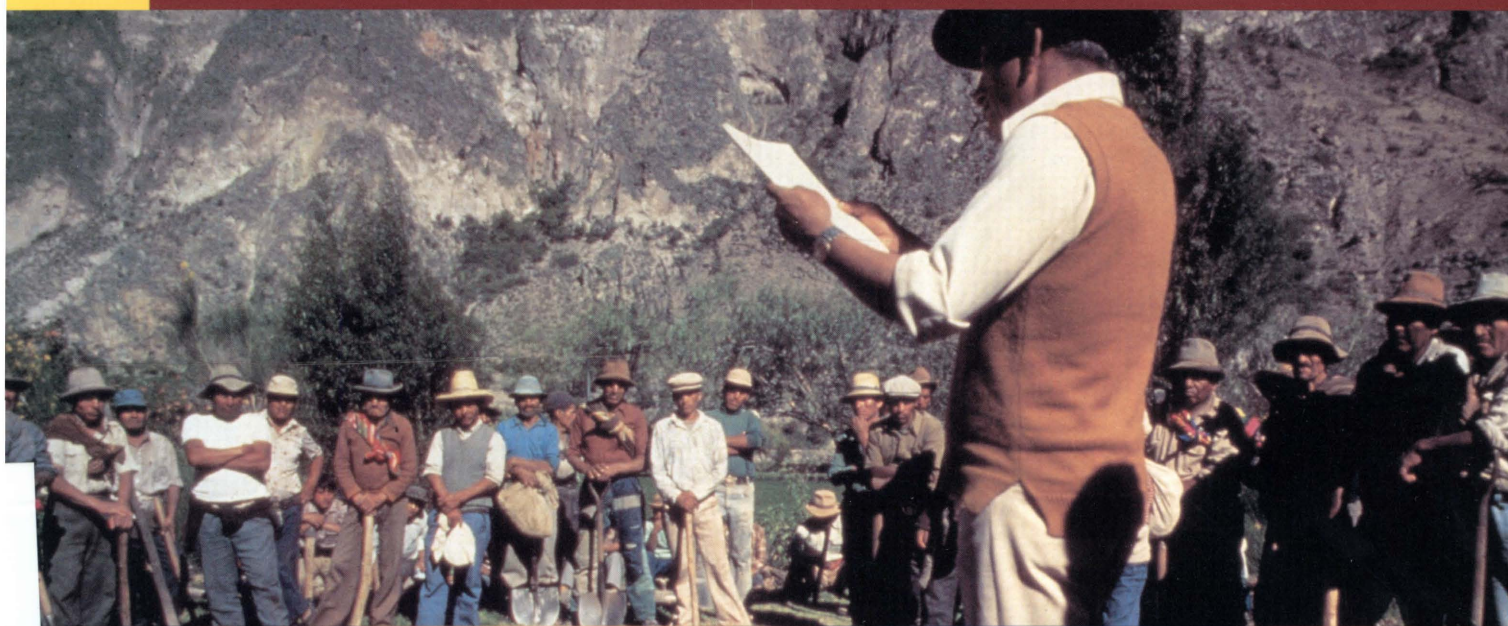




Bi-annual Report | 1998 | 1999

# EU Food Aid and Food Security Programme

Towards recipient country ownership  
of food security

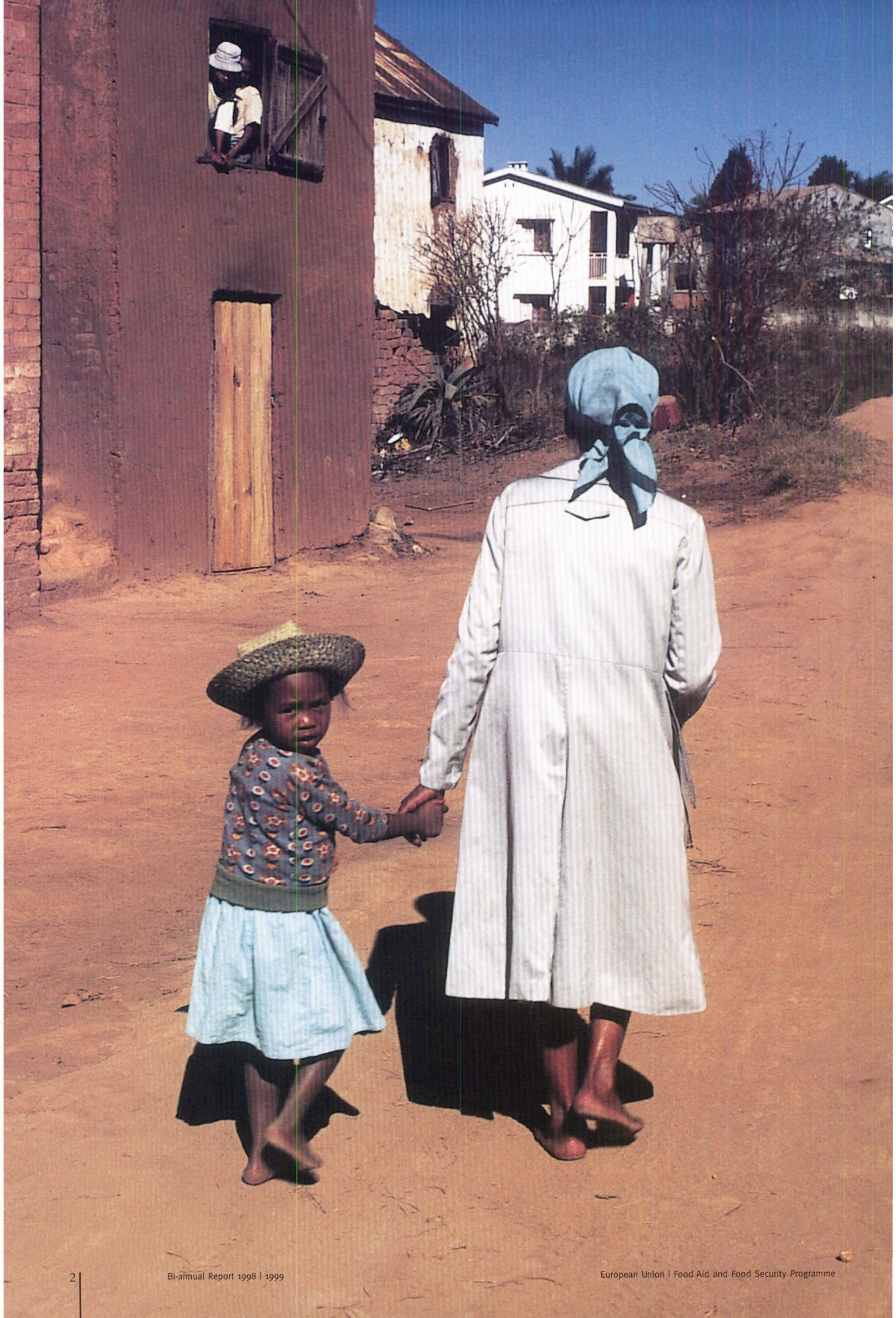


Bi-annual Report | 1998 | 1999

# EU Food Aid and Food Security Programme

Towards recipient country ownership  
of food security





# Preface

More than ever, fighting hunger and poverty must remain the central concerns of the international community. Efforts to alleviate hunger and poverty cannot succeed without political stability, peace and the means to prevent crises. But, in the fight against hunger, if the poorest population groups are to have access to the means of production and play a bigger part in decision-making processes, governments must also have the political will to promote agricultural and rural development, and, at the same time, civil society must be ready to make this development a reality. Ensuring that everybody's efforts converge and translating their commitments into concrete action are still the keys to promoting a harmonious process of development that is centred on men and women and the societies in which they live.

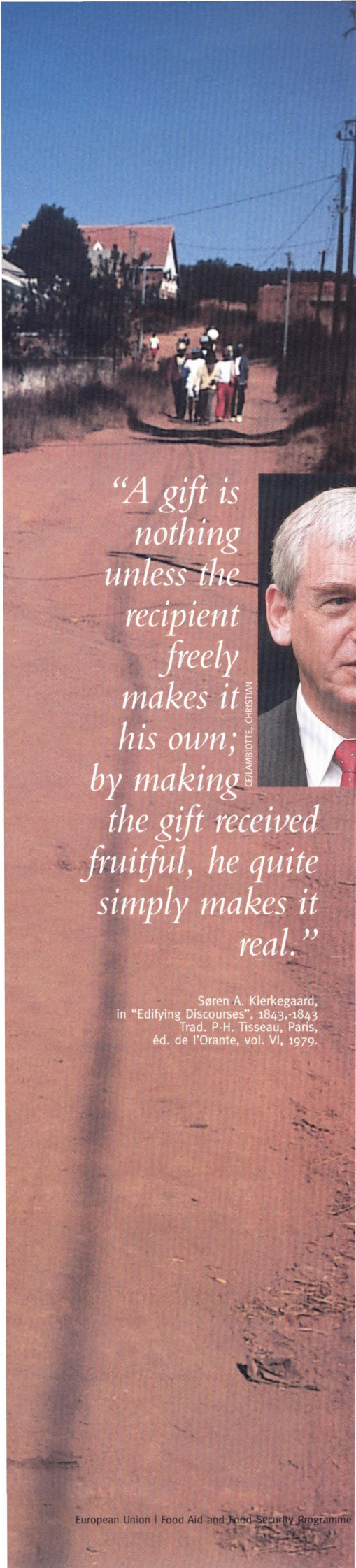
The European Union has made substantial efforts to promote food security around the world and to ensure that these efforts remain consistent with its development co-operation policy. As a result, the European Commission's food security policy is increasingly driven by the goals of sustainable development, equitable growth and poverty reduction.

However effective it may be in the short term perspective to distribute food to under-nourished groups, efforts to fight food insecurity must not stop there. Meaningful action must be part of a long-term perspective – and this was the logic behind the Regulation adopted by the European Council in 1996.

This change in EU food aid and food security policy is part of a broader vision of European development co-operation, a vision that has two fundamental aspects. Firstly, donors need to work in partnership with local governments, and with institutions representing civil society and vulnerable groups, so that the fight against food insecurity may be fought by the people who are most directly affected by it. This sort of co-operation between donors and beneficiary countries necessarily requires a more equitable distribution of wealth and closer consideration of the local and regional dimensions of food security. Secondly, donors are responsible for co-ordinating their actions more closely so that development co-operation is really effective and so that challenges posed by the globalisation of trade and investment are fully taken into account.



POUL NIELSON  
MEMBER OF THE EUROPEAN COMMISSION  
DEVELOPMENT AND HUMANITARIAN AID



*“A gift is nothing unless the recipient freely makes it his own; by making the gift received fruitful, he quite simply makes it real.”*

Søren A. Kierkegaard,  
in “Edifying Discourses”, 1843, 1843  
Trad. P.-H. Tisseau, Paris,  
éd. de l’Orante, vol. VI, 1979.



GE/LAMBOTTE, CHRISTIAN

## ■ Shift in development aid policy

At an age of economic liberalisation, many donor countries have acknowledge the mitigated results of their development aid policies and have hence changed their approach to food aid and food security. After the structural adjustment programmes of the 1980s and the rapid development of relief aid in the early 1990s, the end of the decade has been marked by a major policy shift by both multilateral and bilateral donors. The focus nowadays is on helping the most vulnerable groups and understanding the mechanisms that underlie poverty and food insecurity. “Ownership” of development policy by the partners in the recipient countries is now seen as a priority, and, as a result, greater efforts are being made to build institutional capacity and strike a better balance between macro-economic and sectoral objectives.

## ■ Abundant grain supply and low prices

After a sharp improvement in 1996, grain output remained high in the 1998-99 season. This was particularly the case for the United States, Argentina, Australia and the European Union, which are the world's main exporters of food grains. The consequent rise in stocks was enough to meet a major increase in demand from Asia and countries harmed by severe climate change. Low world prices would seem to be a good thing for importing countries, but the situation needs to be examined more closely. According to the FAO, the least advanced countries (LACs) and the low-

# Developments in the world food situation in 1998-99

income food-deficit countries (LIFDCs) saw their food bills rise by more than 50% between 1993-94 and 1997-98, although imports rose by only 23% in volume terms. This was partly because the 1994 Marrakech Agreement on Agriculture cut export subsidies, and partly because there was an overall decline in the use of food aid. The continuing volatility in world markets still threatens grain supplies to these poorer countries. Food aid cannot compensate for these fluctuations, especially as availability is inversely proportional to price: food aid is abundant when prices are low, and scarce when they are high. The Marrakech Agreement does include measures to help countries hit by rising world prices, but they have not yet been applied. At the ministerial conference of the World Trade Organisation (WTO) in Seattle, most of the countries concerned were in favour of changing the conditions for application so that the measures would be effective.

## ■ Contrasting regional developments

The FAO reports that the situation has been improving slowly but surely since the Rome World Food Summit, when the international community made a commitment to halve the number of undernourished people by 2015. However, for a total undernourished population estimated at 840 million in 1996, current progress is far too slow, with only 8 million people leaving the undernourished category each year. According to the FAO, the worst hit region is Asia-Pacific, which in 1995-97 still accounted for two-thirds of the undernourished people in the world, with 204 million in India and 164 million in China. It should be pointed out that this region accounts for 70% of the world's population and its food situation has greatly improved since 1980. The situation in sub-Saharan Africa continues to give serious cause for concern. The FAO esti-

mates that in 1995-97 one-third of the population, some 180 million people, was undernourished. This figure covers a wide range of situations. Although food security is worsening in Central and Southern Africa, where 45% of the population are at present undernourished, it is improving significantly in West Africa.

## ■ Persistent political instability

There are many causes of food insecurity: population growth that outstrips economic growth, for example, farm output that varies dramatically from one year to the next, and falling prices for agricultural commodities, which are a major source of export earnings for developing countries. And although there are real prospects for development, particularly by stimulating the rural economy and the private sector, they can only become a reality in a context of good governance and political stability, two conditions that are often lacking in regions hit by food insecurity. Sub-Saharan Africa is seriously affected by armed conflict (Sierra Leone, Liberia, Democratic Republic of Congo, Angola, Sudan, Eritrea, Ethiopia, Uganda, Burundi and Rwanda). And 1998-99 also saw the Kosovo and East Timor conflicts, and continuing problems of refugees in a number of New Independent States (Armenia, Azerbaijan, Tajikistan) and displaced persons in Sri Lanka.

## ■ A succession of natural disasters

A succession of major natural disasters have directly impacted farm output and devastated whole food-producing regions in recent years. In 1997-98, El Niño caused serious drought in Central America and the Caribbean, and also in Asia, causing extensive loss of production, while torrential rain hit Southern and East Africa. El Niño was followed in 1998-99 by La Niña. Some regions have been devastated by tropical cyclones, including Hurricane Mitch which wreaked havoc across Central America in 1998. In the same year, Bangladesh was hit by severe flooding. The consequences of these disasters were alleviated by international aid and the integration of relief action into long-term food security and development strategies.

## ■ Vulnerability of groups near the poverty line

The period 1998-99 also saw the consequences of the financial crisis that had begun in South-east Asia a year earlier. This sudden halt to economic growth had a direct impact on the population, with the number of people living below the poverty line increasing and the food security situation worsening as a result. Although the economic indicators had improved in most countries by the end of 1999, the crisis underscored the real vulnerability of a whole fringe of the population near the poverty line. It demonstrated the limits of safety nets and revived the debate about models of growth and the wisdom of focusing exclusively on macro-economic factors.

This brief review shows that the roots of food insecurity are deep and many. It shows how vitally important it is to develop the ability to analyse food situations effectively and to match policy interventions to specific situations and the way they are likely to develop. Efforts to support food security will only be effective if they are integrated with coherent development policies, and all the partners in sustainable development must play an active role in defining those policies.

Improved long-term food security will come from development policies that are more equitable, more transparent and more effectively controlled by the stakeholders in the recipient countries.

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CSDA

- Introduction
- Country focus for European Commission aid
- Aid policy coherence and co-ordination



# Policy guidelines



# Introduction

Regulation 1292/96 adopted by the Council of the European Union on 27 June 1996, concerning food aid and food security policy and management, defines the legal framework for EU intervention (see text in Annex). The Regulation was the result of a process of food aid reform that had started in 1994, with the aim of integrating food aid more effectively into the development policies and food security strategies of the countries concerned.

This regulation and the process leading up to it show that there is a real concern to take the constraints and interests of beneficiary countries and population groups into account more closely, and to make intervention more effective. One objective is to move from the long-held supply approach (food aid has traditionally been more abundant when the major exporting countries have a market surplus) to a demand approach (providing suitable and sustainable responses to problems that arise).

## **Moving from an approach long driven by supply to an approach driven by demand**

The European Commission's food aid is an instrument of development aid policy and is independent of the Common Agricultural Policy in terms of both policy and budget, so the shift to a demand-based approach came quite naturally. Article 11 of the new regulation formalises the principle of "untied" aid, and states that economic efficiency should be the only criterion for mobilising food products on the markets of the beneficiary country or some other developing country. This principle confirms the interest of local purchases or triangular operations, which have been used on many occasions in the past. In addition, it is important to avoid the adverse effects of providing food aid in kind: disruption of local markets and eating habits, reduction of beneficiaries' sense of responsibility, economic inefficiency, and so on. This is why food aid will be used primarily, or even solely, in crisis situations.

Approaches to food security have also changed. In many countries, there is a need to increase food availability by increasing local production or import capacity. More efficient markets and greater competition between operators can also make an important contribution to food security. But sustainable improvement in vulnerable groups' access to food is increasingly seen as the major problem. Reducing the vulnerability of these population groups means identifying them properly and understanding the strategies they use to cope with various food risks.

## Regulation preamble

"Whereas food aid must be integrated into the developing countries' policies for the improvement of their food security, in particular by the establishment of food strategies aimed at alleviating poverty and geared to achieving the ultimate goal of making food aid superfluous;...

Whereas regional, national and household food security, with the long-term aim of securing universal and constant access to a diet that will promote a healthy and active life, is an important element in the fight against poverty and whereas it is important for this to be emphasised in all programmes intended for developing countries; (...)

### *Article 1.3.*

The objectives of the food-aid operations and operations in support of food security referred to in paragraph 1 shall, in particular, be:

- to promote food security geared to alleviating poverty, to help the population of developing countries and regions, at household, local, national and regional levels,
- to raise the standard of nutrition of the recipient population and help it obtain a balanced diet,
- to take account of the concern to ensure the supply of drinking water to the population,
- to promote the availability and accessibility of foodstuffs to the public,
- to contribute towards the balanced economic and social development of the recipient countries

in the rural and urban environment, by paying special attention to the respective roles of women and men in the household economy and in the social structure; the ultimate objective of Community aid operations shall be to make the recipients into agents of their own development,

- to support the efforts of the recipient countries to improve their own food production at regional, national, local and family level,
- to reduce their dependence on food aid,
- to encourage them to be independent in food, either by increasing production, or by enhancing and increasing purchasing power,
- to contribute to the initiatives to combat poverty with development as an objective." ■

These risks may be reduced in a number of ways: better access to the means of production (such as land and equipment), easier access to credit and information, more non-farm jobs and income-generating activities, capacity-building and greater participation in decision-making, guaranteed rights, etc. All these aspects are in fact closely linked to poverty reduction.

The multi-dimensional nature of both food security and poverty reduction makes it important to promote effective linkages between the various sectors (agriculture, trade, infrastructure, health, etc.) and the different levels of intervention (local, national, regional and international). Better co-ordination and greater participation by stakeholders are key to programme success.

With this new legal framework, there is now a single text covering the main instruments of food aid policy and management, and this is an important step forward in terms of simplifying the European Commission's own internal procedures.

