fuel) and food, and resulting in higher prices, which further compounds losses in purchasing power. In Nigeria, an estimated 50 percent of markets are intermittently or not functioning and agricultural production has declined sharply between 2010-2015.⁷ Losses in the agricultural sector amount to US\$ 3.7 billion, while productivity of the sector has also been significantly impaired by damages to the road network, which is estimated at US\$ 526 million.⁸ In Yemen's agricultural sector (which employed over 50 percent of the working population), crop production decreased by 38 percent between 2014-2016,⁹ with decreases in livestock production of 35 percent and fishing

4 The Deyr rains normally occur between October to December of each year, while the Gu rains normally occurring between April and June. (UNDP. *Somalia Capacity Development for Humanitarian Affairs and Disaster Risk Reduction Project*. August 2017).

5 Most displacement occurred in 2014-2015, with IDPs originating from Borno (77.4 percent), Adamawa (8.6 percent) and Yobe (6.3 percent). (United Nations, February 2017)

6 Food Security and Nutrition Analysis Unit. *Food Security and Nutrition Brief*. June 2017.

7 International Crisis Group. 2017.

8 Ibid.

9 Total cereal production in 2016 was estimated at 480,000 MT, which is about 11 percent below the 2015 harvest and 37 percent below the previous five-year average (UN Office for the Coordination of Humanitarian Affairs. 2017).

between 50-75 percent for the same period. In South Sudan, the entire agricultural value chain in conflict-affected areas has been disrupted, with over 50 percent of all harvests lost since 2013, and many farmers unable to plant or harvest due to insecurity, violence and displacement.¹⁰ The combination of hyperinflation and production and trade constraints has resulted in continuously rising staple food prices, significantly decreasing household purchasing power.¹¹ In Somalia, the 2016 drought is estimated to have resulted in US\$ 1.3-1.7 billion in livestock losses and up to US\$ 60 million in crop production losses,¹² with crop production estimated at 40-50 percent below normal, and livestock losses ranging between 20-60 percent depending on the region.¹³

■ **Insufficient provision of social services.** In all four countries, ongoing conflict and insecurity has significantly impacted the provision of and access to essential social services (notably education, health, and water/sanitation) through the deliberate targeting and destruction of infrastructure, facilities and equipment and loss of access due to displacement. This has impacted human development through reduced economic productivity and increased vulnerability to disease and malnutrition. In north-east Nigeria, 45 percent of all health facilities and an estimated 75 percent of all water and sanitation infrastructures have been destroyed, compounding an already bad pre-2009 situation where less than half of the population had access to safe drinking water. In Yemen, an estimated 30 percent of all service delivery facilities have been damaged or destroyed. In the health sector, almost half of health facilities are non-functional or partially functional, and over 30,000 health workers have not been paid, interrupting access to basic

healthcare to over 10.4 million people. Provisions of water, waste management and irrigation services have also been disrupted, affecting over 19 million people and agricultural productivity. Social protection services, which previously provided critical assistance to the poorest, were also temporarily suspended in 2015, deepening vulnerability. In South Sudan, only 43 percent of the country's health facilities currently remain operational, while the destruction of schools combined with displacement has left 1.17 million children without access to education.¹⁴ Water and sanitation services have also been disrupted, exacerbating a situation that even prior to the crisis was already extreme.¹⁵ At present, 7 percent of people have access to improved sanitation, and 41 percent have access to safe water due to damage and deterioration of boreholes and pumping machinery.¹⁶

■ **Macroeconomic instability and collapse.** Across the four countries, conflict and drought-induced disruptions have had further exacerbated fragile macro-economic conditions. The combination of reduced economic output (GDP loss), high prices, and the collapse in government revenue collection, have led to the devaluation of currencies, hyperinflation, and resulting knock-on impacts on poverty and unemployment. In north-east Nigeria, estimated economic losses amounted to approximately US\$ 8.3 billion between 2011-2015. The fiscal impact of the conflict has also been severe due to decreased state-level revenue generation as a result of decreased tax collection, and increased public expenditures related to security and reconstruction, resulting in an increase in the budget deficit from 2.8 percent in 2011 to 20 percent in 2015.¹⁷ In Yemen, GDP collapsed by

10 In Greater Equatoria, which is responsible for over half the national production of cereal, a deficit of over 50 percent took place in 2016, and is expected to increase in 2017. (United Nations. 2016).

11 Famine Early Warning Systems Network, August 2017.

12 World Bank. July 2017.

13 Food Security and Nutrition Analysis Unit. June 2017.

14 United Nations. 2016.

15 According to 2010 data, only 55 percent of the population had access to safe drinking water, and 80 percent had no access to toilet facilities. (Intergovernmental Authority on Development. 2015).

16 United Nations. 2016.

17 Federal Government of Nigeria. 2015.



an estimated 28 percent and inflation increased to 30 percent in 2015. Against a rising public deficit and low pre-crisis reserves, the Central Bank of Yemen has faced a liquidity crisis and has been unable to check the depreciation of the Yemeni Rial (YER). Poverty is estimated to have nearly doubled, from 34.1 percent in 2014 to 62 percent in 2016.¹⁸ In South Sudan, GDP is estimated to have contracted by 6.3 percent between 2015-2016 and by 11-13 percent in 2016, a downward trend expected to continue in 2017, while poverty increased from 44.7 percent in 2011 to 65.9 percent in 2015.¹⁹

Individual and household vulnerability. The significant deterioration, and in some cases, collapse of economic systems of production and social services due to the combination of stresses, shocks and

underlying structural weaknesses have contributed directly to acute levels of food insecurity, malnutrition and disease, which in some areas across the four countries have reached famine levels. While the impacts of these drivers are not geographically uniform across all countries, the protracted nature of the crises have progressively eroded coping capacities at all levels, reflected in declining livelihood opportunities and purchasing power, increased malnutrition and susceptibility to contagious diseases, dependence on humanitarian assistance and the adoption of negative coping strategies (including reduction in food intake and distress selling of productive assets). In the absence of measures to address core drivers, the rate and extent of food insecurity, malnutrition, and disease could increase further, putting recent gains achieved through humanitarian assistance at risk.

