

**Statement of
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**Before the
Senate Committee on Appropriations
Subcommittee on State, Foreign Operations, and Related Programs**

“The Global Food Security and COVID-19 Crises: U.S. Response and Policy Options”

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Introduction

Good morning, and thank you Subcommittee Chair Coons, Ranking Member Graham, and members of the Senate Appropriations Subcommittee on State and Foreign Operations. I first and foremost want to express my gratitude for convening this hearing on the pressing topic of rising global food insecurity – a problem that has deepened dramatically in recent months.

My name is Tjada D'Oyen McKenna, and I am the Chief Executive Officer of Mercy Corps, an international humanitarian, development, and peacebuilding organization. Our global team of 5,600 humanitarians operates in 40 fragile countries facing conflict and hunger, where our work supports more than 37 million people to improve their lives in the face of adversity and crisis. In my previous work standing up the United States government's Feed the Future initiative at USAID in response to the last global food crisis, I focused intensively on strengthening global food security and know first-hand how critical it is to simultaneously invest in smart responses to immediate hunger crises while strengthening food systems and building long-term resilience.

Food systems in many of the countries in which we work are on the verge of collapse. In places like Ethiopia, Kenya, Lebanon, Nigeria, Somalia, South Sudan, and Yemen, communities are being battered by a perfect storm of conditions: ongoing economic setbacks from COVID-19, climate stresses, conflict and skyrocketing food, fuel, and fertilizer prices resulting from the war in Ukraine. This potent combination of challenges imperils lives around the world and threatens to fuel instability and civil strife. While the conflict in Ukraine is responsible for the recent price hikes, they are only the most recent factors contributing to global food insecurity. Given this combination

of threats, solutions must, by definition, include bold short-term relief and medium, and long-term interventions that fortify communities to cope with and withstand future shocks.

COVID Economic Shocks to Food Security

I testified in front of the House Foreign Affairs Committee a little over a year ago and stated, “Due to COVID-19, global food insecurity and hunger are on the rise. In part, this is because [at the time] 114 million people have lost their jobs due to market disruptions and movement restrictions. Another 141 million people have reduced their hours, which has led to an income loss of over \$3.7 trillion. The price of basic staples, such as grains and dairy, has inflated tremendously, triggered by COVID-19’s disruption of supply chains.” That statement is as relevant today as when I first testified and, unfortunately, the statistics are worse now than then. These impacts will persist for years to come, pushing those who were already vulnerable closer to the edge of acute food insecurity.

From the start of the pandemic to today, COVID-19 continues to drive hunger and poverty and now a global food security crisis is staring us in the face. The World Bank and the International Food Policy Research Institute, with analysis from the Pardee Center, estimates that COVID-19 may cause a persistent increase in extreme poverty, leading to a six to thirteen-year setback relative to a No-COVID scenario. Furthermore, at least two-thirds of households with children have lost income since the start of the COVID-19 pandemic, and income losses have left 1 in 4 adults in households with children going without food for a day or more.

In this sense, COVID-19 has not been just a health crisis, but a food, and socio-economic crisis, one which has rolled back decades of hard-won poverty reduction and food security gains. This impact means vulnerable populations such as women, children, and marginalized groups’ ability to respond to shocks and stresses is impaired as we have witnessed first-hand in many places, particularly the Horn of Africa.

Climate Shocks and Stresses

The effects of climate change are a primary driving force in the current global food crisis. Increasing weather risks and the associated impacts of a dramatically changing climate continue to unfold around the world, disrupting agriculture and pastoral activity, decimating livelihoods, and increasing conflict within and between communities suffering from a diminishing ability to provide for themselves. This is particularly true in the most fragile places in the world, where smallholder farmers are reliant on rainfed agriculture for subsistence farming. Continued crop loss both limits household earnings from agriculture and causes an increase in food prices.

The drought unfolding in the Horn of Africa is a primary example of the devastation wrought by climate change. The region is experiencing its third drought—an event that is supposed to take place every twenty years—in just a decade. The current one is the most devastating in a generation with over 15 million people in Ethiopia, Somalia and Kenya currently experiencing extreme hunger – a 70% increase in comparison to the population in need during past severe droughts.