## Key characteristics of EU aid programming

- Proactive, because it is based on the analysis of food insecurity and consultation with the various players in the European Commission's food aid policy.
- Comprehensive, because it is integrated with a coherent development aid policy. The focus is on structural action to promote sustainability and long-term development. In emergency situations, programming efforts stress the linkages between relief and development.
- Intersectoral: It comprises aspects of poverty reduction, support for agriculture, trade, the environment, transport, support for the private sector and civil society, crisis prevention, etc.
- Flexible, with a diversified range of complementary instruments.
- Targeted on priority countries and vulnerable population groups.
- Co-ordinated within the Commission and with donors and partners, on the ground and at head-office level.
- Formulated to be coherent and complementary with other sectoral policies and other interventions at national and regional level.



Market in  
Tajikistan

SHERBELUSABAKOVA

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Market in  
Tajikistan

SHERBIL/SABA/REA

## 1.1.1. Major principles and types of aid

### Underpinning the new policy there are three major principles:

INTERVENTIONS MUST BE SUITED TO SPECIFIC FOOD INSECURITY SITUATIONS.

#### Sharing responsibility with the government of a beneficiary country

The first requirement is to intervene before the crisis happens: act primarily on the structural causes of food insecurity, rather than attempt to contain its effects. To achieve this objective, the capacity to analyse situations prior to an intervention must exist, and there must be a wide range of instruments available so that the type of intervention matches the type of food crisis and the way it is likely to develop (see Section 2). In addition to the specific instruments laid down in the Council regulation, there are those used by the European Community Humanitarian Office (ECHO) for humanitarian assistance. The aim here is to ensure better integration between relief and development, and to achieve close co-ordination of interventions when both types are combined (in the case of serious food crisis arising from a conflict or a natural disaster).

CLOSER PARTNERSHIP IS NEEDED WITH BENEFICIARY COUNTRIES

Ownership by national partners is one of the conditions of programme and policy success. Food security support programmes are no exception, and it is important to know whether partners in the beneficiary countries consider these programmes a priority. The European Union aims at sharing responsibility with the beneficiary country's government by working together to define a food security policy. If necessary, institutional support may be provided to governments so as to achieve this.

INTERVENTIONS MUST BE INTEGRATED INTO DEVELOPMENT CO-OPERATION POLICY.

#### Shifting gradually from a project approach to a programme approach

Efforts to improve food security and reduce poverty will only be effective if they are part of an overall development strategy. There are many ways to seek sustainable economic growth and an economic and political environment that is stable and rewarding for the various actors in both the public and private sectors. Long-term food security can be affected by many different factors, including integration with the world economy, social and environmental measures, linkages between macro-economic and sectoral policy, and institutional factors. It is therefore important to ensure that food security objectives, particularly sectoral objectives, are taken into account in shaping this overall strategy. A balance must be achieved between the interests of the different sectors of the population so that the collective interest of the country may prevail, and constant efforts must be made to ensure coherence and consistency in the measures that are taken.

## Food security and poverty reduction

Food security comprises three elements: availability of high-quality food products, household access to these products, and adequate nutritional content. At national level, food insecurity is basically the result of a low level of development and a lack of a viable market. At household level, it is essentially a problem of insufficient income—in other words, poverty.

Long-term improvement in food security must therefore be part of a strategy for sustainable development and poverty reduction. Food security is a valuable indicator of poverty reduction. At the same time, the concept of food security can be used to draw attention to factors such as the

nutritional value of food and the place of women, who are overwhelmingly responsible for food management, in terms of both production and distribution within the household. Food deficits must also be analysed at national or regional level so that coherent strategies may be adopted. Food security is an important aspect of crisis management with aid in kind, although this instrument does have many limitations.

Food security and poverty reduction should thus be addressed together, and European Union development action should be guided by both. They should belong to the same strategic and policy framework, which should cover econom-

ic development, greater equity, access to the means of production, development of human capital, sustainable natural resource management, the reduction of social exclusion and the use of safety nets. In different local situations, the focus will be on different aspects of poverty reduction and food security. In countries with chronic food deficits, for example, coherent food security policy and strategies can provide a basis for a long-term poverty reduction strategy, by focusing first on the basic needs of the most at-risk groups. In "Integration of food security objectives within a poverty reduction framework", concept paper, DG Dev./A1. (available on [www.resal.org](http://www.resal.org)) ■

In more operational terms, these principles are being applied as follows:

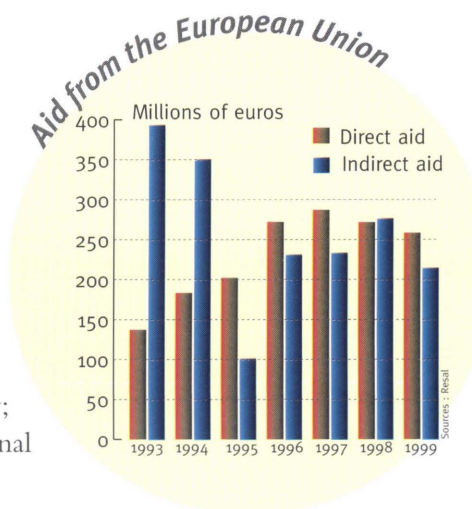
#### INCREASED ROLE OF DIRECT AID

Direct aid means aid which is granted directly to the government. Direct aid is intended to support a long-term government policy, defined jointly with the Commission, and as such it will continue to play an important role. Direct aid will need to shift gradually from a project approach to a programme approach. Where possible, aid should be recorded in the State budget and national procedures applied to implement it.

The ultimate objective is to combine all the resources that are available to implement a policy that is primarily the responsibility of the government. These changes can only be applied in full once economic, political and institutional conditions permit; they also illustrate the desire to move from aid in kind to financial aid, which is now one of the new instruments (see point 2).

#### REFORM OF INDIRECT AID

Indirect aid is aid entrusted to partner organisations (international organisations, such as the World Food Programme and the FAO, and NGOs). It is used particularly in crisis situations to address temporary problems, and also to supplement direct aid for actions of a more structural nature. Indirect aid with international organisations will continue to be used, but steps will be taken to ensure greater coherence and complementarity. There are some major innovations in the Commission's approach to indirect aid with NGOs, including the following: partnership extended to NGOs in the South; financing of development programmes focusing on food security; multi-year financing; greater integration of programmes into national policies (see Section 2.3.2.).





## 1.1.2. Key operational issues

### 1.1.2.1. Focus on the most vulnerable countries

Except for Peru and Palestine, all the countries in the EU aid programme are listed by the FAO as low-income food-deficit countries (LIFDCs). They are almost all on the World Bank's list of low-income countries (annual per capita income < US\$785 in 1998) and are structurally highly food-vulnerable. Two groups of countries have been identified according to the type of constraints they face, and to the type of solution offered by the EC programme. In 1988-99, the countries came under the following two groups.

#### **Focusing interventions on a limited number of countries**

Group I contains 19 countries: Armenia, Azerbaijan, Bangladesh, Bolivia, Burkina Faso, Cape Verde, Ethiopia, Georgia, Haiti, Honduras, Kyrgyzstan, Madagascar, Malawi, Mauritania, Mozambique, Nicaragua, Niger, Peru and Yemen. Apart from their specific food vulnerability, these are countries where a long-term food security policy either exists or is being negotiated. The interventions programmed for each of these countries are therefore integrated into a long-term policy and involve measures of a structural nature. They are built on past experiences and benefit from increased capacity for analysis and better co-ordination – both internally (within the European Commission) and externally (with Member-States, donors and implementing partners).



PERISCOOP



Group II contains countries in crisis or in a post-crisis phase. Albania, Angola, Cuba, Jordan, Liberia, Montenegro, North Korea, Palestine, Rwanda, Sierra Leone, Somalia, Sudan and Tajikistan. In these countries EU interventions are less structural, and mostly involve supplying food aid, tools and seeds, together with supplementary technical and financial support to prevent the risk of famine or help rebuild the economic and social fabric damaged by conflict.

### 1.1.2.2. Build capacity for analysis and proposal

The new policy calls for a greater capacity for prior analysis, monitoring, dialogue and decision support. This will make action more effective and improve programming, and at the same time it will enhance the EU's ability to work with beneficiary countries to shape long-term policy. Capacities have been strengthened in two ways.

Food security technical units, made up of European experts (fifty or so for all the above countries) and local experts, have been deployed in the field to support European Commission programmes and national partners in preparing and implementing programmes and monitoring sectoral policies.

Since the end of 1998, these experts have been backed up by Resal, the European food security network, which is focusing most of its action on the 19 countries in Group I. Resal works closely with the technical units and the Delegations to provide assistance for short/medium-term decision-making and proposals, and support for dialogue and discussion on long-term strategy.

## The European food security network (Resal)

Nine teams, comprising European and national experts, and a co-ordination team have a mandate from the European Commission to focus on the 19 countries in Group I in pursuit of the following objectives: situation analysis and decision-making support for allocation of food aid and food security policy interventions; support for the definition and implementation of food security policy; provision of tools and information to

promote dialogue and co-ordination between the European Commission, national governments and stakeholders; support for training and discussion of food security strategies.

These teams\* work in close co-operation with European Commission representatives in the field and in Brussels to improve integration of food aid and food security interventions within the development policy of

beneficiary countries. Resal analysis and information is available at [www.resal.org](http://www.resal.org).

\*ADE, DRN, GOPA, IRAM/AEDES, MTL, Transtec, Solagral



### 1.1.2.3. The international policy debate

EU policy is part of the international debate on food aid and food security, and plays a role in the process of change affecting the framework of discussions and negotiations between the different stakeholders. Section 1.3 deals with the issue of better co-ordination of policies and partners, but two examples of how EU policy contributions are worth noting here.

An informal consultative process between bilateral and multilateral donors began in 1996 on the initiative of the European Commission, at the international seminar on “long-term prospects for food security policies”, in preparation for the world food summit. This led to the idea of a donor code of conduct that would guarantee the integration of food aid into national food security strategies and ensure greater coherence and co-ordination between donor policies and interventions. A code of conduct was indeed produced for Europe by all Member-States and the Commission, but has not yet been fully approved by other donors. However, its basic proposals and principles have inspired the main changes in the framework for renegotiation of the food aid convention, known as the London Convention (see box p. 17)

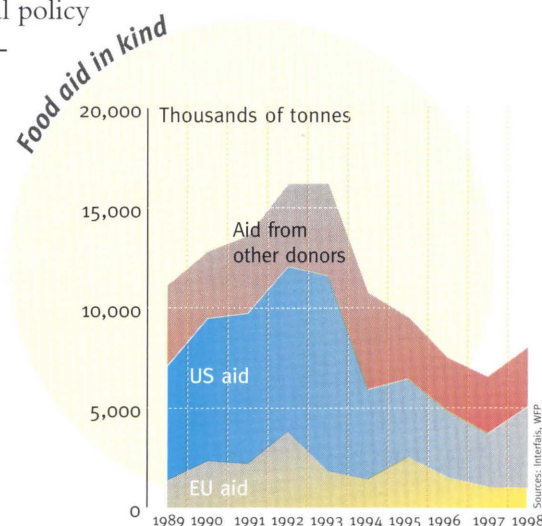
When this forum was held for the second time at the end of 1997, on the theme “markets and institutions for food security”, it addressed a number of topics of relevance to the forthcoming

multilateral World Trade Organisation (WTO) negotiations. The effects of farm sector liberalisation on the food supply of countries with food deficits were discussed at some length, particularly in terms of national and international management of market stability.

Since then an international task force has been set up on the initiative of the World Bank, and the European Commission has helped formulate operational proposals about risk-management mechanisms for developing countries.

Concerns about agriculture and food security were widely expressed by many developing countries at the WTO ministerial conference in Seattle.

At a different level, discussions also covered the role of the various national and international actors in shaping policy. Given the prime importance accorded to the macro-economic framework and the impact of structural adjustment on the most vulnerable groups, it appeared that the place of sectoral policy (agriculture, health, education, etc.) and its contribution to food security needed to be re-examined. This topic is even more relevant, now that the idea of integrating aid more closely within State budgets has progressed,



## Food security and the WTO

Agriculture continues to be one of the main issues in the WTO negotiations. The failure of the Seattle meeting was partly due to disagreement on the negotiating agenda for agriculture. This sector remains the linchpin of food security for developing countries, not only in terms of supplying local markets, but also, and importantly, because in many countries a large proportion of the population depends on agriculture to survive, and agricultural products generate a significant share of export revenue.

The WTO negotiations focus on the development of world trade and have not always taken these wider dimensions into account, even though they have a direct influence on the policies that can be implemented in these countries. Although the 1994 Agreement on Agriculture

does allow the use of instruments to advance agricultural development and food security, these are often costly and complicated to apply, such as untied support for farming or the safeguard clauses that allow higher customs duties. They are therefore ill-suited for developing countries, especially for the least advanced countries, which may also be under considerable pressure to liberalise their economies as part of structural adjustment programmes.

On the other hand, the developing countries do enjoy special differentiated treatment, which, according to their status as least advanced or developing, allows them to be exempted from certain restrictions or to benefit from preferential time-frames and degrees of implementation. Furthermore, the ministerial

decision on the possible negative effects of the reform programme on the least advanced countries and on developing countries which are net food importers was intended to compensate the most vulnerable countries for any rise in market prices. The difficulty of analysing market movements and assessing the proportion of price rises that is directly due to the implementation of the Agreement has made this measure inoperable.

For countries with fragile food security, the main issue in the negotiations that are now due to open will be to ensure that their particular priorities are recognised, especially in terms of food production, and to reach an acceptable definition of effective supporting and development mechanisms. ■



MICHEL RAUNET/CIRAD



ROBERTO COGNO/RESAL DRN

## The London Convention on food aid

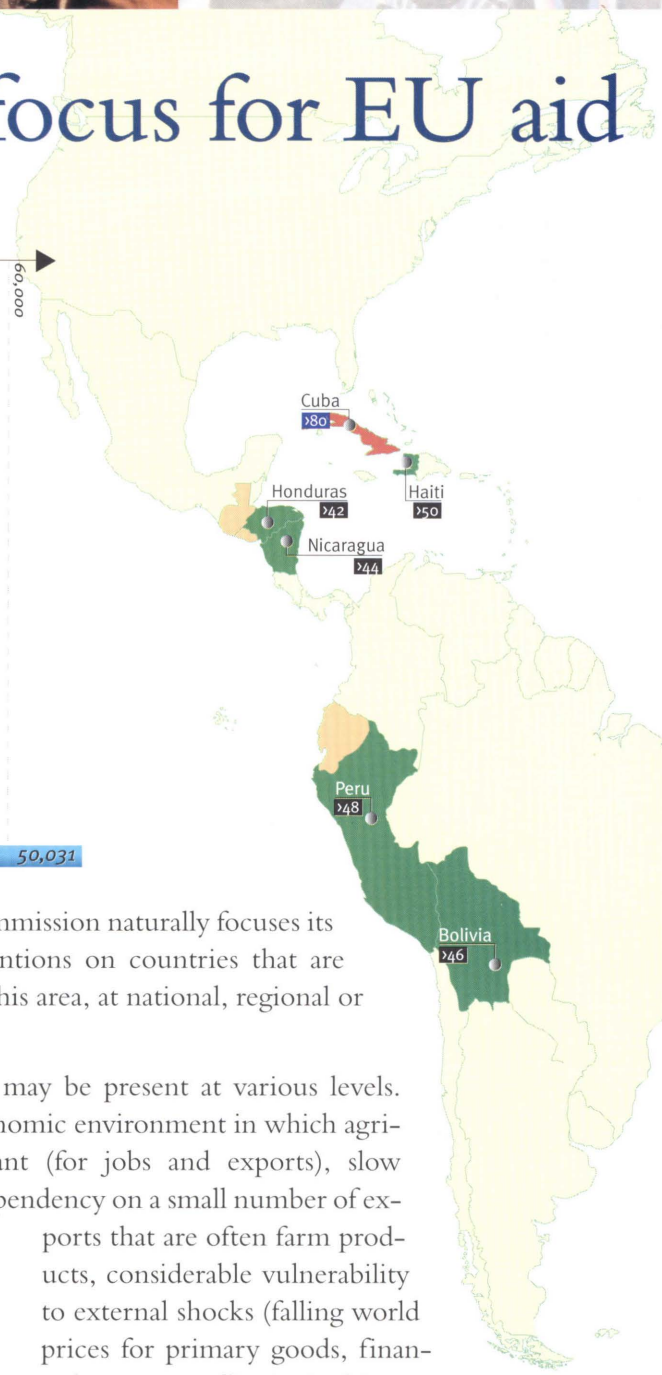
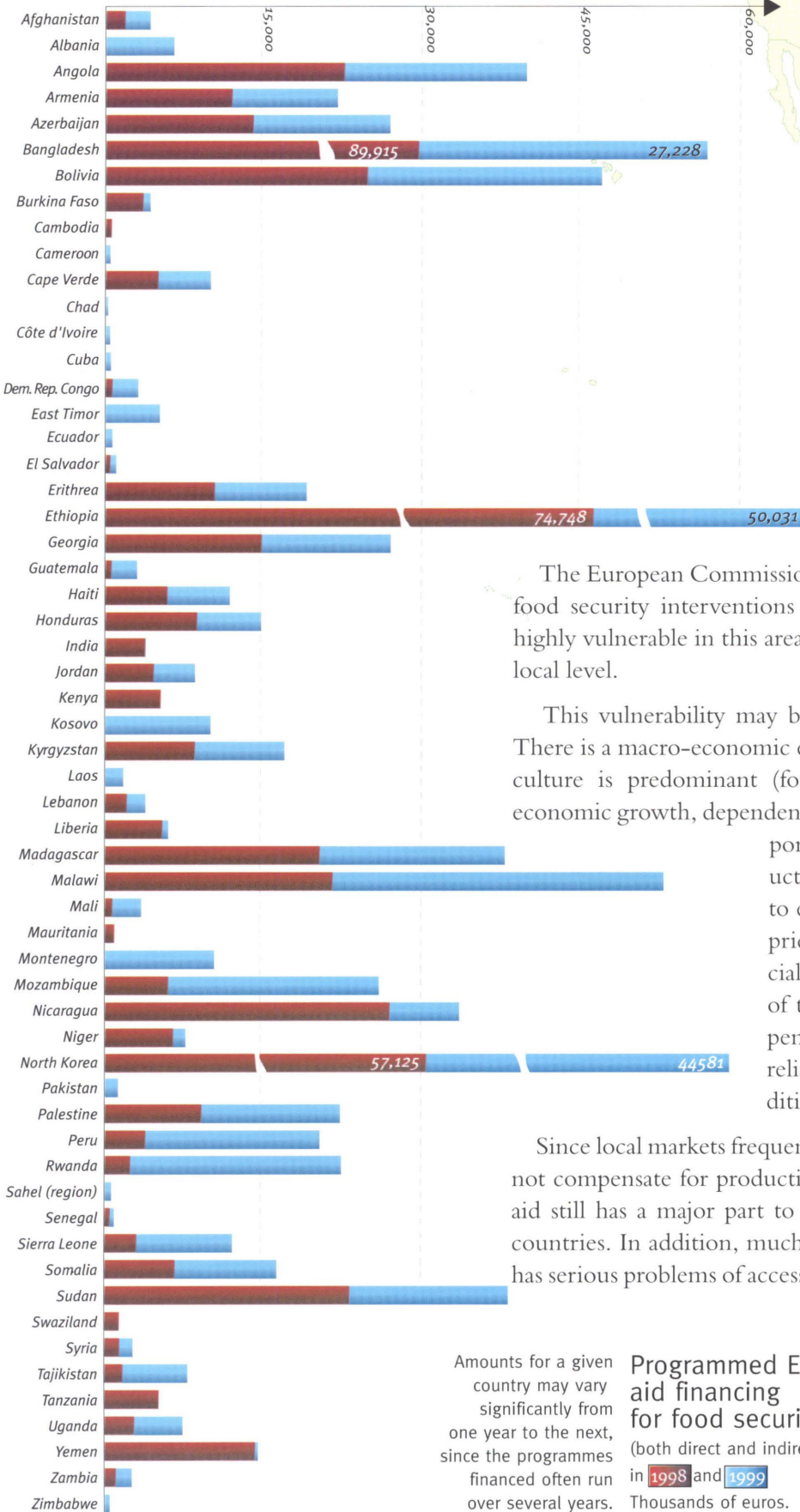
In June 1999, representatives of the food aid committee members (Argentina, Australia, Canada, Japan, Norway, Switzerland, United States, European Commission and Member-States) completed the renegotiation of the convention on food aid begun at the end of 1997. The convention now specifies not only the minimum annual food aid commitments of the signatories, maintained at 5.5 million tonnes, but also outlines the stated objectives of this aid.

