6. Conclusions

Food security exists when all people at all times have physical and economic access to sufficient, nutritious and safe food for an active and healthy life and are not at undue risk of losing such access. People are food insecure when one or more of the dimensions of food security – availability, access, utilization and stability – are compromised. Food aid may or may not be part of an appropriate intervention, depending on which dimensions of food security are affected and why.

One of the key messages from this year's *The State of Food and Agriculture* is that food aid, rather than being the default option in humanitarian crises, should be seen as one of many options within a wider range of social safety nets that seek to ensure a minimum level of well-being and to help households manage risk. In addition to providing food during crises, such cash- or food-based safety nets provide fungible resources that can be used to protect and invest in productive assets. Whether to use food instead of cash in a social safety net depends largely on the availability of food and the functioning nature of markets. Where adequate food is available and affordable through markets that remain accessible to crisis-affected people, food aid may not be the most appropriate resource.

Food insecurity can exist both on a chronic basis and in situations recognized as "crises" or "emergencies". Indeed, crises may precipitate a decline into chronic food insecurity if households are forced to liquidate productive resources in order to survive. Furthermore, crises often occur within an overall context of chronic food insecurity, and thus may take on the characteristics of a complex or protracted emergency. Food insecurity therefore should not be viewed as a purely transitory phenomenon triggered by an external shock. Likewise, response options should go beyond the immediate measures needed to restore acceptable food consumption levels. It must be recognized that short-term interventions can and do have long-term consequences and that these consequences can be positive or negative.

A third central message of this year's report is that the economic effects of food aid are complex and multilayered, and solid empirical evidence is surprising scarce. Adverse consequences of food aid occur, but they should not be overstated. The little evidence available does not support the view that food aid creates "dependency" at the household, community or national levels when food aid volumes are too unpredictable and small to elicit such dependence. Indeed, a rights-based approach to food security implies that people ought to be able to depend on appropriate safety nets when they are unable to achieve food security on their own.

The empirical evidence is clear that food aid tends to depress and destabilize prices of local products, with negative implications for the livelihoods of local producers and traders. Similarly, food aid based on local or regional purchases may drive up market prices, harming poor net food buyers and creating unsustainable incentives for producers and traders. In both cases, harm seems most likely to occur when food aid arrives or is purchased at the wrong time; when food aid distribution is not well targeted to the most food-insecure households; and when the local market is relatively poorly integrated with broader national, regional and global markets.

Food aid affects commodity prices but it does not seem to affect overall production significantly at the household or national level when quantities are small. Earlier studies found a negative correlation between food aid and food production, but these results could in several cases probably reflect the co-existence of food aid and low productivity rather than a causal relationship. Because food aid tends to flow to households and communities affected by chronic poverty and recurrent disasters, it may be more appropriate to say that those

conditions lead to food aid rather than the reverse.

The empirical evidence shows that food aid displaces commercial exports in the short run, although under certain conditions it may have a stimulating effect in the longer term. The impacts of food aid on commercial trade differ by programme type and affect various suppliers differently. Several studies suggest that the low impact of small quantities of food aid on commercial trade flows would not translate into trade-distorting effects.

A fourth key message is that emergency food aid and other social safety nets are essential in order to prevent transitory shocks driving people into chronic destitution and hunger; but, by themselves, they cannot overcome the underlying social and economic causes of poverty and hunger. This challenge can only be effectively addressed as part of a broader development strategy. Donors should avoid falling into a "relief trap" in which so many resources are devoted to emergencies that longer-term needs are neglected.

Food aid is the default response in humanitarian emergencies, and the degree to which people rely on markets for their food security is often overlooked. Emergency response should consider a broader range of interventions aimed at restoring the resilience of local food systems as quickly and efficiently as possible. Food aid may be part of this response if the underlying cause of food insecurity is a lack of food availability. In cases where food utilization is compromised by famine conditions, the use of fortified and therapeutic foods may also be necessary.

Part of the reason food aid dominates humanitarian response is a policy gap that exists on many levels. Bridging this gap requires improving food security analysis to ensure that responses are needs-based, strategic and timely; incorporating needs assessment as part of a process linked to monitoring and evaluation, rather than a one-off event driven by resource requirements; and supporting national and regional institutions to make food security a primary policy concern, reinforced by interventions at the global level focused on food aid and humanitarian reform.

A final key message of this issue of *The State of Food and Agriculture* is that reforms to the international food aid system are necessary but should be undertaken giving due consideration to the needs of those whose lives are at risk. Ongoing negotiations on this issue should use solid empirical evidence and information. Monitoring and assessment systems should be strengthened to ensure that decisions arrived at do not have negative consequences. To this effect, programming related to targeting and timing of food aid should be fully taken into consideration. The findings in this report suggest that a few fairly simple reforms could improve the effectiveness and efficiency of food aid, while at the same time addressing legitimate concerns about the risk of adverse consequences. These reforms include:

- elimination of untargeted forms of food aid;
- untying of food aid from domestic production and shipping requirements;
- use of commodity food aid only when the underlying food insecurity problem is caused by a shortage of food;
- use of local and regional purchases where sufficient food is available – without replacing domestic tying requirements with local and regional tying;
- improvement of information systems, needs analysis and monitoring to ensure that appropriate and timely interventions are undertaken and that the risks of negative consequences are minimized.

Special contribution

Food sovereignty and the right to food should guide food aid reform: a view from civil society[1]

Food aid is in many situations a necessary element to guarantee the right to freedom from hunger for people who are affected by acute hunger and malnutrition and whose government is unable or unwilling to take the necessary measures to solve the situation. If a government is unwilling to support part of the people living on its territory in a situation of need, this can be judged as a gross violation of the human right to adequate food. In such situations, international food aid can help as emergency aid to guarantee that the affected persons and communities do not starve, but the international community must also press the government to use the maximum of the resources available to guarantee that nobody dies from hunger. If governments are unable to do so for lack of resources or available foodstuffs, the international community is obliged to help. Article 2 of the International Covenant on Economic, Social and Cultural Rights describes the important role international cooperation has to play in such situations and the obligation to assist.

