

## Global Food Crisis Response (GFCR)

**Duration** : September 2008 – February 2010  
**Donors** : Bill & Melinda Gates Foundation; World Food Programme  
**Amount** : US \$692,612  
**Region** : Far West

**Beneficiaries** : 25,600 individuals  
**Sectors** : Food Security, Agriculture, and Financial Access  
**Partners** : ECARDS-Nepal; Nirdhan Utthan Bank, Ltd.; Private Sector Actors

### The Challenge

The crisis in world food markets due to high food prices is drastically decreasing food security and purchasing power for the poorest populations in the world. In the past three years, the price of basic commodities has gone up by roughly 80 percent, with the price of wheat and rice doubling between March 2007 and March 2008. According to the Food and Agriculture Organization (FAO), food crisis persist in 32 countries around the world. Without external assistance to meet immediate needs, the food supply for the poorest households in these countries will become less secure, leading to greater malnutrition and the adoption of negative coping mechanisms (such as selling off assets, eating seed stock and taking children out of school). Most experts expect food prices to remain at elevated levels for years (FAO 2008).

Nepal has been identified by the FAO as one of the countries in crisis due to severe localized food insecurity, attributable to the influx of refugees, a concentration of internally displaced persons, or areas with combinations of crop failure and deep poverty. On average, the Nepalese population spends more than half its income on food, a situation exacerbated by increases of 20 to 30 percent in food prices recently (UN WFP and NDRI 2008). According to the Nepal Development Research Group (NDRI) and United Nations World Food Programme (UN WFP), approximately 2.5 million people in rural Nepal are in immediate need of food assistance and a further 3.9 million are at risk of becoming food insecure due to higher food prices.



Beneficiaries whose food storage was washed away by the September 2008 flood

### The Opportunity

Mercy Corps believes that an effective response to the global food crisis must provide immediate assistance while bolstering agricultural profitability and reducing the impact

of future food security shocks. To this end, Mercy Corps designed the Global Food Crisis Response (GFCR) program with the goal of improving immediate and medium-term food security, while laying the groundwork for longer-term solutions in vulnerable communities. Under the umbrella of this program, Mercy Corps is working in five countries suffering heavily from the effects of the global food crisis: The Central African Republic (CAR), Nepal, Niger, Somalia and Sri Lanka.

In Nepal, based on WFP Food Security Monitoring and Analysis System (FSMAS), Vulnerability Analysis and Mapping (VAM), and the expressed priorities of local government offices and communities, ten Village Development Committees (VDCs) in the Baitadi, Dadeldhura and Kailali districts of the Far Western Region were selected to participate in three activity areas as described below.

### Immediate Assistance: Wage Labor in Support of Public Works Schemes

Implemented in partnership with WFP, the Cash for Work (CfW) component of GFCR provided cash transfers to highly food insecure households through wage labor opportunities for 2,213 extremely vulnerable households, including 992 households affected by the September 19th flood of the Mohana river in Kailali district and an additional 1,221 households in the Baitadi, Dadeldhura and Kailali districts who face chronic, seasonal food insecurity. CfW enabled participating communities to construct and/or repair 96 infrastructure projects that contributed to improve local food and agriculture systems while reducing the risk of future food security shocks, such as agricultural roads, irrigation systems, and flood mitigation works.

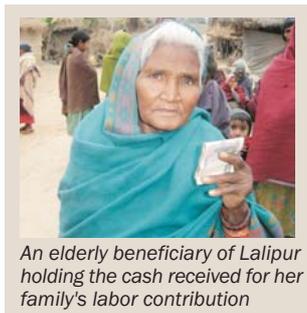


GFCR beneficiaries involved in CfW scheme - village road construction



Evacuation route constructed by beneficiaries through CfW

Total wages of US \$ 209,000 were paid to 2,213 households in return for a 42-days labor contribution. Wages received by beneficiaries were used primarily to purchase food, but also for expenses related to education, health care, seeds, and irrigation.



An elderly beneficiary of Lalipur holding the cash received for her family's labor contribution

### Bolstering Agricultural Profitability: Business Opportunities for Smallholder Farmers

Based on a value chain analysis commissioned by Mercy Corps, smallholder farmers in target communities are being empowered and organized to expand agricultural output of two high-impact crops: ginger and potato. These crops hold the greatest potential for profitability in the target districts of the Far Western Region, and include both food (potato) and cash (ginger) crops. Mercy Corps works with farmers groups to facilitate access to high quality seeds; promote and/or introduce the use of improved technologies to control disease and increase yields; and, improve business and technical practices.

At the same time, Mercy Corps fosters links between farmers groups and market actors - such as input suppliers, traders, and business associations - to strengthen the overall ginger and potato value chains in Kailali, Dadeldhura and Baitadi. These activities reach 30 farmers groups comprising 1,221 household in ten VDCs, in addition to a range of value chain actors.

### Resilience to Shocks: Promoting Improved Access to Financial Services

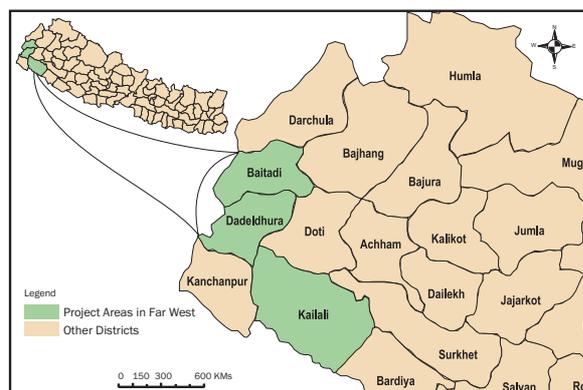
As a further measure to strengthen the resilience of communities to food security shocks, Mercy Corps is working with Nirdhan Utthan Bank Limited (NUBL) - Nepal's largest micro-finance institution - to expand access to financial services in the target districts. With Mercy Corps' operational support in the initial stages, NUBL has opened three branches in the Far Western region (in Kailali and Dadeldhura), from which it will offer savings and loan services through Grameen-model and Self Reliance Group-model lending. These loan products will be made available both to ginger and potato farmers groups and to additional community groups, reaching a total of 13,862 individuals during the program period.



Beneficiaries selecting ginger seeds for plantation

Ginger - a high impact commodity

### GFCR Project Areas in Nepal



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You wish to see in the world.  
- Gandhi

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