UNICEF Pacific

SITUATION REPORTING: FOOD PRICE INCREASES/NUTRITION SECURITY IN THE PACIFIC ISLANDS

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Summary

The rise in the prices of food and fuel presents two major concerns for UNICEF Pacific: (a) the potential for nutrition insecurity in the most vulnerable and marginalized populations and groups – special attention is needed for children under 5 years of age and especially 12 to 24 months olds (going through a period of maximum brain and body development), pregnant and lactating women; (b) the need for urgent and unified efforts to mitigate the consequences and ensure that progress towards the MDGs, especially education and child and maternal mortality, is not impeded or reversed.

All Pacific island countries and territories (PICTS) are vulnerable to the impact of increased food and fuel prices, according to regional agencies that met on the 11 July 2008 in World Bank Offices in Sydney, Australia. The impacts, however, are variable from country to country and at community and household level. Vulnerability of PICTs is due largely to: the already high cost of commodity transportation, with ships importing goods to PICTs returning empty because of limited exports; limited alternatives to bio-fuel (this is occurring globally, including PICTs) with heavy reliance on diesel-generated electricity; pre-existing levels of poverty especially among urban squatter settlements, rural areas and outer islands; the lack of robust social protection mechanisms and safety nets in all PICTs (except Fiji which has a Family Assistance Programme); the demand for modern, imported foods because of changing diets and lifestyle aspirations; atoll islands with poor soils and generally limited agricultural production; the isolation of inhabited islands; poor infrastructure and transportation facilities which hinder between-and within-country trading, affecting both imported and locally produced foods; unfavorable fiscal policy environments; and weak budgetary positions (e.g., Fiji).

Global price rises in fuel and food are manifested by: high inflation rates; increased transportation costs; increased share of GDP going to food and electricity generation and away from social services; difficulty in maintaining balance of payments; reduced financial reserves; increased cost of electricity; rationing of electricity (for example in Solomon Islands where rationing has reached 48 hours in some places); temporary closure of schools for non-payment of bills (Kiribati); decreasing level of remittances from relatives living outside PICTs; increased child labour; less borrowing from micro-finance institutions implying reduced disposable incomes; and increased prices of domestic foods.

Global fuel and food price increases on households and nations will result in: a continuous struggle to meet essential daily or weekly living expenses – leading to possible violations of many human rights; competing needs that may favor purchase of fuel and cheap, substandard food at the expense of education, health care, and nutritious foods; increasing hardship and poverty; further declines in remittances from seafarers and relatives abroad; increased migration to urban areas, including squatter settlements – accompanied by further reductions in income...
generating activities and employment opportunities; potential for civil unrest and political instability; and retarded socio-economic development.

Specific impacts on women and children are likely to be: decreased quantity and quality of food (skipped meals etc); micronutrient deficiencies – increasing vulnerability to illness and death; low birth weights, underweight, stunting and wasting – high risks to death; increased student drop-outs (no fees, cannot afford lunch, have to engage in income generating activities, etc); increased child abuse and exploitation; pressure on fragile health and education systems (government withdrawing funds from social services to economic sectors) with women and children most affected.

The overall strategic response of UNICEF Pacific is to:

- Rapidly assess and analyze the situation in the 10 high to high/medium priority countries (Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, Tuvalu).
- Set up early warning and monitoring systems in the 10 high to high/medium priority countries.
- Respond to immediate needs and fast-track interventions already identified in the current multi-country programme, with 2009 as the year to mainstream the mitigation measures in the 10 prioritized countries.
- Maintain a watching brief on the situation for children and women in the remaining 4 Pacific Island countries.

10 immediate results are envisaged between now and January 2009. By end of October 2008:
1. Initial vulnerability maps established, initial situation monitoring system developed, and quality of existing data assessed in Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, Tuvalu
2. Partnerships established with Asian Development Bank and other agencies interested in mapping out the most vulnerable segments of the populations, response planning and intervention support
3. Contact initiated and maintained with relevant Ministries and Ministry focal point established in Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, Tuvalu
4. Initial contact made on food and fuel price situation monitoring with Tokelau, Samoa, Tonga, and Cook Islands.

By end of January 2009:
5. National responses with regards to social impact of food and fuel price increase on women and children developed in Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, and Tuvalu
6. Contact maintained with relevant Ministries and Ministry focal point established in Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, and Tuvalu
7. Second contact made on food and fuel price situation monitoring with Tokelau, Samoa, Tonga, Cook Islands
8. Partnerships maintained with ADB and other agencies interested in mapping out the most vulnerable segments of the populations, response planning and intervention support
9. Advocacy and Communication initiated for Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, and Tuvalu
10. Early warning and monitoring commenced in Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, and Tuvalu

1 The situation monitoring system will include a set of feasible indicators that will be tracked on 3 monthly, half yearly, annual basis, or specialized survey – HIES, DHS, etc. – depending on indicator periodicity. The system might have two platforms of linked information allied to anticipated impacts described in this Report. **Platform A – Economic:** inflation rates; transportation costs; share of GDP going to food and electricity generation compared to social services; balance of payments; financial reserves; cost of electricity; rationing of electricity; level of remittances from relatives living outside PICTs; borrowing from micro-finance institutions; prices of domestic foods (CPI); household expenditure patterns; migration to urban areas; potential for civil unrest and political instability; measure of broader socio-economic development; **Platform B – Social:** MDG and National Development Plan Annual Indicator tracking; disease surveillance; student attendance; trends in nutrition of pregnant women, lactating mothers (Vitamin A, Zinc etc) and children below the age of 5 in identifying low birth weight, malnourishment in children under age of 5, growth monitoring; household nutrition and dietary patterns; health and education systems spending and provision (including evidence of closure of schools and clinics, reductions in outreach services, staff attendance); evidence of increased child labour; reports of violations of human rights (child abuse and exploitation); HIV vulnerabilities (part of ongoing programme). Note again that data to be generated against these indicators may be collected at regular intervals during or at the end of an annual cycle or through specialized surveys every 2-3 years. The data for many economic indicators will be generated by other agencies and gathered by UNICEF Pacific to produce quarterly situation analyses reports on the impact of food and fuel prices on Pacific children.
1.0 INTRODUCTION

This is the first report on the food prices situation and the impact on children in the Pacific island countries and territories (PICTs) and how UNICEF is responding and intends to respond in the short- and medium-term. The report is written within the broader context of the impacts of global oil and food price increases on the Pacific region.

2.0 FOOD PRICES SITUATION AND IMPACT ON CHILDREN

This section of the report is based on a paper prepared by UNICEF Pacific in May 2008 and documents circulated and discussions held during a one-day meeting called by the World Bank in Sydney, Australia, on 11 July 2008.