18 World Bank. *Yemen Country Engagement Note*. June 2016.

19 World Bank. 2017.

- **North-east Nigeria.** As of September 2017, food insecurity has reached extreme levels in parts of the BAY state, with an estimated 5.1 million people in IPC Phases 3 to 5, representing an increase of 50 percent in levels of extreme food insecurity since March 2016. Of this population, an estimated 100,000 are in IPC phase 5 (famine).²⁰ Acute food insecurity and lack of access to health-care has led to emergency levels of malnutrition, with 1.2 million children under 5 and pregnant and lactating women currently acutely malnourished.²¹ While humanitarian assistance is reaching millions of people and helping mitigate food insecurity to an extent, access remains difficult in the conflict zones where needs are greatest.
- **South Sudan.** As of July 2017, over 6 million people—over half of South Sudan’s population of 11 million—are currently estimated to be severely food insecure, with 1.7 million in IPC Level 4 (emergency) and approximately 45,000 people in IPC Level 5 (famine).²² Despite high levels of humanitarian assistance, which have been able to avert famine conditions from developing in certain areas, the extent and severity of food insecurity has increased between 20-50 percent between 2012-2017.²³ Acute malnutrition and increased exposure to disease in these areas has resulted in increasing levels of morbidity, which due to the incidence of disease have reached famine levels in some regions. Acute food insecurity and lack of access to healthcare has also led to acute malnutrition, with over 1 million children and over 340,000 pregnant and lactating women estimated to be acutely malnourished at present.²⁴ While significant levels of humanitarian assistance have helped offset acute insecurity, harvests in late 2017 are not expected to significantly ameliorate the situation, and further deterioration in food security, malnutrition and exposure to disease is expected in 2018.²⁵
- **Yemen.** As of September 2017, 17 million people (equivalent to 62 percent of the total population) are considered food insecure and require urgent humanitarian assistance. Of these, 10.2 million are in IPC Phase 3 ‘crisis’ and 6.8 million people are in IPC Phase 4 ‘emergency’. Populations in IPC phases 3 and 4 have increased 20 percent since June 2016. An estimated 4.5 million children and pregnant/lactating women are acutely malnourished (up 148 percent since 2014), while 95 districts across 14 governorates report Global Acute Malnutrition (GAM) scores above the global emergency threshold. Continued disruption of imports, domestic trade, and increasing prices, against the backdrop of continued insecurity and income/livelihoods losses, are expected to increase food insecurity, acute malnutrition and disease, potentially leading to IPC Phase 5 ‘famine’ level in most affected governorates and districts.²⁶
- **Somalia.** At present, 6.7 million people (approximately half the population of Somalia), are considered to be food insecure, with 3.2 million people in IPC phases 3 (crisis) and phase 4 (emergency). An additional 3.5 million are in IPC phase 2 (stressed). Acute food insecurity has led to high rates of malnutrition, with an estimated 388,000 children acutely malnourished, and a morbidity rate of over 20 percent within the affected population group.²⁷ While large-scale famine is considered to have been averted due to prompt and large-scale provision of humanitarian assistance as well as gains in strengthening core government institutions since 2012, the situation remains precarious and could deteriorate in the absence of economic recovery and sufficient humanitarian assistance.²⁸

20 Ibid.

21 UN Office for the Coordination of Humanitarian Affairs. *Nigeria: Humanitarian Dashboard (January-July 2017)*. August 2017.

22 UN Office for the Coordination of Humanitarian Affairs. *2017 South Sudan Humanitarian Response Plan – Mid-Year Review*. July 2017.

23 Joint Policy Analysis Team. *Food Security and Initiatives for Resilience in South Sudan*. July 2017.

24 UN Office for the Coordination of Humanitarian Affairs. *2017 South Sudan Humanitarian Response Plan 2017 – Mid-Year Review*. July 2017.

25 Famine Early Warning Systems Network, June 2017.

26 Integrated Phase Classification. *Yemen Acute Food Insecurity Situation*. March 2017.

27 Ibid.

28 UN Office for the Coordination of Humanitarian Affairs. *Somalia: Humanitarian Dashboard (July 2017)*. August 2017.

3. PREVENTING FAMINES: OPERATIONALIZING THE HUMANITARIAN, DEVELOPMENT AND PEACE NEXUS

In all four countries, acute food insecurity and famine risk are being driven by a combination of protracted conflict, environmental shocks and underlying structural constraints. In this context, alleviating food insecurity, strengthening the coping ability of individuals, communities and institutions, and reducing long-term vulnerability and exposure to famine risk requires a holistic and flexible approach that addresses this panoply of drivers and their inter-relationships.

In all four countries, this requires a comprehensive approach to prevention and recovery that combines life-saving assistance and support for strengthening individual and systemic coping capacities within an overall long-term framework for addressing underlying structural deficits and root causes of grievance and conflict.

Strengthening resilience—defined as “the ability of individuals, communities and institutions to cope, recover and transform in response to crises”—provides the basis for a collective theory of change and framework for integrating and prioritizing humanitarian, recovery, development and peacebuilding interventions. Resilience, as it is currently understood and applied, consists of three types of capacity that span individual, household, community, institutional and systemic levels:

- **Absorptive capacity:** the ability of individuals, households and communities to mitigate or prevent exposure to shocks and stresses and their negative impacts on livelihoods and basic needs;
- **Adaptive capacity:** The ability of individuals, households, communities, institutions and systems to adapt and evolve in the context of changing environments and related stresses and shocks, while maintaining continuity of activities, functions and provision of services;

- **Transformative capacity:** The ability to fundamentally transform the overarching policy, regulatory and institutional environment and associated systems to eliminate structural risk factors and improve prospects for long-term viability and growth.

