Between 1996 and 2006, the number of chronically hungry people in poor countries increased by over 20 million.**(1)** Today, 850 million people – 13 percent of the world population – cannot afford their most basic food needs.**(2)** And every year more than 8 million people die as a result of hunger and malnutrition.**(3)** By undermining the health and productivity of individuals, hunger also obstructs social and economic development at large.

People affected by food emergencies only represent a fraction of those suffering from hunger. But, that amount is increasing as global climate change and armed conflict have doubled the number of food crises since the 1980s.**(4)** Every year, the UN's World Food Programme provides emergency relief to over fifty million people.**(5)**

Governments have an obligation to ensure that all people have access to adequate food. The human right to food is recognized in the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights (ICESC).**(6)** And at the UN Millennium Summits in 2000 and 2005 and at the World Food Summit in 1996, governments made pledges to reduce world hunger by half.**(7)**

Food aid – given either as actual food items or as cash to buy food – can play a critical role in reducing hunger. By providing emergency food aid, governments, UN agencies and non governmental organizations can save millions of lives when natural disasters or wars threaten people's access to food. And by giving non-emergency food aid, such as school-lunches, they can improve health and encourage children to go to school, which has proven essential to a country's long-term development.

Yet, the current global food aid system is crippled with problems. Donor countries often fail to pledge enough food aid and they deliver aid late and unevenly. Food aid can also undermine local agricultural production in recipient countries and threaten long-term food security. In fact, some donor countries have designed food aid programs that primarily promote their own domestic interests, rather than helping the hungry. For example, legislators set up the US food aid program to expand markets for US exports and dispose of agricultural surpluses generated by domestic farm subsidies.**(8)** It is true that even the best-designed food aid programs, based on the best of intentions might result in shortcomings. But, donor countries could overcome most food aid challenges if they prioritized the needs of the poor and hungry, rather than letting national strategic and commercial interests or media coverage decide how and where to provide food aid.

**Challenges of Global Food Aid**

**1) Not Enough**

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Governments consistently fail to provide enough resources for hunger emergencies and food aid development projects. The World Food Programme (WFP), which depends on voluntary contributions from governments, channels about 54 percent of all food aid and 75 percent of all emergency food aid. In 2006, the WFP's relief programs experienced a $479 million shortfall, representing more than 20 percent of needed funds. Many individual emergencies had over a 50 percent shortfall and "forgotten" refugee crises in Gambia and Djibouti experienced a 100 percent shortfall.**(9)** Without full funding from governments, the WFP is forced to take drastic measures such as cutting food rations and delivering food aid to a smaller part of the suffering population. According to the UN's Food and Agricultural Organization (FAO), part of the problem lies in donor governments' "short-term funding horizons," which lead to diminishing funds for both hunger crises that have advanced beyond the first critical stage as well as long-term chronic crises that are neglected by donors and media.**(10)** Put in a comparative perspective, the shortfall data primarily illustrate donor countries' lack of commitment to the needs of the hungry. Every year, rich countries spend about $300 billion on agricultural subsidies, 100 times the WFP's $3 billion funding needs for all relief and development projects.

**2) Unevenly Distributed**

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While some crises receive little or no funding, other crises receive full or almost full funding. National interests and media attention, rather than need, often determine how governments as well as private donors prioritize crises. High-profile cases like the Asian Tsunami in December 2004 and the WFP's emergency operation in Iraq in 2003 received plenty of funds on time. Meanwhile just one year after the fully-funded WFP operation in Iraq, donor countries had already lost interest and funded only 4 percent of the WFP's project to feed hungry primary school children in the same country.

The hunger crisis in Niger in 2005 is perhaps the best known example of how international media can influence who gets funding. As early as November 2004, the WFP began issuing appeals predicting major hunger in Niger. But it was only after media began broadcasting images of starving children in the summer of 2005, that donors started to pledge money. Most hunger emergencies, though, go unreported, and the media seem to take an interest only when the crises have reached full-blown proportions. Powerful images of starving human beings are more likely to appear on the evening news than are reports about chronic hunger and poverty.