2.1 Presence of systematic analysis and/or monitoring systems on the trends in food prices and their consequences

Almost all PICTs have good consumer price index (CPI) data collection systems enabling them to monitor and analyze food price changes for both imported foods and local produce. It is uncertain however, whether many countries have undertaken systematic analysis of the recent prices increases, except in the context of their normal CPI reporting. In Fiji for instance, the Bureau of Statistics (CPI section, for retail price movements) conducts a monthly survey of retail prices when compiling the monthly or annual “inflation rate” exercise. Some countries have price control regulations that govern the margins and prices that wholesalers and retailers can charge on certain “essential” items. This can actually lead to a worsening of the supply situation if retailers think that they will not be able to recover the increased costs and consequently do not import as much.

Analysis of recent household income and expenditure surveys (HIES) is providing new information on diet patterns of low-income groups and would enable the vulnerability of these groups to be assessed. However, not much detailed analysis of these particular issues has been done as yet. UNDP Pacific Centre suggests including sets of specific questions that can be answered for each country and then a comparative analysis made.

National Disaster Committees routinely undertake rapid assessments following natural disasters to ascertain the extent of crop damage and communities living with food supply. In these cases, food distribution in emergency situations often includes imported foods such as rice, noodles and milk powder. The distribution of food is often problematic (and unequal) with or without food price increases due to challenging terrain and remoteness of many rural areas.

Currently, UNICEF Pacific (in close collaboration with its partners) has in place well established monitoring systems that also look at trends in nutrition of pregnant women, lactating mothers (Vitamin A, Zinc etc) and children below the age of 5 in identifying low birth weight, malnourishment in children under age of 5, growth monitoring, disease surveillance as well as other records in respective countries to determine trends in nutrition and impacts for women and children in the Pacific. Sub-national to national linkage in terms of data flow and analysis is not always optimal. National statistics and averages can hide sub-national inequalities and vulnerabilities. More capacity building is needed in these areas.

2.2 Likely impact on the situation of women and children

As the situation of rising food prices is caused by a number of complex factors, the impact (and approach) to these is also multi-faceted. Poverty in the Pacific Island context does not generally mean hunger or destitution, but rather the continuous struggle to meet essential daily/weekly living expenses, particularly those that require cash payments. Families constantly have to make choices between the competing demands for expenditure on food and basic-needs and their limited availability of cash income; trade-offs are made between paying one bill or another, between food or school fees. Households deemed to be experiencing basic needs poverty are therefore facing hardship on a daily basis. They struggle to pay bills, and to purchase adequate and suitably nutritious food. They borrow regularly from “loan-sharks” who charge very high rates of interest for small unsecured loans to meet

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4 It is difficult to compare statistics across all PICTs due to lack of institutionalized systematic analysis procedures in country and differences in quality of data collection and analysis.
family commitments and community obligations. Many families are thus frequently, and some families are constantly, in debt. [Abbott & Pollard, 2004]

The task of achieving economic stability is difficult for many PICTs with factors such as isolation from foreign markets and periodic devastation from natural disasters, creating a susceptibility to acute economic distress with potentially overwhelming human consequences. The following issues highlight several key factors that are increasing hardship for people in the Pacific.

2.2.1 Increasing hardship and poverty

(a) Rising cost of fuel and food prices

During the course of 2007 the US$ price of oil on the international markets rose by almost 75%, and recently reached a new peak of over US$120 per barrel. Although partly mitigated by the fall in the value of the US$ against regional currencies, this big increase in oil prices had a significant impact on prices in the Pacific region where transport costs have a large influence on import prices. The recent sharp increases in the price of rice, flour and other cereal-based products are also having a major impact on consumer price indices, and of course on the ability of consumers to meet the costs of basic food needs. This is especially true of those in urban centres where access to home-grown foods is limited.

In addition to this, the costs of many local food items have risen sharply in recent years. In Samoa, a fungal blight and insect pests spread rapidly when mono-cropping of taro, their staple food crop, became an export crop in the 1980s-90s. Taro production has been revived with a new variety but remains expensive [Schoeffel, email correspondence]. The chart below illustrates the proportion of expenditure for food of low-income households in six Pacific island countries. In all six countries, almost 50% of household expenditure among low income households goes on food, even in rural areas. As food prices increase, a number of scenarios may unfold including: households divert expenditure away from such items as school fees and health care towards food; and/or households consume less food, less frequently; and/or households turn to cheaper, less nutritious products (if these are available); and/or households increase subsistence food production (if this is feasible – unlikely in urban areas).

![Chart 3](chart3.png)

**Source:** UNDP Pacific Centre.

(b) Declining remittances

Remittances from seafarers, particularly for Tuvalu and Kiribati, and from those employed in the global security industry, notably Fiji, where wages are often set in US$, have been adversely impacted by the depreciation of the US currency against most regional currencies over the last two to three years. For example the average US$ monthly remittances from Tuvalu seafarers have declined in A$ value by more than 20% since the beginning of 2006. In real terms therefore, families relying on US$-denominated remittances for their primary source of income have seen their real incomes decline by around a quarter over the two years [Abbott, 2008].
Remittances have now become one of the primary sources of income for many households in Fiji, having risen in value from F$50 million in 1999 to F$320 million in 2006. More recent data from RBF\(^5\), however, suggests that to November 2007 the level of remittances was down by over 25% on the previous year, thus adding to the already depressed state of consumer spending in Fiji [Abbott, 2008]. This would be likely to further decline as those sending the remittances retain a larger proportion of money needed to meet the rising food and commodity costs in their host country.

For an increasing number of PICTs remittances from both migrant and temporary overseas workers are being seen almost as a panacea for the failure of domestic policies to create investment and employment opportunities in the home countries. But whilst these new opportunities do provide a safety valve they are not without costs in terms of loss of skills and manpower, and other unintended social consequences of absent families and spouses [Abbott, 2008].

(c) Internal migration /urbanization & modernization

Changes in taxes and tariffs and the introduction of broad-based consumption (or value-added) taxes are frequently regressive for low-income households unless there are specific exemptions for basic foodstuffs and other “essentials”. Where incomes are lowest and/or opportunities for employment or other income generation are limited, there will be a tendency to migrate where opportunities are perceived to be greater. If this leads to rural depopulation, increasing dependency and a reduction in rural production or productivity the situation becomes a self-feeding spiral [Abbott, 2008].

While Pacific island people may not be well off in financial or material terms, their strong family and community ties have traditionally provided social safety nets for the most disadvantaged and vulnerable. Many people believe, however, that these traditional support systems and values are being eroded as the trend towards urban and Westernised living increases, placing people in greater hardship [Abbott & Pollard, 2004].

Growing numbers of people are living in squatter settlements, often unemployed and living in sub-standard housing conditions, result in a deteriorating social environment. Many are without proper access to water, sanitation and other basic services. Poor housing conditions lead to poor health, poor employment prospects, and poor education attainment. Children frequently miss school through ill-health or because school fees have not been paid. Adults are frequently poorly educated and thus unable to get anything but the lowest-paid and often casual employment, if such employment is even available. Taking greater risks such as turning to sex work and accepting dangerous work environments are often the consequence of poverty. The cycle of poverty can therefore be perpetuated [Abbott & Pollard, 2004].

