



Food **AID** or Food **SOVEREIGNTY?**

ENDING WORLD HUNGER IN OUR TIME



FREDERIC MOUSSEAU
with Introduction by
ANURADHA MITTAL

Food AID

or Food *SOVEREIGNTY?*

ENDING WORLD HUNGER IN OUR TIME



FREDERIC MOUSSEAU WITH INTRODUCTION BY ANURADHA MITTAL

Author: Frederic Mousseau with introduction by Anuradha Mittal

Contributors: We particularly want to acknowledge Christopher B. Barrett and Daniel G. Maxwell, who in their book *Food Aid After Fifty Years: Recasting Its Role*, make a tremendous contribution to the understanding of contemporary food aid. This report has greatly benefited from the comprehensive research and analysis they have produced.

Anuradha Mittal provided conceptual and editorial support.

We are grateful to Lionel Derenoncourt, Coordinator of the Joining Hands Against Hunger Program at the Presbyterian Hunger Program, Diana Cohn, International Forum on Globalization, Polaris Institute and Public Citizen for supporting The Oakland Institute.

Sincere thanks to the Presbyterian Hunger Program, Solidago Foundation, Panta Rhea Foundation, Domitila Barrios de Chungara Fund, He-Shan World Fund at the Tides Foundation, and Further Foundation for supporting the production of this report. A special thanks to Intern Scholar, Lint Barrage, who helped compile research and crunch data.

This report is dedicated to small family farmers around the world, leaders in the struggle for the human right to food for all.

**Copy Editor &
Communications Coordinator:**

Megan Garcia

Report Design:

Design Action Collective

Front Cover Photograph Credit:

Action Contre la Faim

Photograph Credits:

As Indicated

About the Author:

Frederic Mousseau, a Senior Fellow at The Oakland Institute, is an internationally renowned food security consultant who works with international relief agencies including Action Against Hunger, Doctors Without Borders and Oxfam International. His work has involved the direct design and supervision of food security interventions in more than 20 countries in Asia, Eastern Europe, Latin America and Africa over the last 15 years.

Anuradha Mittal, Director of The Oakland Institute, is an expert on trade, agricultural and development issues.

Publisher:

The Oakland Institute is a research and educational institute - a think tank – whose mission is to bring dynamic new voices into policy debates to promote public participation and fair debate on critical economic and social policy issues.

October 2005 © The Oakland Institute



HUNGER AMIDST PLENTY

If we think of hunger in terms of numbers then the solution also seems as though it should be found in numbers.

The goal created at the Second World Food Summit in 1996, to reduce the number of malnourished by half by 2015, was a result of governments thinking in terms of numbers. But if hunger had been understood as a reality faced by individuals and families, we would have realized that hunger is also the ultimate symbol of powerlessness.

If we seek to end hunger we must dismantle the arguments of economic efficiency that suggest that recommendations made by *Food Aid* or *Food Sovereignty*? are too expensive. After all we need to first understand what causes hunger.

Certainly it is not scarcity. Not when abundance best describes the world's food supply. World agriculture produces 17 percent more calories per person today than it did 30 years ago, despite a 70 percent population increase. According to the Food and Agriculture Organization (2002) this is enough to provide everyone in the world with at least 2,720 kilocalories (kcal) per person per day.

No, we cannot blame nature. Food is always available for those who can afford it, even in times of natural disasters such as droughts and floods. Starvation during hard times hits only the poorest. Natural disasters are simply the final push over the edge. Over 36.3 million Americans are identified as living in food insecure households. Surely we cannot blame nature or scarcity for hunger in the richest nation on earth.

If it is not nature or scarcity, what then is the cause of hunger amidst plenty?

The problem is the scarcity of democracy and the denial of human rights. Hunger is linked to the denial of a living wage to the working poor and land to the landless, for example. While, right now, the resources exist to end hunger worldwide, those resources continue to be exploited by few.

We can end hunger with the politics of courage, by converting profits for few into peoples' welfare. The politics of courage lies in shaking off the shackles of apathy that tell us that change is impossible.

Only then can we challenge the powerful elite, and demand that governments and international institutions serve human interest instead of corporate portfolios—so that our fellow human beings do not starve in the midst of plenty.

TABLE OF CONTENTS

INTRODUCTION	1
PART 1: 50 YEARS OF FOOD AID	3
What is Food Aid?	3
A Donor Oriented System	4
Promoting the Domestic Interests of Donor Countries	5
Food Aid as a Foreign Policy Tool	6
International Institutions Driven by Exporters	6
Food Aid: Providing Relief and Development?.....	8
PART 2: THE EVOLUTION OF FOOD AID PROGRAMS	10
A Stronger Focus on Priority Countries	10
▪ The Promises of the Marrakech Decision.....	10
▪ Priority Countries Are Still Neglected	11
Changes in the Sourcing of Food Aid	11
▪ Modest European Shift	11
▪ Developing Countries Do Not Have Equal Access to Trade Opportunities	12
▪ The Increasingly Dominant Position of Large-Scale Commercial Farmers and Multinational Companies	12
The Shift Toward Relief Food Aid to Combat Hunger	13
▪ The Rollback of Program Food Aid	13
▪ Relief Food Aid is Crucial to Addressing Acute Emergency Needs	14
▪ When Relief Food Aid Is a Late Attempt to Help Dying Patients.....	14
▪ Food Aid For Food Deficit Countries?.....	16
▪ Relief Food Aid to Feed the Poor?	17
▪ Food Markets Versus Food Policies	18
PART 3: IS RELIEF FOOD AID EFFECTIVE?	19
The Enhancement of Relief Food Aid.....	19
Externalization of Interventions in the Food Sector	20
Increasing Role of International Relief Agencies	21

TABLE OF CONTENTS

The Food Bias: Food Aid, the Dominant Response to Crises	21
Emergency Food Aid Remains Under the Influence of Donor Countries: the Case of GM Food Aid	22
Emergency Food Aid Subject to New Foreign Policy Objectives	24
▪ Food Aid and “Rogue” States	24
▪ The Role of Food Aid in the ‘War Against Terror’	26
PART 4: FOOD AID IN THE FIGHT AGAINST HUNGER	28
Reframing the Debate on Food Aid: Feeding More for Less?	28
Rethinking the Role of International Institutions.....	28
▪ Food Aid Must Be Kept Out of the WTO	28
▪ Giving Back Food and Agriculture to the Food and Agriculture Organization.....	29
▪ From World Food Program to World Relief Program.....	30
Refocusing Food Aid to Effectively Combat Hunger	31
▪ Rethinking the Different Forms of Food Aid	31
▪ Donor Country Food Aid Policies Require Drastic Changes	32
▪ The Procurement of Food Aid Must Support Small-Scale Farmers	33
▪ International NGOs Must Clarify their Role	33
Food Sovereignty: Strong National Policies Promoting Food Security Are Possible	34
▪ Reducing the Need for Food Aid.....	34
▪ Safety Nets to be Waived for Those Most Vulnerable	35
CONCLUSION: TOO EXPENSIVE AN ALTERNATIVE?	36
NOTES	38

INTRODUCTION

"We must refute the false idea of reality that accepts as inevitable what is in fact a result of present politics; in other words, of organized chaos.

Each and every one of us must support measures to save the living.

If only people are told what is happening, then the world's dark future, which now seems to threaten everyone in it, may be changed.

But only if we take action.

Now is the time to act, now is the time to create, now is the time for us to live in a way that will give life to others."

– *The Manifesto Against Hunger, 1981*

In the last few months, we have seen newspaper headlines cry out, "Famine threatens over 3 million people in Niger." This is hunger in its most acute form.

There is another form of hunger that is less visible. It is the chronic day-in and day-out hunger which affects an estimated 852 million people. According to the U.N. Food and Agriculture Organization's (FAO) 2004 Annual Hunger Report, the number of hungry people has been increasing at a rate of almost four million per year since the second half of the 1990s—wiping out two thirds of the reduction of 27 million hungry people achieved during the previous five years. While most of the world's hungry live in Asia (over 500 million) with 221.1 million in India and 142.1 million in China, hunger is most intractable in Africa. In Sub-Saharan Africa, over 230 million people are hungry. In Latin America and the Caribbean, there are an estimated 64 million hungry people, and in the Middle East, over 35 million.

While chronic hunger rarely makes the evening news, it is deadly. Each year it kills as many as 30 to 50 million people, more than three times the number who died annually during World War II. Its victims include the approximately 6.5 million children who die from hunger each year—one every five seconds.

International food aid, initiated in 1954, is the most known and publicized instrument put forward to fight hunger, especially in southern countries, where millions of tons¹ of food are shipped



Photo Credit: USAID

each year. However, primarily geared towards the disposal of cereal surpluses in developed countries, the international food aid system has served the foreign policy and trade interests of the donor countries over the past 50 years. The USAID website, for instance, states, “U.S. foreign assistance has always had the twofold purpose of furthering America’s foreign policy interests in expanding democracy and free markets ... Spending less than one-half of 1 percent of the federal budget, USAID works around the world to achieve these goals.”

In November 1996, heads of state from 186 countries gathered in Rome for the World Food Summit and pledged to reduce the number of chronically undernourished people (815 million then) by half by the year 2015. But as the current hunger statistics stated above make it clear, the fight against hunger and malnutrition has yet to show any gains. Halfway through this ‘goodwill’ plan seems, therefore, the right time to critically review the role of tools such as food aid in the fight against hunger.

Another event that adds to the urgency of reviewing food aid today is that the Food Aid Convention, the international convention that determines the modalities and quantities of this assistance, is up for renegotiation. This will occur after the sixth Ministerial of the World Trade Organization

(WTO), scheduled for December 2005 in Hong Kong.

Food Aid or Food Sovereignty? not only provides a timely critique of food aid as it exists today, but offers analysis and recommendations to help shift the terms of debate around hunger and food aid. Recommending food sovereignty as a policy tool, the report advocates for food self-sufficiency as the means to eradicate world hunger.

Divided into four sections, *Food Aid or Food Sovereignty?*, details the history of the food aid system in its first section, “50 Years of Food Aid.” The second section of the report, “The Evolution of Food Aid Programs” examines the evolution of food aid over the last decade and assesses the extent to which the recent shifts bear any hope for a more appropriate response to world hunger. The third section, “Is Relief Food Aid Effective?” examines issues raised by the increased use of relief food aid and the role of international relief agencies in the fight against hunger.

On the basis of this analysis, the last section, “Food Aid in the Fight Against Hunger,” proposes strategies for successfully reducing food aid needs in the long run. In a dramatic departure from prevailing thought about international food aid programs, the report, recommends using the framework of food sovereignty in aid programs. Examples from hunger crises around the world have proven that policies that emphasize helping affected countries develop their own agricultural sectors actually help feed more people and decrease developing countries’ dependence on aid programs in the long run. Both at the national country level and the international level, *Food Aid or Food Sovereignty?* emphasizes the need for supporting small farmers through strong agricultural policies including land redistribution, support for the production of staple food rather than cash crops, protection of prices and markets, and the management of national food stocks.

Food Aid or Food Sovereignty? is the first publication of the Oakland Institute’s Aid Watch, a research center, information clearinghouse, and early warning system for activists, educators, journalists and the general public on international aid operations. It is part of our mandate to monitor, research and evaluate the impact of US overseas aid policies and programs with the goal of changing the current foreign aid model.

It is our hope that *Food Aid or Food Sovereignty?* will break through the rhetoric, debunk the myths of world hunger and ensure that it shifts the terms of the debate on hunger from a politics of despair to a politics of hope.

50 YEARS OF FOOD AID

What is Food Aid?

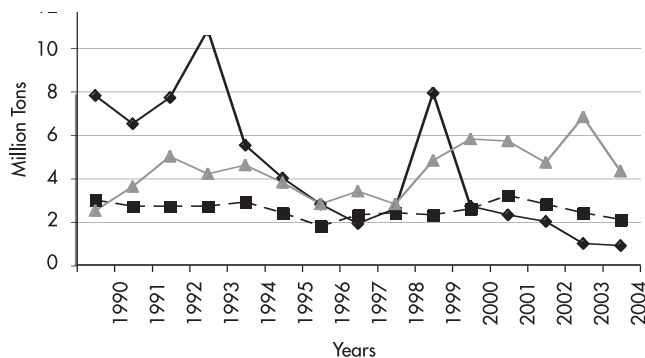
Food aid is a generic term which encompasses a range of instruments and interventions. The common perception is that food aid is the handout of food in a situation of food shortage, usually in Asia or Africa. However, as noted by Barrett and Maxwell, “by this standard, Americans would be among the world’s most numerous food aid recipients because of the extent of the United States’ school feeding, temporary assistance to needy families, food stamps, and other food assistance programs.”²²

Though there would be a certain interest for study and comparison, this report does not look at food aid interventions in northern countries, such as US domestic food programs, and focuses on international food aid, i.e. flows of food (or cash to purchase food) from rich countries to poorer ones, generally developing countries.

The use of food aid to fight hunger and food insecurity has historically been marginal compared to other forms of food deliveries. **Program Food Aid**, which was until recently the predominant form of food aid, has no relation to food insecurity or malnutrition, instead it represents a specific in-kind form of economic assistance. Most Program Food Aid is provided on a government-to-government basis and sold in recipient country markets to generate cash. It thereby reduces food import bills and constitutes a balance of payment support to the government’s budget. Contrary to another common belief about food aid, Program Food Aid is generally not given freely but is usually sold to the recipient country through concessional financing and export credit guarantees. Recipient countries therefore purchase food aid with money borrowed at lower than market interest rates.

Relief, or Emergency Food Aid, constituted only a modest part of overall food aid until the 1990s and it is only in the last decade that it has become the major form of food aid. It is distributed for free in countries facing situations of food insecurity, generally by the World Food Programme (WFP), non-governmental organizations (NGOs) and more rarely by government institutions. Relief Food Aid is generally distributed in situations of war, natural disasters and population displacement. However, a number of countries facing some forms of chronic food insecurity have also become permanent recipients of this form of aid.

Contrary to a common belief about food aid, Program Food Aid is generally not given freely but is usually sold to the recipient country through concessional financing and export credit guarantees.

Graph 1:*Food Aid Deliveries by Category 1990-2004, in millions of tons³*

◆ Programme ■ Project ▲ Emergency

Source: WFP/INTERFAIS, June 2005

The third and final category of food aid, **Project Food Aid**, is donated to support specific activities and projects, often related to promoting agricultural or economic development, nutrition and food security, such as food for work and school feeding programs. Similar to Relief Aid, Project Food Aid is generally distributed by WFP and NGOs, and occasionally by government institutions.

The fluctuation in volume and share of these three categories will be studied and discussed further in Part II of this report.

A Donor Oriented System

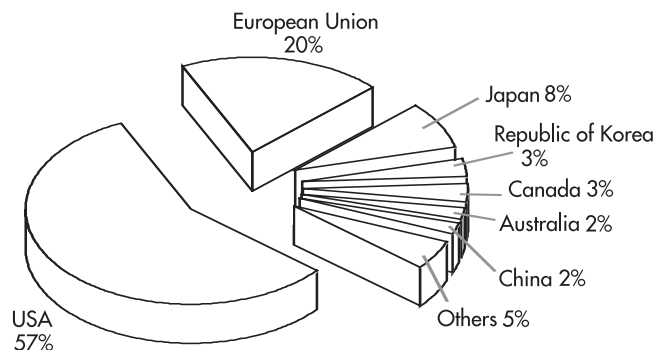
Contemporary international food aid was initiated by the US and Canada in the early 1950s. The US immediately became the largest provider of food aid, a predominant position that has been maintained over the past fifty years, with millions of tons of US-produced food transported and dispatched to all continents.

International food aid was initiated at a time when a policy of price support for agricultural commodities generated large surpluses of cereals. The disposal of surpluses through food aid made it a crucial instrument to support North American farmers because it reduced storage costs and opened access to new overseas markets. Food aid also rapidly became an instrument of foreign policy in the Cold War era, with food being used to support friendly or strategic countries.

Canada was the second largest food aid donor in absolute terms until the rise of European food aid in the late 1960s. The European Common Agricultural Policy (CAP), created in 1962, is geared towards increasing agricultural productivity and food self-sufficiency. Through a combination of farm price supports and barriers to food imports, the CAP generated massive surpluses, especially wheat and animal products, which made the European Union (EU) and its member states major actors in international food trade and food aid.

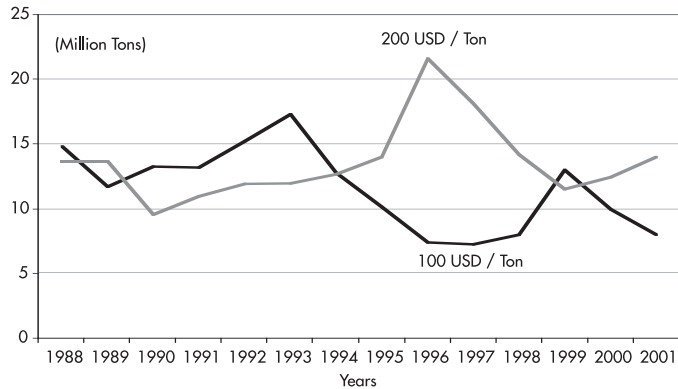
EU food aid now accounts for more than half of all European food aid contributions, whereas most member states also operate bilateral food aid programs separately. Through these two bilateral and multilateral channels, the EU has remained the second largest food aid donor since the 1970s. Food aid from the EU and the US represents around 80 percent of the total international food aid, the rest being shared by a number of smaller donors such as Canada, Japan, Australia, China and Korea. The US is the only country to have extensively used concessional sales for Program Food Aid; all other donors have always operated food aid through donations.