Other cases of shortfalls show how donor countries use food aid to promote a political agenda. In 2005, as the Washington-Pyongyang dispute over nuclear arms intensified, the US government halted all food shipments to North Korea.

The WFP has very limited flexibility in transferring resources to the place they are most needed and to offset the uneven distribution of funds. This is because the bulk of the funding to the WFP is "bilateral" – donor countries earmark donations to specific countries or operations. Donors give only about 15 percent as undirected "multilateral" aid, allowing the WFP to decide where and how to distribute it.**(11)**

**3) Tied to Donor's Domestic Production and Shipping**

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In 2006, 62 percent of global food aid was produced in donor countries and then transferred either directly to recipient governments or via a multilateral organization or an NGO.**(12)** In emergencies where the local market has collapsed, such in-kind food aid may be the best way to get food delivered fast to those who need it. But, in most cases, direct transfers of food aid are costly, inefficient and risk pushing down prices and discouraging production in recipient countries, with severe effects on future food security.

To avoid such an outcome, donor countries can instead purchase food within the recipient country (local purchase) or from a third, often neighboring, country (triangular purchase). Experts generally agree that triangular, and in particular, local purchases speed up delivery, reduce transaction costs, better respect cultural eating habits, and support local and regional markets. In 2006, donor countries – mainly European ones – purchased 38 percent of all food aid on local or regional markets.**(13)** Donors can make such purchases bilaterally or through cash grants to the WFP and NGOs. Cash donations generally give the WFP more flexibility than food donations, but sometimes donor countries apply spending restrictions, requiring that food aid be procured "in a certain manner or area or for a particular destination."**(14)**

In some cases local purchases can also distort local markets, by raising food prices for poor consumers who do not receive food aid.**(15)** Still, tying food aid to donors' domestic production and shipping is extremely costly. Some estimate that the US spends half of its food aid budget on national processing and shipping. On a global scale, the FAO estimates that one third of all food aid resources get wasted by such requirements.**(16)**

Also, direct delivery of in-kind food aid constitutes a form of agricultural subsidy. The US food aid program was originally set up to dispose of agricultural surpluses generated by domestic farm subsidies.**(17)** Current US legislation requires that 75 percent of food aid be procured, processed and packed domestically and that it be transported by US vessels. The US government buys this food aid from a handful of large agribusiness companies and then pays for shipping – all at above-market prices. In 2003, Cargill and Archer-Daniels Midland provided a third of all US food aid and in 2001, four shipping companies – Wilson Logistics, BKA Logistics, Fettig & Donalty and Panalpina – handled 84 percent of US food aid.**(18)**

In 2007 the US Department of Agriculture (USDA) suggested using up to 25 percent of US food aid budgets for local and regional food purchases.**(19)** Compared to most European countries, 25 percent represents a small share of local and regional food procurement. But it would still significantly improve US food aid. In July 2007, the US Congress rejected the USDA proposal, responding to pressure from an unconventional alliance of relief NGOs, agribusiness and shipping companies. The NGOs who fund part of their development work by selling US food aid, oppose a reduction of in-kind food aid, unless the US provide cash grants or a similar substitute for their loss of revenue.

**4) Too Slow and Badly Timed**  
Even though the WFP can deliver food aid in as little as 48 hours, food aid often arrives too late, as donor countries are slow to both pledge and deliver. Direct transfers of food aid from the donor country generally slow down the delivery. US food aid shipments take five months on average to reach their destination.**(20)** Many hunger crises could be avoided altogether and at a smaller financial cost if donor countries would only respond faster. These include hunger crises that build slowly, such as those caused by droughts and other seasonal climate events, or those caused by hyperinflation, conflicts or epidemics like HIV/AIDS. Experts agree that had governments responded to the WFP's initial appeals in November 2004, the Niger hunger crisis could have been avoided, at a relatively small cost.**(21)**