(d) Inequality in land ownership weighs on productivity

Inequality in asset ownership, particularly land, remains high in the region [UNESCAP, 2008] and is a key factor holding back agricultural development. In countries such as Fiji and the Solomon Islands, conflict over land ownership is a priority development issue and it is not uncommon to see large areas of unused and fertile land, next to squatter settlements built over water or mangroves. Encouraging a return to traditional food production while the price of imported food items continues to rise can be hindered by lack of access to fertile land.

(e) Political unrest

The pressures of managing changes enforced by globalization have erupted in recent times. Fiji, Tonga, Vanuatu and the Solomon Islands have suffered political instability that has precipitated greater unemployment and delayed the pace of economic and social development. Poverty has increased as a result and relations between ethnic and cultural groups have been strained, damaging the social fabric. During man-made and natural emergencies, children are the most vulnerable, the most affected and the most neglected in the recovery and rehabilitation of nations. These disasters have had long-lasting impacts on the psycho-social status of children and young people [Carling, 2004].

(f) Lack of disaster preparedness

Many countries depend on foreign aid as a gap-filling measure. Disaster relief is often an area where foreign aid is requested. As a consequence, there is a tendency to leave the implementation and planning for it, to external agencies when the time requires i.e. at the time of disaster. This inevitably leads to delays and inefficiencies when time and the need for efficiency are of the absolute essence.

2.2.2 Impact on children and women

Food consumption patterns in the Pacific have changed with the growing importance of cash, particularly so for those in urban centres and squatter settlements. People now eat more imported food items rather than their traditional staple. For many, the recent economic food crisis has reduced household capacity to purchase imported food such as rice, flour and milk. As choices have to be made on how to spend their limited cash resources, low-income earners may make up the shortfall by additional consumption of their own produce if land is available, by borrowing from others or by doing without food or other essentials from day to day. In some cases, they are undoubtedly hungry or at best poorly nourished.

Learning from food shortage in other parts of the world, we can anticipate a sequence of events as the quantities of food consumed decreases in families. First of all, the numbers of meals may decrease alongside the quantity of food consumed. Children and women often are not prioritized at the meal table due to lower cultural status and may only consume one or two meals a day. A number of reports around the region document incidences of children eating meagre portions or no lunch at school, sometimes going without breakfast as well [e.g. Save the Children Fiji, 2001].

Secondly, the composition of meals is likely to reduce as basic items can no longer be afforded. Micronutrients will disappear as diets become more and more restricted. With the existing prevalence of micro-nutrient deficiency in several PICTs, for example, 40% of pregnant and lactating mothers in the Solomon Islands are anaemic, we can assume that many families are already consuming poorly balanced diets and perhaps facing chronic food shortages. Children’s nutrition and health will certainly be diminished by the rising food costs, most significantly in urban areas in low-income countries. Pregnant women, lactating mothers and children under 5 years are thus highly vulnerable groups.

The greater the food shortage, the greater the percentage of low birth weight in infants, underweight children, stunting and wasting in children. The underlying causal factors for growth retardation during early childhood are linked to poverty, poor maternal nutrition, poor infant and young feeding practices and are often the cause of vitamin and mineral deficiencies (VMD), affecting young child health and development directly [Knowles, 2005]. Under-nutrition during early childhood is particularly relevant to Kiribati, Solomon Islands and Vanuatu as well as Republic of Marshall Islands (RMI) and Federated States of Micronesia (FSM), where infant mortality rates and the prevalence of stunting and underweight are amongst the highest in the region6 and where the leading causes of infant and child morbidity still include diarrhoea and pneumonia along with other respiratory illnesses, and in Vanuatu and Solomon Islands, malaria.

Kiribati, RMI, FSM and Solomon Islands have the highest reported prevalence of VMD, especially Vitamin A deficiency and also suspected anaemia, most likely from iron deficiency. The highest reported prevalence of low birth weight in the Pacific region is in the Solomon Islands, where the rate is around 22% [Popkin, Horton & Kim, 2001. as cited in Knowles, 2005].

Low-income families who struggle to provide adequate food on the table also face difficulty in keeping their children in school. The reported increasing numbers of early school leavers (“school push-outs”) has raised concern in several PICs (e.g., Kiribati, Vanuatu, Solomon Islands). In some cases, children are pulled out of school to save money to afford to buy basic food items (rice, flour, butter, etc). Schools and boarding facilities may struggle to feed children with affordable, adequate lunches. In other cases, children leave school to engage in income generating activities to contribute to the family income.

Such situations have been shown to contribute to the preconditions and context for child abuse and exploitation to occur. As noted above, some children and adults resort to unsafe and commercially exploitative work, in order to keep food on the table or school fees and other educational costs paid [UNICEF, 2006]. Such activities create greater vulnerability to HIV infection and other STIs.

Services in health and education already are overwhelmed by demand especially in countries where rapid population growth is taking place and where the pace of population growth exceeds economic growth7. The impact of rising food prices on the health and education of children would add further pressure to what are already fragile service delivery systems. Governments may withdraw funds from education and health sectors to subsidise or stabilize prices of basic food items.

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6 Current figures in Vanuatu from the recent Multi-indicator Cluster Survey [2007] reveal moderate and severe stunting as the most common form of malnutrition in children (23% for boys and 16.6% for girls), with over 6% of both boys and girls experiencing wasting.

7 For example, Vanuatu’s population is expected to double in the next 25 years and the Solomon Islands records a 2.8% growth rate.
2.2.3 Scale of the potential problem

On aggregate, current figures reveal 7 children under 5 years die every day in the Pacific region [UNSD MDG 2006 estimate]. Five of these children are under one year. In these countries, it is anticipated due to recent trends that if urgent action is not taken, increases in maternal and child mortality rates will reach 5-10% more deaths over the next few years.

ADB calculates that urban households in Fiji, followed by those in FSM and Tonga have the highest basic-needs poverty lines. These include non-food components (higher for Fiji and Tonga), import content (higher for FSM) and domestic agricultural foods. For all countries, for which data are available, the average incidence of basic-needs poverty is around 25% – one in four households has income/expenditures below the national poverty line – they have insufficient income/expenditure to meet the average daily requirements for a basic minimum diet plus the costs of other essential non-food items [Abbott & Pollard, 2004].

