

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(94) 165 final

Brussels, 04.05.1994

COMMISSION COMMUNICATION TO THE COUNCIL ON
COORDINATION BETWEEN THE COMMUNITY AND THE MEMBER STATES
CONCERNING FOOD SECURITY POLICIES AND PRACTICES

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1. Introduction and policies so far

The Development Council adopted in May last a Conclusion to emphasise food security as one of the issues for enhanced coordination between the Communities' and Member States' cooperation policy. It therefore requested the Commission to present in Spring 1994 a policy proposal in the form of a Communication to the Council. Once accepted it will become the basis on which operational guidelines will be subsequently prepared in view of its implementation.

Following meetings with experts from Member States, the foundations were laid for such a policy definition. In the spirit of the Maastricht Treaty, the immediate objective in the preparation process was to try to find common elements of views on FS policies among Member States and the Community, and to identify possibilities to harmonise the approach to FS and to implementation programmes.

The purpose of this Communication is to give an outline of the present situation, to point out some sensitive policy areas, and to make proposals that are related to "coordination", "consultation" and "coherence" at policy and at operational level. It should be underlined that these can only mark one step in the process towards enhanced coordination. This text is by no means complete in covering the whole range of FS-related issues, but rather touches mainly on those items on which the issue of coordination seems to be most relevant. To this end, EC policies on FS to date will be indicated, and a few fields in which it is currently being applied will be sketched.

Since the bulk of Community experience in the field of food security has been concentrated in Subsaharan Africa, and food insecurity is worse in that part of the world, most of this text focuses on SSA. Nevertheless, it appears that the analysis and the conclusions are equally valid for other areas.

2. What is food security

Although this is certainly not the right place to present a detailed historical overview of the concept of food security, it appears nonetheless useful to describe what it is, and its changing emphasis. The evolution in EC thinking on FS through the subsequent policy statements, will also be indicated.

The International Conference on Nutrition (ICN) of December 1993, which was a joint initiative of the UN's Food and Agriculture Organisation and the World Health Organisation, defined FS as access by all people at all times to the food needed for an active and healthy life. Its essential elements are the availability of food, and the ability to acquire it.

This definition seems to be widely used by many agencies and governments, because it indicates so clearly the wish to eliminate hunger and malnutrition.

Three dimensions of FS should be distinguished. First of all, supply of food at national and local levels, through national/local production and imports in one combination or another. Secondly, it is necessary to have a reasonable degree of stability in supply, both from one year to another, and within the year. Thirdly, demand: each household should have physical and economic access to the food it needs. It should have the ability to secure adequate food to meet the dietary needs of its members, either from its own production or through purchases (section inspired by ICN Theme paper no. 1).

The supply at national level should be adequate, as a precondition to household food security. Important elements are domestic production, stockholding, trade and import policies, world market prices, food aid, availability of currency, exports. Shortfalls in food production or interruptions in trade reduce availability leading to price rises, breakdown of distribution channels, and increasing food insecurity. Relatively small stocks can have a very important role in price movements and thus in accessibility of food for those groups with low income.

Household FS in rural areas depends largely on local food production (cereals, roots and tubers, animal production) and prices, which relate to total output and to employment opportunities, both off-farm and on-farm (diversification of economy). Food insecurity in rural areas is often more of a transitory nature, has often a seasonal character.

In urban areas household FS (HFS) depends primarily on income levels in relation to food prices. Through urbanisation, the number of chronic food insecure is rapidly increasing, which may be aggravated by the effects of macro-economic structural adjustment programmes such as reduction of the government administration, health care services and education no longer provided free of charge, etc.

Needless to say that gender-issues are most relevant in this context. On the supply side, women are prominently involved in production. On the demand side, preparation of balanced diets is almost universally in the hands of women, while female-headed households are often among the more vulnerable groups, suffering chronic malnutrition, or hunger.

3. FS as a concept in Community policy

In the context of cooperation activities with developing countries, one of the most outstanding dimensions is food security at national and at household level. As FS can more simply be defined as the absence of hunger and malnutrition, the Community wants to contribute to make available to households, villages and countries enough resources to produce food or at least to obtain food. This has been a central issue in the development cooperation policy of the Community for more than twenty years now. (*)

The issue largely points to the part of overall assistance dedicated to food aid, and to agricultural and rural development and support structures and policies. Roughly speaking, this part, except food aid, takes up more than half of EDF-funded activities.

(*) See also "The EC and Food Security" by Walter Kennes, IDS Bulletin 1990, Nr. 3.

