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INTRODUCTION

In October 2005, the Oakland Institute published its report, *Food Aid or Food Sovereignty? Ending World Hunger in our Time*. Since then the issue of food aid has taken center stage in foreign aid, global hunger, and development discourse, sparking interest and debate amongst policy makers, media, and civil society internationally.

Education and advocacy by development and faith-based groups have made it undeniably clear that U.S. food aid benefits the wrong people – big agribusiness and the shipping industry – instead of those in need. U.S. food aid programs, designed more than 50 years ago when the nation had abundant food surpluses to dispose of, require most food aid to be purchased and bagged by U.S. agribusiness. The law also requires that 75% of U.S. food aid be shipped on U.S. vessels, even though this drives up costs and slows down delivery times.

National campaigns advocating for the U.S. to purchase food locally or regionally – near the source of food crises, which would be cheaper, faster, and could support longer-term efforts to address food crises and reduce poverty – gained momentum in 2007. Media outlets from the *New York Times* to *Mother Jones* wrote and editorialized about the impact of U.S. food aid on vulnerable economies and communities. CARE, one of the largest international relief organizations, announced that it was walking away from $45 million a year in federal financing, saying American food aid is not only plagued with inefficiencies, but may also hurt some of the very poor people it aims to help. Also, for the first time ever, the Government Accountability Office released a severe evaluation of U.S. food aid programs, bringing concerns about the inefficiency and ineffectiveness of food aid to the forefront of the debate. This increased scrutiny put food aid on the legislative agenda with demands for the next Farm Bill to endorse local purchases of at least one-fourth of emergency food aid.

At the international level, there are advocates who believe that food aid system needs reform. The German government, serving as President of the Council of the European Union, brought together government officials, NGO representatives, and other stakeholders in May 2007 to discuss the renegotiation of the Food Aid Convention. Diverse civil society groups have joined forces across borders to create networks and coalitions such as the Trans-Atlantic NGO Food Policy Dialogue (TAFAD), to effect promising changes in the food aid regime.

Some of the issues currently under debate include the ongoing renegotiation of the Food Aid Convention (FAC) and the U.S. Farm Bill, whose outcomes could significantly alter food aid standards and obligations. In addition, the fate of food aid is also woven into the ongoing World Trade Organization (WTO) trade talks, which may result in international trade rules governing food aid.

Then there are other concerns. For instance, food aid flows remain pegged to cereal prices and factors other than hunger, so food aid often dries up when there is the most need.2 Higher food prices – average food prices

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2 Rising food prices seriously impact the poorest countries and net food buyers. Very poor in developing countries spend between 50%-80% of their income on food with poor rural households being net consumers of food. Rising prices could lead to an immediate increase in malnutrition and particularly hurt the landless, farmworkers, and other marginalized populations.

1 The Status of International Food Aid Negotiations: An Update to Food Aid or Food Sovereignty? Ending World Hunger In Our Time
increased by 3% in G7 economies and by 10.5% in developing countries between July 2006 and July 2007\(^3\) – further intensified the debate around the best form of food aid, with some suggesting in-kind donations as more appropriate. Given food aid is usually counter-cyclical with commodity prices – when food prices go up, food aid goes down – food aid flows dropped to their lowest level since 1973\(^4\) and further decline is expected as food prices continue to rise.\(^5\) For instance, the U.S. provided less than half the amount of food aid in 2007 that it did in 2000.\(^6\)

The World Food Programme has announced that to maintain the same amount of food aid in 2008, it will have to spend 30% more resources than in 2007, which requires a budget increase of $500 million. Without this increase, the WFP will have to drastically cut food rations or the number of people it assists.\(^7\)

Other developments, such as the impact of biofuel production on agricultural commodity prices, have also stirred the food aid debate, as explained in Box 1. In addition, changing weather patterns are impacting agriculture production and driving the need for food aid in general.

At the same time, the number of undernourished people continues to follow an upward trend.\(^8\) U.N. Special Rapporteur on the Right to Food, Jean Ziegler, reported to the Human Rights Council in June 2007 that nearly 854 million people in the world—one in every six human beings—are gravely undernourished. This represents an increase of 12 million people – up from 842 million in 2006.

The causes of hunger are many: war and conflict situations; recurring droughts caused by changing climate patterns; declining public support for agricultural production, particularly for small-scale agriculture; trade liberalization that compels developing country farmers to compete with low-cost imported goods, undermining local production; and other economic and political factors.

The solutions to these problems are complex too, but really not out of the realm of possibility. We need better policies to address climate change. We need to support developing countries’ rights to protect their own markets to improve rural livelihoods and food security. We need a commitment to more – and more flexible – resources for those programs and for the emergencies that arise from natural or man-made disasters. And, when all else fails, we need better food aid policies as a last resort to keep food crises from becoming human disasters. Substantial reform of food aid, to revitalize programs and realign priorities toward ensuring food security, cannot be overemphasized.

The goal of this report is not merely to update of our report *Food Aid or Food Sovereignty?*, but to call for action. We examine the most pressing issues in the food aid debate today and highlight the promise and need for a long-term and human rights-based approach to food security and the elimination of hunger.

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\(^3\) *Rising Food Prices: International Drivers and Implications*, Center on International Cooperation, December 2007.