Like the US, the major food aid donors primarily initiated food aid as an instrument of agricultural and trade policies, and used it to pursue a combination of other objectives, mixing humanitarian concerns and foreign policy interests. Nonetheless, as demonstrated by the negative correlation between food aid flows and international cereal prices in Graph 3 (on next page), the main driver of food aid remains

Graph 2:*Breakdown by Donor Country in 2004*

Graph 3:

International Food Aid Flows Compared to the International Price of Wheat



Source: WFP/FAO/IGC

the domestic support to farmers and agribusiness interests rather than needs of the developing countries. Typically, food aid flow increases in periods of low prices and high level of food stocks in developed countries.

Promoting Domestic Interests of Donor Countries

Though their interests were similar to those of the North American countries, European governments have never openly admitted any economic or political interest behind their food assistance. However, the US has always been very open about the multiple objectives assigned to its food assistance, listed as follows by USAID⁴:

- Combat world hunger and malnutrition and their causes
- Promote broad-based, equitable and sustainable development, including agricultural development
- Expand international trade
- Develop and expand export markets for US agricultural commodities
- Foster and encourage the development of private enterprise and democratic participation in developing countries

International food aid was initiated at a time when the policy of price support generated large surpluses of cereals in donor countries. State agencies purchased agricultural commodities from farmers in times of low prices and growing surpluses. This was part of a policy geared towards the

enhancement of the whole agricultural sector in donor countries. But because surpluses shrunk in the 1980s, food aid is now driven more by the individual interests of a few groups and businesses rather than political objectives that favor an entire economic sector. Food aid in the US constitutes only \$1-2 billion annually in a domestic market exceeding \$900 billion. With such a modest share, food aid is no longer the policy instrument it was initially when it resulted from the government's price support policy. It now represents the interests of the "privileged few with preferential access to procurement process."⁵ Major forces driving food aid today are specific crop lobbies, U.S. shipping companies and NGOs and relief organizations.

The comprehensive research conducted by Barrett and Maxwell shows that the influence over food aid has shifted from broad-based farm groups to crop-specific lobbies. Wheat, rice, soybean oil and milk powder producers and exporters appear to be those benefiting the most from the food aid business: in the past two decades, food aid accounted for 33.7 percent of dry milk powder exports from the US, 15.5 percent of rice exports and 12.1 percent of wheat exports. In the 1990s, more than half of EU exports of dry skimmed milk and of US exports of soybean oil were delivered as food aid.⁶

The shipping industry is another major interest behind food aid in the US; it is supported by the 1985 Farm Bill which requires that at least 75 percent of US food aid be shipped by US vessels. As in the case of agribusiness, the cargo preference benefits some interests rather than the industry as a whole, for which food aid constitutes only a tiny portion. The same study by Barrett and Maxwell shows that just four freight forwarders handle 84 percent of the shipments of food aid from the US and that a few shippers rely extensively on US food aid for their existence. They, "depend heavily on food aid business and might not be financially viable without the massive subsidies they draw from food shipments the American electorate thinks are donations not to shipping lines but to poor people abroad."⁷

Preference given to in-kind food produced in the US and to the US shipping industry makes US food aid the most expensive in the world. The premiums paid to suppliers and shippers combined with the increased cost of food aid due to lengthy international transport raise the cost of food aid by over 100 percent compared to local purchases.⁸

The last major force driving food aid in donor countries relates to the vested interest of a number of relief and development organizations active in food aid projects.

Interestingly, the only international NGOs specialized in food aid are US based, and rely on food aid for either direct food interventions or for funding of other activities through the monetization, or sale, of the food they receive in the recipient country. On average, the main US based relief and development NGOs rely on food aid for 30 percent of their resources and more than half of the food they receive is sold on the market in recipient countries to generate funding for other programs.⁹ In certain countries, Chad in the 1990s for example, food aid constitutes the main or the only resource available to NGOs. As a result of their heavy dependence on food aid as a resource, they are poorly inclined to question the current food aid system. This study further details the role of NGOs in Part III.

Food Aid As a Foreign Policy Tool

While the volume of food aid has always correlated to the fluctuations of international cereal markets, the allocations of food by country have been determined by a combination of foreign policy interests and humanitarian concerns. As claimed by US Senator Hubert Humphrey in July 1953, food aid was a weapon against communism during the Cold War: “[w]ise statesmanship and real leadership can convert these [food] surpluses into a great asset for checking communist aggression. Communism has no greater ally than hunger; democracy and freedom no greater ally than an abundance of food.”¹⁰ The Cold War saw large amounts of food aid sent to countries that were strategically important to the US such as India, Indonesia and Pakistan. Similarly, large shipments of food aid went to East Asia at the time of the Korean and Vietnam wars. In the 1970s the bulk of US food aid shifted to the Middle East, including Israel and Egypt, as these countries gained strategic importance to the US. In the 1990s, after the fall of the Berlin Wall, more food aid went to former socialist countries in Eastern Europe, until recently when it joined the arsenal of the so-called War on Terror. As discussed earlier, foreign policy goals also often overlap with commercial and economic interests. Massive food assistance provided to Asian countries such as South Korea, the Philippines and Indonesia, initially corresponded to foreign policy goals but has resulted in the development of market opportunities for US exports.

The \$2.4 billion in US food aid provided this year brought American food for a hungry world. The food went overseas; however, much of the money stayed here.
 USAID Food Report
 1999, page 56

International Institutions Driven by Exporters

The Consultative Sub-Committee on Surplus Disposal (CSSD) and the Food Aid Convention (FAC) are the two institutions that govern food aid at the international level. Other organizations such as the WFP, international NGOs and government agencies, responsible for the distribution of food aid at the national level, will be examined in more detail in Parts II and III of this report.

The CSSD was established in 1954 under the United Nations Food and Agriculture Organization (FAO) to monitor donors’ disposal of agricultural surpluses. Comprised of 41 member states, including donor and recipient countries, its role is to monitor the adherence to a set of Principles of Surplus Disposal, a code of conduct for food aid transactions. The CSSD’s primary function is to ensure that food aid does not encroach on commercial imports and local production in recipient countries.¹¹ Practically, food aid transactions are assessed against the recipient countries’ usual marketing requirement (UMR), calculated as an average of the past five years’ commercial imports. In theory, food aid should be in addition to commercial imports (i.e. it should result in additional consumption). In practice, the CSSD is more likely to safeguard exporters’ interests than those of local producers as it results in commitments by recipients to maintain ‘normal’ levels of commercial food imports. The CSSD therefore ensures that food aid does not displace trade. When accepting food aid, recipients commit to pay for imports of commercial food along with food aid. The UMR does not apply to emergency food aid, which is supposed to be targeted and, in theory, less likely to distort trade and production than other forms of aid.

The CSSD is based in Washington D.C. rather than at the FAO Headquarters in Rome. Its location, its name and its focus on surplus disposal clearly reflect the concerns of competing food exporting countries around the use of food aid in an open economy rather than on hunger in recipient countries. Its main function is to avoid the displacement of commercial imports by food aid and it does not constitute an instrument favoring an adequate use of food aid to fight hunger.

The FAC was created in 1967 as part of the negotiation of the International Grains Agreement between the main food

exporting countries. It is a treaty committing donors to minimum annual food aid disbursements and providing a set of principles and guidelines for the provision of food aid. It has been successively extended or renewed since 1967, with variations of annual commitments and some evolution in principles and guidelines.

The current convention, setting a minimum level of some 5 millions tons of international food aid per year was renewed in 1999. It was scheduled to expire in 2002 but has been extended until 2005, and renegotiation has been put on hold until the completion of the WTO negotiations on agriculture.

Donor countries often argue that the creation of the FAC was intended to enhance the capacity of the international community to respond to food aid needs by guaranteeing a predictable flow of food aid per year, irrespective of price or supply fluctuations. Yet, the reality is more complex. The humanitarian motivation of the FAC is invalidated by the fact that at the time it was created most food aid was Program Food Aid, which was not provided in response to food needs but rather to ensure the disposal of the large cereal surpluses produced at the end of the 1960s in North America and Europe.

By ensuring a permanent flow of cereals out of the open market, the treaty primarily aimed to reduce the quantity of

Developing economies are proving to be the greatest area of market growth for US agricultural exports. [...] The US farmer directly benefits the most when developing countries expand their rural economies.

*USAID Food Report
1999, Page 58*

food available for commercial exports in order to maintain high international cereal prices. The FAC was signed at a time when the interests of the major cereal exporting countries converged to support wheat prices on international markets (the EU had just become a major producer as a result of the Common Agricultural Policy implemented since 1962). The first objective of the FAC was therefore to provide the main cereal exporters with a mechanism allowing an 'equitable' burden sharing in the use of food aid for price support in international markets.¹²

This commercial interest is made clearer by the fact that the FAC has been housed since 1967 in the International Grains

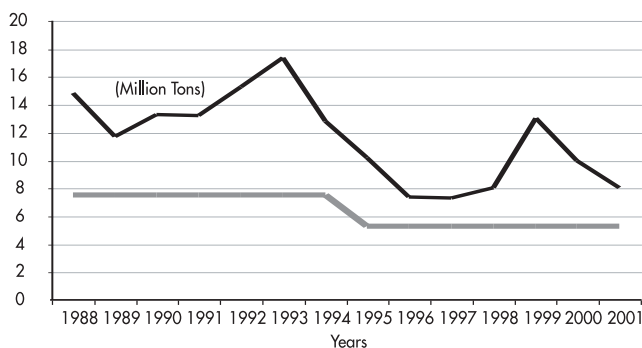
Council, a commercial trade promotion body based in London. Further, only donor countries are represented in the convention (22 food exporting countries).

The FAC is meant to guarantee annual, predictable disbursements of food but Graph 4 shows the ineffectiveness of this instrument as it does not prevent wide fluctuations in food aid deliveries. Food aid shipments have generally been higher than the commitment, and in some years deliveries have reached more than 200% of the amount committed. However, when international cereal prices rose between 1995 and 1997, at the time food imports were becoming increasingly expensive for developing countries, food aid was reduced drastically, down to half the volume of the previous years. Donors' commitments under the new 1995 convention shrank accordingly, down from 7.6 million tons to 5.5 million tons. Food aid was reduced at the time when it was most needed, which is exactly what the FAC is supposed to prevent.

The second stated function of the FAC, to provide a set of principles and guidelines for the provision of food aid, has not produced more effective results. Thus, for instance, Article I of the FAC encourages "members to ensure that the food aid provided is aimed particularly at the alleviation of poverty and hunger of the most vulnerable groups, and is consistent with agricultural development in those countries." And Article VIII states "Food aid should only be provided when it is the most effective and appropriate means of assistance." Finally, Article XIII recommends avoiding "harmful effects on local harvests, production and marketing structures, by appropriately timing the distribution of food aid" and asks to respect "local food habits and nutri-

Graph 4:

International Food Aid Flows Compared to FAC Commitments



— Food Aid Flows — FAC Commitment

Source: WFP/FAO/IGC

tional needs of the beneficiaries and minimize any possible negative effects on their eating habits.”

Yet, as discussed later in this report, apart from emergency situations where food aid has effectively participated in the fight against hunger, it has generally contributed poorly to long-term development and often undermined agricultural production in recipient countries. Furthermore, while the FAC calls for the respect of food habits, the change in food habits has been an official objective of US food aid, geared towards the development of new foreign markets for US products.¹³ The 1999 Convention has nonetheless succeeded in restraining the amount of concessional sales of food aid, fixed at 20 percent of the deliveries for each donor. Because the sale of food should not necessarily be considered a form of food aid, this restraint constitutes a small achievement of the 1999 Convention.

Like the CCSD, the FAC lacks enforcement mechanisms, transparency in its functioning as well as monitoring and evaluation mechanisms (no comprehensive evaluation of the FAC has been conducted to date). As a result, best practice procedures as well as the functions of poverty and hunger alleviation remain largely rhetorical. The FAC’s inability to prioritize humanitarian concerns, guarantee annual disbursements of food, and generate best practices makes it clear that it is not a useful tool in the fight against hunger.

Food Aid: Providing Relief and Development?

Emergency Food Aid is essential in situations of acute food insecurity to prevent malnutrition and to protect livelihoods. Food aid not only saves lives in crisis situations but also prevents the use of coping strategies that can be damaging for economic recovery such as the consumption of seeds, the slaughtering or the sale of livestock, depletion of capital goods, migration to cities or deforestation. As a result, it not only prevents malnutrition in disaster situa-

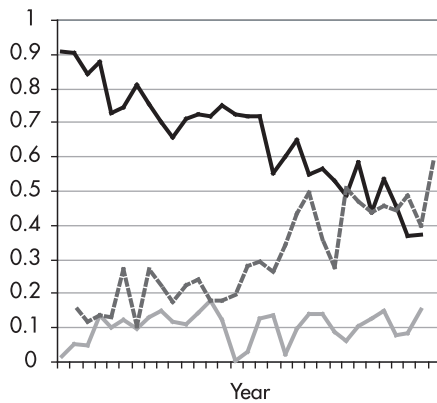
tions but can also prevent people facing temporary crisis situations from falling into chronic poverty and food insecurity. The benefits of food aid can be similar at the national level, as it may save substantial national resources and foreign exchange reserves, which can be then spent on essential services and investments instead of being used for food imports. Food aid can be particularly critical for countries such as the Least Developed Countries (LDCs)¹⁴ that are heavily reliant on food imports and that lack financial resources and foreign exchange for food imports.

Relief Food Aid has, without a doubt, saved millions of lives in crisis situations since it was created. However, as mentioned previously, until recently, it was marginal compared to Program Food Aid. The second section of this report examines Relief Food Aid and the consequences of this recent change in more detail. However, before we examine Relief Food Aid, the role played by food aid, and primarily Program Food Aid, as a foreign policy and trade instrument deserves specific attention because of its indirect but critical impact on world hunger.

Program Food Aid has been considered an instrument of development in two ways. First, it constitutes a direct economic support to net food importing countries, allowing savings in financial resources and foreign exchange. These savings on food imports can be allocated for other expenditures. In addition to providing direct financial assistance, revenues generated by the sales of commodities may cover additional government expenditures, some of which may facilitate nationwide development. However, over the past decades, Program Food Aid has rarely been development oriented, as for instance this budgetary support could mean increased military expenditures. This occurred in the case of US food aid to Vietnam and Indonesia in the 1960s and 1970s. Further, this form of aid, like cash assistance, has often been tied to policy or trade deals, which are not necessarily advantageous for recipient countries.

“US food aid may help to expand US exports in the short term and can build the foundation for future US sales. For example, the Philippines received soy meal under the PL 480 program in the early 1990s when its economy was in poor condition and it was difficult to finance the purchase of needed commodities. [...] In 1999, the Philippines became the leading purchaser worldwide of US high-protein soybean meal valued at \$212.2 million dollars, with a US import market share exceeding 90 percent.” USDA Report to Congress on Food Aid Monetization, 2001²¹

Graph 5:
Cereal Sources Share in Domestic Supply,
Haiti, 1973-2003¹⁸



— Food Aid — Production — Imports

A second function of Program Food Aid has been to support the structural shift from subsistence agriculture to industrialization and cash crops. Development has generally been the official goal announced for such interventions, and may have been a genuine concern in certain cases, especially for friendly countries during the Cold War. Nonetheless, the creation of new markets for agricultural products was most likely the principal objective of major donor countries, including the US.

The industrialization of ‘friendly’ countries has been a central element of US development policy for several decades. Former US Assistant Secretary of State W.L. Clayton claimed that supporting industrialization, “would certainly be very good for US agricultural exports, because as you help develop them [underdeveloped countries] industrially, you will shift their economy to an industrial economy, so that in the end you would create more markets for your agricultural products.”¹⁵ South Korea demonstrates the success of this strategy. It was one of the largest recipients of US food aid in the 1950s and 1960s, and ended up as one of the largest buyers of US agricultural goods.

The mechanism is well known: “Dumping large quantities of low-priced American grain in developing countries makes it economically impossible for the small domestic producers to compete. Unable to get a fair return for their grain, such producers are frequently forced to sell their land and become

landless (and often jobless) laborers.”¹⁶ In the case of South Korea, the massive amounts of food aid sent there allowed a ‘cheap food’ policy in local rice markets. Workers in the young, export-oriented industry could be paid low wages because of low food prices, allowing low costs of production and international competitiveness. At the same time, many domestic rice farmers were unable to make a living because of the low sale prices of their products. Many such farmers lost their livelihoods and were forced to seek jobs in the cities. As a result, Korea’s rural population fell from one-half to slightly more than one-third of the total population between 1963 and 1976.¹⁷

The concept of food aid for development is therefore quite questionable, as it implies the withdrawal of small-scale agriculture and directly threatens the livelihoods of family farmers. As a matter of fact, for most LDCs, food aid was never part of any development policy, other than the one in support of export growth for developed countries. As early as the 1950s, FAO had warned of the potentially harmful effects of food aid on local agriculture. The organization was apprehensive “that desirable, and in the long run, necessary agriculture development in the receiving countries will not take place if PL480 exports¹⁹ are continued and expanded.”²⁰ Graph 5 highlights this pattern in the case of Haiti, which, like many developing countries, has become increasingly dependent on food imports in the past twenty years. Driving down food prices and encouraging increased consumption of wheat and dairy, (cheap imports from developed countries, including through food aid) often undermines local agricultural production. This, in turn, adversely affects the livelihoods of rural populations and drives the ‘non-competitive’ local farmers out of agriculture.