This new text is a further step towards better integration of food aid into food security support. The least advanced and low-income countries are now considered priorities, except in emergency situations. Similarly, aid is to be targeted primarily at vulnerable groups.

Steps must be taken to limit the adverse effects of food aid on local farming, eating habits or local capacity-building. Always with support for development in mind, local purchases and triangular operations, which were already mentioned in the previous convention, are given greater emphasis. To achieve these objectives, a number of changes have been made to the way minimum commitments are fixed: a wider range of products are now eligible (traditional foodstuffs suitable for local eating habits may be included), transport and operational costs are taken into consideration, commitments are expressed in value terms, and the level of aid sold on credit is limited to 20% of commitments. Aid in the form of foreign exchange, for example, is now recognised as food aid

to be included in the total commitments made under the convention (Article IX: Forms and Terms of Aid. a) Food aid under this convention may be supplied as: (i) grants of food or cash to be used to purchase food for or by the recipient country...). The convention also stresses the importance of donor co-ordination in estimating needs and evaluating impact. These changes were promoted by the European Commission and are important because food aid is still seen by some donors as a way of managing agricultural surpluses, at the expense of meeting long-term local needs. The three-yearly renegotiation of the Convention provides a framework for discussing the various donors' food aid practices and reviewing new practices and analyses. ■

# 1.2. Country focus for EU aid



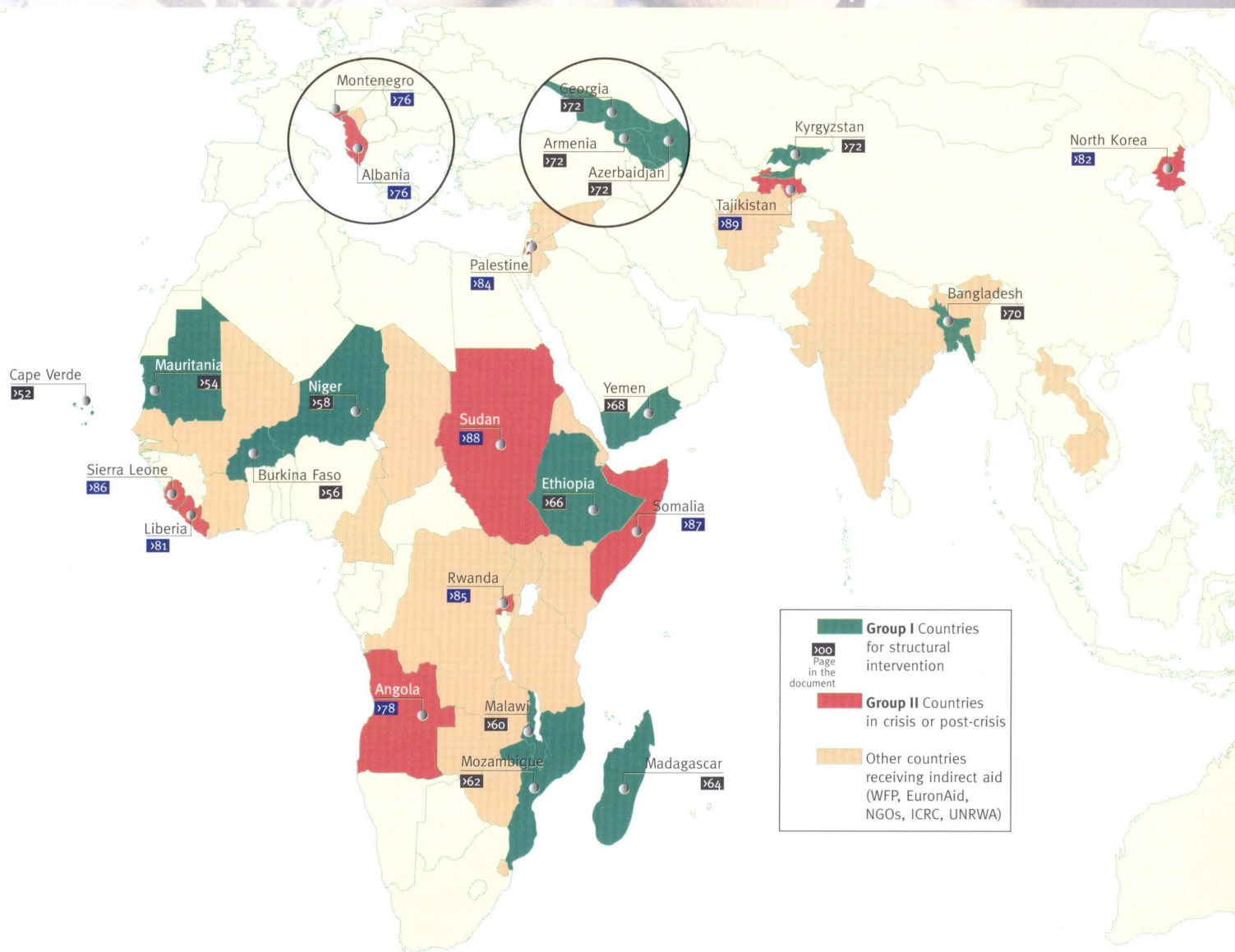
The European Commission naturally focuses its food security interventions on countries that are highly vulnerable in this area, at national, regional or local level.

This vulnerability may be present at various levels. There is a macro-economic environment in which agriculture is predominant (for jobs and exports), slow economic growth, dependency on a small number of exports that are often farm products, considerable vulnerability to external shocks (falling world prices for primary goods, financial crises, conflicts). And in most of these countries food availability depends on agricultural output, which is unreliable because of fluctuating climatic conditions.

Since local markets frequently do not function efficiently, they cannot compensate for production-related shocks, and, as a result, food aid still has a major part to play in supplying the markets in many countries. In addition, much of the population in all these countries has serious problems of access to food. Of the 23 developing countries

in which the European Commission provided aid in 1998 and 1999, over half are classified by the FAO<sup>1</sup> among the 25 countries most affected by malnutrition, with over 35% of

Amounts for a given country may vary significantly from one year to the next, since the programmes financed often run over several years. Programmed EU aid financing for food security (both direct and indirect aid) in 1998 and 1999. Thousands of euros.



their population undernourished. Between 20% and 34% of the population of the other developing countries are undernourished. They also often suffer from a low level of human development. Among the 19 countries in Group I, ten are ranked by the UNDP<sup>2</sup> among the countries with low human development. The country with the best Human Development Index is Peru, which still only ranks 80th out of 174.


It should be pointed out that the New Independent States (NISs), and some Latin American countries, exhibit distinctly better characteristics in many areas. EU intervention in these countries has another dimension: to draw governments' attention to the importance of integrating food security into their approach to sustainable agricultural development and coherent poverty reduction. The variety of instruments proposed is one way of supporting transition economies and targeting vulnerable groups during periods of economic instability.

Although the basic criteria for identifying these countries are relatively uniform, the action taken varies considerably according to the political will displayed in each country with respect to food security. Nineteen countries were chosen to benefit from support programmes for food security strategies on the basis of a number of criteria: government recognition of food security as a priority, existence of a dialogue on this topic between governments and the European Commission, relative political and economic stability, and the absence of serious humanitarian crises. In the other countries, the European Commission restricts its role to indirect aid through the WFP or NGOs. When direct aid to the government is a workable solution, it mainly involves rehabilitation programmes.

**Nineteen countries receiving support for their food security strategies**

1) State of Food Insecurity in the World, 1999

2) Human Development Report, 1999



# Aid policy coherence and c

## 1.3.1. Synergy between European policies

EU food aid and food security interventions are designed as a response to events such as serious food or humanitarian crises, but they are also intended to have an impact in both the short and long term. Sustainable improvement in food security requires structural changes in many areas. It is therefore logical to seek to develop synergies between various EU policies when implementing action. This desire for synergy can be illustrated in a number of areas.

### 1.3.1.1. Integration into development policies

For the ACP (Africa, Caribbean, Pacific) countries, which benefit from conventions with the European Union, close linkages are sought between programmes financed under the European Development Fund (EDF), via overall strategies and national indicative programmes (NIPs), and those financed under food aid and food security programmes. This last group of programmes is defined in a process led by the rural development/food security unit. It involves national partners and the European Commission's Delegations in each country. The regional departments of the Development Directorate and the External Relations Directorate are consulted regularly. Proposals for financing these programmes are submitted for approval to the aid and food security committee, which comprises representatives of Member-States, before a decision is taken by the European Commission (see section 2.1.1.).

## Effective co-ordination to respond to the Albanian crisis in 1997

Albania's transition to the market economy between 1993 and 1995 went drastically wrong in 1996. The political crisis caused by irregularities in the May 1996 elections was aggravated by the collapse of the pyramid savings schemes which had spread rapidly throughout the economy. The violent protests that developed in early 1997 led to the declaration of a state of emergency and the resignation of the government.

A number of high-level EU missions went to help cope with the situation and define possible forms of intervention in terms of emergency aid, eco-

nomical and financial aid, restoration of law and order and preparation for elections. Against this background, an EU food security support programme was devised and implemented. The main purpose was to help restore public finances, improve the availability of foodstuffs on the markets, and improve the food supply to vulnerable groups. Ten million euros were disbursed in two tranches in 1998 and 1999: the objectives and forms of aid were decided upon jointly by the European Commission's Economic and Financial Affairs Directorate and the External Relations Directorate.

This also came under the post-conflict macro-economic stabilisation programme supported by the IMF.

In addition to import aid via budgetary support, the programme comprises support for reviving farm production (supply of inputs, equipment and seeds) and restructuring the Ministry of Agriculture. This support was part of an overall rural development strategy, known as the green strategy, and was subject to conditionalities negotiated with the help of a policy advisory unit set up by the Phare programme (see Section 3.2.2.). ■

In developing countries outside the ACP group, co-ordination is sought via special programmes such as Phare and Tacis in Eastern Europe and the NISs, and "technical and financial co-operation" programmes in Latin America and Asia. There is also a great deal of co-ordination with other donors in these countries so as to integrate all actions into the macro-economic stabilisation programmes defined together with the International Monetary Fund (IMF) and the World Bank. However, more could be done to integrate smaller projects into a coherent development and food security policy. Discussions on this point are underway in Peru and other countries.

### 1.3.1.2. Integration with relief and rehabilitation programmes

Food security is a matter of concern in both emergency relief situations and development scenarios. The need for continuity has long been a concern of the European Commission and is the

# -ordination

basis of all the discussion in recent years on the Link between Relief, Rehabilitation and Development (LRRD). This led to a Communication to the European Council in April 1996, COM(1996)153, which stated that “better development can reduce the need for emergency relief; better relief can contribute to development; and better rehabilitation can ease the transition between the two”. It also recommended the creation of task forces in Brussels and on the ground, comprising ECHO and the Development or External Relations Directorate, so as to ensure co-ordinated, coherent action. These regular consultations have made it possible to avoid certain situations being mishandled. The co-ordination role is entrusted to the service that is most effective in its manner of response and that has the most complete knowledge of the situation on the ground.

Despite these efforts, an evaluation of the European Commission’s effectiveness in implementing this link since 1996 indicates that except for a few isolated successes, such as Liberia, it is hard to apply LRRD in practice. This is largely because the dividing line between humanitarian and development needs is often vague, and may vary from one time and place to another. Crises, whether caused by conflicts or natural disasters, do not often develop in the neat chronological order of relief-rehabilitation-development. They are often chronic and recurrent, and relief and development situations may overlap within the same country.

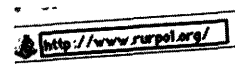
Integrating ECHO within the Development Directorate should make co-operation more effective. And various food security programmes that used to be managed by the sectoral unit in the Development Directorate have gradually been transferred to ECHO if humanitarian crises are directly involved. In 1995, for example, the financing of NGO social programmes using emergency food aid was transferred to ECHO. Similarly, in 1998, the contribution of the food security programme to the International Committee of the Red Cross was not renewed and ECHO became more involved. The financing of various WFP programmes is also being examined in this light.

Various proposals are being studied for developing more flexible instruments to respond to many different types of transitional situations that exist.

**Reducing the need for relief aid, promoting development, and easing the transition from one to the other**

*For more information and direct access to the relevant papers:*

## The European Commission’s rural development policy: the Rurpol process



One of the main objectives of the European Commission’s rural development policy is to improve living conditions in rural areas of developing countries. This largely overlaps with the poverty reduction and food security objectives, all of which seek to improve the incomes and living conditions of the poorest and most vulnerable groups, who live mainly in rural areas in most developing countries.

To implement its rural development policy and make it more coherent with the Maastricht objectives, the European Commission has launched a process of participatory redefinition of its intervention policy, called Rurpol. As part of this process, working groups have been


formed with staff from various services of the European Commission and representatives of Member-States.

Taking the Commission’s specific mandate as the starting point, Rurpol made a detailed analysis of the problems, constraints and opportunities of rural development. Then, in the light of the policies of Member-States and other donors, a Policy Orientation Paper was produced as a framework for defining a coherent approach to support for rural areas in developing countries.

Efforts are now focusing on specific strategies for the natural resources subsectors (fisheries, forestry, agriculture). The operational guide-

lines produced will help formulate EU strategies that are coherent and appropriate for each country where rural development is seen as a priority for the European Commission, with the agreement of the national authorities.

These strategies will provide a framework for the European Commission’s interventions (and those of any other interested donors), based on the needs and aspirations of the target groups. They will help the European Commission to programme the various financial instruments at its disposal, make the most of its comparative advantages and remain consistent with the action taken by governments and other donors. ■



## 1.3.2. Co-ordination with Member-States and other donors

So many large-scale operations are involved in improving food security in developing countries that co-ordination of the various actors at international and local level is vital. The European Commission often plays a major role in this co-ordination.

Co-ordination within the EU is an essential stage in the process. Member-States are consulted when strategy guidelines are being drawn up by the Council food aid/food security group and when programmes are being defined by the food security and food aid committee (comprising Member-State representatives, see Section 2.2.1). The EU food aid and food security programme is also submitted for debate in the European Parliament on a regular basis.

### **Increasing participation of Member-States in the definition and the implementation of programmes**

At present, however, this co-ordination is mainly based on increasing the participation of Member-States in the various stages of programme definition and implementation. In the field of food security, there is not enough real debate about the coherence and complementarity of Member-States' bilateral aid programmes and EU programmes. Co-ordination in the programming and monitoring of actions is often more effective on the ground, as it has been in Haiti, thanks to the active part played by the Delegations.

Co-ordination with other donors takes place in a variety of forums. For example, the European Commission takes part in the specialist committees of the FAO and WFP, where it has a chance to present its analysis of food aid/food security issues. And the Commission, together with Member-States, took an active role in the renegotiation of the food security convention in 1998-99 (see Section 1.1.2.3.). In June 1997 it also organised the forum of food aid donors in Montpellier, France. This was an important stage efforts by the major donors (Australia, Canada, Japan, United States, European Union) and representatives of international organisations (FAO, World Bank) to identify basic principles for the code of conduct adopted by the European Commission and all Member-States.

The sectoral programmes identified with governments and donors in the ACP countries are a good example of effective co-ordination. For priority sectors such as health and education, these programmes define a strategy and public investment plan as a framework for both budgetary aid and project aid. There are few food security initiatives as yet, but one does exist in Mozambique and discussions are underway in Kenya.

There are also specific co-ordination agreements, containing a food security element, with certain donors. For example, in 1995, the European Commission, USAID and the US State De-

## The El Niño inter-service group

The major weather disruptions cause by the recurrent warming of the surface waters of the South Pacific (known as El Niño) led the European Commission to set up a specific inter-service group at the end of 1997.

The group comprised officials from ECHO, the External Relations, Agriculture and Development Directorates, the budget and financial control Directorates and the General Secretariat and the Legal Service. The aim was to provide the European Commission with an appropriate capacity for analysis, anticipation and reaction to deal effectively with the problems likely to arise.

The inter-service group was steered jointly by

the food aid and food security unit of the Development Directorate (DG VIII as it then was), and ECHO, according to the type of aid involved. Its missions were to: monitor El Niño and analyse its potential consequences for the relevant countries and populations; mobilise the various services and Delegations to circulate information and take co-ordinated operational decisions; ensure external co-ordination with Member-States, bi- and multi-lateral development co-operation agencies, NGOs, public and private local partners; define, implement and monitor the EU action plan for food aid, humanitarian aid and support for food security.

A financial reserve of EUR 400 million had been pre-programmed in 1998 from various budget lines to cope with potential problems, although these turned out to be less serious than expected. However, EUR 77 million was committed in 1998 by the EU food aid and food security programme.

These arrangements, which helped to preposition stocks and act early to identify partners and types of intervention, turned out to be highly effective, especially in Mozambique. Because of this process of co-ordinated anticipation, El Niño was handled with due regard for the progress made in sectoral reform and liberalisation of farm and food markets. ■



partment launched a new stage in the transatlantic initiative to improve co-ordination in various areas (global change, economic and trade flows, stability, security, development co-operation, etc.). One topic concerns food security, and six priority countries were selected: Bangladesh, Bolivia, Ethiopia, Haiti, Kyrgyzstan and Malawi. In 1998 and 1999, co-operation consisted mainly of sharing information, and extensive discussion of national food situations and the factors that restrict the development of food security in these countries. The co-ordination process is regularly reviewed at half-yearly meetings of sectoral officials. This co-operation is likely to increase in the years ahead, using the work by Resal, financed by the European Commission and USAID's Agriculture Policy Development (APD) programme. Close co-operation is also developing in the beneficiary countries, where it is co-ordinated by national administrations and actively supported by the donors (Proagri in Mozambique, Masip in Malawi, etc.)

### Defining strategies and public investment plans for priority sectors

## European Commission and Member-State co-ordination in Haiti

Various Member-States—France, Germany, Netherlands, and Spain, and Belgium until July 1999—are involved in development co-operation in Haiti in sectors including rural development and food security.

Efforts to enhance the country's food security involve improving public-sector operational capacity, developing production and market efficiency, reducing poverty and strengthening the private sector and civil society.

To better co-ordinate these interventions, in the spirit of the Treaty of Maastricht, a technical group was set up on the initiative of the

European Commission. Over the last two years the staff responsible for rural development and food security in the various development co-operation agencies have met every month as part of this initiative. The group aims to help harmonise European donor approaches on the basis of a common understanding of the issues (e.g. development of irrigation, co-operation with civil society, support for the national food security strategy) and the national context.

