IPC Technical Guidance Note

Guidance for incorporating the impact of the war in Ukraine on IPC acute food insecurity classifications

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Introduction

The war in Ukraine started on 24 February 2022. Besides devastating the lives of the population of Ukraine and decimating key parts of the infrastructure and economy of the country, the armed conflict has wide repercussions outside the Ukraine borders due to the importance of Russia and Ukraine as food crop exporters and the prominent role of Russia in the global economy in terms of oil, natural gas, fertiliser and their components, and employment opportunities especially for citizens from European countries.

Because of the potential impacts that this crisis can have on global acute food insecurity, the IPC Global Support Unit has prepared the guidance below for as a resource for IPC analysts as they conduct the IPC Acute Food Insecurity analysis.

This note is structured around the IPC Analytical Framework (figure 1) and focuses on providing a set of guiding questions that analysts should consider when conducting analysis of the different food security elements. In order to conduct the analysis, analysts should consider the different risks the Ukraine crisis poses on food security in the country e.g. through impacts on imports and increasing inflation especially due to high food and fuel prices, but also potential mitigating factors such as high self-sufficiency in food products, good trade relations or increasing revenue for the country due to high prices of exports. The analysts are encouraged to review the questions below in light of evidence available on the situation.

Figure 1: The IPC Food Security Analytical Framework
Impact of the war in Ukraine on acute food insecurity

In simple terms countries may be negatively affected by the following issues:

- **Lower availability and higher price of wheat.** This will be felt as exports of wheat from Russia (due to logistical and banking challenges) and Ukraine (naval blockade of the Black Sea) are severely curtailed by the crisis. According to the International Grains Council the wheat index has increased by 49% in one year. The issues related to wheat exports are also likely to have ripple effects as countries and customers resort to other cereals, raising overall cereal prices.

- **Rising price of vegetable oils.** The war in Ukraine also affects the availability of other key products, such as sunflower and saffron oils. Even though most of these exports from Ukraine are typically not directed at IPC countries, the same ripple effects on prices of other global vegetable oils are being witnessed. As a result, according to IFPRI global vegetable oil prices have increased by around 30% since the start of the war.

- **Rising price of fuel,** which has increased substantially during the crisis due to a large number of buyers blocking imports from Russia and buying fuel from alternative suppliers, raising global fuel prices. As per the April 2022 Commodity Markets Outlook of the World Bank, Brent crude oil price is expected to be on average 42% higher in 2022 compared to 2021. Global fuel prices have direct cost effects on transport across the globe. Furthermore, as energy prices influence many prices of essential consumer goods and services (such as heating, lighting, cooking, price of public and private transport, and imported goods) high oil prices can increase overall inflation at country level, including food prices.

- **Overall food price inflation.** As per the FAO Food Price Index global food prices reached an all time high in March 2022, driven especially by increases in prices of cereals, vegetable oil, and meat, before retreating slightly in April. Estimates from IFPRI (2022) indicate that in 2021 international prices of food staple items accounted for 40% of the food price increases in low income countries. As of February 2022, right before the war food price inflation showed significant year on year increases in many IPC countries (see map in Annex). This trend can be exacerbated by the war and the increase in cereal, fuel and oil prices.

- **Higher price and lower availability of fertiliser.** Russia is one of the largest exporters of fertilisers and fertiliser components. Sanctions affecting banking and transport have led to low exports and some exporting countries have banned fertiliser exports. Fertiliser prices have increased globally (IFPRI 2022), and the situation is expected to remain problematic.
Guiding questions for analysts

**Vulnerability and shocks:**

- Food imports: how dependent is the country and the population in analysed areas on food imports?
- Where are the food imports sourced from? In case typical food imports are affected by the Ukraine war, does the country have alternative trading partners?
- Vulnerability: what are populations’ level of dependence on imported foods and how does this differ by geographic area? Typically, the population in urban areas is more dependent on imported food items and likely to experience price shocks in case prices of imported food items rise.
- Seasonality: how are the current and projected analysis periods in relation to the need to rely on imports? Is there seasonal variation in consumption of locally grown/imported cereals?
- Civil unrest/conflicts: is there a likelihood that rising food and fuel prices lead to civil unrest (e.g. demonstrations, strikes, political movements and turbulence and other similar events) or fuel a conflict in the country?
- Remittances: Does the country have ties to labour markets or companies in Russia? Given the sanctions and the economic problems in Russia, revenue of migrants working in Russia is likely to be affected, and trade in Russian products is negatively impacted by logistical and banking hurdles
- Fuel prices: have fuel prices increased since the start of the Ukraine crisis and if yes, to what extent is the price increase related to supply problems caused by the Ukraine crisis? If the fuel prices have increased, what is the impact of that on (mechanised) agriculture, trade, transport, energy production and overall price inflation?
- Structural challenges: in several countries the Ukraine crisis impacts are having a negative influence on the overall economic situation. To estimate the potential wider impacts, analysts can look at the macroeconomic situation. For example, is the local currency depreciating (having an impact on prices of imported items)? Is the balance of payments at the national level affected negatively? How high is the level of national debt of the country and is the debt level increasing due to the crisis impacts? Does the crisis have wider implications in terms of increasing poverty or unemployment?
- Government interventions: is there any notable change in the normal social protection and other policies that may affect food insecure people in the analysed area, e.g., changes in food or fuel subsidies, unemployment benefits, etc. which are related to the war in Ukraine?