The timing of the food aid's arrival can also determine if and how much food aid will distort local production. If the aid arrives at harvest time, at the end of the hunger season, it could create a surplus of food available, which may undermine the prices local farmers get for their products.**(22)**

**5) Not Targeted to People in Need**

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Food aid experts argue that governments, UN agencies and NGOs must "target" food aid to the people in need to avoid displacing local production. Targeting food aid refers to the attempt to deliver food aid to the ones in need – including all the people who need it and excluding the people who do not.**(23)** When the food aid reaches those in need, it is less likely to reduce the overall consumption of locally produced foods. About one quarter of global food aid is not targeted to vulnerable groups, but instead sold at the open market to generate cash.**(24)**

**Emergency food aid** is generally considered the most targeted type of food aid, even though perfect targeting is not possible.**(25)** Emergency food aid's share of total global food aid has increased substantially in the last couple of decades. In 1991, 26 percent of global food aid deliveries went to emergencies, while in 2005 this figure was 64 percent. This increase reflects the upsurge of food crises, but it also results from more pressure on policy makers to provide food aid targeted at the most vulnerable and needy groups.

Non-emergency food aid such as **project food aid** can also be targeted at vulnerable groups. This includes food aid projects improving nutrition among certain groups, such as women or families affected by AIDS. But some project food aid is "monetized," i.e. sold on the open market to generate cash. Monetization is mainly practiced by large US-funded NGOs (such as CARE, World Vision, and Catholic Relief Services) to raise money for shipping and handling of food aid, but increasingly also to generate funds for their broader development work.**(26)** In its 2006 report on "The State of Food and Agriculture," the FAO stated that monetization of project food aid increased from about 10 percent in the late 1980s, to over 30 percent in less than two decades. The FAO and many others have urged that organizations should stop monetizing food aid as it risks distorting local markets and production.**(27)** And some NGOs like CARE have set goals to phase out this procedure. In the summer of 2007, CARE announced that it would turn down $45 million a year of US food aid. CARE argued that monetization of US food aid reduced the effects of the organization's development work.**(28)** Other NGOs have defended monetization of food aid as a critical source of funds for their work. And overall, NGOs have increased monetization. In 2006, NGOs monetized 68 percent of all their project food aid.**(29)**

A more positive trend is the decline of a third food aid category, program food aid. Governments are the only providers of program food aid, with the largest contributors in 2006 being the US, the European Commission and Japan.**(30)** Unlike emergency and project food aid, program food aid never targets needy groups. Instead, recipient governments sell the food aid - always procured in the donor country - on the open market. By definition, such food aid undermines local production and can harm long-term food security. To make matters worse, governments provide 17 percent of the program food aid as low-interest loans - concessional sales - rather than as grants.**(31)** The US and South Korea are the only countries providing food aid as concessional sales. Fortunately, data suggests that these concessional sales are decreasing.

**Program food aid** has declined from 2.8 million tons in 1996 to 0.9 million in 2006, along with reduced domestic farm subsidies. In 2006, program food aid made up only 13 percent of all global food aid, down from almost 40 percent 10 years earlier.**(32)** But, program food aid continues to provoke criticism and in its 2006 report, the FAO recommended that all non-targeted food aid, including program food aid, be completely eliminated.**(33)**

**6) Volatile – Quantities Not Responding to Global Need**

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The total annual amount of food aid depends only partly on global needs. Changes in commodity prices and availability of agricultural surpluses in donor countries play important roles as well. When donors of in-kind food aid have larger surpluses of domestic stocks, they can flood markets with cheap products, pushing prices down and threatening production by local farmers. For example, in 1999, unusually good harvests produced a large surplus of agricultural goods in donor countries. As a result the quantities of food aid increased by 79 percent compared to the previous year. The bulk of this increase consisted of program food aid, again showing that donors respond primarily to domestic interests, rather than the needs of the poor and hungry.**(34)** The large quantities of food aid pushed down prices of agricultural goods in poor countries, threatening the means of survival for poor farmers around the world.**(35)**