ELEMENTS OF A COMPREHENSIVE APPROACH

In the context of the four countries, a theory of change based on resilience provides a basis for articulating how humanitarian, development and peacebuilding efforts can be linked and integrated in order to mitigate famine risk and prevent its reoccurrence over the long term. In this regard, four main components of a response can be identified. Given the protracted nature of the crises in the four countries, these phases should not be considered as linear of chronological ‘phases’, but rather distinct sets of activities that respond to different needs and priorities. In many contexts, these components will need to be implemented concurrently, and have variable time-frames (spanning the short to long-term):

Addressing critical (life-threatening) famine risks.

In all four countries, emergency humanitarian needs resulting from near-total collapse of livelihoods and coping strategies are likely to persist for some time given the protracted nature of conflict and insecurity, necessitating continuity in the provision of life-saving assistance in order to mitigate food insecurity and



reduce vulnerability to disease and malnutrition. This assistance aims to strengthen individual and household capacities to absorb shocks in the immediate short-term through direct provision of food, temporary increases in purchasing power, and access to social services. In all four countries, primary targets to receive life-saving assistance include IDPs, refugees and returnees, as well as populations directly impacted by localized disruptions in food production and availability.

Stabilization and recovery. Life-saving assistance alone is insufficient to sustain reductions in food insecurity or protect productive assets and income from systemic disruptions. This requires additional measures aimed at strengthening the resilience of individuals and households, local economic systems (markets, infrastructure and value chains) and service delivery mechanisms. These measures can be formulated at two levels: a) as part of a prevention strategy in pre-famine contexts, aiming at safeguarding livelihoods, productivity and access to services in the face of adverse conditions; and b) as part of a recovery strategy, with the aim of restoring

livelihoods, recovering productive assets, restarting productivity and promoting economic self-reliance. Depending on the presence of enabling conditions, two sets of interventions can be considered:

- **Strengthening individual and household capacities.** In volatile and insecure contexts, where risk of disruption is high, focus could be placed on complementing life-saving assistance with support for individual and household-based resilience, targeting areas that are relatively stable. Short to medium term objectives of this assistance would be to enhance capacities to absorb shocks and ‘kick-start’ recovery through restoring access to productive assets (e.g. farmland and livestock), enhancing economic productivity through new tools and techniques to increase efficiency and creating short-term employment opportunities while enhancing skills and capacity building for longer term employment opportunities. In all four countries, these activities (defined as ‘emergency livelihood support’) already form an integral part of the Humanitarian Response Plans (HRP).

- **Strengthening systemic resilience.** In areas that have stabilized sufficiently, or areas indirectly impacted by conflict and other shocks, a focus on strengthening institutional capacities and economic systems at the local and community levels can help prevent future destabilization and promote recovery and growth despite broader (regional or national) economic constraints. Medium-term objectives of this assistance include: strengthening the planning, oversight and implementation capacities of local and national institutions, as well as NGOs and private sector actors; enhancing economic productivity of priority value chains; rehabilitation of economic infrastructure (roads, markets, water/irrigation systems); and ensuring full access to high quality services on a sustainable basis. Systemic resilience strengthening should aim to benefit populations most affected in an inclusive manner, with particular focus on IDPs and returnees.

Development and transformational growth (medium to long-term). Short to medium term strengthening of resilience cannot be sustained in the absence of a focus on core underlying structural constraints and deficiencies. Large-scale development interventions are essential to enable sustainable long-term recovery and mitigate structural constraints directly impacting the resilience of livelihoods and local economic and social systems. For some development priorities, notably infrastructure and services, a ‘multi-track’ approach can be considered focusing on short-term strengthening of existing infrastructure and ‘fast-tracking’ of priority investments, medium-term strengthening of national regulatory and institutional frameworks, and long-term investments for complete service delivery systems. In terms of priorities, emphasis should be placed on: promoting transformational growth in the agricultural sector; macroeconomic stabilization and reform; capital investments in core economic infrastructure and related services (e.g. telecommunications and energy); and institutional strengthening and expansion of service delivery (focusing on improving governance).

Conflict resolution, security and peacebuilding. Ending conflict and restoring security, law and order are essential for mitigating famine risk, and a critical enabler for all areas of intervention outlined above.

Elimination of this stressor will immediately lead to improvements due to the reopening of roads, resumption of productivity, markets and trade, accessibility of services, and the return of displaced populations. It will also allow for unhindered provision of humanitarian assistance and the start of recovery and development programming. That said, achieving a full cessation of conflict and violence will be complicated and take considerable time. A series of interim measures can be envisioned over the short to medium term, ranging from enhanced provision of security (including through UN or national security forces where possible); reducing access restrictions and economic governance violations; and strengthening social cohesion through local conflict resolution and peacebuilding.

OPERATIONAL IMPLICATIONS

Several important operational implications are associated with an integrated and resilience-focused approach to famine prevention and recovery, which need to be factored into the design of strategies and specific interventions. These include:

