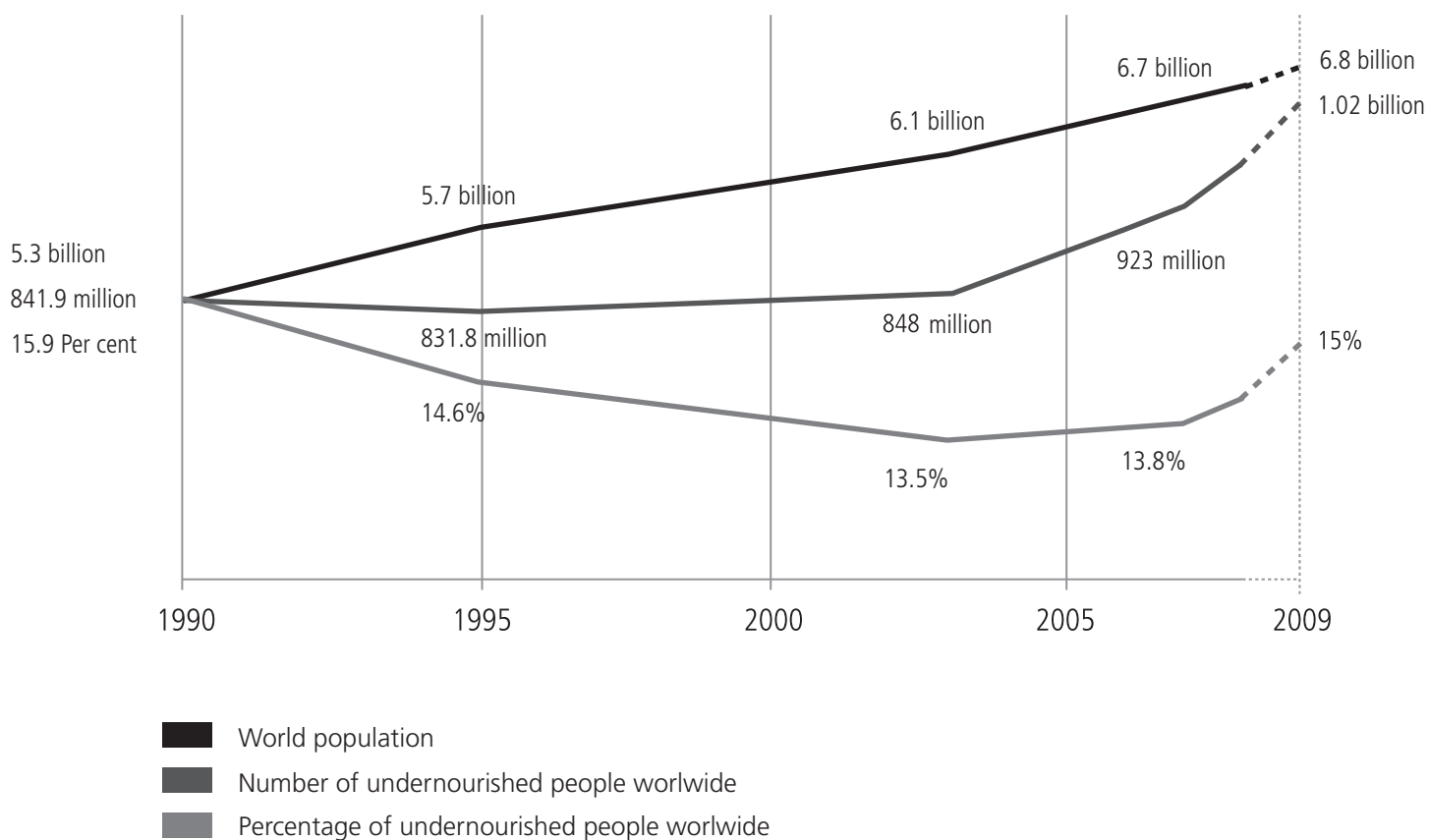


INTERNATIONAL RESPONSES TO THE FOOD CRISIS

Assessment from a Right to Food Perspective



FIAN International

Willy-Brandt-Platz 5

D-69115 Heidelberg

+ 49 (0) 6221-65300-30 TEL

+ 49 (0) 6221-830545 FAX

Edited by FIAN International

Authors: Andrea Brock and Armin Paasch

Published in October 2009

INTERNATIONAL RESPONSES TO THE FOOD CRISIS

Assessment from a Right to Food Perspective

Table of Contents

List of Abbreviations	6
1 Foreword	7
2 Background: the Global Food Crisis	8
3 Intergovernmental Actors against the Food Crisis - Short overview	12
3.1 Food and Agriculture Organisation (FAO)	
3.2 World Bank Group	
3.3 International Monetary Fund (IMF)	
3.4 World Food Programme (WFP)	
3.5 International Fund for Agricultural Development (IFAD)	
3.6 European Union (EU)	
4 Acting Against Hunger	16
4.1 Agriculture Rediscovered	
4.2 Food Aid Back on Track?	
4.3 Social Safety Nets with Loopholes	
4.4 Macro-economic Policies, International Trade & Budget Support	
5 Summary and Conclusions – Treating the Symptoms, not Fighting the Cause	30
6 Literature List	34

List of Abbreviations

AGRA	Alliance for a Green Revolution in Africa	OECD	Organisation for Economic Cooperation and Development
AU	African Union	OHCHR	Office of the High Commissioner for Human Rights
CFA	Comprehensive Framework for Action	OHRLS	Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
CFS	Committee on World Food Security	PO	People's Organisations
EC	European Commission	PRGF	Poverty Reduction and Growth Facility
ESF	Exogenous Shocks Facility	RRFF	Rapid Response Food Facility
FAO	Food and Agriculture Organisation	SME	Small and Medium Enterprises
DESA	Department of Economic and Social Affairs	SPFS	Special Programme for Food Security
DPA	Department of Political Affairs	TCP	Technical Cooperation Programme
DPI	Department of Political Information	UNCTAD	United Nations Conference on Trade and Development
DPKO	Department of Peacekeeping Information	UNDP	United Nations Development Programme
GFRP	Global Food Crisis Response Programme	UNEP	United Nations Environment Programme
HLTF	High level Task Force	UNHCR	Office of the United Nations High Commissioner for Refugees
IBRD	International Bank for Reconstruction and Development	UNICEF	United Nations Children's Fund
IDA	International Development Association	VFF	Vulnerability Financing Facility
IFAD	International Fund for Agricultural Development	WB	World Bank
IFC	International Finance Corporation	WDR	World Development Report
IFPRI	International Food Policy Research Institute	WHO	World Health Organisation
IFSP	Initiative on Soaring Food Prices	WFP	World Food Programme
IMF	International Monetary Fund	WTO	World Trade Organisation
IGO	Intergovernmental Organisation		
LDC	Least Developed Countries		
LIFDC	Low Income Food Deficit Countries		
NEPAD	New Partnership for African Development		
NGO	Nongovernmental Organisation		

1 Foreword

For the first time in human history, the number of hungry people worldwide exceeds 1 billion.

According to the most recent estimations by the Food and Agriculture Organisation (FAO), 1.02 billion people in the world are hungry (2009b). Every one in six people is chronically undernourished. In the last couple of years, this number has increased dramatically and the world is further than ever from fulfilling the 1st Millennium's Development Goal – to halve the proportion of the hungry by 2015. In fact, the internationally recognised right to food is million fold violated. The international community, international institutions and domestic governments must intervene to counter the crisis and take long-term measures in order to sustainably ensure food security. It has finally been put high on the international agenda and brought to public attention in 2008. A range of international conferences have been held and much has been talked about the way to eradicate hunger and feed the world. The United Nations Secretary General Ban Ki-Moon himself set up the High-Level Task Force (HLTF) to find a common strategy to fight the food crisis. National governments have taken action, from bolstering export restrictions over input subsidies to expanded safety nets. Nevertheless, the number of hungry people is still growing.

Governments and Intergovernmental Organisations (IGO) have an obligation to fulfil the right to food of those 1.02 billion people who are suffering from hunger. Collective action under the umbrella of the United Nations (UN), the only democratic organisation under which all 192 developing and developed member states are equally represented, is required - in close coordination with Civil Society and NGOs.

This document will give an overview of the initiatives and programmes that have been announced, implemented and realised by the various UN and Bretton-Woods Institutions since 2007 up to now. It will first introduce the relevant actors, the programmes they set up to counter the crisis, their extent and their priorities. Subsequently, these programmes will be analysed along four foci, loosely following the structure of the *Comprehensive Framework for Action* (CFA) of the HLTF, which will be presented in the second chapter. Finally, these responses will be assessed from a human rights perspective, shortcomings will be pointed out and recommendations will be given. Finally, these responses will be assessed from a human rights perspective, shortcomings will be pointed out and recommendations will be given. As these programmes have only been implemented over the past two years and are still underway, concrete

results are not yet available; therefore, a final evaluation of the programmes would be impossible at this point in time. Nevertheless, the design, targets and budgets of the programmes allow for some preliminary conclusions to be drawn and recommendations to be formulated that will hopefully enrich the discussions on and inspire revisions of the current food policies.

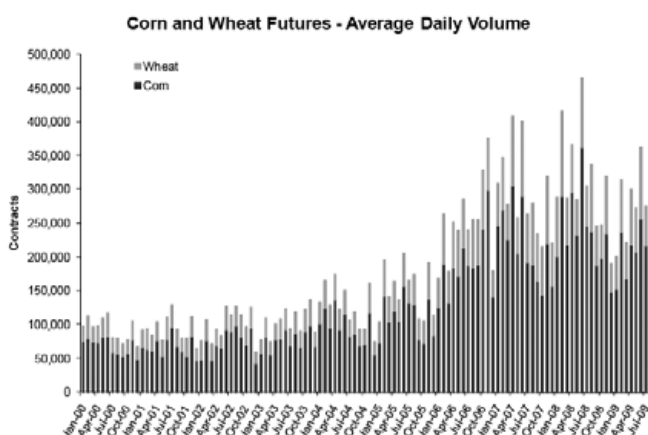
.....
*The **Right to Adequate Food** is enshrined in Article 25 of the Universal Declaration of Human Rights from 1948 and in Article 11 of the International Covenant on Economic, Social and Cultural Rights, which entered into force in 1976. An authoritative interpretation of the right to food was provided with the General Comment Nr 12 by the UN Committee on Economic, Social and Cultural Rights in 1999 (UN CESCR, 1999). The General Comment states: "The right to adequate food is realized when every man, woman and child, alone or in community with others, has physical and economic access at all times to adequate food or means for its procurement." It thereby emphasizes that the right to food includes access to productive resources that enable people to feed themselves.*
.....

2 Background: the Global Food Crisis

The food crisis in the last three years is only the tip of the iceberg. Soaring food prices have awoken the world. Within a few months, prices for corn, rice, and wheat have exploded and made groceries unaffordable for many people. More than anyone else, poor people in developing countries are the victims, as they spend a much larger percentage of their income on staple food¹. They have a very narrow margin of tolerance and no money as a buffer against rapid price increases. After years of preaching the ever-same paean of praise to globalisation and liberalisation by the IMF, the WB and governments, developing countries have had to learn the hard way that the export orientation of their agriculture and the consequent dependence on cheap imports may not be the means to achieve food security after all. Import bills for net food-importing countries have quadrupled since 2000 (FAO, 2008a), making it impossible for many of these countries to import the most basic staple foods.

But when imports stay away and prices soar, shouldn't small farmers in developing countries be cheering, as they are the ones profiting? Most of them are not. Just like most households in developing countries, the great majority of smallholder farmers are net buyers of food – they spend more money on buying food than they earn from selling it. Furthermore, fertilizer and seed prices have also risen sharply, considerably increasing production costs. Approximately 80% of hungry people live in rural areas; half of them are smallholder farmers and 70% women (UNDP, 2005).

The reasons for the price hikes are various (see box), but the effects on the poor were devastating in many countries in Africa, Asia and Latin America. Prices for wheat and corn doubled; people could not afford to buy basic food staples. Riots erupted in the streets of Mexico City, in Haiti and in 40 other countries; some governments were overthrown and grocery stores plundered. Even though food prices have declined again on the world market over the past year, the situation has not improved – far from it. Prices remain not only highly volatile, but also high on local markets. The WB Managing Director, Okonjo-Iweala, explains that “the decline in global prices has not always fully translated into a matching decline in poor countries, especially in Africa” (WB, 2009a).



Source: CME Group

Extensive assessment on the impact of **speculation**, especially the futures market, are needed. Under the UN framework, member states must agree to financial market regulations especially regarding investment into food and energy commodities. Two sensible proposals by Wahl (2008) include a Commercial Registry at the international stock markets for everyone to trade with food items. Only those are authorised, who know the market and are subject to the supervisory authorities. The conduct of hedgefunds and other speculative businesses like short selling, trade with over-the-counter derivatives and index derivatives are to be prohibited. These measures will exacerbate the formation of speculative bubbles and stabilise prices. They are technically easy to implement but depend on governments' political will.

¹ Whereas average spending on basic food items accounts for 10-20% of overall income in developed countries, it lies between 60 and 80% in the least developed countries – and much above that for the poorest (FAO, 2008b).

The situation was only exacerbated further by the financial crisis. The export-oriented sectors – the largest in many developing countries and often hailed as the universal remedy for economic growth and poverty reduction – were hit hardest and reduced imports by developed countries resulted in large scale job losses. The worldwide decline in orders and demand, coupled with bankruptcies and combined with credit shortages, has further increased unemployment and prevents long-overdue and badly needed investment in agriculture. Official Development Aid (ODA) is forecast to decline by 25%² in 2009, Foreign Direct Investment (FDI) by 32% (FAO, 2009b). Since migrant workers in developed countries were often among the first ones to lose their jobs, foreign remittances also declined dramatically. In the absence of adequate security nets or social protection systems, many more people were thus pushed into poverty and hunger. Even today, extreme inflation prevents the translation of lower world-prices on to local markets and the situation stays very tight.

Reasons of the Price Hike

The reasons for the recent rise in food prices are manifold. Unlike often advocated, the rise is not due to a global lack of food because of insufficient production. On the contrary – the food crisis is a **problem of distribution and use** rooted mainly in structural, long-term causes. The eight main reasons most commonly identified are:

The neglect of agriculture in the last decades

Over the last half century, investment into agriculture – both by national governments and international donors – has been steadily declining. In combination with high export subsidies (dumping) by rich countries, forced market liberalisation including tariff cuts, privatisation and immense pressure by the Bretton-Woods Institutions, this has led to an increasing export-orientation in developing countries. Since developing countries were supposed to earn foreign exchange in order to pay off their debts, thus setting export-orientation as a priority over food security, domestic agricultural production was neglected. While 24 African Union Member States committed to spend 10% of their national budgets on agriculture in 2003, only six had met their target by 2005 (AU, 2005). Additionally,

while in 1979, aid for agriculture constituted 18% of total development assistance, it declined to 2.9% in 2006 (IFAD, 2008). Hence transnational, export-oriented companies with more resources and experiences have been replacing smallholders, hindering farmers' access to land and violating their right to food.

