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February 2007

Renegotiating the Food Aid Convention: Background, Context, and Issues

John Hoddinott and Marc J. Cohen

Food Consumption and Nutrition Division

INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE.

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Abstract

The current global agreement governing food aid—the Food Aid Convention (FAC)—will expire in 2007. It has come under heavy criticism as has the diffuse set of broader food aid governance institutions that has emerged in the last 50 years. These institutions are characterized by overlapping mandates, differing degrees of authority and legitimacy, varied levels of transparency in decisionmaking, and problematic representation of the major stakeholders. A number of issues are likely to arise during the course of negotiations over a new FAC. These include its objectives; the nature of commitments—whether to express them in tonnage, value, or nutritional terms; the level of commitments and their distribution among donor countries; monitoring and enforcement of commitments; representation on the FAC governing body among food aid donor- and recipient-country governments and civil society organizations; and the institutional "home" of the FAC.

More specifically, there is debate over such questions as whether the new FAC should have an "instrument focus"—food aid—or a "problem focus" such as "food security" or "hunger." If the focus is on addressing hunger, should food aid under the FAC be restricted to emergencies only or should it pertain to broader food security issues? Should the FAC be a low-key forum for exchange of information or should it have some meaningful ways of monitoring commitments and encouraging compliance by both donors and recipients? Debates such as these will reflect views on the purposes of food aid itself. Conversely, debates regarding these broader questions carry consequences for the formation of views on the issues involved in the FAC negotiations.

This paper's purpose is solely to outline issues and options; hence it does not advocate for particular positions.

Key Words: Food aid, international agreements, international organizations, humanitarian assistance, human rights, local purchase, triangular transaction, development assistance, trade agreements, grain trade, code of conduct, needs assessment

1. Introduction

There is a strong likelihood that negotiations will soon begin on a new Food Aid Convention (FAC). The current convention, which dates from 1999 and expires in July 2007, has come under heavy criticism as has the diffuse set of broader food aid governance institutions that has emerged in the last 50 years. These institutions are characterized by overlapping mandates, differing degrees of authority and legitimacy, varied levels of transparency in decisionmaking, and problematic representation of the major stakeholders; features that have led one recent analysis to describe them as "dysfunctional and outdated" and therefore "ineffective" (Barrett and Maxwell 2006).

This paper identifies key issues facing the international governance of food aid with particular reference to renegotiation of the FAC. Understanding these issues requires familiarity with a considerable body of background information and so, the first sections of the paper provide this. It begins with a brief review of the FAC, its origins, current objectives, and a description of the principal controversies that surround it. We then describe other important components of the current international architecture of food aid governance: the Consultative Subcommittee on Surplus Disposal (CSSD) of the Food and Agriculture Organization of the United Nations (FAO), the World Trade Organization (WTO), the World Food Programme (WFP), the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), nongovernmental organization (NGO) codes of conduct, and the recently agreed upon Voluntary Guidelines on the Right to Adequate Food. The final background component is a brief review of the current world food situation and its implications for food aid needs. Having reviewed these background issues, the paper outlines key issues that may arise in the FAC renegotiation. These include the objectives of a new FAC; the nature of commitments—tonnage, value, nutritional aspects; the level of commitments and their distribution; monitoring and enforcement of commitments; representation on the Food Aid Committee; and housing of the Food Aid Convention. The purpose of the paper is solely to outline issues and options; hence it does not advocate for particular positions.

2. The Food Aid Convention

History and Current Status

The FAC is one component of the International Grains Agreement, the other being the Grains Trade Convention. The International Grains Council (IGC—formerly the International Wheat Council), located in London, has served as the Convention's host agency and secretariat since its inception in 1967.

The IGC is an intergovernmental organization outside the United Nations system. Its principal function is to provide a forum for the exchange of information on world grain trade developments. It monitors global grain markets and ocean freight rates, as well as providing summary reports on production, consumption, stocks, and prices on a monthly and annual basis. In addition, it compiles reports of food aid shipments provided to it by its members (IGC 2005). These data are made available to signatories to these Conventions; they are not publicly available.

In the years prior to the first FAC, the United States was responsible for supplying most international food aid. In the mid-1960s, the conjunction of changes in domestic U.S. farm policy together with weather- and war-induced crop failures in developing countries led to a tightening of global food stocks. The United States was also concerned about growing European grain surpluses generated by the European Community's Common Agricultural Program while the Europeans, for their part, wanted to secure their new-found role as a significant grain exporter via a new international wheat agreement. In the context of the Kennedy Round negotiations of the General Agreement on Tariffs and Trade (GATT), these circumstances led to the emergence of the FAC alongside a new Wheat Trade Convention as part of the International Grains Agreement. The United States extracted pledges to "share the burden" of the provision of food aid to poor countries as a quid pro quo for a commercial trade agreement (Barrett and Maxwell 2005).

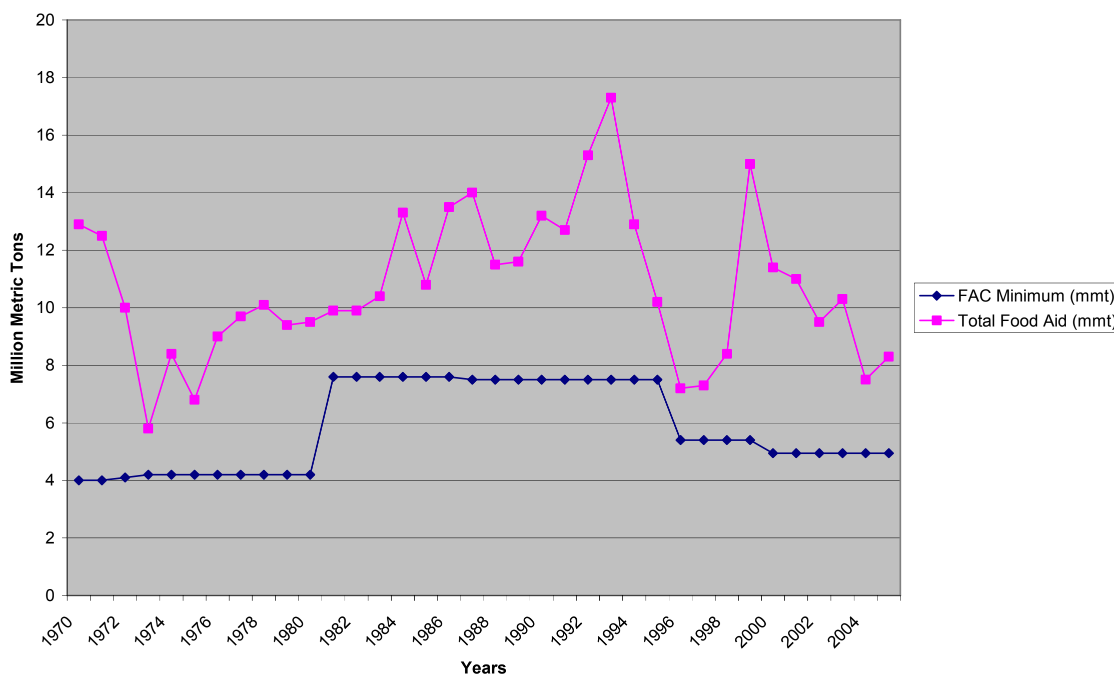
Under Article I, the objective of the first FAC was "to carry out a food aid program with the help of contributions for the benefit of developing countries" (Australian Department of External Affairs 1968). It set a minimum tonnage level for international food aid of 4.06 million metric tons of grain, with signatories each agreeing to provide a fixed portion. Article III of the Convention established a Food Aid Committee that would receive regular reports from contributing countries on the amount, content, channeling, and terms of their food aid contributions under the Convention; review the purchase of grains financed by cash contributions; examine the way in which the obligations undertaken under the food aid program have been fulfilled; and exchange information on a regular basis on the functioning of the food aid arrangements under the Convention, in particular, where information was available, on its effects on food production in recipient countries. Decisionmaking in the Food Aid Committee was (and is) by consensus. Signatories were the Governments of Argentina, Australia, Canada, Denmark, Finland, Japan, Norway, Sweden, Switzerland, the United Kingdom, the United States, and the European Economic Community and its Member States. Article VI of the 1967 FAC stated that countries could only be signatories if they were also signatories to the Wheat Trade Convention.