- **Common framework for analysis, targeting and coordination.** A collective analysis of the causes of famine and its impacts enables humanitarian, development and peacebuilding actors to identify how their respective interventions can most effectively contribute to prevention and response objectives, while a common platform for information sharing and planning, including targeting and coordination of efforts will help ensure continuity between different types of interventions and avoid gaps in assistance.
- **Simultaneity of actions:** In all four countries, famine mitigation and recovery is unlikely to be a linear process, highlighting the need for simultaneous engagement across humanitarian, development and peacebuilding domains. Instability and insecurity are likely to continue in specific areas, even as the broader environment stabilizes, necessitating continued attention to emergency life-saving needs. Likewise, opportunities for longer-term resilience can exist even at the height of crises given the existence of areas that have either emerged from conflict or have remained outside, albeit vulnerable to destabilization. Similarly, while peacebuilding efforts



should culminate in a comprehensive peace accord or political settlement, there is often much that can be done in the interim to improve security at local levels (including through UN peace operations, where they are deployed); obtain agreements on lifting access restrictions and other economic governance violations; and mitigating the exacerbation or generation of conflicts at community level. Finally, establishing foundations for long-term development efforts should begin as soon as conditions permit, in order to initiate dialogue on long-term policy and reform objectives, and provide an overall framework for sustainable growth within which short to medium term recovery and resilience strengthening can be aligned, phased and

sequenced with longer-term interventions. For some development priorities, notably infrastructure and services, a ‘multi-track’ approach can be considered focusing on short-term strengthening of existing infrastructure and ‘fast-tracking’ of priority investments; medium-term strengthening of national regulatory and institutional frameworks; and long-term investments for complete service delivery systems.²⁹

- **Programmatic responsiveness and adaptation:** Continued volatility across the four countries places a premium on interventions that are responsive and can adapt to changes in in the situation and evolving needs and priorities. This applies not only to humanitarian life-saving

29 See for instance, the multi-track approach to recovery outlined in the North-East Nigeria Recovery and Peacebuilding Assessment (RPBA). (Federal Government of Nigeria. *North-east Nigeria Recovery and Peacebuilding Assessment: Synthesis Report*. 2015).

assistance, but also to resilience and peacebuilding programming. Interventions should have the capacity to re-align priorities and revise programme strategies across time and space, and in some cases, alter the type of assistance provided (shifting from life-saving to recovery modalities, or vice versa).

- **Need for a new paradigm of development assistance.** Enabling earlier and more flexible development interventions to mitigate famine risk and alleviate food insecurity poses a number of challenges for the current system for development assistance and financing, which is often rigidly projectized, risk-averse, coordinated through parallel frameworks, and highly conditioned on enabling, political and other factors. These constraints but must be addressed if development assistance is to be brought in earlier and can effectively respond to needs. Linked to this is the need for more flexible funding arrangements, such as the pooled funding mechanisms established by the UN and World Bank in the Central African Republic and Somalia, which permit the rapid and flexible allocation of financing for development initiatives.

- **Creating an enabling environment:** The lack of an enabling environment (defined in terms of minimal stability, security and institutional capacity, among other factors) is often cited as a reason to defer development programming, resulting in missed opportunities and ‘disconnects’ between short-term life-saving and longer-term recovery processes. More innovation is needed to identify and build on institutional capacities that already exist despite broader instability, such as institutions that have continued to operate despite conflict, e.g. the Social Development Fund and Public Works Programmes in Yemen. Development programming can also be anchored in the local administration (where functional) and community institutions and implemented through civil society and NGO groupings, which in many countries constitute an important factor in maintaining functioning of core systems and services in the absence of the state. Finally, more proactive alignment of peacebuilding efforts—including the use of UN peacekeeping assets—and development efforts can help create secure conditions in strategic areas (economic ‘safe areas’), with the potential to serve as vectors for progressively expanding stabilization and recovery.

4. MAKING THE CASE FOR INCREASED DEVELOPMENT INVESTMENTS IN FAMINE PREVENTION

As outlined in section 3, development interventions are essential to improving individual, household and systemic resilience to shocks affecting food security and exposure to disease over the short to medium term, as well as addressing structural social, economic, and governance deficits which have severely undermined coping capacities and increased risk exposure.

This section take a deeper look at the economic value of development interventions against an understanding of the overall costs associated with conflict and shock-induced disruptions to livelihood and services, in order to highlight how development investments can offer sustainable and cost-effective pathways to prevent and recovery from crises, and mitigate exposure to famine risk. A preliminary analysis of the costs and benefits associated with development interventions illustrates their role both in offsetting economic losses, mitigating famine-related risks and catalyzing economic recovery and growth. At the same time, current frameworks and instruments for provision of development assistance are in need of reform and innovation if such investments are to be effective in the context of current crises. A better balancing of humanitarian and development assistance is also needed to ensure a stronger focus on both immediate response and longer-term prevention and resilience building.³⁰

BREAKING DOWN THE COST OF FOOD INSECURITY AND FAMINE

In north-east Nigeria, Somalia, South Sudan and Yemen, an understanding of the high costs associated

with the disruptions and destruction caused by conflict and external shocks such as drought helps to both contextualize the scale of the dynamics driving food insecurity and exposure to disease, and provides an insight into the long-term economic impacts of lost livelihoods, productivity and human and social capital. In this regard, costs should be understood both in term of immediate losses (loss of productivity, damages and destruction), as well as their impact on future economic growth. These costs include:

- **Losses in productivity and economic output** due to destruction or inaccessibility of productive assets (measured in terms of GDP); reduced production of goods and services; decreased purchasing power and demand for goods; disruption of markets and trade (including import and exports); price and exchange rate volatility, among others.
- **Material losses and damages**, including damage/destruction of economic infrastructure such as roads, water/irrigation, telecommunications and power generation systems; disruption and suspension of core public services; and damages/ losses to private sector assets;

30 Over the past ten years, the humanitarian share of ODA has increased from 32 percent to 41 percent. While this reflects the growing scale of emergency needs across the world, it also points to the need to ensure that longer-term prevention and resilience strengthening measures are not neglected, and international efforts limited to addressing the symptoms and not underlying drivers of human suffering. (United Nations MPTF Office and Dag Hammarskjold Foundation. *Financing the UN Development System: Pathways to Reposition for Agenda 2030*).

■ **Economic costs associated with the loss in human and social capital.** In the short term these include decreased or foregone productivity due to death, injury, and disease; as well as labor market disruptions caused by mass population displacement; in the long-run, these include decreased productivity due to increased child and adult mortality rates; lack of education and skills development; stunting as a result of malnutrition.