\(^6\) U.S. Department of Agriculture (USDA).


If you scan today’s newspaper headlines, biofuel appears to be the next big thing. Billed as a promising alternative fuel that can help wean us off foreign oil, global investment in biofuels reached $26 billion in 2006. (UNEP & New Energy Finance, 2007) Both the EU and U.S., two heavyweights in global food markets, have been making significant steps to increase biofuel production, lured by prospects of higher returns from agricultural products sold for fuel rather than food.

The predominant type of biofuel today is ethanol, 98% of which is produced from corn. By 2006, the U.S. was diverting 20% of all corn grown to biofuel production, while U.S. corn prices are the highest they have been in a decade. As more harvests are being used to feed cars, not people, this inflates demand and spurs price hikes along the production chain and across borders. As the 2006 tortilla protests in Mexico showed, price volatility for basic commodities such as corn creates high stakes for people that rely on them as staple foods. Those that spend more than half their income on food, which includes a significant proportion of the population in most food insecure regions, will find the amount of food they can buy with their limited income constantly shrinking.

The jury is by no means out on the potential costs and benefits of biofuels. There remain serious doubts about their viability as an energy efficient and cost-effective alternative, and many are calling for a reexamination of grain-based biofuels. Lester Brown of the Earth Policy Institute points out that “The grain required to fill a 25-gallon SUV gas tank with ethanol will feed one person for a year. The grain it takes to fill the tank every two weeks over a year will feed 26 people.” (EPI, 2006)

However, with billions of dollars of subsidies for biofuel production already in place and probably more promised in the next U.S. Farm Bill, biofuels are likely to remain a significant competitor for agricultural land and productive resources in the U.S. Since the U.S. donates the majority of its food aid in-kind (direct transfers of food commodities), increased biofuel production on American farmland will invariably affect levels of U.S. food aid contributions. Already, the amount of corn contributed as food aid has been steadily sinking and as more farmland is devoted to biofuels, U.S. food aid contributions are predicted to drop further.

RETHINKING INTERNATIONAL FOOD AID

Form and Procurement of International Aid

The way food aid is provided remains a hot topic of debate, with key areas being:

**Toward the End of Monetization**

Monetization, i.e., the sale of in-kind food aid in recipient countries, has increasingly come under criticism in the recent years. Under monetization, food aid, mostly sourced in the U.S., is sold in local markets by NGOs to finance their development programs. This practice has been attacked for several years at the World Trade Organization by other food exporting countries as a hidden form of export subsidy that results in unfair competition. It has also been viewed as a primary form of dumping of commodities such as corn, wheat, and rice, which are produced in developed countries with the aim of capturing food markets in developing countries. As we showed in our report *Food Aid or Food Sovereignty?*, this has largely occurred at the expense of the poorest farmers in developing countries.

Recently, fresh criticisms against this form of food aid has come from two unexpected sources: the U.S. government itself, through the voice of the Government Accountability Office (GAO), and CARE International, one of the U.S. government's major partners in its food aid operations. In its report published in April 2007, the GAO criticizes monetization as an “inherently inefficient use of resources,”9 while CARE International has announced it will phase out monetization by 2009. CARE explains this important move – which concretely means walking away from $45 million per year in U.S. federal funding – by pointing to the ineffectiveness of this form of intervention and the potentially harmful effects on traders and local farmers, which is detrimental to longer-term food security objectives.10

**Local Procurement vs. In-Kind Food Aid**

Direct transfers of food commodities, like bags of corn or wheat, are known as *in-kind food aid*. Consensus is building against the use of in-kind food aid to respond to food crises that are due to the lack of access to affordable food and distribution problems rather than production failures. Although the largest donor of food aid, the United States, continues to prioritize in-kind donations, support for cash assistance is growing among other major donors such as Canada; Europe gave up a similar in-kind donation policy 12 years ago. Donor nations are reevaluating the usefulness of the costly packing and shipping of agricultural commodities thousands of miles to communities experiencing

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food insecurity when food is available for purchase locally or in the region. In-kind food aid deliveries may still be justified in cases where there is an actual physical inaccessibility to food, but food can generally be purchased in a nearby country rather than being imported from the midwestern United States or Northern Europe.

Studies have shown that the use of in-kind food aid, procured in developed countries, is on average 50% more expensive than purchasing food locally, and 33% more expensive than purchasing food in a third country (a triangular purchase). The current surge in cereal and oil prices, which results in rising transport costs, will make in-kind food aid even more expensive. Food aid could be substantially enhanced if restrictions on sourcing were lifted and donors fulfilled their commitments with cash for local food purchases. Such efficiency gains would allow the cost benefits of flexible sourcing to be passed on to enhance agricultural development in recipient nations. More and more donors have recognized this benefit and have prioritized purchasing food aid locally or in third countries, with the notable exception of the U.S., which maintains strict regulations on its aid.

**The Emergence of Cash Transfers as an Alternative to Food Aid**

In the past few years a relatively new concept has emerged for most developing countries: the provision of cash or vouchers instead of food aid. Several major European NGOs, including Oxfam and Save The Children Fund, with the noticeable support of the British Government, have been promoting this approach to meet people’s food needs. In theory, providing cash directly has many advantages over food aid: logistically it is less costly, and it is more respectful of people’s dignity by allowing them to make choices about what they buy instead of standing in line for the distribution of a standard food ration. Furthermore, studies suggest that this form of intervention has multiplier effects on local production and trade. This innovative approach recognizes that in most situations of hunger, people just don’t have the money to buy food. In situations such as these, direct transfers of cash appear to be a more efficient use of donor resources and a useful way to meet recipients’ immediate needs.

