

Trans-Atlantic NGO Food Aid Policy Dialogue

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22 May 2007

*Mr. William Whelan
Chair
Food Aid Convention
1325 G. Street N.W., Suite 400
Washington DC 20005 USA*

Dear Mr. Whelan

The Trans-Atlantic NGO Food Aid Policy Dialogue was pleased with the opportunity to meet with you in an informal session prior to your December 2, 2006 meeting. From our discussions both during that meeting and with some individual representatives, we have become aware of a significant level of frustration among some members with the complexity and inflexibility of the current commitment structure.

You will recall that in our September 2006 communication to you (attached), we made some recommendations regarding the Food Aid Convention commitment structure. We now recognize the importance of finding a commitment structure that is simple, flexible and, through incentives, promotes good food aid practices.

We therefore engaged Dr. Chris Barrett of Cornell University and Dr. John Hoddinott of IFPRI to conduct research on alternatives to the current system. Based on this research and our own discussions we would like to encourage Members States to consider an immediate revision to the existing commitment structure along the following lines:

1. The commitments made by donor states should include two independent commitments – one for a quantity of food and a second for a cash commitment linked to food aid related costs and micronutrient interventions.
2. The quantity commitment of food would, as now, be measured in tonnes of wheat equivalent but the conversion would be based on caloric conversion to simplify reporting and improve transparency. Such quantity commitments would apply to local and triangular(regional) purchases as well as donor country sourced commodities. Cash transfers and voucher programs designed to increase food consumption could also be counted provided the caloric food consumption impacts can be determined.
3. The cash commitment would be devoted to covering (a) the in-recipient country costs directly related to the transportation, distribution and monitoring of food aid by the donor concerned or another donor country and/or (b) the provision of micronutrients – either as fortification or as supplementation.
4. Both the quantity and cash commitments would include a system of incentives providing bonuses for good practices such as:

- a. Providing assistance to countries, regions or groups with exceptionally high levels of hunger.
 - b. Providing resources in a particularly timely fashion.
 - c. Providing advanced funding to permit immediate flexible responses by Members.
5. Non-grant and program food aid should not count towards these commitments and monetized food aid should be phased out as soon as possible.

We hope that these ideas will prove helpful as you consider the renegotiation of the Food Aid Convention which we consider to be one part of a larger international food security architecture. In light of the continuing decline of global food stocks, the rapidly expanding production of bio-fuels and the impacts of climate change on agriculture, particularly in the tropical and sub-tropical regions, the maintenance of a reliable global food safety net is becoming even more important. We encourage you to incorporate any of the above elements as soon as possible.

We remain interested to engage with you, either collectively or individually, as you work to ensure this global food safety net.

Signed:

	
	
	
	



Diakonie 
Katastrophenhilfe

EuronAid 

Trans-Atlantic NGO Food Aid Policy Dialogue

PROPOSALS FOR A RENEWED FOOD AID CONVENTION

September 2006

Introduction

The Trans-Atlantic NGO Food Aid Policy Dialogue is an informal network of twelve major food aid programming non-governmental organisations¹ from Europe, Canada and the United States which has come together to discuss the renewal of the Food Aid Convention (FAC). Having commissioned a background paper on the FAC by the International Food Policy Research Institute (IFPRI), we held a two day meeting in Ottawa in May 2006 and resolved to develop a consensus position on recommendations for its renegotiation. A letter outlining our common position was sent to all FAC member states in early June 2006. The following statement presents more detailed recommendations on the renewal of the FAC.

Background

Context

More than 800 million people worldwide suffer from hunger. The global response to food insecurity is inadequate. Despite the commitment on the part of the international community to halve global hunger by 2015, the number of people suffering is increasing by an estimated 4 million people per annum.² This increase is fed by some 300 million people who are affected by natural and human-induced disasters each year. The number of people affected by such disasters has increased by one third in the past five years as compared to 1995-1999³, while in Africa it nearly doubled. Pervasive poverty compounded with the cumulative impact of recurring natural disasters is pushing more and more people towards increasing vulnerability to hunger. These massive needs often overwhelm the capacity and, in some cases, the will of national governments whose primary responsibility it is to ensure the right to food⁴ of their citizens.

The global food aid response to this growing food insecurity remains highly variable and unreliable. It is all too often late and/or inadequate. Food aid to developing countries has decreased by some two-thirds since 1970⁵ and access to essential food and cash resources remains uncertain. Recently declining global food stocks, accompanied by increasing cereal prices threaten to further undermine this global response capacity. Increasing quantities of agricultural land are being devoted to crops for alternative motor fuel production, while both climate change and reduced domestic support in developed countries may further reduce food stocks. Recent and encouraging food aid policy changes have favoured the purchase of food aid commodities in the local or regional proximity of a given food security crisis. However, this trend will not assure that global food stocks will be adequate to alleviate acute and chronic food insecurity.