More specifically, whenever the Delegation makes a financing proposal involving food se-

curity and rural development the working group examines it before it is finalised for submission to the European Development Fund (EDF) or the food security and food aid committee. This arrangement enabled the European Union to adopt common positions in its discussions with the Haitian government. It also made it possible to programme complementary actions by different donor agencies in areas including institutional support (support for agrarian reform and national irrigation policy) and strengthening civil society (support for local development). ■

## Transatlantic initiative programme for food security

Types of co-operation under the transatlantic initiative depend to a large extent on the beneficiary country. For example, in Ethiopia, the European Commission and the Famine Early Warning System (FEWS) financed by USAID publish a joint monthly bulletin monitoring the food situation. In Malawi, following a seminar organised by Resal, the European Commission and USAID

have been working on improving information systems of relevance to food security (harvest forecasts, price monitoring). In Bolivia, information is shared on a regular basis on the links between poverty and food insecurity and the impact of decentralisation. In Bangladesh, crisis management of regular natural disasters against the new background of liberalisation makes information-shar-

ing essential: extended co-ordination has been set up between the government and all the donors. In Haiti, where major quantities of food aid in kind go to school canteens and efforts are underway to promote export crops, there is broad scope for co-ordination and analysis. In Kyrgyzstan, co-ordination focuses on the privatisation of farmland. ■



- Range of food security instruments
- Scope of interventions
- Partnerships
- Key figures



# Instruments and partnerships

## 2.1. Range of food security instr

### 2.1.1. Procedures for granting subsidies from budget lines relating to food security

The EU food security and aid programme comes under the Development Directorate, in association with the External Relations Directorate and the relevant Delegations (within the Development Directorate, the lead unit is the rural development/food security unit). Procedures for granting subsidies vary according to the amount of financing and the purpose of the proposed programme (standard and emergency procedures). However, most financing goes to programmes exceeding EUR 2 million using a standard written procedure with the following stages of programme formulation, decision and implementation.

#### The budget amount and general expenditure guidelines are defined

The European Parliament and the council of Ministers vote Annually for the food security/food aid budget of the Development Directorate



#### Based on EU food security strategy, programmes are formulated by country and region

The Development Directorate, in conjunction with the relevant Delegations and services of the European Commission (External Relations Directorate, Service Commun Relex (SCR), Budget Directorate, Audit Directorate, Agriculture Directorate (food aid only), Legal Service, European Community Humanitarian Office (ECHO), formulates proposals for financing. There is extensive dialogue with beneficiary governments and food security partners.



#### The decision is taken by the College of Commissioners

After approval has been received from the Member-States on the food security and food aid committee, a Commission decision officially confirms the grant of subsidies from the budget line.



#### An official letter (financing convention) is signed by the European Commission and sent to the beneficiary government, international organisation or other body.

After official agreement from the beneficiary, the official letters commits the parties to the financing mechanisms and conditionalities for programme implementation. The official letter is the legal document binding the European Commission to the government, United Nations agency (FAO, WFP, etc.) or association of NGOs, such as EuronAid (for aid in kind). When NGOs implement food security support projects, a contract is signed between the Commission and each beneficiary NGO.



#### The programme is implemented and monitored according to the commitments made by the parties.

Programme implementation and monitoring are carried out either by the Service Commun Relex, for food aid, NGO projects or food security support actions, or by the Development Directorate, for foreign exchange facilities or budgetary support. Compliance with commitments (see above), and particularly with conditionalities, is required for the programme to advance properly.

## 2.1.2. Instruments

The European Commission now has a diversified range instruments to respond to the variety of areas of intervention associated with food security.

### 2.1.2.1. Strengthening capacity of analysis and dialogue

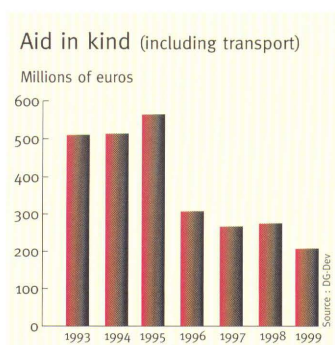
Food security strategies that provide a coherent framework for all EU actions in this area are key to the new food security policy. These strategies are drawn up on the basis of a close analysis of national food security situation, including the macro-economic context, supply of agricultural products, import capacity, market operation and the physical and financial capacity for citizens to gain access to high-quality foodstuffs. This analysis is regularly updated with the support of governments, Delegations, technical assistance units and Resal correspondents in the major beneficiary countries, and other experts from various EU services (see box in section 1.1.2.2.).

On the basis of this analysis and an extensive dialogue with national policy makers, and, where possible, other donors, a food security strategy is drawn up to identify priorities in each country. This process was of particular importance in countries where economic reforms are being implemented, such as Cape Verde, Bangladesh and the New Independent States. Most of the support provided by the European Commission via experts and technical assistance personnel still goes to central governments. However, in countries where decentralisation is well advanced, the European Commission intervenes directly with local administrations, targeting the most vulnerable regions, as in Ethiopia, Bolivia and Peru.

**Working direct with local administrations in countries where decentralisation is well advanced**

In Cape Verde, the government has defined a food security policy to accompany market liberalisation. The strategy has four strands: economic development policy based on expanding the private sector and integrating the country into the world economy; measures to improve the food supply (liberalisation of imports); improvement of household access to foodstuffs via a poverty reduction programme; and the institutionalisation of food security policy co-ordination, including improvements in the national food security and early warning system.

### 2.1.2.2. Aid in kind



Aid in kind remains a large component of the EU food security programme. In 1998, over 45% of the budget went to supplying and transporting foodstuffs. However, in those countries that have satisfactory management capacities, this aid is being replaced by direct support in the form of a foreign exchange facility to enable the private sector to import food. Aid in kind is thus increasingly reserved for prolonged emergencies, post-crisis situations, and rehabilitation.

Only a small part of this aid is sold on the market to raise counterpart funds. Most is distributed freely vulnerable groups, or is used to reconstitute national security stocks, as in Ethiopia. Targeted aid in kind is often managed by the WFP or NGOs, but governments sometimes manage these operations themselves in conjunction with donors. In North Korea, food aid in kind made up two-thirds of the European contribution to food security in 1998 and half in 1999. It is mostly managed by the WFP and targeted mainly via free hand-outs to vulnerable groups.



Following the floods that hit Bangladesh in 1998, the European Commission granted EUR 60 million to that country, which is the main beneficiary of EU food security aid. With emergency aid of EUR 32.9 million, the EU thus made a significant contribution to the international community's disaster response effort. According to a survey by the International Food Policy Research Institute (IFPRI) of 757 households in the worst-hit regions (where 57% of the population was seriously affected), 47% had received aid from the State. Free hand-outs went to roughly one-third of the people concerned, but were relatively well targeted on these groups. Food for work projects took over from hand-outs as from December.

Aid in kind is mostly in the form of grains. However, since it is intended largely for free distribution to vulnerable groups, it also includes

other foodstuffs to complement daily rations and meet specific needs of certain groups (e.g., milk, fortified products). This also explains the supply of vegetable oil (EUR 15 million in 1998, EUR 17 million in 1999), milk and dairy products (1% of the food budget in 1998, 4% in 1999), beans, sugar, meat, etc.

### 2.1.2.3. Foreign exchange facilities



Foreign exchange aid represented 18% of the food security budget in 1998 and 21% in 1999. This financial aid is intended as a substitute for aid in kind, and enables beneficiary countries to compensate for their supply deficits by buying directly from regional and international markets. To achieve this goal, private operators must have easier access to the foreign exchange needed for commercial imports. The counterpart funds accumulated by the central bank are reserved for budgetary support to promote sectoral reforms, sustainable development and poverty reduction.

Efforts to strengthen partnership and increase the beneficiary countries' responsibility for defining and implementing food security policies are leading to an increase in budgetary aid. Budgetary support is based on a dialogue about food security strategies and policies, and involves compliance by the government with certain specific commitments, known as "conditionalities", usually relating to the conditions for implementing reform policies and programmes.

Budgetary aid may be targeted to a greater or lesser extent according to the desired objective, which can include capacity-building to enable bodies in charge of food security to analyse and monitor the food situation, restructuring of ministries and other State bodies, or support for poverty reduction programmes.

The local ministry of agriculture is a priority target for EU budgetary support. This support can involve financing non-salary operating costs, as in Haiti, or sectoral policy support for rural

## New Independent States: serious macro-economic problems increase food insecurity

The countries of the Caucasus and Central Asia who receive structural support from the European Commission for food security (Armenia, Azerbaijan, Georgia, and Kyrgyzstan) are classic cases of food insecurity caused by macro-economic imbalances. They have substantial agricultural potential, but the transition process has been economically and so-

cially traumatic, and has destructured a large part of the economy in general, and agriculture in particular. Pending a sustainable recovery in farm production, these countries are now faced with food import requirements that in some cases absorb all their export earnings. The European Commission not only supports reforms that promote liberalisation

and market integration, but also grants these countries facilities to offset the drain on foreign exchange reserves caused by foodstuff purchases by the private sector. The counterpart funds that are raised in local currency go towards agricultural reform, welfare or public sector restructuring, according to the country (see NIS country file 3.1.16). ■



development, as in Nicaragua or Mozambique (Proagri programme). In countries that are liberalising their farm sectors, support goes directly to ministry reorganisation efforts, as in Madagascar, Albania, Azerbaijan, Armenia, and Kyrgyzstan.

The farm census in Yemen has been planned for some years and has fallen behind schedule. It should be completed in 2000. The European Commission supported the government throughout the census preparation period, from identification of demand to production of questionnaires and training of census staff. Technical assistance is planned to support the follow-up by the Ministry of Agriculture.

**Involving private operators to offset supply deficits**

In other countries, EU aid supports specific actions by the ministry of agriculture, such as the farm censuses in Nicaragua and Yemen, or privatisation of the agri-food market in the NIS. Land reform in the NIS and Central America (Nicaragua, Honduras) also receives EU aid.

#### 2.1.2.4. Support actions



Food security instruments may be used for government programmes, EU programmes or private sector support initiatives. They may be financed by direct aid following an agreement with the government, or via NGOs and other partner organisations.

The range of support instruments proposed by the new EU regulation is extremely varied, and is intended to adapt to all the needs of food security support programmes.



JACQUES CHANTEREAU/CIHAD

Aid for crisis prevention, involving national security stocks or early warning systems, is still an important aspect of EU action. Following structural adjustment and market liberalisation, many developing countries have abolished or severely reduced their national security stocks. However, in many countries where agricultural crises occur regularly, there are still physical security stocks, and in these cases the European Commission usually helps restructure them, as in Malawi, or reconstitute them when they have been run down, as in Burkina Faso and Ethiopia. Financing for early warning systems includes the EU contribution to the FAO's global information and early warning system, which monitors the state of harvests and food availability around the world. In some countries, the European Commission directly supports the bodies in charge of monitoring food security (e.g., disaster surveillance system in Madagascar), and organising aid (e.g., support for restructuring the food security commission in Mauritania, and for the Disaster Preparedness and Prevention Committee programme in Ethiopia).

Ethiopian farming is highly sensitive to unreliable weather, and harvests can vary widely from one year to the next. However, even in the poor harvest years, there are surpluses in some regions. To support agricultural development without distorting the markets, the European Commission has regularly made local food purchases since 1996 to contribute to targeted aid programmes or reconstitute the emergency reserve. In 1999 over 90,000 tonnes of food products were purchased.

In efforts to support production, the European Commission has helped to set up rural credit structures in a number of countries (e.g., Mozambique, Haiti via the rural development fund, Nicaragua, Honduras). This may involve support for a specific programme or disbursements of budgetary aid, as in Bolivia, where the rural credit development programme was implemented under the food security support programme. Many programmes, such as APIP in Malawi, also support small-scale farmers' access to basic inputs.

Programmes can also be more diversified and comprise for revitalising projects production (e.g., IFADEP in Bangladesh, autonomous micro-project implementation structure in Mauri-



In exchange for food aid, the IFADEP programme in Bangladesh offers training and access to credit/savings system to women, a particularly vulnerable group.



FRANCESCA ZIZULAREA

tania). Support has been provided for structuring farmers' organisations and intermediary organisations and promoting their integration into the market economy in Honduras (support for farmers' organisations and intermediary organisations in processing and marketing farm produce), Nicaragua (support for storage and loans to farmers for marketing), and Madagascar, where there is a programme to support moves to involve farmers' organisations in policy definition.

The Agricultural Productivity Improvement Programme (APIP) in Malawi provides small-scale farmers in remote areas with packages of inputs at market prices. At the end of the cropping season, the farmers repay the loans directly to the enterprises that distribute the inputs. The programme thus pursues more than one objective, including seasonal credit for small-scale farmers and development of the supply of farm inputs.

In the least advanced countries and those implementing rehabilitation programmes, production support may involve targeted distribution of tools and inputs, as in Haiti and Liberia. In Angola, this distribution is part of the agricultural rehabilitation programme, which also provides food to displaced persons. A similar programme was conducted in 1998 in Sierra Leone to help the return of refugees. In the countries hit by El Niño in 1998-99, both the Central American countries affected by Hurricane Mitch and Andean countries suffering from drought, a large number of NGO projects distributed seeds and tools to small-scale farmers so that they could cope with bad harvests and return to farming despite having lost many of their assets.

Support for food security can also be used for private sector and market development, and can involve financing for dams and roads, as in Yemen, or efforts to develop food processing industries and export markets. In Haiti, the EU supports mango exports and sugar-cane processing. In Malawi, private operators are the main focus for EU efforts to improve access to basic inputs, while in Yemen, the EU programme is supporting the introduction of a market information system.





CIDCA

The development of non-farm income-generating activities in rural areas is a crucial issue of poverty reduction in highly populated countries. In Malawi and Bangladesh these strategies have a high priority, and are mainly implemented by NGOs.

In Bangladesh, the part of the IFADEP that focuses on women is adopting a similar approach to the government programmes supported by the WFP. In exchange for food aid, the programme offers training and access to a credit/savings system to enable women, a particularly vulnerable group in this country, to start income-generating activities and acquire a basic education (literacy, health and nutrition information, etc.). The programme is implemented by the Ministry of Women and Children's Affairs, in partnership with local NGOs.

**Support for food security can also be targeted on the development of the private sector and markets.**

## 2.2. Scope of interventions

Dialogue with government, national partners and other actors from the international community



### Institutional capacity-building

- Support for sectoral reforms
- Support in defining sectoral policies
- Support for decentralisation
- Support for the development of agricultural statistics

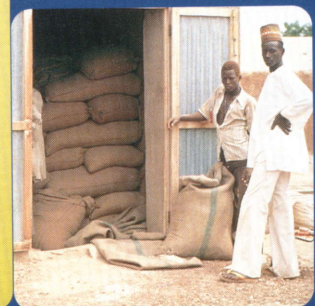


### Development of production

- Development/restructuring of services to agriculture
- Loans for small-scale farmers
- Structuring for rural communities
- Land tenure reform
- Reforestation/erosion control
- Improving production

### Support for marketing

- Promotion of exports and local products
- Development of private sector
- Development of infrastructure
- Restructuring processing industries
- Strengthening intermediary organisations (e.g. co-operatives)
- Loans for marketing
- Local purchases



In line with the new regulation, whereby the type of intervention must match the type of food crisis and the way it is likely to develop, a wide range of types of intervention are needed.

## Analysis of food insecurity situation

### National crisis prevention systems

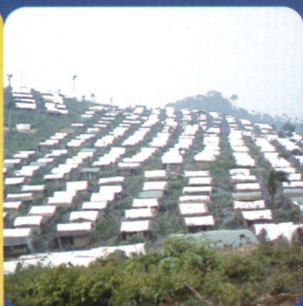
- Restructuring and reconstitution of national security stocks
- Early warning systems
- Support for GIEWS
- Restructuring of organisations specialised in monitoring food security and crisis prevention
- Locust control



## Food security strategy/policy

### Rehabilitation

- Support for returning refugees in sectors such as farm production
- Reconstitution of livestock
- Distribution of inputs



### Poverty reduction

- High labour-intensive work (e.g. food for work, cash for work)
- Income generating activities in rural areas
- Micro-projects
- Support for basic services



# Partnerships

## 2.3.1. Direct aid

One of the main objectives of the EU's food aid and food security programme is to strengthen partnerships with beneficiary countries by defining and implementing long-term food security strategies. Direct aid accounted for 50% of all funds allocated for 1998 (EUR 272 million) and 55% of funds for 1999 (EUR 259 million). Ongoing political dialogue is a prerequisite to the development of national strategies. This dialogue should be present at all levels, from strategy formulation to programme identification, implementation and evaluation. All EU actors must therefore be involved in this dialogue: local Delegations, staff in Brussels and technical assistance personnel.

**Moving progressively from food aid in kind to financial aid**

Effective dialogue calls for better co-ordination with the other parties involved (member States, donors, NGOs) and, whenever possible, co-operation with other food security actors on the ground (civil society, private sector, etc.). Budgetary support is currently the main instrument of this approach. The targeting of the financial aid, and the conditionalities for disbursement, are fixed when determining strategies and priorities. In most countries the first condition for receiving budgetary support is the definition of a food security policy, or at the very least identification of priority action to improve food security.

Defining these terms of reference is an important step towards determining areas of co-operation. It enables the parties involved to move progressively from food aid in kind to financial aid, from project aid to aid that is part of national policy, and thus to make progress towards implementing a long-term food security strategy. The complete programme is presented in an official letter from the European Commission to the partner government. The partner country then officially confirms its participation by agreeing to the terms of the letter. The official letter is legally binding on the European Commission with respect to the beneficiary countries. To reinforce EU efforts to build partnerships in the food security arena, multi-year programmes are planned whenever possible.

## 2.3.2. Indirect aid

### 2.3.2.1. WFP: concentrating EU aid on emergency relief and refugee programmes

The European Commission's financial contribution to World Food Programme (WFP) activities has changed considerably since 1997. Funds allocated to activities in support of development (often food for work programmes) have been reduced gradually, while funds allocated to the International Emergency Food Reserve (IEFR) and to the programme to support refugees and relocated persons (PRRO) have been increased. This distribution of aid reflects an effort to guarantee that the actions of the European Commission are consistent with the new food security policy defined in 1996. The new policy reserves food aid for severe food crises and countries in crisis for which the WFP can make its specific contribution to the fullest extent.

**Stepping up support for the IEFR and the PRRO**

Financial aid is granted on an annual basis through an official letter that defines the overall allocation for each of the two programmes (IEFR and PRRO) backed by the European Commission. Projects are chosen in agreement with the WFP.

In 1999 this contribution amounted to EUR 104 million. The IEFR programme received EUR 52 million for the distribution of 103,500 tonnes of cereals, 9,000 tonnes of vegetable oil and other



products. The IEFR also received EUR 10 million specifically for Kosovo. The PRRO programme received EUR 42 million for the distribution of 85,500 tonnes of cereals, 3,700 tonnes of vegetable oil, 2,000 tonnes of sugar, and other products.

In the case of the IEFR, the objective of Commission support is to provide emergency food aid when serious crises deprive communities of the means of production or resources they require to provide for their own food requirements. The purpose of PRRO funding is to assist refugees, repatriates and people relocated within their countries. The WFP and the United Nations High Commission on Refugees (UNHCR) are active in this area. The underlying principle of their actions is to link relief, rehabilitation and development.

For example, the WFP received EUR 8.5 million from the European Commission to distribute 11,000 tonnes of cereals and 1,240 tonnes of vegetable oil in East Timor. This food security action was complementary to ECHO relief actions. The decision to allocate these funds, made in November 1999 for a six-month period, facilitated the refugees' return to their homes.



In 1998 and 1999 WFP receives over EUR 30 millions from the EC for Food Aid in kind distribution in North Korea.