**Food availability and stability:**

- What are the main staple food items in the country? What is the share between imports and local production?
- How have food imports been impacted so far (or how are they likely to be impacted) by the Ukraine crisis? In addition to difficulties impacting imports from Russia and Ukraine, some other countries have either blocked or put in place quotas for their own food exports.
- What is wheat availability like in the markets compared to the time before the Ukraine crisis? How about that of other cereals?
- How large is the share of wheat of typically consumed cereals in the country? In case wheat imports are compromised, is the country able to fill the gap through other cereals, either through imports or by increasing local production?
- How much does the local production depend on imported fertilisers, given the very high prices of fertilisers on global markets due to increasing energy prices and low supplies of potash, ammonia, and urea (much of which are sourced from Russia)?
- Are high fuel prices likely to affect food production in the country? If yes, how severe is the likely impact on food availability?
- Does the country have grain reserves that can be used to soften the impact of rising food prices if needed? Are there other potential mitigating factors, such as good harvest (previous or expected), robust trade relationships that are not affected by the crisis, or high level of self-sufficiency in terms of food products?
Food access and stability:

- What is the situation regarding food price, especially cereal and vegetable oil prices?

- How is the general food price index (e.g. Consumer Price Index or Minimum Expenditure Basket) evolving? Are there differences in food price inflation e.g. between urban and rural areas?

- What is the general food inflation trend in recent months since war started and what changes are there compared to last year?

- Are there food price projections available at country level, taking into account the Ukraine crisis impacts?

- How is purchasing power affected? Are e.g. daily labour wage rate and livestock prices in line with the overall inflation rate, or is the purchasing power of certain households or livelihood groups affected more than that of others?

- What is the level of household food stocks? Are food stocks helping households to mitigate the impact of potential food price increases?

- Have prices of cooking fuel increased? If yes, by how much compared to previous year? Do households have access to alternative (cheaper) sources of cooking fuel?

- Is the country receiving humanitarian food assistance? If yes, what is the share of the assistance provided in food and in cash or in vouchers? Is food assistance likely to be affected by the conflict in Ukraine, for example by lowering coverage or rations, or by diversion of assistance from one country/area to another? In case of cash or vouchers, is the value of assistance affected by rising food prices?

- Are any anticipated reductions in imported staple foods, or increases in prices for imported foods, likely to drive up prices for domestically produced foods, which could potentially result in higher incomes from the sale of crops for agricultural producer households?

Food consumption:

- What are the implications of higher prices on food consumption for the analysed population?

- If the crisis is affecting or likely to affect staple food items, is there potential for shifting food consumption patterns by substitution to other food products in order to maintain similar caloric intake?

- Do the impacts differ by socio-economic status or geographical location of households? For example, are urban households or casual labourers more affected than subsistence farmers?

- If there are likely to be gaps in food consumption due to import difficulties and high prices, how large are the additional deficits likely to be, compared to the normal situation?

Livelihood change:

- Based on the guiding questions regarding hazards and vulnerabilities, availability, access and food consumption, analysts should assess the likely impact on households’ assets and livelihoods.

- To what extent are households likely to resort to negative livelihood coping strategies in order to cope with rising food and potential food gaps? Are certain household groups likely to be more impacted than others?

- Are certain household or livelihood groups more likely to be affected by high food, fuel and fertilizer prices than others? E.g., will high fuel prices have a disproportionate effect on the transport sector, or high cereal prices on cereal traders or on the food sector, making these livelihood groups more likely to resort to coping strategies?
Nutrition:

Hikes in food prices and low purchasing power are expected to increase acute malnutrition, particularly in countries that are largely dependent on food imports. The increase in food and fuel prices are likely to negatively affect the nutritional status of children and pregnant and lactating women, nutritionally most vulnerable population sub-groups, in the following ways: (1) by reducing food intake (2) by reducing spending on other health and hygiene products, and (3) reducing humanitarian assistance. While reduction in food intake may directly result in acute malnutrition, reduction in spending on other essential products may indirectly contribute to acute malnutrition – for example, reduction in the purchase and use of soap may lead to increase in diarrheal disease, which in turn may lead to malnutrition. Reduction in humanitarian assistance such as protective rations may further contribute to acute malnutrition.