■ **Costs associated with provision of international assistance to meet immediate needs,** including emergency humanitarian assistance and provision of security (including through UN and other peacekeeping operations).

THE ECONOMIC, SOCIAL AND HUMAN COSTS OF CRISIS

In **South Sudan**, the conflict since 2013 has had a significant negative impact on economic growth, reflected in 6.9 percent reduction in GDP in 2015, and a projected 10.5 percent reduction in GDP in 2016,³¹ attributable to the decline in the production of oil, collapse of government revenue generation, disruption of productivity in agriculture and other sectors, and other macro-economic impacts. Based on this analysis, the cost of the South Sudanese conflict, were it to continue to the end of 2019 at currently prevailing levels, could be estimated at US\$ 14.9 billion. This includes a real GDP loss of US\$ 7.7 billion³² and US\$ 7.2 billion in expenditures for humanitarian assistance and the UN peacekeeping operation.³³ In addition, the impacts of food insecurity, understood in terms of loss of workforce productivity due to hunger as well as long-term effective of malnutrition (stunting). Based on a rate of GDP loss of 6-10 percent, this amounts to a time-deferred loss of between US\$ 4-6 billion from 2025 to 2035.³⁴

In **north-east Nigeria**, the ongoing conflict with Boko Haram has resulted in widespread loss of life, massive population displacement and destruction of productive assets, infrastructure and services. The accumulated output loss to GDP between 2011-2015 is estimated at US\$ 8.3 billion, while material damages and losses in infrastructure and service delivery amounts to over US\$ 9.2 billion. This includes US\$ 745 million in losses in the physical sectors (energy, environment, ICT and transport); US\$ 3.8 billion in losses to the social sectors (education, health, housing, public buildings, social protection, and water/sanitation); and US\$ 4.6 billion in losses in agriculture and private enterprises.³⁵

In **Yemen**, the economic disruptions and damage to productive assets in 2014-2015 resulted in preliminary estimated losses of US\$ 7 billion and economic losses (production and service delivery) of over US\$ 12 billion in nominal terms. During these two years, real GDP contracted by 9.6 percent in 2014, and declined by a further 34.7 percent in 2015.³⁶

31 International Monetary Fund. *South Sudan IMF Country Report No. 17/73*. March 2017.

32 This loss is in relation to estimated GDP growth in accordance with the pre-conflict baseline. Assuming this loss (which includes destruction of infrastructure, assets and foregone economic productivity) impacts future economic growth, the cumulative losses (or foregone growth) would amount to over US\$ 38 billion over a 20-year period. (Frontier Economics, *South Sudan: The Cost of War. An Estimation of the Economic and Financial Costs of Ongoing Conflict*, 2015).

33 Taking the annual cost of the UN Mission in South Sudan as a baseline (US\$ 1 billion per annum), and the average amount of humanitarian financing mobilized between 2014 and today (approximately US\$ 1.4 billion per annum), this amounts to a total of US\$ 7.2 billion over the course of three years (2018-2020). (UN Office for the Coordination of Humanitarian Affairs. *UNMISS Facts and Figures*, 2017: <http://www.un.org/en/peacekeeping/missions/unmiss/facts.shtml>).

34 Frontier Economics, 2015.

35 Federal Government of Nigeria. *North-east Nigeria Recovery and Peacebuilding Assessment: Volume II – Component Report*. 2015.

36 UN, World Bank, European Union and Islamic Development Bank. *Yemen: Preliminary Damage and Needs Assessment*. 2016.

THE ECONOMIC VALUE OF DEVELOPMENT INVESTMENTS

Defining the role of development approaches in strengthening resilience to shocks and famine risk, while enabling long-term recovery and transformative growth, is an important first step in developing a more holistic vision. This needs to be complemented by a more in-depth analysis of the economic benefits accruing from development interventions. An analysis of rates of return on development investments can facilitate a quantifiable measure of economic impact on key famine risk mitigation priorities, including economic productivity, livelihoods, access to services, and individual/household resilience. Such data can inform decisions on which development interventions are most effective in a given context; the timing of investments in relation to the broader response; and the prioritization and allocation of financing by the international donor community. While more in-depth data collection and research is necessary to enable a comprehensive cost benefit analysis of development investments, initial indications from the four countries already highlight the significant economic value of interventions to strengthen livelihoods, productivity and service provision.

Ongoing famine prevention efforts in the four countries highlight several principal economic benefits associated with resilience strengthening and development investments. These include: offsetting economic losses through the preservation of productive capacities, systems and services (short to medium resilience); and in the medium to long-term, reversing development losses and mitigating famine risk through sustained growth and improvement of productive capacities. Relating this to the typology of interventions outlined above, the costs and benefits of the two main types of development interventions can be summarized as follows:

- **Short-medium term resilience strengthening.** Short to medium term resilience strengthening interventions (including emergency livelihood activities within the framework of HRP) focus on improving coping capacities to prevent or mitigate the disruptive effects of conflict and external shocks, or to facilitate recovery through resumption of productivity. Livelihoods

assistance help preserve productive assets and incomes (thus avoiding asset and income losses), and can also generate important economic returns, either directly—through additional productivity gains resulting from improved production practices or access to services and infrastructure—or indirectly, by benefiting the broader population (who gain from improved availability and pricing of goods, or from services generated through productive activities such as labor intensive public work schemes). Similarly, strengthening service provisions can generate important returns at a systemic level (through the improvement of service delivery over time) and individual/household level (by increasing productivity as a result of reduced exposure to malnutrition and disease). Strengthened productive and institutional capacities can also result in greater self-sufficiency, reducing needed international financial assistance (humanitarian and development) over time.