The FAC has been subsequently renewed in 1971, 1980, 1986, 1995, and most recently in 1999. The 1999 FAC was originally set to expire in 2002, but members agreed to extend it through July 2007 in light of ongoing global trade negotiations. Some crucial components of the Convention have remained

largely unchanged over time while other components have been significantly altered. The 1999 FAC has 23 signatories: Argentina, Australia, Canada, Japan, Norway, Switzerland, and the United States, as well as the European Union (EU) and its member states (IGC 2005).

One feature that has not changed has been the inclusion of a commitment to provide a minimum quantity of food aid. The size of this commitment, however, has varied over time (Benson 2000; IGC 1999); see Figure 1. Other features that have persisted include using the IGC as the host agency and a membership limited to countries that commit to making food aid contributions.

Figure 1: FAC commitments and food aid flows, 1970-2005



Note: Data for 2005 are provisional.

One important change that has occurred is that humanitarian and development assistance policy concerns are now taken into consideration to a much greater degree than in the past. The objectives of the 1999 Convention (IGC 1999), as outlined in Article I, are to

> . . . contribute to world food security and to improve the ability of the international community to respond to emergency food situations and other food needs of developing countries by: (a) making appropriate levels of food aid available on a predictable basis, as determined by the provisions of this Convention; (b) encouraging members to ensure that the food aid provided is aimed particularly at the alleviation of poverty and hunger of the most vulnerable groups, and is consistent with agricultural development in those

> countries; (c) including principles for maximizing the impact, the effectiveness and quality of the food aid provided as a tool in support of food security; and (d) providing a framework for cooperation, coordination and information-sharing among members on food aid related matters to achieve greater efficiency in all aspects of food aid operations and better coherence between food aid and other policy instruments.

Second, from an initial focus on grains, the current Convention now includes pulses, root crops, edible oil, sugar, and skimmed milk powder among the eligible commodities that can count towards fulfilling pledges. Although donor surplus disposal remains a factor (for example, the dairy products), this change is partly a result of the increased donor preference for local purchases and triangular transactions, as it includes more foods regularly consumed by poor people in developing countries. The current EU FAC pledge includes €130 million in cash as well as a tonnage level, and several donors have agreed to cover the cost of transporting and delivering food, particularly in the case of emergencies and food aid provided to Least-Developed Countries. The Convention encourages members to provide food aid in grant form, rather than as concessional sales, and to decouple food aid from export promotion. The eligible commodities also include seeds, in recognition of the growing emergency character of food aid. There is, as well, a greater focus on nutrition with micronutrient fortified commodities also being eligible (IGC 2005).

Criticisms of the Food Aid Convention

The main focus of criticism has surrounded the commitments to minimum tonnage. In principle, these should represent a meaningful floor below which shipments should not fall. However, following the 1974 World Food Conference, governments pledged to provide either food or funds to assure an annual minimum of 10 million metric tons of food aid. This tonnage level, nevertheless, has not been reflected in subsequent FAC commitments. On average, the international community has met or exceeded the World Food Conference pledge, typically providing 10-13 million metric tons annually, though deliveries in 2004 of 7.5 million metric tons were the fifth lowest on record in the past 35 years (see Figure 1) (WFP/INTERFAIS 2006; Hasenclever, Mayer, and Rittberger 1998; Hoddinott, Cohen, and Bos 2003). In any event, the FAC minimum commitment is set at such a low level that it is less than clear how meaningful it actually is.

Because commitments are based on volume rather than monetary value, the FAC should, in principle, contribute modestly to making food aid countercyclical with respect to world grain supplies because donors pledge to make the minimum tonnage available regardless of price (IGC 2005; Benson 2000; Hasenclever, Mayer, and Rittberger 1998). In practice, this does not occur either. The FAC is not the main driver of tonnage levels. Rather, food aid provision is highly correlated with global grain prices and the size of U.S. harvests; the latter arising from the continued dominance of the United States as a

donor, and its continued practice of providing food aid in kind. Overall, food aid remains pro-cyclical (Barrett and Maxwell 2005). All donors budget for food aid in monetary terms, rather than tonnage, so volumes rise and fall in inverse proportion to global prices, even though food aid needs are likely to rise when prices do. For example, food aid levels fell dramatically in the mid-1990s, despite coinciding with a major food crisis in the Great Lakes region of Africa. Put another way, the FAC's focus on tonnage commitments does not guarantee that food aid will provide an effective tool for tackling poverty and hunger, based on identified needs for food aid. In this sense, it is not a particularly effective "safety net" (Benson 2000).

An additional problem arises because tonnage pledges under the various iterations of the FAC are in "wheat equivalents." The FAC includes conversion factors for other commodities, based on average market price ratios and other factors (IGC 1999). For example, a ton of rice counted as three tons of wheat under the 1980 FAC and 2.4 tons under the 1986 version. This has allowed donors to provide substantially less tonnage than the nominal level pledged and still claim to have kept their commitments (Clay and Stokke 1991). It has also further undercut the value of the FAC as a guarantee of a fixed quantity of food to address emergency needs and chronic hunger.