When food is scarce and commodity prices increase, some donor countries provide less, rather than more food aid and vice versa. Between 1970 and 1974, when cereal prices rose, food aid volumes fell by half.**(36)** More recently, an increasing demand for ethanol and other biofuels has led to higher food prices and donor countries are responding by reducing food aid quantities.**(37)**

**7) Disrespectful of Local Diets and Genetically Modified**  
The "General Comment on the Right to Food" in the International Covenant on Economic, Social and Cultural Rights states that the right to food implies food "free from adverse substances, and acceptable within a given culture."**(38)** But, food aid has at times changed consumption patterns in recipient countries. For example, during the West African Sahel food crises in the 1970s and 1980s, massive shipments of wheat and rice shifted consumer demand towards Western crops.**(39)** Some changes in consumption have taken place unintentionally, while in other cases donor countries have sought to change consumers' food preferences to stimulate demand for their exports.**(40)** By procuring food aid locally and to a large degree even regionally, donor countries can avoid changing consumption patterns in recipient countries.

Another related controversy concerns the provision of Genetically Modified (GM) crops as food aid. Biotech industries and major agribusiness companies, such as Monsanto, have effectively promoted GM products since the mid 1990s. They claim that biotechnology provides environmental and economic benefits to farmers and consumers. But critics warn that GM crops may cause health problems and endanger biodiversity. So, by providing GM food aid, donors may cause long-term environmental and health problems in recipient countries, harming food security.**(41)** Still, the US delivers millions of tones of GM food aid every year, both bilaterally and through the WFP.**(42)**

The WFP accepts donations of GM food but the organization is required to respect recipient countries' right to reject GM food aid. Also, donor countries can request that the WFP buys non-GM food aid with their cash contributions.**(43)** Still, there have been cases where the WFP has given countries in crisis no choice but to accept GM crops. For example, during the Southern African food crisis in 2002, several countries, including Zambia, Zimbabwe and Mozambique, initially refused US-donated GM maize. The WFP argued that no other food aid was available and after a few months of worsening crisis, all countries, except for Zambia, agreed to accept GM food aid.

**Challenges of Global Food Aid Governance**

**1) United Nations World Food Program (WFP)**

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Donor governments traditionally provided the bulk of their food aid bilaterally – directly to governments in recipient countries. But in recent decades, they have increasingly channeled food aid through multilateral organizations. Around 56 percent of all food aid is multilateral, and nearly all multilateral food aid is channeled through the WFP, the world's largest food aid organization. The WFP's primary responsibility lies in the organization and management of food aid. For the actual distribution of the food aid, the WFP relies on governments, other UN agencies and NGOs. Since the 1980s, NGOs have increased their participation in management and delivery of international food aid. Funded by governments and private donors, NGOs channel about 27 percent of all global food aid.**(44)** Taking into account the role played by international and local NGOs in distributing WFP food to the hungry, NGOs are involved in about two thirds of all global food aid deliveries.**(45)**

The WFP relies entirely on voluntary contributions – mainly from governments, but also increasingly from corporations and individuals – to run its humanitarian and development work. It does not receive any dues or portions of the UN's assessed contributions. While some governments give undirected "multilateral" aid to the WFP, most governments earmark aid for specific countries or operations. So, the WFP cannot easily transfer funds to where they are most needed. Critics also point to the heavy US influence in the organization, in particular the organization's acceptance of GM food aid. The US is the largest single donor of the WFP and since 1992 the program has been headed by three US individuals. So while a multilateral approach tends to better target food aid at vulnerable groups, the WFP sometimes seems less like a multilateral agency and more like an extension of bilateral food aid programs – and in particular that of the US.