The figures also suggest that, with a couple of exceptions, hardship and poverty are equally felt by urban and rural families alike. This contrasts with most other developing countries in the Asia/Pacific region where rural poverty tends to be higher than that experienced in the urban centres. It suggests that whilst on the one hand the traditional subsistence lifestyle of the Pacific helps to underpin a minimum standard of living in the rural areas, the lack of overall economic growth in the economy as a whole and the urban areas in particular, is not enabling urban dwellers to improve their standards of living above the basic minimum. [Abbott & Pollard, 2004]

In those countries which have well established local market systems and short supply lines from the growing areas to the urban centres (Vanuatu, Samoa, Solomon Islands, Fiji) the supply of produce can respond quite quickly to changes in demand. However, in those countries which do not have good local markets, such as most of the atoll nations, the price shocks can really have a big impact. The urban dwellers in Tuvalu, Kiribati, FSM and RMI as well as those in Nauru (around 30-40% of national populations) are likely to be the worst affected, although in Fiji there is real concern about the lowest income groups in townships such as Suva, Lautoka and Nadi, who have little or no access to own production and have little access to the cash needed to buy either local produce or imports. The relatively high levels of poverty seen in Honiara and Port Vila where there are large squatter settlements suggest that there will be many amongst these households that are also feeling the impact of price rises [Abbott, email correspondence].

On the atolls, in the highlands, and in the urban centres – the ones who experience the greatest degrees of hardship and poverty are the young, the old, the infirm, those who have no source of regular income, or those with no access to adequate land on which to grow food for consumption and/or sale [Abbott & Pollard, 2004].

2.2.4 Longer-term scenario

According to economists attending the WB Sydney meeting in July 2007, the fuel price increase is likely to remain high or slightly reduce for the next three to five years as it was in the oil crisis of the 1970s (alleviated by nuclear powered electricity generation in the 1980s). Food prices are likewise likely to remain high for several years.

Several non-government organizations implement or promote food security programmes that emphasise traditional economies to provide food security. These organizations have leveled criticism at current government development policies and activities for not measuring or quantifying the contribution of the traditional economy to national well-being. Some blame government development policies for directly ‘destroying, displacing, eroding and threatening’ traditional economies [Regenvanu, 2007].

The issue of land usage for ‘formal development’ has in some instances alienated people from their land and source of food and social security. In low-lying atoll countries, where there is such little landmass and that which is there is at risk of salination, the promotion of subsistence farming is quite inappropriate. Nauruans have reportedly made some return to fishing, however the increasing fuel costs is likely to limit this traditional activity. Over-fishing in some Pacific Islands have resulted in minimal fish stocks being available for subsistence fishermen. Even in traditional economies, it is recognised that even the most isolated rural or island-based dweller needs cash to pay for tea, sugar, kerosene, iron and steel implements and school fees.

The promotion of traditional food production can ideally contribute to longer-term strategies and forms of land, sea and resource utilization. The reality, however, is that people are now used to the convenience of quick and easy-to-
prepare foods, and many will not or can not return to traditional lifestyles. Experience has shown that it is extremely hard to change such dietary behaviour, even when there is a high awareness of what healthy behaviour and diet should be [Knowles 2005]. The need therefore for the immediate future is for Governments to alleviate the fiscal burden so that they can bring food to the table of the vulnerable, poor and needy, [ADB May 2008] especially to urban consumers.

Already the Fiji Government, for example, has introduced counter-inflation measures such as reducing import duty on food items by approximately 10%. However, the increased prices of other food items have not reaped the desired results. Many of these food items are locally produced basic items such as oil, flour, noodles, breakfast crackers and vegetables. [FT 15 March 2008] A second effort to mitigate the current rise in prices for low income earners has been the increase in income tax threshold from $9,000 to $15,000. And thirdly, Fiji’s interim government had removed VAT from locally produced eggs to ensure that people in the lower income brackets and those living at subsistence level have access to protein in their diet. [FT 8 May 2008]

The Asian Development Bank has stated concern over the effects of the increases of world prices on oil and food, which are yet to be fully felt in the Pacific. In a new study titled Living with High Prices, the ADB said the lag between developments on mainland Asia and retail outlets in the Pacific “provides a small window of opportunity to prepare for high food prices”. The need is to formulate and implement good government policy to maximize wins from high export prices and minimize losses from higher prices of oil, rice and wheat [FT 10 May 2008]. The study concludes that high crude oil prices pose a bigger long-term challenge to the region than high food prices. It further proposes actions to build resilience including: encouraging market liberalization in transport, particularly in areas supporting tourism; increasing competitive pressures in fuel importing; and making more use of alternative energy sources and energy efficient practices [FT 14 May 2008]. The ADB has announced budgetary support of $500 million to tackle rising food costs in the Asia-Pacific region [Rediff news, 7 May 2008].

### 3.0 COUNTRY BY COUNTRY SITUATION

The following country by country review is based on assessments by invited organizations through document reviews, missions to the countries and discussions with government officials.