In any event, there are no meaningful consequences when signatories fail to meet their commitments. In 1994, U.S. food aid fell 170,000 metric tons short of the country's 4.48 million ton pledge (Hasenclever, Mayer, and Rittberger 1998). In recent years, Canada has repeatedly failed to meet its target tonnage (Barrett and Maxwell 2006). The only penalty for failing to deliver is some minor damage to the member state's reputation as a reliable supplier—minor because the Food Aid Committee does not make public any member's failure to meet its commitments, and these only become apparent because the patchwork quilt of food aid governance has multiple report requirements (see below).

Critics point to several other limitations of the FAC and the larger global food aid regime of which it is a part. First, they note that there is no effort—and indeed no mechanism—to provide any meaningful dialogue on the effectiveness of food aid provided by signatories. There is no systematic evaluation of individual donors or overall performance in relation to commitments, nor has the Food Aid Committee ever undertaken a systematic assessment of the impact of the Convention itself (Benson 2000; Barrett and Maxwell 2005).

Second, representation on the Food Aid Committee is limited to FAC signatories. Despite their prominence as food aid stakeholders, recipient-country governments and NGOs are excluded from negotiations over FAC terms and discussions of food aid policy and practice held under the auspices of the Food Aid Committee. Representatives from the World Food Programme (WFP), FAO, WTO, OECD, and the U.N. Conference on Trade and Development are supposedly able to attend as observers (IGC 2005), and, in fact, the Committee sometimes asks them to speak to certain issues. In practice, however,

the representatives from these agencies often cannot attend the sessions when Committee members have not requested their presence.[1]

Third, the FAC operates without much transparency. The Food Aid Committee provides remarkably little public information on its deliberations, even though the members are represented by officials of democratic governments that are accountable to their citizens. Background position papers provided by signatories are difficult to obtain and no minutes of the meetings are made publicly available. Information on deliberations, such as the press release that follows meetings, excludes mention of points of disagreement among members that occurred in that meeting and—unlike the materials circulated among members—does not include details of individual members' adherence to the articles of the Convention.

The FAC and the Food Aid Committee are part of a wider set of institutions and actors involved in food aid governance. A fourth criticism, related to the question of transparency, focuses on this wider food aid regime. Authority is diffuse and mandates overlap, with the result that accountability is often unclear.

3. Other Elements of the Current International Architecture of Food Aid Governance

In this section, we briefly describe other institutions that play important roles in the governance, monitoring, and delivery of food aid. These are FAO's Consultative Subcommittee on Surplus Disposal (CSSD), WTO, WFP, OECD's DAC, relevant NGO codes of conduct, and the recently agreed upon Voluntary Guidelines on the Right to Adequate Food.

The Consultative Subcommittee on Surplus Disposal

The CSSD was established in 1954, at a time when food aid accounted for a major share of the global grain trade. Its purpose is to monitor adherence to FAO's "Principles of Surplus Disposal," which comprise "a code of international conduct which encourages the constructive use of surplus agricultural commodities and at the same time safeguards the interests of commercial exporters and local producers" (Konandreas 2005, 10). In practice, it focuses on program food aid (now almost entirely from the United States), i.e., commodities provided via untargeted, government-to-government transfers. In contrast, project and emergency food aid—usually targeted to vulnerable groups, linked to humanitarian or development activities, and carried out by NGOs or WFP—are generally regarded as additional to

[1] Chris Barrett, personal communication, April 7, 2006.

commercial exports. Unlike the Food Aid Committee, the CSSD includes both developed- and developing-country governments among its members with a number of international organizations and NGOs (including the International Federation of Agricultural Producers and the International Monetary Fund) holding observer status (Barrett and Maxwell 2005). It operates under the umbrella of FAO's Committee on Commodity Problems, and is able to draw on FAO's considerable staff expertise on agricultural trade, food aid, and food security. However, the Principles of Surplus Disposal are nonbinding commitments and, like the Food Aid Committee, the CSSD has no enforcement powers. Notification of transactions is voluntary. While the share of global food aid reported through the CSSD was around 80 percent in the early 1990s, these notifications fell dramatically throughout the 1990s, reaching a low of less than 5 percent in 2000-01 (Barrett and Maxwell 2005, 70), although these have recovered subsequently.

The World Trade Organization[2]

As noted earlier, the initial FAC was a by-product of the Kennedy Round trade negotiations. Food aid re-entered global trade talks as part of the Uruguay Round's Agreement on Agriculture (AoA) and is playing a prominent role in current Doha Round talks.

Unlike the Food Aid Committee and the CSSD, the WTO has the means to enforce its rules. The organization has a highly structured system for resolving member disputes. Members that refuse to abide by the decisions of the WTO disputes settlement process regarding alleged unfair trading practices face WTO-endorsed trade sanctions such as countervailing duties imposed by the complaining members (WTO 2006b). Like the CSSD, the WTO on paper has a North-South governance structure. Effective Northern dominance, particularly on agricultural issues, has diminished considerably with the emergence of the Group of 20, an influential bloc of developing-country exporters. However, WTO rules and procedures remain arcane, making it difficult for poorer developing countries to participate on anything approaching an equal footing (Halle 2005; Hopkins 1993).

An important issue, which arose first in the Uruguay Round and is especially prominent in current talks, is the possibility that some countries might use food aid to circumvent restrictions on export subsidies. As a result, the AoA included an explicit discussion of "bona fide" food aid:

> Members donors of international food aid shall ensure: a) that the provision of international food aid is not tied directly or indirectly to commercial exports of agricultural products to recipient countries; b) that international food aid transactions, including bilateral food aid which is monetized, shall be carried out in accordance with the FAO "Principles of Surplus Disposal and Consultative Obligations" including, where

[2] This section draws heavily on Konandreas (2005), Barrett and Maxwell (2005), and Clay (2006).

> appropriate, the system of Usual Marketing Requirements (UMRs); and c) that such aid shall be provided to the extent possible in fully grant form or on terms no less concessional than those provided for in Article IV of the Food Aid Convention 1986 (WTO 1994a: Article 10.4).

In addition, some countries expressed concern during the Uruguay Round that the liberalization in agricultural trade envisaged under the AoA might lead to sharply higher food prices. For this reason, the WTO adopted the 1994 Marrakesh Ministerial Decision, addressing possible negative effects of agricultural trade liberalization on the Least Developed and Net Food-Importing Developing Countries (WTO 1994b). The Decision recommends increased food aid as one means to help those countries, along with compensatory financial aid and assistance to agricultural development. Nevertheless, the Decision does not specify that food aid provided under its terms should be targeted to vulnerable groups or support development activities. Rather, it conceives of food aid more as a kind of short-term balance of payments support or means of adjusting to price spikes (although the specification of aid to agricultural development as an alternative or complementary compensatory measure potentially mitigates this). Indeed, it could be read as calling for program food aid, which is widely viewed as trade-distorting. Significantly, though, the Decision has never been implemented, since it specifies no monitoring or enforcement body, and does not spell out the specific circumstances that would trigger its implementation (Konandreas 2005; Hoddinott, Cohen, and Bos 2003).