One concern about cash transfers is the inability to effectively monitor what recipients are purchasing. However, initial evaluations of cash and voucher programs thus far have shown that people primarily use the cash to meet basic needs and that there is little evidence to suggest there is significant “anti-social” spending as a result of these transfers. Whether or not cash transfers to individuals can prove to be more successful in combating hunger than food donations depends critically on the context. Both options, food and cash, must be considered and used according to each individual social and political context as well as the agricultural calendar (cash might be more appropriate at harvest time, whereas food may be better used during the lean season). In any case, providing cash for food purchases or cash directly to the people have the same big advantage over the current shipped-in food aid system – these forms of interventions untie assistance from the commercial interests of donor countries, which is likely to greatly improve the effectiveness of international assistance.

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14 Anti-social spending is defined as the purchase of non-essential goods such as alcohol or arms.
Purpose of Food Aid and International Assistance

*Feeding The Hungry? Long-Term Food Security vs. Emergency Needs*

Beyond the somewhat technical issues regarding the source, composition, and delivery of food aid, the failure of international food aid efforts to significantly reduce hunger over the past few decades has fuelled the debate over its appropriateness and effectiveness. Recent food crisis affecting the Sahel and Southern Africa regions demonstrate that food aid is increasingly provided as emergency assistance and to tackle situations of chronic hunger and vulnerability. As graph 1 shows, an increasing share of emergency food aid has been accompanied by shrinking support for agriculture and rural development.\(^{15}\)

Chronic hunger often goes unnoticed and unmet by development assistance. Nearly 3 million Africans die of hunger related causes every year – this is almost 1 person every ten seconds.\(^ {16}\) The lack of preventative or longer-term strategies means that situations of moderate food insecurity often evolve into acute crises. Using food as a form of economic assistance rather than supporting local agricultural infrastructure has proven to be counterproductive in achieving the stated objective of such aid. To end hunger, local farmers need access to and control over productive resources; no amount of bagged corn shipped from donor countries can ensure a nation’s long-term food security. The very purpose of international food aid needs to be questioned as a prominent form of response to hunger.

\(^{15}\) *The Development Effectiveness of Food Aid: Does Tying Matter?* OECD, 2005.

**Donor vs. Recipient Country Priorities**

Today's food aid mechanisms evolved out of donor countries’ need to dispose of their agricultural surpluses. Elements of the food aid regime like the Consultative Subcommittee on Surplus Disposal (CSSD) reflect in their very name the prioritization of export objectives. While we do not have surpluses today like those that spurred the establishment of instruments such as the CSSD, food aid policy continues to serve the interests of few at the expense of many. With policy driven by large agribusiness and other players in the developed world, there is a general lack of coordinated and comprehensive needs assessment.

As can be seen in Graph 2, flows of food aid have run counter-cyclical to prices, so high commodities prices mean fewer deliveries of food aid. This means that in inflationary conditions, when more people are likely to need assistance more urgently, more food aid is diverted to commercial sales. These misguided food aid practices are both a cause and effect of the lack of recipient participation. The unfortunate outcome is that food aid ends up serving the objectives of donors and grain exporters rather than meeting the needs of the hungry.

![Graph 2: U.S. Food Aid Deliveries of Wheat and U.S. Price of Wheat, 1990-2005](image)

Source: WFP/FAO/IGC
Key venues where the food aid debate is taking place today include the following:

**Food Aid Convention**

The Food Aid Convention (FAC) was created as part of the Wheat Trade Agreement among major grain exporters including the U.S., E.U., Canada, and Australia during the Kennedy Round of trade negotiations between 1964 and 1967. It constitutes the only international treaty where donors commit resources to fight hunger. The FAC sets annual food aid commitments (cash and in-kind) by donors and provides a set of principles and guidelines for the provision of food aid. The current convention, which commits donors to provide 5 million tons of food per year, was scheduled to be renegotiated in 2002 but has been extended until now. Graph 3 represents the share of global food aid that each major donor contributes, with the United States accounting for more than half the total. Of these donor countries, Australia, Canada, Japan, the E.U., and U.S. are parties to the FAC.

Largely supply driven, the FAC has failed to improve the effectiveness of food aid deliveries. Furthermore, the lack of oversight and the absence of effective monitoring and enforcement mechanisms has prevented the Convention from meeting the needs of the hungry. The renegotiation of the FAC has been put on hold until the completion of the WTO negotiations on agricultural trade. This, in addition to the fact that FAC is housed in the International Grains Council, a commercial trade promotion body, demonstrates that it serves the commercial concerns of competing cereal exporting countries.\(^\text{17}\)

**Weakness of Current Structure**

The pending renegotiation of the FAC has garnered substantial attention due to the weaknesses of the treaty's current structure. One key limitation of the FAC is that it has an instrument focus rather than a problem focus, meaning it governs food aid but does not adequately address hunger. The FAC was supposed to guarantee annual disbursement of food aid independent from fluctuations on international food markets, but four

\(^{17}\) Mousseau, Frederic. Food Aid or Food Sovereignty? Ending World Hunger in Our Time, Page 13, The Oakland Institute, 2005.
decades of practice shows that food aid flows respond to the fluctuations of grain prices, rather than to the considerations of hunger and development. The FAC commitments are especially insufficient in inflationary conditions, as food aid volumes fall inverse to prices of commodities. The weaknesses of the FAC contribute to the overall ineffectiveness of today’s outdated food aid regime.  