#### Table 1: Country by country situation as at 31 July 2008

<table>
<thead>
<tr>
<th>No.</th>
<th>Country</th>
<th>Situation as at 31 July 2008</th>
<th>Priority for UNICEF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kiribati</td>
<td>Heavy reliance on imports, high transport costs and lack of local resources; Consumer prices have risen sharply in the past year, largely attributable to high food and utilities prices – rice increase by 30% (from Aus$1.22 to Aus$1.35 per Kg since first half of 2007, flour – by 20% and sugar by 20% over same period; price of stable foods, including flour, rice and sugar, are controlled by the Government; highly vulnerable but could cope for longer. Country has huge reserve funds, which could last the country five to six years, but beginning to be drawn heavily; country is considering introducing sale. Outer island households produce much of their own food but, on South Tarawa especially, traditional foods have been mostly replaced by imported low-grade foods - white flour, white rice, sugar and fatty meat - which are cheaper and more readily available than traditional foods. There is a high rate of malnutrition in children, with negative progress made towards the World Summit goal to reduce child malnutrition. Among children, the main nutrition-related illnesses are malnutrition, vitamin A deficiency and anaemia. In adults they are anaemia, obesity, diabetes and heart disease.</td>
<td>High</td>
</tr>
<tr>
<td>2</td>
<td>RMI</td>
<td>A state of economic emergency has been declared, largely because the country cannot afford to finance its energy needs; some challenges on public financial management. High incidence of malnutrition among children and obesity in adults caused by poor eating habits. Poor nutritional habits particularly among disadvantaged urban families contribute to high infant and child mortality rates. A 1994 study estimated that 62 percent of children under five had severe Vitamin A deficiency and malnourishment accounted for approximately 17 percent of all deaths in that age group. Water supply, sanitation, personal hygiene and overcrowded living conditions also contribute to the prevalence of infectious and communicable diseases. The major health issues impacting women stem from poor nutrition and high fertility. Local foods are no longer readily available in urban centres and the combination of low wages and high prices make it very difficult for many families to put a balanced “western meal” on the table. Local food prices are often higher than imported food prices.</td>
<td>High</td>
</tr>
<tr>
<td>3</td>
<td>FSM</td>
<td>Has an economic structure similar to RMI; highly vulnerable. Increasingly high population density in urban centres. Although 20% of households depend for their livelihood on subsistence agriculture and around 80% of households do so to some extent, food security in FSM has plummeted, particularly in states where there is little arable land, including Chuuk, where the greatest proportion of the population lives.</td>
<td>High</td>
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<tr>
<td>No.</td>
<td>Country</td>
<td>Situation as at 31 July 2008</td>
<td>Priority for UNICEF</td>
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<tr>
<td>1</td>
<td></td>
<td>Service delivery measures up quite poorly against other PICs that face similar difficulties. Children generally have poor access to basic services, poor access to clean water and adequate sanitation and poor nutrition. High consumption of imported nutritionally-poor food contributes to malnutrition, commonly reported in children. Vitamin A deficiency is at the level of a significant public health problem. Around 13% of children under 5 are underweight for age, but child obesity is also a growing concern.</td>
<td>High/Medium</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Has made request for assistance to a number of agencies; there is rationing of electricity and fuel imports and 100% of GDP. Nauru's main electricity supply is derived from diesel-powered generators which is reportedly inefficient with insufficient capacity. Food represented an estimated 60% of all imports from 2000–2004. Most fresh water is produced by a desalination plant - delivered to households tanks by tanker trucks. However, the plant is unable to operate all the time, so people resort to brackish water from subterranean lenses or purchase bottled drinking water. Nauru's decline in revenue has reduced government's capacity to fund basic and reliable services, which is one of the main issues affecting children, youth and women. Common diets are often composed of imported non-nutritious foods. Local foods are hard to find and are beyond the means of many households. Extreme obesity is the main nutritional problem. Low birth weights in infants are uncommon.</td>
<td>High</td>
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<tr>
<td>3</td>
<td></td>
<td>Situation is not as in RMI; people are not used to eating local foods; vulnerable generally because of air travel, air-conditioning for tourists; motor boats - which absorb energy; recent rationalization of education. Malnutrition is rare and when it occurs, results from social problems, not scarcity of food. A common preference for store-bought imported food over local foods and a cultural propensity for over-eating, puts Palauan children at risk of being overweight. Malnutrition is a key health issue. Some of the worst nutrition is found in logging areas where people subsist on rice, noodles, tinned fish and meat because they no longer grow their own food. Nutrition has had cutbacks in some provinces, since the civil conflict. Vitamin A deficiency is most likely to be prevalent.</td>
<td>High/Medium</td>
</tr>
<tr>
<td>4</td>
<td>Nauru</td>
<td>Has made request for assistance to a number of agencies; there is rationing of electricity and fuel imports and 100% of GDP. Nauru's main electricity supply is derived from diesel-powered generators which is reportedly inefficient with insufficient capacity. Food represented an estimated 60% of all imports from 2000–2004. Most fresh water is produced by a desalination plant - delivered to households tanks by tanker trucks. However, the plant is unable to operate all the time, so people resort to brackish water from subterranean lenses or purchase bottled drinking water. Nauru's decline in revenue has reduced government's capacity to fund basic and reliable services, which is one of the main issues affecting children, youth and women. Common diets are often composed of imported non-nutritious foods. Local foods are hard to find and are beyond the means of many households. Extreme obesity is the main nutritional problem. Low birth weights in infants are uncommon.</td>
<td>High</td>
</tr>
<tr>
<td>5</td>
<td>Palau</td>
<td>Situation is not as in RMI; people are not used to eating local foods; vulnerable generally because of air travel, air-conditioning for tourists; motor boats – which absorb energy; recent rationalization of education. Malnutrition is rare and when it occurs, results from social problems, not scarcity of food. A common preference for store-bought imported food over local foods and a cultural propensity for over-eating, puts Palauan children at risk of being overweight. Malnutrition is a key health issue. Some of the worst nutrition is found in logging areas where people subsist on rice, noodles, tinned fish and meat because they no longer grow their own food. Nutrition has had cutbacks in some provinces, since the civil conflict. Vitamin A deficiency is most likely to be prevalent.</td>
<td>High/Medium</td>
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<tr>
<td>6</td>
<td>Solomon Islands</td>
<td>Coping well at the moment (July 2008) because of the recent past and ongoing economic boom from logging industry; however, it is evident that within four years logging will come to an end, beginning 2009 (see PLATE B in Annex 2 – Photo-Essay); there is unsustainable high government expenditure, even if the desire is to maintain 1% growth, zero growth in expenditure is desirable, according to World Bank; poor fiscal policy and budgeting; there is already power rationing, with some places experiencing 48-hour black outs; squeeze on funds has made the country to increase number of shipping of fuel from every two month's to every one month, with the accompanying increase in operational costs; vulnerability largely due to fuel and not food; nutrition rates are worse in urban areas; there is high poverty rates among some communities; 84% of the population is rural and households use 64% of foods that are home-grown; rural households are also using bio-fuels for cooking; 90% of foreign exchange going to fuel. Malnutrition is a key health issue. Some of the worst nutrition is found in logging areas where people subsist on rice, noodles, tinned fish and meat because they no longer grow their own food. Nutrition has had cutbacks in some provinces, since the civil conflict. Vitamin A deficiency is most likely to be prevalent.</td>
<td>High/Medium</td>
</tr>
<tr>
<td>7</td>
<td>Vanuatu</td>
<td>Mainly vulnerable to increasing food prices; there is capacity for hydrogenation of electricity in the next two to three years. Central government funds are insufficient to cope with a rapidly growing population. A limited revenue base constrains government efforts to deliver social services. The transition for the majority of the population from subsistence agriculture to cash cropping is at an early stage. Around 21% of the country's population lives in the two main urban centres. Around 30% of urban households do not have subsistence gardens to supplement market-bought foods. There is enough food to feed all Vanuatu's people however, high rates of malnutrition stem from an absence of variety rather than an absence of food. 20% [est] of children under five years of age are moderately or severely underweight. 19% [est] of children under 5 suffer moderate or severe stunting. Vitamin A deficiency is most likely to be prevalent.</td>
<td>High</td>
</tr>
<tr>
<td>8</td>
<td>Fiji Islands</td>
<td>Vulnerable, especially with the balance of payment; has low financial reserves, country requires fiscal consolidation; there is diminishing foreign exchange; the landless are most vulnerable, especially Indo-Fijians, which make up to 40% of the population. Deteriorating national nutrition standards with 62.3% of Fiji's adult population being reported as either overweight or underweight. 10% of households do not have access to safe water.</td>
<td>High/Medium</td>
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<tr>
<td>9</td>
<td>Niue</td>
<td>Economically fragile; loss of capacity due to out migration. Niue is dependent on financial support from New Zealand in order to meet the imbalance between expenditure and revenue. Though all households have total per capita expenditure above the food poverty line, incidences of relative hardship exist amongst 20% of households [HIES, 2002] and there are certainly deficiencies in the delivery of services to children, youth and women in Niue. Cost of basic necessities is high. Consumption of imported goods is high in most households. Obesity is high amongst Niueans and it is estimated that at least 10% of children are obese.</td>
<td>High/Medium</td>
</tr>
<tr>
<td>10</td>
<td>Tuvalu</td>
<td>Experiencing 11.4% inflation rate; middle vulnerable; the Tuvalu Trust Fund is conservatively managed; recent solar electrification, accounting for 2% of electricity, by far the largest among the PICTs; declining licensing of fishing boats that has been a good source of revenues. No absolute shortages of food in Tuvalu households although fresh fruit and vegetables tend to be scarce and/or expensive. 60% of infants under 6 months are overweight. 23% of households live below the poverty line, affecting ability to afford adequate nutritious food and other basic commodities.</td>
<td>High/Medium</td>
</tr>
<tr>
<td>No.</td>
<td>Country</td>
<td>Situation as at 31 July 2008</td>
<td>Priority for UNICEF</td>
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<tr>
<td>11</td>
<td>Tokelau</td>
<td>Composed of three extremely remote coral atolls with no airports or wharves. While having abundant marine resource, Tokelau is unable to exploit deep-water fisheries on a large scale. Many Tokelauan households rely on remittances from the larger population of Tokelauans living outside of the country. Per capita income (est) is NZ$3,580. The atolls are unsuitable for cultivation and so Tokelauans rely on fisheries and household chickens and pigs. Stunting and underweight are uncommon among Tokelauan children although poor dietary habits formed during childhood and the lack of green leafy vegetables, and their contribution to NCDs in the long-term is a cause for concern.</td>
<td>Medium</td>
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<tr>
<td>12</td>
<td>Samoa</td>
<td>Has best fuel procurement system in the PICT; just concluded another five-year tendering for fuel; they tender on the margin of Singapore fob prices of oil; least most vulnerable from an economic point of view. Increased levels of government spending on social services although health services are largely confined to urban areas only. A large part of the economy is semi-subsistence, depending on the land and seas for their food and cash needs. Malnutrition is not a widespread problem for Samoan children, although anaemia and obesity in school-age children is observed to be a growing problem. Imported and non-nutritious foods are increasingly popular in Samoan diets.</td>
<td>Medium</td>
</tr>
<tr>
<td>13</td>
<td>Tonga</td>
<td>Widening trade deficit; coronation of the King every year may inject some foreign exchange into the country in 2009; there was recent reduction in the size of the civil services and country is beginning to experience staff shortages; there has been significant loss of GDP because of recent riots; country has low reserve funds; 44% of the GDP from remittances; land issue is significant; Nutritional issues are related to overweight and obesity which is prevalent in Tongan society. Almost all babies weigh 2500gms or more at birth. There is an abundance of food in Tonga although recently, a preference for imported, high-fat and high-salt foods.</td>
<td>Medium</td>
</tr>
<tr>
<td>14</td>
<td>Cook Islands</td>
<td>A wealthy country, largely from tourism; depends on diesel-generated electricity; outer islands most vulnerable because of high transport costs and Reduced government provision of services. Very few (4.4 per cent, 1998) babies are born under-weight. Most Cook Island babies are heavier at all ages than WHO standard weights-for-age. There is a significant number of over-weight and obese children.</td>
<td>Low</td>
</tr>
</tbody>
</table>