Subsequently, food aid has emerged as a contentious issue in the Doha Round. The European Union, under pressure to eliminate its export subsidies, has in turn criticized U.S. in-kind food aid for displacing commercial sales and distorting trade. Discussions initially focused particularly on program food aid, which accounted for half of all food aid in the 1990s, but 15-25 percent in the current decade (WFP/INTERFAIS 2006). The United States has agreed in principle that program food aid should come under WTO's purview, but has resisted calls to subject non-program in-kind food aid to WTO disciplines. Leaders of the U.S. Congress adamantly support in-kind food aid, and vow not to permit changes in the basic legislation governing U.S. food aid (U.S. House of Representatives 2005). In addressing food aid issues in the WTO negotiations, WFP Executive Director James Morris has emphasized that local and regional purchases can also disrupt markets, bidding up prices when supplies are tight (Morris 2005).

At the conclusion of discussions held in Hong Kong in December 2005, the WTO Ministerial Declaration indicated:

> On food aid, we confirm our commitment to maintain an adequate level and to take into account the interests of food aid recipient countries. To this end, a "safe box" for bona fide food aid will be provided to ensure that there is no unintended impediment to dealing with emergency situations. Beyond that, we will ensure elimination of commercial displacement. To this end, we will agree effective disciplines on in-kind food aid,

> monetization and re-exports so that there can be no loop-hole for continuing export subsidization. The disciplines . . . will be completed by 30 April 2006 as part of the modalities, including appropriate provision in favour of least-developed and net food-importing developing countries as provided for in paragraph 4 of the Marrakesh Decision (WTO 2005).

Subsequently, the Chair of the WTO Committee on Agriculture prepared a reference paper on food aid designed to assist discussions (WTO 2006a). The paper suggested that, in the context of any new WTO agreement, it would be highly desirable—at least from the point-of-view of further negotiations—to separate emergency and nonemergency food aid. Emergency food aid would be placed in a "Safe Box" designed to ensure that WTO disciplines do not unintentionally impede responses to needs brought about by emergencies. The critical questions then become what constitutes the commencement and duration of an emergency, and who decides? The reference paper strongly suggested that WTO itself not be the body that makes such decisions, instead deferring to some other body or bodies. The Chair noted, "I have not detected any fundamental disagreement with the view that nonemergency in-kind food aid should be needs based, should not be tied, should be targeted and provided for specific objectives" (WTO 2006a, 7). However, divergences remain over the continued provision of in-kind food aid and monetization. As Clay (2006) points out, a number of crucial issues would appear to remain unresolved. These include (1) How does one distinguish between "bona fide" food aid used to deal with emergencies and disguised export subsidies; (2) How can the intentions behind the Marrakesh Decision be maintained and operationalized; and (3) How can (1) and (2) be monitored and enforced?

As of this writing, WTO members have "suspended" the Doha Round talks. Disagreements between the United States and the European Union over subsidies, domestic farm support, and food aid were among the major sticking points, along with developing countries' worries that trade liberalization will undermine their small-farm sectors (WTO 2006c).

The World Food Programme

WFP is the U.N. system's operational food aid agency, and it presently delivers about half of all food aid and a major share of emergency food aid in any given year (Clay, Riley, and Urey 2004). It is the intergovernmental institution with the most expertise on making food aid support sustainable development, poverty reduction, and food security, and on linking relief and development. WFP maintains a comprehensive database on all global food aid, not just its own operations, the International Food Aid Information System (INTERFAIS), and the agency's Vulnerability Analysis and Mapping (VAM) system helps it to design food aid operations on the basis of need. Together with FAO, WFP plays a major role in carrying out needs assessments that are the basis of consolidated and flash appeals

issued by the U.N. Office for the Coordination of Humanitarian Affairs (OCHA) to assist those affected by natural and human-induced disasters.

WFP also has relatively transparent governance, with power shared between Northern and Southern governments on the Executive Board. The Presidency of the Board regularly rotates between representatives of the North and the South, with the Vice Presidency held by a Northerner when the President is from the South, and vice versa. The agency has enhanced its policy analysis capacity considerably in recent years, but its main focus remains on operations, not policy (Hoddinott, Cohen, and Bos 2003). WFP also has extensive relationships with both civil society and the private sector, and its policy is to carry out food aid operations with a high degree of beneficiary participation.

The Development Assistance Committee (DAC) of the OECD

As food aid is considered Official Development Assistance (ODA), it comes under the DAC's statistical reporting and policy harmonization mandates. Food aid flows are reported to the DAC, making it the fourth body, after the Food Aid Committee, the CSSD, and INTERFAIS, to which such flows are reported. The DAC carries out extensive studies on aid best practice and effectiveness, and these have included a number that have proved influential in food aid debates such as Clay, Riley, and Urey (2004). In contrast to the FAC Food Aid Committee, the DAC regularly facilitates "peer review" of member governments' aid programs.[3] However, the DAC can only recommend, but not enforce, suggestions aimed at improving the effectiveness of food aid and other ODA.

NGO Codes of Conduct

NGOs on both sides of the Atlantic have undertaken a number of voluntary initiatives to improve the effectiveness of food aid as a humanitarian and development tool. EuronAid, the European food aid NGO association, developed a code of conduct on food aid in 1995 that helped influence the European Union to decouple food assistance from domestic surpluses and link it more strongly to programs to promote food security. EuronAid also promoted more effective linkages between relief and development programs.[4] Between 1989 and 2004, U.S. food aid NGOs worked through the Food Aid Management (FAM) consortium to develop common standards to "promote the efficient and effective use of food aid resources to help alleviate hunger and contribute to food security."[5]

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[3] See the DAC's peer review homepage, http://www.oecd.org/department/0,2688,en_2649_34603_1_1_1_1_1,00.html.

[4] Gerhard Schmalbruch, EuronAid Secretary General, personal communication, 10 April 2006. See www.euronaid.net for the text of the code of conduct.

[5] Food for the Hungry International continues to maintain the archived FAM website, http://www.foodaid.org/default.htm, and FAM's extensive library of food aid and food security resources is maintained by Counterpart International.

The Sphere project is an effort by humanitarian NGOs and the Red Cross-Red Crescent movement to develop a set of standards for humanitarian assistance, including food aid. Although the standards are likewise purely voluntary, they have had considerable influence in recent years. The project proceeds from two principles: that all possible steps should be taken to alleviate human suffering arising out of calamity and conflict; and that those affected have a right to life with dignity and therefore a right to assistance.[6]

In 2006, a group of Canadian, European, and U.S. NGOs created an informal network, the Trans-Atlantic NGO Food Aid Policy Dialogue, aimed at developing principles for a new FAC. The groups agreed that the Convention "should focus on ensuring the availability of direct food transfers for food insecure people and their associated delivery and distribution costs," based on comprehensive and ongoing needs assessment, greater transparency and accountability, and consultation of a broader range of stakeholders than just donor governments (Canadian Foodgrains Bank 2006).