After three consecutive seasons of failed rains, parts of the region are facing their driest conditions and hottest temperatures since satellite record-keeping began 40 years ago. Forecasts suggest that the situation is likely to escalate further, as a fourth consecutive season of below-average rains (March-May 2022) is now widely acknowledged to be occurring. This would be the first occurrence of four consecutive below-average rains in the region since at least 1981, resulting in one of the worst climate-related emergencies on record. A fourth season of failed rains could leave a staggering 45-55 million people facing acute food insecurity by mid-2022.

In Somalia, a recent Famine Risk Assessment Report clearly signals the potential for the drought to lead to widespread malnutrition and starvation, and indicates food security and malnutrition will deteriorate “further and faster” through June. Based on past drought responses in 2011 and 2017, we know that the worst is yet to come and that we should expect heightened humanitarian needs through at least September. The assessment concluded that as of right now 81,000 people are already in famine-like conditions, while over 1.7 million are on the brink. Additional United Nations projections indicate the lives of 350,000 children are at risk of death in coming months.

On top of the urgent threat to human lives, the protracted drought crisis also threatens livelihoods for millions. Severe water shortages are leading to crop failures. Over three million livestock have

already died across the region; without access to enough pasture, water, and fodder, the health of remaining livestock is rapidly deteriorating. This is greatly reducing people's ability to sell off animals – a key coping strategy for agro-pastoralists. Mercy Corps is responding to the drought by protecting lives, assets, and livelihoods in the immediate term while laying the groundwork for long-term resilience by working with communities, governments, and the private sector to improve local capacities and systems.

Prices of wheat, corn, cooking oil, and other staples across Africa and the Middle East are on the rise due to the conflict in Ukraine. For example, the price of some basic food items in Somalia has gone up over 100%, with three liters of cooking oil going from \$3 USD to as high as \$12 USD. A 50-kilogram bag of flour increased by 34%. The impact will contribute to the cycle of compounding and recurring crises that has eroded communities' coping strategies. While regional governments and development actors' investments in local systems and capacities have been crucial in helping lessen these impacts, the scale of the current drought occurrence, in combination with the array of other shocks, is overwhelming communities. Women and girls will bear the heavier brunt of the impacts of the drought, due to prevailing gender inequality. For instance, in times of crises, affected households adopt negative coping strategies such as skipping meals or removing children from school. Cultural norms dictate that women and girls will be the last to eat or not eat at all, and girls will be the first to miss out on their education. The displacement that results from drought can also lead to greater gender-based violence.

The countries in the Horn are far from the only ones experiencing climate-related shocks. South Sudan, a country known more for its past as a conflict hotspot and political turmoil, has struggled through multiple heavy cycles of rains in the previous three years. Last year was the wettest on record, flooding 33 out of the 79 counties across the country and causing the displacement of 835,000 people. An estimated 800,000 livestock without the ability to graze due to the flooding have died and the ability of smallholder farmers to support themselves and their communities has been devastated. Very little water has receded, leaving these communities at risk of complete inundation in the next round of rains traditionally starting this month. Beyond lives lost to the flooding and flood-related hunger, the desperate situation has fueled increased conflict across the country, continuing the cycle of violence and misery borne by the people of South Sudan.

The Ukraine Effect

The dual challenges of COVID-19 and climate shocks are now being compounded by the conflict in Ukraine and elsewhere. In this globalized economy, those living far beyond Ukraine's borders are feeling ripple effects in their daily lives through inflation and increased food and fuel prices.

The Ukrainian and Russian agricultural sector accounts for roughly 29% of the global wheat supply and due to the conflict in Ukraine the price of wheat is at an all-time high. Disruptions caused by the conflict, particularly in Ukraine's agricultural heartlands, are already having a disastrous effect on food prices and availability in the Middle East and the Horn of Africa. If fields continue to lay fallow, crops are not planted or harvested, and it remains near impossible or cost prohibitive to transport critical commodities out of the country, there will be less food on the global market, driving up scarcity and prices.

This is compounded by skyrocketing fuel costs, which have added cost to every link of the supply chain. These challenges will likely remain far beyond this planting and harvesting season—meaning scarcity and increased prices will be a feature of global food commodity markets well into the future. Additionally, fertilizer use will also be heavily impacted as Russia and Ukraine are both top exporters of three key fertilizers and crucial suppliers to many countries whose agricultural sectors are highly dependent on fertilizer imports. Globally, fertilizer supply continues to drop, and prices have increased fourfold since early 2020, driving up the cost of agricultural goods and affecting long-term yields.