The world food crisis of the early seventies demonstrated the vulnerability of food systems in many countries, especially in SSA. Aid agencies including the EC responded to this crisis by increasing the share of project funding in favour of agriculture, and, within agriculture, there was a strong shift from export crops to food crops.

However, these increased financial efforts for agricultural and rural development did not improve the basic trends of the food situation. Gradually, attention was drawn to the wider economic environment of the agricultural sector, particularly to price policies, marketing, the provision of basic support services. It was concluded that more financing is not effective if the policy and institutional environment fails to provide the right incentives and services to agricultural producers, processors and traders.

This analysis and awareness led the EC in 1981 to launch a "Plan to combat hunger in the world", also known as the Pisani Plan. A central part of the plan consisted in supporting the formulation and implementation of food strategies. The main characteristics of the food strategy approach were: to concentrate funding on the objective of food security, to define and implement coherent policies to promote FS through a process of policy dialogue, to strengthen coordination among donors, and to better integrate different kinds of aid instruments.

These characteristics subsequently became central features of the third Lomé Convention (December 1984). As far as the implementation of this newly-conceived approach is concerned, results are varied: the concentration of funding was extended quite far; the process of policy dialogue was less effective than anticipated; coordination among donors on food security-related areas, and among ministries and parastatals with competences in FS-related matters was facilitated and stimulated; integration of instruments concerns mainly project aid and food aid through counterpart funds resulting from food aid sales (projects should be, in principle, FS-related).

It may be interesting to note that, notwithstanding these various experiences, around 14 SSA countries appear to be receiving international assistance for the preparation of national food security strategies, of which at least four through EC funding (Kenya, Mali, Zambia, Ruanda).

Resolution on food security in SSA

In November 1988, when reviewing an assessment of the food strategy experience, the Development Council underlined the value of these strategies and the progress made so far. In order to further improve, it adopted a resolution which clarified its position on some basic FS issues and provided guidelines for future activities, which remain equally valid at present.

On self-sufficiency in foodstuffs, the attitude was that this was neither necessary nor sufficient for food security. An appropriate balance should be struck between local production of food and export crops, and imports of food, taking into account the specific circumstances of the country.

On the role of the private and public sectors, the complementarity of the two was underlined: the bulk of food marketing can most effectively be undertaken by the private sector, but the public sector must intervene where the other fails, and must prevent excess of monopoly situations. Market regulation should be carried out by a combination of buffer stocks and trade policy.

The temporary protection of national markets in developing countries was considered to be justifiable by economic arguments (international dumping; overvalued exchange rate; infant industry) or, non-economic arguments (to diminish pressure on migration; environment protection).

Rather than continued emphasis on guaranteed minimum prices for national production of cereals in particular, the need for stable producer prices and increased urban incomes (purchasing power) was underlined.

Referring to consumption habits and policies, local food products should be encouraged by improving processing with appropriate technology, so as to obtain the convenience value and status of (imported) wheat and rice.

It was also recommended to introduce more direct measures for increasing FS of vulnerable groups (including nutritional education), particularly so in revising general economic policies in a context of structural adjustment programmes.

FS and structural adjustment

It was experienced that the food policy dialogue faced severe limitations because various crucial policy measures cannot be handled at the sectoral level. Macro-economic and other global distortions have effects throughout the economy, and can only be addressed through structural adjustment programmes.

The EC views on structural adjustment have been outlined in the Council of Ministers resolution of May 1988*). The most important element of this view is, that adjustment packages should not only be assessed in financial and economic terms but also the social dimensions should be dealt with: health, nutrition and FS, employment, and education. Subsequently, in the fourth Lomé Convention (1990-1999) special programmes for assistance to structural adjustment were introduced, including those social dimensions referred to above.

Guidelines were therefore developed to help incorporate FS and nutrition considerations into the design and implementation of structural adjustment programmes in ACP countries where the EC is involved.**)

The answer that can be given through the various aid instruments, has to be tuned to the situation. For the short term this could imply boosting the incomes of particularly vulnerable groups to allow them to purchase the food they need (labour-intensive public works, food stamps, FFW, etc.), to provide food aid (school-feeding; mother-and-child care feeding), and to channel food aid preferably through the normal marketing channels (monetisation; the resulting counterpart funds enabling the link to the longer-term). For the longer term, this should imply boosting the national production by creating a favourable economic environment which leads to offering better prices to farmers, increasing storage capacity so as to smooth consumer price fluctuations, etc. Temporary protective measures for food security reasons, within the possibilities offered under the relevant GATT provisions, is often justified. A regional approach in the form of a free-trade area or of a customs union, would also be worthwhile considering.

*) There were also later Resolutions on structural adjustment: May '89; May '91 (on Counterpart Funds); May '92.

