

# Governing Global Food Security

Issue 2014/07 · September 2014

by *Tomas Garcia Azcarate*

## The Context

The world population is projected to reach more than 9 billion by the middle of the 21st century. Much of this increase is projected to occur in developing countries, which will consequently face a major challenge with regard to food insecurity. The sudden surge in agricultural commodity prices in 2008 has increased international awareness and political sensitivity, even if prices have stabilised - albeit at higher levels - in recent months.

Analysts diverge on the cause and relative relevance of such price volatility. Some causes are temporary, such as drought in Russia. Others are structural. Examples are the increased protein demand in Asia; the lack of investment in agriculture and agricultural research during the 1980s and most of the 1990s; the increase in biofuels production; and the increasing interlinkages between financial, energy and commodity markets. Finally, there are policy-related causes. Changes in US and EU agricultural policies and export restrictions imposed by wheat and rice exporting countries constitute cases in point. Public intervention creates a substantial risk of inefficiencies and even counterproductive effects.

## Under G20 initiatives

Under the French G20 Presidency, in 2011 agriculture ministers addressed the issue of food price volatility with the objective of improving food security through a joint Action Plan. This initiative foresaw an Agricultural Market Information System (AMIS) to collect information on agricultural inventories as well as the supply and demand of crops. Additionally, it featured an International Research Initiative for Wheat Improvement (IRIWI) and a Rapid Response Forum to promote policy coherence and coordination in times of crisis. Last but not least, the Action Plan initiated a pilot programme for small targeted regional emergency humanitarian food reserves.

Some critical observers complained that this Action Plan tried to address the symptoms of price volatility on agricultural markets but

**F**ood security remains a critical issue for the international community. Although significant and positive steps have been taken towards worldwide food governance in recent years, this Policy Brief argues that more can and should be done in the coming years. Additional actions that policy-makers could consider range from enhancing understanding between different actors and improving the engagement of civil society to the extension of capacity-building efforts, regulatory stability and sufficient access to credit. When taken together in a search for strategic policy coordination, these actions offer the possibility to dramatically improve global food security.

failed to tackle the root causes. Food markets, they argued, do not exist independently of equally volatile energy markets. At the same time, ecologically well-intended initiatives seeking to increase the production of biofuels may have irresponsible consequences in terms of driving up food prices and contributing to local scarcity. Furthermore, the growing “financialisation” of commodity markets contributes to an increased level of market speculation that is far more difficult to regulate than outright price manipulation.

It is nonetheless possible to detect some positive trends. Firstly, the Agricultural Market Information System has proven to be effective in fighting against excessive price volatility.<sup>1</sup>

By providing more reliable information it has increased transparency in international food markets. The Rapid Response Forum is also strongly related to AMIS and provides an instrument for governments to coordinate policy responses in case of unusual market events.

Secondly, commodity market regulation has been advanced on both sides of the Atlantic Ocean. In the US, the Dodd-Frank Wall Street Reform and Consumer Protection Act amended the Commodity Act of 1936 by introducing a regulatory framework for swap markets and extending reporting requirements.<sup>2</sup> In the EU, additional financial regulation is on the way as part of the so-called “Barnier package”.<sup>3</sup>

Thirdly, the L’Aquila Food Security Initiative (AFSI), which was launched at the 2009 G8 Summit under the Italian Presidency, aimed to reverse a decades-long decline in investment in agriculture. The AFSI heralded an ambition “to do business differently” by taking a comprehensive approach to ensuring food security. This entailed effective international coordination and support for country-owned processes and plans. It also meant engaging multilateral institutions to advance efforts to promote food security worldwide and delivering on sustained and accountable commitments. In total, the AFSI mobilised investments of over \$22 billion in agriculture and food security.

Fourthly, a distinct uptrend manifested itself in international consultations. Under the umbrella of the Committee on world food security (CFS) of the Food and Agriculture Organization (FAO), work is ongoing on identifying sound principles for Responsible Agricultural Investments (RAI). Under the impetus of the Mexican Presidency, furthermore, G20 Agricultural Chief Scientists started setting up regular meetings.

#### **WTO initiatives**

During the 9<sup>th</sup> WTO Ministerial Conference in Bali in December 2013, an agreement was reached *inter alia* on the use of public procurement for food stockholding, which can be used by developing countries in pursuit of food security objectives. Many developing countries argue that the current WTO Agreement does not provide them with sufficient policy space to address food security, whereas developed countries have more room for manoeuvre.

The follow-up to Bali is under discussion. Imagination and flexibility are therefore needed. Public stockholding programmes for food security purposes constitute a useful tool, but European experiences teach us that stockpiling can be very expensive. Stockpiling can give wrong economic signals to farmers by encouraging overproduction and environmentally non-friendly intensification. It may force farmers out of the market and generate market disturbance if surpluses are exported at lower prices.

Food security has not always been at the centre of the discussions on the Doha Development Agenda. Discussions should therefore be comprehensive and not limited to stockholding, but also integrate other relevant issues across the whole scope of the Doha round.