Several of the most fragile countries in the world reliant on Ukrainian wheat and other staple crop imports, or dependent on food security assistance provided by the World Food Programme and other actors, find themselves in serious trouble, unable to feed their populations. A prime example is Lebanon, which imported 81.2% of its wheat from Ukraine in 2020, and as a result faces significant fallout from grain shortages and the economic impact of higher commodity prices. The country continues to host a large Syrian refugee population and is still reeling from the Beirut Port blast in August 2020, with a growing proportion of the population relying on subsidized wheat as a primary source of sustenance.

I recently traveled to Lebanon and saw firsthand how dramatic the impact global food and fuel price increases are having on Lebanese households. The Ukraine-related shortages and price

hikes are increasing pressure on the national government to respond quickly and forcing families to commit dwindling economic resources to skyrocketing food prices. There is increasing risk that higher fuel and food prices could drive social tensions, instability, and protests. Historically, there is a strong correlation between political instability and rising international food prices.

Lebanon is not the only country in the Middle East, contending with this potent mix of conflict and Ukraine-induced food insecurity. Food prices in northwest Syria – an area wracked by nearly a decade of conflict– were already up 86%, before the conflict in Ukraine had even started. The Turkish-supported Syrian Interim Government in northwest Syria and the opposition’s Syrian Salvation Government have both implemented policies to combat the high level of food insecurity in the region given Turkey imported 69.7% of its sunflower oil and 78% of its wheat from Ukraine and Russia. In Yemen, which imports more than 90% of its wheat from Ukraine and Russia, 16 million people do not know where their next meal will come from.

Recommendations

While the perfect storm of climate change, conflict, and COVID-19 I just outlined may appear to have emerged from a unique confluence of circumstances, we are likely to witness similar combinations of shocks manifest in the future. The global food security crisis is a window into the types of multi-factor global challenges we will likely face repeatedly if conflict goes unchecked, climate impacts increase in severity, and new global health security issues unfold. The international community and U.S. government must not only meet this moment by providing adequate humanitarian assistance to address acute food insecurity today, but by investing in and reorienting our assistance modalities to prepare vulnerable communities to weather these future shocks. As this committee and the broader U.S. government considers how to respond, Mercy Corps urges the following:

Rise to the Challenge through Adequate FY22 Funding

Based on new and worsening humanitarian emergencies and increased food, fuel, and shipping costs, the global humanitarian and food security assistance funding shortfall in 2022 has increased by 50 percent. We welcome the Administration’s recent release of the Bill Emerson Humanitarian Trust to the Horn of Africa and Yemen, but these food commodities will take months

to arrive, let alone get to people's plates. The Administration's recent second Ukraine supplemental request included some international food security assistance, but from our estimation there is only \$1.85 billion dedicated to addressing the urgent humanitarian needs. Put simply, this is entirely insufficient to meet the current challenges.

Consequently, we are asking Congress to provide \$5 billion in supplemental funding for international food security programs. The now 323 million people likely facing crisis levels of hunger around the world cannot afford further delay, nor can U.S. partner humanitarian organizations continue making impossible choices everyday as to who lives and who dies because of a lack of funding.

Make Humanitarian Response “Smarter”

Humanitarian and food security assistance are vitally important tools in mitigating the impacts of crises and saving lives. First and foremost, it must be immediately available and provided in sufficient quantity to actually meet needs around the world. It must also be provided in ways that promote maximum speed and effectiveness. Finally—and of critical importance—it must promote readiness for future shocks and strengthen local systems that people rely on to meet during emergencies and times of acute stress.

We encourage the U.S. government to:

1. Ensure robust base funding for humanitarian accounts: While supplemental funding for unexpected emergencies may be required, nothing will ever replace the adequate baseline budget necessary to respond to needs that are clear at the outset of a fiscal year. We know enough about current needs and historical spending patterns to set an adequate spending level for the humanitarian accounts and to provide a State and Foreign Operations topline number that will accommodate them. This is essential to make sure U.S. humanitarian offices can plan and make better choices throughout the fiscal year.
2. Prioritize cash and voucher interventions: Cash and voucher interventions support household's ability to purchase food and farmers' ability to access seeds and fertilizer. These interventions directly support local market interventions as part of emergency response and recovery. Evidence suggests that in most cases, cash is a more efficient and effective mechanism to reach needy people. It has the added benefit of sustaining

markets and offering people dignity of choice. Where markets are thin, it should be complemented by direct support for local businesses and other actors to sustain the marketplace.