Bad harvests and droughts

While global cereal production fell slightly in 2005 and 2006 due to bad weather conditions in some exporting countries, output increased again in 2007 (FAO, 2008c). According to a WB report, droughts in Australia and bad crops in the EU and the Ukraine were "largely offset by good crops and increased exports in other countries" (WB, 2008a). Bad harvests thus only played a marginal role in the crisis, affecting regional food security but not global food price hikes.

Low stock levels

Due to continuous pressure by the IMF, WB and WTO for market deregulation, developing countries' governments have neglected or privatised local or national food reserves and increasingly relied on international trade and increased imports in times of food shortages. According to the FAO, reserves reached a (25 year-) low of 18.7% of utilization in 2007/08 (2008 a).

High energy prices

Although there is a strong correlation between the prices of energy and food, as fertilizer and transport costs are tied to the oil-price, higher fuel costs only accounted for about 15% of the food price increase, according to the WB study (WB, 2008a and The Guardian, 2008).

Biofuels

The exact extent to which the increased usage of cereals and edible oils for biofuel production has led to an increase in food prices is disputed, but most international organisations including the WB, the International Food Policy Research Institute (IFPRI) and the OECD consider it one of the main reasons for the food price hike. The production of agrofuels has had an impact in three ways: firstly through the diversion of

² for the poorest 71 countries

grain away from food (more than 1/3 of corn produced in the US is now going towards ethanol production and ½ of the vegetable oil in the EU is used for Biodiesel), secondly through the usage of land for biofuel production and thirdly due to the financial speculation sparked by biofuel production which has driven grain prices even higher (see below). According to a report by WB senior economist Don Mitchell, biofuels have led to a global food price increase of 75% (WB, 2008c). The OECD acknowledged that up to 60% of the increase in consumption (and hence prices) of cereals and edible oils are due to increased agrofuel production (OXFAM, 2008). According to IFPRI, the extensive financial support for agrofuels (\$13-15 billion annually for OECD countries), effectively constitutes a 'food tax' which most severely affects the poor, who spend a much higher proportion of their incomes on food (OXFAM, 2008).

Speculation

Speculation with food items – in the form of futures or 'hedging' – is not a new phenomenon, but can be traced back to the 17th century. However, after the collapse in other financial markets like the housing market, speculators were looking for new investment opportunities and – due to soaring food prices – speculation in these items has increased tremendously over the past few years, leading to both, further price hikes and price volatility. Between 2002 and 2006, the number of future contracts in wheat, soybeans, corn and rough rice tripled. In 2007 alone, the number of agricultural derivatives grew by one third (UNCTAD, 2008, p. 24) – despite there being no similar increase in production. According to the New York Times (22.4.2008), soaring food prices have attracted an explosion of new investments from Wall Street, reaching as much as \$300 billion. These investments had a "knock on effect" on food and farm inputs (Bretton Woods Project, 2008), leading to the creation of a 'speculative bubble'. On March 27, 2008, the price of rice increased by 31% and on February 25, 2008, the price of wheat increased by 29% (McMichael, 2009). The WB, the BMZ (German Federal Ministry for Economic Cooperation), UNCTAD and even the IMF (to some extent) have come to recognise the role of speculation in the price hike. Yet, according to

Annie Shattuck (Food First), "speculative trading on [this] scale [...] would not have been possible without the financial sector deregulation and free market reforms required by IMF lending conditions" in the first place (Bretton Woods Project, 2007). Despite this, no action is being taken to tackle the effects of speculation on food prices.

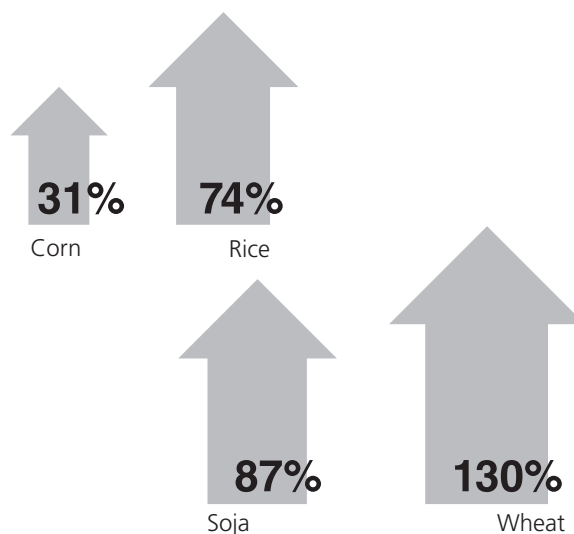
Increased demand by threshold countries

Due to economic and income growth, some of the biggest newly industrialising countries, like India and China, are witnessing changes in eating habits and diets. This has led to an increased demand for meat and dairy products. WB investigations have indeed shown that oilseed demand and hence prices rose due to increased soybean imports for these countries' livestock and poultry industries. Yet, these have not led to large increases in global grain consumption and were not a major factor responsible for the large grain price increases (WB, 2008c and The Guardian, 2008).

Short-term trade policies

Trade policies adopted by national governments, including export bans or tariffs, may have further aggravated the situation.

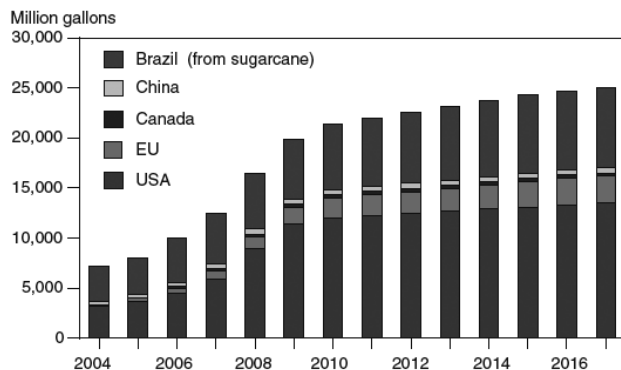
Cereal prices surged in year to March 2008



Source: Bloomberg, except rice: FAO/ Jackson Son & Co

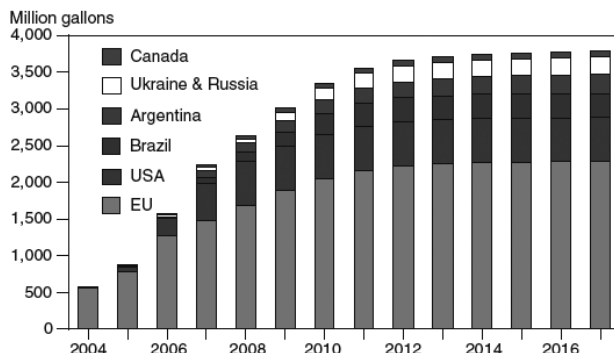
Ethanol production

Mostly from grain feedstocks except for Brazil



Source: USDA Agricultural Projections to 2017.

Biodiesel production



Source: USDA Agricultural Projections to 2017.

The **US-American and European agrofuel policies** have sparked criticism for various reasons. The promotion of agrofuel production, supported by vast subsidies and protective tariffs, has led to the diversion of land and food crops and contributed greatly to the recent rise in food prices. Their environmental consequences are much disputed. Even the WB has raised doubts about their suitability to lower carbon emissions and help meet the climate change. In the World Development Report (WDR) 2008, it acknowledged that “few of the current biofuels programmes are economically viable and many pose social (rising food prices) and environmental (deforestation) risks”. Furthermore, it recognised that developed countries’ biofuel policies “hurt developing countries”. Especially corn-based Ethanol could have an adverse effect on the environment. While appreciating that “Bio-fuels are a potential low-carbon energy source”, the WB also states that “whether bio-fuels offer carbon savings depends on how they are produced. Converting rainforests, peatlands, savannas, or grasslands to produce food-based bio-fuels in Brazil, Southeast Asia, and the United States creates a ‘bio-fuel carbon debt’ by releasing 17 to 420 times more (CO₂) than the annual greenhouse gas reductions these bio-fuels provide by displacing fossil fuels” (WB, 2008). The sometimes stated argument that these plants could potentially grow on ‘marginal land’, thus not competing with food production, does also not correspond to reality. These ‘marginal lands’, apparently vacant, are often crucial for the poorest, for the collection of food-plants, herbs, wood and animal feed.

The CFA neither promotes nor denounces the use of agrofuels, but proposes to prepare a common reference framework, guidelines and safeguard measures, to re-assess agrofuel targets, facilitate investment and promote research and knowledge exchange. In the framework of the Global Bioenergy Partnership, the FAO contributes to the development of sustainability standards to achieve the common framework. The IFAD has granted \$1.1 million to assess and develop agrofuel policies and the WB has also released a paper on the impacts on poverty and natural resource management (HLTF, 2009).

3 Intergovernmental Actors against the Food Crisis - Short overview

The Food Crisis was finally put high on the international agenda in 2007/2008. UN Secretary-General Ban Ki-Moon himself established and chaired the so-called *High-Level Task Force* (HLTF) on the Global Food Crisis in April 2008, bringing together the UN system with its specialised agencies, funds and programmes and the Bretton-Woods Institutions, in order to develop a common strategy to combat the crisis and to coordinate this strategy's implementation. The Director-General of the *Food and Agriculture Organisation* (FAO), Jacques Diouf, served as vice-chairman. Other participants were the representatives of the *International Fund for Agricultural Development* (IFAD), the *World Food Programme* (WFP), the *UN Development Programme* (UNDP), the *UN Children's Fund* (UNICEF), the *UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States* (OHRLS), the *UN Conference on Trade and Development* (UNCTAD), the *UN Environment Programme* (UNEP), and the *Office of the UN High Commissioner for Refugees* (UNHCR). The *World Health Organisation* (WHO), the *International Monetary Fund* (IMF), the *World Bank* (WB) and the *World Trade Organisation* (WTO), the *Department of Economic and Social Affairs* (DESA), the *Department of Political Affairs* (DPA), the *Department of Public Information* (DPI) and the *Department of Peacekeeping Operations* (DPKO) also took part. The *Office of the High Commissioner for Human Rights* (OHCHR) as well as the *International Labour Organisation* (ILO) were only invited at a later point.

The HLTF drafted the so-called *Comprehensive Framework of Action* (CFA), in which it identified two sets of necessary short- and long-term actions to combat the crisis. The proposed measures are overlapping and to be put into practice urgently and simultaneously. In order to meet the immediate needs of vulnerable populations, the HLTF recommends four main emphases; firstly to enhance emergency food assistance, nutrition interventions and safety nets, secondly to boost smallholder farmer food production, thirdly to adjust trade and tax policies and fourthly to manage macroeconomic implications. The second set of proposed actions aims to build resilience and contribute to global food and nutrition security. It also has four main foci; firstly to further expand of social protection systems, secondly to sustain smallholder farmer-led food availability growth, thirdly to improve international food markets and fourthly to develop an international consensus on biofuels. The HLTF coordinates the implementation of this strategy and coordinates donor cooperation at all levels.

Although all of the following organisations and agencies have embraced the CFA, they have slightly different priorities and foci and implement different measures to achieve their goals. In the following pages, the most important intergovernmental 'actors' in the fight against hunger – and their responses to the hunger crisis - will be introduced briefly.

3.1 FOOD AND AGRICULTURE ORGANISATION (FAO)

The FAO claims to be leading international efforts to eradicate hunger, serving as a neutral forum for developing and developed states to negotiate agreements and policies and providing expertise and information on modernising agriculture, forestry and fishery practices. Its official mandate is to free the world from hunger and to improve nutrition and living standards world-wide, focusing on developing rural areas. Although the FAO used to be the most important institution promoting food security, it is now only one among various players in the field.

In response to the hike of food and fuel prices, the FAO launched its *Initiative on Soaring Food Prices* (ISFP) in 2007. The Initiative follows a 'twin-track approach', promoting quick response measures for agricultural growth as well as longer-term programmes (FAO, WFP 2009a). It works together closely with the African Union's *New Partnership for Africa's Development* (NEPAD), an African initiative to eradicate poverty, advance development and end marginalisation. The FAO appealed to governments to provide \$1.7 billion as rapid response for short-term measures to be implemented by the end of 2009 (UN, 2009). Between June 2008 and September 2009, it received an additional \$311 million in funding and mobilised less than \$37 million of its own resources (HLTF, 2009).

The money is used to assist governments in emergency measures, in efforts to increase local production in the current planting season as well as to expand plantings in the dry season, and to support governments with policy advice. Most activities are channelled through country governments themselves, either for budgetary support or direct investment. One third of the funding has gone into emergency *Technical Cooperation Projects* (TCP), helping 370,000 smallholder farmer households.

3.2 WORLD BANK GROUP

The WB, composed of the *International Bank for Reconstruction and Development* (IBRD) and the *International Development Association* (IDA), provides financial and technical assistance to developing countries. It is part of the World Bank Group, which also includes the *International Finance Corporation* (IFC) and two other agencies³. In response to the Food Crisis, WB President Robert Zoellick has repeatedly called upon governments to embrace a **New Deal for a Global Food Policy**, which has been adopted by the WB development committee, the IMF and about 150 member states. This policy should not only focus on the eradication of hunger, but include different issues relating to energy, climate change, investment and others. According to Zoellick, the New Deal “requires a shift from traditional food aid to a broader concept of food and nutrition assistance, such as cash or vouchers that can help build local food markets and farm production, and create a ‘Green Revolution’ for Sub-Saharan Africa” (WB, 2009d). The three main pillars are the expansion of safety nets, production increase, and the reduction of trade distorting subsidies and barriers, combined with a better understanding of the impact of biofuels. In the framework of this initiative, Zoellick appealed to governments to start by donating an additional \$500 million to the WFP. Within the New Deal, the WB set up a **Global Food Crisis Response Programme** (GFRP) in 2008 to grant immediate relief to those countries that were hit particularly hard by high food prices and to assist countries to bear the burden of higher production and marketing costs (WB, 2009a). It announced a *rapid financing facility* of \$1.2 billion, to be funded mainly by the IDA (\$1 billion) and co-financed by the IBRD in the form of grants (\$200 million⁴). The budget was increased to \$2 billion in April 2009. By September 2nd, 2009, \$1.164 billion was approved for different projects out of a proposed \$1.190,4 billion under the GFRP, with another four projects worth \$26.4 million in the pipeline (WB, 2009c)⁵.

