

**Committee on Agriculture**

**FOLLOW-UP TO PARAGRAPH 18(i) OF THE COMMITTEE'S REPORT  
FOR THE SINGAPORE MINISTERIAL CONFERENCE ON THE  
MARRAKESH MINISTERIAL NFIDC DECISION**

The attached submission\* by the World Food Programme (WFP) to the Food Aid Committee in London, is being circulated for the information of members of the Committee on Agriculture (Part II, Item B of the agenda of the 26-27 June 1997 meeting of the Committee refers).

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**Comité de l'agriculture**

**SUIVI DU PARAGRAPHE 18 i) DU RAPPORT DU COMITE A LA CONFERENCE  
MINISTERIELLE DE SINGAPOUR CONCERNANT LA DECISION  
MINISTERIELLE DE MARRAKECH SUR LES PAYS EN  
DEVELOPPEMENT IMPORTATEURS NETS DE  
PRODUITS ALIMENTAIRES**

La communication ci-jointe\*, présentée par le Programme alimentaire mondial (PAM) à la réunion du Comité de l'aide alimentaire tenue à Londres, est distribuée aux membres du Comité de l'agriculture pour information (voir la deuxième partie, point B de l'ordre du jour de la réunion du Comité des 26 et 27 juin 1997).

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**Comité de Agricultura**

**SEGUIMIENTO DEL PÁRRAFO 18 i) DEL INFORME DEL COMITÉ A LA  
CONFERENCIA MINISTERIAL DE SINGAPUR ACERCA DE LA DECISIÓN  
MINISTERIAL DE MARRAKECH SOBRE MEDIDAS RELATIVAS A LOS  
POSIBLES EFECTOS NEGATIVOS DEL PROGRAMA DE REFORMA EN  
LOS PAÍSES MENOS ADELANTADOS Y EN LOS PAÍSES EN  
DESARROLLO IMPORTADORES NETOS DE  
PRODUCTOS ALIMENTICIOS**

El documento adjunto\*, que el Programa Mundial de Alimentos (PMA) presentó al Comité de Ayuda Alimentaria en Londres, se distribuye para información de los miembros del Comité de Agricultura (véase el punto B de la Parte II del orden del día de la reunión del Comité celebrada los días 26 y 27 de junio de 1997).

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\*English only/anglais seulement/inglés solamente.



World Food  
Programme

Programa  
Mundial  
de Alimentos

Programme  
Alimentaire  
Mondial

برنامج  
الغذية  
العالمى

The Food Aid Organization of the United Nations

12 June 1997

### *WFP SUBMISSION TO THE FOOD AID COMMITTEE*

Food aid is essential for saving and sustaining life in emergencies, as well as for addressing the chronic hunger that afflicts hundreds of millions of poor people throughout the developing world. Over the past decade, there have been far-reaching changes in the nature of food aid: today's food aid is different from that of the past. Food aid is now a scarce resource.

- There has been a sharp decline in food aid supply, from over fifteen million tons of cereals in 1993 to less than seven million tons in 1996 (for the first time, well under the level established under previous Food Aid Conventions);
- Food aid is no longer a means of disposing of agricultural surpluses, but is increasingly provided from tight aid budgets, competing with other forms of assistance;
- Food aid for relief has dramatically increased while programme food aid has fallen (from almost three quarters of all food aid in the 1960s and 1970s to little more than one-third in 1996);
- There has been a shift in attention from national food gaps to hungry people. As part of this trend there is a new focus on actions against hunger, particularly in the context of humanitarian emergencies.

The Food Aid Convention is an important element of the international regime for food aid. It provides a legal assurance of minimum supplies of food aid fit for human consumption. A new Food Aid Convention has important implications for future food aid supplies. The Food Aid Convention should aim to strengthen international support for adequate levels of food aid to meet the legitimate needs of food insecure developing countries.

It is against this background that WFP would like to put forward a range of proposals that might be incorporated into the new Food Aid Convention to improve the effectiveness and positive impact of food aid. These proposals are:

- to promote a more people-centred approach by establishing a pattern of incentives to encourage donors to use food aid in ways that are most likely to give a lasting benefit to poor and hungry people;
- to confine the range of donable commodities to the kind typically eaten by hungry poor people in developing countries;
- to sharpen the focus of food aid on the neediest countries;
- to achieve greater stability in food aid supplies, at least for interventions designed to help the most hungry, particularly in years of volatile world prices.