**2) The Central Emergency Response Fund (CERF)**  
Many shortcomings of hunger emergency relief – lack of funding, slow delivery and uneven distribution of resources – also apply to emergency funding in general. Responding to these problems, UN members adopted a General Assembly resolution in December 2005, which set up a Central Emergency Response Fund (CERF) replacing the older and much smaller Central Emergency Revolving Fund. The governments mandated the new CERF to provide "additional" and "more predictable and timely" funding to humanitarian disasters. In March 2006, UN Secretary General Kofi Annan launched the CERF and just a few weeks later the Fund disbursed its first allocation.

The CERF represents a vital step towards speeding up the delivery of humanitarian aid. It also makes funding less dependent on donor countries' strategic interests, as governments cannot tie their contributions to specific countries or programs. Moreover, the CERF spends one third of its funds on under-funded emergencies, or "forgotten" crises, in an effort to offset the lack of interest among donor countries.

Still, some NGOs argue that the CERF has added an extra layer of bureaucracy in the UN system, which actually both slows down and decreases the overall funding for emergencies. Before the CERF existed, donor governments channeled funds directly to NGOs who then distributed the aid on the ground. Now, governments fund the CERF, which then distributes funds to a UN agency (for instance the WFP) which in turn distribute funds to NGOs on the ground. To speed up the response to emergencies and reduce overhead costs taken out by UN agencies, Save the Children and others have called for direct NGOs access to CERF funds.**(46)**

The CERF also faces problems of insufficient and unpredictable funding. The fund depends entirely on voluntary contributions, mainly from governments. Its targeted US$500 million budget represents only a small share of total humanitarian aid. But donor countries provided less than US$300 million in 2006, way below the $500 million target.**(47)** So the CERF was not able to respond adequately to many emergencies. One of the basic principles of the CERF is to provide "additional" funding, but a report by Oxfam International raises concerns that some donors may have simply diverted funds from existing humanitarian funding commitments, rather than increasing the total amount of humanitarian funding. Oxfam has also urged more countries to make multi-year grants, which only a handful of countries - including UK, Sweden, Norway, Belgium, Netherlands, and Ireland - did in the first year of CERF's existence.**(48)**

Many NGOs have called for a larger CERF of US$1 billion. Others have advocated new ways of funding the CERF, including through compulsory government assessments and global taxes. The UK group Stamp Out Poverty suggested that a tax on currency transactions could finance the CERF.**(49)** Such funding could increase the independence of the CERF and greatly improve the UN's response to emergencies and forgotten crises.

**3) Food Aid Convention (FAC)**  
The Food Aid Convention is the main international agreement governing food aid. Under the convention, donors commit to a minimum level of food aid and they agree to provide "timely" aid, targeted at vulnerable groups. The FAC also sets standards for food aid quality and delivery, urging member countries to procure food aid at local and regional markets and to respect "local food habits and nutritional needs."**(50)**

Food aid donors first negotiated the FAC in 1967, but have since renewed the convention several times – most recently in 1999. While the 1999 convention was due to expire in 2002, donors have deferred re-negotiations and instead extended the convention on a yearly basis. FAC members have agreed to re-negotiate the convention once the World Trade Organization (WTO) reaches a decision on the use of food aid as a tool to support domestic agriculture. But, WTO negotiations are scarcely moving and many NGOs and food aid experts have proposed renegotiating a strengthened FAC.

They argue that the FAC should raise the minimum levels of food aid that donors commit to provide. Current levels are too low to be meaningful, they say, as donor countries generally exceed the levels by large amounts.**(51)** But even if the amounts were set higher, the FAC does not have any enforcement capacity to hold signatories accountable to their commitments. Currently, the FAC does not even publicly disclose governments' failures to meet their commitments.**(52)** Also, reform advocates agree that FAC membership must be broadened to include all critical actors of the global food aid system, such as the new food aid donors (e.g. China and South Korea) and food aid recipient countries, as well as NGOs and social movements.**(53)**