The GFRP's main foci lay on three areas. Firstly, emphasis is put on the protection of the most vulnerable against the effects of the crisis. In order to counteract the crisis, food production is supported by supplying seeds and fertilizers, improving irrigation and livestock-related activities for smallholders and granting budget support for government policies. Immediate needs are addressed through targeted safety net programmes including

food for work, conditional cash transfers and school feeding programmes for vulnerable groups. These measures are implemented through the *Vulnerability Financing Facility* (VFF). Secondly, the maintenance of long-term infrastructure investments is addressed by the *Infrastructure Recovery and Asset platform* (INFRA), on which loans for long-term infrastructure investment programmes are granted. The WB announced it would raise its annual lending from \$10 to \$15 billion for the next three years⁶. Particular emphasis is supposed to be put on ‘green’ investments (WB, 2009a). Lastly, the WB focuses on the role of the private sector. The IFC-led private sector platform, the *Infrastructure Crisis Facility* (ICF) attempts to attract public-private partnerships in order to fill financial investment gaps. The platform is to sustain the potential for private sector-led economic growth and employment creation, i.e. through *Small and Medium Enterprises* (SME) and microfinance. On top of the approximately \$300 million investment of own funds, the IFC tries to mobilize additional private funding for infrastructure projects and expects an additional \$2 billion (WB, 2009a and 2009b). In June 2009, these platforms have been expanded by an *Agriculture Finance Support Facility* following a \$20 million contribution by the Bill and Melinda Gates foundation (WB, 2009b).

The GFRP is supported by three *Externally-Funded Trust Funds* valued at about \$200 million (HLTF, 2009). Under the new *Multi-Donor Trust Fund*⁷, which involves donors like the Australian government, three investment loans worth \$23 million have been approved and five projects worth \$7.25 million are awaiting approval. Within the framework of the *Russia Trust Fund*⁸, one investment loan worth \$6.25 million has been granted and under the *EU Food Facility Trust Fund*⁹, loans and projects worth \$65.43 million are awaiting approval (WB, 2009c).

Other components of the New Deal further include the ‘One Percent Solution’, an initiative under which sovereign wealth funds are supposed to channel 1% of their \$3 trillion in investment potential to Sub-Saharan countries, as well as the EITI++ initiative, which is supposed to help countries manage their natural resources and transform their resource wealth into long-term economic growth (WB, 2009d).

³ For reasons of simplification, the World Bank Group will not be distinguished from the World Bank in the documentation.

⁴ Single Donor Trust Fund

⁵ All numbers related to the GFRP project status are estimations, as the specific split-ups are not always published in detail

⁶ The WB announced in 2009 to provide \$45 billion over the next 3 years, compared to \$30 billion in the last 3 years.

⁷ Food Price Crisis Response Core Multi Donor Trust Fund

⁸ Russia Food Price Crisis Rapid Response Trust Fund

⁹ EU Food Crisis Rapid Response Facility Trust Fund

3.3 INTERNATIONAL MONETARY FUND (IMF)

The IMF works towards global monetary cooperation, financial stability, facilitation of international trade, the promotion of high employment and economic growth as well as the eradication of poverty. It delivers policy advice, technical assistance and financial support by lending to countries impacted by the food crisis in order to ease the effects of higher prices and – most importantly according to the Bretton-Woods Institutions – control inflation. In order to counter Balance-of-Payment difficulties caused by the crisis, it has granted additional financing to 15 countries. In total, \$263.8 million have been approved under the *Poverty Reduction and Growth Facility* (PRGF), the IMF's main mechanism to lend money to low-income countries. Eleven countries (i.e. Nicaragua and Burkina Faso) were granted additional funds under existing deals and four governments (i.e. Burundi and Djibouti) concluded new arrangements (IMF, 2008).

The IMF is further renewing its *Exogenous Shocks Facility* (ESF), under which low-interest loans are granted to low-income countries which fulfil certain conditions. Altogether, the IMF has mobilised \$615 million to counter the crisis (HLTF, 2009).

3.4 WORLD FOOD PROGRAMME (WFP)

The WFP, which depends entirely on voluntary donations, works closely together with other UN agencies, international organisations like the WB, governments and non-governmental organisations. Its mandate is to fight and prevent hunger and respond to emergency situations around the world by providing food aid, spreading knowledge and expertise, and supporting programmes to increase local food security.

In response to the crisis, the WFP has called upon governments to keep up to previous commitments and increase their contributions in order to ease the severity of the situation and the effects of the crisis on the poor. It requested an additional \$755 million in order to respond to the higher food and fuel prices and to meet the most immediate needs of the hungry. The international community responded by donating approximately \$1 billion, with Saudi Arabia contributing about half of the overall donations. The overall budget thus amounted to \$5.1 billion, doubling that of 2007. Despite the alarming number of hungry people (the WFP expects to have to feed even more in 2009), the programme is facing immense difficulties in raising its annual budget for 2009. According to German WFP officials, it has received less than a quarter of the estimated \$6.4 billion needed after the first 6 months – and these \$1.8 billion were “carried over” from the last budgetary year.

3.5 INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

The IFAD, a specialised agency of the United Nations, works towards eradicating rural poverty in developing countries through agricultural development. The Fund commits to work with poor farmers, their communities and their organisations in order to increase production and income. It claims to give special support to small-scale farmers, while complementing large-scale infrastructure investments by other partners, and ensuring that poor farmers can make use of them. Some concrete examples are projects to increase food production aiming for empowerment of poor rural women and men (IFAD, 2009a).

In response to the Food Crisis, the Fund announced the reallocation of \$200 million to combat short-term effects in April 2008. The money was drawn from existing grants and loans and supposed to immediately boost sustainable agricultural production, consequently improving food security, nutrition and rural development. IFAD further received almost \$41 million from other donors. Within its regular 2008 budget, it financed rural and agricultural projects worth about \$1.3 billion, reportedly benefiting an additional 10 million poor farmers and rural entrepreneurs (Båge, 2008).

IFAD's Member States had already raised their contributions for the 2010-2012 budget by an additional \$1.2 billion, thus increasing the overall budget to \$3 billion after IFAD President Kanayo F. Nwanze affirmed the urgent need for immediate and longer-term action and requested industrialised nations to at least double their payments. Saudi Arabia stood out again, promising a five-fold increase in its contribution.

3.6 EUROPEAN UNION (EU)

The European Commission (EC), representing the 27 European Union (EU) Member States, passed a regulation pledging an additional one billion Euro (about \$1.4 billion) to fight hunger and counter the crisis (2008b). The money, promised in December 2008, is to be paid into the newly created *Rapid Response Food Facility* (RRFF) and supposed to be spent over the next three years. 91% of the resources are to finance country-level projects, 6% for regional projects, 1.3% (\$18 million!) are to be put aside as reserve and 2% (\$28 million!) for administration. Almost half of the funds (\$550 million) are to be channelled through international organisations (FAO, UNRWA, UNICEF, WFP, IFAD, WB, UNDP and UNOPS), \$200 million are eligible for non-state actors like NGOs and Member States bodies and another \$170

million are supposed to be spent on national projects and programmes such as budget support measures (EC, 2009). The EC has allocated the first \$313.9 million out of this fund by March 2009 and approved projects in 23 countries. \$48.5 million have been spent on four projects under the EU Food Facility Trust Fund through the WB, while another \$62.3 have been pledged for an additional six projects (WB, 2009b).

The main objectives of the Facility are to increase global food production, to improve handling of volatile food prices and their effects on local populations and to achieve long-term improvement of agricultural production and management.

4 Acting Against Hunger

After this short overview on the international actors and the programmes they set up against the food crisis, this chapter analyses the actions and measures undertaken by international institutions and programmes by topics:

1. Promotion of and Investment into Agriculture
2. Food Aid and Food Assistance
3. Social Safety Nets and Social Protection Programmes
4. Macro-Economic Policies, International Trade and Budget Support

Under each of these topics, this chapter identifies priority areas and strategies outlined in the CFA, summarises the related programmes and assesses actions from the perspective of the human right to food.

4.1 AGRICULTURE REDISCOVERED

Investment into agriculture has been steadily declining over the past 30 years. Due to the growing perception that agriculture was unprofitable against the backdrop of low commodity prices, developing countries were pushed to open their markets and realise food security through low-cost imports, rather than investing in their own farmers like industrialised nations. Through the liberalisation of commodity markets, food items became subject to extreme price volatility and privatisation led to the abolition of state institutions like marketing boards, which supported smallholder-farmers. Combined with declining public spending and the absence of private investments (other than investments in agribusiness and large-scale plantations by multinational corporations), the lack of ODA for agriculture was fatal.

While in 1979, aid for agriculture constituted 18% of total development assistance, it declined to 2.9% in 2006 (IFAD, 2008). Naturally, agricultural productivity **growth** also decreased, “from some 3.5 per cent in the 1980s to about 1.5 per cent today” (2009b), as government spending and supportive policies were missing – despite rising demand. The fact that food stocks have been diminishing steadily since 1995¹⁰ - pushed by the IMF and WB as these stocks were too cost-inefficient and not manageable - deteriorated the tremendous effects of the price hike in 2007. The beginning of the food crisis can thus be traced back more than three decades.

Hence, the growing recognition of the importance of smallholder agriculture is a very positive trend. NGOs and

institutions like IFAD repeatedly warned that smallholder agriculture is the key to local and global food security and the engine for development and economic growth for most developing countries. Seventy-five per cent of the world’s poorest people - 1.05 billion women, children and men - live in rural areas and depend on agriculture and related activities for their livelihoods (IFAD, 2009a). Although smallholder agriculture can indeed be more productive in relative terms and environmentally friendlier compared to large-scale commercial farming, more and more farmland world-wide is now taken up by large plantations cultivating agro-export crops, agrofuels and transgenic soybean. Yet, world-wide, 1.4 billion smallholder farmers still support almost 2 billion people and “in Africa alone, 33 million smallholder farmers account for 80% of the continent’s agricultural outputs” (Progressio, n.d.).

4.1.1 Strategy

Despite the recognition of the importance to support smallholder farmer and some good proposals on how to increase their productivity and market access, the HLTF very much focuses on boosting production rather than empowering these farmers and ending their marginalisation. In the short term, the CFA recommends productivity-enhancing safety nets, the rehabilitation of rural and agricultural infrastructure, the removal of artificial constraints of domestic trade, measures to reduce post-harvest crop losses and improve village level stocks, and better animal health services in order to reach that goal. In order to sustain smallholder farmer food production growth in the long run, it suggests improving the enabling policy framework in order to stimulate public/private investment in agriculture and to ensure secure access to and better management of natural resources (including land, water and biodiversity). Furthermore, investment in agricultural research is to be increased, sustained access to competitive, transparent and private-sector led markets is to be ensured, and the development of producer organisations should be supported. Lastly, the CFA aims to strengthen smallholders’ and other food chain actors’ access to financial and risk management instruments. The following paragraphs illustrate, in how far the different institutions – all part of the HLTF – have realised these measures.

4.1.2 Programmes

The **FAO** has been criticising the decline in agricultural investments and trying to put it on the international agenda for years, yet never managed to reach the significant re-thinking or the paradigm change it aimed

¹⁰ about 3.4% annually

for (Liese, 2009). According to the FAO's own estimation, \$30 billion a year are needed to reverse "decades of decline in investment in agricultural development" (among others: WHO, 2009). The FAO itself claims to play "a leading role in both the short and longer term CFA goals related to increasing smallholder farmers' food production in a sustainable way" (FAO, 2009d).

In the framework of its *Initiative on Soaring Food Prices*, which is budgeted with \$1.7 billion, the FAO puts emphasis on producer-oriented measures to support farmers and enable agriculture-led economic growth. It supports non-market measures such as production support, productive safety nets and fertilizer and seed distribution programmes. Production support refers to (universal) production subsidies, untargeted input subsidies and improved access to credit. Productive safety nets imply targeted input subsidies for smallholders, i.e. in the form of input vouchers, and seed and fertilizer programmes often only refer to improvements in availability of these inputs. Productive safety nets are funded with \$630 million under the ISFP, amounting to 37% of the total budget (2008a). Other measures include support to value chain management, producer price and market information. The main part of the FAO's funding to promote agriculture, however, goes into the distribution of agricultural inputs including (improved) seeds and fertilizers to support farmers.

In the *Technical Cooperation Programme*, the distribution of agricultural inputs, seeds and fertilizers is also a priority, to be achieved through targeted productive safety nets. Furthermore, FAO funds tools, equipment, animal feed, delivers policy advice to governments and coordinates global, regional and local programmes (see following chapters). It further conducts joint analyses and assessments with other institutes.

The **WB's** reaction has also been focused on the promotion of agriculture. After having neglected agriculture for decades (the percentage of its annual lending going into agriculture also dropped substantially from 30% in 1980 to 12% in 2005-7 (WB, 2009a)), it has recognized the need to invest in the agricultural sector. The Bank committed to increase its budget for agriculture and food from \$4 to \$6 billion over the next 2 years and particularly to boost agricultural lending, almost doubling loans to Africa and Latin America from \$450 to \$800 million and \$250 to \$400 million respectively, and allocating \$1 billion for new projects supporting agriculture and rural development in South Asia. An additional 75 million people in 60 countries are thus supported, according to the Bank. The IFC reports that it raised lending to *agribusiness* to \$2 billion in its

2009 fiscal year (ending in June) in response to the price increase. However, only half of the projects were taking place in low-income countries.

The IFC announced it would further increase lending by "up to 30%" over the next three years in order to strengthen the role of the private sector in the fight against hunger (Blas, 2009). Accordingly, investments are focussed on increasing productivity through "high-yielding seeds, irrigation projects, fertilizer factories or bringing fallow land into production" (ibid.). The Corporation has further invested \$1.4 billion in agribusiness supply chains, including 40% for IDA countries and \$109 million in Sub-Saharan Africa, spent on distribution and storage, grain milling, plantation rehabilitation, and trade finance (WB, 2009b).

About half of the **WFP's** beneficiaries in Africa constitute smallholders and their families. Although the Programme does not prioritise agricultural production, as its mandate is mainly the delivery of food aid, it claims to promote local production and purchase. Due to a slow shift in donor policy from donating commodities towards cash donations, the WFP could purchase 2.8 out of 3.9 million tons of food locally or in other developing countries in 2008 (compared to 2.1 out of 3.3 million tons in 2007) rather than shipping it in from developed countries. It spent \$1.1 billion on food items in developing countries (WFP, 2009b). Whether this money benefits local smallholders rather than agribusiness is questionable (see box), but according to the WFP 400,000 smallholders now produce directly for its projects within its *Purchase for Progress* pilot programme (according to German WFP officials).

The \$200 million re-allocated by **IFAD** are exclusively reserved to boost agricultural production. The highest priority is to enable smallholders to access essential inputs – the distribution of and credit for seeds and fertilizers – and thus allow them to properly prepare for the forthcoming season and sustainably increase harvests to come. IFAD funds efforts to increase land fertility and water management as well as supporting sustainable land and farmers' organisations in seed multiplication.