***) "Guidelines for incorporating food security and nutritional considerations into support for structural adjustment in ACP countries", February 1991, Relief and Development Institute, for DG VIII.

It appears that there is room for improvement in the application of these guidelines in the situations for which they were designed.

In practice, the short-term dominates

Notwithstanding this degree of knowledge and the excellent orientations and guidelines which are no doubt up-to-date, taking a look at current practices, these tend to show an excessive attention on the short-term issues.

For example, in the case of FS and structural adjustment, a consumption-oriented approach -understandably of a somewhat defensive nature- is adopted which concentrates on the situation at household level. The longer-term supply-side aspects very often do not come off the ground: agricultural sector plans with FS orientations under structural adjustment conditions have difficulty in coming to maturity, not to mention their implementation.

In the case of emergency assistance, food insecurity is mainly regarded as an interruption in supply of food to certain groups affected by natural or man-made disaster. The apparent tendency since 1989 that food aid for relief makes up for an increasingly important share of total food aid provided by the Community and the Member States, therefore comes as no surprise. A number of specialists in the field of food security are of the opinion that longer-term effects of interventions are overlooked, particularly by providing (too?) easily emergency food aid in massive quantities while disregarding the lessons learned by food aid agencies that food aid in general should be kept to a minimum, should be fully integrated with boosting own productive capacities, should be triangular, monetised, to some extent substituted, etc.

The coordination between emergency activities and development-oriented, FS-oriented policies, is necessary, and must be continuously improved. In this context, the intermediary step "rehabilitation of productive capacity", which is typically the focus of the new 100 million ECU EC programme "Special initiative for Africa", could be of particular interest.

Some donors with a preference for food aid in kind (e.g. USA) emphasise more on making up for short-term deficiencies in supply and taking away bottlenecks for certain groups of consumers, than working on the improvement of national and local supply. The yearly discussions in the World Food Programme give evidence of this short-term attitude.

Deliberations of the Committee on World Food Security (CFS) also tend to pay major attention to short-term distortions in supply (production; stocks; trade) and in accessibility of food. Lately, recommendations to better integrate food aid and development-oriented projects have been included in the reports. Probably the composition of the members of the CFS has much to do with such a cautious attitude of the CFS, which in principle could play a more important role in promoting longer term oriented food strategies.

4. FS: from a side street back to the main street

It seems that lately attention paid to FS has subsided considerably, which can to some extent be explained by a combination of the following elements.

Performing early warning systems were established and emergency food aid programmes were institutionalised by most major donor agencies, which

may have given the wrong impression that all precautions were taken, that everything related to FS was under control. Secondly, for a number of years, in SSA (in particular the Sahel) rains were generally good and well spread in time thus resulting in good crops and in less worries about FS, this of course with the exception of the serious drought in 1992 in southern Africa. Thirdly, the attention of the governments and donors alike was diverted by the urgent need to reform macro-economic structures. Fourthly, in regions other than SSA, food insecurity had become less of a problem i.e. was less prominent. It should be added that such reforms are, generally speaking, also conducive to better FS.

Speaking at a somewhat higher level of abstraction, one should certainly take into consideration the fact that every paradigm, concept or model, has only a limited life cycle.

Yet another possibility -and certainly an important one - why FS is losing its attraction, is its horizontal and more or less abstract character. From the narrower concept of national and household cereal balances, it has grown into something wider that is not directly operational. It requires a special effort and persistence to make FS orientation the guiding principle in longer-term oriented programmes (this problem is less serious for short-term focused operations). It could take many forms, and is relevant in almost every situation, and has in this respect a resemblance to other crosscutting (or horizontal) concepts such as sustainable development, or gender-specific approaches.

It could also be that the remaining emergency situations (Eastern Africa; Southern Africa) have so dominated international publicity during the last couple of years, that longer-term FS has been totally overshadowed, referred to a secondary and somewhat placed at a more academic level.

Whatever the reasons one prefers to explain the diminished attention given to FS, this course should be reversed: the need to re-emphasize FS is only too clear when looking at food insecurity in SSA at present. And there are no reasons to believe that the situation will get better soon.

The demographic trend further aggravates this situation in SSA: the approximately 2% yearly increase in agricultural output and food production, systematically lags behind a population growth of about 3%. In other regions of the world, these two aspects of development have been much more in parallel.

Of course, the concentration of EC funding on agriculture and FS has been questioned because other sectors such as health, education, urban development cannot be neglected. Nonetheless, agriculture and FS remain at the centre of attention in cooperation programmes because the Community was and is convinced that food security is very much among the major problems that have to be addressed in most of the developing countries.