- **Long-term development interventions.**

A key benefit of interventions that directly address the structural factors or stresses undermining systemic and individual resilience is the avoided compound losses over the long-term accruing from recurrent shocks. In addition, development interventions can potentially break the cycle of negatively reinforcing factors and enable a positive overall growth and development trajectory. Specifically, when confronted with recurring shocks (whether climatic or man-made), these interventions should enable individuals and productive systems to take early action (though use of early warning systems, stockpiling, modifying production, earlier marketing of products, among others); withstand potential disruptions to economic activity (through differentiated or resistant product lines, market stabilization measures, insurance schemes for pastoralists and contingency water reserves, for instance); and recover rapidly (through access to finance and facilitated restocking).

KEY ECONOMIC BENEFITS ASSOCIATED WITH RESILIENCE AND DEVELOPMENT INTERVENTIONS

- **Productivity gains and economic multipliers** resulting from improved access to productive assets, increased production due to better practices and improved inputs (e.g. drought resilient crops), and enhanced access to markets and technical services.
- **Avoided losses related to the further deterioration and collapse of critical services**, through preserving and maintaining critical service provisions (both institutional and community-based), which include losses in individual and community resilience, foregone productivity and the cost of substituting services through humanitarian assistance.
- **Avoided losses of productive assets**, including through the closure of businesses and negative coping strategies (eg. distress sales), through the preservation of livelihoods and productive capacities.
- **Long-term productivity and development gains due to avoided health and education-related losses.** The reduction in food insecurity over time would be expected to decrease the exposure and incidence of malnutrition and disease and their long-term impacts, including stunting and morbidity, and also facilitate acquisition of productive skills through access to education. This would generate productive capacity that would otherwise have been lost due to prolonged food insecurity, reduce future health costs, and would also avoid costs related to provision of direct emergency assistance.
- **Reduction of recurrent international expenditure.** Over time and where conditions permit, a transition from life-saving to resilience and development interventions would also result in considerable savings in international financial assistance, given expected positive returns on investment and decreased reliance on international support.
- **Prevention of conflict**, particularly at the community and inter-ethnic levels, by decreasing and preventing competition over income sources, food and natural resources.

BENEFITS AND COSTS OF DEVELOPMENT INVESTMENTS: EXAMPLES FROM THE FOUR COUNTRIES

Ongoing development-oriented projects in north-east Nigeria, Somalia, South Sudan and Yemen demonstrate the potential economic benefits of these investments. While more data and research is needed, these reinforce the argument and rationale for increasing such investments to complement humanitarian life-saving assistance in enhancing individual and systemic resilience to famine risk.

Enhancing resilience and economic productivity through rapid employment creation in Yemen. In Yemen, the *Emergency Response Project* financed by the World Bank and implemented by UNDP aims to support the rehabilitation of community infrastructures and services (including water management systems, rehabilitation of agricultural land and rehabilitation of roads) through labor-intensive approaches (cash for work). Over three years, and for a total cost of US\$ 265 million, the programme is expected to create tempo-

rary employment for 400,000 people, which will help meet food and other subsistence needs for 2.8 million household members, and benefit 2.5 million community members through productivity gains accruing from improved economic infrastructure and productive assets. Extrapolating project costs to three years for a total population of 8 million (1.14 million households)—which represents the total population that is currently food insecure in Yemen—yields a total cost of US\$ 757 million. According to programme cost-benefit analysis we can expect a benefit of US\$ 1.5 for US\$ 1 spent,—a benefit-cost ratio of 1.5—over the period analyzed. These returns would increase purchasing power and disposable income, as well as improve agricultural productivity, thus contributing to both economic recovery and increased self-reliance. Assuming that favorable conditions existed for such programming at scale, this would reduce reliance on emergency food assistance (costing an estimated US\$ 1 billion for 8 million people per year), and result in a savings of over US\$ 2 billion.³⁷

37 World Bank. *Yemen Emergency Crisis Response Project Additional Financing (P161806)*. December 2016. Note: calculations are the author's own, based on project targeting and financial data.

Catalysing economic recovery and growth through enhanced agricultural productivity in South Sudan. In South Sudan, the World Bank-financed South Sudan Emergency Food and Nutrition Security Project includes support to farmers affected by food scarcity to improve agricultural productivity through the provision of agricultural inputs (tools and seeds), enhancing assets for post-harvest handling and food storage, and the provision of extension services to improve production techniques.³⁸ Based on an analysis of profitability of different crop types, these types of activities are expected to generate a benefit of US\$ 1.5 for every dollar (or a benefit-cost ratio of 1.5). For a total cost of US\$ 8.7 million (which includes both project and beneficiary operating and investment expenditures), a positive net benefit of US\$ 2.1 million is expected in year one (which includes a 6 percent discount rate), or US\$ 98 per farmer for a total of 22,500 beneficiaries. Projecting the net benefits to 15 years, the net present value of the investment is estimated at US\$ 32 million. If the project investment was to be scaled up to US\$ 250 million (which represents half of the current food security costs in 2017 as outlined in the HRP, a projected economic benefit on the overall investment of US\$ 69 million would accrue in the first year, US\$ 226 million within three years, and US\$ 913 million within 15 years—assuming favorable conditions for agricultural growth exist. This scale of financing would benefit 656,000 farmers, or 3.9 million household members (assuming a household size of 6 people)—covering 65 percent of the population that is currently facing acute food insecurity. This demonstrates that resilience-focused programming has the potential to significantly offset humanitarian expenditures by strengthening economic self-sufficiency, while also generating important revenues that could support the overall strengthening of the productive sector and mitigate the overall impact of the conflict on national economic growth (GDP).