The **EC** also considers the promotion of agriculture a high priority. In order to 'help farmers', it sponsors measures to improve access to agricultural inputs (seeds and fertilizers) and services (vets and advisors). Other small-scale production boosting measures include micro credits, investment into infrastructure and storage as well as vocational training and support for agricultural professionals. Its funds are channelled through other organisations and some own projects.

The so called **Green Revolution** that boosted agricultural productivity in Asian and some Latin-American countries in the 1960s, 1970s and 1980s was initiated by the Ford and Rockefeller foundations in 1943. Starting with an agricultural development project in Mexico, the revolution quickly spread and was by far most prevalent and successful in Asia, resulting in India becoming self-sufficient in food grains after years of famine. The enormous production increase in wheat, corn and rice was achieved through the transformation from subsistence living and small-scale agriculture with low external input into monocropping of high-yielding varieties based on inorganic fertilizers, pesticides and other chemical inputs. Despite the euphoria, the Green Revolution has come under severe criticism for its harmful environmental and social impacts. The switch to input-intensive monoculture led to a severe loss of biodiversity, which serves as a natural insurance against crop and livestock diseases (Dano, 2007). Due to the high susceptibility to pest outbreaks of the new hybrid seeds, the use of synthetic pesticides hence increased dramatically (ibid). Furthermore, hybrid seeds require extensive irrigation and energy-intensive fertilizers. According to Dano, "the average fertilizer application rate in South Asia almost tripled from 37 kg per hectare in 1980/1981 to 109 kg per hectare in 2000/2001 (ibid.). The increased need for irrigation caused groundwater drainage and the very chemical-intensive production resulted in pollution, the depletion of soils, and the contamination of food and water.

The heavy dependence on non-renewable resources made the Green Revolution not only an environmentally unsustainable form of production increase, but the social costs are also to be taken into account.

While farmers were granted access to credit- and agro-processing facilities, transport, roads, machinery and marketing infrastructure, accompanied by government price support (ibid.), many incurred high debts in order to be able to afford expensive seeds, fertilizers and pesticides. Since the high-yielding hybrid seeds do not reproduce reliably, farmers were forced to purchase new seeds every season. These extra costs often offset increased profits. The heavy indebtedness, sometimes in combination with

crop failures, also led to the suicide of tens of thousands of Indian farmers, making the headlines around the world. But many smallholders did not even get that far. Many were displaced, as large-scale farmers could more easily adopt new technologies and were thus able to expand their plantations. Many smallholders ended up in the city slums or farming on fragile hillsides, where soil degradation was even more severe and production required the use of more and more fertilizers (Holt-Giménez, Peabody: 2008).

Although production increased greatly on the short run, yields per hectare actually declined by 50% between 1980 and 1996 and many smallholder farmers were forced to cut down forests and switch to less productive lands (CIECA: 2001, in ibid.). In Central America, half of the total area of rainforests was cut down during the revolution and CO₂ emissions almost doubled (ibid.). All in all, many farmers' and consumers' situations deteriorated significantly and their right to food was severely infringed upon.

4.1.3 Priorities

4.1.3.1 Seeds & fertilizers

The distribution of seeds and fertilizers seems to be the most relevant priority in all programmes (with the exception of the WFP). By April 2009, the **FAO** had spent \$350 million on the supply of agricultural inputs including 'improved' seeds and fertilizers and technical assistance, allegedly benefiting about seven million smallholder farmers and families (WFP, 2009c). According to its own cost calculations, a total of \$650 million of the total budget is planned for productive safety nets, benefiting farmers through inputs and extension advice (2008a). Thus smallholder food production is supposed to be boosted instantly, but only following extensive assessments to identify vulnerable farmers. Farmers receive crops and seeds after the FAO has determined the "right crops and appropriate varieties of seeds" (FAO, 2008c). The **WB** follows the same trend. Under the Crisis Response Programme, the Bank directly supports producer-oriented measures focussing on the provision of seeds and fertilizers which takes up 60 % of the GFRP budget (WB, 2009c).

Despite the unfavourable balance drawn from the Green Revolution and the lessons that should be learned from it, is the proposed second, **new Green Revolution** in Africa gaining more supporters. It is supposed to drastically increase production in Africa by boosting the use of fertilizers, pesticides and improved, genetically modified seeds (according to most, but not all supporters) to alleviate environmental consequences.

The main drivers behind the initiative are not only the Rockefeller and Gates' foundations (The *Alliance for a Green Revolution in Africa* (AGRA)), but major transnational corporations like Syngenta, Monsanto and other seed, fertilizer and pesticide companies play an important role 'behind the scenes'. The seed, twin and the African Centre for Biosafety identified the major players in the discourse around and the programmes initiated within the Green Revolution initiative (Dano, 2007). They pointed out that not only the private sector is deeply involved, but the Green Revolution is also promoted by some intergovernmental and international institutions as well as national governments (ibid.). It was only recently that President Obama emphasised his willingness to bring the Green Revolution to Africa and the United Kingdom's department for international development is one AGRA's major donors. Like the former UN Secretary-General Kofi Annan, one of the few African leaders among scientists, businesspeople and politicians from developed countries, the FAO has publicly supported the idea of a "uniquely African Green Revolution", or "Rainbow evolution", rather than simply duplicating the Asian Green Revolution (ibid.). IFAD is following that warning, despite its role sponsoring the Africa Fertilizer Summit which was closely related to the African Green Revolution movement, and its major emphasis on the production-enhancing role of fertilizers. Although the WB has not taken direct position on the initiative, it has nevertheless opened the way to international companies to expand their (hybrid or even genetically modified) seeds markets by pushing for the abolition of national seed banks. Its Agriculture Finance Support Facility is furthermore supported by the Bill & Melinda Gates foundation. The WFP openly supports the Green Revolution initiative (HLTF, 2009).

Together with the UN High Level Task Force and G8 leaders, the Alliance for a Green Revolution in Africa has embraced and signed (!) the joint statement on food security at the G8 summit. The Alliance, especially the Gates Foundation, is currently focussing on the funding work to improve seeds, fertilizers and pesticides. It has granted millions of dollars for projects to work on genetic engineering (Donald Danforth Plant Science Center, 2005), and to help secure the approval of African governments to allow field testing of genetically modified banana, rice, sorghum and cassava plants (St Louis, 2009). Further funds go towards policy studies and advocacy campaigns.

What is really needed...

A **truly green revolution** in Africa cannot not be based on unsustainable production growth through the drastic increase of chemical, energy-intensive inputs, further marginalising smallholder farmers and benefiting seed, fertilizer and pesticide companies and agribusinesses.

A truly *green* revolution cannot be a one-size-fits-all technology package, but it must be based on traditional and local knowledge, integrating smallholder's expertise and needs and taking into account regional diversities. Rather than pursuing high-tech chemical inputs and irrigations systems, it must aim for the diversification of local crops, organic fertilizers and promote agroecology. Respect for environmental protection is as crucial as the safeguarding of natural resources. Measures must be taken to regenerate soils and conserve water.

A truly *green* revolution must be African-led and empower marginalised farmers, especially women, and ensure them local, regional and global market access, in order to fight hunger and poverty.

By September 2009, the Bank has approved projects for agricultural inputs and productive safety nets worth an estimated \$529 million out of the total of \$1.164 billion, amounting to 45% of all projects. An estimated \$10 million have been spent on agricultural services, management, infrastructure and technical advice and \$3 million on livestock (WB, 2009c).

The **IMF** does not directly fund input-distribution projects, but financially supports governments in their efforts to make inputs more accessible. As already emphasised, the **IFAD** exclusively focuses on the distribution of agricultural inputs (seeds and fertilizers) to fight the crisis, to which it dedicates all of its resources. It has also received a \$30 million grant from the EU Food Facility for programmes to improve seed quality, sustainable production and access to micro-finance services (HLTF, 2009). The **EC** further sponsors measures to improve **access** to agricultural input (seeds and fertilizers) and services (vets and advisors) through the RRF. Special attention is supposed to be put on local facilities and availability.

4.1.3.2 Irrigation

Despite the lack of irrigation systems in African and (to a lesser extent) Asian countries, irrigation and sustainable water management are not very high on the agendas of international institutions. The FAO supports food-for-work and cash-for-work programmes in order to rehabilitate rural infrastructure and provide income support including measures for soil conservation, restoration of soil fertility and the creation of small-scale irrigation structures. Irrigation seems to be (not the biggest) part of these projects, budgeted with \$300 million (FAO 2008a). The WB has spent an estimated \$40 million on irrigation projects, according to its project status publications (2009d). The IMF is again not directly involved in irrigation projects, but helps governments to fill gaps in their Balance-of-Payments, and both the WFP and the EC fund similar food-for-work and cash-for-work programmes. Under these programmes, labour-intensive tasks, including irrigation projects, are being undertaken.

4.1.3.3 Crop insurance & Risk Management

According to **FAO** estimations, 15-20% of global harvests are lost annually due to inadequate storage, drying and processing (2008b). Thus, the organisation pledged \$305 million (or 18% of its ISFP budget) to reduce these losses. \$290 million are provided for post-harvest support, including storage rehabilitation, better drying facilities, like small-scale silos for better storage, small processing equipment, and the improvement of storage techniques. The FAO is aiming to reduce crop losses by 10% and assist in the development of the agro-industries sector by upgrading the skills of farmers, traders, processors and distributors in crop handling, storage and processing. Extension workers are trained in post-production management and processing in so-called knowledge platforms. \$15 million are provided for the reinforcement of disaster risk management for farmers

in order to enhance resilience and improve disaster prevention and early warning systems. This is to be achieved through "appropriate crop selection", improved cropping systems and cultivation methods, sustainable water management, afforestation, reforestation, the control of transboundary pests and diseases, and infrastructural and socio-economic measures like early-warning systems.

The **WB**, especially the IFC, further supports Risk-Management instruments and other insurance mechanisms to minimise risks for smallholder farmers. It created the *Global Index Insurance Facilities* and supports other weather index insurance initiatives.

4.1.3.4 Access to Resources

Access to land and water plays a very minor role in the discourse around the food crisis and the proposed actions to counter it. No programme proposes concrete measures to enable smallholders' access or land reforms. The FAO voiced its concern about recent land deals or landgrabbing because they are threatening communities' and farmers' access to resources, especially for subsistence farmers (FAO: 2009c). Despite the fact that the final declaration of the International Conference on Agrarian Reform and Rural Development convened by FAO in 2006 contains important principles to ensure security of land tenure and access to land for the rural poor, the effective implementation of this declaration is a highly contested issue within FAO

The WB explicitly supports agribusinesses', not smallholders', access to resources, by increased lending and supporting agribusiness supply chains. In its World Development Report 2008, which focussed on agriculture, the WB emphasises the important role of well-functioning land markets in order to transfer land to the most productive users, enabling large-scale farmers to buy up land (as they are often the ones with facilitated access to credit) and facilitate the exit of smallholders out of agriculture; in essence facilitating their migration into the city (WDR 2008). Their continuing efforts in promoting the liberalisation of land markets significantly facilitate the abbroachment of land by foreign investors which can lead to the expulsion of smallholder families and hinders their access to their land.

The WB grants few small-scale **investment loans** for agricultural production and trade liberalisation, as well as small grants for specific purposes, such as agricultural inputs. In June 2009, it further announced the establishment of the so-called **Agriculture Finance Support Facility**, with the aim to increase rural financing and access to financial services including savings, credit,

payment and insurance. Grants are to be given to banks and non-bank institutions in rural areas in developing countries. It is supported by the Bill & Melinda Gates Foundation with a \$20 million contribution (WB, 2009b). The money will support “the replication or scaling up of profitable rural finance business models and the generation of knowledge” (HLTF, 2009, p. 19).

IFAD explicitly recognises the need for “improved access to land, water, technology, financial services and markets” to empower smallholder farmers (FAO, 2009a). Despite that acknowledgement, the resources spent on crisis-response seem to be exclusively dedicated to the distribution of seeds and fertilizers.

4.1.3.5 Infrastructure, Market Access & Production Systems

The improvement of rural infrastructure to enable market access and food security plays a secondary role in most programmes, although some efforts are being made to progress in this area. The **FAO** implements food- and cash-for-work programmes in order to rehabilitate rural infrastructure and provide income support. About \$160 million were budgeted for the improvement of agricultural markets in order to increase efficiency and quality of the produce, to remove internal market distortions, to rehabilitate small-scale market-related infrastructure and ensure a steady supply of goods, to improve transparency, and to disseminate and utilise market information (2008a). Through the rehabilitation of small-scale market-related infrastructure, small farmers are to be linked to markets and market support and information services are to be encouraged. The FAO further sponsors training and training material on agricultural marketing, funds investment into rural processing and other value adding activities, and finances projects for the improvement of production systems worth \$200 million in order to increase food production. It aims to increase input availability (“high quality seeds”) and to improve the sale of output through better market linkages. It further highlights the importance of strengthening the national seed distribution system, facilitating capacity building with the nation seed service, supporting seed policy reforms and assisting in the establishment of farmer seed enterprises, and increasing early generation seed production (FAO 2008a). Lastly, it funds programmes to create awareness of better crop production practices and *new improved varieties* through community demonstration plots. Moreover, it recommends “more intensive and specialised production responding to consumers’ needs” (ibid.). In total, \$300 million are spent on the rehabilitation of rural infrastructure (2008a). The other programmes fund small projects infrastructure and production systems.

4.1.4 Assessment – Record Harvest, Record Hunger

Although all institutions and programmes that have been introduced have acknowledged the need to promote and invest in smallholder agriculture in order to meet the food crisis, the measures taken in response to the crisis are questionable. As it has become quite clear, the main focus of these programmes lies on production increase through the distribution of agricultural inputs. The rhetoric revolves around the urgent need to boost production and improve seeds and fertilizers (sometimes genetically) in order to increase the supply of food for an ever growing world population and meet the rising demand for more varied nutrition, including meat and dairy products in threshold countries like China. Yet, the record harvest in 2008 could not prevent the number of hungry people from climbing to over 1 billion, and still increasing. Although studies have shown that hunger is in fact not the result of insufficient production, but of structural problems like the unequal distribution of and lack of access to resources (land, water, credit), most programmes are exclusively focussed on enhancing production. The real problems and reasons for hunger are not addressed and policy responses ignore the human rights aspects of the food crisis.

Vietnam serves as a prime example of smallholders’ potential to drive economic growth and reduce poverty. Almost three quarters of its population lives in rural areas and survives off agriculture. In the last two decades, the country has successfully transformed from a major importer and food-deficit country into one of the largest rice-exporters in the world. Increased productivity and growth are largely due to development of the smallholder sector. Growth rates increased to 7 % and poverty rates dropped from 58% in 1993 to 13% in 2007 (Båge, 2008).