PAUL WEBBER DG DEV

### 2.3.2.2. FAO: supporting the information systems and public policies of beneficiary countries

The United Nations Food and Agriculture Organisation (FAO) has a wealth of professional skills and extensive databases in the fields of agriculture and food security. In some countries, data and access to information are severely lacking, and as a result the means of forecasting food shortages (and surpluses) are considerably limited. Some countries also have difficulty using satellite and agro-meteorology data, which is key to early warning of food insecurity situations, at both regional and national levels. Finally, with respect to international trade negotiations that include agriculture, fishing and forestry, developing countries (and net food importers in particular) need to be helped to participate fully in negotiations. They also need help to work out effective public policies and strategies that will allow them to benefit from new trade opportunities.

To respond to this dual need for information systems and help in formulating public policies, the European Commission and the FAO have signed an overall co-operation agreement for the 1999-2001 period. (Co-operation was previously on a project-by-project basis.) In 1999, the EU made a contribution of EUR 12.5 million to support FAO activities. The allocation is concentrated on Africa and Central Asia as well as small island countries, and focuses on (i) developing and extending world-wide systems to monitor the food situation and provide early warnings of crises (EUR 9.2 million) and (ii) using training and consulting to support policies for various economic sectors to be used in multilateral negotiations (EUR 3.3 million). The European Commission has also contributed to the Global Information and Early Warning System (GIEWS).

**Focusing on early warning systems, training and consulting for policy support**

At country level, the Commission supports early warning systems for countries in crisis, mapping systems to monitor food vulnerability and remote sensing by satellite. The first part of the programme includes co-operation for monitoring food security in five NISs in central Asia (see NIS country files). The second part of the programme includes training and consulting actions in ACP countries and preparation and follow-up support for multilateral negotiations on agriculture and the envi-

ronment. The main aim of these actions is to help countries benefit from the trade opportunities that arise from market liberalisation. Additional specific goals include parasite control, crop protection, reduction of post-harvest losses, promotion of improved seeds, soil fertility, animal health and rural financial markets.

### **2.3.2.3. UNRWA: providing basic services for Palestinian refugees**

Since 1950, the United Nations Relief and Works Agency for Refugees in the Near-East (UNRWA) has been responsible for providing assistance (in health, education and social services) to the Palestinian refugees in Jordan, the West Bank, Syria, Lebanon and the Gaza strip. These communities, made up of the first refugees and their direct descendants, now total some 3.6 million people, one-third of whom live in refugee camps. The rate of population increase is generally very high. In Gaza, this rate is 3.5% per year, one of the highest in the world.

**Operating public services normally provided by a government**

UNRWA first provided emergency humanitarian assistance, but as the Palestinian problem has persisted the agency has become the operator of public services normally provided by a government. UNRWA now provides schooling for 460,000 children and special assistance to 200,000 persons through the Special Hardship Programme (SHP). The SHP targets aid (food, lodging, medicine) on families that have no adult male capable of supporting the household. The economic and social problems encountered by these communities differ according to zone, but all suffer from persistent high unemployment. In some cases, particularly in the occupied territories, 60% of the labour force is unemployed (see Palestine and Jordan, section 3.2.6.).

The European Commission is the largest contributor to UNRWA. In 1998, it fulfilled its commitment of EUR 26.5 million (the amount stipulated in the protocol between the two parties). Another EUR 1 million was contributed by the European Community Humanitarian Office (ECHO), and EUR 12.35 million in foodstuffs and funds was granted for food aid. For 1999, this food aid was increased to EUR 13 million and divided into three areas of action. In the area of education, food is purchased locally if possible and given to some 3,500 students in eight professional training centres. In the field of health, 110,000 pregnant women and nursing mothers, children between the ages of six months and 2 years, and some 500 tuberculosis patients, receive a nutritional supplement. Finally, EU aid to the SHP programme is used to provide families with "baskets" of basic foods (sugar, vegetable oil, whole powdered milk) and money to buy additional food products.

### **2.3.2.4. ICRC: rehabilitating and revitalising agriculture (1998)**

Under the 1949 Geneva Convention, the International Committee of the Red Cross (ICRC) has a mandate to protect and assist victims of armed conflict. In recent years, European Commission co-operation with the ICRC has focused primarily on rehabilitation and the revitalisation of agriculture rather than traditional humanitarian assistance. The Commission gave EUR 10 million to the ICRC in 1997 and EUR 9 million in 1998, but for reasons of consistency, decided to give its 1999 contribution to ECHO (European Community Humanitarian Office), given the Red Cross's specific mission to act in emergency situations.

In 1998, European Commission support for ICRC activities led to the distribution of nearly 59,000 tonnes of food aid and the delivery of agricultural equipment and tools to communities directly affected by armed conflict in the following countries: Rwanda, Sierra Leone, Somalia, Sudan, Uganda, the Democratic Republic of Congo, Congo-Brazzaville, Afghanistan, Tajikistan and countries in the Caucasus. Ad hoc missions monitored the implementation of these projects.

### **2.3.2.5. EuronAid: channelling European Commission food aid through NGOs**

EuronAid is an NGO collective working in partnership with the European Commission. The group is responsible for managing all food aid in kind (indirect aid) that the Commission grants to

NGO projects as part of its food aid and food security programme. Each year the European Commission and EuronAid conclude an official agreement. In 1999, this agreement was for a total of EUR 55 million: EUR 33.5 million in the form of food aid in foodstuffs and inputs, EUR 2 million in the form of tools and EUR 19.5 million for transport costs.

In 1999, Ethiopia was by far the greatest beneficiary receiving EUR 17 million in funding. This channel for distributing European food aid also benefits countries to which the EC grants no direct aid. In fact, it reaches a wide variety of countries that are not usually the main beneficiaries of EU assistance. These countries include Eritrea, Guatemala, Zambia and Pakistan. NGOs submit requests to the European Commission for aid in kind. The Commission then studies the requests and decides on a case-by-case basis whether or not to grant the aid in foodstuffs to the NGO. The food aid in kind projects conducted via EuronAid fall into three categories. First, assistance may be granted to improve the nutritional status of vulnerable groups affected by a serious food crisis. Second, in crisis and post-crisis situations, support focuses on food for work projects. Finally, selected projects supply seed, tools and means of production for programmes aimed to support agricultural production.



STÉPHANE DEVAUX/AT

The system includes specific instructions on how funds are to be granted and managed. Dialogue between NGOs and European Commission Delegations is an important part of the process. It is particularly important for aid in kind provided through EuronAid to be consistent with other European Commission operations in the beneficiary country or region (direct aid and other indirect operations, WFP and NGO development projects). Local purchases or triangular operations are considered a priority for acquiring the foodstuffs that are delivered to communities.

**Managing all  
EU food aid in kind  
provided by NGOs**

## A EuronAid programme to distribute locally-purchased food in the Democratic Republic of Congo

Since 1997, the European Commission has financed a programme through EuronAid to distribute locally-purchased food to communities in the Democratic Republic of Congo. The objective of this programme is two-fold: stimulate local production and, at the same time, improve the nutrition of vulnerable groups in a post-crisis situation. The programme aims to link zones with agricultural surpluses (the region near the equator) and the urban area around the capital

Kinshasa, which requires particularly large amounts of food to feed displaced persons.

The programme was set up by the NGO CDI-Bwamanda. It involves buying maize from farmers in the Bwamanda region (and providing for adequate storage capacities) and transporting it by boat down the River Congo. The maize is then milled into food-grade flour and sold at a reduced price through a network of churches, schools, NGOs and medical centres. In 1998,

2,500 tonnes of maize were delivered to Kinshasa in this manner. Some 223,000 people benefited directly from the system in 1998-99, and nearly one million more benefited indirectly. However the programme did have some operational problems. In particular, transportation of products from the Equator region was interrupted in 1999 as a result of renewed tension between the central government and rebel armies that control part of the river. ■

### 2.3.2.6. NGOs: cash funding of NGO food security programmes

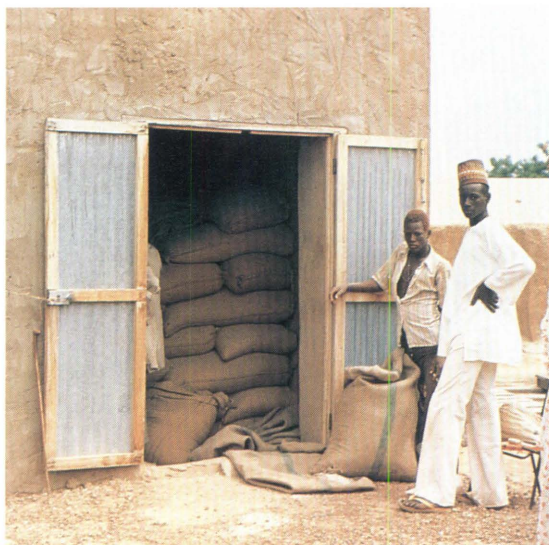
In 1997, the Commission decided to set aside funds to support NGO projects that address the structural aspects of food insecurity. This cash fund is for projects that seek to reduce food insecurity by fostering sustainable development. The Commission's financial participation varies from approximately EUR 50,000 to several million euros according to the scope of the project. The typical grant is about EUR 500,000 for a project spread over several years. With these funds the Commission seeks primarily to support long-term food security process: optimisation of pro-

## Countries hit by political and economic crises and role of NGOs

When constructive dialogue with the beneficiary government is impossible –meaning that no direct food security programme can be implemented– the European Commission finances NGO projects in various areas. Because these projects are flexible, they can overcome many political and economic obstacles. In 1999 in Ecuador, for example, the Commission financed an integrated food security project in Manabi province run by the NGO CISP

(Comitato Internazionale per lo Sviluppo dei Popoli). Likewise, an animal health programme managed by the Dutch Committee for Afghanistan in the north-west of that country received financial support from the Commission. In Cuba, German Agro Action began a programme to support food security in vulnerable areas in 1999. The Commission also finances NGO projects to help communities recover from natural disasters. In 1999 in El Sal-

vador, the NGO CRIC (Centro Regionale d'Intervento per la Cooperazione) was financed to set up a programme to regenerate productive assets and support food self-sufficiency for communities hit by Hurricane Mitch in 1998 in the Usulután and Ahuachapán departments. In Guatemala, the same year, Acción Contra El Hambre received EU support for its programmes to boost agriculture in the eight departments hit by the hurricane. ■



FRANCIS TROUDE/CIRAD

duction systems, circulation and use of information, development of rural credit, agricultural extension work and training, nutrition programmes, market accessibility and fluidity, water supply and environmental protection, etc.

To support these goals, the NGOs financed by the food security budget are involved in creating information systems and micro-credit systems, rehabilitating small infrastructures (drilling wells to provide sources of drinking water), improving dirt roads, awareness programmes, applied research, nutrition, reforestation and erosion control.

In some cases these financial grants complement support in kind from EuronAid. As with EuronAid grants, dialogue with European Commission Delegations is essential to the process of project selection, and the projects must be consistent with other food security actions by the European Commission in the country or region. In addition to ad hoc missions in the field, projects are also monitored by country Delegations and technical assistance personnel. The total amount of funds granted varies from year to year according to project duration. In 1999, grants totalled EUR 30 million; in 1998, the total was EUR 63 million. This year NGO grants were particularly high as the result of the additional El Niño funds (see boxes in section 1.3. and in the Honduras country fact sheet).

**Supporting  
the long-term  
food security process**

## New procedures in the NGO vade mecum seek transparency, coherence and better management

In the past few years, the European Commission's food security policies have changed considerably. The focus has shifted from food aid in kind to policies that support sustainable development of food security. At the same time, a process of exchanges and consultations with NGOs has developed to define the scope of intervention of these organisations more clearly. On 16 December 1997, the European Commission published a set of regulations that defines a framework for purchasing products provided as a part of food aid. These regulations provide for the purchase of

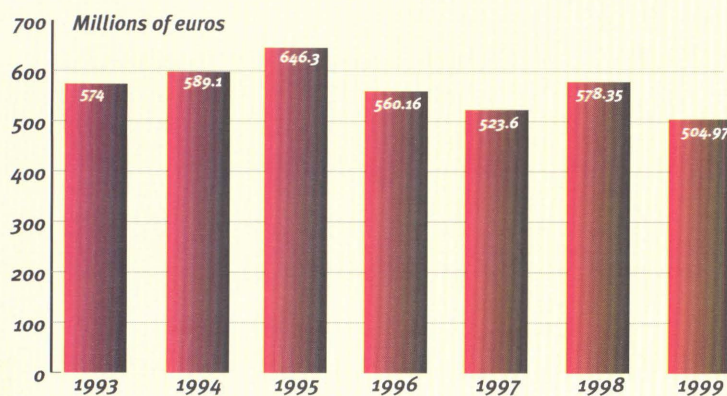
tools and inputs as well as food, and state conditions for submitting bids, awarding contracts, delivering products and completing payments. Later, in 1998, the Commission approved a vade mecum on the management of subsidies. This handbook defines a joint framework for granting direct subsidies and monitoring their use. It stresses four obligations: ex ante and ex post publicity (calls for tender), use of a standard form to request subsidies, evaluation of projects by an analysis committee and the use of standard agreements (contracts).

To improve the coherence of efforts to support food security, the European Commission has started to compile a practical guide to project presentation and funding procedures for NGOs, incorporating the principles of the vade mecum. The rural development/food security unit responsible for writing the guide carried out an in-house study in 1999. Based on its conclusions, the guide will be published in 2000 to coincide with the implementation of new procedures for granting subsidies to NGOs. ■



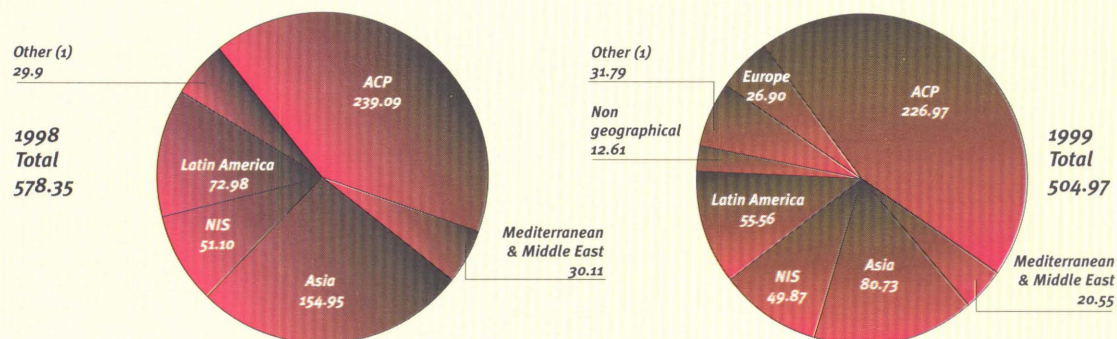
# 2.4. Key figures

## European Union food security and food aid programme



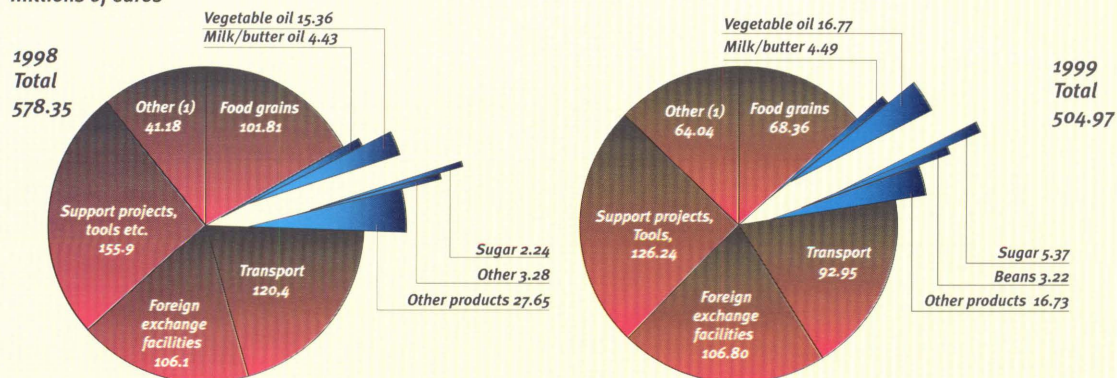
## Geographical breakdown

Millions of euros



## Breakdown of aid by type of operation

Millions of euros



## Breakdown by implementing partners

Millions of euros



Source: DG Development

1) Technical assistance, monitoring, price adjustment, etc.



PAUL WEBER/DG DEV/41

- Countries for structural intervention
- Countries in crisis or post-crisis



# Country files

# 3.1.1. Honduras

Population (1998)	6.2 million
Per capita GDP (1998)	\$ 730
Average annual GDP growth (1988-98)	+ 3.4%
Per capita food aid (1998)	4.4 kg
Under-nourished population (1995-97)	21%
Under-nourished children under 5 (1998)	18%
Population below national poverty line (surveys 1992/1998)	50%
Development aid/GDP (1997)	6.7%

Sources: World Bank, World Food Programme, FAO, OECD

## *Ambitious national reconstruction plan in the aftermath of Hurricane Mitch*

Since the early 1990s, Honduras has adopted a series of structural adjustment programmes for macro-economic stabilisation. Economic growth remains below 4% per year, and per capita GDP is barely up to the 1980 figure. Inflation is over 20% and external debt, equal to annual GDP, seriously restricts the government's investment capacity. For that reason Honduras is one of the countries targeted by the debt relief initiative for Highly Indebted Poor Countries (HIPC). The distribution of wealth is one of the most unequal in Latin America. Rural areas are particularly affected by this imbalance, and nearly three-quarters of rural households live below the poverty line.

At the end of 1998, Honduras was badly hit by Hurricane Mitch, the most violent in the region since records began. Apart from the human toll, infrastructure was seriously damaged and costs are estimated at 70% of the country's GDP (CEPAL). To cope with this catastrophe, the donors co-operated to finance the Maestro plan for economic recovery and reform (see box).

## *Rural poverty due to concentration of land-holdings*

The farm sector is increasingly unable to meet the population's needs. In the early 1970s, Honduras was a net food exporter, and is now a net importer. This trend is balanced by the opening up of trade, enabling the country to easily buy supplies on world markets. Food

insecurity remains, however, a problem in rural areas.

In the absence of any specific government food security policy, two-thirds of rural households are at present unable to afford their basic food needs. On the supply side, lack of access to production resources (credit and technical means) keeps small-scale farmers at the subsistence farming level. Often they have to sell their surpluses immediately after the harvest, when prices are lowest. Failings in the land tenure system make their situation worse: property is highly concentrated and property rights are not secured. Farms of under 5 hectares account for nearly three-quarters of the total, but only 12% of total farmed area. Farms of over 100 hectares are only 2% of the total, but cover 40% of the farmed area. There are also 1.5 million hectares of farmland for which property deeds have not yet been established.

## *Better access to land, helping small-scale farmers join the market*

From 1996 to 1998, the European Commission allocated a foreign exchange facility to improve small-scale farmers' access to credit and raise household incomes, especially for vulnerable women. The 1999-2001 European aid programme fits in with the priorities defined in the government's Maestro plan, and the conditionalities attached to financing it.