In addition, the paper touches on matters that might be taken into account in:

- establishing an appropriate volume of food aid on the basis of need;
  - developing a mechanism for coping with the kind of price-driven emergency that could arise during the implementation of the GATT Uruguay Trade Agreement.
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### **A More People-Centred Approach**

WFP would like to see the next Food Aid Convention adopt a more people-centred approach. Donors should be encouraged to accept the extra costs of targeting food aid, whether for relief or development. The Food Aid Convention should also encourage donors to make the best uses of the food aid they provide, including support to local purchases and triangular transactions. A future Food Aid Convention could consider ways in which donor contributions can be accounted for in totality, including the cash expenditures that directly support food aid operations, without losing its important role in maintaining a minimum level of global food aid. One suggestion would be to incorporate within the Food Aid Convention a combination of incentives and discounts to encourage best uses of food aid. WFP would be interested in working with the Food Aid Committee to develop an appropriate methodology.

The 1996 World Food Summit confirmed that food security is about people. It is about a life free from the risk and fear of malnutrition or starvation. The attainment of food security involves eliminating current hunger for the hundreds of millions of individuals who are hungry today, and reducing the risks of future food insecurity.

The first claim on scarce food aid resources should be actions that address the major dimensions of current hunger:

- First, food aid must be immediately available and in sufficient quantities to save lives in humanitarian emergencies, while to the extent possible using relief food aid to rebuild lives and livelihoods;
- Second, food aid must be focused on key areas of human development, particularly on addressing debilitating hunger among women and children at critical times of their lives. Food aid often reaches women and children more effectively than other kinds of assistance, and supports an immediate improvement in their productivity;
- Third, food aid must support actions against chronic hunger in regions where food insecure households are by-passed by mainstream development initiatives and where markets are weak.

The only lasting solution to hunger is sustainable food security based on interventions of a preventative and developmental nature. Development initiatives in vulnerable regions are increasingly linked to the requirements of disaster preparedness and preventive measures, relief and rehabilitation.

There are marked differences in the ability of poor countries to make the best use of food aid. Typically the poorest countries face a range of practical problems, including limited financial capacity, weak public administration and poor physical infrastructure. They face different combinations of development and humanitarian challenges, such as poverty, debt, population growth, structural adjustment, refugees and internally displaced people and the effects of civil

strife. Large segments of their populations, particularly in remote rural areas, are often cut off from government programmes and services.

A more people-centred approach to food aid inevitably involves a higher cost to food aid operations. Such costs include providing strong support to national and local capacity building; enhancing community involvement in implementing and managing food aid activities to strengthen the likelihood of lasting benefits; and ensuring that food aid is delivered to the people who have most responsibility for household food security, especially women. Delivering food assistance to the more difficult and remote areas in developing countries where the need is greatest is also more expensive.

The case for food aid is strongest where chronic undernutrition co-exists with weak markets that are characterized by erratic supply and wide price fluctuations. The effectiveness of local market performance should be an important determinant for the provision of food aid. The rationale for food aid is weak if markets function well and non-food interventions can effectively raise access to food among the hungry. But the case for food aid targeted to the most hungry is strong if there is insufficient food in the market and prices are volatile.

Food aid targeted to poor and hungry people carries little risk of disrupting markets or causing dependency or disincentives, since the food provided is additional to normal, typically inadequate, consumption.

Food aid provided by purchasing food in developing countries or through triangular food aid operations has a number of potential advantages, including:

- promoting food production and exports;
- stimulating regional trade;
- facilitating the provision of locally familiar and acceptable foods;
- improving the cost effectiveness (through lower transport costs) and timeliness of food aid interventions.

The World Food Summit Plan of Action recognised that these advantages outweigh the additional effort that is sometimes required to undertake purchases in the less well-established markets of developing countries.

### **Donable Food Commodities**

The Food Aid Convention should be limited to those commodities that are most likely to appear in the food basket of a hungry poor person living in a developing country. In the main, these will be high volume, low value cereals. A new Food Aid Convention might, however, consider including, on an exceptional basis, the provision or purchase of traditional basic food stuffs (this would, incidentally, encourage developing country participation in a new Convention).