Even the CFA, with its explicit focus on improved access to input markets for smallholder farmers, states that “while the focus [...] is on smallholder farming, these actions will greatly benefit larger farmers, too” (CFA). While IFAD and, - to a lesser extent - the FAO recognise the importance of smallholders’ access to resources, concrete actions and policy advice to ensure that access (i.e. towards land reforms) seem to be missing. IFAD further acknowledges smallholders’ under-used capacities and their huge potential to increase production and “improve

food security for all" (IFAD, 2009), as well as the need for dialogue with the rural population their communities and organisations (Båge, 2008). Smallholder farmers are often more efficient than large-scale farmers in terms of production per hectare but their capacities are limited as they often do not profit from price increases and cannot access and compete on local, regional and international markets (IFAD, 2009). Thus, large-scale, export-oriented farmers play an increasingly dominant role, undermining local access to land and food and accounting for environmental pollution. The latter stems from their tendencies towards monoculture cultivation, their use of much more synthetic fertilizers and pesticides, and the fact that they do not take advantage of local and traditional knowledge. Yet, no suggestions are made on how to ensure smallholders, who produce in a more sustainable (or even agroecological) way, market access and participation in local, regional, and international trade. Very limited funding goes to pilot projects in agro-processing, connecting smallholders with agro-processors. Instead, IFAD supports agricultural research to develop drought, pest, virus and salinity resistant crop varieties (Båge, 2008), which are much more likely to benefit large farmers and create new dependencies. The problem is further aggravated by the recent **landgrabbing** trend, which ignores land rights that are often not formally documented in African states and poses a major threat to food security, since all or almost all food produced on the land that is often illegitimately bought or leased is aimed at export.

Yet, the Bretton-Woods Institutions continue to ignore these problems and focus on promoting production increase and input distribution as the one and only solution. These productive safety nets, but also food-for-work programmes and other measures, are always based on conditionalities and never universal. According to the WB's own "Independent Evaluation Group", which monitored its agricultural programmes in Sub-Saharan Africa from 1991 until 1996, the Bank has repeatedly performed very poorly in dealing with many environmental and social consequences of their programmes or policy advice. Some of these problems include declining soil fertility, the lack of access to water and irrigation for farmers, the loss of biodiversity, and the need to improve transport infrastructure enabling smallholder farmers to access markets and to address their credit constraints. The necessity to promote issues such as land and marketing reforms has been completely disregarded – even though in most countries that followed structural adjustment programmes or similar, "the private sector did not step in to fill the vacuum where the public sectors withdrew" (Bretton Woods Project, 2007). Yet, nothing

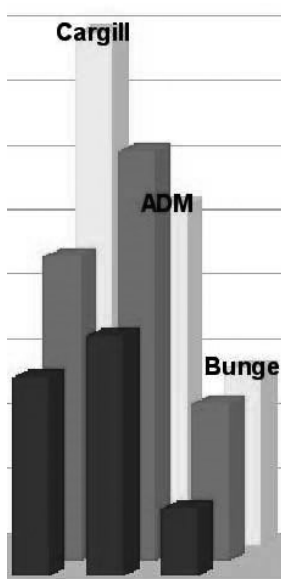
has changed. Rather than learning from the past, the Bank continues to make the same mistakes.

Another main issue that is not being addressed by the international institutions is **gender-discrimination**. Although occasionally mentioned, no propositions are put forward on how to empower women, who bear the brunt of farm labour but have the least access to and control over land and are the most vulnerable group to hunger and poverty. 70% of poor people in the world are women, yet their marginalisation is often ignored by policy makers. Rather than fulfil their right to food through empowerment and participation, the international institutions choose to focus on the distribution of expensive seeds and fertilizers, usually produced abroad, and thus create new dependencies and destroy the diversity of grains and plants. Organisations like the FAO continuously emphasise the need to improve seeds and fertilizers and strengthen commercial input supply systems (FAO, 2008c). They ignore that developing countries were *strongly encouraged* to abolish their national seed programmes in the course of liberalisation and privatisation during the last decades. Especially the WB has urged governments to close public seed companies (Bretton Woods Project, 2007), thus "paving the way for the entry of transnational seed companies" (Dano, 2007).

It remains to be proven that those new and improved seeds will turn out to be more production-enhancing than traditional, locally grown crops – and in fact, studies suggest they are not (UCS, 2009). On the other hand, a diversity of locally grown crops can increase production, as it takes advantage of local climate conditions and uses marginal land. Despite this, traditional and local knowledge about plants and crops is left behind and not prioritised by any institution. All promote better access of smallholder farmers to the "high quality seed of the appropriate crop" (FAO, 2008c) and new 'improved varieties' of seeds and fertilizers, which are likely to be patented and protected by intellectual property rights. Once farmers start using these imported, patented seeds, they have to pay for the right to re-use the harvested seeds for the next cropping season, thus generating income for the mainly foreign companies like Monsanto, which is based in the USA. This is already the case in developed countries, where Monsanto prosecutes farmers who simply retain and sow part of the harvested crops instead of paying for new patented seeds after the harvest. Transnational companies (TNC) are heavily investing in 'terminator seeds,' which germinate just once and the subsequent harvest cannot be used to grow new crops. Seeds are often incompatible with

all but a certain brand of pesticides, produced by the very same suppliers. These innovations are surely benefiting their companies, but only cause hardship for smallholder farmers. Agribusiness, seed and fertilizer companies have made record profits because of the hunger crisis and the international responses. In 2007, the agribusinesses ADM's and Bunge's profits rose by 67% and 49%, respectively, and gross profits rose by 55% and 189% in the first quarter of 2008, respectively. Fertilizer companies also benefited enormously; Potash's net income rose by 186% and Mosaic's net income by 1,200% in the first quarter of 2008 alone. Monsanto, one of the largest seed companies, increased profits by 44% in 2007 (GRAIN, 2009).

The WB fully supports the seed and fertilizer industry. In its WDR 2008, it regards the free usage of improved seeds and acknowledges a market failure that should be compensated through stronger intellectual property rights and lower barriers to the import and testing of technologies (WDR). The step from technologically improved to genetically modified crops is not a big one. Although in the CFA by the HLTF, all institutions were rather critical towards the use of genetically modified crops and seeds to boost agricultural production, 'new improved varieties' and appropriate crop selection are widely accepted.



Source: GRAIN, 2009

4.2 FOOD AID BACK ON TRACK?

Food aid

The first Food Aid programmes began in the early 50s when agricultural policies of price support for commodities generated the oversupply of cereals – first in the US and Canada, then also in Europe. In order to support domestic farmers and agribusiness, to reduce storage costs and to access new markets, governments started shipping the surpluses to friendly or strategically positioned countries to ensure their support in the cold war. The correlation of food prices to donations (food prices up => donations down) suggests that food aid was mainly used as a foreign-policy instrument and domestic agricultural support rather than for humanitarian aid. Even today, agricultural interest groups as well as the shipping industry lobby for and benefit from food aid through in-kind donations that are transported to developing countries.

In the last two decades, food aid underwent important changes. At least multilaterally, the focus of food aid shifted from strategically important countries to LDC and LIFDC and the share of locally procured or triangularly purchased (meaning purchased in other developing countries) food aid increased. Although this represents a step into the right direction, it is still benefitting large-scale commercial farmers, and thus international corporations much more than local populations. In order to ensure food security and help small farmers, food aid must be procured from smallholder farmers, which usually lack transport and marketing infrastructures, face limited supply-chain consolidation and cannot fulfil phytosanitary norms and packaging requirements. Only when these barriers are overcome can local procurement boost local agriculture and trade, eventually bolstering development and providing an environmentally friendlier, more sustainable and more cost- and time-efficient form of food aid (Mousseau, 2005). According to the OECD, tied in-kind food-aid is on average 50% more expensive than locally purchased food and 30% more than triangular purchases (2006).

Throughout the last years, there have also been indications of a slight trend away from direct food aid and towards food assistance in the form of cash or vouchers in non-crisis situations. This could be a more sustainable solution to prevent dependency on imports and encourage local production. However, it is too early to speak of a paradigm shift here, as most bilateral aid is still shipped in and distributed directly.

The US, the biggest donor of food aid, is probably most notable in these aspects. In 2007, former President Bush proposed to allocate \$300 million of the \$1.3 billion annual food aid budget for local procurement rather than in-kind donations to be shipped abroad. Congress, however, accepted only a \$25 million pilot project. Due to increased pressure by the agriculture and shipping lobby, even this was eventually denied (Stanford Daily, 2007). Hence, US food aid remains the most expensive in the world. Half of its annual food aid budget goes towards fuel, shipping and domestic processing – increasing further with rising gas prices – and raising the cost of many American food items by over 100% compared to local purchase, profiting multinational companies more than starving populations (USGAO, 2007; Barrett and Maxwell, 2005).

Despite some positive changes, food aid is still often regarded as too donor-oriented, politicised and steered by national and private interests. A good example is the case of Zambia, which refused the import of genetically modified food aid from the US through the WFP. When it remained firm in its decision despite immense pressure by WFP and US government officials, other donations were also reduced. The WFP and the donor government consciously ignored their regulations regarding the recognition of recipient countries' own standards.

The political nature of food aid can be exemplified in Afghanistan, where food aid was drastically reduced from 552,000 to 230,000 tons of food between 2002 and 2003, once the country was no longer number one on the international agenda – despite the unchanged poverty and hunger many Afghans faced (Mousseau, 2005).

Despite the stark increase in the number of hungry people in the last couple of years, global food aid deliveries have been declining since 1999, reaching their lowest level in over half a century in 2007 (WFPa). 2007 food aid amounted to 6 million tons and was little more than half of 2003, when 10.2 million tons were distributed among hungry people (WFP, 2009a). Due to higher food and fuel prices, food aid has also become much more expensive. Despite the record number of hungry people in 2008, global food aid increased by only 3.8%, totalling 6.3 million tons (ibid.).



Source: Global Food Aid WFP 2009a

4.2.1 Strategy

In order to meet the most urgent needs of those hit hardest by the crisis, the HLTF urged to increase food aid and ensure basic consumption needs of the poor, a scale-up of nutritional support, the promotion of school feeding, the adjustment of social protection programmes (to be dealt with in the next chapter), to allow the free flow of assistance, and to explore the idea of establishing humanitarian food reserves.

4.2.2 Programmes

The **WFP** has become a major player in development aid and virtually a “monopolist” in food aid, channelling 97% of multilateral food aid and almost two thirds of total food aid (WFP, 2009a). 93% of total aid is donated to LIFDC and 70.3% to LDC (WFP, 2009a). The five biggest donor countries, the US, the EC, Japan, Canada and Saudi Arabia, accounted for 72% of overall deliveries (ibid.), although the EC’s donations declined by 77%.

While food aid has traditionally been provided in the form of in-kind donations like wheat, corn or milk powder, this approach has been widely criticised and some donor

countries have undergone a shift towards more financial/cash donations to encourage local procurement (see box). In 2008, the WFP received 61% of its contributions in cash and 39% in-kind (WFP 2009). The overall spending in 2008 totalled \$3.5 billion, including an emergency package financing projects in 16 “hunger hotspots” with food assistance and safety nets worth \$214 million, and a \$1.2 billion cash package for 62 countries. According to the WFP, an additional 30 million people were fed. In total, 102 million hungry people in 78 countries received 3.9 million tons of food, compared to 3.3 million in 2007 (WFP, n.d.). In addition to food aid and assistance delivery, the WFP has conducted research on the operation and performance of national (public) food reserves.

While its food aid programmes (as well as the entire concept of food aid) have been sharply criticised by researchers/NGOs (see box), it should be recognised that the WFP is slowly undergoing a strategic shift away from mere food aid delivery and towards more food assistance (WFPa). In 2008, it has distributed cash and food vouchers for the first time. It purchased foodstuff worth \$ 1.1 billion locally or in developing countries, out of a \$5.1 billion budget, under its new *Purchase for Progress Program* (HLTF, 2009 - see box).

The **FAO** has been calling for a food aid-reform for years. In its *State of Food and Agriculture Report* from 2006, it criticised that tying food aid results in “roughly a third of the global food aid budget, or some US\$600 million, being spent in donor countries and never reaching beneficiaries”, calling for cash aid in order not to “disrupt local markets and undermine the resilience of local food systems” (FAO, 2007).

The **World Bank** contributed \$11 million to the WFP in 2008. Partly through the WFP and partly through other organisations or on its own, it spent an estimated total of \$27 million on school feeding programmes. It further supported projects funding nutrition supplements, cash transfers and food for work programmes under the GFRP (WB, 2009c).

The **IFAD** is not directly involved in food aid, as it has a rather different focus in its work. It does, however, work closely with the WFP (i.e. in India) and the FAO, following a twin-track approach in order to support both, long-term development and humanitarian emergency help.

The **EC** raised its budget for food aid (humanitarian assistance) to approximately \$462 million (€323.2 million) in 2008, compared to approximately \$315 million (€220.2 million) in 2007. Out of this budget, about 70% was channelled through the WFP; other

funds were donated to other UN agencies, NGOs and the Red Cross. About \$192 million (€134.5 million) went to the Horn of Africa, excluding Sudan, \$92 million for food assistance, \$58 million towards other forms of relief assistance and \$43 million towards projects to improve drought preparedness in the region (EC, 2008a). 14% of its food aid was procured locally and 13% triangularly (2009a). The EC further supports the shift from direct food aid to more food assistance, although it insists that all members of the WTO should “maintain an adequate level of food aid” when shifting to food aid untied and in cash (EC, 2007).

4.2.3 Assessment – Imported and Sold on the Market

Although in immediate response to the hunger crisis the amount of food aid could be scaled up considerably, there is a huge lack of funding for 2009. The political willingness to provide funds for food security seems to have diminished amidst the financial and economic crisis. Despite some changes in multilateral donor behaviour (towards increased in-cash donations) and aid distribution (towards more voucher-programmes and cash-transfers), most aid is still tied-in or purchased in developed countries. Only \$1.1 billion out of the WFP’s budget of \$5.1 billion was spent on procurement in developing countries. Accordingly, the WFP could purchase 17.2% of foodstuff locally and 24% triangularly (2009a). More local procurement would sustainably secure local production and food security in the long-run and protect the environment. It is much more cost-efficient and reduces the reliance on imports. The same goes for voucher programmes and cash transfers, which do not only benefit consumers, but also local smallholder producers. Out of the 31 million beneficiaries of the WFP, only 1.3 million received vouchers or cash transfers – compared to 6 million people taking part in various food-for-work programmes (HLTF, 2009). Furthermore, many countries (including EU Member States) still donate substantial portions of their food aid bilaterally and in-kind, rather than through multilateral organisations like the WFP. Yet, multilaterally delivered food aid is also repeatedly criticised, not only for the aforementioned reasons (see box), but also for its strong donor-orientation, such as the delivery of genetically modified foodstuff. Rather than following donors’ interests, it must strictly adhere to national rules and regulations of the receiving countries. African countries must have the same right to block GMs foods as developed countries (i.e. Germany).