The first strand of the programme is intended to improve land law and access to land by securing property deeds, providing land credit, and capacity-building in local institutions. The sec-

## Implications of the Maestro plan for food security: strengthening the links between farm communities and enterprises

Although the Honduran government's Maestro plan was designed to address the Hurricane Mitch emergency, its prime objective is to remove the structural obstacles to equitable economic growth. These obstacles correlate with a low standard of food security in rural areas. The poor results of the rural economy are closely linked to difficult access to production resources (land, credit, skills, market), leading to a worrying degrada-

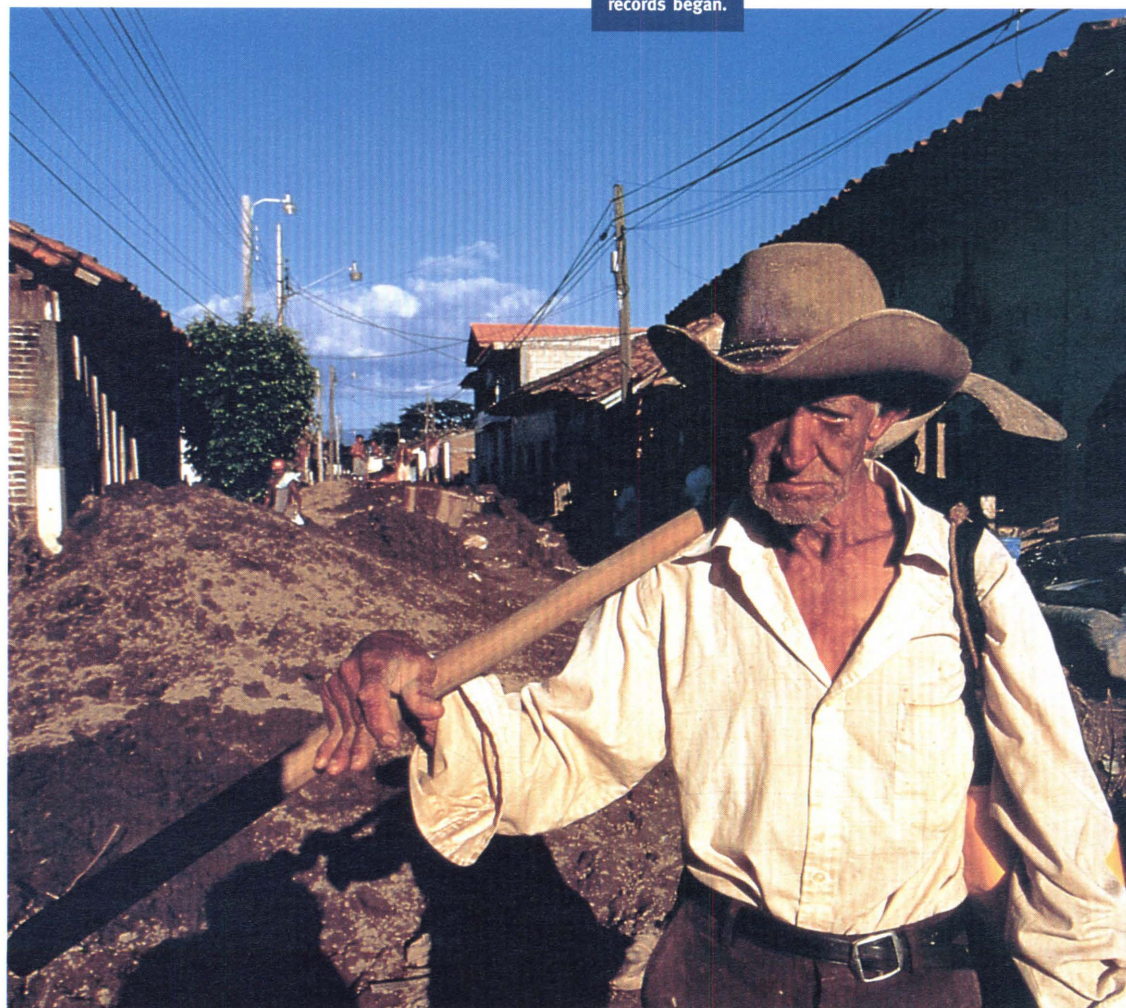
tion of the environment, especially the forests. The reconstruction plan for the farm sector, which is part of the overall plan, aims to repair the worst damage and also lay the foundations for sustainable, market-integrated rural development. Because of budget constraints and the country's high indebtedness, this plan depends largely on the private sector, especially investment associations. The strategy is to strengthen links between

farm communities and rural enterprises by guaranteeing the least-favoured farmers access to the basic skills and capital required to join economic growth. The priority goes to improving the living conditions of the poor in rural areas and preserving the country's natural resources in a participatory manner. Supportive measures will be targeted at the capitalisation of productive, environmental and human resources. ■

ond strand is support for processing and marketing small-scale farmers' produce. Enterprise projects put forward by groups of farmers or intermediary organisations will be financed and priority action taken to strengthen co-opera-

tives and farmers' associations. Following Hurricane Mitch in 1998, further aid was granted under the exceptional El Niño allocation (see box for Nicaragua).

Mitch was the most violent hurricane to hit the region since records began.



BOISSEAUX-CHICAUREA

## The EU's ad hoc reaction to Hurricane Mitch in Central America

To respond to the massive destruction caused by the hurricane that hit Central America at the end of 1998, the European Commission set up a food security support programme especially for victims in Honduras and Nicaragua. The first strand of this ad hoc support came from reallocated existing programmes. In Nicaragua, 400 tonnes of biscuits were allocated to schools and \$150,000 of counterpart funds were used to buy bean seeds. In Honduras, unused amounts of direct food aid were sent for a month to reception

centres for 12,000 people. The second, larger, strand, a further financing of EUR 30 million was granted to support NGO action during 1999 and 2000: distribution of food aid, tools and inputs, and farm rehabilitation. Honduras and Nicaragua received an allocation of EUR 5 million each for support to the government implemented by NGOs. The distribution of food aid, tools and inputs was financed to the tune of EUR 20 million via EuronAid in Honduras, Nicaragua, Guatemala and El Salvador. The 1998

budget line for co-financing NGOs was also increased by EUR 18 million, more than one-third.

This support for food security was part of the European Commission's comprehensive action. This includes EUR 19 million in relief aid from ECHO delivered in the earliest days of the disaster in November 1998, and EUR 8.2 million in technical aid from the External Relations Directorate General for a reconstruction programme planned for February and March 1999. ■

## 3.1.2. Nicaragua

Population (1998)	4.8 million
Per capita GDP (1998)	\$ 410
Average annual GDP growth (1988/98)	+ 2%
Per capita food aid (1998)	18.1 kg
Under-nourished population (1995/97)	31%
Under-nourished children under 5 (1998)	12%
Population below national poverty line (surveys 1992/1998)	50%
Development aid/GDP (1997)	22.6%

Sources: World Bank, World Food Programme, FAO, OECD

### *Combining macro-economic restructuring and economic recovery*

Since the early 1990s, Nicaragua has been undergoing economic and political transition as the market economy is revived and democracy consolidated. This process involves the modernisation of public institutions, at a time when civil society is as yet undeveloped. The priority of the government elected at the latest democratic elections in 1997 has been to correct Nicaragua's financial situation with help from the Paris Club, IMF and World Bank. The country is eligible for the debt relief procedure for Highly Indebted Poor Countries (HIPC). But the results of this process remain uncertain, given the doubts expressed by donors as to Nicaragua's governability.

Socio-economically, part of the population is seriously insecure. The distribution of wealth is unequal and the impact of economic growth mainly favours urban areas. In 1998, the government presented donors with an economic recovery programme focusing on rural development. The donors responded favourably, but pointed out the work that needed to be

done on decentralising authority, developing rural credit, reforming land tenure, and regulating trade. The challenge facing the government at present is to create the conditions needed for the economy to recover slowly but surely, and for living standards to rise in an equitable manner.

### *High rural poverty caused by poor farm performance*

The return to a foreign exchange surplus and the virtual disappearance of food aid demonstrate that in ordinary times Nicaragua can meet its own overall needs. The country is highly dependent on food imports, with wheat accounting for 20% of the total. At household level, food security is low, and one person in five cannot afford to eat properly.

Half the rural population is living in extreme poverty, as a result of poor linkages between the market and small-scale food production, which is predominant in this country. In addition to marketing difficulties, there are limited opportunities in rural areas for generating value added through food processing activities. Although the govern-

## Reforming land tenure, a crucial issue

Land tenure in Nicaragua has changed considerably in the last ten years, following agrarian reform, redistribution of land negotiated under the disarmament agreement, and continued land colonisation in the Atlantic region. Land ownership concentration declined in the 1990s, making Nicaragua one of the Latin American countries with the most egalitarian distribution of land. The share of land occupied by latifundia (farms of over 350 hectares) has fallen from 36% to 12%, and most farms are under 140 hectares.

However, the absence of a legal framework, radical changes in farm policy, and problems encountered by the small farms produced by the agrarian reform have led to disappointing results. A large number of disputes have arisen, whether claims from

former landowners or the use of the funds from land privatisation, and these are now among Nicaragua's main political problems.

Meanwhile two land tenure laws have been adopted and international aid programmes launched. But the fact that these laws are not applied and that the farm sector lacks resources have meant that land has been concentrated in the hands of a small number of national and international farmers.

However, this phenomenon has not as yet spread to all sectors of production and does not appear to be irreversible. For example, the government has legally recognised the validity of the property deeds issued under agrarian reform, but one year after this recognition, the arbitration tribunals and

administrative mechanisms for legalising property rights are still not operational.

Even the land not affected by this reform has also had major problems with the legality of property deeds. These problems reveal the need to modernise land registers and the lack of co-ordination between local and national systems for administering property rights. Greater power for local authorities might help solve these problems.

More general access to land by the market ought clearly to improve the situation to some extent. But a farm policy that both modernised farms and retained small family units would be needed to avoid a return to the earlier high land concentration which caused so much bloody conflict in previous decades. ■



ment has passed laws to link rural areas more fully to the country's growth, reforming land tenure to facilitate small-scale farmers' access to land, no specific measures have yet been produced to apply them (see box).

***Extending European aid to institutional support and the strengthening of civil society***

Since 1996, the EU programme has involved the creation of sixteen regional financial institutions to alleviate small-scale farmers' lack of access to credit following economic transition. A support programme for marketing has also been developed, to create enterprises of small- and medium-scale farmers in co-operation with the public administration and farmers' organisations.

Since 1998, European aid has been programmed for institutional capacity-building, particularly the definition of sectoral policies and the creation of information systems within the Ministry of Agriculture, Livestock and Forests. Institutional support is also being given to organisations in civil society—farmers' co-operatives and associations—in close co-ordination with national authorities. Another major theme is the implementation of a farm census programme to improve performance and reform the land tenure system. Exceptional aid was granted following Hurricane Mitch, half from the El Niño food aid fund, thus doubling the European Commission's financial contribution to food security in Nicaragua in 1998 (see box).

Land tenure in Nicaragua has changed considerably in the last ten years.



BARTOLI/REA

# 3.1.3. Bolivia

Population  
(1998)

7.9 millions

Per capita GDP  
(1998)

\$ 1 000

Average annual GDP growth  
(1988/98)

+ 4.2%

Per capita food aid.  
(1998)

27.5 kg

Under-nourished population  
(1995/97)

23%

Under-nourished children  
under 5 (1998)

9%

Population below national  
poverty line (survey 1992-98)

67%

Development aid/GDP  
(1997)

9.4%

Sources: World Bank, World Food Programme, FAO, OECD

## Priority for macro-economic restructuring

In 1985, Bolivia was one of the first countries in Latin America to launch a programme of long-term economic reforms based on market liberalisation, reform of the financial sector, restructuring and privatisation parts of the public sector. These reforms were hampered by an unfavourable economic situation. On average, GDP rose 4% per year during the 1990s, but population increase reduces the figure to roughly 1.5% of per capita growth.

Since 1993, the scope of the reforms has been extended to other areas such as pension funds, decentralisation of public action, reform of education and the civil service. In June 1999, the donor countries congratulated the government for its endeavours to achieve macro-economic stabilisation, although they also pointed out that this progress should now benefit the social sector and poverty reduction, especially in less favoured regions.

The economic dynamism of the east of the country, which benefits from trade with Brazil, contrasts with the remote regions of the west and south. Moreover, Bolivia's new membership of the South American common market, Mercosur, presents a real challenge for the competitiveness of the Bolivian economy.

## Food insecurity concentrated in rural areas

Nationally, domestic production, imports and food aid virtually cover basic daily energy re-

quirements per person. However, between households consumption is highly unbalanced, with extensive food insecurity in rural areas, where 58% cannot afford a basic "basket of goods", compared with 24% in urban areas.

Apart from low household income, it is the country's landlocked location, the fragmentation of the market into a large number of intermediaries, and poor connections between the farming areas in the east and consuming areas (west, south, urban areas) that help marginalise rural communities, children and households headed by a woman. Improved productivity, processing and marketing of farm produce are necessary to raise the incomes of small-scale farmers, and therefore of households, and make food more available. To that end, the government has produced precise guidelines for food security in its rural development programme: higher productivity, healthcare and school infrastructure, development of rural credit, natural resource management. This plan emphasises the need for decentralising the action of ministries and increasing the participation of local authorities.

## The FSSP, an addition to government action

Since 1995, the EU has continued its contribution in partnership with the Bolivian government under the Food Security Support Programme (FSSP). This involves implementing a food security strategy and investment aid.

## The FSSP, an innovative partnership with local authorities

The Food Security Support Programme was launched in 1996 for five years. It finances investment and micro-financing projects at national, regional and local level. It illustrates the European Commission's desire to integrate its food security programmes into the national development strategy of the beneficiary country. The FSSP administration is totally integrated in the national administration system, and national authorities are responsible for implementing the programme.

The scope for action covers a variety of areas: support for farm production, development of rural infrastructure (par-

ticularly unpaved roads), education and technical assistance in the farm and non-farm sectors. The programme's major innovation is the leading role accorded to municipalities and NGOs in running local projects and access to financial resources. Using poverty criteria, the government selected 78 municipalities (out of 314 in Bolivia) to benefit directly from FSSP financing, whereby the funds do not pass through the hands of the central administration. So far, projects intended for municipalities have accounted for 53% of committed funds, and no less than 82% of approved projects. Since these municipalities had only limited ex-

perience in preparing and administering investment projects, capacity-building schemes have been arranged for their administrative systems. In some rural zones, NGOs play a crucial part in this process. With financial support from the European Commission's food security budget line, the municipalities have benefited from extensive institutional support from NGOs and their experience in preparing municipal development plans and integrating them into food security promotion actions. Further work has been done to strengthen the role of the NGOs, by helping develop their activities via the FSSP. ■





In rural areas 58% of households cannot afford a basic "basket" of goods.

MARC BOURNOFFORSTOM

The programme is integrated into the government's poverty reduction plan and comprises three fields for action: institutional support for the government, financing of local and national food security projects, especially in rural areas, and development of financial circuits.

The innovative feature of this programme is

the wide responsibility given to municipalities and grassroots communities. Recently, indirect support via NGOs has strengthened the action of the direct programme (via government structures). Since 1997, these NGO projects, an addition to FSSP action, have extended support to grassroots communities in municipi-

## >Ruth Volgger, Ricerca e Cooperazione: "We encourage communities and citizens to exercise their rights"

What does your action in support of food security in Bolivia consist of?

Ruth Volgger: Ricerca e Cooperazione (RC) is currently running two projects financed by the EU food security programme, one north of Potosi and the other in the Bolivian Chaco (Tarija). Over 200 vulnerable communities are targeted, precisely those most affected by El Niño. They are comprehensive projects covering support for the farm production chain, particularly for potatoes and rainwater recovery, support for storage at family and community level, and for storage facilities for marketing. They also involve education in simple, sustainable techniques such as traditional small greenhouses that make production

possible virtually throughout the year, and family and community silos.

What is the place of NGOs in the current decentralisation process?

R.V.: NGOs help municipalities address the local development issues defined in the new legislation on "decentralisation" and "popular participation", based on the concept of "productive municipalities". We help them identify, devise and implement food security projects, particularly in preparing and updating local development plans and annual planning. We encourage individuals and communities to fully exercise their rights as citizens. And we have a determining part to play as facilitators of

contacts between various local stakeholders: farmers' organisations, communities, municipalities, and so on.

Who are your partners in running these projects?

R.V.: Since 1986, RC's action in Bolivia has been based on the participation of public institutions, local communities and the private sector. Moreover, our two current projects are special in that they are built on a solid partnership between the European Commission and the NGOs financed by the EU programme. This collaboration has given rise to a forum for dialogue, discussion and support for decision-making that is of direct benefit to current action. ■

Ruth Volgger is a representative of the Italian NGO Ricerca e Cooperazione, established in Bolivia since 1986.

# 3.1.4. Peru

Population  
(1998)

24.8 million

Per capita GDP  
(1998)

\$ 2460

Average annual GDP growth  
(1988/98)

+ 3.9%

Per capita food aid.  
(1998)

10.6 kg

Under-nourished population  
(1995/97)

19%

Under-nourished children  
under 5 (1998)

8%

Population below national  
poverty line (surveys 1992-98)

49%

Development aid/GDP  
(1997)

0.8%

Sources: World Bank, World Food Programme, FAO, OECD

## *Sustainable return to growth and civil peace benefiting the whole country*

During the 1990s, annual GDP growth remained rapid, between 4.4% and 8.5%, and then fell sharply in 1998 to 0.7% under the combined impact of El Niño and the Brazilian financial crisis. This economic performance, impressive as a whole, reflect the exceptional turnaround of a country that ten years ago was in a state of serious political, economic and social crisis. Civil peace and the authority of the State have been restored, enabling the regions, which until then had been marginalised, to rejoin the economic

life of the nation. The rigour of economic policy and perseverance with structural reforms and privatisations generated significant progress in economic productivity. Nearly 1.3 million jobs were created between 1994 and 1997, and per capita consumer expenditure is constantly rising. Peru is now seen as an emerging economy. Its external debt however remains high, equal to half GDP in 1998.

## *Food insecurity in zones of extreme poverty*

In recent years the accelerated liberalisation of the economy has increased the availability of



Better use is being made of traditional high-altitude livestock.

ROBERTO COGNIO/RESAL-DRN

foodstuffs in Peru, at the cost of greater dependency on imports. However, as a result of economic growth and the rapid increase in exports, the total cost of food imports is only a small part of the country's foreign trade, between 8 and 10%. Food dependency is thus not a major economic problem.

Peru may not be a poor country strictly speaking, but its economic development includes wide variations in income growth that are regional (widening gap between urban areas and rural sierra and selva) and cultural (discrimination against indigenous people). A significant section of the population, some 15%, continue to live in extreme poverty. Here food insecurity is serious and household incomes are too low to buy sufficient food, even though it is available in local markets.

The government has significantly increased the health and education budget, which rose as a proportion of the national budget from 27% in 1994 to 43% in 1999. The priority given to social aid, albeit not targeted at the very poorest, did however noticeably reduce the number of people in extreme poverty by some 700,000, out of an estimated total in 1994 of 4.5 million.

### ***Improving basic social services for the most vulnerable groups***

In 1997, the European Commission launched a Food Security Support Programme (FSSP) to strengthen national poverty reduction policies. It consists of budgetary aid targeted at two government programmes. One is basic healthcare and education for communities in the poorest rural areas, and the other is a specific programme, the project for focusing economic and social investment (Profines).

In healthcare, apart from the extension of basic healthcare services, the programme is intended to improve infrastructure and implement a system of employee training. In education, the FSSP helps finance the national programme for improving the quality of primary education (Mecep) in the least favoured rural areas. Support for the Profines goes to building local and regional institutional capacities, strengthening communications, irrigation and energy infrastructure, and diversifying and intensifying productive activities.

In addition to these activities, the Commission has financed NGO projects, particularly for reviving farming after Hurricane Mitch, institutional support and feeding programmes.

## **Priority for productive projects in the Peruvian Andes**

In the Peruvian Andes the food insecurity of the farming population comes mainly from the low productive potential of small family farms, not least their extremely low productivity. These farmers increasingly use seasonal migration into towns or to the coast to earn supplementary income for the family's small resources.