The Right to Food Voluntary Guidelines

The Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security also applies a rights lens to food aid.[7] The Guidelines were approved by the FAO Council in November 2004. They call upon states that provide food aid to conform with the FAC and other relevant international agreements, and assure that their food aid policies support the efforts of recipient states to "progressively realize the right to adequate food . . . ." In addition, the Guidelines encourage donors to carry out "sound needs assessment" that engages both recipient and donors, in order to assure that aid goes to "needy and vulnerable groups." The Guidelines call on donors to provide food aid taking into account food safety, local and regional food production capacity and benefits, and nutritional needs and cultures of the recipients. Finally, in emergency situations, the guidelines encourage affected states to provide food assistance to those in need, and to seek international assistance as necessary. This suggests that the international community has a moral duty—if not a legally binding obligation—to assist in such circumstances. As their name implies, the Guidelines are strictly voluntary, although their endorsement by the FAO's member states does give them a substantial degree of legitimacy as guiding principles. Some NGOs (for example, FTNC 2005) have called for the FAC to make explicit mention of the Voluntary Guidelines and the right to adequate food.

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[6] Detailed information on the project is posted at http://www.sphereproject.org.

[7] The Guidelines are posted at http://www1.umn.edu/humanrts/instree/food-voluntaryguidelines.html.

4. The Current Food Security Outlook and Its Implications for Food Aid

There are a number of disquieting dimensions to global food security. Taken together, these create a substantial ongoing need for food aid to address both chronic and acute (emergency) requirements. According to FAO, more than 800 million people in developing countries have inadequate access to food, and if China is excluded from consideration, the number of food-insecure people increased between 1990 and 2000 (FAO 2004).[8] Humanitarian emergency needs remain substantial, although actual needs in any given year fluctuate with the number and intensity of conflicts and natural disasters.

The international community's response to emergencies is highly variable. Sometimes, there is an impressive response that saves lives and minimizes human suffering. For example, the U.N. system appealed for $1.3 billion to assist 5 million people in 12 countries affected by the December 2004 Indian Ocean tsunami. By the following June, official aid agencies had covered 81 percent of the appeal, and there was a massive outpouring of private charitable donations.

Unfortunately, prompt and effective emergency aid is increasingly the exception to the rule. In recent years, overall contributions have consistently lagged behind appeals. In November 2004, OCHA issued a Consolidated Appeal to meet the emergency needs of 26 million people in 14 developing and transition countries, territories, and subregions over the coming year. By June of 2005, donors had covered 48 percent of the Consolidated Appeal and subsequent flash appeals. However, if tsunami relief is excluded from consideration, the figure falls to just 36 percent.[9] Urgent U.N. appeals for humanitarian aid to assist people affected by violence in the Darfur region of Sudan generated a far more modest response than the tsunami relief appeal. By mid-2005, donors had provided only 33 percent of the $2 billion requested to help 2.5 million people in Sudan, and an appeal for Chad for aid to refugees from Darfur and elsewhere garnered a 27 percent response. The slow donor response to the 2004-05 crisis in Niger received considerable media attention, becoming emblematic of the limitations of the current humanitarian appeals process.

The anemic reaction to the Niger emergency is unfortunately typical in another way. Over the past 15 years, the long-term trend in emergency food aid is that conflict-related emergencies usually induce twice as much food aid as natural disasters (Hoddinott, Cohen, and Bos 2003).[10]

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[8] This is only one dimension of food and nutrition security with other indicators showing additional cause for concern. For example, micronutrient malnutrition is far more widespread, with some 3.5 billion people in developing countries consuming iron-deficient diets (SCN 2004).

[9] OCHA's 2005 Consolidated Appeal and the Mid-year Update are both posted at <http://www.reliefweb.int/appeals/index.html>.

[10] Specifically, we found that in low-income countries, a 10 percent increase in the number of persons affected by conflict increases food aid shipments by 2.4 percent; a 10 percent increase in the number of persons affected by natural disaster increases food aid shipments by 1.1 percent.

There are also some important trends in global food production that are worth noting. Global cereals production in 2005 was estimated to be approximately 2.2 billion metric tons, an increase of approximately 15 percent since 1990. Virtually all this increase has occurred in developing countries, with Brazil making a noteworthy contribution to the latter in the last five years (von Braun 2005). Global food stocks fell significantly between 1997 and 2003, from approximately 580 to 300 million metric tons, though they have recovered slightly since then (von Braun et al. 2005). Further, there have been significant increases in wheat and rice prices since 2000 (von Braun 2005), although to some extent, these represent recovery from the unusually low prices of the late 1990s.[11] IFPRI's International Model for Policy Analysis of Agricultural Commodities and Trade (IMPACT) projects that future increases in production will hinge crucially on additional investments in the agricultural sector, including efforts aimed at increasing productivity and improving the management of natural resources (von Braun et al. 2005).

Four other developments are worth noting. First, increased amounts of North American grain are likely to go into producing alternative fuels, absorbing grain that might otherwise provide food aid resources. Second, there have been past controversies about food aid from genetically modified (GM) cereals and it is likely that such controversies will occur in the future. GM grains comprise a growing share of agricultural production both in North America and also in major grain- and oilseed-exporting developing countries such as Argentina and Brazil. Third, although some scientists disagree, many believe that over the next few decades, climatic change is likely to contribute to reduced agricultural production in developing countries and to more severe and frequent extreme weather events, such as droughts and floods (Wilson 2001). Fourth, the availability of in-kind food resources from donors may decline due to reduced domestic support for agriculture, depending on the outcomes of the Doha Round, regardless of whether new WTO agreements restrict nonemergency in-kind food aid. It is anticipated that developing countries would realize real, if modest, gains in agricultural export revenues and value-added from reductions in Northern domestic farm support (Diao et al. 2005), but it is not clear to what extent these gains will benefit poor and food-insecure people.

As Barrett and Maxwell (2006) and others (Clay, Riley, and Urey 2004; Hoddinott, Cohen, and Bos 2003; Hasenclever, Mayer, and Rittberger 1998) have noted, the FAC emerged in an era when food aid accounted for a much greater share of both the international grain trade (15-20 percent) and ODA (20 percent) than today, when it comprises less than 7 percent of FAC members' cereal exports and under 4 percent of ODA (see Table 1). In the 1960s, program food aid from donor domestic harvests, provided in the case of the United States via concessional sales on easy credit terms, represented a substantial share of

[11] David Orden, personal communication, October 5, 2006.

food aid. Such approaches were significantly flawed: they increased recipient country debt, the commodities were usually monetized in a highly inefficient transfer of resources into recipient government treasuries, and this is the form of food aid most likely to disrupt recipient-country markets (Barrett and Maxwell 2005).