#### **Some other initiatives**

We cannot provide an exhaustive list of all the initiatives which are under way, and so here will showcase only a few. The evolving landscape is ever more complex with a mix of public, private, multilateral, bilateral and even unilateral initiatives.

Revisions to the Comprehensive African Agriculture Development Programme process have been at the centre of the recent EU-Africa Summit in April 2014 and were adopted at the AU Summit in June 2014. Initiatives like the Monitoring African Food and Agricultural Policies project (MAFAP, under the auspices of the FAO and the OECD) are also moving in a positive direction.

The Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests were endorsed in 2012 by the Committee on World Food Security (CFS). Since then implementation has been encouraged by the G20, the Rio+20 conference, the United Nations General Assembly and the Francophone Assembly of Parliamentarians.<sup>4</sup> Raising awareness of their importance and engaging multiple stakeholders at all levels will be crucial in guaranteeing their success.

The Food and Agriculture Organization leads the “SAVE FOOD” Global Initiative on Food Loss and Waste Reduction. This initiative rests on four main pillars: awareness raising; collaboration and coordination of worldwide initiatives; policy, strategy and programme development for food loss and waste reduction; and support to investment programmes and projects that are implemented by the private and public sectors. Increased food production is not the unique answer to the food challenge. Improvement in food management has to follow as well.

#### **Recommendations**

At the fourth European Union in International Affairs (EUIA) conference in May 2014, a Policy Link Panel discussed a wide-ranging set of recommendations to tackle the challenge of governing global food security. Participants agreed that even if significant progress has been realised in recent years, strategic policy coordination amongst the major global institutions that invest resources in food security, nutrition and agricultural research is still an issue of concern. The following issues were raised in the course of the debate:

1) Food security today is not only an agricultural issue, based on the available calories, but also concerns balanced nutrition, including how to tackle obesity. In other words, food and health policies have to be mutually supportive.

2) Innovation, structural change and access to natural resources are key drivers of productivity growth and the sustainable use of resources. Policies have to affect all those drivers in a coherent way.

3) Increased support for agricultural research and networks between research centres of developed and developing countries are positive, but the aims of such initiatives should be to deliver tangible results that respond to real development needs.

4) More active participation by developing countries in international discussions and forums is required. Institution- and capacity-building – especially for small and family farmers – is therefore particularly relevant. Better promotion of success stories and future solutions should be based on past experiences. This entails improved engagement with civil society: democracy and active participation of local communities in designing and implementing any initiative are key elements of a successful and inclusive strategy.

5) There are potential negative spill-overs associated with public stockholding that have to be taken into account such as how stockholding affects the food security of other countries. Increased demand for food due to stockholding can excessively increase prices and divert supplies away from immediate consumption needs in other countries. When food stocks are released for consumption in the domestic market, imports from third-countries can be crowded out of the market. When stockpiling is excessive, surpluses can be dumped on the export market.

6) The gender dimension of food security and nutrition is essential. Studies show that if women farmers were given the same access to resources (such as land, finance and technology) as men, their agricultural yields could increase by 20% to 30%; national agricultural output could rise by 2.5% to 4%; and the number of malnourished people could be reduced by 12% to 17%.<sup>5</sup>

7) Small family farms are the dominant group among the food insecure, yet, according to the World Bank, 75% of such farms are living in poverty. Of those living in poverty, 95% of their land is less than 10 hectares and they are dependent upon subsistence farming. The United Nations International Year of Family Farming aims to stimulate policies for the sustainable development of farmer families, communal units, indigenous groups, cooperatives and fishing families. They should be at the centre of any strategy as their active involvement is crucial.

8) Any policy has to take into account the food system as a whole, and recognise that this system is characterised by a mosaic of different types of food systems at the local, national, regional and global levels, which function simultaneously. Regional trade integration is relevant and starts with enhancing the connection between farmers and local markets. The territorial dimensions of the policies are increasingly relevant (e.g. the interlink between urban and rural communities).

9) Improved coordination between public and private funding and effective participation of the private sector in agricultural growth are essential. Development of agricultural value chains can improve rural economies, especially for smallholders. In that sense, facilitating access to credit for private sector development in rural areas is paramount.

10) Capacity-building of local authorities and stakeholders is key to improving rural development planning and policy implementation. This concerns the most food insecure regions in particular. Better regulation only makes sense if implementation and control are improved. Technical mechanisms for setting targets and measuring efficiency need improvement, for instance. The EU has much experience in capacity-building, especially after the last rounds of enlargement.

11) The European push towards Policy Coherence for Development aims at preventing non-development policies from contradicting or undermining development efforts and resources, and at maximising potential synergies that may arise.<sup>6</sup> Even if many positive developments have been recorded over the last few years, many challenges remain as well. It is therefore important to design indicators that build on ongoing methodological work.

## Conclusions

The international community has shown great concern for the issue of food security. Despite the significant progress that has already been made, more work lies ahead in order to address the root causes of the problem. The first step is to achieve an improved common understanding between the different actors involved. These include both developing and developed countries, as well as all international organisations, private actors and non-governmental organisations. A joint identification of present challenges and expectations is a prerequisite condition for the building of a shared agenda.