**What a New Food Aid Convention Could Look Like**

In May 2007, the German Federal Ministry for Economic Cooperation and Development invited government officials, NGO representatives, and other stakeholders to discuss the upcoming renegotiation of the FAC. The International Conference on Food Aid in Berlin produced a series of recommendations outlined in Box 2.

The Berlin Conference showed a broad consensus on the need for reform and redefinition of the FAC. But views diverge on what a new FAC should look like. A number of government representatives from food exporting countries are anxious to see a new FAC that is better able to prevent trade disputes around food aid. For NGOs, reform is needed to transform an instrument created to serve the interests of cereal exporting countries into a mechanism that will effectively fight hunger. Most feel that a new FAC should have a problem-solving objective rather than instrument focus, so its goal would be to effectively fight hunger.

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**Box 2: Outcomes of Berlin Conference, May 2007**

What a new Food Aid Convention should do:

- New FAC should have a problem-focus on eradicating hunger
- Include other forms of assistance besides in-kind food
- Increase minimum commitments
- Increase transparency
- Peer review of performance
- Better stakeholder participation in planning and management
- Enhanced needs assessment in emergency and broader food security planning
- Create a Food Aid Committee that focuses on best practices
- Be linked with broader development goals, while keeping proportionality in mind (food aid can’t be used to address all development problems)
- Emergency aid should be timely, appropriate, adequate, neutral, and linked to rehabilitation and prevention strategies. Pre-positioned supplies could be an option
- Humanitarian assistance should be exempt from WTO rules
- The FAC should adhere to and explicitly reference the Voluntary Right to Food Guidelines
- Emerging issues such as climate change, Asian demand, and bio-fuels as they relate to food aid need to be addressed


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through an integrated strategy – not just provide oversight of donors’ food aid commitments to serve the trade concerns of competing exporters.

Several key propositions and recommendations made in Berlin have the potential for making a future FAC an effective instrument to fight hunger:

- Food aid should be allocated according to needs. Given that the FAC lacks a mechanism that can link a needs assessment to food aid allocations, such a mechanism including NGOs and the UN system should be put in place.
- In a new FAC, commitments should include types of assistance other than in-kind food aid. Agricultural inputs, but also the provision of cash that can allow food purchases by the recipients themselves, must be integrated.
- The FAC should from the International Grain Council in London to Rome, where it should be managed by the UN system. This would allow independent and effective governance, likely to untie food aid allocations from commercial interests and donor countries’ concerns, and to establish a clear focus on hunger, relief, and humanitarian objectives.
- Improving governance will also require better management and functioning of the convention, with more transparency, reporting, and monitoring involving peer reviews.
- Lastly, a new FAC should organize international commitments to fight hunger, not only in case of emergencies and sudden disasters but also in situations of chronic hunger, where stable donor support is critical to develop long-term responses to hunger.

If enforced, a reformed FAC would have the potential to take a big step forward in the fight against hunger. However, important provisions within the current FAC have not yet been implemented, because a treaty with no enforcement mechanism relies on the goodwill of signing governments for implementation. This goodwill needs to be triggered and promoted in all concerned countries if change is to happen.

As illustrated by the Berlin conference, there is widespread support for the expansion and reform of the FAC to better serve the needs of the hungry. Despite this momentum, the renegotiation of the FAC has been postponed every year since 2002. The stumbling block to a new and improved FAC is the sluggish Doha round of the WTO talks, which continues to be bogged down by disagreements about agricultural trade policy.

World Trade Organization (WTO)

There have been proposals to bring food aid under the oversight of the WTO to eliminate trade displacement in the form of subsidized food aid. Delegates to the 2005 WTO Ministerial Meeting in Hong Kong agreed that there should be a “‘safe box’ for bona fide food aid” but that other forms of assistance that represent commercial displacement should be eliminated. The Ministerial Declaration also made reference to the 1994 Marrakesh Decision that recommended food aid be used as balance of payments support for developing countries negatively impacted by agricultural trade liberalization. Questions remain regarding food aid and trade regulations, especially about how to distinguish "bona fide" food aid from export subsidies and who will

20 Draft Ministerial Declaration, Ministerial Conference, Sixth Session, Hong Kong, WTO, 2005.

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make that decision. However, answers to these questions will have to wait until the Doha talks progress further.

**Stalled Doha Round**
The Doha Round of WTO trade talks have been stalled in large part due to conflicts over agricultural subsidies. The outcome of these trade talks will have implications on food aid and although the United States wants to preserve the status quo, several other major donors seek to “untie” aid and eliminate export subsidies. The most recent proposal by the Chairman of the WTO Committee on Agriculture urges that all food aid be "untied," provided in grant form, and not linked to donors’ trade objectives. While there is substantial support for reforms such as these, conflicts among member states, particularly the United States and Europe, have prevented talks from moving forward in a conclusive manner.