The FSSP seeks to concentrate part of its aid on local productive activities to increase family incomes and create new jobs. Financing is channelled through the State budget and managed by the public authorities (regional technical services and municipalities). There are two types of action:

1) better use of particular businesses: alpaca wool and meat (traditional high altitude livestock), cheese-making, crafts for tourism (weaving, woollen clothing, etc.);

2) technical assistance, credit and subsidies for economic initiatives: intensification of crop farming, creation of enterprises in construction, tourism, crafts, services, etc.

The alpaca industry, for example, has its own specific regional programme. Technicians from the administration, financed by the FSSP, have identified beneficiary groups within rural communities and what type of support to provide: animal health monitoring, improved fodder,

modernised and controlled slaughtering, wool collection and marketing circuits, etc.

Technical assistance and extension work will be subcontracted to specialist bodies (NGOs, private technical services) recruited by open tender. The construction of small abattoirs for several villages is envisaged, with participation from farmers' organisations. The wool trade will be organised in consultation with major regional enterprises that are positioned on the world market. In this way the FSSP is building the capacity of public services to create the economic and technical conditions for productive local development. ■

# 3.1.5. Haiti

Population  
(1998)

7.6 millions

Per capita GDP  
(1998)

\$ 410

Average annual GDP growth  
(1988/98)

- 1.7%

Per capita food aid.  
(1998)

20.7 kg

Under-nourished population  
(1995/97)

61%

Under-nourished children  
under 5 (1998)

28%

Population below national  
poverty line (surveys 1992-98)

-

Development aid/GDP  
(1997)

13.6%

Sources: World Bank, World Food Programme, FAO, OECD

## *Reconstruction after years of trade embargo*

The political crises of the 1990s and the trade embargo imposed from 1991 to 1994 hit the economy hard. GDP fell by 40%, export industries virtually disappeared, and inflation took off. The situation in rural areas in particular went from bad to worse. Out-migration, energy shortages, and extensive deforestation have had a lasting effect on farm production and the quality of economic infrastructure. Since then, macro-economic stabilisation and reduction of the budget deficit have been essential priorities for obtaining support from international financial bodies.

The considerable trade deficit—in 1998, imports were five times exports by value—is largely financed by private remittances from the Haitian diaspora. At the same time, these financial flows helped lift the currency value in 1998-99 well above the level appropriate to the low competitiveness of the country's productive sector. In 1996, a comprehensive agreement was reached with donors, committing mainly to reform of the public sector, private sector stakes in public-sector enterprises, market liberalisation and modernisation of the legislative framework.

## *Worsening food deficit*

As a result of population growth and stagnating domestic production, Haiti's food dependency has greatly increased in the last fifteen

years. Food crop farming, which accounts for two-thirds of employment, at present meets some 50% of national consumption, compared with 80% in the early 1980s. The food supply is only 10% food aid, mainly from the United States, and the remaining 30% to 40% comes from commercial imports. In some regions, however, there is structural dependency on external aid.

The large number of factors for food insecurity reveal the size and chronic nature of the problem. Less arable land, insecurity of land tenure, shortage of credit and inputs, inadequate infrastructure, over-valued currency, lack of appropriate education and technology, and, in general, low affordability of productive resources, inadequacy of public action, and low household incomes. All of this causes food insecurity to persist. Every other family is malnourished, and only one child in three of pre-school age receives a normal diet.

Since 1996, the government's farm agenda has included the intensification of food crop farming, agrarian reform, support for production and marketing, and widening of the export base. The government has promised the donors to decentralise public institutions and harmonise the import tax system. This latter conditionality, still to be applied, is particularly important in order not to undermine national production by exposing it too harshly to varia-

## School feeding programme: innovative tools for a participatory approach

Although the principle of food aid in kind is increasingly disputed because of the dependency and market distortion it can cause, the actual conditions of food insecurity may vary significantly from one country to another. Haiti is a special case. Despite the high school fees paid by most families, the education sector is of low quality and the enrolment rate in primary schools is only 64%. As a result, Haiti receives school canteen food aid, which covers roughly half the relevant school population, some 800,000 pupils.

For over twenty years now, the European Commission has been financing a food aid programme for Haiti, in which food for school canteens is a major component. The aid is channelled through the NGO Bureau de nutrition et développement (BND), in charge of 113,000 beneficiaries. It goes half to rural and half to urban areas.

The BND has introduced various supplementary activities, such as training for teachers and cooks, functional organisation in schools, improvements in infras-

tructure, health and hygiene at school, school kitchen gardens and crafts. It uses a participatory approach involving parent committees and canteen management committees. Making parents feel more responsible and involved in running schools and school canteens is intended to initiate some degree of community responsibility. Future plans include integrating this system into the State sector (particularly national education) via a national school canteen programme, to ensure that it is sustainable. ■

tions in world markets. This issue is even more crucial as Haiti considers membership of the Caribbean economic area, Caricom.

***Institutional capacity-building, rehabilitation and development of high-risk regions***

European aid has been partially delayed since 1996 by the failure to respect certain conditionalities, including the one relating to tariff reform. Consequently, the 1997-99 schedule is still at the initial stage. One strand of the EU contribution is to strengthen State action. This includes capacity-building in the ministry of agriculture and cus-

toms, support for agrarian reform and farm infrastructure, and a school feeding programme for vulnerable groups (see box).

The second strand involves rehabilitation and development projects in high food-risk regions, particularly in the north-west, and strengthening the seed-input circuit. Haiti is a good example of co-ordination between the European Commission and Member-States in food security and rural development (see box Section 1.3.2).

The Commission also finances NGO projects concerned with the reviving farming and feeding programmes.



Some 800,000 pupils receive school feeding food aid in Haiti.

PIERRE-JEAN ROCA/SOLAGRAL

# 3.1.6. Cape Verde

Population  
(1998)

0,41 million

Per capita GDP  
(1998)

\$ 1060

Average annual GDP growth  
(1988/98)

+ 4.8 %

Per capita food aid,  
(1998)

169.2 kg

Under-nourished population  
(1995/97)

-

Under-nourished children  
under 5 (1998)

19%

Population below national  
poverty line (surveys 1992-98)

30%

Development aid/GDP  
(1997)

26.1%

Sources: World Bank, World Food  
Programme, FAO, OECD

## *An independent programme for macro-economic transition and restructuring*

Cape Verde is coping with the challenges of the transition from a command economy to market liberalisation. The structural reforms undertaken have been radical for an economic system that is not as yet highly diversified. Since 1996, the country has been applying an independent reform programme, to continue privatisation and reduce the State's domestic debt. The programme is supported by the major donors, who have helped set up a trust fund to aid this restructuring.

Cape Verde has a number of major handicaps: the islands have few natural resources and their Sahelian climate is unfavourable. The service sector accounts for two-thirds of GDP, largely due to airport activity. The islands' low economic productivity, the unequal distribution of wealth, and the chronic lack of opportunities

for well-paid jobs cause poverty to persist. One-third of the population live in extreme poverty and the unemployment rate is over 25% of the working population.

In practice, Cape Verdean economic activity depends largely on external aid. Remittances from emigrant communities compensate for the large trade deficit. Exports only cover 5% of imports. Institutional aid from donors, especially food aid in kind, is still extensive. The government's objective is twofold: make a success of economic transition and developing a competitive private sector, and continue poverty reduction.

## *Structural dependency on external aid*

Agricultural potential is so low that this sector accounts for only 10% of GDP. Cape Verde can meet its food needs only with massive supplies from outside. The grain deficit is 90% of

## Cape Verde, Faimo developments and poverty reduction

Since 1975, the labour-intensive work fronts (Faimo) have sought to guarantee a minimum income for the poorest people in rural areas. It is estimated that between 15,000 and 20,000 at present (20% to 40% of the working population in some places) receive wages for work, mainly in water and soil conservation (embankments, stone bunds, reforestation, etc.) and road maintenance. The content and management of this work, financed via food aid counter-

part funds, is changing to fit in better with the national poverty reduction programme. To have a lasting impact on the living conditions of the beneficiaries and reduce welfare mentality, eligible projects now include productive income-generating activities: crop and livestock farming fishing, crafts, house construction, etc.

With decentralisation, municipalities have also become responsible for identifying and executing the projects concerned. To im-

prove efficiency and encourage the creation of real jobs, programme contracts are signed by the municipalities and other bodies (NGOs, farmers' organisations, small businesses, etc.) who have the task of carrying out, or even deciding on, the work. This development, which includes professional training as part of the projects financed, is opening up new prospects for reconverting the Faimos and reducing poverty. ■

## The Food Aid Charter for the Sahel

The Food Aid Charter for the Sahel was adopted in 1990 by the donor members of the Club du Sahel (mainly Canada, France, Germany, Netherlands, United States, and the European Union) and the members of the Permanent Inter-State Committee to Combat Drought in the Sahel (CILSS), namely Burkina Faso, Cape Verde, Chad, Gambia, Guinea-Bissau, Mali, Mauritania, Niger, and Senegal. The charter aims to reduce the unintended effects of food aid (disruption of trading circuits and local farming, changes in

eating habits, welfare mentality, etc.), improve food aid's effectiveness as short-term relief, and integrate it into support for development.

The charter has three main aspects: understanding the food situation, implementing food aid, and co-ordinating donors. It is not binding, but has marked the beginning of a more effective trend towards consultation and co-ordination between the stakeholders involved. As a result, variations in farm production and food availability, the state of high-risk

groups, and market prices are often analysed jointly before co-ordinated decisions are taken as to what food aid is useful and necessary to meet needs. How this aid is provided (volume, transport time, quality and origin of food, division of tasks and responsibilities, etc.) is also examined.

Each year the application of the Charter and the impact of aid on people's diets and national economies are evaluated within the framework of the food crisis prevention network made up of donor country and CILSS representatives. ■

consumption and nearly one-quarter of the population is estimated to be unable to afford to meet their basic needs. The country's food supply depends largely on external aid, which accounts for 70% of food imports, achieving the record figure of 170 kg per capita per year.

This structural dependency on external aid amounts to an implicit price subsidy, and the counterpart funds generated are a large share of the country's development budget. Moreover, food distribution is handled by a State enterprise that is being privatised, Empresa Pública de Abastecimiento (Empa).

The government pursues a social policy that is still based on labour-intensive projects to provide the most vulnerable groups with a minimum income. This policy is gradually being revised, with the reconversion of the labour-intensive work fronts (Faimo), and promotion of a poverty reduction programme aiming to develop sustainable income-generating activities (AGR).

### *Promoting the private sector and creating income-generating activities*

Since 1997, the European FSSP has aimed to support the development of the private sector by restructuring Empa and opening the market for staple foods (grains, oil, sugar, etc.) to the private sector. The second feature of this aid is to phase out the financing of labour-intensive projects on the standard Faimo model, in favour of increasing support for AGR poverty reduction projects. This programme is complemented by institutional support for sectoral monitoring and the creation of a food security monitoring unit. Greater co-ordination between donors is also encouraged.

The islands have few natural resources and their Sahelian climate is unfavourable.



PERISCOOP

# 3.1.7. Mauritania

Population (1998)	2.5 millions
Per capita GDP (1998)	\$ 410
Average annual GDP growth (1988/98)	+ 3.5%
Per capita food aid (1998)	5.5 kg
Under-nourished population (1995/97)	13%
Under-nourished children under 5 (1998)	23%
Population below national poverty line (surveys 1992-98)	-
Development aid/GDP (1997)	23.9%

Sources: World Bank, World Food Programme, FAO, OECD

## *A restructured economy still vulnerable to external shocks*

In the early 1980s, Mauritania began to liberalise its economy on a large scale. At present the economy is fairly buoyant. Macro-economic equilibria have been largely restored and reform of the investment framework has been completed. With the foreign exchange earned by its fisheries and iron exports the country can cover most of its imports.

Access to external markets is made easier by the activities of a large port sector. But economic activity in general has too narrow a base, making the country vulnerable to external shocks. Two-thirds of the population are engaged in poorly paid farming. To make matters worse, the rising cost of living, as a result of badly managed inflation, bears most heavily on

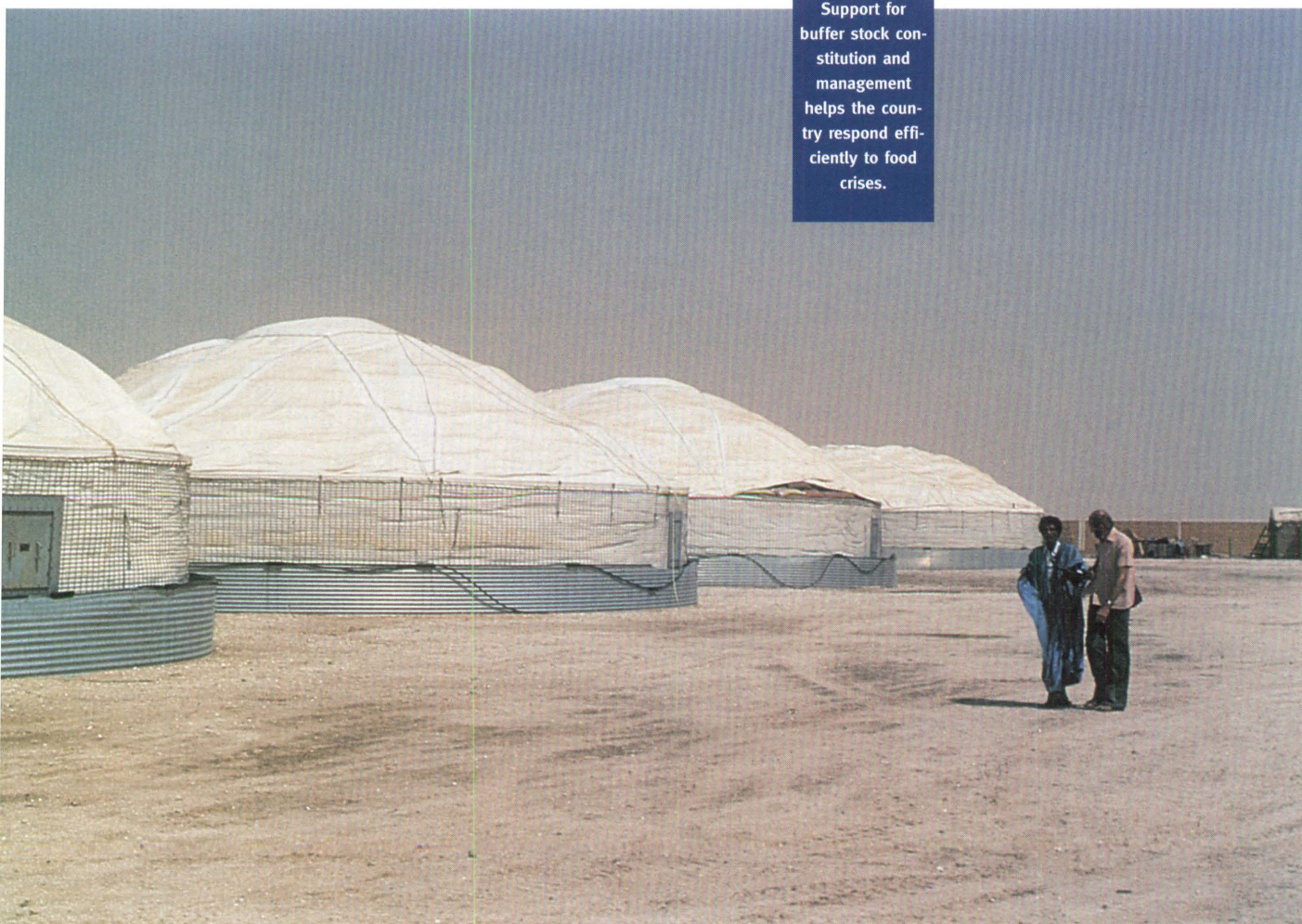
the poorest households. Poverty is to be found mainly in the rural areas in the centre and east of the country, where 70% of the population is below the poverty line.

## *Structural grain deficit*

Except for livestock, which accounts for 16% of Mauritania's GDP, this largely desert country suffers from a chronic shortfall in food production. Grain production is subject to considerable yearly variations and on average only meets 30% of consumer needs. Food aid, which used to make up much of the country's food supply, is now less than 10% of grain imports.

Over the last ten years the government has encouraged attempts to diversify production, particularly fisheries and rice farming. Mauri-

Support for buffer stock constitution and management helps the country respond efficiently to food crises.



FRANCIS TROUDE/CIRAD





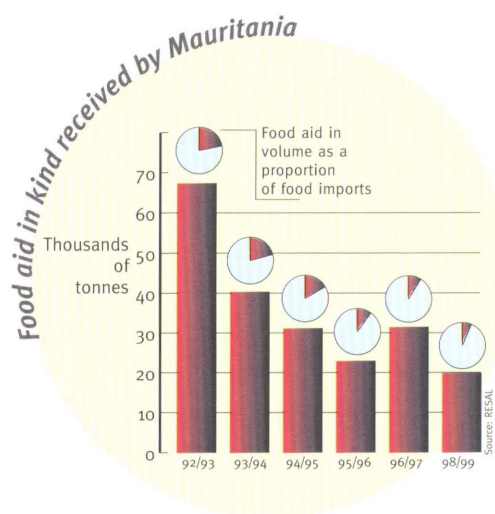
tania is not secure from serious food crisis, and with no proper early warning system, the government is often forced into crisis management at the expense of long-term action.

At present, the government's policy is to strengthen the bases of the economy and take action to reduce poverty that is targeted on the least favoured groups. This involves mainly regional planning, support for rural credit, healthcare and education. The policy includes the restructuring of the food security commissariat (CSA), the management of warning and information systems, and grassroots development actions (micro-projects).

***Institutional capacity-building to prevent crises and improve the targeting of micro-projects***

The multi-year programming of European aid after 1997 dealt mainly with the restructuring of the CSA and the improvement of its capacity to analyse, design and co-ordinate programmes rather than intervene directly (see box). Micro-projects (diguettes, market gar-

dens, dams, training, development of micro-enterprises, etc.) may also be financed via a delegated implementation structure that is yet to be set up. The EU programme also supports the constitution and management of a food security buffer stock (physical and financial) to respond efficiently to crises. In the longer term, this aid supports the government in its design of a programme of food insecurity reduction. The programme was late starting and the first tranche of foreign exchange facilities was only paid in 1999.



## Restructuring the food security commissariat: getting others to do the work

Under a decree issued in 1992, the food security commissariat (CSA) used to take action to meet the country's grain needs and help provide information and regulation for the grain markets, and support and promote grassroots development activities. The liberalisation of the economy, State withdrawal from marketing, and the decentralisation of State resources have led the government to redefine the functions of the CSA, against a background of continually reducing food aid. Refocused now on observation, design and co-ordination of programmes, the

CSA will be pulling out of the actual tasks of implementation: getting others to do what it had done before. However, it will retain an operational capacity for managing food crises and relief aid. Its activities will be based mainly on a programming unit, a food security monitoring unit, a humanitarian action unit, and a stock management unit. The CSA's regional services will be redeployed and concentrated in regional main cities. An independent management structure within the CSA will be set up to run development micro-projects.