3. Universally integrate the use of flexible financing mechanisms into all existing and new procurement mechanisms across USAID: Streamlining the activation of crisis modifiers will enable bureaus to better pivot quickly to emergency response while protecting development gains. This flexible funding mechanism allows USAID to rapidly pass-through new rounds of funding to current, existing partners whenever a crisis hits, without the need to go through time intensive new rounds of requests for applications. This allows crisis response to leverage existing partnerships and interventions to ensure response is faster and more effective. Additional flexibility through procurement reform will also be required to fully implement smarter humanitarian assistance.
4. Implement peacebuilding and good governance alongside emergency response: While emergency assistance is focused on saving lives, there are ways that it can be provided to promote peace, improve good governance, and strengthen systems that help vulnerable people cope. Mercy Corps' Advancing Peace in Complex Crisis framework provides guidance on how this can be achieved across a range of conflict types and security conditions.

Invest in Resilient Food Systems

The U.S. recognized the need to strengthen food systems when it stood up the Feed the Future Initiative after the 2007/2008 food price crisis. Feed the Future is a “whole of government” initiative with proven results in reducing poverty, preventing hunger, and reducing stunting. Congressional investments in food systems were successful in increasing the resilience of households vulnerable to the impacts of COVID-19 and food systems proved more resilient during the pandemic than originally expected. Feed the Future has also proven that investments in fragile areas can increase household resilience to food security and reduce the need for humanitarian assistance. For example, in Northeastern Nigeria Mercy Corps is strengthening local market systems, partnering with input suppliers, buyers, and other local actors to improve the resilience of food systems and strengthen livelihoods of households. 80% of participants in Mercy Corps' poultry market interventions have reported improved ability to address conflict related shocks, while agriculture businesses and farmers supported with financial assistance in Northeastern

Nigeria were able to generate revenues up to four times larger than the program budget that supported them. Given these proven results, we would recommend the following:

1. Invest in Feed the Future Countries: Despite the increase in frequency of disruptions, food systems investments at the country level have remained the same for more than a decade. The U.S. government must commit adequate resourcing to this global anti-hunger agenda to ensure it is truly able to “shock proof” global food systems as we head into a future that will inevitably include more events like those we are currently experiencing. These must focus on building the resilience of global and local food systems to more frequent climate and conflict disruptions. Feed the Future can help mitigate additional needs by expanding the program into fragile areas to strengthen food systems for the future.
2. Reauthorize the Global Food Security Act (GFSA): The GFSA authorized Feed the Future and sets forth Congressional expectations on a bold global food security agenda. It must be reauthorized this year and this process should be used as an opportunity to incorporate lessons learned and reinvigorate Congressional support for global food security in light of the crisis we are currently witnessing. We would encourage Congress to double the authorized amount for Feed the Future through the GFSA.

Commit to Proactively Addressing Conflict and Climate Change in a Strengthened Resilience Agenda

The U.S. and other bilateral and multilateral donors continue to be stuck in a paradigm of foreign assistance that is reactive. In recent years, with the passage of the Global Food Security Act, the Global Fragility Act, and other important pieces of legislation, the U.S. has begun to pivot toward a more forward leaning and proactive agenda to head off crises. We must strengthen this posture by squarely focusing foreign assistance investments on tackling the root causes of conflict, violence, and fragility, prevent the escalation of crises where we can, and mitigate the impacts of inevitable shocks. In short, we must redouble our efforts on building resilience to help communities prevent or reduce effects of crises.

Conflict, climate change, and COVID-19 are major, intertwined challenges across the globe. There is increasing evidence that climate change compounds existing sources of economic, political, and social risks that drive violence. Climatic shocks like drought are already increasing the risk of intercommunal conflict in the Horn. Ongoing conflicts in Ethiopia, Northern Kenya, the

Sahel, South Sudan, Somalia, Syria, Ukraine, and Yemen are exacerbating disparities among vulnerable communities, destroying livelihoods, and limiting humanitarian access. Of the more than 161 million people around the world that live in countries with crisis levels of food insecurity, more than 100 million live in places where conflict is the main driver of that food insecurity.