### 4.0 UNICEF’S RESPONSE

#### 4.1 Setting and the framework of response

UNICEF Pacific’s response to the impact of global food and fuel price increase will be within the United Nations Development Assistance Framework (UNDAF) (2008-2012) and its own multi-country programme of cooperation (2008-2012), both covering 14 PICTs. The 14 countries are distributed over 200,000 million square kilometers of the Pacific Ocean with some 2 million people of whom just over 900,000 are children below 18 years of age. Some 400,000 of these children live in the five countries (Kiribati, Solomon Islands, Tuvalu, Nauru and Vanuatu) classified as the least developed in the Pacific sub-region.

The food and commodity price crisis would necessitate collaboration and strategic engagement between UN agencies such as FAO and WHO (note that the World Food Programme has no presence in the Pacific), governments and other regional partners such as ADB and the Secretariat of the Pacific Community (SPC) to identify the potential risks and entry points, develop immediate preparedness plans and long-term strategies that lead to surpluses, better fiscal policy, and increased self-sufficiency (reducing reliance on imports where goods can be produced locally). At the time of writing this first report, World Bank was requested to coordinate development partners with governments within the Pacific sub-region.

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9 The 14 countries targeted are Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Republic of the Marshal Islands, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu and Vanuatu.
4.2 Immediate and medium-term response

UNICEF Pacific’s multi-country programme 2008-2012 has five programme components: (1) Policy, Advocacy, Planning and Evaluation; (2) Health and Sanitation; (3) Education; (4) HIV and AIDS; and (5) Child Protection. Each programme component will play a role in UNICEF’s response to rising food and fuel prices as described in Annex 1. The overall strategic response of UNICEF Pacific is to:

- Rapidly assess and analyze the situation in the 10 high to high/medium priority countries (Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, Tuvalu).
- Set up early warning and monitoring systems in the 10 high to high/medium priority countries.\(^{10}\)
- Respond to immediate needs and fast-track interventions already identified in the current multi-country programme, with 2009 as the year to mainstream the mitigation measures in the 10 prioritized countries.
- Maintain a watching brief on the situation for children and women in the remaining 4 Pacific Island countries.

The situation monitoring system will include a set of feasible indicators that will be tracked on 3 monthly, half yearly, annual basis, or specialized survey – HIES, DHS, etc. – depending on indicator periodicity. The system might have two platforms of linked information allied to anticipated impacts described in this Report. **Platform A – Economic:** inflation rates; transportation costs; share of GDP going to food and electricity generation compared to social services; balance of payments; financial reserves; cost of electricity; rationing of electricity; level of remittances from relatives living outside PICTs; borrowing from micro-finance institutions; prices of domestic foods (CPI); household expenditure patterns; migration to urban areas; potential for civil unrest and political instability; measure of broader socio-economic development; **Platform B – Social:** MDG and National Development Plan Annual Indicator tracking; disease surveillance; student attendance; trends in nutrition of pregnant women, lactating mothers (Vitamin A, Zinc etc) and children below the age of 5 in identifying low birth weight, malnourishment in children under age of 5, growth monitoring; household nutrition and dietary patterns; health and education systems spending and provision (including evidence of closure of schools and clinics, reductions in outreach services, staff attendance); evidence of increased child labour; reports of violations of human rights (child abuse and exploitation); HIV vulnerabilities (part of ongoing programme). Note again that data to be generated against these indicators may be collected at regular intervals during or at the end of an annual cycle or through specialized surveys every 2-3 years. The data for many economic indicators will be generated by other agencies and gathered by UNICEF Pacific to produce quarterly situation analyses reports on the impact of food and fuel prices on Pacific children.