During the preparatory meeting of 5 October 93, MS experts agreed on their conclusions: that it is necessary to boost actions towards longer term food security, particularly in SSA. The best approach to this end would be to resume dialogue with the countries concerned, and start again FS planning and its implementation as a process, to emphasise the FS dimension of a variety of activities that all contribute to it: agricultural development, rural infrastructure, marketing and transport infrastructure, poverty alleviation programmes, employment creation,

private sector development, trade, import, and price policies. Better food security can therefore not be achieved in one go, but rather calls for a process-approach. With this perspective, coordination between MS and Community should be increased.

Possibilities within international bodies such as the Committee on World Food Security (FAO), the Committee on Commodity Problems, UNCTAD, should not be overlooked as ways to improve the awareness on the importance of FS.

It is interesting to note, that the World Bank is also increasingly interested in food insecurity, as evidenced by its recent "Conference on Actions to Reduce Hunger Worldwide" (30/11 - 1/12/93). Concrete follow-up actions are being worked out, as it appears.

5. Related policy fields

Before turning to coordination between Community and Member States, it seems useful to look into various other fields of Community policy that are either directly related to our subject -such as food aid- or have an effect on it, such as the Common Agricultural Policy (CAP). These interrelations need to be seen from the point of view of Community-internal coordination and of internal cohesion, or consistency.

Food aid and FS

To many, food aid is the practical expression, the equivalent of FS. Though it is true that food aid is an important instrument to ensure availability and accessibility of sufficient food to many households, and a powerful tool to help alleviate emergency situations; it is also true that such an approach to food aid can only give short-term relief and satisfaction. FS calls rather to work on the supply-side at national and at local/household level, making people and countries less dependent on the climate hazards, on the whims of the world markets and long-haul supply of their daily food. In fact, FS requires a combination of policies: poverty-alleviation (which is long-term objective), agricultural development facilitating a stable balance of local/national production of food stuff and its import, enhancing peoples' productive capacities and purchasing power, and above all, absence of political unrest and armed conflicts.

Food aid makes up for a large portion of ODA (Official Development Aid) of the Community: for 1987-91 its percentage oscillated around 20% of total aid disbursements. The Member States have much lower figures: on average around 5%, with Italy, UK and Germany on the upper level, Belgium and Denmark considerably below that. When comparing the composition of ODA programmes of the Member States and the Community, one could say that a specialisation, a labour division, has established itself. Also in terms of volume, the difference is striking: the Community handles around 3 million tonnes, and the Member States as a whole 1 million. The reasons for this evolution have probably to do with efficiency and the scale of operations, and certainly also with the availability of products due to the CAP.

For all DAC countries together, food aid makes up for 5-7% of total ODA disbursements. The only important exception is the USA with a figure similar to that of the EC: around 20%.

Some say that food aid and emergency humanitarian aid are mostly needed and given because no effective and coherent development policies and programmes -including population planning- have been pursued in the past: it is viewed that the first just helps to mask the consequences of poor policies. Others say that such aid is merely needed to repair damages caused by trade wars. Although this is certainly not the right place to further discuss these views, their reference is nevertheless useful because it points to the external and internal roots of poor FS in many places, without implying that donors are in a position to actually influence these factors sufficiently.

Transforming a food aid orientation with deliveries from overseas into a food security orientation -with the exception of course for emergency purposes- is badly needed but extremely difficult to realise because of the many vested interests in food aid. To mention a few:

- food aid is perceived as a possibility to reduce surplus stocks, in particular cereals, but also of dairy products, meat, vegetable oil. Many see therefore a link between food aid supplies and agricultural policies, notably of the USA and the EC, and regard the GATT Agreement on Agriculture as an opportunity to reduce this linkage;
- international agribusiness lobbies in Member States and in other DAC countries push for continuation;
- governments of recipient countries are, normally speaking, tempted to make the substantial amounts of untagged food aid to be continued, because its proceeds have become an essential component of the budget of various ministries;
- to organise food aid pledging conferences and distributing the food, is much easier to do and has more glamour, than pursuing over many years longer-term oriented coherent development policies and programmes with a FS orientation: this goes for recipient governments and donors alike;
- the eternal slow disbursement problem of donor agencies can be relieved through food aid and emergency programmes; preliminary results of EC-wide evaluation of food aid, show a tendency to shift from "programmed" to emergency operations, THE quick-disbursement actions "par excellence";
- last but not least, -speaking in general- additional budget authorisations for food aid based on mobilising existing surplus stocks in donor countries, may often be easier to obtain than increases in aid budgets.