Without a doubt, many food aid recipients, starting with those of the Marshall Plan in Europe after World War II, have managed to use this assistance wisely, integrating it into broader development policies aimed at industrialization and food self-sufficiency, which ultimately boosted living standards and human development. Unfortunately, this approach is not always successful, and for many countries, food aid is integrated into policies leading to structural food deficits and increased dependency on food imports. For the poorest countries, such dependency combined with scarce resources to finance imports has resulted in increased poverty and hunger.

THE EVOLUTION OF FOOD AID PROGRAMS

The evolution of international food aid over the past ten years is generally seen as very positive. Until the 1990's, the EU and the US, the world's two main food donors, had similar food aid policies, largely driven by their own concerns and interests. Over the last decade, both donors have undergone some significant policy changes that might suggest that more consideration is now given to the fight against hunger and malnutrition and to the needs of recipient countries.

Several shifts have taken place: a stronger focus on priority countries, increased share of local and triangular purchases²² compared to food aid in-kind, and a move from Program Food Aid to more Relief Food Aid. Are these shifts beneficial for developing countries? Do they constitute positive steps towards a more effective use of food aid in the fight against hunger?

A Stronger Focus on Priority Countries

The Promises of the Marrakech Decision

The Marrakech Decision, signed during the conclusion of the Uruguay Round negotiations in 1994²³, recognized that increased world food prices resulting from the agricultural trade liberalization program might cause difficulties for LDCs and Net Food-Importing Developing Countries (NFIDCs), including difficulties in financing normal levels of commercial imports of basic food-stuffs. In order to minimize the adverse effects of the reform, the decision required developed countries to give special treatment to LDCs and NFIDCs through:

- Favorable export credit conditions
- Financing support for commercial imports of food
- Provision of sufficient levels of food aid
- Technical assistance to improve agricultural productivity and infrastructure

More specifically around food aid, it was decided to, “initiate negotiations [...] to establish a level of food aid commitments sufficient to meet the legitimate needs of developing countries during the reform program [and] to adopt guidelines to ensure that an increasing proportion of basic food-stuffs is provided to least-developed and net food-importing developing countries in fully grant form and/or on appropriate concessional terms in line with Article IV of the Food Aid Convention 1986.”²⁴

Vague terms such as ‘legitimate needs’ and the lack of precise commitments for developed countries (e.g. ‘increasing proportion’) left much to the discretion of developed countries and did not

provide developing countries with any guaranteed assurance for assistance or special treatment. Moreover, it proposed assistance to meet needs 'during the reform program,' and therefore implicitly predicted that these needs would be temporary. This assumption has unfortunately been contradicted by the tragic evolution of agriculture and food security in most LDCs over the past several decades. Reform programs have both increased developing countries' dependency on food imports and undermined their ability to finance them.

There is a more fundamental problem with the Marrakech decision: because international assistance, including food aid, is seen as compensation for economic reforms, it becomes conditional to these reforms. Although a substantial part of US food aid (e.g. Food For Progress) was already conditional to the adherence to free market principles, the Marrakech Decision went one step further by codifying the idea of food aid as compensation for economic reforms.

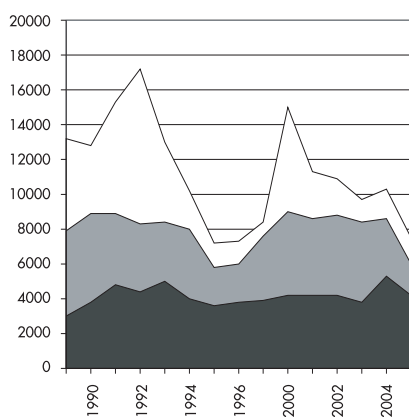
Priority Countries Are Still Neglected

The 1999 Food Aid Convention and the 1994 Marrakech Decision both state that priority for food aid should be given to Low Income Food Deficit Countries (LIFDCs) and LDCs. In 2004, these countries received respectively, 83 percent and 55 percent of global food aid deliveries, quite a high share of total assistance.

As reflected in Graph 6, the share of food aid delivered to these countries has increased over the last several years.

Graph 6:

*Food Aid Deliveries to Priority Groups
From 1990-2003 (in thousands of tons)*



□ Global Food Aid Flows ■ LIFDC ■ LDC

Source: WFP/INTERFAIS,
June 2005

Nevertheless, the quantities they received in absolute numbers have remained relatively stable and even decreased sharply in 2004. The fluctuations in the share of food aid received by priority countries reflect the fact that in periods of low international cereal prices, such as 1993 and 1999, additional food aid deliveries are oriented to other countries, and are more likely to be tied to commercial transactions in periods of depressed markets. Therefore the recent increase in the share of food aid to priority groups does not reflect a stronger focus on these countries but instead results from the overall decrease of food deliveries due to high cereal prices. Further, it is remarkable that during periods of high international prices and low levels of international cereal stocks, such as 1995-1996 and 2004, food deliveries to priority countries dropped. The drop in food deliveries has occurred when priority countries are most in need of assistance due to the increased cost of food imports. The increased priority given to LDCs and LIFDC does not necessarily lead to increased food deliveries in times of need.

More than ten years after the Marrakech Decision, its mandate has yet to be implemented. Moreover, the major drops in food aid observed in years of high cereal prices during the last decade demonstrate the inconsistency of donor support, and raise doubts about donor countries' commitment to assist the poorest countries when the need arises.

Changes in the Sourcing of Food Aid

Modest European Shift

The shift from the export of surpluses to more purchases from within southern countries has been strongly promoted by a number of NGOs and researchers over the last twenty years. Local and triangular purchases of food aid are said to support agriculture, trade and ultimately development in developing countries. Requiring less international transport, they also permit swifter and cheaper procurement of food. Overall, in 2004, 1.6 out of a total of 7.5 million tons of food aid was obtained through local or triangular purchases in developing countries. The EU officially adopted this policy standpoint in 1996 and adapted its food aid programs accordingly through a progressive increase in the share of cash assistance for triangular and local purchases and more attention for non-food interventions.²⁵ As a result, a major share of EU food aid—90 percent in 2004—is now procured in developing countries (this figure is only approximately 1 percent for the US).

Though the move towards locally purchased food aid is positive, there is room for improvement in Europe's imple-

mentation of this policy. First, as demonstrated in Graph 7, the high share of local and triangular purchases in 2004 is actually the result of a sharp decrease of direct transfers in absolute value (from 501,000 to 61,000 tons). 2004 saw an overall decrease in international food aid due to high prices and low stock levels. Low food stocks in Europe therefore resulted in less European in-kind food aid. Ten years after the official dissociation between food aid and surpluses, the EU food aid remains under the influence of trade interests. Further, the EU policy has not been adopted by the individual member states, such as Italy and France, which have maintained a parallel flow of in-kind food aid representing nearly 70 percent of their food aid.

In spite of these reservations about the implementation of this policy, the shift in the European strategy has been praised as an appropriate way to support southern food producers and strengthen food security. But does it really benefit southern countries and their small-scale farmers?

Developing Countries Do Not Have Equal Access to Trade Opportunities

Most LDCs are specialized in non-food exportable crops such as coffee, cocoa, tea and tobacco and therefore must spend a large share of their export earnings on commercial imports to meet their food needs. As a matter of fact, the top-ten list of WFP suppliers does not include any LDCs: 1) Australia, 2) US, 3) Malaysia, 4) Thailand, 5) Argentina, 6) France, 7) Oman, 8) Jordan, 9) Brazil, 10) Canada.²⁶ However, a number of 'more advanced' developing coun-

tries such as Brazil and South Africa have specialized in the industrial production of exportable food commodities.

South Africa (the 14th largest WFP supplier) recently became a major exporter of maize, the staple food in the southern region of Africa. In 2005, while the 10 other countries in the region expect to face a 4 million ton deficit of agricultural products, South Africa plans to export a surplus of more than 5 millions tons of maize.²⁷ South Africa will also be the origin of most WFP purchases for interventions in the region, which is in need of 730,000 tons of emergency food aid.²⁸ These triangular purchases will consist of cereals produced and exported by large-scale commercial farmers and firms.

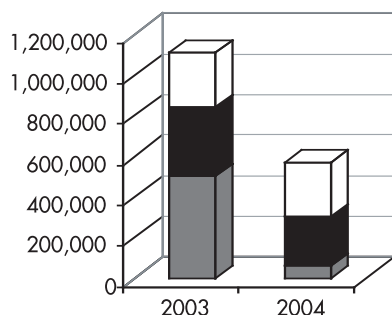
Small-scale farmers in northern Mozambique will also produce a surplus in 2005. Yet, they are unlikely to supply food to WFP because of higher marketing costs due to the country's poor road and storage infrastructure. As in the case of Mozambique, small-scale farmers in the poorest countries may not benefit from increased local and triangular purchases because of the lack of transport and marketing infrastructures in these countries. Other obstacles between small-scale farmers and this type of trade include the constraints of supply chain consolidation and strict qualitative export standards, including for instance, phytosanitary norms and packaging requirements which may not be accessible to them. Given such constraints, developing countries do not have equal access to trade opportunities and this limits their ability to benefit from food aid purchases.

The Increasingly Dominant Position of Large-Scale Commercial Farmers and Multinational Companies

As noted in a recent FAO report on agricultural trade, "large companies dominate export trade in developing countries."²⁹ Two corporations, Cargill, America's largest privately owned corporation, and Archer Daniels Midland (ADM) control 75 percent of the global grain trade (45 percent and 30 percent respectively).³⁰ Corporations have a dominant position in the agricultural sector of many developing countries. For instance, Nestlé controls 80 percent of milk production in Peru³¹ and Cargill Paraguay sells more than 1.3 million tons of Peruvian soy, wheat and corn each year, 30 percent of the country's total production.³² According to FAO, "in exporting developing countries, particularly following the elimination of many marketing boards, large companies with warehousing and shipping facilities have been able to exploit their financial and logistical advantages. Many now buy produce directly from farmers, specifying

Graph 7:

*Breakdown of European Food Aid
By Supply Mode, 2003-2004 (in tons)*



□ Local Purchases ■ Triangular Purchases ■ Direct Transfers

their requirements and prices. Intensified competition favors those farmers and traders with access to cheaper finance and good logistics. Larger enterprises have advantages in both respects.”³³

Structural adjustments have been implemented in most developing countries over the past two decades. They have generally led to the elimination of public intervention in the agricultural sector, including state-led institutions such as marketing boards, which in the past supported small-scale farmers through credit, inputs and facilitation of market access. Structural adjustments have also encouraged the concentration of agricultural trade and production, which excludes small-scale farmers from business and growth. For example, a recent World Bank report on Zimbabwe indicated that the adjustment program had resulted in an average agricultural growth of 4 percent per annum in the 1990s, and a simultaneous rise of extreme poverty, from 26 percent in 1990 to 35 percent in 1995, affecting mainly small-scale farmers in rural areas. The World Bank admits that agricultural growth was not broad based, was skewed in favor of large-scale commercial farmers and did not give enough attention to small land holders.³⁴

The promotion of local and triangular purchases is certainly desirable and must be encouraged. However, it is unlikely to benefit the poorest countries and their small-scale farmers if it is not part of a broader policy aimed at supporting small-scale agriculture in these countries.

The Shift Toward Relief Food Aid To Combat Hunger

The Rollback of Program Food Aid

Today, Relief Food Aid represents the main form of assistance provided to countries in need. It constituted a record 67 percent of food aid in 2003, while Program Food Aid reached a record low of about 10 percent. Only a decade ago, the respective share of these two types of food aid was

diametrically opposed. At that point, Program Food Aid comprised approximately 70 percent of food aid and Relief Food Aid constituted 20 percent. Meanwhile, Project Food Aid has been relatively stable from year to year in terms of volumes distributed.

Several factors have led to a decrease in Program Food Aid over the past decade:

- Reduction of surpluses in developed countries, especially in Europe
- A lesser use of food aid as a foreign policy instrument by the US compared to the Cold War era
 - 1996 shift in the European food security policy toward more need-oriented food aid



Photo Credit: White House

The increase in Relief Food Aid and decrease in Program Food Aid is seen as positive by a number of food exporting countries that consider Program Food Aid, mainly by the US, as a breach of the principles of free trade. Program Food Aid is seen as a hidden subsidy to the domestic food industry which often dresses up commercial business as food aid. Relief Food Aid is generally more accepted by non-US food-exporting countries because its goal is to target food insecure people that do not have the purchasing power to buy food and are less likely to displace commercial transactions.

The evolution toward the use of Relief Food Aid could also benefit recipient countries as Program Food Aid makes extensive use of concessional sales of food and as such contributes to their debt. Further, as Program Food aid is aimed primarily at surplus disposal and market expansion, it constitutes a form of dumping, which undermines local agriculture and trade. Program Food Aid sold in local markets depresses local prices, which affects the income of local producers, reduces incentives for production, and increases future reliance on food imports.

Relief Food Aid is considered the most appropriate form of food aid as it is generally distributed for free to those with-

out access to food and is geared towards the alleviation of hunger. However, though more assistance for humanitarian purposes appears to be a positive evolution of the aid system, we must ask if this shift is truly benefiting the hungry.

Relief Food Aid is Crucial to Addressing Acute Emergency Needs

Shocks such as war or natural disasters and the resulting destruction and displacement damage people's livelihood in different ways: loss of belongings and assets, disruption of productive activities and markets, and elimination of state and community support mechanisms. Such conditions require the immediate creation of a comprehensive relief assistance package. Food, water, sanitation and health care are the first needs that must be addressed but aid may also include basic items such as cooking utensils, fuel, mattresses, blankets, and hygiene products. The requirement for this relief aid is enshrined in the right to food and the right to assistance, specified by various international legal documents such as the Universal Declaration on Human Rights, The International Covenant on Economic, Social and Cultural Rights and the Geneva Conventions.

Under extreme circumstances, the provision of food aid prevents malnutrition and can aid economically and as such, it constitutes a legal obligation. The need for food aid in extreme circumstances varies:

- In the case of displaced people or refugee populations, the need for food assistance can last for years. This is due to legal restrictions around the employment of refugees, the limitations to agriculture due to the lack of arable land, and limited income opportunities in displaced camps.
- After natural disasters, the need for food aid is generally limited to shorter periods of time—a matter of few months or even a few weeks, e.g. until business is restored in a flooded area—given that food aid can be replaced by cash assistance as soon as local markets and the local economy are reactivated.
- In war situations, food assistance can be essential for both displaced populations and residents as, apart from displacement, access to food is limited by the loss of crops and productive activities and the disruption of

commercial activity and markets. Food aid often remains essential as long as fighting continues, which can be for years.

When people do not have alternative sources of food or income, which is the case for most displaced populations and refugees, WHO international standards recognize that every affected individual should receive a balanced ration providing a minimum nutritional intake of 2,100 Kcal per day, without limitation in terms of duration of the assistance.³⁵ Supported by international legal documents and standards and driven by a life saving imperative, the rationale and the modalities for Relief Food Aid are therefore relatively clear and do not call for debate.

The shift towards more Relief Food Aid therefore seems positive. The problem is that Relief Food Aid is only marginally used to tackle the types of extreme situations described above. We have seen earlier that Relief Food Aid currently represents close to 70 percent of global food aid. However, of the first fifteen food aid recipient countries in 2004,³⁶ only five have significant numbers of internally displaced persons or refugees, including only three facing civil strife or conflict, and one having experienced a natural disaster. The three countries that received the most food aid during

the last decade—Bangladesh, Ethiopia and the Democratic Republic of Korea—are not at war, and if they have been subject to occasional droughts or floods, this was not the justification of the food aid they have received. Food aid, including an increasing amount of Relief Food Aid, is usually used for situations which are not, at least initially, emergencies.

When Relief Food Aid Is a Late Attempt to Help Dying Patients

Terrible images of starvation in Africa once again hit the western world in July 2005. Reports from Niger were shocking as they came soon after publicized worldwide concerts and international mobilization against poverty and the G8 summit in Gleneagles. They were not only appalling because of unacceptable images of starving children but above all, because the food shortage had been announced nearly a year before, without triggering a response which

Food Aid is increasingly used to address situations that grow into emergencies because of the lack of early assistance or because of the lack of a mechanism to address widespread poverty and chronic food insecurity.



would have prevented the famine.