REASONS FOR HUNGER AND MALNUTRITION

It is important to highlight that natural and human-induced catastrophes, which trigger food aid, are currently responsible for around 10 percent of all hungry and malnourished people in the world; 90 percent of the hungry suffer from chronic malnutrition. Around 80 percent of the hungry live in rural areas, half of them are smallholder peasants, another 22 percent are landless labourers and 8 percent live by using natural resources, such as pastoralists, fisherfolk etc. The majority of these groups live in extremely marginal conditions, in remote areas without secure access to productive resources, credit and markets, and without any formal support by extension services, etc. It is extremely important to overcome this marginalization in order to reduce the number of hungry worldwide. Moreover, it is often the extremely poor and marginalized who are first hit by natural catastrophes. Absence of land reform forces poor and marginal farm households to use land highly vulnerable to catastrophes, such as floods or droughts. National and international agricultural policies have often forced them to migrate to these risk-prone areas. It would therefore be a wrong trend to focus more and more resources on combating catastrophes while failing to address these problems. What is needed is to combat the marginalization of the affected communities and people.

[1] This contribution was prepared by Michael Windfuhr, FIAN-International, on behalf of the International NGO/CSO Planning Committee for Food Sovereignty, a facilitative body that promotes and enables a debate with the United Nations agencies and international institutions based in Rome on agrifood-related policies.

THE USE OF FOOD AID CRITICIZED BY CSOs/NGOs DURING THE LAST DECADES

Food aid, often sourced in donor countries partially as a means of surplus disposal, can undermine local production and trade because it negatively affects local markets and the prices poor smallholder farmers receive for their production. Such tied aid is at the same time often culturally and environmentally inappropriate. It often comes too late (especially when shipped internationally) and is more expensive than would be the purchase of local or regional surpluses. Moreover, because food aid programmes are often funded according to political and commercial objectives of donor countries and not based on the needs of the people at risk, some crisis situations do not get enough attention and support. Still, the old rule prevails: the availability of food aid increases when donor surpluses are large and international prices are low, and vice versa. Because food aid is often tied to in-kind aid and other means of support are not available, it is often implemented in situations where other types of intervention and help would be more effective and useful. Other forms of help could be cash transfer programmes, livelihood support programmes or broader food-security-oriented programmes.

FOOD AID MAY UNDERMINE FOOD SOVEREIGNTY

As this short summary of civil society criticism illustrates, food aid has a real potential – if not delivered properly and in a careful manner – to undermine food sovereignty. Local markets are severely hit when food aid is used as an indirect form of export dumping. The selling of food aid to finance development projects (monetization) is also often a dangerous way of destroying local farm prices. The selling of food aid can also have an impact on the local diets. It can contribute to changes in diet and consumption patterns. In the case of GM food aid it was even worse. The consumer priority has been ignored in the recent past and GM food aid offered without discussion. Food aid should be used respecting the principle of food sovereignty.

The current WTO agricultural negotiations are heading towards the establishment of a "safe box" for emergency food aid that is exempted from standard trade disciplines. Although it is right to make such an exemption, it should not be the role of the WTO to define "emergency food aid" or to manage such a "safe box". This is in our view far beyond the mandate and the competencies of that institution and should be done by more appropriately mandated institutions such as FAO.

WHAT CAN AND SHOULD BE LEARNED FROM THE RIGHT-TO-FOOD DEBATE?

Important criteria for a renegotiation of the Food Aid Convention, or for any other form of institutional setting in which food aid is organized in future, can be drawn from the right to adequate food. The text of the "Voluntary Guidelines to support the progressive realization of the right to adequate food in the context of national food security" contains already important criteria on how food aid should be organized and how it should be integrated into long-term rehabilitation and development objectives (Guideline 15.4). Guideline 15 is on international food aid and Guideline 16 on natural and human-made disasters. The guidelines were adopted in November 2004 unanimously by the FAO Council. The guidelines make clear that food aid must be based on a sound needs assessment and that it must be targeted especially to food-insecure and vulnerable groups. Food aid must be demand driven: "…donor states should provide assistance in a manner that takes into account food safety, the

importance of not disrupting local food production and the nutritional and dietary needs and cultures of recipient populations". The guidelines highlight that a clear exit strategy must exist and that no dependency should be created. The distribution of food aid should be done without discrimination towards any group or individual in a country.

Moreover, civil society organizations recommend that any food aid commitment (if renewed under the FAC or any other form of successor organization) should be denominated in amounts of food or nutritional equivalents. These commitments should be allocated to needs assessments using internationally accepted methods. Guideline 16 widens the context by highlighting that food aid delivery must respect the standards of international humanitarian law and that refugees and internally displaced persons should also have access at all times to adequate food. It also highlights the need to have an adequate and functioning mechanism of early warning in place in order to prevent or mitigate the effects of natural or human-made disasters.

A NEW GOVERNANCE STRUCTURE FOR FOOD AID IS NEEDED

Any renewed FAC or other organizational arrangements need to overcome the current organizational limitations of the FAC. The membership must be broadened to include new food aid donors but also representation from food aid recipient countries. Participation should also be guaranteed for input from other stakeholders, particular non-governmental organizations and social movements. Any new setting should fully integrate the aspects of humanitarian law and the perspective of disaster preparedness and of early warning systems. We still believe that a firm commitment to deliver genuine food aid is needed, particularly if agricultural surpluses continue to decline and the demand for energy crops continues to increase.