It seems one cannot avoid the conclusion that this vicious circle could only be interrupted through deliberate joint efforts of coordinated donors and governments with sufficient inspiration and motivation to push for such a change. One of the conditions of success is to have a sufficiently long spell of political rest to carry along such lines for quite a long period of time.

On the other hand, in the case of developing countries that have anyhow to import substantial amounts of cereals and therefore rely on a mixture of commercial imports and food aid, the latter could very well be provided and considered as a balance of payment support provided that sectoral policies are in place. Cases in point are Egypt and Bangladesh. In such situations, both parties benefit: surpluses in donor countries can be utilised as food aid, and the recipient country needs less commercial imports. When counterpart funds are then tagged for

activities that contribute to longer-term FS, the chances for some substantial benefits, including for food insecure groups, are not negligible.

Timing between the various elements we refer to here, can be illustrated as follows:

	Emergency Famine Relief	Food Security	Poverty Reduction
Timescale	Immediate	1-10 years Near to medium term	-50 years (very) Long-term
Location	Feeding centres schools, etc	Vulnerable areas and groups	Whole country
Policies	Emergency Food aid	Increase supply/food production Monetised food aid Labour-intensive prog Income generat.progr.	Economic growth Agricultural growth Equity; Production Diversification

(inspired by: Overcoming global hunger. An issues paper; IBRD, Nov. 1993)

Food aid, FS, and development programmes

As already indicated in the above table, food aid is not bound to only giving immediate relief in emergency famine situations. Since the eighties, various modalities have evolved to provide food aid in a way that enhances its contribution to development. The main ones are:

- monetisation: instead of free distribution, to sell food aid through normal market channels, thus generating counterpart funds which can be used for other, development-oriented, actions. Monetisation concerns at present most of the programmed food aid given directly to recipient countries (EC '93: 125 MECU);

- triangular operations (EC plus two LDC countries) and local purchases, which contribute to regional integration and south-south trade. While during 1983-87 these operations represented only 5% of the EC food aid budget, during 1988-92 the share has increased to 13.5%;

- to build up small-sized security - or market-regulatory stocks, and improving national and regional storage facilities (through cooperation with WFP and UNHCR, and with NGOs);

- to fund also non-food items that are needed for rehabilitation, such as seeds and small agricultural tools (around 1% of EC food aid budget);

- partial substitution of food-in-kind donations by cash payments (currently around 5 MECU);

- last but not least, to seek multi-annual programming of food aid, in combination with a policy dialogue with the recipient country.

Although one cannot say that these modalities have become common features of all food aid operations of EC or of Member States, when compared to the situation 10 years ago, there is certainly an evolution, a positive difference.

Some interesting examples of combinations of food aid and development objectives, can be mentioned here: the Integrated Food Assisted Development Programme (IFADEP) in Bangladesh, the Programme Restructuration du Marché Céréales (PRMC) in Mali, and the evolution of food aid in Bolivia. See further details in Annex 1.

These (and other) examples lead to the conclusion that, generally speaking, the consistent implementation of national FS plans over a sufficiently long period of time, seems to be about the best way to reduce food insecurity. In this perspective, it is recalled that in at least 14 countries such plans are being funded. Compared to the 1970s, the contents of the planning concept have changed a lot since. Decentralisation, local government and community involvement, an enabling and regulatory role of the government rather than direct implementation, relying heavily on private sector for marketing, storage, transportation, services, private initiative also in production, are all remarkable differences. Nonetheless, grain marketing boards do still have a role to play in stabilizing supply and facilitating access (prices), as becomes clear from the Mali example.

Anyhow, within such a national FS plan, non-emergency and programmed food aid has its role to play, be it that in due time this role should diminish, or even cease completely.

Notwithstanding these improvements, all agencies involved in food aid are continuously faced with problems related to the challenge of delivering food aid on time and at a reasonable cost. The problem is most pressing in emergency situations; it is equally important for programmed food aid and for food security, in view of these possible negative effects on farm prices when late deliveries spill over into the next marketing year.

FS and Common Agricultural Policy

The EC CAP has been very successful in its objectives to transform a long-standing food deficiency situation into self sufficiency of the Community area for a range of products including wheat, dairy products and meat.

As in USA, Japan and elsewhere, producer and export subsidies resulted in surplus production. Many people say that these surpluses are highly useful and appreciated, first of all because avoiding food deficiency here, secondly allowing to help combat emergency situations and shortages in other areas of the world, and thirdly facilitating lower world market and consumer prices in importing countries.

On the other hand, it should be recognized that in certain countries these low import prices affected internal competition, discouraged national production (of cereals, meat, dairy production), have reinforced trends to abandon consumption of traditionally produced cereals and tubers. These adverse effects vary from one country to another. The recent case of frozen meat from EC on markets along the Gulf of Guinea, a traditional export market for meat from the Sahel, serves as an example.