The severity of the food shortage was made known as soon as October 2004, when Niger's government and WFP appealed for international support. The response by the international community was initially very limited: four months after its first appeal, WFP had received only 10 percent of the required funding. According to UN Humanitarian Coordinator Jan England, in October 2004, 1 dollar per day per child would have been initially necessary to save lives, whereas 80 dollars per day were required in July 2005.³⁷ It would have been possible to organize an appropriate response as soon as food shortages were predicted by providing funds to the government for food imports and distribution and allowing smooth and organized support from the international community. However, the international community largely ignored the situation in Niger until July 2005, when expensive emergency air cargoes were sent from Europe with nutritional products to treat malnutrition. Regional purchases of food months before could have easily prevented the severity of the situation.

Another case of slow reaction by the international community occurred in Malawi, following a bad harvest in May 2001. In July 2001 the government of Malawi requested international assistance to help provide the 600,000 metric tons of food needed in the country. Donor countries were apparently skeptical about the severity of the situation, and

cautious after reported mismanagement of the national food reserves. As a result, they did not meet this request. Their sole response was a European Union Supplementary Feeding Program that provided 15,000 metric tons of food. In March and April 2002, one year after the bad harvest, following reports of starvation in some parts of the country, an emergency appeal was launched by the WFP and a massive relief operation started with strong support from the main donor countries. It was unfortunately too late for those who had died during the lean period in the first months of 2002, before the April 2002 harvest, when food stocks were depleted and food prices were at their highest level. Sadly, it has been acknowledged that, "having reacted too late to the first phase of the emergency in 2001/02 the donors overreacted to the second phase in 2002/03."³⁸ Malawi was flooded with food one year after the failed harvest, with serious adverse effects on the country's budget, economy and agriculture, as well as on the Mozambican farmers who were seriously affected by the depression of the regional market.³⁹

Another case of food aid arriving late in a critical situation occurred in 2000, when the Ogaden Province of eastern Ethiopia was affected by a serious drought. The drought destroyed 90 percent of the region's crops and led to the death of a large proportion of the livestock, essential in this pastoral region. Ethiopia routinely has large food deficits and has received as an average 800,000 tons of food aid

every year since 1985. Yet, in 2000, donor countries were apparently reluctant to respond to the appeal for assistance made by the Ethiopian government and WFP. In April 2000, donor countries offered only half of the one million tons required for food aid. Prime Minister Meles Zenawi accused the developed countries of non-assistance and complained that the Western world was waiting to see "living skeletons" before it acted. Following this intervention and shocking media reports from the Ogaden crisis, Ethiopia eventually received 1.5 million tons of food aid in 2000.⁴⁰

Sadly, what occurred in Niger, Malawi and Ethiopia is symptomatic of the situation in most LDCs today. According to the WFP, "the number of food emergencies has been rising over the past two decades, from an average of 15 per year during the 1980s to more than 30 per year since the turn of the millennium."⁴¹ These countries face recurrent or permanent food deficits that they find increasingly difficult to meet, and have to deal with a growing population that is chronically hungry. Some countries, such as Ethiopia, receive emergency food assistance every year, but as illustrated by the above examples, external assistance to meet the deficits is difficult to attract and slow to come. In most cases, unless international media and NGOs showcase starvation and trigger international attention, food deficits remain unfulfilled, causing massive losses of life.

Donor countries dominate the food trade through their agribusiness corporations, which benefit directly from trade with developing countries. Providing too little food aid and too late, they may assign the primary responsibility of meeting food deficits to the invisible hand of the market. Sadly,

it is only when a situation becomes dire that donor countries are eventually forced to react more forcefully. Relief Food Aid is increasingly used to address situations that grow into emergencies because of the lack of early assistance or because of the lack of a mechanism to address widespread poverty and chronic food insecurity. Below we consider these patterns in greater depth.

Food Aid For Food Deficit Countries?

Many developing countries and most LDCs depend on the export of a small number of agricultural products for their foreign exchange earnings. However, the real prices of these commodities are volatile and decline over time. The direct consequence is declining and erratic incomes for LDCs and their small producers.⁴² This specialization in a few commodities also results in an increased dependence on food imports from developed countries. Developing countries have increasingly specialized in non-food products such as coffee or cocoa, while the subsidized exports from developed countries make imported food cheaper than local products. As a consequence, a food trade surplus of \$ 1 billion for developing countries in the 1970s was transformed into a deficit of \$11 billion in 2001.⁴³ The LDCs now spend between 50 and 80 percent of their foreign exchange on food imports. For example, in 1999 Sierra Leone and Haiti spent 80.3 percent and 62.7 percent of available export revenue, respectively, on food imports.⁴⁴

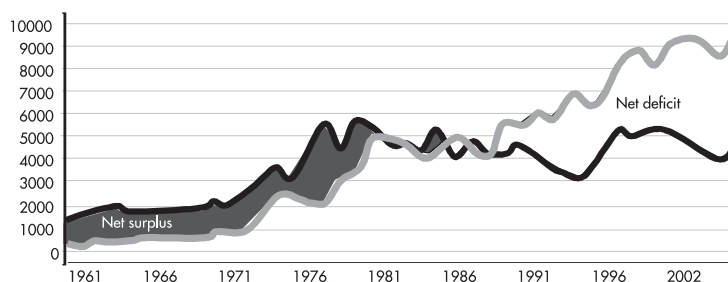
The specialization of LDCs in exportable cash crops and the liberalization of agriculture have been strongly encouraged by western countries and international financial institutions. Encouragement of these policies is based on the theory that trade will lead to development. However, reforms have actually driven the poorest countries into a downward spiral: while their export earnings are declining and volatile, they have to finance growing amounts of imports of food and manufactured goods from developed countries. This situation directly threatens the food security and economic sustainability of many LDCs, and increases their debt burden.

The pursuit of market liberalization for agriculture is likely to aggravate this trend. The removal of agricultural subsidies, if accomplished in western countries, is expected to result in higher and more volatile international food prices while the prices of exportable tropical products, the main source of income for developing countries, will continue to fall.

Given the dire economic situation of LDCs, it has become increasingly difficult for them to import food and ensure adequate food availability at the national level. Some form of

Graph 8:

Agricultural Trade Balance of the World's Least Developed Countries, 1961–2002



— Agricultural Exports — Agricultural Imports

Source: FAO

assistance for these food imports is therefore necessary to allow LDCs to allocate a portion of their scarce resources for non-food purchases. In order to improve food security and economic stability in the long run, they must also allocate resources for education, health, agriculture, infrastructure, and other basic programs. However, the amount of aid needed is difficult to measure as no international standard can be applied. Should donor countries assist LDCs by providing 5 percent, 50 percent, 100 percent of their food import requirement? And, above all, is food aid the solution?

The problem is that food aid, and particularly food aid in-kind, is not politically neutral and as discussed earlier, for countries like Haiti, it may ultimately create more dependency on food imports. Therefore, if the need for assistance to meet food deficits is undeniable, it must be integrated into broader national responses that protect and restore the livelihoods of small farmers and increase national food availability. Direct financial assistance that gives governments the choice between food imports or support for local production is the best option.

Relief Food Aid to Feed the Poor?

In many Sub Saharan African countries, food production at the household level is often limited by the poor productivity of the dominant rain-irrigated agriculture, which is due to various factors: unfavorable agro-ecological conditions, skewed land repartition in favor of large scale commercial farms and lack of inputs such as appropriate seeds, fertilizers and tillage. The lack of human resources and knowledge at the household level is a relatively new pattern affecting countries heavily affected by HIV/Aids, such as southern African countries, which have to deal with rising numbers of widows, non-assisted elderly persons and orphans. (There are already four million orphans in southern Africa⁴⁵ with 20% of Zimbabwe's children orphaned).⁴⁶

As early as December 2004 the FAO identified that in Niger, "although the [food] deficit does not seem enormous at the national level, this should not obscure the fact that more than 3 million people in some 3,000 villages, located mainly in the agro-pastoral zone in the centre and north of the country, are now extremely vulnerable to food insecurity."⁴⁷

In Malawi in 2000, the government estimated that a range

of 20 to 40 percent of the population, 2 to 4 million people, were vulnerable or food insecure. This included orphans and those unable to grow enough food, including the rural poor and landless.⁴⁸

In Zimbabwe, like in Malawi, the agricultural system is such that many small-scale farmers cannot grow enough food to make a living all year long. Though the main harvest occurs in April or May, poor households in rural areas run out of their harvests in June or July. From that point on they will rely on off-farm activities, such as labor in large-scale commercial farms, to buy food or exchange their labor for food.⁴⁹

A Food trade surplus of \$ 1 billion for developing countries in the 1970s was transformed into a deficit of \$11 billion in 2001.

These examples illustrate a widespread pattern for many LDCs, which have to deal with widespread poverty and large numbers of food insecure people, those who cannot make their living through the food they grow or another source of income. These countries also experience recurrent national food deficits, as poverty and food deficits often have the same causes, including ill-conceived economic and agricultural policies that fail to provide adequate support to small scale farmers and subsistence agriculture.

Is food aid an appropriate response to this form of poverty-related food insecurity? Yes in certain conditions, especially when markets are not functioning. However, considering the durable nature of food insecurity, if food aid is to be provided, it should be through a permanent and sustainable mechanism, rooted at the community or state level that gives priority to the local procurement of food.

Food Markets Versus Food Policies

Market liberalization and structural adjustments have often led to more food insecurity in developing countries. The removal of price controls on food commodities leads to the volatility of food prices, which affects both consumers and producers. In a productive agricultural year, food prices will drop and may not provide producers with an adequate income. For instance, the best harvest of the decade in Ethiopia in 2001 was a disaster for thousands of small-scale farmers in the south of the country. Forced to sell their crops at prices below the cost of production, they could not pay back the loans they had contracted the previous years. While

the food was being bought and exported by traders, many of these small-scale farmers were pushed into poverty in the country that had received the most food aid over the past decade.

As consumers, small-scale farmers are also affected by price liberalization, which drives prices up in periods of scarcity. Most of the poorest countries lack road and market infrastructures, often making it impossible for the market to ensure an adequate distribution of food from surplus to deficit areas. Furthermore, the low purchasing power of the rural poor implies that even with adequate infrastructures, market forces will not function in the absence of solvent demand.

More and more often, food aid is used in contexts where structural adjustments have not only compounded and spread food insecurity but also reduced governments' capacity to tackle it. International financial institutions and donor countries have strongly encouraged the dismantling of marketing boards and their replacement by emergency reserves through structural adjustment programs. Two very different philosophies lie behind these two distinct instruments:

- Marketing boards imply government management of food at the national level, with the ability to stock food from year to year. The system allows, for instance, a government to buy agricultural commodities from farmers, keep the commodities in a rolling stock, and to release them into the market in event of a bad harvest in the following years. Marketing boards also organize the redistribution of food from surplus to deficit areas of the country. Preventing price volatility, they protect both producers and consumers against sharp rises or drops in prices. Marketing boards prioritize self-sufficiency and therefore reduce the need for food imports and therefore for foreign currency. However, marketing boards have now been dismantled in many countries. International financial institutions criticized their cost-ineffectiveness while ignoring their social and economic impact. In Malawi, the dismantling and privatization

of ADMARC, the national institution in charge of marketing of cereals, was encouraged for several years by developed countries and financial institutions, whereas several studies show that it protected both farmers and consumers.⁵⁰

- Emergency Reserves constitute a minimal safety net that comes along with market liberalization and the removal of government intervention in the agricultural and trade sectors. It is designed to allow emergency interventions, and should save lives in case of food scarcity by making food available for those most at risk. Whereas many marketing boards in Africa maintained several months of food needs in stock, the minimal size of emergency reserves—at best enough for a few weeks of national food consumption—only allowing minimal relief intervention. For example, in Niger, the emergency reserve of 60,000 tons only represented 12 days of food for the population. And in Malawi in 2002, the IMF recommended a reserve of 60,000 tons, or two weeks of food consumption, whereas the government was asking for assistance to cover the 600,000 ton food deficit. The emergency reserve functions only as a safety net that prevents any significant market intervention and therefore any policy intervention towards farmers and consumers.

Food Aid was initiated and implemented in the developing world as a result of massive public interventions in the food and agricultural sector of developed countries. Governments, through powerful state agencies, would directly buy food commodities from their farmers and hold commodities in store to support farm prices. Food aid was therefore a way to dispose of costly government-held surplus stocks and to maintain these pro-farmer policies. Unfortunately, it is clear that developed countries, which have boosted their agricultural sectors and reached food self-sufficiency through public mechanisms, do not allow developing countries to do the same. Instead, developing countries are strongly encouraged to leave food and agriculture to market forces and to specialize in non-food cash crops, while the role of relief organizations and emergency reserves is enhanced in order to handle food relief when it becomes necessary to avoid mass starvation.

IS RELIEF FOOD AID EFFECTIVE?

Having highlighted the connection between food insecurity, food aid and market liberalization, the previous section showed how Relief Food Aid is increasingly used as a mechanism to fix disasters that could have been avoided with the use of appropriate earlier responses. In the third section, we first examine the various implications of this 'by default' role of food aid and we complete our analysis with an assessment of the influence of trade and foreign policy forces on Relief Food Aid.

The Enhancement of Relief Food Aid

The rising importance of relief organizations, as opposed to government intervention, in the past fifteen years has boosted international capacity to conduct relief operations. Increased funding since the early 1990s has allowed NGOs and UN organizations specialized in relief work, such as the WFP and UNICEF, to develop their capacity and expertise in disaster response. This development includes increased staff expertise and institutional knowledge, the design of specific products and the stockpiling of special kits and equipment that allow these organizations to set up relief operations in as little as a few days. The SPHERE project was launched by a group of NGOs in 1997 to design a Humanitarian Charter and Minimum Standards in Disaster Response to be used by relief agencies, which set standards and best practices for relief operations. Relief organizations have drastically improved their ability to run large-scale food distribution programs in all circumstances: they use a variety of transport mechanisms and specially designed temporary storage facilities. They also set up ad hoc distribution systems, including advanced systems for the identification and registration of beneficiaries, and for the distribution of food and other items. Above and beyond strengthening the logistical aspects of food aid (organizing transport and distribution of relief commodities), relief organizations have strengthened the social facets of their work such as need assessments and targeting. Targeting of relief aid consists of making sure that the assistance reaches all those in need and only the affected population. Targeting relies on various criteria such as age, family status, but also income levels and profession. It is essential in relief operations where resources are scarce and assistance must be prioritized to reach the most vulnerable people.

Recent crises such as the tsunami and the situation in Darfur show the strength and efficiency of today's relief system. In 2004, in a matter of a few months, the WFP and its partners set up a huge relief operation in Darfur to transport and distribute more than 20,000 tons of food every month to nearly 2 million people scattered in a territory the size of France. Using hundreds of trucks, aircraft and helicopters, relief agencies provided food to those affected by the conflict despite the lack of infrastructure, the harsh climatic conditions, ambushes of food convoys and attacks on relief workers.

The enhancement of Relief Food Aid has facilitated a number of successful relief operations on all continents, and without doubt, thousands of dedicated relief professionals have saved millions of lives worldwide. But the latest state-of-the-art ambulances and rescue units cannot prevent epidemics from happening.

Externalization of Interventions in the Food Sector

The increased share of Relief Food Aid results in fewer resources channeled through governments as more resources now go through international organizations such as WFP and international NGOs. The comparison of the response to the food crisis in southern Africa in 2002 with the 1992 drought response provides a good illustration of this shift. In 1992, governments and local civil society had a much greater role and ownership of the interventions. With the exception of war-torn Mozambique, donor countries provided significant balance-of-payments support to finance drought-related imports. This constituted the largest single form of aid during drought response. In Zambia, donors assisted with the importation of 1 million tons of food, of which 10 percent was designated for humanitarian purposes and 90 percent was designated for commercial sales.⁵¹ Donor countries also supported national welfare systems such as the Zambian Public Welfare System, which provided direct cash assistance to the most vulnerable portion of the population.

In the past fifteen years, local administrations have been severely affected by the death toll of HIV/Aids on civil servants. Structural Adjustments Programs (SAPs) and economic decline have further reduced public service resources, including local administration and social and agricultural extension services. Combined with the elimination or weakening of marketing boards, it has clearly affected the ability of governments to deal with food insecurity. The problem has become so acute that local administrations are sometimes anxious to see the continuation of foreign aid by international NGOs as a way to obtain access to scarce resources such as cash per diem and transportation.

There has been a relatively recent boost of NGO and donor country involvement in crises and responsibility for the design and implementation of relief and recovery assistance. NGO consortiums have been created, and regional offices established in South Africa by NGOs, WFP and some donor countries that are planning to have a long-term presence in the region.

The withdrawal of government intervention in agricultural and food sectors, however, jeopardizes developing countries' ability to effectively fight hunger and poverty as it conflicts with several basic principles of governance:

- **Sovereignty and democracy:** The loss of sovereignty over food and agriculture implies a democratic deficit as citizens are not given a voice in the determination of the policies affecting their lives and their future.
- **Accountability:** Relief and development agencies are only accountable to their donors, and not to the beneficiaries of their interventions. When governments hand over the responsibility for food and agriculture to foreign bodies, they cannot be held responsible for what the international organizations do or not accomplish.
- **Effectiveness, efficiency and sustainability:** Welfare systems and agricultural services with permanent staff and resources are more efficient, flexible and able to react quickly than international organizations having to bring international staff, to recruit local personnel, call for international funding, set up offices, etc. Moreover, food interventions run by relief agencies are geared towards short-term objectives and are not integrated into comprehensive strategies aimed at reducing food insecurity in the long run.