The monetization of food aid is another controversial issue. Food aid can either be donated directly (through

multilateral organisations or governments) or sold on the receiving countries' markets, either by the receiving government in order to ease Balance-of-Payment difficulties or by (often US based) NGOs which need resources to finance their charitable programmes. Especially the latter should be denounced as it resembles a similar form of dumping to EU export subsidies. While 9% of total multilateral food aid is still being monetized, the percentage is much higher for some donor countries like Japan (41%) (WFP, 2009a) and is often tied to other financial transactions. The percentage of bilateral food aid sold through NGOs is even higher for some countries, particularly the US, where "up to 70 percent of non-emergency food aid flowing through NGOs is monetised" (Prifogle, n.d.).

4.3 SOCIAL SAFETY NETS WITH LOOPHOLES

The importance of social safety nets and protection programmes is uncontested among international institutions and governments. However, they can take different forms, have different priorities and target different groups of people. Most measures suggested or implemented by the institutions are conditional, benefiting a specific group of people and excluding many more. They can include school feeding programmes, direct cash or food transfers and food-for-work or cash-for-work programmes. Unlike productive safety nets, social safety nets do not aim directly for increased agricultural production, but work to ensure vulnerable groups have access to a minimum of food, thus increasing demand and indirectly strengthening local markets.

4.3.1 Strategy

In the **CFA**, considerable emphasis is put on the importance of safety nets and social protection systems. The HLTf recommends the expansion of school-feeding programmes, the adjustment of pensions and other social protection programmes to higher prices and advises to re-focus on more efficient conditional social protection policies. Only those unable to work (like the elderly, the disabled, refugees, female headed households, orphaned and vulnerable children) are to be supported unconditionally or have better access to safety nets. Everyone else has to work for food. The HLTf suggests a solution is to "identify alternatives to unconditional assistance" and move towards more "efficient programmes", to strengthen capacity to design and implement social protection policies and programmes, and to improve the quality and diversity of the food that is distributed.

4.3.2 Programmes

The **FAO** does not explicitly support social protection programmes, but only productive safety nets. Within this focus, it funds food-for-work projects and cash-for-work projects.

The **WB** has allocated considerable funds towards social safety net programmes including school feeding, food-for-work programmes, conditional cash transfers and the provision of nutritional supplements to pregnant women, lactating mothers and infants. Under the GRFP, projects worth an estimated \$364 million have been approved to support (targeted) safety nets and social protection programmes, \$7 million have been granted for cash-for-work programmes and \$10 million for cash transfers. School feeding programmes have been approved for \$27 million (WB, 2009c). In April 2009, the WB further announced to triple 'investments in safety nets and other social protection programmes in health and education [...] over the next two years' as a reaction to the economic crisis, from \$4 billion in the two years before the crisis to \$12 billion for 2009/2010. This **lending** is to fund rapid social response programmes and conditional cash transfers to families in return for sending their children to school and bringing them for periodic medical checkups (WB, 2009b and 2009c).

Even the **IMF** has recently started to support social safety programmes after decades of pressuring developing countries to meet low inflation and deficit spending targets by tying grants to strict conditions, forcing governments to cut down on public spending and social protection systems. Stringent conditions for grants led to protests in many cases and culminated in riots in Indonesia in 1998 when the government had to cut subsidies for food and fuel for the poor to qualify for a loan (Swann, 2008). For the first time in its 65 year history, the IMF linked increased spending on social safety nets to the allocation of a grant. Hungary is to triple funds for social programmes, including cash transfers and electricity subsidies, in order to receive a \$7.6 billion loan; Belarus, Ukraine and Hungary had to fulfil similar conditions (ibid.). The new IMF managing director, Dominique Strauss-Kahn, seems to put effort into changing the bad image of the fund (or "recasting the lender as a defender of the poor", as Swann put it) after increased criticism and blame for deepening recessions in other loan-receiving countries.

Although the **WFP's** main focus lies on direct emergency and relief aid, the Programme has also increased the share of its budget for voucher, cash and food-based safety nets in order to "help communities reinforce

their essential food and nutrition security systems and infrastructures, as well as their adaptability to climate change”, as proposed in its strategic plan for 2008-2011 (WFP, n.d. Strategic Plan). In 2008, it slowly started to replace food aid with cash and voucher support, especially for marginalised groups, by funding mother-and-child health and nutrition initiatives, targeted cash transfers and food vouchers as well as by expanding its school feeding programme (WFP Programme 2009). Part of its budget is also funding food-for-work programmes, which benefit 6 million people.

The **IFAD** also emphasises the importance of safety nets, but does not grant any funds to safety net programmes. The **EC**, on the other hand, is investing in food- or cash-for-work programmes under the RRF, usually financing labour-intensive public works like roads and irrigation projects.

4.3.3 Assessment – Targeting and Conditionality undermine the Right to Food

According to Oxfam, the cost of providing social protection to the poorest people in Africa would be around \$30 billion – “just three per cent of the amount injected so far to ward off a potential global financial crisis” (2008). Despite renewed efforts, only a fraction of these funds are being provided. The increased emphasis on safety nets should be welcomed as a step in the right in the direction in the fight against hunger – yet their restrictiveness and their implementation prevent substantial changes. The major shortcoming, in the CFA as well as in the different programmes, is the failure to recognise the right to food in their programmes. The victims of hunger and under nourishment are not seen as rights holders, nor are states, institutions and the donor community seen as duty holders (FIAN, 2008).

The prevailing paradigm of the CFA is well displayed in the strong conditionality and the targeted nature in all programmes and shows the “considerable mistrust in the ‘legitimacy’ of many of the hungry and malnourished to receive transfers” (ibid.). Especially in WB projects, targeting is carried to excess; incentives for non-poor people are minimised through rationing benefits (i.e. food rations are very limited) and creating physical requirements (i.e. manual labour for food and queuing) (WB, 2008a). This makes clear how exclusive the selection is and exemplifies the sacrifice of effectiveness for efficiency. Universal programmes like basic-income assistance are excluded from the outset (FIAN, 2008). Disregarding the right to food, the CFA - as well as all examined programmes – does not aim to reach every

single hungry child, man and woman, but rather aims to exclude every person who is not in absolute need and could potentially abuse the system. Targeting, efficiency, and conditionality are placed over effectiveness. However, “Correct selection, precise means and ‘filtering out’ sounds nice in theory, but remains an illusion in those places where most victims live” and is very likely to exclude many right holders (ibid.).

4.4 MACRO-ECONOMIC POLICIES, INTERNATIONAL TRADE & BUDGET SUPPORT

Any humanitarian or emergency measure to counter the Food Crisis must be accompanied by the correct policies in order to have a lasting impact on a country's development. These can be market and trade policies prescribing the release of food stocks, the reduction of tariffs, price controls, export restrictions, liberalisation or protectionist measures, as well as fiscal policies aiming to offset a negative Balance-of-Payment. All institutions and programmes give policy recommendations and advice.

4.4.1 Strategy

The HLTF is very concerned about possible effects of the food crisis on trade liberalisation and a possible return to national protectionism. Hence, in its recommendations it strongly advocates free trade and urges the speedy completion of the Doha Round to build up a “more transparent and fair international trading system” (CFA). It further supports the implementation of aid-for-trade programmes and recommends capacity-building for markets to better meet the needs of lower-income countries and to support regional or global, rather than local or national, stock sharing. The Task Force adjures to export-oriented production and recommends removing trade barriers (also for high-income countries) while simultaneously promoting smallholder production. Any kind of export restriction is unanimously condemned, import tariffs are to be reduced and VAT and other taxes to be temporarily cut. Governmental policies focussing on national food self-sufficiency rather than relying on international trade are considered a threat to the international trade system. Development aid is to be channelled through the WB and the IMF in order to finance additional imports, compensate Balance-of-Payment difficulties and rebuild confidence in the world market.

The HLTF further advises to avoid universal food subsidies, to reduce restrictions on the use of stocks/reserves and to use them to lower prices. In order to manage macro-economic implications stemming from these actions, the

HLTF strongly urges governments to hold down inflation, mobilise external support to finance additional food imports, ensure an adequate level of foreign exchange reserves and assess the impact on the Balance-of-Payments.

Most agencies and funds follow exactly the same old paradigm.

4.4.2 Programmes

The **WB** is involved in policy dialogue with many governments. Its work not only includes rapid country diagnostics and analytical work, but also policy advice. The Bank strongly recommends governments do not ban or restrain exports, and suggests they reduce distorting subsidies and trade barriers while discouraging grain stocks and pushing for a rapid closure of the Doha Round. It promotes and grants financial support to governments to counter Balance-of-payment difficulties and to compensate for sharp reductions in fiscal revenues. An estimated \$188.5 million have been approved under the GFRP in loans and development policy operations to fill financial gaps and compensate for price reductions and subsidies for basic foodstuff, reductions in customs duties, and temporary eliminations of VAT and other taxes on certain food items (WB, 2009c). \$385 million have been granted for projects to manage macroeconomic implications, including the maintenance of macroeconomic and social stability, to finance Balance-of-Payment problems related to the purchase of fertilizers and to develop a private sector-friendly voucher distribution programme (HLTF, 2009). Furthermore, the WB spent \$11 million on Economic and Sector Work products as well as technical assistance products which include policy analyses regarding agriculture, development, resource management and risk management.

The **IMF** also recommends *business as usual*, promoting the free market and disapproving of export, import or other trade restrictions. It advises to pass higher prices on to consumers in order ease external imbalances and budget deficits. Accordingly, governments are to refrain from universal subsidies and to tighten fiscal and monetary policies to abate inflation levels. Exchange rates are to act as shock absorbers through currency depreciation (Action Aid USA, BIC, Eurodad, 2008). The IMF has conducted two assessments regarding the Balance-of-Payments impacts and fiscal costs following the food crisis. As already outlined above, it increased lending under the PRGF to eleven countries and concluded four new arrangements worth a total of \$263.8 million. Five countries benefitted from the amended *Exogenous*

Shock Facility with limited conditionalities, but with strict rules on procurement. These funds amounted to a total of \$315 million (HLTF, 2009).

Unlike all other institutions, the **FAO** has recently raised some concerns about the prevailing paradigm of trade liberalisation and the reliance on food imports following the liberal dogma of comparative advantages, which dictates the efficient allocation of resources. In its assessment of country responses following the crisis (2009c), it expressed doubts about these dependencies. It recognised the causal relationship between the availability of cheap imports on the one hand and declining investments and support of agriculture by developing countries on the other, which eventually led to the food crisis (p. 26). The growing scepticism is apparent in the closing question; "What is the most efficient agriculture and food security policy to be pursued by developing countries in the long term: is it to minimize intervention in the agriculture and food sector and continue the liberalized policy orientation followed over the last 25 years with the risk of having to face future acute crises and their potential for high financial and human costs? Or is it to accept to divert part of the wealth of a country (and/or its development partners) to protect and/or subsidize an agriculture and food system to enable it to avoid or face future crises at a lower financial and human cost?" (p. 29). However, no actions or plans follow this re-thinking. The FAO has further criticised the WB and the negative consequences of its structural adjustment programmes (Liese, 2009).

The FAO is conducting policy analysis on the crisis and has spent \$25 million on advice to address higher food prices regarding import tariffs, export bans and subsidies, encouraging dialogue between all stakeholders and impact analyses of all measures (FAO: 2008a).

4.4.3 Assessment – Liberalise Now!

Most international institutions are still following the same dogma of trade liberalisation and deregulation as they have been advocating for decades. The response to the crisis is almost unanimous. None of the institutions look critically at the effects of food-trade liberalisation over the last years and its impact on food prices and price volatility. While 40 years ago, developing countries had annual trade surpluses of \$7 billion, they shrunk to \$1 billion within one decade and today, developing countries have a net food trade deficit of \$11 billion. Furthermore, the FAO estimates a \$ 50 billion deficit by 2030 (FAO, 2004, p. 14). With further liberalisation and the completion of the Doha Round, governments will be even less able to protect their farmers and to control

their food systems. The fulfilment of the right to food will become even more difficult. Although the WB is quick to stress that “world markets could be relied on to provide a steady supply of relatively cheap grain imports when needed” (WB, 2008a), the last three years have proven otherwise. After years of pressuring governments to reduce and privatise stocks and to dissolve national management and marketing boards in combination with deregulation, its sudden call for better stock management rings hollow. As Via Campesina explains, “national food reserves have been privatised and are now run like TNC. They act as speculators instead of protecting farmers and consumers. Likewise, guaranteed price mechanisms are being dismantled all over the world as part of the neo-liberal policies package, exposing farmers and consumers to extreme price volatility” (2008). National marketing boards, which grant micro-credits to smallholders, facilitate smallholder market access and restrict price volatility by buying surpluses off the market and releasing them in years of bad harvests, were frequently criticised by the international (Bretton-Woods) institutions because of their alleged cost-ineffectiveness. Their positive impact on price stability and rural development, however, was ignored and the consequences can be felt today.

Yet institutions still promote further privatisation and liberalisation. Although the FAO's new scepticism and critique of food trade liberalisation and the reliance on cheap imports is welcomed, it is too early to assess if this is indicative of real re-thinking. As the IMF's and the WB's original policy advice were partly to blame for the food crisis, it is not surprising that their reactions 'leave a lot to be desired'. The IMF pushes developing countries to depreciate their currencies in order to restrict inflation, an advice that is often impossible to implement in Africa since many countries are members of regional currency unions. The ability of these countries to adjust individual exchange rates is thus limited and they are obliged to keep inflation and deficit levels in a certain range. Hence, to achieve IMF targets which are tied to the loans, countries must raise interest rates and cut back on public spending (Muchhala, Rowden, 2008). Moreover, the restrictive monetary and fiscal policies recommended by the IMF are an inappropriate response to an “imported” problem, since the inflation is not the result of excessive domestic spending but of soaring international commodity prices. Tightening these policies would further decrease governments' budgets for public spending, further hindering development and economic growth. Investments into health, education and social safety nets would be the first to decline. The poor and the hungry, as always, would be the first to be hurt.

5 Summary and Conclusions – Treating the Symptoms, not Fighting the Cause

Despite declining world food prices, the food crisis is far from over. Price hikes in 2007 and 2008 have demonstrated the unreliability of today's world food system and revealed some of the structural problems of hunger and poverty. The number of hungry people is greater than ever – and, partly as a result of the global economic crisis, is still growing. Concerted action by policy makers of developing and developed countries, intergovernmental organisations (IGO) and civil society is needed now in order to fulfil the basic human right to food in all countries.