¹ Action contre la faim, Canadian Foodgrains Bank, CARE US, Catholic Relief Services, Concern Worldwide, EuronAid, Deutsche Welthungerhilfe (German Agro Action), Oxfam GB, Oxfam Canada, Save the Children UK, Save the Children US

² Mousseau, F, 2005; *Food Aid or Food Sovereignty? Ending world hunger in our time*; Oakland Institute

³ DFID, 2006; *Saving lives, relieving suffering, protecting dignity: DFID's Humanitarian Policy*; UK Government, DFID Policy.

⁴ Voluntary Guidelines for the Implementation of the Right to Adequate Food, FAO, 2004.

⁵ Hoddinott, J., M.J. Cohen, and M.S. Bos. 2003. *Food aid in the 21st Century: Current issues and food aid as insurance*. Washington: IFPRI

Food Aid and Food Security

Food aid is one component in a range of food security responses that can help hungry people to access food in a predictable and dignified manner. A more comprehensive approach to food insecurity will include such strategies as livelihood preservation/restoration, market interventions, improving productivity and diversity of small-holder agriculture, direct cash transfers and government policy reforms. Tackling hunger among the most vulnerable groups further requires a combination of these tools to achieve long term solutions. On its own, food aid is only a partial but sometimes essential response.

The Role of the Food Aid Convention

The Food Aid Convention has the unique objective of ensuring that food resources, when appropriate, are available for a predictable and timely response to food insecurity. The role of the FAC in ensuring these resources is further referenced in a variety of important global food security-related agreements. These include the *WTO Uruguay Round Agreement on Agriculture* and the *FAO Voluntary Guidelines to Support the Progressive Realisation of the Right to Adequate Food in the Context of National Food Security*, which 187 countries, including all current FAC Member States, have endorsed. We envision that the Food Aid Convention will be one component within a comprehensive international food security architecture that we believe must be constructed if the Millennium Development Goal # 1 is to be achieved.

We believe that the Food Aid Convention (FAC) should focus on ensuring the availability of direct food transfers for food insecure people and their associated delivery and distribution costs. Current food aid practices include some activities that fail to address the basic goal of providing direct food transfers and should not be part of FAC commitments. Food aid provided on long term credit provides short term gain for long term pain in the form of increased indebtedness and furthermore rarely targets those who suffer hunger. Program food aid generally does not reach targeted food insecure people and should cease to be regarded as food aid. Monetisation of food aid is usually inefficient and diverts food resources away from direct transfers to hungry people. Cash resources should be made available to replace the proceeds from food aid monetisations so that monetisation can be phased out as soon as possible. Non-grant food aid and program food aid should not count towards FAC commitments and monetised food aid should be phased out of commitments.

Direct cash transfers to food insecure people can have the direct effect of increasing their food consumption. If the food consumption impact of these transfers can be determined, these should also count towards FAC commitments.

The FAC should also provide an impartial and accountable global food aid governance system and should be guided by a neutral technical advisory capacity. This advisory function would provide technical oversight, consolidate global needs analysis, alert Member States to emerging crises, and monitor the impact of food aid activities.

We therefore encourage Member States to recommit to the Food Aid Convention as a vital component within the envisioned global food security and humanitarian response architecture. During the renegotiation of the treaty, we encourage Member States to align the principles and practices of the FAC with normative initiatives such as the Paris Declaration of Aid Effectiveness and the Principles of Good Humanitarian Donorship. The following recommendations are designed to increase the effectiveness of the Food Aid Convention in reducing peoples' vulnerability to hunger by maximizing the benefits and minimizing the drawbacks of food aid.

Our Recommendations

Objectives

The overarching goal of the renegotiated Food Aid Convention must be to contribute to global food security through providing sufficient, appropriate, timely and predictable food aid. To

achieve this goal, its objectives should address:

1. Meeting global food aid needs as the main focus for the FAC. A key component will be an ongoing and comprehensive needs assessment based on recipient-focused norms such the Sphere Standards and information from a variety of sources including recipient governments.
2. Commitments by Member States to provide predictable annual food aid contributions, calculated in amounts of food, together with sufficient cash for their delivery and distribution. These resources should be used exclusively to enable direct food transfers (or their equivalent) to hungry people and, wherever possible, be procured close to the recipients.
3. Regular, timely and transparent reporting of contributions based on a standard system of computing these contributions.
4. The establishment of a framework for mutual accountability and information-sharing among Members and other stakeholders on food aid related matters. This would achieve greater efficiency and transparency in all aspects of food aid operations and better coherence between food aid and other policy instruments.