**Debate in the United States**

Increased attention on international food aid governance has prompted critical examination of donor behavior, particularly the United States as it represents the largest but also the least disciplined donor of food aid.

**Weaknesses of Current Approach**
All other signatories of the FAC adhere to the requirement that donations be provided as grants, while the U.S. usually requires that at least 20% of U.S.-grown food aid shipments be purchased. While other major donors such as the European Union and Canada have increased their share of aid procured in developing countries – to about 97% of E.U. aid in 2006 – the United States remains the only nation that hasn't moved toward prioritizing local and regional purchases of food aid whenever possible.

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22 *Draft Modalities for Agriculture*, WTO Committee on Agriculture, 2007.
24 Ibid.

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11 *The Status of International Food Aid Negotiations: An Update to Food Aid or Food Sovereignty? Ending World Hunger In Our Time*
Furthermore, in-kind food aid from the U.S. is subsidized despite global agreements to end export subsidies and effectively "un-tie" aid, which would mean that donations would be granted without conditions about source, method of transport, or volume. The dumping of subsidized agricultural commodities as a form of food aid, which characterizes many of the U.S. food aid programs, has also been publicly opposed in trade talks, inter-governmental meetings, and inter-agency declarations. While U.S. food aid has invariably helped to save lives in times of crisis, it is not succeeding in improving long-term food security for the hungry.

Coverage of U.S. Food Aid Program in Media Outlets

Government Accountability Office Report
In April 2007, for the first time ever, a U.S. government agency delivered a scathing attack on U.S. food aid practices and programs. The Government Accountability Office (GAO) evaluation presented a dismal report card that detailed that “multiple challenges hinder the efficiency of U.S. food aid programs by reducing the amount, timeliness, and quality of food provided.” The GAO found that the main factors causing inefficient food aid delivery include transportation contracting practices, legal requirements, and inadequate coordination among stakeholders. Factors that limit effectiveness include challenging operating environments, divergent needs estimates, resource constraints, institutional barriers, and insufficient monitoring and evaluation.

Based on their findings, the GAO recommended improving logistical planning, modernizing transportation contracting, minimizing the cost impact of regulations, and improving quality control and tracking of monetization activities.

Ibid.

27 Various Challenges Impede the Efficiency and Effectiveness of U.S. Food Aid, GAO, 2007.
28 Ibid.
U.S. Farm Bill
Since the United States is the largest donor of in-kind food aid, the impact of U.S. agricultural policy is widely felt beyond domestic producers. Specifically, the U.S. Farm Bill aims to provide support and a safety net to American farmers, but has also often resulted in excess supply of cereal grains, which are then dumped on the global market, depressing prices for local producers in other countries. Therefore, the renewal of the U.S. Farm Bill, under negotiation since 2007, has implications for food production and food security worldwide.

Previously, the Farm Bill represented a government effort to remedy the non-competitive nature of the market; but since 1996 it has been compensating for plummeting prices by providing bailouts to large agribusiness while commodities continue to be exported at below-production prices. Not only do these subsidies hurt American rural communities, but the increased dumping of export crops like wheat, corn, and rice also have limited the ability of farmers in the developing world to compete and remain in the market.29 The draft of the Farm Bill, currently under negotiation, retains billions of dollars of subsidies and appears to make only modest changes from previous versions.

Competing visions for U.S. aid have also stalled the $286 billion package since 2007. Many diverse voices joined the debate to suggest plans to reform the way the U.S. administers its food aid, including the Bush administration’s proposal to allow up to 25% of non-emergency food aid to be purchased locally. However, even this modest shift appears to be difficult.

The Bush administration is expected to lose as lawmakers finalize the Farm Bill without removing onerous constraints that tie food assistance to U.S. produced crops, which are shipped, largely on U.S. vessels, to far away needy nations.30 The administration’s proposal, a perpetual loser with the grain producers and shipping companies, was turned down by House and Senate lawmakers when they approved their respective blueprints for the Farm Bill in 2007. President George W. Bush has threatened to veto the Farm Bill, but only minor tinkering to the bill’s food aid provisions is expected when House and Senate lawmakers broker a compromise bill to be sent to Bush.31

In addition, Congress is expected to carve out $450 million a year from the main food aid budget for non-emergency projects – almost 40% of the overall emergency food aid budget. Non-emergency programs provide commodity donations to aid groups, which sell the crops within poor countries to fund development projects. This monetization of food aid has come under severe criticism and, if this move by Congress goes into law, it would sap funds needed to respond quickly to emergencies.

“Food security is not a function guaranteed by markets. It is a public service, requiring regulation to protect the domestic market and guarantee prices that provide sufficient income for farmers and are feasible given consumers’ low incomes.”