The reform of the CAP, and reforms in other countries following the GATT Agreement on Agriculture, could in the medium term lead to an overall reduction in surplus production levels, to lower carry-over stocks and lower export volumes. Prices on the world market are therefore expected to increase and, in exceptional situations, such as major droughts, also change significantly, thus potentially affecting world food security, in

particular for those countries relying heavily on imports. Some experts (e.g. the World Bank) however expect lowering world market prices for cereals because of continued increases in productivity over the increase in demand, and increased exports from countries other than USA and EC (e.g. Vietnam). Unfortunately, roots and tubers, very important in SSA, are not included in these analysis.

Whatever the scenario, it is evident that the magnitude of the combined effects is hard to predict and can only be studied on a case-by-case basis, it is most of all dependent on the long-term effects of the GATT agreements.

Apart from the more general interactions between the Community's agricultural policies and the policies in developing countries described above, there are numerous product specific linkages related to trade concessions either under GSP or in the context of special agreements, e.g. on sugar, rum, cotton and bananas. The actual benefits of such concessions to developing countries in general cannot, however, always be easily assessed, as the concessions do not apply to all of them, and some may have undesired repercussions on the countries which are excluded, e.g. the re-export of ACP sugar after refining.

Tapioca imports in Europe lower the costs of animal production but reduce the use of domestic feedstuffs; they are important for the incomes and thus food security of small farmers mainly in SE-Asia. However, this situation also contributes to monoculture and soil degradation.

This is certainly not the right place to discuss in great detail the cases mentioned here, that should be avoided. But it is important to recognise that there are substantial interdependencies between these two fields of policies, that can no longer be denied. It is identical in so many other sectors where North-South interdependencies have also come into existence. Therefore, when discussing FS, CAP aspects should be kept in mind, and vice versa.

In this context it is interesting to note that the Development Council in its meeting of November 1992 "has recognised the linkage between development cooperation policy and other Community policies". It also recognised the need to take account of the impact of the latter on developing countries. Article 130 V of the Maastricht Treaty also contains references taking account of these effects.

In this regard, Commission services are at present examining the possibilities of a further strengthening of internal coordination and decision making procedures.

6. Monitoring food security

Keeping a close eye on changes in FS at national, local and household level, is of course a task for national governments, local communities or other operators, that are not often equipped for it, or lack funds to do so. To help make up for this, various international initiatives were taken, largely because of the wish to have relevant data to send out warning signals as early as possible. In this way, lead time before mobilising emergency food aid could be shortened, thus limiting the casualties. Annex 2 provides extra details on international initiatives in the field of monitoring and early warning, as well as a brief indication of related development.

7. Coordination on FS between the Community and the Member States

The starting-point is, that each Member State has full responsibility for its own development cooperation policies and programmes, and that, in accordance with Article 130 X of the Maastricht Treaty, the Community and MS will seek coordination on policies, and consultation on operational programmes in this field. The Article also states that the Commission may take initiatives to promote this coordination, and that joint actions could be undertaken. The general procedures and mechanism for coordination and consultation shall be, initially, those that were already agreed upon by the Council in its Resolution adopted in December 1993.

Therefore, in the case of FS as one of the priority fields for both EC and MS, the aim to enhance policy coordination is to be achieved through a more systematic use of existing instruments, and to reinforce these. This includes in particular to make greater use of meetings of FS experts from MS and Commission Services. It is proposed that this group of experts will help to implement, and to monitor the application of a Council Resolution on coordination concerning FS that is envisaged to be adopted this year; it will exchange information, and make recommendations regarding practicalities of operational consultations between Community and MS. (For the sake of completeness, it is added, that no Food Security Committee is proposed, because there is no particular financial instrument to this end, that needs to be managed).

From the preceding section 5 it has to be concluded that concerning the contents of the process to enhance coordination, at policy level the starting position will be to work together towards national and local basic food stuff balances. The next level of targets is to join forces in choosing and implementing long-term investments to reduce vulnerability of these often precarious situations. At the top of the list is coordinated joint involvement in conceiving and implementing FS strategies in an increasing number of food insecure countries.

On the other hand, we should be realistic enough to abandon the over-optimistic idea that in all countries full FS for all is a feasible option. Extended drought periods and wars in SSA will continue to cause emergency situations and call for massive relief operations. We had better monitor closely and be prepared.