Commitments

Consistent with the position that the Food Aid Convention should be recipient-focused, the adoption of a donor commitment framework should be based on the needs of food aid recipients. Furthermore, we support a system that is simple enough to permit transparent standardised reporting on these commitments.

Currently, FAO estimates that more than 800 million people in the world are hungry - that is, they do not consume sufficient calories to live an active, healthy life. In some cases, the provision of food aid is essential for these people. We propose, in the coming FAC renegotiation, that signatories commit collectively to providing food and micronutrients. The total commitment should be equivalent in amount to that necessary to provide an adequate, nutritious and culturally appropriate diet to feed 25 million people (3 per cent of the world's hungry) each year⁶. As more accurate estimates of global food aid needs become available, this level should be reviewed at least every three years to meet this need. This food could be sourced either internationally or, preferably, purchased within or near the country in which it will be distributed. In addition, signatories to the FAC should commit additional resources to cover the costs of transporting and distributing this food to beneficiaries.

We also recommend making the Member States' commitments negotiation process publicly accessible. Each Member State should assume a proportional burden of the total needs reflective of their national economic capacity. The process of determining these commitments should be clearly articulated and made public.

Reporting

Member States of the Food Aid Convention must ensure compliance and transparency through consistent monitoring and publicly available reporting. Accountability through effective reporting is a normative standard established by the Good Humanitarian Donorship Initiative and the Paris Declaration on Aid Effectiveness, both of which are widely endorsed by FAC Member States.

Meaningful reporting requires that it be timely. We recommend that Members report every six months on progress toward meeting commitments. Reports should include data on quantity,

⁶ This corresponds to a total commitment approximately 10% higher than that of the current FAC. Note, however, that by reducing the inappropriate use of food aid, the increase in the response to hunger will be significantly higher.

quality, appropriateness and timeliness of the food aid provided, relative to both assessed needs and Member commitments made under the FAC. These reports should be made publicly available at the earliest possible opportunity.

Both the Paris Declaration and Good Humanitarian Donorship call for harmonisation, regular evaluations and standardised reporting. Therefore, beyond the importance of clear and unambiguous reports, we recommend standardising reporting formats. This would enable comparison over time as well as improving their compatibility with existing global food aid tracking systems such as those of OECD/DAC or WFP/INTERFAIS.

In the spirit of mutual accountability, we recognise the importance of recipient Member States also providing regular publicly available reports on their cooperation with international food aid activities.

We further recommend that the Member States of the FAC adopt a Peer Review mechanism as modeled by the OECD/DAC. We see the Peer Review as a means of promoting the increasing effectiveness food aid donor practices consistent with the proposed Code of Conduct for Food Aid.

Membership

The membership structure of the Food Aid Convention will need revision to be consistent with the principles of the Paris Declaration on Aid Effectiveness and the Outcome Document from the Monterrey Conference on Financing for Development:

1. Effectiveness in food aid and food security, as components of development, requires two-way partnership between donor and recipient countries, with local ownership of development plans and mutual accountability for results.
2. Members who donate food resources will require a stronger role in decisions relating to donor commitments.
3. Recipient country governments have an essential role in decisions relating to needs assessments, appropriate allocations and effective use of food aid.
4. Regional representation of recipient Member States, an emerging norm for international organisations, can be achieved through formulas, such as that used by the Executive Board of the World Food Programme.

Introductory provisions for new donors could allow greater flexibility through multi-year commitments and an initial exemption from cash for delivery costs, especially for developing countries who may have food commodities available but not cash.

Technical Advisory Committee

The Convention must recognise an independent and neutral Technical Advisory Committee, made up of technical experts drawn from international organisations, civil society organisations in recipient countries, research organisations and major international NGOs. The role of the Technical Advisory Committee is to monitor global food insecurity and food aid requirements, to advise on the types of resource transfer and the appropriate sources of food, and to monitor donor compliance with the Convention and the Code of Conduct for Food Aid. The Technical Advisory Committee members would have access to all FAC documentation and be mandated to draw attention to non-compliance with the Convention and the Code of Conduct.

Code of Conduct for Food Aid *

A Code of Conduct should be developed to include principles such as:

- Provision of food aid on needs-basis only.
- Nutritional adequacy of rations.
- Proper analysis of local food security to determine the appropriateness of food aid and the amount, type and source of food aid commodities.
- Commitment to measuring food aid effectiveness on the basis of high quality needs assessments and the involvement of recipients in this measurement.
- Appropriate targeting of food aid interventions.
- Physical security for food aid implementing agencies.
- Access to all vulnerable populations.
- Recipient government participation with needs assessment, monitoring and impact assessment of food aid activities.
- Informed consent by recipient governments of all food aid commodities to be provided.

** Barrett, C. and Maxwell, D., Towards a Global Food Aid Compact, Food Policy 31 (2006), pp 105-118*