Table 1: Food aid tonnage as a percent of FAC member cereal exports, by value, and as a percent of official development assistance, 1995-2004

Year	Total food aid tonnage as a percent of FAC Member cereal exports, 1997	Value of food aid shipments (US$ billion)	Food aid as a percent of total ODA
1995	5.9	1.4	2.2
1996	4.3	1.3	2.6
1997	4.3	1.2	2.7
1998	5.1	1.3	2.8
1999	8.3	2.4	4.3
2000	6.2	2.0	3.9
2001	6.5	1.8	3.5
2002	6.1	2.8	4.7
2003	7.0	2.5	3.0
2004	4.8	3.1	3.5
Average, 1995-2004	5.9	2.0	3.3

Source: Authors' calculations from INTERFAIS, FAOSTAT and DAC databases.

Much has changed in the last 40 years. In per capita terms, food aid to all developing countries has fallen by two-thirds since 1970 (Hoddinott, Cohen, and Bos 2003). Most food aid is now in the form of grants. Emergency food aid, frequently provided through multilateral channels and/or NGOs, is increasingly targeted on the basis of need and accounts for between half and two-thirds of all tonnage, depending on the level of emergency appeals in any given year. Nonemergency food aid is now used mainly to support a more narrow range of activities such as food-for-work aimed at building infrastructure or developing assets, school feeding, or health and nutrition interventions, and such projects have accounted for 25 percent of the tonnage over the last five years (WFP/INTERFAIS 2006). Many donors are reducing food aid from their own farms and are instead providing cash to purchase food in either the recipient country or neighboring countries (practices known as local purchases and triangular transactions). The European Union, several of its member states, and, beginning this year, Canada, provide a substantial share of their food aid in the form of cash rather than commodities. However, in 2003, 90 percent of food aid was still tied in various ways to donor-country goods and services (Clay, Riley, and Urey 2004), and the United States, which remains the largest bilateral donor and the largest donor to WFP, continues to provide virtually all of its food aid in kind (WFP/INTERFAIS 2006; Clay, Riley, and Urey 2004). In 2005, the U.S. Congress rejected the U.S. Agency for International Development's proposal to allow up to 25 percent of the food aid budget to be used for local purchases and triangular transactions (Dugger 2005; Mekay 2005).

Pulling all these points together suggests the following trends: (1) there has been progress in understanding when it is appropriate, and when it is inappropriate, to use food aid as a resource.[12] However, this process is not complete;[13] (2) many, though not all, donors are moving toward a more flexible approach to food aid, where cash may be provided instead of in-kind resources; (3) while not meaning to sound alarmist, complacency regarding trends in global food production would be ill-advised as would complacency regarding global availability of food aid or cash aid to purchase food, as well as resources to support agricultural and rural development.

5. Key Issues and Options in FAC Renegotiation

Below we consider a range of issues and options in FAC renegotiation. These include whether or not to renegotiate the Convention; what its objectives should be; whether to retain a minimum commitment (the historic centerpiece of the FAC); monitoring, evaluation, and enforcement of commitments; and such institutional questions as who should sit on the Food Aid Committee and where the FAC should be housed.

Should There Be Another FAC?

There are two extreme options for renegotiation: retention of the status quo and elimination of the FAC. Neither seems tenable, for different reasons. Arguing that the status quo should be retained would be defensible if one believed that (1) the FAC is functioning effectively and (2) that there are no changes in the external environment that impinge on the operation of the FAC. The existing reviews summarized earlier have largely argued that there are serious weaknesses with the existing FAC. Even if one disagreed with these assessments, changes in other fora—most notably the WTO negotiations—would rule out long-term retention of the status quo.

It could be argued that the FAC is so fundamentally flawed that reform, even if radical, is of little use. In addition to the criticisms noted earlier, as part of British deliberations regarding the 1999 Convention, the then Secretary for International Development, Clare Short, stated to the House of Commons Select Committee on European Scrutiny that

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[12] Clay and Stokke (2000) argue that food aid is the most appropriate form of assistance "when there is a market collapse and also institutional weaknesses." They also believe that a number of social and technical factors must be present, along with high food insecurity: a high incidence of chronic undernutrition, endemic micronutrient deficiency, lack of purchasing power on the part of vulnerable groups, incomplete or volatile markets (unlike in Bangladesh in 1998), and "availability of commodities which are especially appropriate to the needs of the food-insecure combined with delivery of targeting capacity" (p. 376).

[13] For example, there is a dearth of studies documenting the impacts of local food purchases on local markets in developing countries, and it is not always clear whether the voices of beneficiaries—particularly women—are listened to in "cash vs. food" debates.

> The U.K. has consistently been skeptical about the value of Food Aid Conventions. U.K. policy has for some time been that food aid in-kind can be an appropriate response to emergency situations but that other forms of aid (financial and technical) are more efficient and effective in supporting development, and have fewer potential disadvantages. We therefore see no merit in quantified targets for supplying food aid as opposed to any other form of aid. In addition, such targets reduce the flexibility to use the UK development program in the best possible way in pursuit of commitments in the White Paper.

However, Ms. Short went on to note that

> Many other governments take a different view. Recipient countries regard the FAC as a guarantee of minimum commitment levels. For most other FAC Members and E.U. partners, the FAC commitments protect specific food aid budgets within their aid programs, or relate to budget provisions outside their aid programs. For them, the FAC commitments can represent some real addition to total aid levels (U.K. House of Commons 1999).

To the best of our knowledge, no major signatory has signaled a desire to end the Convention. Many, however, have signaled a strong desire to see it reformed—although the nature and scope of these proposed reforms vary widely by signatory. Further, the FAC was explicitly incorporated into the WTO's AoA as a result of the Uruguay Round. Should the Doha Round also incorporate the FAC into final agreements, then the option of abandoning the FAC altogether would be infeasible.

Objectives of a New FAC

The 1967 Food Aid Convention had, as its objective, an "instrument focus"—the conduct of a food aid program (see Section 2). By 1999, considerable evolution had occurred; arguably, the objectives of the 1999 Convention can be seen as outlining how an instrument (food aid) can be applied toward a problem (world food security and emergencies). A critical issue for any new FAC will be its objectives. What are some possibilities?

- A minimalist approach—tinkering with the existing objectives so that they remain consistent with any new agreements on food aid that emerge from the Doha Round.
- The use of language embodying greater meaningful commitment to the Convention. For example, instead of "encouraging members" to use food aid appropriately, a new FAC could "monitor members."
- An enhanced "instrument focus"—in terms of the role of the FAC in facilitating the dissemination of information on best practices in the use of food aid, increased transparency,

disseminating information on adherence to commitments, and sponsoring the assessment of the effectiveness of the use of food aid, particularly in relationship to assessed need.