Increasing Role of International Relief Agencies

The United Nations World Food Program (WFP) was established in 1963 as a three-year experimental program under the FAO. According to its website, the WFP is currently the largest humanitarian organization in the world. It handles 99 percent of multilateral food aid, generally in partnership with NGOs and government institutions, which are in charge of food distributions in recipient countries. In 2004, WFP food aid reached 89 million people worldwide.⁵² In-kind food aid from the US is the WFP's main resource.

Similar to the UN system, the NGO community has become increasingly dominated by a few food-specialized agencies. Three dominant US-based NGOs, World Vision, CARE and Catholic Relief Service (CRS) channel the major share of the food aid going to NGOs. Their rising importance over the past decade is demonstrated by a variety of indicators: financial resources, geographical coverage and influence on the humanitarian system, including the UN. The 8 largest US-based food agencies had close to \$1.5 billion in gross revenues in 2001, and the three major agencies mentioned above together accounted for over 80 percent of this

News - Press Release

Southern Africa's poorest go hungry as WFP runs short of funds

Media contacts

For more information please contact: **Johannesburg**
 Address: **WFP/SA**
 Phone: +27 (0) 11 517 5562

Harare
 Phone: +254 20 822 179
 Fax: +254 20 329 930

Gaborone
 Phone: +27 (0) 11 517 5562

Johannesburg, 31 August 2005 - Soaring maize prices in several southern African countries are causing WFP serious concern as it struggles to provide food to the most needy people while faced with a huge funding shortfall.

"The fact that prices are already rising four months ahead of the lean season means that many people we assumed would be able to fend for themselves will need food aid earlier," said Mike Sackett, WFP Regional Director for Southern Africa.

WFP now plans to provide food for at least 8.5 million people by the start of the lean season in

amount.⁵³ In 2004, World Vision Australia announced a 21 percent increase in the number of people helped, up from 10.4 million in 2003 to 12.6 million, assisted in 63 countries with a budget of \$230 million.⁵⁴ CARE USA's total revenue of \$571 million in 2004⁵⁵ largely exceeds the \$386 million operational budget of the FAO.⁵⁶

The key food aid actors, WFP and the major US-based NGOs, are clearly under US influence. Largely dependent on US funding and food in-kind for their resources, the main food agencies usually follow the priorities of US foreign policy with regards to areas of intervention, volume of food aid and modalities of assistance. As we will see later, during the controversy over genetically modified (GM) food aid in Zambia, WFP did not respect its mandate and principles when, along with US government officials, it put pressure on the government of Zambia to accept GM food aid. In addition, WFP Executive Directors are traditionally American citizens. Catherine Bertini, the former Executive Director of WFP, was a former Assistant Secretary of the US Department of Agriculture and was appointed via special recommendation by President Bush. Andrew S. Natsios, the current Administrator of USAID is also the former President of World Vision USA.

This increasingly prominent role of relief organizations, especially food relief agencies, in humanitarian crises is sadly not the consequence of increased awareness or compassion in western countries but rather the result of policy choices made by key donor countries. The crisis in southern Africa in 2002 and 2003 illustrates this ongoing evolution.

Soon after the regional crisis was declared in Spring 2002, USAID initiated several NGO consortiums for food aid at both the national and regional levels. The C-safe, a region-

al NGO consortium led by CARE, CRS and World Vision, was established to cover 30 percent of the regional needs parallel to the WFP pipeline. But these NGOs were also WFP's main partners for the distribution of the other 70 percent, which gave them an overwhelmingly dominant position in the region. It is also remarkable that though southern Africa could potentially be net food exporting, the consortium was supported by a three year supply of US in-kind food aid.

This trend is supported by relief organizations themselves, who generally either ignore or accept the policy choices underlying their actions. In southern Africa, where food relief has been brought in as an alternative to pre-existing marketing boards, reserves and other welfare schemes, WFP and NGOs have been estimating food aid requirements without adequate consideration of what governments can handle on their own. In their calls for more funds from donor countries, relief organizations almost never request support for government bodies.

The US Coalition for Food Aid, a consortium of major food NGOs, has been a strong supporter of food aid, defending monetization and advocating for more consistent food aid commitments from the US.⁵⁷ In its recent food aid report,⁵⁸ Oxfam recommends that, "in non-crisis situations, food aid must be provided in cash form for local purchases, except in cases where food aid in kind may be distributed through UN agencies or NGOs." Oxfam rejects the idea that aid in-kind should be provided to the government of a recipient country but finds it acceptable if the recipient is an international organization.

The extent of hunger in the world legitimates NGOs' calls for more food aid and for increased support of their efforts. Their actions create positive results in the short term by providing immediate assistance to the poor and the hungry. But NGO requests for more aid overlook the political role they play as an alternative to government involvement in the poorest countries. NGOs also ignore that the fight against hunger cannot be won by their actions alone. Success will also require fundamental policy shifts.

The Food Bias: Food Aid, the Dominant Response to Crises

The structure of the current relief system is such that the overwhelming form of relief response to disasters is food aid. WFP is the largest humanitarian organization in the world and the most powerful UN organization active in most crises. The FAO's total operational budget was \$386 million in 2003. The WFP's operational budget was 10 times more—\$3.3 billion.

The aid system has largely been developed with food resources as the main component of aid or as a substantial resource for US-based NGOs. The United States, the largest donor in many disasters, provides most of its relief aid as food in-kind. This explains the existing bias toward food aid in the design of relief responses, as well as the poor awareness among relief workers of alternatives to food assistance such as cash programs.

The staff of relief and development organizations are generally aware of the bias toward food aid, and find it more difficult to procure funding for interventions involving agriculture than for food relief. For instance, in southern Africa, US-based C-safe organizations had an initial plan to bridge relief with longer-term agricultural recovery. USAID, their main donor, was generous with food aid but rejected their proposal for non-food programming. This prevented the relief organizations from working on agricultural recovery and the rebuilding of assets for drought-affected farmers.⁵⁹ Yet, as was discussed previously, a lack of investment in agricultural recovery activities results in deeper vulnerability to food scarcity in the long run. And it certainly increases the need for food aid.

The current focus on food relief as a response to crises, results in overlooking the underlying causes of food insecurity. What is needed is a World Relief Program that can respond to disasters in a more pragmatic and comprehensive manner.

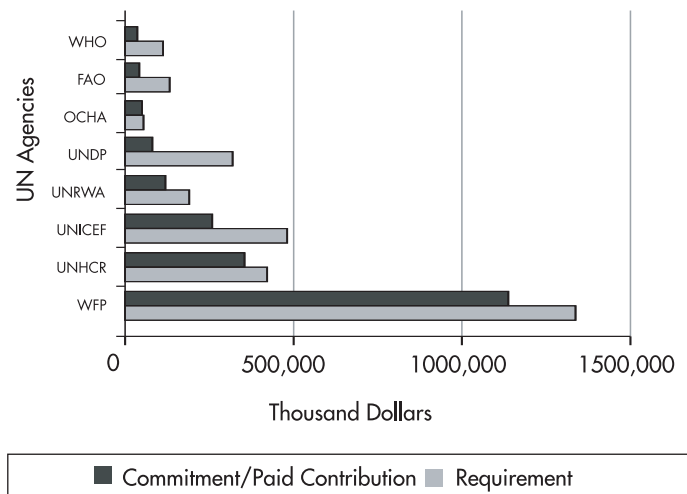
As indicated in Graph 9, with a total cost of \$1.3 million, food aid represents 40 percent of the total funding appeals to the UN in 2004, and 52 percent of the total emergency assistance provided by donor countries. Of course, food is the first need in most crisis situations. However, food for hungry populations can often be provided by means other than food aid, including cash when people have access to functioning markets, and agricultural support when they can grow their own food. On the other hand, even if funding requirements are lower in non-food sectors, donors finance predominantly food aid: 85 percent of WFP requirements are fulfilled, but only 36 percent of requirements for the FAO and 32 percent for the WHO.

The bias of the aid system towards food relief undermines the effectiveness of relief interventions in several different ways:

- **Side-effects on local agriculture:** food aid often undermines local production. The focus on food aid combined with insufficient assistance provided to agriculture results in side effects for the local economy and

Graph 9:

Consolidated Appeals 2004, Summary of Requirements and Pledges/Contributions by Appealing Organization⁶⁰



agriculture and consequently undermines recovery.

- **Cost-effectiveness:** food aid involves high logistical costs. For instance, \$92 million—nearly half of WFP's tsunami-relief budget of \$210 million—was allocated for logistics for the transport and storage of food.⁶⁷
- **Appropriateness:** as seen in the case of the tsunami, cash assistance can often be more appropriate than food. The provision of cash may better match people's needs and has multiplier effects over local production and business in recipient countries.⁶⁸ Other forms of assistance for health, water, sanitation or agriculture can be more appropriate but the food bias makes food systematically predominant.
- **Flexibility:** The inertia of the food aid procurement process very often results in late deliveries that affect local production. For instance, in southern Africa, several countries affected by a failed harvest in spring 2002 were forced to ban relief food distributions one year later when NGOs were still distributing food at the time of the following harvest, i.e. depressing local prices at a time local food was again available. Logistical constraints had seriously delayed the procurement of food by NGOs and WFP and large quantities of food were still undistributed in April 2003, when the intervention was scheduled to end.

Emergency Food Aid Remains Under the Influence of Donor Countries: the Case of GM Food Aid

In 2002, several African countries rejected Genetically

Food Aid in the Response to the Tsunami in South East Asia

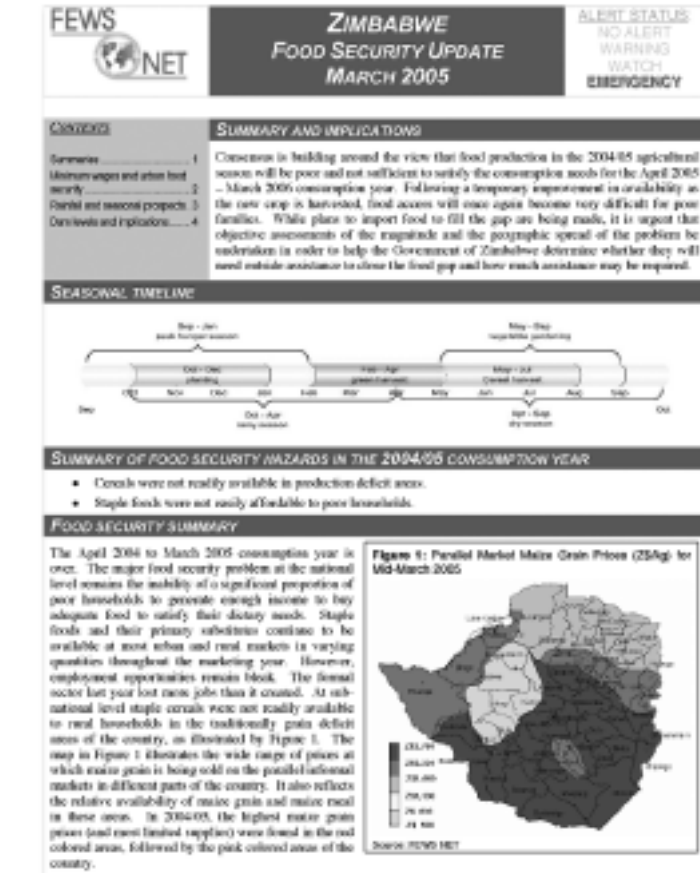
Following the tsunami that struck coastal regions of South East Asia on December 26, 2004, WFP started a food relief operation to feed 1.7 million people, mostly in Sri Lanka and Indonesia, with a requirement of 170,000 tons of food for six months. A few months later, food assistance was extended for another six months, with nearly half of the initial caseload declared in need of food assistance.⁶¹

Although WFP's swift response was praised for rapidly bringing emergency relief to the affected population, the operation was questioned on several grounds:⁶²

- The entire food requirement was available locally, in the affected countries or in the region, but in January 2005 WFP accepted 36,000 tons of US food⁶³ for Indonesia and Sri Lanka, which represented half of its needs for the first five months.⁶⁴ Both countries were anticipating bumper harvests in February 2005 and the government of Indonesia had banned imports of rice because of large carryover stocks. Yet, although it had enough cash available for local procurement, WFP obtained an exemption from the import ban in order to import US rice. With nearly 210 million rice consumers, Indonesia is an important export market for US rice, which has been promoted under various food aid programs during the last decade.⁶⁵ The tsunami became an opportunity to expand Indonesian consumption of US rice. WFP did not heed recommendations from many NGOs to procure food locally in Sri Lanka, and in April 2005 the government of Sri Lanka was forced to ban WFP food imports in order to protect its local farmers.
- As argued by Oxfam,⁶⁶ access to food through markets had been quickly restored in many of the affected areas. In Sri Lanka, the tsunami mainly affected the coast, without major damage to inland transport, market infrastructure and rice crops. Although the damage was more severe in Indonesia, most local markets quickly recovered. After the first few weeks of assistance, as local food was available and markets began to function, apart from some remote areas in Indonesia, food assistance could have been phased out and replaced by direct cash transfers. This would have allowed people not only to buy food and other items for their immediate needs, but also to prioritize their own needs and expenditures. After the trauma caused by the disaster, it would have helped to restore the dignity of the survivors, and their sense of control over their own lives, rather than maintaining their status as 'assisted beneficiaries' of relief agencies.
- While in most areas emergency food aid was mainly required for the first few weeks following the tsunami, WFP developed a year-long intervention plan, including not only relief distributions but also school feeding, supplementary feeding and rehabilitation of houses and public work through Food For Work. There was no need and no rationale to use food for rehabilitation in areas where food was available and markets were functioning. A three month food response would have therefore been sufficient to meet the needs of the majority of those affected by the tsunami.

Modified (GM) food aid from the US. Some of them ultimately accepted the food under the condition that it would be milled before distribution, but Zambia refused any GM import. WFP operational principles and SPHERE standards⁶⁹ both recognize the need for food aid to conform to recipients' own regulations and standards. Yet, WFP was not initially willing to provide non-GM food to the country and instead, with the US government, pressured Zambia to accept GM food in two ways:

- At a critical time of food shortage for the country, WFP held back its financial resources for non-GM food and cut off the provision of food to Zambia for several months. As a result, Zambia had only received 51 percent of its food aid requirement by March 2003.⁷⁰ Apart from US in-kind food aid, WFP had cash available from other donors and enough resources to purchase GM-free food in the region.⁷¹ Yet, WFP's Executive Director, James Morris, claimed, "there is no way that WFP can



Obviously, USAID's primary concern was not Zambian lives. Despite alarming statements by USAID officials, there was no famine in Zambia. All malnutrition surveys conducted in the country in 2002 indicated very low malnutrition levels, below the 5 percent threshold which indicates a normal, non life-threatening situation.⁷⁶ But another percentage may explain the US position in this matter: 34 percent of the corn planted in the U.S is genetically modified.⁷⁷ US insistence that African countries accept GM food aid originated from the pressure of US agribusiness interests rather than humanitarian concern. As a matter of fact, the US Grains Council and the National Corn Growers Association delivered a joint letter to President Bush in January 2003, asking him not only to begin dispute settlement action in the WTO, but also to encourage acceptance of GM corn in food aid shipments.⁷⁸

Emergency Food Aid Subject to New Foreign Policy Objectives

This report has discussed the use of Program Food Aid to promote foreign policy interests. The rollback of this form of food aid has not eliminated its political function, which has largely been transferred to Relief Aid.

Food Aid and "Rogue" States

North Korea is the largest recipient of food aid today. The country received nearly 10 million tons of food between 1994 and 2004, far more than any other. Barrett and Maxwell provide an illustrative summary of the use of food aid for political purposes in the box on the next page.

In 1999, the USAID Center for Development Information and Evaluation (CDIE) described the effects of the UN economic embargo that sought, unsuccessfully, to oust the regime in Haiti. CDIE noted that, "Economic sanctions can cause or exacerbate a humanitarian crisis, requiring short-term emergency assistance..."⁷⁹ and recognized the critical role of Relief Food Aid in ensuring the survival of the most vulnerable at a time of economic sanctions.

The same technique, using economic sanctions in a humanitarian crisis, was used more recently in Zimbabwe, where it also failed to produce the desired results. Through the Fast Track Land Reform Program, the Zimbabwean government seized large-scale commercial farms belonging to white farmers in order to redistribute land to black Zimbabweans. Critical of the way the land reform was implemented, major donors and financial institutions imposed sanctions against

provide the resources to save these starving people without using food that has some biotech content."⁷²

- US government officials and institutions also tried to use international and domestic political pressure to force Zambia to accept GM food. This included holding the Zambian Government responsible for starving its own people to death: "This famine is very dangerous and it's going to kill a lot of people if decisions are not made quickly," said Mr. Winter from USAID.⁷³ At the same time A. Natsios, USAID Director, accused environmental groups of endangering the lives of millions of people in southern Africa by encouraging local governments to reject GM food aid. Natsios said, "They can play these games with Europeans, who have full stomachs, but it is revolting and despicable to see them do so when the lives of Africans are at stake." He added, "The Bush administration is not going to sit there and let these groups kill millions of poor people in southern Africa through their ideological campaign."⁷⁴ FEWS-NET, the USAID early warning system, also published several reports backing the US position and holding the Zambian government liable for the delays in food deliveries.⁷⁵

Food for Talks in North Korea

Food aid shipments to North Korea sometimes resemble a diplomatic arm wrestling match more than an attempt to help the hungry.[...] Each of the donors uses food aid to extract concessions from the DPRK regime. Japan uses aid as a bargaining chip with North Korea as it tries to resolve kidnappings, hijackings and missile tests. China and South Korea use their own rice surpluses to try inducing cooperation with the North over refugees. The US meanwhile has grave concerns over North Korea's nuclear and long-range missile capabilities and its suspected support of terrorist organizations and has manipulated food aid shipments to the country explicitly so as to bring the North Koreans to the negotiating table.