Coordination at Community and MS level is also needed for all food aid in relation to FS, either through the Food Aid Committee, or else in the Council Working Group on Food Aid. It is therefore proposed, that the FAC and the Council Working Group will give priority to looking into possibilities for further improvements on the following issues:

- a better integration of food aid and development-oriented programmes/projects;
- monetisation of food aid;
- to emphasise direct food aid programmes, as a better tool towards food security, particularly through the counterpart funds;
- pooling of counterpart funds which should be tagged as resources for national FS policies, and not just be treated as balance of payment support;

- monitoring of needs (crops and stock-assessments) and appraisal of adequate levels of food aid;
- maintaining a level of food aid strictly limited to actual needs and taking into account the negative effects of food aid;
- enhancing triangular operations, and exchange of information in this field.

Furthermore, it seems appropriate to consider more closely the effects which the CAP, in combination with the policies of other developed countries, may have on the markets and food security in developing countries following the implementation of the Uruguay Round commitments. Such an evaluation could eventually lead to recommendations regarding the practical application of CAP instruments in the future. Such an approach would be in line with the above indicated request of the Development Council (Nov. 92) to assess links and impacts.

At recipient country level, it is proposed to organise coordination meetings between representatives of the MS and the Delegation of the EC to review any upcoming proposals in these fields, or to prepare joint policy initiatives such as FS planning. In those countries where this well-known mechanism is already being used, part of the meetings could be devoted to a special FS focus.

Working together at country level on FS issues, offers the additional advantage of obtaining a better leverage in discussions with the government on medium- and long-term policies which, in the end, determine the national and local supply aspect of the FS equation.

Coordination at recipient country level is also required to put into practice an interesting option that becomes relevant now that the GATT Agreement has been signed. It is proposed to consider this option in the case of countries implementing structural adjustment programmes and suffering a structural food-deficit. The option could be named "the joint interest approach", and comprises the following elements:

During the transition period towards full implementation of the GATT Agreement, to increase temporarily programmed food aid to be monetised and its counterpart funds pooled; to negotiate and monitor jointly national food security plans and programmes which will be funded through the CPF. This way, cash could be fed into the national economy and a contribution could be made to FS. By pooling sufficient amounts of counterpart funds, there will be considerable leverage to increase chances of adequate FS plans and programmes. And the interests of all parties concerned, can be met.

The inherent risk to de-stabilise the foodstuff market of the recipient country, is to be avoided, or at least to be kept to a minimum by a detailed programming based on needs assessment, local and national absorption and handling capacities, and adequate timing of operations.

For the practical modalities of coordination, the Mali case should be considered.

Increased coordination will also be needed for regional approaches to food security, such as IGGAD, CILSS, SADCC, PTA, the Conference of the Ministers of Agriculture of Western and Central Africa.

There is one more field, in which a Community coordination initiative is proposed : implementation of the Declaration of the ICN. Within the UN, there is serious discussion on the question of who should take the lead in setting up national plans and formulate programmes to help improve the nutritional situation of the countries, and of vulnerable groups in particular. FAO requests this role, but seems not be an acceptable party in the eyes of many others.

Furthermore, since the lion's share of the Declaration of the ICN deals with FS issues, and is very much focused on Subsaharan Africa where the problems are greater, a leading role for the Community (active in all of SSA; FS re-emphasised; long experience; major food aid donor) in its implementation seems to be a logical step. Such an approach appears to be an appropriate way to introduce realistic national FS plans and strategies, that take account of lessons learned, and present realistic views on the roles of the government and other actors.

Article 130 X of the Maastricht Treaty, refers explicitly to coordination in relation to international organisations and international conferences.

It is therefore proposed that the Community will take on a coordinating role in implementing ICN's Declaration, with due regard to other international initiatives in this field. Practical modalities for this coordination need to be worked out through pilot experiences in two or three countries.

SOME EXAMPLES OF FOOD AID CONTRIBUTING TO DEVELOPMENT

As examples showing a good combination of food aid and development objectives, were chosen: the Integrated Food Assisted Development Programme (IFADEP) in Bangladesh, the Programme Restructuration du Marché Céréales (PRMC) in Mali, and the evolution of food aid in Bolivia.

The first combines financial and technical assistance with food aid, and is closely integrated into Bangladesh' development policy. The project aims to improve the standard of living and quality of life of the rural poor in the country, with a view to gradually reducing the overall amount of food aid required. The programme, which is being implemented in close cooperation with WFP, covers four sub-projects:

- assistance to assetless rural women (free distribution of food);
- development of small-scale inland fisheries (food for work);
- development of markets and rural transport;
- strengthening of institutions.

The total package will make available over 560.000 tonnes of cereals and 30 million ecu over a period of six years. It is foreseen that the level of EC food aid to the country will gradually decline from the present level of 140.000 tonnes to under 100.000 tonnes after 1996, as the country moves towards self sufficiency in cereals.