- A strengthened "problem focus"—for example, being more explicit in terms of the objectives of food aid for preventing famine, reducing hunger and malnutrition, and working toward improved food security.
- An "expanded problem focus"—covering a broader conception of "food assistance" and including a range of food and cash programs aimed at fostering food security; or
- A "restricted problem focus"—for example, focusing solely on the role of food aid in the context of emergencies.

These options would have various impacts on the character of the FAC. The first two are basically "status quo plus," in that they do not depart substantially from the current parameters of the FAC. The second might enhance compliance with commitments somewhat, especially if the Food Aid Committee made monitoring reports public and disseminated them widely. The third option is a strengthened version of the second that would go farther in terms of encouraging compliance with commitments and address food aid quality questions as well as quantitative commitments. The final three possibilities would transform the FAC substantially by shifting even more toward a focus on quality issues, and in the case of the last two options, by changing the subject matter focus of the Convention.

Should the FAC Retain Minimum Commitments?

Is there merit in having an international legal commitment to minimum food aid disbursements? There is a lively ongoing debate over whether donors should provide food, cash, or some combination of the two in the context of both ongoing development operations and in response to food-related emergencies. Some donors are moving away from sourcing food aid from within their own jurisdictions but not all are doing so and some are moving faster than others. For example, the European Union has recently (January 2006) indicated that "operations will be financed primarily with cash to stimulate local production and markets. In the absence of functional markets and alternative options, implementing partners may use cash allocations to purchase and distribute food" (EU 2006, 17). But some E.U. member states continue to provide bilateral in-kind food aid, notably France and Denmark (Barrett and Maxwell 2005). Canada recently authorized the use of up to 50 percent of its food aid budget for local purchases and triangular transactions. By contrast, the United States is, for the time being, continuing to provide virtually all of its food aid in-kind.

However, in considering the issue of minimum commitments, it may not be helpful to subsume this entirely within debates over the merits of food or cash as aid. There are several interlinked issues at play.

For example, suppose one argued that food aid is an inefficient, distorting, outmoded means of providing assistance. Where there are concerns over food access, for example in the context of emergencies, cash would be provided or, as a last resort, food could be purchased locally. Taking this view to its logical conclusion would lead to an argument that a reformed FAC should *not* require minimum commitments. A second argument would start from the premise that commitment without enforcement is likely to be meaningless. Neither the United States nor Canada faced sanctions or much public criticism when they reneged on their FAC commitments in the mid-1990s and the early 2000s, respectively. In other words, commitment in the absence of monitoring or enforcement is meaningless, so why bother with commitments?

A different argument would start from the premise that although much past use of food aid was inappropriate, there still remains a place for food aid. There have been, and are likely to remain, instances where local food markets are either nonexistent or limited. There may also be places where such markets exist, but they are thin so that significant local purchases will cause substantial price rises, thereby potentially harming poor households that are net food purchasers. Further, while cash may be easier and cheaper to distribute, and may provide greater flexibility to recipients, bestowing cash exposes households to potentially volatile food prices and, in some localities, physical risks in acquiring food where civil conflict is rife.

Of course, this argument is most relevant in the context of emergencies and so these debates naturally link to whether future FAC commitments should apply to all food aid or only to that pertaining to assistance in emergency (and possibly protracted relief and recovery) operations. A commitment to provide a certain quantity of food in emergency settings could be seen, for example, as part of a global insurance mechanism to prevent famine; in fact, this argument has been made within the FAC.

However, if limited to emergencies, should the FAC morph into a Humanitarian Aid Convention, covering all humanitarian assistance, and not just food? The latter option would change the character of the Convention dramatically, address the current deficiencies of the humanitarian response system, and move toward improving the balance between food and nonfood assistance in emergency response.

A food aid commitment would *not* mean that donor signatories had to supply food from their own resources. As is done under the current FAC, these commitments could be expressed in terms of physical tonnage, cash, or some combination. One could also consider whether costs related to the provision of food aid, such as those associated with micronutrient fortification or shipping and inland transportation, should be included. Likewise, a future FAC could cover the costs of creating and maintaining an

enhanced system of emergency reserves, although past efforts to craft such a system have proved politically difficult.

A key issue that then arises is whether a cash commitment is, by itself, sufficient or whether it should be expressed as a tonnage equivalent. U.S. critics point out that E.U. food aid *tonnage* has declined with the shift away from in-kind food aid (U.S. House of Representatives 2005). While this argument could be regarded as merely part of ongoing Trans-Atlantic tensions, it is worth remembering that with a few honorable exceptions, most donors have failed to deliver on 30 years of pledges to provide at least 0.7 percent of their gross national product as ODA and so there are legitimate questions regarding the credibility of cash commitments. Further, global grain markets are characterized by occasional price spikes and should these coincide with sizeable emergency needs for food, a cash commitment would probably fall far short of requirements. A similar consideration applies to shipping costs. At times, these, too, have risen sharply, and there has been at least one occasion in recent years when no shipper was willing to carry emergency food aid. If these considerations are perceived to have merit, then arguably there is a case for a "tonnage equivalent commitment" or perhaps a "c.i.f. [cargo, insurance, and freight] tonnage equivalent commitment." But it should be noted that expressing commitments in this way will require a whole series of tricky technical discussions. For example, where (geographically) is the reference point for c.i.f. commitments? How does one account for actions such as the provision of micronutrient fortification aimed at improving the nutritional quality of food aid? Should donors continue to obtain credit for supplying commodities that cost more than wheat and how should these "wheat equivalents" be calculated when bearing in mind that such equivalents may significantly reduce the actual tonnage provided versus the nominal pledge?

Monitoring, Evaluation, and Enforcement of Commitments

The absence of meaningful consequences associated with failing to meet commitments has long been a criticism of the FAC. Bearing in mind the difficulties of getting sovereign states to agree to subject themselves to sanctions, there is merit to considering how the monitoring, evaluation, and enforcement of commitments could be strengthened.

Currently, the DAC monitors and evaluates bilateral aid via several mechanisms including peer review and the commissioning of specialist studies.[14] One possibility is that a new FAC would call on the DAC to take on such a role for food aid; another possibility could be that such a role is taken up by an expanded and more effective FAC secretariat. The FAC could strengthen its relationship with the DAC,

[14] For example, there is no systematic review of both all bilateral and multilateral responses to food-related emergencies; these could be one type of study that could be commissioned following such events.

the CSSD, and WFP so as to harmonize reporting of (ideally) all food aid flows regardless of the source of the food. Harmonized, transparent reporting, coupled with regular peer review, would strengthen FAC members' incentives for compliance with their pledges. As Franck (1990, 193) notes, states generally comply *voluntarily* with international agreements and rules "as a concomitant of the status of membership" in a community of nations.