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\(^{10}\) The situation monitoring system will include a set of feasible indicators that will be tracked on 3 monthly, half yearly, annual basis, or specialized survey – HIES, DHS, etc. – depending on indicator periodicity. The system might have two platforms of linked information allied to anticipated impacts described in this Report. **Platform A – Economic:** inflation rates; transportation costs; share of GDP going to food and electricity generation compared to social services; balance of payments; financial reserves; cost of electricity; rationing of electricity; level of remittances from relatives living outside PICTs; borrowing from micro-finance institutions; prices of domestic foods (CPI); household expenditure patterns; migration to urban areas; potential for civil unrest and political instability; measure of broader socio-economic development; **Platform B – Social:** MDG and National Development Plan Annual Indicator tracking; disease surveillance; student attendance; trends in nutrition of pregnant women, lactating mothers (Vitamin A, Zinc etc) and children below the age of 5 in identifying low birth weight, malnourishment in children under age of 5, growth monitoring; household nutrition and dietary patterns; health and education systems spending and provision (including evidence of closure of schools and clinics, reductions in outreach services, staff attendance); evidence of increased child labour; reports of violations of human rights (child abuse and exploitation); HIV vulnerabilities (part of ongoing programme). Note again that data to be generated against these indicators may be collected at regular intervals during or at the end of an annual cycle or through specialized surveys every 2-3 years. The data for many economic indicators will be generated by other agencies and gathered by UNICEF Pacific to produce quarterly situation analyses reports on the impact of food and fuel prices on Pacific children.
Annex 1 – Situation reporting framework on action addressing rising food prices

(a) Within 3 months (by end of October 2008):

<table>
<thead>
<tr>
<th>Action area</th>
<th>Results (Object and Descriptor)</th>
<th>Indicators (Assessment)</th>
<th>MOV (Data Source)</th>
<th>Inputs</th>
<th>Partners (Subject)</th>
<th>Risks and their management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using Evidence</td>
<td>1. Initial vulnerability maps established, initial situation monitoring system developed, and quality of existing data assessed(^{11}) in Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, Tuvalu</td>
<td>Initial map of vulnerabilities, monitoring data system recommendations and gaps, and response planning recommendations</td>
<td>Consultant reports</td>
<td>Consultancy for rapid assessment and analysis of existing data (fees, travel, DSA)</td>
<td>Mins of Finance, National Stats, Sectoral Mins, National Comms for Children</td>
<td>Consultant/s with relevant skills available – wide dissemination of advert and assessment of existing roster</td>
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<td></td>
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<td></td>
<td></td>
<td>Chief of Health and Chief of PAPE travel to RMI, FSM, Nauru, Palau, Niue(^{12})</td>
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<tr>
<td>Partnerships</td>
<td>2. Partnerships established with Asian Development Bank and other agencies interested in mapping out the most vulnerable segments of the populations, response planning and intervention support</td>
<td>Regional agency follow-up meeting to discuss response plans and regional policy framework</td>
<td>Regional meeting report</td>
<td>Teleconference, travel, DSA if out of Fiji</td>
<td>ADB, World Bank, UNDP, FAO, WHO, SPC, SOPAC, UNICEF Nat Comms, donors, others</td>
<td>Other agencies not responding to issue with urgency – maintain strong link to World Bank and other partners</td>
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<td></td>
<td>3. Contact initiated and maintained with relevant Ministries and Ministry focal point established in Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, Tuvalu</td>
<td>Monthly email/phone exchange with each country on vulnerability mapping, data system assessment and response planning</td>
<td>Log of emails/phone calls</td>
<td>Staff emails/calls (FSM, RM, Nauru, Palau, Niue, Tokelau, Samoa, Tonga, Cook Islands) and Min meetings with UN staff (Fiji, Kiribati, Solomon Islands, Tuvalu, Vanuatu)</td>
<td>Mins of Finance, National Stats, Sectoral Mins, National Comms for Children</td>
<td>Other UN and donor agencies not coordinating efforts leading to government confusion – ensure World Bank commits to coordination role</td>
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<tr>
<td></td>
<td>4. Initial contact made on food and fuel price situation monitoring with Tokelau, Samoa, Tonga, Cook Islands</td>
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</tr>
</tbody>
</table>

\(^{11}\) Existing data and data systems that will be assessed include: consumer price index (CPI) systems; household income and expenditure survey data (HIES – Solomon Islands 2005, Vanuatu 2006, FSM 2005, RMI 2004, Tuvalu, 2004, Kiribati 2006, Nauru 2006, Palau 2006) and other poverty assessments; Census data (Fiji 2006, Kiribati 2005, Palau 2005, Niue 2006); demographic health survey data (DHS – Solomon Islands 2006, RMI 2007, Nauru 2007, Tuvalu 2007) and MICS (Vanuatu 2007); need for and capability of local government/NGOs to conduct rapid assessments; education, social welfare and health information systems and potential for establishment of sentinel sites.

\(^{12}\) UNICEF has staff presence in Fiji Islands, Kiribati, Solomon Islands, and Vanuatu, and is represented by other UN agencies in Tuvalu.
### Within 6 months (by end of January 2009):

<table>
<thead>
<tr>
<th>Action area</th>
<th>Results (Object and Descriptor)</th>
<th>Indicators (Assessment)</th>
<th>MOV (Data Source)</th>
<th>Inputs</th>
<th>Partners (Subject)</th>
<th>Risks and their management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Using Evidence</strong></td>
<td>5. National responses with regards to social impact of food and fuel price increase on women and children developed in Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, Tuvalu</td>
<td>- Response plans to the social impact of global fuel and food price increase on women and children</td>
<td>National response planning workshop reports and plans</td>
<td>National Planning workshops in RMI, FSM, Nauru, Palau, Niue, Tuvalu</td>
<td>Mins of Finance, Sectoral Ministries, National AIDS Committees, NCCs, other UN agencies, donors</td>
<td>Lack of capacity in Ministries to develop plans - maintain strong link to World Bank and other partners and deliver TA as one; consider appointment of TA in-country with government</td>
</tr>
<tr>
<td>Partnerships</td>
<td>6. Contact maintained with relevant Ministries and Ministry focal point established in Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, Tuvalu</td>
<td>- Monthly email/phone exchange on response planning preparation</td>
<td>Log of emails/phone calls, minutes of teleconferences</td>
<td>Staff emails/calls (FSM, RMI, Nauru, Palau, Niue, Tokelau, Samoa, Tonga, Cook Islands) and Min meetings with UN staff (Fiji, Kiribati, Solomon Islands, Tuvalu, Vanuatu)</td>
<td>Mins of Finance, National Stats, Sectoral Mins, NCCs</td>
<td>Other UN and donor agencies not coordinating efforts leading to government confusion – ensure World Bank commits to coordination role</td>
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<td></td>
<td>7. Second contact made on food and fuel price situation monitoring with Tokelau, Samoa, Tonga, Cook Islands</td>
<td>- Monthly email/phone exchange with each agency and donor</td>
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<td>8. Partnerships maintained with ADB and other agencies interested in mapping out the most vulnerable segments of the populations, response planning and intervention support</td>
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<tr>
<td>Supporting Interventions</td>
<td>9. Advocacy and Communication initiated for Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, Tuvalu</td>
<td>- Prototype information pack for each country</td>
<td>Information pack</td>
<td>TA to develop prototype information pack 14 DCT and TA to strengthen monitoring systems in RMI, FSM, Nauru, Palau, Niue, Tuvalu 15</td>
<td>National media, Mins of Finance, Sectoral Ministries, NCCs</td>
<td>Consultant/s with relevant skills available – wide dissemination of advert and assessment of existing roster</td>
</tr>
<tr>
<td></td>
<td>10. Early warning &amp; monitoring commenced in Kiribati, RMI, FSM, Nauru, Palau, Solomon Islands, Vanuatu, Fiji Islands, Niue, Tuvalu 13</td>
<td>- Monitoring system report by January 2009 (quarterly thereafter)</td>
<td>Monitoring system report</td>
<td></td>
<td>Mins of Finance, Sectoral Ministries, NCCs, other UN agencies, donor</td>
<td></td>
</tr>
</tbody>
</table>