A strengthened resilience agenda should prioritize development investments and peacebuilding initiatives alongside humanitarian assistance, which we know all too well cannot solve the underlying causes of these crises. These different types of interventions should be thoughtfully integrated and connected for impact. The three USAID bureaus—for Resilience and Food Security, Humanitarian Assistance, and Conflict Prevention and Stabilization—were brought together expressly to ensure a better response to these mutually reinforcing challenges. We must do more to layer and sequence humanitarian and development investments in fragile contexts and be more intentional, and bolder in our efforts to do so.

Our research on this topic in the Horn of Africa demonstrates resilience programming that better integrates early warning systems, more shock-responsive social protection programs, and stronger market systems are arguably mitigating some of the worst effects of the current shocks – at a fraction of the cost of emergency assistance. Recent analysis drawn from drought data in the Horn between 2000 and 2015 indicates that investments in resilience and safety nets “reduces the net cost of humanitarian response by an estimated \$1.6 billion [USD] over a 15-year period over the cost of a late response.” When considering the costs of meeting immediate needs and the benefits to incomes and livestock, investments in resilience building are estimated to save \$4.3 billion over a 15-year period, which averages to \$287 million USD per year.

Put simply, we cannot afford to take any other approach. The intricate connectivity between climate change, conflict, economic shocks, and food insecurity demands a more integrated, better coordinated, and sequenced approach to our foreign assistance investments. No amount of humanitarian assistance will suffice if this gordian knot is not untangled.

Mercy Corps recommends that efforts be made to:

1. Increase investments in development and peacebuilding interventions in contexts affected by recurrent or protracted humanitarian crises: Investments in addressing root causes of these challenges is insufficient. Furthermore, we believe embedding a conflict-sensitive

approach throughout all food security programming, supporting peaceful migration and resource sharing makes our humanitarian assistance smarter.

2. Ensure USAID works collaboratively across bureaus: The Administration must expand and enhance its focus on working collaboratively across all relevant parts of our foreign assistance apparatus with relevant mandates to create an integrated package of assistance that is mutually reinforcing. It is particularly important that USAID's efforts break silos and add up to a greater sum than their individual parts. This includes ensuring all humanitarian action is conflict sensitive, and that social and market systems are reinforced rather than undermined in areas where humanitarian aid is prolonged. We recommend reinvigorating the "R3" concept with a fully empowered Deputy Administrator role to oversee USAID's Bureaus for Humanitarian Assistance, Resilience and Food Security, and Conflict Prevention and Stabilization.
3. Build Resilient Food Systems in Fragile Areas: The evidence is clear that resilience investments can mitigate humanitarian needs in fragile contexts. Through the reauthorization of the GFSA and the elevation of the USAID Resilience Leadership Council, we can ensure resources are being targeted in areas of greatest need and opportunity. Ultimately, food system resilience must include efforts to prevent and reduce the impacts of future health, climate, and conflict shocks, among others, that can impact functioning food systems. Resilience requires the ability to adapt to the rapidly changing contexts within which food systems operate, including increasing urbanization, income changes, complex supply chains, and natural resource and equity constraints. Adaptive food system monitoring systems are also needed as part of the resilience-building pathway.
4. Layer and Sequence Humanitarian, Development, and Peacebuilding Approaches from the start: In every context, program interventions must be layered and sequenced with the full range of foreign assistance resources, tailored to individual contexts, communities, and countries. This means that when responding to a weather emergency or a new conflict that humanitarian and development funding tools are aligned, mutually reinforcing and appropriately timed, and sequenced to give individuals and communities the best opportunity to survive, cope and thrive.

Closing Call to Action

Taken together, the impact of COVID-19, enduring and escalating climate shocks, unchecked conflict and now the war in Ukraine are the perfect storm impacting vulnerable communities' ability to feed and support themselves. The consequences could be catastrophic—in terms of lives lost and further global instability— if adequate efforts are not made to provide immediate assistance at the scale required.

We must also recognize that these interconnected challenges are not in fact anomalous, but a glimpse into a future where multi-factor shocks will combine to create significant threats to lives around the world. Knowing this means we must proceed boldly and strategically, making dedicated efforts to ensure our humanitarian assistance not only prevents lives from being lost, but fortifies communities and food systems to withstand inevitable shocks. It also means better combining our foreign assistance tools and approaches to promote resilience by planning and executing assistance that layers and sequences different interventions. We have a critical window of opportunity to better prepare for a complex and potentially dangerous future in which global food security will be imperiled by an array of interrelated shocks, let's seize it.

Thank you.