On the basis of such a broad platform, the following next steps should be considered. The engagement of civil society needs to be improved. Closer collaboration between public and private funding for food security must be pursued. A proactive gender policy intended to actively support the involvement of women may boost

agricultural yields and reduce malnourishment. In the same vein, the transfer of relevant technology and knowledge to family farms will contribute to increased productivity and sustainability. Last but not least, a sustained effort in capacity- and institution-building of local administrations and civil society actors can spread and embed best practices.

Improving access to food is critically dependent on the right enabling conditions. Sufficient access to credit, stable regulatory systems and land property rights are necessary components of sustained investment in agriculture. There needs to be an improvement in all these factors. To the extent that prioritising is inevitable, family farms and women farmers in particular, deserve a maximum of support.

## References

Clapp, J. and Murphy, S. (2013) "The G20 and Food Security: a Mismatch in Global Governance?", *Global Policy*, 4(2): 129-138.

Coordination SUD (2014) *Gouvernance de la sécurité alimentaire*. <http://www.coordinationsud.org/plaidoyer/agriculture-alimentation/gouvernance-de-la-securite-alimentaire/>

FAO (2013) *FAO calls on countries to adapt to food price volatility* Proceedings of the Second Ministerial Meeting on International Food Prices. See: <http://www.fao.org/docrep/019/i3519e/i3519e.pdf>

FAO (2014) "The Bali Package - Implications for Trade and Food Security Trade", Policy Brief on issues related to the WTO negotiations on agriculture, n°16. See: <http://www.fao.org/docrep/019/i3658e/i3658e.pdf>

McKeon, N. (2011) "Global Governance for World Food Security: A Scorecard Four Years After the Eruption of the "Food Crisis"", Heinrich-Böll-Stiftung. See: <http://acuns.org/wp-content/uploads/2012/06/Global-Governance-for-World-Food-Security.pdf>

OECD (2011) "Price Volatility in Food and Agricultural Markets: Policy Responses", Policy Report including contributions by FAO, IFAD, IMF, OECD, UNCTAD, WFP, the World Bank, the WTO, IFPRI and the UN HLTF. See: <http://www.oecd.org/tad/agricultural-trade/48152638.pdf>

OECD (2013) "Global Food Security: Challenges for the Food and Agricultural System". See: [http://www.oecd-ilibrary.org/agriculture-and-food/global-food-security\\_9789264195363-en](http://www.oecd-ilibrary.org/agriculture-and-food/global-food-security_9789264195363-en)

Page, H. (2013) "Global Governance and Food Security as Global Public Good", Center on International Cooperation, New York University. See: [http://cic.nyu.edu/sites/default/files/page\\_global\\_governance\\_public\\_good.pdf](http://cic.nyu.edu/sites/default/files/page_global_governance_public_good.pdf)

## Endnotes

<sup>1</sup> <http://www.amis-outlook.org/>

<sup>2</sup> <https://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>

<sup>3</sup> [http://ec.europa.eu/internal\\_market/finances/index\\_en.htm](http://ec.europa.eu/internal_market/finances/index_en.htm)

<sup>4</sup> <http://www.state.gov/s/globalfoodsecurity/rls/rpt/laquila/202837.htm>

<sup>5</sup> <http://www.fao.org/nr/tenure/voluntary-guidelines/en/>

<sup>6</sup> [http://www.undp.org/content/dam/undp/library/gender/Gender%20and%20Environment/TM4\\_Africa\\_Gender-ClimateChange-and-Food-Security.pdf](http://www.undp.org/content/dam/undp/library/gender/Gender%20and%20Environment/TM4_Africa_Gender-ClimateChange-and-Food-Security.pdf)

<sup>7</sup> <http://eudevdays.eu/topics/policy-coherence-development>



Lifelong Learning Programme

*This Policy Brief builds on the 'Governing Global Food Security' policy link panel organised by the Institut d'Etudes Européennes at the recent #EUIA14 conference and was made possible thanks to the financial assistance of the European Commission's Jean Monnet programme. For more information about the conference, please visit [www.ies.be/euia2014/](http://www.ies.be/euia2014/).*

## About the authors



**Dr. Tomas Garcia Azcarate** is an economic advisor in the European Commission's Directorate-General for Agriculture and Rural Development. He is also a Maître de Conférence at the Institut d'Etudes européennes of the Université Libre de Bruxelles (IEE-ULB). He serves as a Member of the Académie d'Agriculture de France and the Italian Accademia dei Georgofili and as President of the Spanish Association of Agricultural Economists (AEEA).

Policy briefs are published by the  
Institute for European Studies

Jean Monnet Centre of Excellence  
at the Vrije Universiteit Brussel

[www.ies.be](http://www.ies.be)

Pleinlaan 5

B-1050 Brussels

T +32 2 614 80 01

[ies@vub.ac.be](mailto:ies@vub.ac.be)