The PRMC was initiated 12 years ago when in Mali the cereals market was completely controlled and regulated, and the country not yet a part of the Monetary Union of Western Africa (CFA zone). The objective was to liberalise and stabilise the cereals market. The main tool was a multi-annual pledge of up to 58.000 tonnes cereals (a minor part in cash), and to manage this amount as a modest buffer stock for price stabilisation and food security purposes. Donors and Mali authorities jointly managed this stock, and in particular pooled the proceeds into a common counterpart fund; this was used for various purposes that were however always related to marketing and storage of cereals (harvest-anticipating credit, storage, conditioning of cereals, etc.), and for the handling and distribution of all food aid in cereals. It was not used for activities that directly seek production increase.

At present, with lesser FS problems in Mali, emphasis is moving towards modernising cereals marketing and storage, and to include to a larger extent paddy (until recently, PRMC concentrated on dry cereals). Apart from the small buffer stock, marketing, trade and storage of cereals in Mali is completely liberalised: it is an all private sector. So far, the only exception is agricultural credit.

Among the keys to this successful programme are multi-annual commitments of food aid, strong operational donor coordination, pooling of counterpart funds, use of the latter for specific FS/marketing purposes only, and a steady policy line of the government.

In the case of Bolivia, since 1990 the Community has adopted a strategy to link food aid to most vulnerable groups (peasant population in the Andes highlands), with support to their agricultural development. Thus, of the total volume (20.000 tons in 1990; 16.000 tons in 93), the system of free distribution has progressively been changed into a monetised form, which reaches at present 75%. Counterpart funds are being used to support other rural development and FS projects in the Andes. The substantial increase in agricultural output in the tropical lowlands, has enabled local purchases for free distribution, and also purchases for triangular operations with neighbouring Peru.

For 1994, it is envisaged to start substitution actions for continued support to agricultural development and food security.

MONITORING FOOD SECURITY

The main international initiatives on early warning are "Global Information and Early Warning Systems" (GIEWS; FAO), "Famine Early Warning System" (FEWS; USAID) which covers mainly the Sahel, "Diagnostic Permanent" (DIAPER; EC) and SADCC's network. In addition to that, in many countries national early warning systems some operate remarkably well under very difficult conditions (as the one in Tchad). Where needed, special "crop and food supply missions" are fielded by FAO and WFP. NGOs, with their often extensive network of contacts or personnel in remote areas, play a substantial role in providing the right information at the right time.

One of the interesting conclusions that can be drawn from data provided by sources like GIEWS is that in large areas, armed conflicts are a more important cause of food shortages than adverse weather conditions. Unfortunately, FS-oriented programmes cannot avoid political unrest, reduce armed conflicts. One can just hope that increased FS and poverty reduction in the long run help to diminish the (physical) drive to make war.

Notwithstanding the achievements, there is much room for improvement of FS monitoring systems, especially on the reliability of data, which is either weak, or forged so as to obtain higher (emergency) food aid shipments. Other areas in need of improvement, are exchanges of working methods and approaches between different geographical areas (anglophone, and francophone), and to include traditional food crops other than cereals -notably roots and tubers- systematically in the analysis. A more active involvement of the Community and its MS in monitoring FS will certainly result in better quality.

Other ways and means to obtain data and to improve the output of existing systems, should be further explored. In some countries such as Cote d'Ivoire and Mali, household budget surveys are regularly being organised thus enabling a view on household FS.

Further work on household FS indexes is needed, that should however take into account the results of FAO's CFS in this field. It is in particular here that the quality aspect of FS should come into the picture: the composition of the daily menu in relation to nutritional requirements for a healthy and active life. This is a field that is at present not sufficiently covered by data gathering exercises.

The initiative (of Save the Children Fund and FAO) to complement the analysis of the supply of foodstuffs (meteorological data; crop and food supply assessment) with a more in-depth analysis of demand by "risk mapping" of certain areas or groups of people assumed to be particularly vulnerable, seems also very useful in this context. The Commission is gladly providing support to this supplementary study at sub-national level that will establish the reference points and will facilitate future monitoring of the food security situation.

Certainly such sophisticated ways and tools of monitoring are performing well and provide quality data. But one should not overlook that they require considerable funds and (expatriate) personnel, causing high recurrent costs. The simple and cheaper forms of monitoring, the quantity assessments, are less demanding, and yet, even these are not without creating problems.

COM(94) 165 final

DOCUMENTS

EN**10 11**

Catalogue number : CB-CO-94-180-EN-C

ISBN 92-77-67905-0