Monitoring could address important questions of food aid quality as well. Harmonization of reporting would assist in dealing with food aid flows that violate WTO rules; for example, in the absence of reforms and improvements to the CSSD reporting process, the WTO could draw on technical expertise within a strengthened FAC secretariat in considering food aid-related trade disputes.

A further consideration, relevant here, is the criticism that commitments are divorced from needs assessment. Here, too, a strengthened FAC could play an important role in monitoring how actual food aid flows relate to needs assessment. For example, peer review could incorporate assessments of whether *food* aid by donors is really responsive to *food* needs. The FAC could also reconsider, on a more regular basis, the list of countries that could be eligible for food aid. These assessments could also incorporate the rights-based approach, using, for example, the Sphere principles and the Voluntary Guidelines. An expanded FAC secretariat could provide the monitoring necessary to trigger implementation of the WTO Marrakesh Decision, which refers explicitly to the FAC as an implementation mechanism. It also would monitor the impact of food aid (again, regardless of source) on food production and markets in recipient countries.

Representation on the Food Aid Committee

The Food Aid Committee, as currently constituted, only includes donors. An issue to consider is whether it, or a successor body, should include representation of a broader range of food aid stakeholders. Obviously, the donors who provide the resources—food and cash alike—will remain at the table, particularly since they are the ones making commitments under the FAC. Inasmuch as the Committee or its successor will also discuss policy issues related to food aid, recipient-country government representation would mean both greater fairness and effectiveness. The presence of recipient-country representatives can provide additional information on needs and whether cash or food offers the most appropriate intervention at a given time and under given circumstances. International development policy fora likewise increasingly provide a place for relevant and competent international organizations, the private sector, and civil society groups to observe and speak, if not participate in decisionmaking. WFP and operational NGOs are among the key stakeholders. Sufficiently broad civil society representation can assure that the views of actual food aid beneficiaries come into play. There is abundant evidence that engaging program beneficiaries in planning, implementation, and evaluation of development efforts leads

to better results. There is also the well-established principle that those who receive benefits from programs should have a say in those programs as a matter of *rights.*

Whether it is feasible to expand representation on the Committee depends on resolving two crucial questions of institutional design. First, the Food Aid Convention is part of a package—the other part being the Grains Trade Convention—which, as explained earlier, make up the International Grains Agreement. Beneficiary representation would require either amendments to the Grains Trade Convention or a decoupling of the Food Aid Convention from the International Grains Agreement.

Second, it is not clear that existing signatories would welcome new members who enter with rights but without responsibilities and so consideration of expanding membership should be accompanied by consideration of obligations that would be incumbent on all members. For example, Barrett and Maxwell (2006) suggest that such obligations could include commitments to ensure the physical security of donated commodities; guarantee the physical safety of staff of operational agencies charged with distributing these; renounce the use of food as an instrument of war and of political persecution; maintain the free flow of information related to food needs as well as the monitoring and evaluation of these flows; and ensure operational independence of agencies charged with distributing these goods. The Sphere guidelines could also be drawn on in developing these new obligations as could the Right to Food Voluntary Guidelines.

Housing of Food Aid Convention—Where Should It be Based?

As noted earlier, the FAC is currently housed at the International Grains Council in London. While many would argue that there is no longer a compelling reason for it to remain—and decoupling the FAC from the International Grains Agreement would strengthen the view that this is no longer appropriate—there are a number of issues—both practical and political—associated with moving it elsewhere. Given this, it might be more helpful to consider what functions one would require the body housing a renegotiated FAC to undertake. Three that would seem to have merit are (1) can this body provide the requisite secretariat services; (2) can it provide appropriate technical functions, or ensure that these are competently undertaken; (3) can it play, and be perceived to play, the role of a neutral party?

The IGC secretariat has expertise on global grain markets, whereas the FAO has much broader expertise related to food aid and food security, as well as international agricultural trade. As a specialized agency of the United Nations, it has a stronger profile within the international system than the Food Aid Committee. FAO already provides secretariats for a wide range of food security-related international institutions. However, whether this makes sense would depend partly on the fate of the CSSD, partly on the outcome of debates regarding membership (for example, could the FAC be housed at FAO when its membership is restricted), and the political acceptability to FAO's member states of providing the

Organization with a new or expanded function. Housing the FAC at WFP would also lead to affirmative responses on the first two questions above. However, as an operational food aid agency, it is questionable whether WFP would be regarded as a neutral space for such a body.

6. Summary and Conclusions

The British novelist Douglas Adams (1987) once created a character, a detective named Dirk Gently, whose guiding principle when confronted with a problem was to understand "the fundamental interconnectedness of all things." Arguably, such a principle is helpful when confronted with the challenges associated with developing coherent views on a new Food Aid Convention. In doing so, it is important to be mindful of its current form and function, and past criticisms of these (section 2), its place within the global architecture surrounding the governance of food aid flows—with Doha Round WTO negotiations potentially being of critical importance (section 3)—as well the current food security outlook (section 4).

These inform our discussion, in section 5, of major issues that could be considered in developing positions on what a new FAC should look like. Rather than summarize these, we note that debating the desirability and nature of commitments, representation, and housing will inform broader debates surrounding the objectives of a revised FAC. Should it have an "instrument focus"—food aid—or a problem focus such as "food security" or "hunger"? Should a problem focus be restricted to emergencies only or pertain to broader food security issues? Should the FAC be a low-key forum for exchange of information or should it have some meaningful ways of monitoring commitments and encouraging compliance by both donors and recipients? Debates over issues such as these will reflect views on the use of food aid itself. Conversely, debates regarding the purpose of food aid carry consequences for the formation of views on how to revise the FAC.

To give one example, we have argued elsewhere (Hoddinott, Cohen, and Bos 2003) that the principal objective of food aid should be to respond to (1) emergency needs induced by conflict and (2) reduce vulnerability to starvation and hunger brought about by covariant shocks. The latter objective entails providing an insurance function for those events for which existing insurance mechanisms and markets (especially food markets) work poorly. "Food aid as insurance" integrates the principle of "do no harm;" the importance of measures that reduce risks and hence vulnerability; and the mitigation of shocks, both in the short and long term. It is also consistent with rights-based approaches to food aid (Haddad and Oshaug 1998; Eide 2000). A FAC consistent with such an objective would have a problem focus; be (largely) restricted to emergencies; embody explicit commitments (with flexibility permitted in

how these are acted on) backed up by meaningful monitoring and evaluation and include both donors and recipients.

Other reform proposals, such as greater use of cash to procure food locally, or a broader humanitarian convention that focuses only on emergencies but not just on food, should likewise be evaluated in terms of their implications for the FAC. In this way, a new FAC will be more likely to encompass broad understandings of how to make food aid an effective humanitarian and development tool, as well as an agreement that assures that adequate resources are available to fulfill its stated purposes.

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