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13 Strengthen early warning and monitoring: HEALTH and HIV – routine data collection and analysis for EPI and other programmes that indicate the social impact of food prices; support the setting up of sentinel sites in hospitals in high risk locations to track standard indicators health and nutrition of children and pregnant and lactating mothers; HIV vulnerability mapping; EDUCATION – routine education information systems and other programmes that indicate the social impact of food prices support the setting up of sentinel school sites to track standard indicators; SOCIAL WELFARE – based on findings of Child Protection Programme Baseline in Fiji, Kiribati, Solomon Islands, Vanuatu – examine social welfare system assessment procedures for and informal community networks in RMI, FSM, Palau, Niue, Tuvalu, and Nauru.

14 Prototype information pack consists of: information on key household actions to cope with food and fuel price increase ready for roll-out to countries; fact sheets for governments and press kits for national media focusing on real and potential impacts of food and fuel price increase by country – pack is based on findings from Result 1 above.

15 National UNICEF Officers in Fiji, Kiribati, Solomon Islands, and Vanuatu will provide TA to counterparts to strengthen early warning and monitoring systems in-country.
### Beyond Initial Response (longer-term plan to be commenced in 2009) in all 10 countries:

<table>
<thead>
<tr>
<th>UNICEF Pacific Programme</th>
<th>Action Area</th>
</tr>
</thead>
</table>
| **Policy, Advocacy, Planning and Evaluation** | Collection, analysis and dissemination of early warning and monitoring system quarterly reports  
Production and implementation of communication plans for household and community information in RMI, FSM, Nauru, Palau, Niue, Tuvalu  
Advocacy on behalf of Pacific island governments for international fair trade policies and for national adoption of food security policies and incentives needed to encourage greater local food production and effective marketing  
Conduct of child poverty studies, policy analysis, and development of capacity building packages for the promotion of child-centred and gender-sensitive budgeting, so that governments allocate sufficient funds towards areas such as health and education and advocating for increased service accessibility in RMI, FSM, Nauru, Palau, Niue, Tuvalu |
| **Health and Sanitation** | Promote and support scale up of national programmes on nutrition and associated health interventions, including micronutrient supplementation with vitamins and minerals; promotion of breastfeeding, infant and young child feeding; integrated management of childhood illness (IMCI), especially for malaria, diarrhea, pneumonia; and school and household gardening in RMI, FSM, Nauru, Palau, Niue, Tuvalu  
Promote and support water, sanitation and hygiene (WASH), including use of solar pumping units for health facilities and schools; subsidy towards water and electricity bills for schools (for example, minimum water demand per school could be worked out and this amount paid by the government while additional water spent – because of waste or neglect – could be paid by the schools; and integrated water resources management – an approach that promotes the coordinated development and management of water, land and related resources in ways that are efficient, equitable and environmentally sound in RMI, FSM, Nauru, Palau, Niue, Tuvalu |
| **Education** | Assessment/Stocktake of impact on educational inputs (ie enrolment) and outputs (ie learning outcomes)  
Increased support for the non-recurrent costs associated with quality education (ie teacher training, school nutrition programmes- such as school gardens, infrastructure maintenance  
Policies which support free basic education |
| **HIV and AIDS** | Vulnerability assessments in urban and rural areas in RMI, FSM, Nauru, Palau, Niue, Tuvalu  
Ensuring vulnerable groups have access to increased participation in policy formulation in RMI, FSM, Nauru, Palau, Niue, Tuvalu  
Technical assistance to strengthen service accessibility and quality, for most vulnerable groups |
| **Child Protection** | Stocktake of social welfare services and protection networks to determine implications of food and fuel price rise crises on protection of children in RMI, FSM, Nauru, Palau, Niue, Tuvalu  
Strengthening social welfare and protection services in RMI, FSM, Nauru, Palau, Niue, Tuvalu  
Technical assistance to strengthen policies and plans guiding social welfare and legal services in RMI, FSM, Nauru, Palau, Niue, Tuvalu |
Annex 2: Photo-essay

THE IMPACT OF GLOBAL OIL AND FOOD PRICE INCREASES ON THE PACIFIC REGION AND POSSIBLE MITIGATION MEASURES

Plate A (1): Participants at the World Bank one-day discussion on “The impact of global oil and food price increases on the Pacific region and possible mitigation measures”. The meeting was held at the World Bank Office, 14 Martin Place, Sydney, Australia on Friday, 11 July 2008 from 09:00 am to 5:00 pm. It was attended by 25 representatives from Asian Development Bank, World Bank (Sydney and from New York and Papua New Guinea by teleconference), Australian Agency for International Development, New Zealand Agency for International Development, FAO, UNDP, SPC, Australian Government, IFAD and UNICEF.

Plate A (2): Dr. Some attended the meeting on behalf of UNICEF and gave a ten-minute presentation entitled, “Analysis of the impact of rising food and fuel prices on children in the Pacific region”. The presentation was based on a paper prepared by UNICEF Pacific, Policy, Advocacy, Planning and Evaluation Programme dated May 22, 2008 and UNICEF’s Executive Director’s Memorandum on Food Price Increases/Nutrition Security dated 27 June 2008.
PLATE B: (1): Fuel for electricity generation, air transport and sea transport makes all Pacific island countries and territories vulnerable to global oil price increase. The cost of power generation, like for Gizo Power Station, is taking a substantial proportion of GDP approaching 90-100% in some PICTs.

PLATE B: (2), (3), and (4): The logging industry in Solomon Islands has cushioned the shock of global oil price increase, but only for a short while as it is predicted that at the current rate of logging timber will be depleted from Solomon Island forests by 2012 and the decline in revenue from logging will start from 2009.