International leaders and institutions have come together, discussed, held high level conferences and proposed strategies on how to eradicate hunger in the world. The UN Secretary General himself convened the Bretton-Woods Institutions and UN agencies to develop a *Comprehensive Framework of Action* (CFA) and coordinate its implementation. Hunger has finally come back on the international agenda and attracted the international attention it deserves (FIAN, 2008). The message reached the top level.

This documentation analyses the reaction of IGOs to the crisis. The common strategy of the UN and the Bretton-Woods Institutions, the CFA, and its implementation through the various programmes set up by its members are assessed from a human rights perspective. The findings are laid out below and yield mixed results. Despite some positive recommendations, the main direction of the strategy and its implementation are disappointing, the CFA remains much too vague, and some proposed measures are ambiguous and threaten the right to food instead of supporting it (FIAN, 2008).

Failure to protect Human Rights

Rather than approaching hunger from a human rights perspective, focussing on hungry people as right-holders and ending marginalisation and discrimination with the aim of fulfilling their right to food, the HLTF seems to be more concerned about developing countries losing trust in trade liberalisation. The UN Secretary General Ban Ki Moon himself called upon task force members to complement the two existing pillars of the CFA (short- and long term measures to respond to the crisis) with a third, namely the **right to food** track (Windfuhr, 2009). The UN agencies IFAD, FAO and WFP supported his appeal, recognising the food crisis as a human rights issue and acknowledging the need to increase transparency, accountability, the Rule of Law and to promote participation (FAO, IFAD, WFP, 2009). Yet no actions have come to fruition through these statements

and references to the right to food remain mere rhetoric. Neither in the CFA, nor in any of the programmes set up to counter the crisis, is any reference made to legal remedies in order to enforce the right to food. On top of this, basic human rights principles like accountability, non-discrimination, participation and empowerment are completely disregarded. Furthermore, instead of recognising demonstrations by hungry people as a legitimate means to claim the right to food, the CFA conflates social movements with criminal groups 'ready to harness popular frustrations into a challenge against the state and its authority'. In order to enforce the right to food, legal remedies should be implemented on the local, national and international levels, empowering the hungry and transforming them into rights-holders. States must be held accountable for violations of this right, within their own borders and in other countries. Only then can significant progress towards the fulfilment of the right to food – and the first Millennium Development Goal (MDG) – be achieved.

Unequal distribution of funds

Both the imbalance in total budgets and the objectives and priorities set in the CFA display a serious disequilibrium between the Bretton-Woods Institutions and UN agencies. The FAO and IFAD have had considerably less resources at their disposals than the WB and the IMF (\$588 million for the FAO and IFAD¹¹ versus over \$8 billion for the WB and IMF¹²) for their programmes and measures against the food crisis. This is also reflected in the neoliberal, market-oriented nature of most measures proposed in the CFA, since the WB's and the IMF's voices seem to carry more weight than the UN institutions', and suggests a certain donor-driven orientation of the strategy. As a country's voting power is proportional to its shareholding in total capital in the WB and the IMF, developing countries don't have much of a say in these institutions.

The dominant role of the Bretton-Woods Institutions is also reflected in the content of both CFA and the different programmes.

Record Harvests – Record Hunger

Despite this, it is positive that leaders around the world are starting to recognise the importance of smallholder agriculture and agriculture-led economic growth to fight

¹¹ composed of \$347 million by the FAO and \$241 by IFAD

¹² including \$5 billion additional lending to agriculture, \$300 million by the IFC and \$200 million in Externally Funded Trust Funds; \$2 billion under the GFRP and \$615 by IMF.

hunger and poverty. The promise of the HLTF to raise the percentage of ODA going into agriculture to 17% (CFA) and the pledge by African countries to dedicate 10% of their national incomes to agriculture (in the Maputo Declaration) are welcomed. But the decisive question will be what to spend these additional funds on in order to realize the right to food. Rather than empowering smallholders, especially women, and protecting and improving their access to land, water and markets, thus offering real solutions and a sustainable way out of hunger, the discourse about agricultural promotion evolves almost exclusively around boosting production in order to feed an ever-growing world population. Yet the food crisis is not just a problem of production, but a problem of distribution and access to resources. According to the FAO, the last two years saw record grain harvests with more than enough food in the world to feed everyone, estimating 1.5 times current demand. While world population growth has declined to 1.14% annually, production has risen 2% on average annually over the last years (Holt-Giménez, Peabody, 2008). As the WFP director Josette Sheeran described: "We're seeing more people hungry and at greater numbers than before. There is food on the shelves but people are priced out of the market" (ibid.).

Boosting Agricultural production...

Yet the unanimous response is to boost production through the distribution of seeds and fertilizers. The World Bank spent almost half of its resources (dedicated to the food crisis response) on the distribution of inputs (and more if taking into account Balance-of-Payment support for government measures to boost production), the FAO dedicated almost all additional funds to seeds and fertilizers, and the IFAD also almost exclusively focuses on production increase. It is striking that agribusiness' and seed and fertilizer companies' profits have exploded over the last two years (Bunge's gross profits rose by 189% and Potash's net income climbed by 186% in the first quarter of 2008). They are likely to benefit even more from current public programmes that aim at distributing seeds and fertilizers while smallholders are at risk of becoming even more dependent on expensive imported inputs.

Rather than investing into agroecological methods of farming with a huge potential for socially and environmentally sustainable production, while at the same time preserving biodiversity and increasing yields, farmers are to rely on synthetic fertilizers and pesticides. In order to truly benefit women and smallholder farmers and ensure local and global food security, seeds should

be grown, distributed and developed locally and with public support. Yet, according to the prevailing opinion, research into new, 'improved', sometimes genetically modified varieties, rather than the use of local and traditional crops and the preservation of biodiversity, are to save the hungry and maybe lead to a new *Green Revolution*.

Meanwhile, the need for better access to land and water is disregarded in all programmes. Although a more equal distribution of resources is crucial to ensure local food security against large-scale (often non-food) exports, the necessity of land reforms are ignored and small farmers are left alone in their struggles against landgrabbing by foreign private investors or even governments. While private investments are to be supported as long as they respect human rights, aim to increase local production and do not exploit for exports, public investments into public services such as marketing and infrastructure are of at least equal importance.

Although smallholder farmers are in the centre of the discourse, they are left behind in the actions on the ground and are at risk of becoming even more marginalised.

Food Aid – Imported and Sold on the Market

Following a tremendous decline in food aid donations over the last decade, up to 2007, an increase in aid by the WFP was badly needed since food aid is often the last resort for the hungriest. It is striking, however, that since June 2008, the financial resources mobilised for the food crisis through the WFP (\$5.1 billion) are almost double the amount mobilised by the WB, FAO and IFAD together (2.78 billions)¹³ (HLTF 2009). This raises the question as to whether the international community is setting the right priorities. Long-term support for agriculture, strengthen social protection, develop and improve other measures to combat the root causes of hunger receive much less attention than short-term food aid. Furthermore, food aid can undermine local food markets if not procured locally, and can especially damage long-term food security when monetised by NGOs or governments.

While some positive developments can be observed in the food aid system in this regard – more local procurement and food assistance rather than direct food aid – much remains to be done. The current system is under urgent need for reform. In 2008, only \$1.1 billion out of the total WFP budget of \$5.1 billion was spent in food purchase in developing countries. Yet food aid purchase must

¹³ These figures refer to the sum of funds mobilised from own resources and additional funds received by these organisations together.

not only be decentralised and take place in developing countries, but also needs to be smallholder-focussed in order to truly benefit the rural populations. In order to encourage local production and prevent dependency on imports, food assistance should be preferred over direct aid wherever and whenever possible. The delivery of food aid must comply with recipient countries' regulations regarding health standards, including the right to refuse genetically modified food, and food aid must be granted following a rights-based approach, respecting the right to food rather than according to the political agenda. The monetisation of food aid and linking to commercial transactions or services in the donor county are to be abolished.

Social Protection Nets with loopholes

After years of pressuring governments to cut public spending and fulfil structural adjustment programmes by the Bretton-Woods Institutions, the WB and the IMF seem to have re-discovered the importance of social protection programmes. The WB is planning to spend \$12 billion on social safety nets in 2009/2010. Yet extreme targeting, conditionalities and the prioritisation of the search for alternatives to unconditional cash transfer over anything else prevent any real benefits for the poor. The same goes for the WFP and its Food-for-Work Programmes. Ignoring that the right to food is unconditional, this approach aims at efficiency rather than effectiveness and ignores that in practise, the extreme screening and filtration conducted excludes many of those that are most in need and for whom this support is a matter of life or death (FIAN, 2008). The illiterate, sick, the young and the old are often ignorant of public programmes, face the biggest difficulties in applying for cash transfers and thus risk to stay hungry.

Fair trade? – Free Trade!

The consequences of decades of liberalisation and privatisation have become apparent in the last years, yet the structural problems of the food crisis are consistently ignored. The diversion of investment away from agriculture in many developing countries and into other sectors or more 'efficient' producer countries, in combination with trade liberalisation and increased reliance on cheap imports, proved deadly for many people.

Nonetheless, that is what most institutions swear by. The WB, the self-proclaimed world leader in the fight against hunger today, and the IMF, whose policy advice and structural adjustment programmes (SAP) are responsible

for many of the underlying problems faced today, follow the same path they have been advocating for decades and stick to the recommendations of the CFA: urging the rapid completion of the Doha Round and strongly recommending to cut tariffs, subsidies and end food export restrictions, without distinction or consideration of circumstances which might justify the use of such instruments in a given country in order to secure stable domestic prices for the poor (FIAN, 2008).

All proposals relating to trade or taxation policies follow the same neo-liberal model and the role of the private sector is further over-emphasized, although it has proven to be unreliable in many areas and failed to close gaps resulting from market deregulation. Though the Balance-of-Payment support by the WB and IMF is an important part of crisis management, the allocation of loans rather than grants will only lead to further entanglement in the debt trap.

In order to eradicate hunger, trade negotiations, including the Doha Round and bilateral or regional negotiations, should aim for a pro-development outcome. The impact of existing and new trade agreements on the right to food and other human rights should be assessed instead of organizations and institutions dogmatically insisting on the same old paradigm of trade liberalisation. The prevalence of human rights over any other international agreement is an important principle of international law. This means that trade and investment agreements should never limit national policy spaces to realise the right to food, i.e. by protecting markets from cheap imports.

Public intervention in food markets, including national management boards and seed distribution systems, must be allowed and national or regional publicly owned strategic food reserves are to be encouraged. Developed countries must immediately reform their agricultural policies and end export subsidies which enable their companies to sell their products below the costs of production.

Undemocratic Processes – who monitors?

Global food governance and development aid for the fight against hunger remain shrouded and secretive businesses. The international community still fails to assess and analyse the measures taken by institutions and to make these institutions accountable for their impacts. The common strategy to combat the food crisis, the CFA, was never agreed upon by democratically elected governments. In particular, governments and parliaments of developing countries and even more-so, People's Organisations (PO), which represent those most affected by hunger, have not been sufficiently consulted. The only legitimate framework under which to elaborate upon such an important strategy would be under the patronage of the UN with equal representation of all countries. In this context, the current efforts to fundamentally reform the *Committee on World Food Security* (CFS) and to make it the backbone of the coordination, strategising and monitoring of international efforts to combat hunger are to be welcomed. The FAO guidelines on the right to adequate food should serve as the basis for the CFS activities, and civil society organisations, especially those of women, small farmers, indigenous peoples, pastoralists, agricultural workers and urban dwellers, must have an important role in such a platform.

Not only the international coordination, but similarly the country-level coordination of the non-democratically elected HLTF, is questionable and fails to involve civil society in a significant and serious way. Any initiative to counter the food crisis and fight hunger should be developed in close cooperation with (and participation of) parliaments, NGOs, small producers' organisations and local communities, and should take into account local conditions and make use of traditional knowledge.

More of the Same

Rather than taking the bull by the horns and addressing the core underlying problems of hunger today, the prevailing paradigms have not changed. Almost unanimously, leaders call for more of the same: more free trade, more production, more Green Revolution, more seeds, more fertilizers, more pesticides, more imports, more exports, more private sector-involvement, more conditionalities on basic social services...

Unfortunately, that all comes with more dependence on highly volatile world markets, more environmental pollution, degradation and destruction and in the end, more poverty and more hunger. This does not, however, come with more local food availability, more empowerment for women and smallholders, and more and better access to and more sustainable use of resources. As Jacques Diouf, the Director-General of the FAO, has warned; "The target of halving hunger by 2015 might well not be reached. Indeed, under prevailing trends, that target would only be reached in 2150, instead of 2015" (FAO, 2009e). It is time to act now.

As long as no democratisation of the global food governance network takes places, the fight against hunger will remain donor-driven and will continue to disregard the right to food. The voices of social movements in developing and developed countries, which challenge the prevailing system and call for a radical paradigm change under the banner of food sovereignty, must finally be heard. The World Food Summit in November provides a good forum in which to re-think, offering a great chance and challenge at the same time. If this chance is not used, the mantra will remain; just some more of the same!