– Sahel: A Prisoner of Starvation? The Oakland Institute, 2006

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Food and Agriculture Organization

The 2006 *State of Food and Agriculture* report by the UN Food and Agriculture Organization (FAO) confirmed the potential negative effects of mismanaged food aid and made several recommendations for reforms. The report advocated for the elimination of untargeted aid, monetization activities, and tied aid with domestic procurement requirements. The FAO urged donors to prioritize local and regional purchases and to eliminate in-kind food aid except in cases of actual food shortage. The FAO also found that, in cases of vulnerable populations not having economic or physical access to food resources, cash-based or voucher programs are more effective. The FAO emphasized that food aid is but one option among many and that careful evaluation of each situation is needed to assess whether food aid is the appropriate response. In their 2006 *State of Food Insecurity in the World* report, the FAO recommended a “twin-track” approach to eradicating hunger, including direct action to feed the hungry and long-term investment in agriculture and rural development.

Civil Society

The last few years have seen growing support for the adoption of best practices that emphasize long-term agricultural development and food sovereignty. This has brought together civil society groups, networks, and coalitions who are calling for reform of food aid. Some of the networks and coalitions that have come together to impact change include TAFAD and the European Food Security Group.

Trans-Atlantic NGO Food Policy Dialogue

The reform of international food aid has brought together the largest international NGOs involved in food security. The Trans-Atlantic NGO Food Policy Dialogue (TAFAD) is a coalition of twelve NGOs from Europe, Canada, and the U.S. that play a major role in food aid and food security. TAFAD convened in Ottawa in May 2006 to discuss the renegotiation of the FAC and provide recommendations. The resulting “Proposals for a Renewed Food Aid Convention,” released in September 2006, reflect a consensus on the need to change.

European Food Security Group

This coalition includes the European NGO Confederation for Relief and Development and EuronAid. The objective of this group is to promote food sovereignty through the sharing, compiling, and dissemination of information about hunger and food security. Their objectives for the upcoming year include more and better aid, policy coherence, and civil society engagement.

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34 Full text of these documents can be found in the additional resources section at the end of this report.
35 EuronAid will be dissolved at the end of 2007 due to the restructuring of European aid policy. “EuronAid to cease operational activities by December 2007 after 26 years of service provision.” www.euronaid.net.
These meetings, guidelines, and declarations signal the recognition by major relief NGOs of the need to reevaluate food aid programming in light of growing evidence of its ineffectiveness. Many NGOs have taken moves to improve their own programs and operations. For example, CARE committed to cease all monetization operations by 2009. \(^{37}\)

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**International Conferences on Food Aid and Food Security**

There has been increasing attention on the subject of food aid and the principle of food sovereignty, marked by a series of conferences in both developed and developing nations. Outcomes of such meetings, in the form of declarations and guiding principles, have reflected the push for more equitable aid policy and rural development initiatives.

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<th>Conference</th>
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<tr>
<td>International Conference on Agrarian Reform and Rural Development</td>
<td>Porto Alegre, Brazil – March 7-10, 2006</td>
<td><a href="http://www.icarrd.org">www.icarrd.org</a></td>
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\(^{15}\) *The Status of International Food Aid Negotiations: An Update to Food Aid or Food Sovereignty? Ending World Hunger In Our Time*
Food Aid or Food Sovereignty? Ending World Hunger in Our Time,\(^\text{38}\) outlined the main criticisms that are echoing today in the food aid debate. The report also made a series of recommendations that have become especially relevant in light of recent developments and increasing criticism of the current system, as outlined here. More attention is now being paid to addressing hunger as a development priority and a human rights issue, but concrete action is needed to achieve real progress. The following are some important steps that should be taken to address hunger and enhance food sovereignty for the millions who lack access to healthy and adequate food.

The Role of International Institutions

**WFP: From Food Aid To Food Assistance**

The current pressure on its resources along with the lobbying of NGOs and civil society has led the WFP to start rethinking its scope of work, and seeking to shift from being a food aid to a food assistance organization.\(^\text{39}\) Concretely, this means that after four decades of food deliveries, the WFP is now willing to provide cash and other forms of support, rather than just food, to people. The WFP is also dramatically increasing the amount of food purchased in developing countries – a 30% increase between 2006 and 2007 – in order to deal with higher transport costs and high food prices on international markets.

**Food Aid Out of WTO**

Cereal exporting countries like the E.U. and Cairns Group want the World Trade Organization (WTO) to take responsibility for food aid governance, claiming it would end export subsidies and other trade distortions resulting from food aid. However, involving the WTO, a trade body, in food aid would not help the hungry. Relegating aid decisions to international trade negotiators and tying aid flows to commerce and trade considerations will only create more obstacles to getting appropriate and timely aid to the people who need it.

WTO regulation of food aid would most likely serve business interests at the expense of development objectives. Displacement of commercial imports may actually benefit net food importing developing countries which spend a high share of their budget on food imports. Furthermore, it is highly questionable to put in place an enforcement mechanism for food aid while the rest of international development assistance remains largely uncontrolled and poorly monitored. In practice what the hungry really need is an enforcement mechanism that ensures the human right to food and development assistance.

**Strengthened Role of the FAO**

The nature of the food aid system today has rendered the instruments originally developed to govern such aid irrelevant. The CSSD and FAC are both outdated and inadequate to meet contemporary challenges of both crises of acute hunger and chronic food insecurity. Rather than being delegated to the WTO, the International Grains Council, or other trade-related bodies, decisions related to food and agriculture should be made by the Food and Agriculture Organization. Food aid and agriculture should not be managed separately, and a strengthened FAO could step in to play that role.