The Clinton administration had no qualms about interrupting American (and, derivatively, South Korean) shipments at the height of the North Korean famine. Revealingly, this act elicited no international uproar. Then, only a year after declaring North Korea part of an "axis of evil" in early 2002 and as rice stocks began being replenished in the DPRK, the Bush administration announced the resumption of US food aid shipments to North Korea. The clear motivation behind food aid resumption was its utility as a bargaining chip in ongoing diplomatic confrontations over the US unwillingness to sign a non-aggression treaty and North Korea's production of nuclear weapons.

Of course, those bearing the risk in these repeated games of chicken against the United States are the food insecure peoples of North Korea. Kim Jong Il's regime is unpredictable. But from the donor's perspective, the US benefits no matter how negotiations over food aid end. If the regime agrees to their conditions for aid, then the United States succeeds in engaging the regime in talks, scores a diplomatic victory, gains access to the North Korean population, and can argue that it has achieved important humanitarian impacts.

If the regime rejects the offer of food under the prescribed conditions, then the health of the country's economy and its citizens falters, thus creating an environment in which the population could revolt. US and other donor countries continue to offer food shipments despite doubts that the food will reach the neediest groups and with scant solid evidence of any sustainable impact. Commitment to aid and actual shipments do not appear to respond to changing food availability. Rather, aid has responded primarily to diplomatic exigencies, pulled by one or another donor in protest over an act by the North Korean government or begun or resumed by a donor in an effort to engage the North Koreans in dialogue and thereby be able to stop undesired behaviors.

Food for Talks chapter 2 page 35

the country, and curtailed their cooperation and development funding. Openly supporting the opposition party, the US and the UK began vocally promoting a change of regime.

In 2002 and 2003, Zimbabwe faced serious food shortages triggered by the negative impact of the land reform on production, poor rainfall, economic difficulties and a lack of international support. At that point, foreign aid was concentrated in emergency relief, largely food aid, with more than 700,000 tons of food distributed in two years by WFP and NGOs.

When similar food shortages occurred after the drought that hit the country in 1992 and 1993, positive relations between Zimbabwe and western countries fostered direct funding to the Zimbabwean government. This funding allowed the government to proceed to emergency imports and subsidized sales of food, while NGOs ran complementary food distributions to vulnerable groups. The situation in 2002 and 2003 was different because the Zimbabwean government lacked support from donor countries. In May 2002, Clare Short, British Foreign Minister, stated, "Mugabe's policies have resulted in growing hunger and food shortage. The Government of Zimbabwe is now



unable to feed its own people [...]. Our help to the poor in Zimbabwe cannot be through the government. DFID [the British department of foreign aid] has provided £3.5 million to the World Food Programme and \$4 million to charities in Zimbabwe to help feed children and vulnerable adults. And still there is no plan from the government of Zimbabwe to tackle the problems. It is morally right that we help those who are hungry. People must not die of hunger when there is so much food in our world. People must not be punished because their government is corrupt.”⁸⁰

Britain, the EU and the US decided to channel their support only through relief organizations. They also excluded the beneficiaries of the land reform from the assistance, and gave priority to emergency food aid, with limited support to agricultural recovery. The provision of food to millions of Zimbabweans was critical in the prevention of malnutrition and the protection of livelihoods but the way assistance was designed and distributed suggests that this was not the sole objective. By highlighting the need for a massive food relief operation led by foreign relief organizations,

donors intended to demonstrate the failure of land reform programs and the unwillingness of the Zimbabwean government to assume responsibility for feeding its own people. The fact that the severity of the situation was overstated by many western media outlets and government representatives⁸¹ tends to confirm the political motives behind the aid. Contrary to what was often reported, Zimbabwe was not on the edge of famine⁸² and the Zimbabwean government did actually meet a major part of the food deficit through its own means.⁸³

US Grains Council and the National Corn Growers Association delivered a joint letter to President Bush in January 2003, asking him not only to begin dispute settlement action in the WTO, but also to encourage acceptance of GM corn in food aid shipments.

The Role of Food Aid in the ‘War Against Terror’

In Afghanistan, the volume of food aid doubled in the immediate aftermath of the US victory over the Taliban regime. Deliveries increased from 277,000 tons in 2001, to 552,000 tons in 2002. Emergency food assistance was needed in a country affected by more than 20 years of war and several years of drought. Aid was still needed in 2003, when the volume of assistance was cut by half, down to 230,000 tons, much below the volume of aid provided in 2001. The agriculture

and farming situation had not improved significantly but donor countries placed less priority on Afghanistan because it was no longer the center of world's attention.

The priority had shifted from Afghanistan to Iraq: food aid deliveries to Iraq increased from 2,100 tons in 2002 to more than 1 million tons in 2003. Like what occurred in Afghanistan after the US invasion, food aid was reduced again to approximately 10,000 tons in 2004.

In both Afghanistan and Iraq, the delivery of humanitarian assistance, and primarily food aid, has been used by the invasion forces as a public relations measure to win domestic and international public opinion and the hearts of the people living in the war zones. In October and November 2001, TVs worldwide showed the airdrop of food rations by US aircrafts on Afghanistan. A few tons of food were dropped, which was insignificant compared to the monthly national requirement of more than 50,000 tons needed by the Afghan population at that time. In March 2003, Coalition Forces extensively used the argument that Iraq required humanitarian aid to seize and secure ports. And the first food distributions were army rations handed out by coalition soldiers in front of the international media. Yet, in Iraq, the Oil for Food Program had been in place until the invasion, and the government had distributed a food ration that would provide food for several months. There was therefore no need to rush into immediate emergency food distributions.

Food aid to support friendly countries during the Cold War was generally a part of a larger package of assistance including direct financial assistance and other forms of aid, notably military aid, aimed at strengthening friendly governments. Since the elimination of the Eastern Block, the use of food aid in US foreign policy has evolved. It is now more geared towards shorter-term objectives, e.g. as a bargaining tool in negotiations as in the case of North Korea, or as a temporary support of political or military objectives in the 'war against terror.' The political use of food aid has thus shifted in an interesting way. Formerly, food aid was provided as direct economic support to the governments of friendly states. It is now provided with new objectives to 'unfriendly' countries or 'rogue states,' under the control of WFP and NGOs.

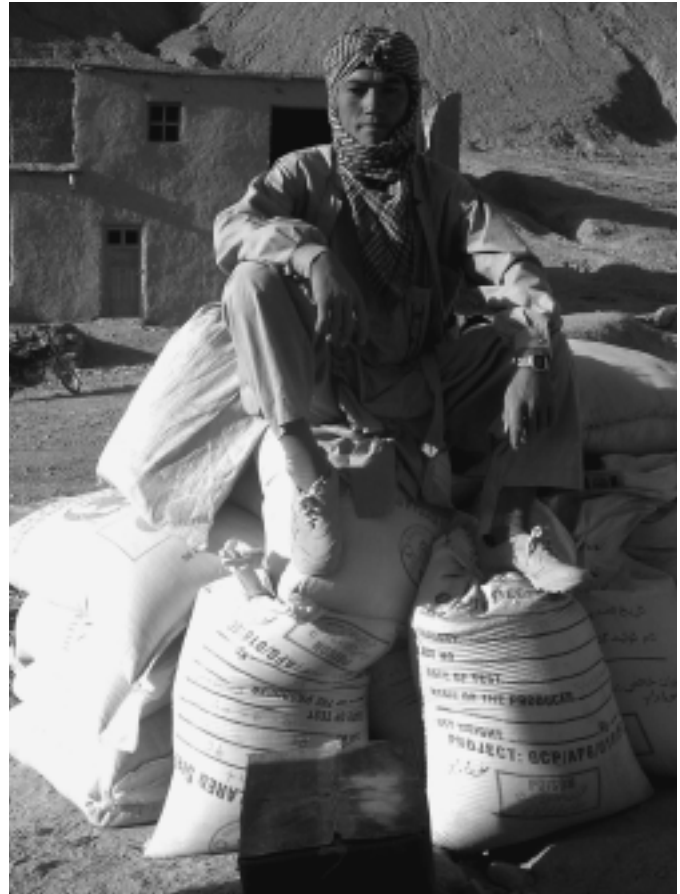
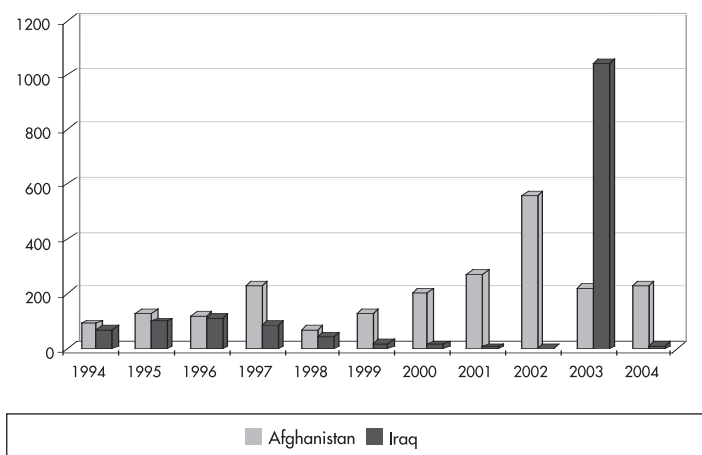


Photo Credit: Action Contre la Faim

Graph 10:
Food Aid to Afghanistan and Iraq, 1994-2004
(in thousands of tons)



FOOD AID IN THE FIGHT AGAINST HUNGER

Reframing the Debate on Food Aid: Feeding More for Less?⁸⁴

It is widely acknowledged today that food aid must be refocused so that it is more effective in the fight against hunger. But opinions diverge on how the refocusing should be accomplished. It is therefore important to rethink and widen the debate over the future of food aid. Current debates primarily question the modalities of food aid, putting the emphasis on the inefficiency and poor cost-effectiveness of a food aid system that largely uses food produced in the US and transported at high cost by US vessels.

US in-kind food aid is much criticized for being a form of hidden subsidy which affects local production and displaces commercial imports from other exporting countries. Critics of US policy praise European countries for providing cash for local purchases rather than in-kind food. They argue that this allows swifter and more cost-effective responses to food shortages and ultimately ensures feeding more people with more food at a lesser cost.

It is undeniable that US food aid is questionable on many grounds and that supporting local economies in developing countries is highly commendable. However, the danger in focusing on the question of procurement alone is that it risks overlooking broader issues such as the overall inadequate function of the food aid system, the underlying policy choices implied by food aid, and the fact that it remains largely driven by various donor interests. Considering the importance of these issues, what is needed to find sustainable solutions for the eradication of hunger is not just the reform of food aid procurement policies, but drastic reform of the entire aid system.

Rethinking the Role of International Institutions

Food Aid Must Be Kept Out of the WTO

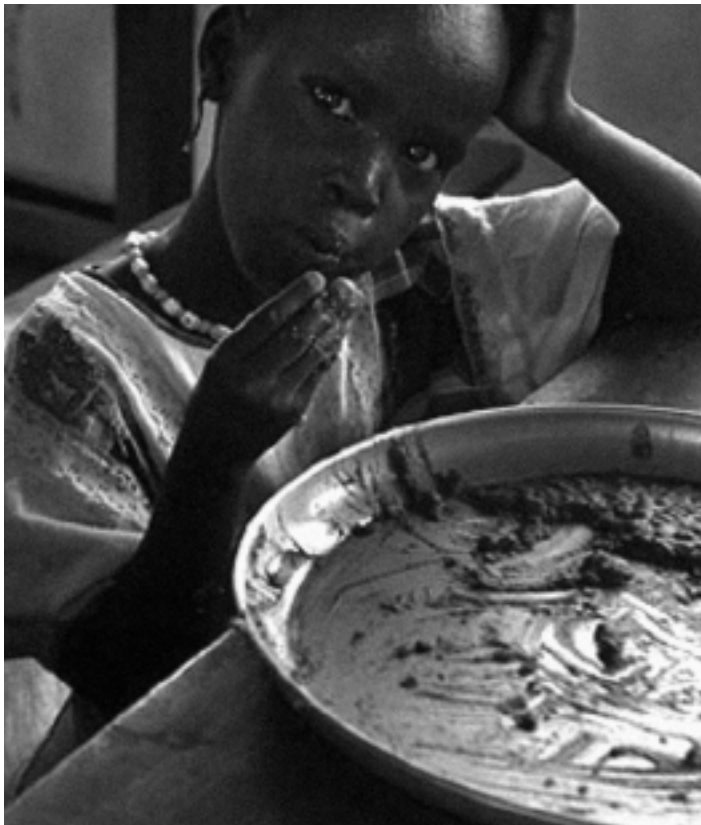
There is growing international pressure for the WTO to become involved in food aid. Two aspects of US food aid have produced conflict in recent international negotiations around the liberalization of agriculture: the practice of monetization, which consists of the sale of food aid to generate cash in recipient countries, and the export credits used for concessional sales. Cereal exporting countries, namely the EU and the Cairns Group,⁸⁵ would like to hand over responsibilities for the governance of food aid to the WTO to oppose the hidden subsidies and the distortion to free trade caused by this form of US food aid. Currently, the FAC and the CSSD both lack a binding enforcement mechanism whereby donors not meeting their commitments and/or not following agreed upon guidelines could face possible penalties under a WTO-like dispute settlement/resolution mechanism. The

evolution of the aid system is therefore once again triggered by trade interests and competition rather than genuine humanitarian and development concerns.

Yet, Oxfam and other relief organizations⁸⁶ have recently echoed the sentiments of European negotiators, and asked for the enforcement of food aid practices by the WTO to avoid food dumping and the displacement of commercial imports by food aid. Though the relief organization seems to be motivated by the hope that a 'fairer free trade' will benefit developing countries, this position overlooks three fundamental elements:

- Specialized in exportable cash crops, LDCs are not food exporters, and actually spend a large share of their funds to import food.
- The food trade is dominated by developed countries and a few large developing countries such as South Africa and Brazil; they are the ones affected by the displacement of commercial imports.
- In both developing and developed countries, food trade is controlled by large international agribusinesses and large-scale farmers. More food trade between developing countries may therefore benefit these corporations rather than small-scale farmers.

Photo Credit: World Food Program



Because of these factors, it seems unlikely that the world's poorest countries would benefit from WTO regulation of food aid, which would most likely serve business interests at the expense of development objectives. The displacement of commercial imports may actually benefit net food importing developing countries, which spend a high share of their budget on food imports, because of the conservation of scarce resources this practice represents. Furthermore, from a development point of view, it is highly questionable to put in place an enforcement mechanism only for food aid, while the rest of international development assistance remains largely uncontrolled and very poorly monitored. In practice, an enforcement mechanism for food aid regulation would only create a new instrument to promote trade. What the hungry really need is an enforcement mechanism that ensures the human right to food and development assistance.

In addition, the recommendation made by Oxfam and other groups to fully implement the Marrakech Decision⁸⁷ implicitly accepts that food aid is linked to economic reforms. It implies that food assistance should be provided according to the progress made by developing countries in structural reforms rather than the genuine assessment of food needs for the country (import requirements) and for the vulnerable groups in need of assistance (relief distribution requirements). This not only ignores the damages structural adjustments cause to farmers' livelihoods and food security but also rejects the possibility that developing countries will put in place public mechanisms for food security (as discussed earlier, structural adjustments systematically promote the removal of government intervention in food and agriculture). If the Marrakech Decision is ever implemented, it would only constitute a small consolation for the poorest food importing countries. If any compensation is provided, it should be through a multiyear plan that includes precise and massive commitments by developed countries. But recalling the unrealized 35 year-old commitment of international assistance—to spend 0.7 percent of the GDP of developed countries on aid—this is likely to feed the hungry with a meal of disillusionment.

Involving the WTO, a trade body, in food aid would not help the hungry; it would only serve trade interests. For this reason, food aid must be kept out of the jurisdiction of the WTO.

Giving Back Food and Agriculture to... the Food and Agriculture Organization

The existing institutions that govern food aid are not

designed for the alleviation of hunger but rather serve the interests of exporting countries. The CSSD, intended to deal with surplus disposal, is outdated and ineffective. The FAC is hosted by a trade body, the International Grain Council, and only represents food exporting countries. Given their design, focus and functioning, it is clear that these two institutions should be eliminated to better serve the needs of the world's hungry population. Their replacement by an FAO body that would integrate food aid into a broader food and agriculture program seems to be the only way to start working productively towards the reduction of hunger through international assistance.