6 Literature List

- Action Aid USA, BIC, Eurodad. (2008). *Quick fixes or real solutions? World Bank and IMF responses to the global food crisis*. Retrieved July 5, 2009, from http://www.fian.org/resources/documents/others/copy_of_quick-fixes-or-real-solutions
- African Union. (2005). *10 Percent National Budget Allocation to Agriculture Development*. Retrieved July 28, 2009, from http://www.africa-union.org/root/ua/Conferences/2008/avril/REA/01avr/Pamphlet_rev6.pdf
- Båge, L. (2008). Statement of Lennart Båge, President of IFAD to FAO High-level conference on World Food Security and the Challenges of Climate Change and Bio-energy. Retrieved August 15, 2009, from <http://www.ifad.org/events/op/2008/food.htm>
- Barrett, C. B. & Maxwell, D. (2005). *Food Aid After Fifty Years*. London: Routledge.
- BBC. (2008). *The cost of food: Facts and figures*. Retrieved July 20, 2009, from <http://news.bbc.co.uk/2/hi/7284196.stm>
- Blas, J. (2009). IFC to boost agricultural lending by 30%. In *Financial Times*, London. Retrieved July 20, 2009, from http://www.ft.com/cms/s/0/23beb79e-7f72-11de-85dc-00144feabdco.html?ncllick_check=1
- Bretton Woods Project. (2007). *Failing small farmers: The World Bank and agriculture*. www.brettonwoodsproject.org/art-558763
- CME Group. (2009). *A Global Trading Summary of Grain, Oilseed and Livestock Markets*. Monthly update. Retrieved August 27, 2009, from <http://www.cmegroup.com/trading/commodities/files/magu.pdf>
- Donald Danforth Plant Science Center. (2005). *Danforth Center Researchers secure Gates Foundation Grant*. Retrieved August 30, 2009, from <http://www.danforthcenter.org/newsmedia/NewsDetail.asp?nid=107>
- Dano, E. (2007). *Unmasking the New Green Revolution in Africa: Motives, Players and Dynamics*. Retrieved August 3, 2009, from <http://www.twinside.org.sg/title2/par/Unmasking.the.green.revolution.pdf>
- European Commission. (2007). *Food aid – Exploring the Challenges*. Retrieved August 12, 2009, from http://www.foodaid2007.de/documents/participants/foodaid_rasmussen.pdf
- European Commission.(2008a). *EU Commission provides €15m for emergency food aid in Horn of Africa*. Retrieved August 18, 2009, from http://www.europa.eu-un.org/articles/en/article_8228_en.htm
- European Commission. (2008b). *Regulation No 1337/2008 of the European Parliament and of the Council of 16 December 2008 establishing a facility for rapid response to soaring food prices in developing countries*. Retrieved August 8, 2009, from <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:354:0062:0069:EN:PDF>
- European Commission. (2009). *Commission Decision C(2009)2185*. Retrieved August 28, 2009, from http://ec.europa.eu/europeaid/what/food-security/documents/food_facility_overall_plan_300309_en.pdf
- European Commission. (n.d.a). *EU Budget 2010*. Retrieved August 21, 2009, from http://ec.europa.eu/budget/budget_detail/next_year_en.htm
- European Commission. (n.d.b). *EU Budget 2009*. Retrieved August 21, 2009, from http://ec.europa.eu/budget/budget_detail/current_year_en.htm
- Fairtrade Foundation. (2009). *The global food crisis and Fairtrade: Small farmers, big solutions? A Fairtrade Foundation Report*. Retrieved August 5, 2009, from http://www.fairtrade.org.uk/includes/documents/cm_docs/2009/ff_ft_conference_reportfinal.pdf
- Food First information and Action Network. (2008). *FIAN Position Papers. Time for a Human Right to Food Framework of Action*. Retrieved August 2, 2009, from <http://www.fian.org/resources/documents/others/time-for-a-human-right-to-food-framework-of-action/pdf>
- Food and Agriculture Organisation. (2004). *The State of Agricultural Commodity Markets*. Retrieved August 5, 2009, from <ftp://ftp.fao.org/docrep/fao/007/y5419e/y5419e00.pdf>
- Food and Agriculture Organisation. (2007). *FAO urges food aid reform*. Retrieved August 5, 2009, from <http://www.fao.org/newsroom/en/news/2007/1000482/index.html>
- Food and Agriculture Organisation. (2008a). *Food Outlook June 2008*. Retrieved September 1, 2009, from <ftp://ftp.fao.org/docrep/fao/010/ai466e/ai466e00.pdf>

- Food and Agriculture Organisation. (2008b). *Crop Prospects and Food Situation*. Retrieved August 5, 2009, from <http://www.fao.org/docrep/010/ai465e/ai465e10.htm>
- Food and Agriculture Organisation. (2008a). *Initiative for Soaring Food Prices. Programme Document*. Retrieved August 3, 2009, from http://www.fao.org/fileadmin/templates/worldfood/Reports_and_docs/ISFP_Programme_Document.pdf
- Food and Agriculture Organisation, World Food Programme. (2009a). *Responding to the food crisis: synthesis of medium-term measures proposed in inter-agency assessments*. Retrieved August 3, 2009, from http://www.fao.org/fileadmin/user_upload/ISFP/SR_Web.pdf
- Food and Agriculture Organisation. (2009b). *More people than ever are hungry*. Retrieved August 3, 2009, from http://www.fao.org/fileadmin/user_upload/newsroom/docs/Press%20release%20june-en.pdf
- Food and Agriculture Organisation. (2009c). *Initiative on Soaring Food prices. Country Responses to the food security crisis: Nature and preliminary implications of the policies pursued*. Retrieved August 3, 2009, from http://www.fao.org/fileadmin/user_upload/ISFP/pdf_for_site_Country_Response_to_the_Food_Security.pdf
- Food and Agriculture Organisation. (2009d). *ISFP and the UN High-level Task Force on the Food Security Crisis*. Retrieved July 20, 2009, from <http://www.fao.org/isfp/isfp-and-the-un-high-level-task-force-on-the-food-security-crisis/en/>
- Food and Agriculture Organisation. (2009e). *Address by Jacques Diouf on the Global Food Security Crisis*. Retrieved August 10, 2009, from http://www.ransa2009.org/html/docs/docs/speech_DG_FAO_ransa2009.doc.pdf
- FAO, IFAD, WFP (2009). *Joint Statement of the Rome-Based Agencies WFP, FAO and IFAD on the occasion of the Interactive Thematic Dialogue of the U.N. General Assembly on the Global Food Crisis and the Right to Food* New York, 6 April 2009 by Pedro Medrano, Director, UN World Food Programme Bureau for Latin America and the Caribbean. Retrieved August 1, 2009, from <http://www.un.org/ga/president/63/interactive/globalfoodcrisis/wfp.pdf>
- GRAIN. (2009). *Corporations are still making a killing from hunger*. Retrieved July 30, 2009, from <http://www.grain.org/seedling/?id=592>
- The Guardian. (2008). *Secret report: biofuel caused food crisis; Internal World Bank study delivers blow to plant energy drive*. Retrieved July 28, 2009, from <http://www.guardian.co.uk/environment/2008/jul/03/biofuels.renewableenergy>
- High Level Task Force. (2008). *Comprehensive Framework for Action*. Retrieved July 29, 2009, from <http://www.un.org/issues/food/taskforce/Documentation/CFA%20Web.pdf>
- High Level Task Force. (2009). *Outline of Progress Against the July 2009 Comprehensive Framework for Action*. Retrieved September 5, 2009, from http://asiadhr.org/activityblogs/financialcrisis/text/cfa_progress_outline.pdf
- Holt-Giménez, E. & Peabody, L. *From Food Rebellions to Food Sovereignty: Urgent call to fix a broken food system*, Institute for Food and Development Policy, May 16, 2008. Retrieved August 1, 2009, from <http://www.foodfirst.org/files/pdf/bgr%20spring%202008%20Food%20Rebellions.pdf>
- International Fund for Agricultural Development. (2009a). *About IFAD*. Retrieved July 10, 2009 from <http://www.ifad.org/governance/index.htm>
- International Fund for Agricultural Development. (2008). *IFAD's response to the food price increase*. Retrieved July 10, 2009, from <http://www.ifad.org/gbdocs/repl/8/iii/e/REPL-VIII-3-R-4.pdf>
- International Fund for Agricultural Development. (2009b). *Food prices: smallholder farmers can be part of the solution*. Retrieved July 19, 2009, from <http://www.ifad.org/operations/food/farmer.htm>
- International Monetary Fund. (2008). *Food and Fuel Prices – Recent Developments, macroeconomic Impact, and Policy Responses. An Update*. Retrieved July 24, 2009, from <http://www.imf.org/external/np/pp/eng/2008/091908.pdf>
- La Via Campesina. (2008). *A response to the Global Food Prices Crisis: Sustainable Family Farming can feed the world*. Retrieved July 30, 2009, from http://www.viacampesina.org/main_en/index2.php?option=com_content&do_pdf=1&id=483
- Liese, A. (2009). *Die Nahrungsmittelkrise: Chance oder Krise der Welternährungsorganisation? In Vereinte Nationen, Zeitschrift für die Vereinten Nationen und ihre Sonderorganisationen*. DGVN, 02/09

- McMichael, P. (2009). *The World Food Crisis in Historical Perspective*. Retrieved July 10, 2009 from <http://www.globalresearch.ca/index.php?context=va&aid=14378>
- Mousseau, F. (2005). Food Aid or Food Sovereignty? For *Oakland Institute*. Retrieved August 10, 2009, from <http://www.oaklandinstitute.org/pdfs/fasr.pdf>
- Muchhala, B and Rowden, R. (2008). *IMF Policy on the Global Food Crisis of 2008*. G-24, Policy brief No. 40. Retrieved August 2, 2009, from <http://www.brettonwoodsproject.org/art-562450>
- Organisation for Economic Co-operation and Development. (2006). *The Development Effectiveness of Food Aid: Does Tying Matter?* Paris.
- Oxfam, (2008). *The Time is Now: how world leaders should respond to the food price crisis*. Retrieved July 1st, 2009, from http://www.oxfam.org.uk/resources/policy/conflict_disasters/downloads/bn_time_is_now.pdf
- Prifogle, E. (n.d.). Discuss the theoretical debates and empirical evidence surrounding cash versus food aid. In *Social Policy in Developing Countries, Week Five*. Retrieved September 13, 2009, from <http://weblearn.ox.ac.uk/site/socsci/appsoc/compsocpol/courses/spdcoo1/HT09%20-%20Week%205%20handout,%20E%20Prifogle.docx>
- Progressio. (n.d.). *Why smallholder farmers are fundamental to food security*. Retrieved August 7, 2009, from http://www.ciir.org/progressio/Internal/97476/why_smallholder_farmers_are_fundamental_to_food_se/
- Shah, A. (2007). Food Aid. In: *Global Issues*. Retrieved August 20, 2009, from <http://www.globalissues.org/article/748/food-aid>
- Stanford Daily. (2007). Let them eat pie. In *Stanford Daily*, 30.10.07. Retrieved September 1, 2009, from <http://www.stanforddaily.com/cgi-bin/?p=1025650>
- St Louis. (2009). *Gates Grant Will Help Danforth Center Fight Hunger*. Retrieved August 20, 2009, from <http://www.gotostlouis.org/x3621.xml>
- Swann, C. (2009). Strauss-Kahn Recasts IMF as protector of Safety Nets for Poor. *Bloomberg*. Retrieved July 15, 2009, from <http://www.bloomberg.com/apps/news?pid=20601087&sid=a6hUyEbmEzpA&refer=home>
- Union of Concerned Scientists (UCS). (2009). *Failure to Yield*. Retrieved August 2, 2009, from http://ucsusa.org/food_and_agriculture/science_and_impacts/science/failure-to-yield.html
- United Nations. (2009). *The UN System Response to the World Food Crisis (as of September 2008)*. Retrieved July 15, 2009, from http://www.un.org/issues/food/taskforce/FACT_SHEET.pdf
- United Nations Committee on Economic, Social and Cultural Rights. (1999). *Substantive Issues arising in the Implementation of the International Covenant on Economic, Social and Cultural Rights, General Comment 12, The Right to Adequate Food (Art. 11)*, Twentieth Session, 1999
- United Nations Conference on Trade and Development. (2008). *World Trade Report*. Geneva.
- United Nations Development Programme. (2005). *Millennium Project Task Force on Hunger: halving Hunger: It Can Be Done*. Millennium Project, New York 2005
- United States Census Bureau. (2008). *International Data Base*. Retrieved July 10, 2009, from www.census.gov/ipc/www/img/worldgr.gif
- United States Department of Agriculture (USDA). (2008). *Global Agricultural Supply and Demand: Factors Contributing to the Recent Increase in Food Commodity Prices*. Retrieved August 24, 2009, from <http://www.cmegroup.com/trading/commodities/files/WRS0801.pdf>
- United States Government Accountability Office (USGAO). (2007). *Foreign Assistance: Various Challenges Impede the Efficiency and Effectiveness of U.S. Food Aid*, GAO-07-560, April 13, 2007. Washington, D.C.
- Wahl, P. (2008). *Spekulation untergräbt Recht auf Nahrung*. Retrieved August 20, 2009, from <http://www.weed-online.org/suchen/1834223.html?searchshow=spekulation>
- Welthungerhilfe. (n.d.). *Immer mehr Menschen leiden Hunger*. Retrieved August 2, 2009, from http://www.welthungerhilfe.de/fileadmin/media/pdf/infografiken/Welthungerhilfe_Grafik_Hungerleiden.pdf

- Windfuhr, M. (2009). Das Recht auf Nahrung und die Nahrungsmittelkrise. In *Vereinte Nationen*, Deutsche Gesellschaft für die Vereinten Nationen
- World Bank. (2008a). *Rising Food Prices: Policy options and WB response*. Retrieved July 18, 2009, from http://siteresources.worldbank.org/NEWS/Resources/risingfoodprices_backgroundnote_apro8.pdf
- World Bank. (2008b). *World Development Report 2008*. Washington, DC
- World Bank. (2008c). *A Note on Rising Food Prices*. Retrieved August 15, 2009, from http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2008/07/28/000020439_20080728103002/Rendered/PDF/WP4682.pdf
- World Bank. (2008d). *Sovereign Wealth Funds Should Invest in Africa, Zoellick Says*. Retrieved September 2, 2009, from <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:21711325~pagePK:64257043~piPK:437376~theSitePK:4607,00.html>
- World Bank. (2009a). *World Bank Expands Response to Food Price Crisis to \$2 Billion*, Retrieved September 1, 2009, from <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22150918~pagePK:64257043~piPK:437376~theSitePK:4607,00.html>
- World Bank. (2009b). *Food Crisis. What the World Bank Is Doing*. Retrieved September 3, 2009, from www.worldbank.org/foodprices/bankinitiatives.htm
- World Bank. (2009c). *World Bank Global Food Crisis Response Programme Project Status, August 27, 2009*. Retrieved September 3, 2009, from <http://www.worldbank.org/foodprices/pdf/GERPPProjectStatus.pdf>
- World Food Programme. (2009a). *2008 Food Aid Flows*. Retrieved September 5, 2009, from <http://documents.wfp.org/stellent/groups/public/documents/newsroom/wfp205880.pdf>
- World Food Programme. (2009b). *Annual Report 2009*
- World Food Programme. (2009c). *Hunger Crisis Hits Small Farmers, G8 Ministers Told*. Retrieved September 5, 2009, from <http://www.wfp.org/stories/g8-ministers-discuss-hunger-crisis-hit-farmers>
- World Food Programme. (n.d.). *Strategic Plan 2008-2011*. Retrieved August 12, 2009, from http://www.wfp.org/sites/default/files/WFP_Strategic_Plan_2008-2011_o.pdf
- World Food Programme. (n.d.). *Our Work*. Retrieved July 15, 2009, from <http://www.wfp.org/our-work>
- World Health Organisation. (2009). *Food and Agriculture Organisation*. Retrieved July 20, 2009 from http://www.who.int/food_crisis/network/fao/en/index.html



FIAN INTERNATIONAL
Willy-Brandt-Platz 5
69115 Heidelberg, Germany
Tel.: +49-6221-6530030
Fax: +49-6221-830545
E-mail: fian@fian.org
<http://www.fian.org>