Economic benefits of avoided malnutrition and stunting. Perhaps one of the largest long-term economic benefits of preventing food crises are related to avoided malnutrition. Stunting (low height-for-age) caused by malnutrition is associated with significant drags on a country's human capital, reducing workforce productivity and income as stunting is associated with reduced physical and cognitive abilities and increased health risks (and thus also increased health costs) in adulthood. In short, stunting today reduces a country's future income. The World Bank has estimated this 'stunting penalty' on income as an average of 7 percent of GDP per capita. Applying this to Yemen, north-east Nigeria, Somalia and South Sudan yields an average per capita income elasticity of stunting -0.23 percent which can be interpreted as: for every additional 1 percentage point increase in the stunting rate of today's workforce there is an associated economic loss of 0.23 percent of GDP per capita, suggesting that stunted persons earn a significantly lower lifetime income compared to non-stunted persons. As household coping strategies to severe food crises involves reductions in food quantities and quality, it is likely that national stunting rates will go up as a result of the current crises, translating into long-term economic losses through the 'stunting income penalty'. One World Bank programme in Yemen is aims to increase smallholders' use of productivity and nutrition-enhancing agricultural practices.³⁹ The project is expected to generate significant economic benefits through its negative impact on stunting and agricultural production and productivity.⁴⁰ The economic Benefit-Cost-Ratio (BCR) of the programme is estimated at US\$ 1.5, meaning that every US\$ 1 will generate economic benefits of US\$ 1.5 and the project has an Economic Internal Rate of Return (EIRR) of 12 percent. These examples illustrate large long-term economic benefits associated with scaling up prevention strategies that increase food security resilience to shocks as opposed to intervening later at escalated levels of food crisis.

38 World Bank. *South Sudan Emergency Food and Nutrition Project (P163559)*. 2017.

39 World Bank. *Smallholder Agricultural Production Restoration and Enhancement Project (P162659)*. 2016.

40 Another benefit is the avoided additional health care cost associated with stunting.

Improving infrastructure and local service provision in Somalia and north-east Nigeria. Medium to long-term development investments in infrastructure and services are essential for enhancing resilience to shocks at both individual and systemic levels, and can help address underlying structural constraints and deficits (including lack of adequate access and coverage of services as well as productivity losses due to inadequate economic infrastructure).

■ In **Somalia**, the World Bank-financed *Somalia Emergency Drought Response and Recovery Project* supports improved access to water, sanitation and hygiene for 300,000 beneficiaries through repair and rehabilitation of existing boreholes. The expected productivity gains from improved access to water is expected at US\$ 11 for every dollar invested, and the cost (US\$ 2.5 million) considerably lower than water provision through water trucks (estimated at US\$ 36 million for the same target beneficiary group).⁴¹

■ In **north-east Nigeria**, the World Bank-financed Multi-Sectoral Crisis Recovery Project for North Eastern Nigeria aims to promote economic recovery in the BAY states through the rehabilitation of priority transport networks, reducing exposure to disease and promote agricultural productivity through improved access to clean water and irrigation, and reducing exposure to disease and morbidity. All three interventions are expected to generate direct benefits (in terms of the people whose welfare and income is directly improved by the project) as well as indirect benefits (productivity gains accruing through economic improvements of avoided productivity losses due to illness or death as well as the strengthening of institutional capacities). These benefits are expected to generate an economic rate of return of 17.6 percent, which is expected to remain positive even if adjusted downward to reflect increased costs or decreased benefits.⁴²

41 World Bank. *Somalia Emergency Drought Response and Recovery Project*. 2017.

42 This assumes a 15-year period for project to yield results; a discount rate of 6 percent, and 10 percent security premium given the operating environment in the BAY states. (World Bank. *Multi-Sectoral Crisis Recovery Project for North Eastern Nigeria (P157891)*, 2017).

5. TOWARDS AN INTEGRATED APPROACH TO ADDRESSING FAMINE RISK

At the 2016 World Humanitarian Summit, the UN, World Bank, UN Member States and other international partners affirmed their commitment to work more closely across humanitarian, development and peacebuilding 'divides' in order to enhance collective action in preventing, mitigating and addressing the root causes of contemporary crises.

This was followed by a call for a "New Way of Working" which aims to bring humanitarian and development partners together in addressing collective outcomes for addressing needs and risks through joint analysis, joined up planning, stronger coordination and innovative financing. These new commitments and approaches are particularly relevant to addressing the food security crises in north-east Nigeria, Somalia, South Sudan and Yemen as highlighted in the "Towards Zero Tolerance for Famine" High-level Meeting that took place on 22 April 2017, hosted by the World Bank President and United Nations Secretary-General. At that meeting, leaders from the UN, multilateral development banks, donor partners and NGOs expressed their commitment to improve access for provision of assistance, address immediate funding priorities, and collaborate on longer-term risk mitigation and management. The meeting also produced a roadmap comprised of key agreed actions to enhance the current responses in the four countries.

Over the course of 2017, significant progress has been made in developing a more integrated approach to famine risk in the four countries, though challenges still remain with respect to its operationalization (as outlined in the operational implications in section 3). Country level HRP's have provided an important vehicle for addressing urgent food security, nutrition and health needs and avoiding full-blown famine. All HRP's contain an explicit focus on provision of both life-saving and resilience focused assistance, with

an emphasis on emergency livelihoods support and strengthening of local service delivery mechanisms. Significant humanitarian financing has been provided across all four countries, with complementary development financing also increasing. At the same time, the UN, World Bank and other international partners have taken significant steps forward in developing broader and more integrated strategies for addressing famine risk, and launching interventions that directly aim to mitigate and prevent famine risk from a development perspective. In this context, important progress has also been achieved in establishing appropriate interfaces between humanitarian and development responses, as well as linkages with political and peacebuilding efforts.