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\(^{38}\) For the full report, go to: www.oaklandinstitute.org/pdfs/fasr.pdf.

\(^{39}\) Sheeram, Josette. Opening speech to the WFP Executive Board in February 2008.
Reformed FAC

Despite the present shortcomings of the Food Aid Convention, it holds great promise to enhance food aid. The first step to improve the FAC would be to move it out of the International Grains Council, an organization responsible for representing grain exporter interests, and under the auspices of the UN’s FAO, as described above. A new FAC should improve the oversight, enforcement, and minimum level of commitments while eliminating concessional sales and monetization, except when funds are used to finance food aid operations. It should also contain provisions for a needs assessment mechanism that can identify and prioritize vulnerable countries and populations, while also determining the appropriate response for each situation.

Eradication of Hunger

Forms of Aid

The composition of food aid is inconsistent with the reality of food crises today. Direct financial assistance has proven to be more effective than in-kind food aid, especially as a preventative tool to increase local food production. Making food aid commitments more flexible to encompass cash transfers would allow governments to respond to predictions of market failure and food shortages. This would lessen the risk for a food emergency to develop. Direct transfers of food are appropriate for certain crises, such as war and natural disasters, that diminish local food production capacity. However, the timing and allocation of such aid should be based on objective needs assessments, not donor interests. Other uses of food aid in non-emergency situations should be eliminated and replaced with direct financial assistance.

“Hunger and famine are never inevitable, but usually result from the action or inaction of Governments. It is time that hunger and famine are seen as a violation of the human right to food.”

— March 2006 Report of Special Rapporteur on the Right to Food

Donor Policies

There have been some shifts in donor behavior with regard to aid procurement and delivery, but a reorientation of more than aid policy is necessary. While efforts to untie and improve aid are steps in the right direction, vast inequalities still exist within the international trade system that result in many developing countries being dependent on food imports and unable to develop their own agricultural sector. The UN Special Rapporteur on the Right to Food recognized that the U.S. and WTO “oppose in their practice the right to food by means of the Washington Consensus, emphasizing liberalization, deregulation, privatization and the compression of State domestic budgets, a model that produces greater inequalities.” In order to reduce hunger and, thus, the need for food aid, Ziegler notes, “this contradictory behavior of States has to be corrected.”

40 Raghavan, Chakravarthi. “New trade talks must address right to food, says UN Special Rapporteur” Third World Network, No. 277, March 2002.

17 The Status of International Food Aid Negotiations: An Update to Food Aid or Food Sovereignty? Ending World Hunger In Our Time
Support Small-Scale Farmers
The growing share of local and triangular purchases is indeed a positive move in the effort to improve the international food aid system. However, local purchasing alone will do little to ensure long-term food security if it merely benefits large agribusiness firms, local or not. Approximately 80% of those suffering from hunger live in rural areas, with the majority being smallholder farmers. Therefore, in order to build rural economies, develop agricultural livelihoods, and reduce the need for food aid in the long run, it is essential to prioritize small-scale farmers as suppliers of food aid.

Clearer Role for NGOs
National governments have the primary responsibility to ensure the food security of their citizens and respect for the right to food, whereas international NGOs play a crucial role in both development and relief operations around the world—but NGOs must not take the place of governments in providing services. Instead, they should play a complementary role and design programs so that they help build the capacity of local agencies rather than replace them.

Food Sovereignty: The Time Has Come
Reduce the Need for Food Aid
The ultimate goal of food aid policy should be to make food aid unnecessary. This is not to say that food aid should not be provided in times of emergencies but that local infrastructure and support mechanisms should be built to enhance self-sufficiency and reduce the long-term need for food aid. Strategies that promote strong agricultural policies, protect prices and markets for both local consumers and producers, and manage national food stocks can help accomplish greater self-sufficiency. International financial institutions and organizations must then support the national food policies of developing countries that have a history of food insecurity.

National Safety Nets for the Most Vulnerable
National agricultural policies should serve to reduce volatility of food stocks and prices and ensure adequate food supply to meet domestic needs. However this may not be enough to ensure the food security of the most vulnerable members of the population. Safety nets are thus required to provide them with resources to meet their basic needs as well as to protect them against shocks.

Making Food Sovereignty A Reality
Today more than ever, food sovereignty is critical for countries to address hunger and poverty. The principle is based on governments’ ability to protect both their consumers and their producers. It is essential for governments to design agricultural and trade policies supportive of local food production, which can reduce dependency over food aid and other food imports and eventually ensure adequate access to food for all.

“States should take steps to respect the enjoyment of the right to food in other countries, to protect that right, to facilitate access to food and to provide the necessary aid when required.”

— U.N. Special Rapporteur on the Right to Food Jean Ziegler (Sahel: A Prisoner of Starvation?)

Right to Food and Participation

The right to food is understood as having access to land and other productive resources. But international human rights law not only ensures the right to food, which includes access to land and other productive resources, but also the right to participate in decisions made about one’s own food sovereignty.