Ideally, all donable commodities under the Food Aid Convention should be provided on a grant basis. The next Food Aid Convention could consider establishing a means whereby food aid provided on less than full grant terms might be acceptable under the Convention, but accorded a lesser value.

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### **Focus on the Neediest Countries**

Given that food aid has become an increasingly scarce resource, it is important that the needs of the poorest countries are protected under the Food Aid Convention.

The new Food Aid Convention should ensure that priority in allocating scarce food aid is given to least developed countries (LDCs) and low-income food deficit countries (LIFDCs). In this regard, WFP would like to suggest that only food aid allocated to LDCs and LIFDCs be counted under the new Convention (recognising that there may be differences between the FAO list of LIFDCs and the “self-nominated” list of the members of the World Trade Organisation).

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### **Achieving Greater Stability in Food Aid Supplies**

For food aid to adequately address today’s hunger, the level of food aid reaching hungry people needs to be enhanced and protected from fluctuations in global supply, particularly in years of high world food prices.

When world cereal prices increased in 1994-95, the proportion of food aid delivered to LDCs fell from nearly half to less than one third. The Food Aid Convention should help ensure that the negative effects of food price increases are not disproportionately felt by the neediest countries.

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### **An Appropriate Volume of Food Aid on the Basis of Need**

WFP would welcome the opportunity of working with the Food Aid Committee, and other relevant bodies such as FAO, in developing and introducing people-oriented approaches and methods for assessing global food aid needs.

For the first time, debate on the Food Aid Convention has the chance to take as its starting point the need for food aid rather than the likely future availability of food commodities. This opens up a range of possibilities.

Global food aid requirements have often been computed by projecting recipient country food (and foreign exchange) balance sheets, with minimal consideration of requirements based on nutritional goals or of the political reality that guides donor allocation decisions. More recently, nutritional improvement goals have entered into methodologies for projecting food aid requirements (suggesting that if food aid alone were used to improve the nutritional status of the world’s malnourished people, some 55 million tons would be required annually by the year 2010 - more than 10 times the level of the present Food Aid Convention). Further development of methodologies to assess food aid needs is required.

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## **Price-Driven Emergencies During the Implementation of post-GATT Uruguay Trade Agreement**

WFP is willing to share its expertise in undertaking food aid needs assessments and designing appropriate interventions in helping the Food Aid Committee to develop a mechanism to cope with the kind of price-driven emergency that could arise during the implementation phase of the Agreement.

The Uruguay Round Final Act includes a section on *Decisions on measures concerning the possible negative effects of the reform programme on least-developed and net food-importing developing countries*, under which the Food Aid Committee has been given the task of establishing a level of food aid commitments sufficient to meet the legitimate needs of developing countries.

Important practicalities remain to be addressed. There is no agreement, for example, on the criteria that should be used to define "legitimate need", the threshold at which a request for food aid would be triggered, to whom and in what form the affected country would make the request for assistance, who would assess this request, on what basis and in what time-frame, how any request for food aid assessed as "legitimate" would be resourced, or the operational arrangements under which the food aid would be provided. The problem is complex and multi-faceted, and could involve a number of actors, both national and international. Options might include direct balance of payments support and targeted food aid.

### **Conclusion**

Food aid is a scarce resource - it is a resource to serve people, not a by-product of agriculture. By extension, more is being demanded of food aid than in the past. Food aid will have to do more than save lives - it will have to enhance lives and build self-reliance.

The Food Aid Convention should aim to support this by helping to:

- target a greater proportion of food aid towards the most vulnerable people in the poorest regions of developing countries;
- ensure that food resources are effectively delivered into the hands of people who have most responsibility for household food security, especially women;
- establish a pattern of incentives to encourage the best use of food aid;
- confine the range of donable commodities to the kind typically eaten by hungry poor people. All food aid provided under the Food Aid Convention should be on a grant basis;
- shift current food aid allocations towards the most needy countries;
- achieve greater stability in food aid supplies, at least for interventions designed to help the most hungry, particularly in years of volatile world prices.

Pursuing this course of action would improve the effectiveness and positive impact of food aid.

WFP looks forwards to working with the Food Aid Committee in its consideration of the next Food Aid Convention.