The FAO has been notoriously neglected by donor countries in the past few decades, especially when compared to the WFP, which receives 10 times more financial support. Yet, most analysts, from the World Bank to relief and development agencies, acknowledge what many farmers have been saying in developing countries for years. Agriculture must be at the center of any solution to world hunger. Given the negative effects of food aid on local agriculture, and that support to agriculture often constitutes an alternative to food aid, they should not be managed separately.

Today, donor countries make separate aid commitments to developing countries: for overall ODA as a percentage of their GDP and for food aid under the FAC. 35 years ago, developed countries made a commitment to dedicate at least 0.7 percent of their GDP to international development. We are far from this figure today, as developed countries still spend on average only 0.25 percent of their GDP on aid.⁸⁸ The US spends even less—0.16 percent. A major part of ODA includes various overseas expenses such as military assistance, which are not geared towards the alleviation of hunger. Besides, the ODA is not designed with clear objectives. It is neither monitored nor evaluated, which undermines the ability of the international community to proceed in an effort to reduce hunger. If the world expects the reduction of hunger by half before ten years, then a substantive plan, backed by political will is needed, including the commitment of resources, clear objectives and an implementation strategy. Given that we have established that food and agriculture must be central in a successful plan to alleviate hunger, the ODA commitments to eradicate hunger must be clearly identified and monitored.

The FAC sets annual food aid commitments by donor countries. This constitutes an interesting model that can be used in broader applications where food aid would be an instrument along with others. Similar to FAC operations, donors should make multiyear commitments to the FAO in finan-

cial terms, for plans to be carried out in the food and agriculture sector of every targeted country. This would reprioritize agriculture and allow an increase in resources going to this sector.

If these changes were adopted, the role of FAO could also be to coordinate and monitor international assistance geared towards the eradication of hunger. UN agencies would work at the national level to help governments and NGOs develop and implement strategies that support agriculture and small-scale farmers. This should be undertaken independently of donor countries' foreign policy and trade interests and driven solely by the food security concerns of the developing countries and their farmers. Given what we know about fighting world hunger, food sovereignty is paramount, and must be at the heart of future policies to support and protect small-scale farmers and subsistence agriculture.⁸⁹

From World Food Program to...World Relief Program

As suggested by Ed Clay, an expert on development and food aid,⁹⁰ WFP could become the lead UN agency for all emergency responses, rather than existing simply as a food aid agency. WFP is already the leading agency in emergencies, providing logistical support for transportation and telecommunications to the entire UN system.

Relief interventions are generally run vertically by specialized UN organizations: the WFP provides food, the UN Children's Fund (UNICEF) takes care of nutrition, water and sanitation, WHO deals with health issues, FAO supports agriculture and fisheries. The UN Office for the Coordination of Humanitarian Affairs (OCHA) coordinates the assistance under the UN Development Program (UNDP) and UNHCR follows its specific mandate on refugees. Though it is more and more recognized as an appropriate alternative to food relief, cash interventions do not fall under the responsibility of any of these agencies. There is a similar gap for non-food relief items such as cooking pots, cooking fuel, blankets, jerricans or soap, often as necessary and urgent as food in emergencies for the preparation of food, and to prevent epidemics and diseases. The UNHCR is in charge of the provision of shelters and camp mapping in the case of refugees who have left their country, but no equivalent organization is in charge of internally displaced people, though they are in greater numbers than refugees in the world today.

Transforming WFP into a World Relief Program would eliminate the bias toward the use of food aid from contemporary



Photo Credit: Action Contre La Faim

relief responses and strengthen the capacity of the international community to meet emergency needs by designing more appropriate and integrated responses. Food aid would then become only one element of relief response, developed along with others, and used only when required.

Refocusing Food Aid to Effectively Combat Hunger

Rethinking the Different Forms of Food Aid

The distinctions between the three different forms of food aid—Relief, Program and Project Aid—are not consistent with the reality of the food problems in developing countries. As seen in the cases of Ethiopia, Malawi, Zimbabwe and Niger, when a country is expecting a food shortage and lacks the financial resources or foreign currency to import food, the best response is financial assistance to allow the country to support domestic food production or proceed to food imports. Even in a year of food deficit, governments

can often play a decisive role in increasing food production through direct intervention in markets. For instance, in May 2005, when it appeared that the harvest was going to be poor, the government of Zimbabwe drastically increased official buying prices for wheat in order to provide an incentive to farmers who were going to plant for the coming winter cropping season. In other instances, support for winter crop-cycles and for alternative crops such as tubers,⁹¹ has been successfully provided by NGOs and governments in the form of seeds, seedlings, tools and fertilizers to optimize winter crops after the failure of a main harvest.⁹²

Providing financial assistance to purchase food or agricultural support as soon as a shortage is predicted would prevent having to resort to Relief Food Aid months later, when a country runs out of food. In an ideal world, Relief Food Aid would only be required in situations of wars and sudden natural disasters, characterized by the unpredictability and the urgency of food needs and often by limited capacity at the community and government levels.

Relief Food Aid is often considered the most relevant form of food aid and the only instance where in-kind food aid is acceptable. This is because non-relief forms of food aid are said to distort free trade and displace commercial imports. However, most Relief Food Aid is provided in situations where the need for relief could have been prevented if problems were tackled earlier. Countries such as Ethiopia, the second largest recipient of food aid, which receives an average of 800,000 tons of Relief Food Aid per year, could establish more sustainable systems to meet food needs. Providing Relief Food Aid only when it is needed would also make it more efficient when it is provided, as in the case of Ogaden in 2000. Also, we saw in the case of tsunami affected countries, too much food aid is provided for certain crises while too little is provided for others. Finally, allocations of relief food do not necessarily match actual needs because food aid continues to be allocated based on the foreign policy interests of donor countries. Food aid should be only directed to areas of real need, which should be determined by objective need assessments.

It is therefore necessary to drastically refocus Relief Food Aid on real emergency needs and to develop other mechanisms to address food deficits, chronic food insecurity, and reconstruction and recovery needs. Program and Project Food Aid do not address food needs and should be replaced by unconditional financial assistance. This financial assistance should be provided under the FAO to LDCs and LIFDCs as part of global packages of assistance for food and agriculture.

Donor Country Food Aid Policies Require Drastic Changes

The European shift toward local food aid purchases should be praised and encouraged as it stems from a genuine willingness to improve the way aid is provided. However, it does not necessarily promote food security in developing countries. The US has not yet reconsidered its food aid policy, which is the worst possible for small-scale farmers and long-term food stability because it does not promote local agriculture in recipient countries. Used as a foreign policy instrument and as a way to expand export markets, US food

aid still largely serves US interests. By nature, it does not contribute to the eradication of hunger as it is based on the incorrect assumption that both farmers in the US and in recipient countries benefit from food aid. Feeding people will not solve the problem of hunger. The US has not yet acknowledged that the alleviation of hunger in the poorest countries requires a massive effort to promote self-sufficient agriculture in these countries. Moreover, US preference for in-kind food aid makes it the most expensive in the world, with US taxpayers paying twice as much for the food delivered as would be paid for food procured locally.

US food aid needs some drastic changes. First, the use of food aid as a foreign policy and trade tool diverts scarce resources from countries where assistance is drastically needed. Food aid should be kept separate from trade concerns and other political interests and should only be allocated according to the needs of recipient countries.

With a consistent aid budget, the replacement of in-kind food aid with local and triangular purchases would double the amount of food available. To put it differently, current US food aid budgets could be cut in half without a decrease in the overall volume delivered if the food was procured locally. The high cost of in-kind food aid combined with the adverse effects of this form of aid on agricul-

ture in recipient countries makes a strong case for the elimination of US in-kind food aid. This could have a positive impact on the hungry in two ways: by reducing the side effects of food aid and freeing resources which could then be redirected towards supporting agriculture.

Indeed, shifts in the procurement of food aid by donor countries are not sufficient to significantly change the situation of world hunger. As noted by Jacques Diouf, Director of FAO, international assistance for agriculture and rural development has been cut by half in the past two decades, from \$5.14 to \$2.22 billion.⁹³ The US and other donors must not only review their procurement system and dissociate food aid from their national interests but also dramatically increase the amount of resources for agriculture and rural development. This is the only way to reduce hunger and the need for food aid.

Efforts involving local administrations and civil society, from government agencies down to the community level, could design a new form of agricultural economy that could be the centerpiece of a country's economic development model.

The Procurement of Food Aid Must Support Small-Scale Farmers

Giving priority to local and triangular food purchases is a positive step toward helping the world's poorest countries and their farmers. However, it does not address the fact that local procurement may benefit wealthier countries and international agribusiness firms. Further, it does not address that procurement procedures with high-standards used by WFP, NGOs and donor countries tend to exclude small-scale farmers from agricultural business. It is worth noting here that marketing boards have (or had) the critical function of buying food products from all farmers.

Local procurement of food aid must prioritize small-scale farmers. It is of paramount importance in countries and regions where food aid is distributed every year because this process adversely affects local agricultural capacity and progressively erodes farmers' livelihoods.

In the aftermath of the tsunami, local farmers groups organized a farmer's network to supply fresh food to the affected populations of Banda Aceh and demonstrated the feasibility of addressing acute emergency needs with food produced locally by small producers.⁹⁴ In the West Bank, WFP buys olive oil from destitute farmers who have been cut off from their markets by the separation wall.⁹⁵ This type of local purchase requires flexible and decentralized procurement systems, involves a cost, but eventually benefits local agriculture and tends to reduce the need for food aid in the long run. These two examples are anecdotal, but they show sensible alternative ways to look at food aid, and view communities in a more holistic fashion. This approach requires WFP and NGOs to adapt their procurement procedures and requirements accordingly.

International NGOs Must Clarify their Role

Relief and development NGOs play an essential role in many crisis situations throughout the world. Their capacity

to act quickly, flexibly and effectively allows them to save lives and to protect and restore people's livelihoods and dignity. They also play a crucial role when they stand with or for the people in countries where discrimination patterns, civil strife, or the lack of democracy threaten their lives, livelihoods or their freedom. The humanitarian principles driving NGOs, their ability to travel to affected populations, and to understand and address the problems threatening their livelihoods are often critical. However, this report raises several serious questions about the role of NGOs within food crises and around food aid.

Over the past several decades, Medecins Sans Frontieres (MSF), which specializes in emergency health care, has been in a quandary similar to the one faced by food relief agencies. Structural adjustments, the brain drain and economic decline have contributed to the weakening of health services in many developing countries. Confronted with the thorny possibility of becoming a substitute for health departments, MSF has chosen to specialize in acute emergencies. It has encouraged countries and donors to maintain strong health institutions. MSF is also working around the ARV treatment for HIV/Aids patients and neglected diseases such as tuberculosis. However, this is through a combination of research and pilot projects aimed at encouraging countries and donors to provide more and better health care rather than replacing failing government departments

Similarly, relief and development NGOs must become conscious of the political role they play through food

interventions. Relief and development NGOs must ask themselves if they should become an alternative to public systems despite the questions raised earlier regarding sovereignty, accountability, efficiency and democracy; or whether they should decide to play a complementary role and invest in some form of capacity-building of basic public services. It is laudable to focus operations on immediate relief and life-saving efforts. However, given the evolution of the food aid system over the past decade, at a minimum, relief and development organizations must clearly determine their

“The kinds of radical changes the EU and others are talking about would not be just harmful to our farmers and ranchers, but also terribly damaging to the developing world.[...] The program needs to be defended. Cash sometimes gets siphoned off. There is lots of evidence. There is a lot of concern that we need to get food to people quickly. We need more food aid, not less.”

US Trade Representative Rob Portman, September 21, 2005 at the Senate Agriculture Committee on food aid.

own role in the food aid system and the functions they expect national governments to carry out.

Food Sovereignty: Strong National Policies Promoting Food Security Are Possible

Instead of using Relief Food Aid to address structural vulnerabilities, adequate financial assistance would allow more appropriate response. Efforts involving local administrations and civil society, from government agencies down to the community level, could design a new form of agricultural economy that could be the centerpiece of a country's economic development model. National food security frameworks should focus on two tasks: the reduction of food aid needs in the long run and the implementation of safety nets to support those who are the most vulnerable to food insecurity.

Reducing the Need for Food Aid

Strategies must be put in place to reduce vulnerabilities and food aid needs in the long run. They may include strong agricultural policies aimed at improving the productivity of small farmers through extension services, increasing food production through land redistribution, irrigation or support for the production of staple food rather than cash crops. The protection of prices and markets, and the management of national food stocks are essential to mitigate the effects of the fluctuations of national food production on producers and consumers, and therefore to reduce the need for food aid.

In the 1990s, Indonesia signed GATT agreements which resulted in a sharp reduction of government intervention in food production and trade and in the opening of the domestic market to foreign imports. By the end of the 1990s, Indonesia became a large importer of rice and one of the largest recipients of food aid. The elimination of import tariffs and the flooding of cheap food, especially US rice, onto the market led to the discontent of Indonesian farmers, whose livelihoods were directly threatened by the loss of income resulting from low rice prices. In a drastic change in policy, the government decided to reintroduce tariffs and tighter control on rice imports in 2002. Bulog, the state food agency whose importance had shrunk in the 1990s, was again put in charge of stabilizing the market and acting

as a safety net. Decentralized and operating countrywide, the agency not only supplies the market with rice during lean seasons and periods of high prices, it also redistributes surpluses to regions that encounter staple food deficits. In 2004, the country became self-sufficient in the production of rice for the first time in twenty years and had to ban rice imports to protect its market and producers.

Zimbabwe underwent a very similar experience in the 1990s. Under structural adjustment, extreme poverty had increased by 50 percent between 1990 and 1995. Recognizing that agricultural growth did not benefit the poor but rather large-scale farmers and agribusinesses, the government decided to return its market and safety net function to its Grain Marketing Board (GMB) which had almost been eliminated following the recommendations of the IMF and the World Bank. Affected by severe food shortages over the previous three years, Zimbabwe was able to import and distribute over 1 million tons of food through the GMB.

The use of food aid as a foreign policy and trade tool diverts scarce resources from countries where assistance is drastically needed.

These two examples demonstrate that the policies implemented under structural adjustments are not irreversible. Changes occur against the will of international financial institutions, in countries that can afford the reinstallation of strong government agencies. In these cases, changes were made possible by the use of available domestic resources, largely from the export of oil and minerals. Other

countries, like Malawi in the case of ADMARC, have been struggling for years to maintain such institutions under considerable pressure from international financial institutions. Unfortunately, without adequate financial resources, they do not have a choice other than to accept the imposed elimination of their food agencies. Setting up regional food reserves can help to tackle emergency needs but is based on the theory that free intraregional trade will help developing countries meet food deficits. This solution does not allow countries to autonomously manage their own economies and agricultural sectors.

Developed countries and the financial institutions they control must not only authorize but also support national food policies and food institutions in the poorest developing countries. This is the only way they will be able to achieve food security and eliminate the need for external food aid.

Safety Nets to be Waived for Those Most Vulnerable

National policies involving the management of stocks and pricing policies represent the first levels of protection against food shortages because they limit the volatility of food prices for both consumers and producers. Nevertheless, they are often insufficient for those unable to sustain themselves, such as orphans and the landless. Safety nets should therefore be put in place to address these structural needs, which are often tackled through relief food aid. This would not necessarily be in the form of food aid, because often cash assistance can be provided as an alternative form of aid either directly or indirectly as support for communities who would in turn care for their most vulnerable members.

The creation or the enhancement of national policies depends on several prerequisites:

- Food sovereignty: developing countries must be able to protect their agriculture and markets if small-scale farmers are to be supported. The inequalities and unfairness in the international trade of agricultural commodities adversely impacts agriculture in developing countries, and especially LDCs.
- Debt cancellation: servicing debt drains huge financial resources from national budgets, preventing support for domestic agriculture. Furthermore it encourages specialization in exportable cash crops, necessary to raise export earnings and foreign currencies which are used to service the debt.
- Non-politically motivated international assistance to LDCs: Developed countries must provide enough support to stop the downward spiral in which millions are currently trapped. The commitment of 0.7 percent of the GDP has never been reached whereas according to UNDP, it constitutes only the minimum of what is required to stop the socio-economic decline of the poorest countries.

Safety Nets in Southern Africa

Several welfare programs have been operating in southern Africa for years or even decades, in some cases. These programs can take various forms:

- The Public Welfare Assistance Scheme in Zambia is considered effective, equitable and in a good position to target the country's most vulnerable households,⁹⁶ but it has lacked adequate funding for the past decade. It targets the 10 percent of the population that is most in need. Each of the selected households receives K 30,000 in a bank account each month. This payment is equivalent of a 50kg bag of maize.⁹⁷
- In Malawi, a national Public Works Program pays cash to vulnerable individuals able to work on Public Works projects. The Malawi Social Action Fund (MASAF) manages this program with support from the EU. The MASAF was established to manage large-scale programs, with an initial objective of five million worker days per year. This project has been successful though it was constrained by the lack of implementation capacity at district levels, including technical and management skills.
- Zimbabwe is severely affected by HIV/Aids and harsh economic conditions. HIV/Aids has left behind millions of orphans, widows and unattended elderly. Community gardens supported by the government and NGOs favor a community-based support mechanism for the most vulnerable members of the population through food production in collective plots. Food commodities are shared with the vulnerable individuals of the community. The program also provides agricultural training for farmers and orphans.