**4) World Trade Organization (WTO)**  
Before the WTO negotiations stalled in July 2006, governments had agreed to develop rules against using food aid to subsidize exports of agricultural goods. WTO members had also agreed on a "safe box" of emergency food aid to ensure that WTO rules would not impede countries from responding to food emergencies.**(54)** But governments have so far failed to reach an agreement on how to define emergency food aid and consequently how to prevent donor countries from using the "safe box" to get around rules against using food aid to subsidize agricultural exports. Also, at the 2005 ministerial meeting in Hong Kong, some governments argued that food aid donors should gradually shift non-emergency food aid "towards untied, in-cash food aid." Others, notably large donors of in-kind food aid such as the US, disagreed. WTO members further disagreed on food aid provided as concessional sales and whether to allow NGOs and governments to sell food aid on the open market in recipient countries.**(55)** But while the developments in the WTO are important, critics rightly point out that the WTO is not the appropriate body to govern food aid.

**Conclusion and Recommendations**

After decades of providing food aid, donor countries have not succeeded in eradicating hunger in poor countries. Therefore, some critics conclude that food aid is a waste of money. But, those critics ignore the fact that food aid is not always primarily aimed at reducing hunger. Donor countries often use food aid to promote their own commercial and national strategic interests. Under such circumstances, food aid is not likely to reduce hunger, and can even harm food security in recipient countries.

Donor countries have a responsibility to ensure that food aid favors the needs of the poor and hungry. They should provide more timely and predictable funding and increase quantities for neglected hunger crises. They should abolish program food aid and monetization, provide all food aid as un-conditional grants, and purchase food aid locally and regionally. And, they should "target" the aid at the ones who need it most and abstain from donating potentially harmful GM crops.

Also, the major international actors and conventions governing global food aid need reform. Generally, food aid channeled through the WFP is less likely to be driven by donor countries' national interests. But donors can still influence how and where the money is spent. Eighty-five percent of the contributions to the WFP have some strings attached. To live up to its role as the frontline UN agency in combating hunger, the WFP needs a more reliable funding system. In addition to more un-restricted voluntary contributions, assessed contributions from UN members could finance at least a part of the WFP's budget. Further, alternative financing, such as global taxes could grant the organization more independence and flexibility in distributing funds. The WFP could set higher standards of food aid, demanding that donors provide cash contributions, rather than food items, or at the very least restrict donations of GM food aid.

Initiatives like the CERF could further detach donors' domestic interests from food aid. But the fund is still too small and donor governments do not provide enough funds. Oxfam and other NGOs have called on UN members to double the size of the fund to $1 billion. Again, UN assessments or global taxes could provide more reliable funding for the CERF. Further, improved NGO access to CERF funds and more efficient processing is necessary to speed up aid delivery and keep down overhead costs.

In theory, the Food Aid Convention (FAC) is the principle agreement governing food aid. But, in practice, donor governments are entrusting the WTO – an organization mainly concerned with liberalizing trade – to set international food aid rules. While the WTO is not the ideal body to govern food aid, the current FAC also needs reform. The FAC must increase the minimum levels of food aid to correspond to current global needs. Also, the FAC needs enforcement powers to ensure that donors live up to their commitments under the convention. At the very minimum, the FAC should publicly disclose information on donor countries failing to meet their commitments. Finally, the FAC should open up membership to a larger group of food aid donors, food aid recipients, NGOs and other important actors of the global food aid system.

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But improving the global food aid system is not enough. To eliminate world hunger, world leaders must tackle the root causes of hunger and poverty. They should undertake far-reaching reforms of the unjust globalized system of agricultural production and trade. This system currently favors large corporate agriculture and export-oriented crops while discriminating against small-scale farmers and agriculture oriented to local needs. Further, governments in poor countries should invest in agricultural and rural development while facilitating access to land. They must also deal with global warming which is causing an increasing amount of weather disasters and hunger crises. Ultimately, leaders must be held accountable for their promises to reduce hunger.