- What is the level of acute malnutrition prior to the war in the country of analysis?
- Are there nutrition surveys and nutrition surveillance systems showing an increase in acute malnutrition among children, particularly among older children (more than 2 years of age) and pregnant and lactating women compared to the same season in the previous year(s)? If yes, what is the level of increase?
- In the absence of surveys, is there an increase in feeding programme admissions compared to the similar periods in the previous year(s)?
- Are there higher than expected levels of childhood illnesses such as diarrhoea among children according to the health information management systems?
- Are there reductions in ongoing nutrition assistance such as blanket supplementary feeding programmes, which may particularly lead to acute malnutrition in the projection period?
- Is there reduction in coverage and/or health services typically provided to children?

IPC Analysis Updates

Given the high volatility of the context in Ukraine, the situation and its impacts may change rapidly. Hence TWGs may need to conduct more frequent updates of the IPC analyses. It may also be necessary to schedule data collections and new analyses outside the normal IPC analysis cycles.

Monitoring risk factors

Constant monitoring of food, fuel, and fertiliser prices, imports, local production and income for assessing purchasing power are of utmost importance in the current situation and help also to inform the plans for conducting IPC updates or new analyses.
Annex:

1. Selected documents and websites relating to Ukraine war impacts in terms of food security:

- Cereal supply and demand balances for sub-Saharan African countries, February 2022/FAO. Provides information on the importance of wheat as a cereal in Sub-Saharan countries compared to other cereals, and on dependence on imports for wheat and other cereals.

- The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict, 2022/FAO. Provides information on dependency of different countries on Russia and Ukraine for wheat and fertiliser imports, as well as e.g. overall information on the response of the world markets to the Ukraine crisis.

- Technical Briefing to FAO Members on the impact of COVID-19 and the war in Ukraine on the Outlook for Food Security and Nutrition, March 2022/FAO. Information on share of household basic expenditure in total expenditure in different countries, as well as data on global evolution of prices of key commodities (e.g. wheat, maize, fertilisers and vegetable oil) and information on potential future scenarios.

- Implications of Ukraine Conflict on Food Access and Availability in the Eastern Africa Region, March 2022/WFP. Information on cereal markets and dependency on Russia and Ukraine for wheat and other products in Eastern African countries.

2. Key indicators and suggested data sources to help analysts to prepare for the IPC Acute Food Insecurity Analyses

Vulnerability:
- Presence of shocks (e.g. war, precipitation, economic)
- Economic vulnerability: level of national debt, balance of payments, currency depreciation
- Change in fuel prices

Food availability:
- Share of imported cereals compared to total cereal consumption
- Share of wheat imported from Ukraine/Russia
- Share of wheat out of total cereal consumption
- Share of total food imports (cereal and vegetable oil) from Ukraine/Russia
- Share of imported edible oil compared to total edible oil consumption
- Share of imported edible oil
- Total edible oil consumption
- Imported wheat quantity (in metric tonnes)
- Country trade flows for affected items and involved countries
- Export statistics by country and by item
- Domestic production (past/expected harvest)
- Have wheat import requirements been met?
- Alternate supply routes
- Supply disruptions (export bans or quotas by supplying countries)
- Grain reserves
• Share of fertilisers imported from Ukraine/Russia
• Share of imported fertiliser compared to national fertiliser consumption
• Fertiliser use among households
• Increase in fertiliser price since the start of Ukraine crisis
• Estimated impact of changes in fertiliser price/availability on domestic production

Food access:
• Food price inflation
• Change in wheat prices
• Change in prices of other cereals
• Change in vegetable oil prices
• Consumer Price Index and Food Inflation

Humanitarian food assistance:
• Dependence on HFA (share of population covered during the peak period)
• Assistance modality (cash, voucher, in-kind, mixed, other)
• Source of wheat and/or vegetable oil if typical source is Ukraine/Russia
• Pipeline situation
• Share of planned assistance that is funded
Global maps of some key indicators

Figure 2: Food price inflation (% year-over-year change is consumer food price index)

Figure 3: Share of imported vegetable oils in total consumption


Source: COMTRADE, FAOSTAT. Map: David Laborde IFPRI blog 2 May 2022: The impact of the Ukraine crisis on the global vegetable oil market.
Figure 4: Impact of restrictions on importers (cumulated effects since early 2022)

Source: Data extracted from the Export restriction tracker on April 12th 2022. Map: David Laborde
IFPRI blog 13 April 2022: From Bad to Worse: How Ukraine-Russia war-related export restrictions exacerbate global food insecurity.