CONCLUSION: TOO EXPENSIVE AN ALTERNATIVE?

Some readers may find the recommendations of this report unrealistic because of their high cost. They may also argue that the increased role and ownership outlined for developing countries in the fight against hunger is nothing but wishful thinking because of the prevailing corruption and lack of capacity of many developing countries to run sustainable policies aimed at fighting hunger.

However, if one seriously hopes for effective change, drastic policy shifts are needed both in developed countries and in the international institutions under their control. Developed countries and their financial institutions have been working for years to dismantle state institutions in the food and agriculture sectors of developing countries. Many of these institutions have been eliminated along with the overall withdrawal of state intervention in food and agriculture. The main argument put forward by developed countries is the high cost of sustainability of these institutions. Yet, all countries that are currently self-sufficient in terms of food, including the US and EU members, have had strong policies that protect and support their agricultural sector. The OECD countries still provide over \$1 billion a day in agricultural subsidies but do not allow similar support to be provided to southern farmers.

We have seen in Iraq that when it is deemed necessary to invest in the construction of a national security force, it is done, despite the high cost, the risks involved and the lack of insurance about the sustainability of such an enterprise. Obviously, building a strong military or police force in Iraq is more of a priority for the US than a strong public food security body in any African country. One can expect it may be even less of a priority for developed countries because currently, countries without enough food are highly dependent on food imports and trade from the north.

As pointed out by Christian Aid, “the World Food Programme appealed for US\$507 million for southern Africa for July 2002 to March 2003. Meanwhile, Mozambique, Malawi and Zambia alone will have paid back US\$506 million in total debt service to multilateral and bilateral donors in 2002 and 2003, even after so-called HIPC debt relief.”⁹⁸ Indeed, the heavy debt burden faced by many developing countries constitutes another obstacle to turning the tide of hunger. The recently announced debt cancellations for some LDCs will not make any serious difference: if the debt is really written off, which is not certain given the strong conditionality of the decision, the poorest countries will still have to cope with skewed production models that do not prioritize domestic food consumption and subsistence agriculture and remain vulnerable to free trade. Without serious policy shifts, net food importing countries will continue to depend greatly on food imports and debt will begin growing again. A wider debt cancellation is needed, one that is not linked to the conditionality of market reforms imposed by developed countries. Debt cancellation and food sovereignty would give the poorest developing countries both the resources and the policies they

need to address the causes of hunger and eliminate the need for food aid.

Finally, a major change is required in terms of international assistance. As UNDP argues in its recent Human Development Report, “reforming the international aid system is a fundamental requirement for getting back on track for the Millennium Development Goals.”⁹⁹ Food aid has been ‘cheap’ aid, expected to serve domestic interests and to fight hunger at the same time. Apart from specific disaster situations, this

does not work; hunger and poverty are still increasing. In a sad paradox, food aid participates in the rise of hunger while it helps the implementation of adverse policies.

Fighting hunger requires the reform of a number of institutions and a real commitment by developed countries to allocate adequate financial resources, rather than sprinkling their food surpluses, crumbs from an obscene dinner which leaves millions hungry each day.

- 1 Here as in the rest of the report, ‘tons’ refers to metric tons.
- 2 Christopher. B. Barrett, Daniel G. Maxwell, *Food Aid After Fifty Years: Recasting Its Role* (London: Routledge, 2005), Chapter 1, page 4, share for the period 1995-2000.
- 3 Unless otherwise indicated, all figures and graphs relating to international food aid flows are based on statistics reported by the World Food Programme’s International Food Aid Information System (INTERFAIS).
- 4 *US International Food Assistance Report 1999*, (USAID, 2000), page 1.
- 5 Christopher. B. Barrett, Daniel G. Maxwell, *Food Aid After Fifty Years: Recasting Its Role* (London: Routledge), Chapter 2, page 30.
- 6 *Ibid.*, Chapter 2, page 23.
- 7 *Ibid.*, Chapter 5, page 17.
- 8 *Ibid.*, Chapter 8, page 41.
- 9 *Ibid.*, Chapter 5, page 21.
- 10 *Ibid.*, Chapter 2, page 32.
- 11 *Reporting Procedures and Consultative Obligations Under the FAO Principles of Surplus Disposal: A Guide to Members of the FAO Consultative Subcommittee on Surplus Disposal* (FAO, 2001), cited by P. Konandreas in *Multilateral Mechanisms Governing Food Aid and the Need for an Enhanced Role of the CSSD in the Context of the New WTO Disciplines on Agriculture* (FAO, 2005).
- 12 Barrett and Maxwell document how the EU joined the FAC under pressure by the US because of US concessions in international grain negotiations, Chapter 3 page 10.
- 13 See for instance *US International Food Assistance Report 1999* (USAID, 2000), page 58.
- 14 50 countries are classified as Least Developed Countries by the United Nations. Three criteria are used: a low-income criterion, a human resource weakness criterion and an economic vulnerability criterion. Large economies, i.e. countries with populations exceeding 75 million are excluded. More information can be found at the United Nation LDCs Website, <<http://www.un.org/special-rep/ohrlls/ldc/ldc%20criteria.htm>> (cited September 15 2005).
- 15 Frances Moore Lappé, Joseph Collins, David Kinley, *Aid As Obstacle* (San Francisco: Institute for Food and Development Policy, 1980), page 95.
- 16 *Ibid.*, page 95.
- 17 Vernon W. Ruttan, *Why Food Aid?* (Baltimore: Johns Hopkins University press, 1993), page 89.
- 18 “Domestic supply” as defined by FAOSTAT. Graph is from the FAO Website, <<http://faostat.fao.org/>>.
- 19 Vernon W. Ruttan, *Why Food Aid?* (Baltimore: Johns Hopkins University press, 1993), page 62.
- 20 USDA Website, <www.fas.usda.gov/excredits/pl480/monetization.PDF> (cited August 15, 2005).
- 21 Public Law 480 is the main program under which US food aid is provided.
- 22 Triangular purchases are purchases made for food aid in another developing country.
- 23 Multilateral trade negotiations launched at Punta del Este, Uruguay in September 1986 and concluded in Geneva in December 1993. Signed by Ministers in Marrakesh, Morocco in April 1994.
- 24 “Decision On Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries,” WTO Website, <http://www.wto.org/english/docs_e/legal_e/35-dag.doc>.
- 25 Food Security Regulation, European Council Regulation N°1292/96, June 27 1996.
- 26 WFP Procurement Map, <http://www.wfp.org/operations/procurement/food_pro_map/foodmap.html> (cited August 15, 2005).
- 27 *Southern Africa Food Security Brief*, Famine Early Warning Systems Network (June-July 2005).
- 28 “Southern Africa Faces Severe Food Shortages: Millions of People Need Urgent Humanitarian Aid,” WFP press release (July 7, 2005).
- 29 *The State of Agricultural Commodity Markets* (FAO, 2004), page 30.
- 30 Bill Vorley, *Food Inc.* (UK Food Group, 2003), <<http://www.ukfg.org.uk/docs/UKFG-Foodinc-Nov03.pdf>> (cited 15 August, 2005), page 39.

- 31 Ibid., page 61.
- 32 Cargill Website, <<http://www.cargill.com/news/index.htm>> (cited August 1, 2005).
- 33 *The State of Agricultural Commodity Markets* (FAO, 2004), page 30.
- 34 Report No. 29058, *Zimbabwe Country Assistance Evaluation*, Operations Evaluation Department (World Bank, 2004), page 23.
- 35 Christian Losson, *Malnutrition. Les Etats se Mobilisent Enfin, un An Après les Premiers Appels à l'Aide. Le Secours Tardif au Niger Affamé*, Liberation (July 2005).
- 36 WHO international standard on food intake is the reference for all food relief interventions; SPHERE standards on food aid use the same amount of 2.100 Kcal.
- 37 Tanzania, Angola, Mozambique, Indonesia, Palestinian Territory, Yemen, Kenya, Afghanistan, Uganda, Zimbabwe, Eritrea, Bangladesh, Sudan, Democratic Republic of Korea and Ethiopia
- 38 Stefan Devereux, *Policy Options for Increasing the Contribution of Social Protection to Food Security* (September, 2003); Frederic Mousseau, *Role of and Alternative to Food Aid in Southern Africa*, A Report to Oxfam (Oxfam, 2004), page 11.
- 39 Frederic Mousseau, *Role of and Alternative to Food Aid in Southern Africa*, A Report to Oxfam (Oxfam, 2004), page 12.
- 40 CNN Website, <<http://cnnstudentnews.cnn.com/2000/fyi/news/04/10/famine/#1>>(cited September 10, 2005).
- 41 WFP Website, <http://www.wfp.org/aboutwfp/introduction/hunger_fight.asp?section=1&sub_section=1> (cited September 10, 2005).
- 42 For a more detailed analysis, see Frederic Mousseau and Anuradha Mittal, "Inequity in International Agricultural Trade: The Marginalization of Developing Countries and Their Small Farmers, The Oakland Institute, <www.oaklandinstitute.org> (cited March 2005).
- 43 *The State of Agricultural Commodity Markets* (FAO, 2004), page 14.
- 44 *Food Aid or Hidden Dumping? Separating Wheat from Chaff*, Briefing Paper, (Oxfam International, 2005), page 27.
- 45 UNAIDS Website, <<http://www.unaids.org/en/default.asp>>, UNAIDS, 2003 (cited September 1, 2005).
- 46 Zimbabwe National HIV/Aids Estimates, MOHCW/CDC/UNAIDS, 2003.
- 47 GIEWS Special Report, *FAO/WFP Crop and Food Supply Assessment Mission to Niger* (FAO/WFP, December 2004).
- 48 *The Malawi Safety Net Strategy*, Government of Malawi (2000).
- 49 *Zimbabwe Food Security and Vulnerability Assessments* (ZIM-VAC) (April, 2004), page 67.
- 50 Several comprehensive research papers have been published by Oxfam Malawi on this issue, see for instance: *What Needs to Be Done to Improve the Impact of ADMARC on the Poor?* (Oxfam, 2002).
- 51 Margaret McEwan, *Changing Landscapes and the Outliers: Macro and Micro Factors Influencing Livelihood Trends in Zambia Over the Last Thirty Years*, CARE SWARMU, 2003
- 52 WFP Website, <http://www.wfp.org/aboutwfp/introduction/hunger_fight.asp?section=1&sub_section=1> (cited September 10, 2005).
- 53 Christopher. B. Barrett, Daniel.G. Maxwell, *Food Aid After Fifty Years: Recasting Its Role* (London: Routledge, 2005).
- 54 *Annual Review 2004*, World Vision Australia, London, 2004.
- 55 CARE USA Website, <<http://www.careusa.org/about/990.asp>> (cited September 12, 2005).
- 56 Figure for 2003, <http://www.fao.org/UNFAO/about/budget_en.html> (cited August 15, 2005).
- 57 Christopher. B. Barrett, Daniel G. Maxwell, *Food Aid After Fifty Years: Recasting Its Role* (London: Routledge, 2005), Chapter 11, page 33.
- 58 *Food Aid or Hidden Dumping? Separating Wheat from Chaff*, Briefing Paper (Oxfam International, 2005), page 29.
- 59 *C-safe 2nd Semi Annual Progress Report* (USAID/FFP, C-Safe, 2003).
- 60 Relief Web Website, <<http://www.reliefweb.int/fts>> (cited August 15, 2005).

- ⁶¹ Budget Revision of the Regional EMOP 10405.0 (WFP, 2005).
- ⁶² See for instance, Preliminary Analysis on the Food Aid Response to the Tsunami Crisis Indonesia - Aceh Province, Action Contre la Faim (March, 2005).
- ⁶³ USAID Fact Sheet #30 (USAID, 2005).
- ⁶⁴ Food Aid or Hidden Dumping? Separating Wheat from Chaff, Briefing Paper (Oxfam International, 2005), page 10.
- ⁶⁵ According to Budget revision, May 2005 of the Regional EMOP 10405.0, nearly 60,000 tons of food were delivered from January to May.
- ⁶⁶ Despite large carry-over stocks, WFP had obtained an initial exemption from a first import ban in 2004: the only imports of US rice in Indonesia were actually through food aid; Indonesia was the largest recipient of Title II and Food For Progress rice donations in fiscal 2004 (total of 30,000 MT). The country was also the largest recipient of Title II in fiscal year 2003 (54,600 MT).
- ⁶⁷ *Budget Revision of the Regional EMOP 10405.0* (WFP, 2005).
- ⁶⁸ See for instance Paul Harvey, *Cash and Vouchers in Emergencies*, the Humanitarian Policy Group (ODI, 2005).
- ⁶⁹ "Humanitarian Charter and Minimum Standards in Disaster Response," *The Sphere Project Handbook* (2004), page 161.
- ⁷⁰ Frederic Mousseau, "Food Aid Review in Zambia" (International NGO Forum, 2003), page 4.
- ⁷¹ *Ibid*, page 16.
- ⁷² "Zambia Must Accept Some GM Food, Warns WFP Executive Director," WFP Website (August 23, 2002) <http://www.wfp.org/newsroom/in_brief/gm02_08.html> (cited March 10, 2003).
- ⁷³ "Zambia Urged to Accept Genetically Modified Food Aid," *Deutsche Presse-Agentur* (July 22, 2002).
- ⁷⁴ P. Martin & N. Itano, "Greens Accused of Helping Africans Starve," *Washington Times* (August 30, 2002), cited in *USAID and GM Food Aid* (Greenpeace, 2002).
- ⁷⁵ *Famine Early Warning Systems Network*, November 27, 2002.
- ⁷⁶ Evaluation of the DEC Appeal (Valid International, 2004), page 20.
- ⁷⁷ Christopher. B. Barrett, Daniel G. Maxwell, *Food Aid After Fifty Years: Recasting Its Role* (London: Routledge, 2005), Chapter 4, page 28.
- ⁷⁸ "Soy Growers Want to Help Needy Become Food Buyers," *AgJournal*, February 25, 2001, cited by Christopher. B. Barrett, Daniel.G. Maxwell, *Food Aid After Fifty Years: Recasting Its Role* (London : Routledge, 2005), Chapter 2, page 25.
- ⁷⁹ *US International Food Assistance Report 1999* (USAID, 2000), page 54.
- ⁸⁰ Clare Short, DFID on Southern Africa Crisis (United Kingdom Department for International Development, 2002).
- ⁸¹ *Evaluation of the DEC Appeal* (Valid International, 2004), page 55-56.
- ⁸² Several nutritional surveys undertaken by Action Contre la Faim, UNICEF and the Zimbabwean Ministry of Health show acute malnutrition levels below 5 percent, indicating a non life-threatening situation.
- ⁸³ According to the Zimbabwe Emergency Food Security and Vulnerability Assessment of 2003 and 2004, the government distributed over 1 million tons of cereals from 2002 to 2004.
- ⁸⁴ "Feeding More for Less in Niger" is the title of an Opinion Editorial by Sophia Murphy of IATP, published in the *New York Times*, Aug 19, 2005.
- ⁸⁵ The Cairns Group is a coalition of cereal exporting countries.
- ⁸⁶ Barbara Stocking (Oxfam GB), Mike Aaronson, (SCF GB), Benoit Miribel (Action contre la faim), "Repenser l'Aide Alimentaire," *Le Monde*, June 2, 2005.
- ⁸⁷ Food Aid or Hidden Dumping? Separating Wheat from Chaff, Briefing Paper, (Oxfam International, 2005), *US Food Aid: Time to Get it Right*, (IATP, 2005).
- ⁸⁸ Human Development Report, "Overview of the Report" (UNDP, 2005), page 7.
- ⁸⁹ For a more detailed discussion on food sovereignty, visit www.viacampesina.org.
- ⁹⁰ Ed J. Clay, "Responding to Change: WFP and the Global Food Aid System," *Development Policy Review*, 21 (5-6), pages 697-709.
- ⁹¹ Tubers such as cassava and potato have been actively promot-

ed in countries such as Zambia and Madagascar to reduce reliance on rain-fed cereal crops and to improve nutrition at the household levels.

⁹² Winter cropping is a counter-seasonal agricultural practice, undertaken after the main rain fed harvest, and using irrigation in the dry season. It can constitute up to one third of the annual production in sub-Saharan African countries.

⁹³ Jacques Diouf, "La Misère du Monde n'Est Pas une Fatalité," *Le Monde*, September 7, 2005.

⁹⁴ Direct communications with members of the Team of Humanitarian Solidarity of Tsunami Disaster in Aceh and North Sumatera Province, Indonesia (KSKBA, 2005).

⁹⁵ *Annual Report 2003* (WFP), page 17.

⁹⁶ Margaret McEwan, *Changing Landscapes and the Outliers: Macro and Micro Factors Influencing Livelihood Trends in Zambia Over the Last Thirty Years* (CARE SWARMU, 2003).

⁹⁷ Shubert, Mwimba, "Manual of Implementation GTZ-PWAS" (GTZ Zambia, 2002).

⁹⁸ Kato Lambrechts, Gweneth Barry, *Why is Southern Africa Hungry? The Roots of Southern Africa's Food Crisis* (Christian Aid UK 2003).

⁹⁹ *Human Development Report*, "Overview of the Report" (UNDP, 2005) page 7.