■ **North-east Nigeria.** National and international attention to the situation in north-east Nigeria expanded significantly following the escalation of the conflict in 2014. Since then, over US\$ 1.5 billion has been mobilized within the framework of the HRP, which has played a critical role in addressing immediate life-saving needs and mitigating the acute food insecurity and exposure to malnutrition and disease. In recognition of the need to complement humanitarian assistance with longer-term recovery, the government's 2016 'Buhari Plan' provides a comprehensive strategy for addressing the impacts of the conflict as well as its underlying drivers and coordinating the efforts of national and international actors.

Within this framework, a North-East Nigeria Recovery and Peacebuilding Assessment (RPBA) in 2015-2016 provided a comprehensive assessment of conflict-related damages and losses in the six states, and identified priority needs for recovery and reconstruction, including underlying structural drivers of economic and social fragility. Within the UN, the 'New Way of Working' is being operationalized through a strategic platform for the delivery of humanitarian and development assistance, which is founded on an integrated three-pronged approach to strengthening resilience consisting of support for voluntary returns to safe areas of origin; investment in local infrastructure and social services; and rebuilding of livelihoods to stimulate investment, recovery and growth.⁴³ Within the framework of these various initiatives, a number of development projects, amounting to over US\$ 1.3 billion, have been launched by the UN, World Bank, EU and African Development Bank (ADB) since 2016 with a focus on medium to long-term resilience strengthening and recovery goals.

- **South Sudan.** Since 2013, the international community's response has focused primarily on the provision of humanitarian assistance, for which over US\$ 6.1 billion has been mobilized, targeting areas most affected by conflict and acute food insecurity - notably the 6 million people identified in IPC levels 3 to 5 (as of July 2017). In recognition of the need for a more comprehensive and sustainable approach to mitigating the impact of the crisis, the United Nations is currently leading efforts to develop a holistic and integrated approach to the crisis in South Sudan combining humanitarian, development and peacebuilding support. This approach, which is articulated in the UN Interim Cooperation Framework (ICF) for South Sudan for the 2016-2017 period, is founded on the recognition that a sustainable exit from South Sudan's 'conflict trap' requires life-saving assistance to be complemented by concurrent efforts to secure and consolidate peace and

transform economic and social systems to sustainably improve livelihoods and reduce poverty. As a two-year strategy operationalized through a number of joint UN programmes, the focus of the ICF includes the strengthening of key strategic capacities within state, local and social institutions, the start of policy dialogue on peace and development priorities; and the rapid strengthening of core services, economic (productive) capacities, and social cohesion to withstand shocks.

- **Yemen.** Since the start of the conflict in 2015, the international community has allocated considerable resources to address political, humanitarian and economic priorities and needs in Yemen, including US\$ 4.9 billion in humanitarian assistance and over US\$ 800 million in development assistance, primarily through World Bank-financed loans. The 2017 HRP for Yemen foresees a range of measures to address the deepening risk of famine, which for the most part target those governorates and districts with the highest risk populations (IPC levels 3 and 4). To date, assistance provided within this framework is generally considered as having been effective in preventing a more rapid escalation of food insecurity in Yemen, as well as morbidity associated with malnutrition and disease. In at least six governorates (Al Hudaydah, Amran, Hajjah, Sa'dah, Sana'a, and Ta'izz), food security outcomes would have been at least one phase higher in the absence of current food assistance.⁴⁴ Within the UN, a common system-wide vision and strategy has been developed (the UN Strategic Framework for 2017-2019) with the objective of "helping mitigate the impact of the current conflict on the social and economic conditions in Yemen, and on the capacity of state institutions while contributing to ongoing peacebuilding efforts".⁴⁵ As such, it is intended to serve as a programmatic bridge between the HRP and future recovery and post-crisis programming. Within this framework, a number of projects are currently being implemented or are in development, which directly

43 UN Resident and Humanitarian Coordinator in Nigeria. *Strategic Vision to Support a Coordinated Platform for the Delivery of Humanitarian and Development Assistance in Nigeria*. 25 August 2017.

44 Integrated Phase Classification. March 2017.

45 United Nations in Yemen. *UN Strategic Framework for Yemen (2017-2019)*. August 2017.



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address famine-related causal factors. These include a series of joint programmes through which UN agencies co-leverage their respective comparative advantages and expertise to provide multi-sectoral support for strengthening resilience, livelihoods and economic self-reliance. The World Bank is currently financing a number of projects which are implemented through UN agencies to address the core drivers of famine risk in Yemen, including through the creation of livelihood and income generation opportunities, improvement of productive assets and economic infrastructure, and expanding community access to basic services.

- **Somalia.** The international community has provided substantial assistance to Somalia since the collapse of the Siad Barre regime in 1991. Following the 2011-2012 famine, the international humanitarian community recognized that life-saving assistance alone was insufficient to address widespread vulnerability and exposure to drought and other shocks, leading to greater emphasis on resilience-based programming. The establishment of a full federal government in 2012 led to international re-engagement with Somalia within the framework of the 'Compact for Somalia', and a considerable increase in development assistance. The current pre-famine situation has once again drawn attention to the need

for more concerted efforts to break the cyclical dynamics of drought-induced food insecurity by linking humanitarian assistance with longer-term development and state-building efforts. Current efforts in this regard include assistance provided through the HRP which maintains a dual-focus approach to life-saving and resilience based assistance, but also envisions a direct interface with longer-term development solutions to strengthen the resilience of economic, productive and service provision systems. The Somali government's National Development Plan (NDP), which identifies building resilience capacity as a key cross-cutting priority, provides a critical platform for scaling up developmental responses and ensuring they adequately target key structural and systemic priorities for enhancing resilience to future drought and other shocks. The United Nations in turn has developed a Strategic Framework for Somalia (2017-2020) articulating how the UN system as a whole will help address political, security, humanitarian and development priorities within the overall NDP framework. Within this framework, and in line with the 'New Way of Working', the UN "not only seeks to respond to the humanitarian crises with life-saving assistance, but also to promote development and state-building approaches to bridge the humanitarian-development-peacebuilding nexus".



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