Human Rights Legal Framework for the Right to Food

The right to food has been recognized in the earliest human rights documents and affirmed in subsequent agreements such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) of 1979 and the Convention on the Rights of the Child (CRC) in 1990. Amidst concerns about the ambiguity of the right to food and how to realistically ensure freedom from hunger, the FAO convened state representatives in Rome in 1996 for the first World Food Summit and held a follow-up Summit in 2002. In 2000, the United Nations created the position of Special Rapporteur on the Right to Food to monitor states’ compliance with their international human rights obligations. The 2004 FAO Voluntary Guidelines on the Right to Food provide for access to productive resources, require national strategies for implementation, and encourage government action to regulate actors impeding the right to food. These guidelines highlight a rights-based approach to food security and encourage states to uphold their legal commitments as signatories of international human rights conventions.

Obligations of the International Community and the Right to Participation

The outcome of the first World Food Summit in Rome was a positive commitment by states and nations to elucidate the concept of the right to food. Subsequent meetings, declarations, and comments by the FAO and other international bodies have reaffirmed states’ obligations to respect, protect, and fulfill the fundamental right to food. It is understood that these obligations are to be met through progressive realization, meaning that states must do all they can to work toward the full implementation of these rights even if they are not enjoyed at present.

Clearly, there is consensus regarding states’ obligations to ensure their citizens’ right to food. It is also becoming clearer that the international community is similarly obliged to ensure all citizens’ right to food, regardless of territorial boundaries, especially when national mechanisms are unable to do so. This does not mean that international actors or states have free reign over the conditions of individuals’ food security decisions, however. Enshrined in the same international human rights legal documents as the right to food is the right to participate in decisions regarding one’s living conditions, clarifying that individuals must have access to information and transparent policy making processes as well as the ability to play a role in making decisions that affect them.

43 Voluntary Guidelines to support the progressive realization of the right to adequate food in the context of national food security, FAO, 2004.
44 World Food Summit, General Comments and Guidelines of the FAO, and General Comments by the Committee on Economic, Social, and Cultural Rights.
45 General Comment 12 (Committee on Economic, Social and Cultural Rights, 1999).
States are legally bound by the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social, and Cultural Rights,* among other agreements, to:

- **Respect**—States may not take any action that limits individuals' right to food.
- **Protect**—States must prevent other non-state actors from restricting individuals' right to food.
- **Promote**—States must advocate and facilitate the right to food.
- **Fulfill**—States must provide for individuals' right to food.

* A detailed description of states’ obligations to respect, protect, promote, and fulfill the right to food is outlined in the Committee on Economic, Social, and Cultural Rights' general comment number 12.

In terms of food aid, recipients have the right to participate in needs assessments, decisions about the type of assistance, and the management and evaluation of such interventions. Thus, the exclusion of food aid recipients from decision-making processes about their own food security is in fact a violation of states’ obligation to respect, protect, and fulfill the right to participation. Not only do citizens have the right to participate, but governments also have the obligation to ensure that mechanisms of participation exist and are accessible. Furthermore, a one-time consultation with national governments regarding food aid decisions is inadequate; participation must be non-discriminatory, ongoing, and community-based.47

**Human Rights Obligations of International Organizations and Private Parties**

With the rise in importance and influence of international financial institutions (IFIs) and transnational corporations (TNCs), traditional thinking regarding human rights obligations is being challenged. International legal obligations were thought to apply only to states, but support is growing for extending these responsibilities to other international actors. Specifically, attention is being given to the legal obligations of organizations like the IMF, World Bank, and large TNCs due to the power they wield in international affairs. The UN’s Special Rapporteur for the Right to Food endorses this extension of legal obligations to such entities and argues that they must be held accountable to the same human rights standards as any government.

Attainment of the Millennium Development Goal, to cut the number of people suffering from hunger in half by 2015, is appearing more and more unlikely, as the number of chronically malnourished people is increasing while the amount of international food aid delivered is decreasing. There is an opportunity to reform the food aid system with a number of instruments under review and renegotiation. Reports and evaluations from a variety of food aid stakeholders have shown that today’s system is broken. The question we are left with now is not how it can be fixed – ample evidence exists regarding the success of alternative aid strategies already being employed. But it will happen only if the political will can be mustered to fix it. Switching the focus of aid from how food aid instruments should be used to how food sovereignty can be attained will require intense pressure on decision-makers and a reorientation away from donor priorities to recipient needs.
USEFUL RESOURCES

ActionAid USA
www.actionaidusa.org

FAO Voluntary Guidelines on the Right to Food
www.fao.org/docrep/meeting/009/y9825e/y9825e00.htm

Global Policy Forum’s Tables and Charts on Global Food Aid
www.globalpolicy.org/socecon/hunger/tables/index.htm

Good Humanitarian Donorship Initiative
www.reliefweb.int/ghd/a 23 Principles EN-GND19.10.04.doc

Institute for Agriculture and Trade Policy’s Ag Observatory
www.agobservatory.org

United States Department of Agriculture Foreign Agriculture Service

Food Security Network
www.foodsecuritynetwork.org

Paris Declaration on Aid Effectiveness
www1.worldbank.org/harmonization/Paris/FINALPARISDECLARATION.pdf

Sphere Standards
www.sphereproject.org/handbook/pages/navbook.htm?param1=0

Oakland Institute
www.oaklandinstitute.org

Outcome Document from the Monterrey Conference on Financing for Development
www.un.org/ffd/pressrel/22a.htm

Oxfam GB
www.oxfam.org.uk

World Food Programme
www.wfp.org

SOURCES


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