This restructuring will take time, and involves significant human and financial costs. Various preliminary stages have been necessary to get the CSA moving again: design of a new organisation chart, staff evaluation and redundancies, redeployment of remaining staff, and recruitment of specialists, inclusion of operating costs and investment in the State budget, inventory of storage capacity and the associated equipment to adapt them to fewer direct actions. EU financing is helping this gradual restructuring consistent with government policy. ■

# 3.1.8 Burkina Faso

Population  
(1998)

10.7 millions

Per capita GDP  
(1998)

\$ 240

Average annual GDP growth  
(1988/98)

+ 3.1%

Per capita food aid.  
(1998)

4.6 kg

Under-nourished population  
(1995/97)

30%

Under-nourished children  
under 5 (1998)

33%

Population below national  
poverty line (surveys 1992-98)

—

Development aid/GDP  
(1997)

15.2%

Sources: World Bank, World Food Programme, FAO, OECD

## After CFA franc devaluation, prospects for regional development

Since 1991, Burkina Faso has undertaken a series of structural adjustment programmes for its economy. They involve the liberalisation of domestic and foreign trade, reform of the public sector and the introduction of a value-added tax. Once the shock of CFA franc devaluation in 1994 was past, this opening of markets led to buoyant economic growth, reaching 6.2% in 1998.

Public and private investment has returned and inflation has fallen below 10%. However, the economy is still highly dependent on cotton exports, whose price is affected by speculation on world markets. The balance of payments is in large structural deficit, particularly for trade. Burkina Faso possesses, however, considerable agricultural potential, and national production continues to rise. The grain sector is a major factor in this growth: it employs 80% of the working population and accounts



Food insecurity is particularly marked in rural areas among the farmers who depend on food crops.

STÉPHANE DEVALUX - AT

## National security stock: a partnership with the donors to alleviate crises

Following the abolition of the grain board (Ofinacer), the national company for managing the food security stock (Sonagess) was set up in 1994 to enable the State to alleviate the deficits that regularly affect the centre and north of Burkina Faso. The national security stock (SNS), comprising a physical stock of grain and a financial stock (Fodec), is a key element in the steering mechanism of the grain and food security policy. The framework agreement between the State and its partners (including France,

Germany, Netherlands, the European Commission and the FAO) set up an equally balanced select committee. The committee decides to what extent the SNS needs to be mobilised on the basis of the disaster declarations made by the government. Its decisions are binding for the signatories to the agreement, since the outflow of grain (for relief or technical turnover of stock) must be made up "grain for grain" of at least equal quality. Since the SNS was set up, it has been called

upon twice: 8,300 tonnes taken from the physical stock in 1996 and 13,000 tonnes in 1998. At the end of 1999, the volume of the stock, some 31,000 tonnes, was close to the agreed value of 35,000 tonnes. The financial stock, to be equivalent to at most 25,000 tonnes of grain, is at present being accumulated.

At present, given the climatic effect of the Sahel on farming, Burkina Faso is thus in possession of an operational security tool managed in a consultative manner. ■

for 30% to 40% of GDP. Prospects for economic development are to be found increasingly in the region, within the West African Economic and Monetary Union (WAEMU).

### **Security stocks and information systems**

Overall, Burkina Faso has no structural food dependency problem. Farm production meets 80% to 90% of the population's needs. In years with exceptionally good rainfall, the country even posts large grain surpluses. Food security is more an issue at regional level in terms of trade between surplus and deficit areas. Food insecurity is particularly marked in rural areas among the farmers who depend on food crops. Malnutrition is a matter of concern. Food availability is 2,300 kcal/person/day, but per capita meat consumption is less than half the minimum level recommended by the FAO.

Food security is being considered increasingly within the West African context and the Permanent Inter-State Committee to Combat Drought in the Sahel (CILSS) was launched in 1986. Under structural adjustment programmes the government has redefined its grain policy in consultation with the donors:

promotion of the private sector, withdrawal of the State, and liberalisation of trade. The public monopoly in charge of managing the grain sector was dissolved in 1994 and the country has a food security stock and an emergency financial reserve (see box). Furthermore, early warning systems (EWSs), market information systems (MISs) and a national committee for relief and rehabilitation (Conasur) are used to prevent and manage food crises.

### **Supporting the management of the food security stock**

Since 1995, EU aid has concentrated on the management of the national security stock and support for the systems that go with it. The 1998-99 aid schedule included a contribution of some 4,150 tonnes of grain to the security stock (out of a total of 30,000 tonnes) bought locally. Previously financial support had been granted to the national company for managing the food security stock (Sonagess) to maintain the quality of stored grain and the availability of a sufficient storage capacity in case of a major food crisis (see box). Support has also been given to Conasur.

## **>Sergio Franco, ISCOS: "Farmer responsibility for grain banks is now a reality"**

**What is the background to this support given to grain banks?**

Sergio Franco: Because of the poor harvest in 1997-98, the Burkinabè government launched a programme of support for less favoured communities in the high-risk food-deficit areas. The European Commission agreed to a partnership and a "village grain bank" scheme was devised to increase the quantity of grain available in deficit areas and revive a supply system that would restrict the action of the public

authorities and international bodies in the years ahead.

**How successful has this operation been in its first two years, and what have been the benefits for farmers.**

S.F.: Farmer responsibility for grain banks is now a reality. The project has reformed 160 grain banks. Village grain banks now have a total stock of roughly 1,300 tonnes of grain in perfect condition available for immediate local sale. Approximately 300,000 peo-

ple in 19 deficit provinces have benefited from the project.

**What are the future prospects?**

S.F.: These first 160 grain banks need to be monitored and other banks included in the operation. In particular, other NGOs need to be integrated and trained so as to standardise the approach in deficit provinces. Thought should be given to operating in surplus zones too, in order to create a buying and selling synergy at national level. ■

*Sergio Franco is member of the Italian NGO ISCOS which has been given the task of co-ordinating the support project for grain banks in Burkina Faso financed by the European Commission. The project was carried out with support from a number of other NGOs*

Suivante

<http://www.ital.it/iscos/>

# 3.1.9. Niger

Population (1998)	10.1 million
Per capita GDP (1998)	\$ 190
Average annual GDP growth (1988-98)	+ 1.7%
Per capita food aid (1998)	5.5 kg
Under-nourished population (1995-97)	39%
Under-nourished children under 5 (1998)	43%
Population below national poverty line (surveys 1992-98)	63%
Development aid/GDP (1997)	18.6%

Sources: World Bank, World Food Programme, FAO, OECD

## *Development prospects conditional on regional integration*

Niger displays all the geo-climatic disadvantages of Sahelian countries: much of its territory is desert, the soil is generally not very fertile, and the weather makes harvests unreliable. Furthermore, the country is landlocked, its debt is large, and the informal economy is developing. The economy is based on subsistence agriculture and mining. Mining is the main source of foreign exchange and State revenues.

The government has undertaken extensive structural reforms: promotion of the private sector, restructuring of the civil service, rural development, natural resource management and poverty reduction. Given the country's situation, the results have so far been encouraging, particularly in macro-economic stabilisation, flexibility in the labour market and privatisation of public-sector enterprises. But a chronic budget deficit is still the main cause for concern. The aftermath of the action taken to reduce the Tuareg conflict has opened the way to decentralising the State. In all, the objective

of sustainable development appears to be accessible only within a regional framework of economic integration, linking the country's growth to the increase in trade with other members of the West African Monetary and Economic Union (WAEMU) and Nigeria.

## *Food security the key issue in rural development*

Over 80% of Niger's population live by livestock farming or subsistence agriculture. The concentration of the population in the southern part of the country and rapid population growth are causing strains in the use of natural resources. Growth in domestic production, albeit affected by annual fluctuations, is barely keeping pace with consumption. The deficit between domestic production and net needs is covered by imports, two-thirds of which come from neighbouring countries, and by food aid.

In the mid-1980s, Niger liberalised prices in the grain sector and dissolved the Niger foodstuff board monopoly (OPVN). To cope with the food crises that periodically affect various areas and population categories, the government has set up a scheme for preventing and al-

## Greater consistency for food security information systems

Niger has an early warning (EWS) and disaster management system covering the entire territory. It analyses and publishes the data (vulnerability index, number of deficit farming families) collected by the decentralised services of the administration.

After providing initial support for the EWS permanent secretariat, the European Commission renewed and extended this support under the 1997 and 1998 budget line "food security/food aid". Technical assistance and financial resources are provided for the EWS and the grain and cattle market information systems (MISs). This sup-

port has helped the EWS respond more effectively to policymakers' needs for food crisis prevention, define more accurately targeted warning indicators, improve the quality of analyses, and build the capacities of the administrative services involved in collecting and processing the data. For the MISs, the main features have been harmonising methods and, not least, improving the quality of data analysis. The public authorities are now more able to monitor the variations in the food markets.

At the same time, EU financing has gone towards a study to produce operational proposals for improving the consistency

and complementarity of the various information systems. The European Commission's support for these information systems reflects its concern to achieve a solid connection between the two main aspects of the Niger food security policy: crisis prevention and alleviation, and long-term action. By contributing to the improved quality of information, this support has strengthened the consultation between donors and the government (and among the donors themselves). The process was confirmed by the signature of a framework agreement on observed conclusions in November 1998. ■



leviating crises (see box), involving an early warning system and a national security stock. It uses market information systems and data from the agro-meteorological centre Agrhymet. The national food security strategy is currently being updated.

***Restructuring the crisis prevention and alleviation system***

The European Commission's financial aid to Niger in 1997 and 1998 comprises three main strands. First, crisis management and prevention. Second, encouragement for the intensi-

fication and diversification by reallocating roles between the public sector, farmers' organisations, and the private sector in production, seed distribution and plant protection. Third, consolidation of the national security stock, including the financial form of a food security fund (FSA), and restructuring the OPVN to adapt to its reduced role in management of the physical stock. The implementation of some of these points, planned for the long term, was disturbed, however, by the poor grain harvest in 1998 and political events in Niger in 1999.

Livestock activities or subsistence farming support over 80% of Niger's population.



GÉRARD HERBLOT/CIRAD

## 3.1.10. Malawi

Population (1998)	10.5 million
Per capita GDP (1998)	\$ 200
Average annual GDP growth (1988-98)	+ 3.7%
Per capita food aid (1998)	4.6 kg
Under-nourished population (1995/97)	37%
Under-nourished children under 5 (1998)	30%
Population below national poverty line (surveys 1992-98)	—
Development aid/GDP (1997)	14.7%

Sources: World Bank, World Food Programme, FAO, OECD

### *An open and diversified economy in difficult circumstances*

After twenty years of an authoritarian regime, Malawi entered a period of democratic and economic transition in 1994. The government has undertaken extensive structural reforms with the aim of reconciling a more open and diversified economy with a fair distribution of wealth.

Malawi's economy is based on agriculture, which accounts for 40% of GDP and 90% of exports. Since 1997, its terms of trade have deteriorated and world prices for its commodity exports, tobacco and tea, have fallen. Moreover, the spread of Aids—12% of the working population is estimated to be HIV-positive—is having a destructive effect on economic activity and is increasing dependency within households (70% of hospital in-patients have the virus). External debt is 150% of annual GDP and economic activity is maintained largely with aid from donors.

### *Deteriorating development conditions in rural areas*

Malawi has some of the lowest human development and nutrition indices in sub-Saharan Africa. Poverty is endemic, infant mortality is 133‰, average life expectancy at birth is 43, and is falling as a result of Aids. The situation is particularly alarming in rural areas, where 85% of the population live, most of

them farming less than one hectare per household. Other problems are unreliable weather, rapid population growth, and continued soil degradation, the result of poorly chosen crop diversification. The development of trade is hampered by prohibitive transport costs due to the fact Malawi is landlocked and maintains a number of oligopolies.

Market liberalisation has made it harder for small-scale farmers to gain access to inputs. The removal of subsidies and the price rises caused by opening up the economy have not been compensated by transitional measures that would have allowed the private sector and farmers to adapt rapidly to market conditions.

### *European aid extended to support for NGOs*

European food security policy in Malawi changed direction in 1997. Previously it had merely involved aid in kind to supply the grain reserve intended to stabilise the domestic market. Since then the European Commission's aid has focused on the structural problems of food insecurity, especially the rehabilitation and improvement of soil fertility, and improved access to inputs and credit. To that end, the Agricultural Productivity Improvement Programme (APIP) provides small-scale farmers with credit in kind, in the form of inputs, at subsidised interest rates (see box).

This system, half-way between subsidy and

## Greater co-ordination in information systems in Malawi

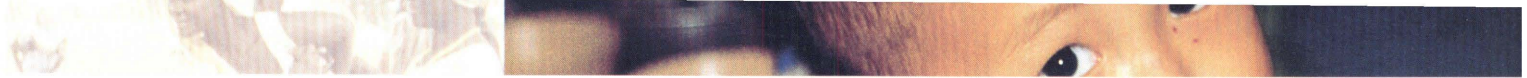
In October 1999, a seminar organised at the initiative of the European food security network Resal and the European Commission's food security unit was attended by representatives of various ministries and donors with a view to identifying the "short-term priorities for developing a food security information system" specific to Malawi. A system of this sort comprises three types of analysis: harvest estimation, market information, and household poverty evaluation. The proposals made at the seminar were used to devise a 2000 action plan that will be co-ordinated by a Task

Force made up of representatives of the relevant ministries, donors and existing structures for analysis and information.

For harvest estimation, it proved necessary as early as the 1999-2000 season to improve the annual evaluation and verification of data. This procedure is due to be consolidated over the next few seasons within a methodological framework. Second, the current market information system (MIS) will have its data analysis and processing procedures improved and applied regionally. Third, poverty evaluation will be improved by examining more closely the impact of the

existing social safety nets, and trends in poverty at local level.

Setting up an information system based on the trio of "production, market and poverty" requires a considerable effort to integrate the instruments of analysis. This integration particularly concerns involving the private sector, using the Internet to circulate and exchange information, integrating data produced by various structures and projects, and the support of the FAO's Food Insecurity and Vulnerability Information Mapping Systems (FIVIMS), supported by the Commission. ■



Unreliable weather, rapid population growth, continued soil degradation

M. PELTONEN/REA

commercial credit, is intended to help farmers move towards market integration. In addition to APIP, which is intended ultimately to become a normal rural credit system, a special commitment has been made for 1999–2001 to finance NGO projects. The projects chosen

will aim to diversify the economy (encourage non-farm activities and the development of communication networks), provide safety nets for the most vulnerable households, or undertake awareness and communication campaigns concerning food security issues.

**>Aleke Banda, Minister of Agriculture and Irrigation:  
“APIP supports farmers during the market liberalisation process”**

What is the government’s policy for agricultural improvement and access to food?  
Aleke Banda: The policy of the government is poverty alleviation. A family must have sufficient food to eat. After they have eaten they must have a surplus which they can sell so that they can generate enough income to buy their essential needs.. With support from the European Commission, the Agricultural Productivity Improvement Programme (APIP) contributes greatly to the production of these surpluses. In 1998, for the second year running, 250,000 households benefited from APIP loans, and the aim is to reach 300,000 in 1999. Also we hope that the programme will look into introducing other crops so that the small farmer can grow other things than maize. The medium-term prospect is to expand the credit into a rural banking scheme that can facilitate the gradual market integration of small producers.

Why is APIP being supported by the donors, years after the end of the fertiliser subsidy scheme?  
A.B.: For a very long time fertiliser was subsidised in Malawi. In the 1970s, for instance, fertiliser was very cheap. The idea was for farmers to get used to the benefits of fertiliser. There was not enough land to continue practising shifting agriculture. As fertiliser use spread, the subsidy scheme became a financial burden for the government. It was abolished in 1994. The depreciation of the Malawian kwacha that followed caused a huge rise in fertiliser prices.

So we had to rely again on the donors and fight food scarcity with food aid. APIP with its reduced interest rates are trying to build a bridge to help farmers cross the soaring river of liberalisation.

Is help with fertilisers enough to redress soil degradation?  
A.B.: The distribution of leguminous seeds under the APIP scheme is essential for improving soil fertility and the quality of the Malawi rural diet, because this revives the soil by releasing high amounts of minerals and nitrogen back into the ground. Gradually we are trying to diversify and improve the quantity and quality of food, the only possible basis for establishing sound primary health care in Malawi. ■

*Extract from an open debate on land degradation and food security in Malawi, held at the European Delegation, Li-longue, July 1999.*

# 3.1.11. Mozambique

Population (1998)	16.9 million
Per capita GDP (1998)	\$ 210
Average annual GDP growth (1988-98)	+ 4.7%
Per capita food aid (1998)	14.2 kg
Under-nourished population (1995-97)	63%
Under-nourished children under 5 (1998)	41%
Population below national poverty line (surveys 1992-98)	69%
Development aid/GDP (1997)	39.2%

Sources: World Bank, World Food Programme, FAO, OECD

## *High economic potential*

The years of civil war in the 1980s destroyed the country's infrastructure and left the economy in a catastrophic state. Since then, the government has been successfully combining economic growth and structural reforms, particularly in the field of privatisation. Thanks to Mozambique's present monetary stability, annual inflation, which was 70% in 1994, fell to virtually nil in 1998. Mozambique is one of the countries eligible for the debt relief initiative for Highly Indebted Poor Countries (HIPC).

The country's long-term economic potential is high: Mozambique is rich in natural resources and lies at the cross-roads of trade axes in Southern Africa. However, the country has some of the most alarming indicators of poverty and development: per capita GDP is one of the lowest in the world, average life expectancy is 47, only one-quarter of the population has access to clean water, and infant mortality is 133‰.

## *Significant improvement in farm produce supply*

Food insecurity has considerably changed in nature in recent years. Good weather, the return of refugees, and rehabilitation of infrastructure have significantly improved the availability of food in the country as a whole. After being in a state of emergency at the end of the civil war, Mozambique posted a food surplus in

1998. However, this progress has not significantly reduced food insecurity in rural areas, where 80% of the population live. The productivity of small-scale farmers remains below the regional average, and there are still major difficulties of market access.

The government's ability to remedy the structural problems of rural areas is limited by a shortage of human and technical resources. In 1998, with support from donors, it launched a five-year programme of sectoral investment in agriculture, involving institutional reforms in the Ministry of Agriculture and Fisheries and Proagri (see box). The programme has three objectives: reform and modernise institutions by decentralising them; strengthen public action to revitalise farm production; and sustainably manage natural resources. Proagri is recognised as one of the most successful attempts to co-ordinate donors in Africa.

## *Institutional support and co-operation with NGOs*

During the civil war, the EU programme consisted mainly of food aid in kind given to displaced persons. This predominance of aid in kind continued after the war until 1996, while domestic farm production increased to a level that could meet local needs. Since 1997, European aid has shifted towards the objective of sustainable growth, integrating food security

## The national agricultural development programme Proagri: from project management to a comprehensive food security approach

After its long civil war, Mozambique benefited from considerable attention from the donor community in the 1990s. From 1991 to 1996, the European Commission was a major donor of food aid to the tune of EUR 140 million. This international solidarity undeniably improved the essential macro-economic indicators, but also had secondary effects that are harmful to sustainable development.

For example, institutional support, fragmented into unconnected projects, revealed the gap between the considerable concentration of foreign donors' human and

financial resources and the inadequacy of their local partners. This was particularly so at the Ministry of Agriculture, where 85% of the budget depends on donor financing of projects. For that reason, with the agreement of the donors, the government proposed to replace this project-by-project approach with a national 1999-2003 programme financed by budgetary aid.

Much progress has been made since the programme was launched. But major challenges remain, particularly in decentralisation of the administration. The Ministry of Agriculture is a highly cen-

tralised institution, whereas the country's geography would require quite the opposite. Apart from budgetary aid as such, EUR 5 million per year, the European Commission's action consists of technical assistance. This support goes entirely to Proagri for 1) dialogue with the European Commission on policy formulation; 2) financial reform of the Ministry, essential for shifting from a project approach to a comprehensive one; 3) assistance for the food security policy; and 4) support for the early warning system set up by the Ministry of Agriculture. ■

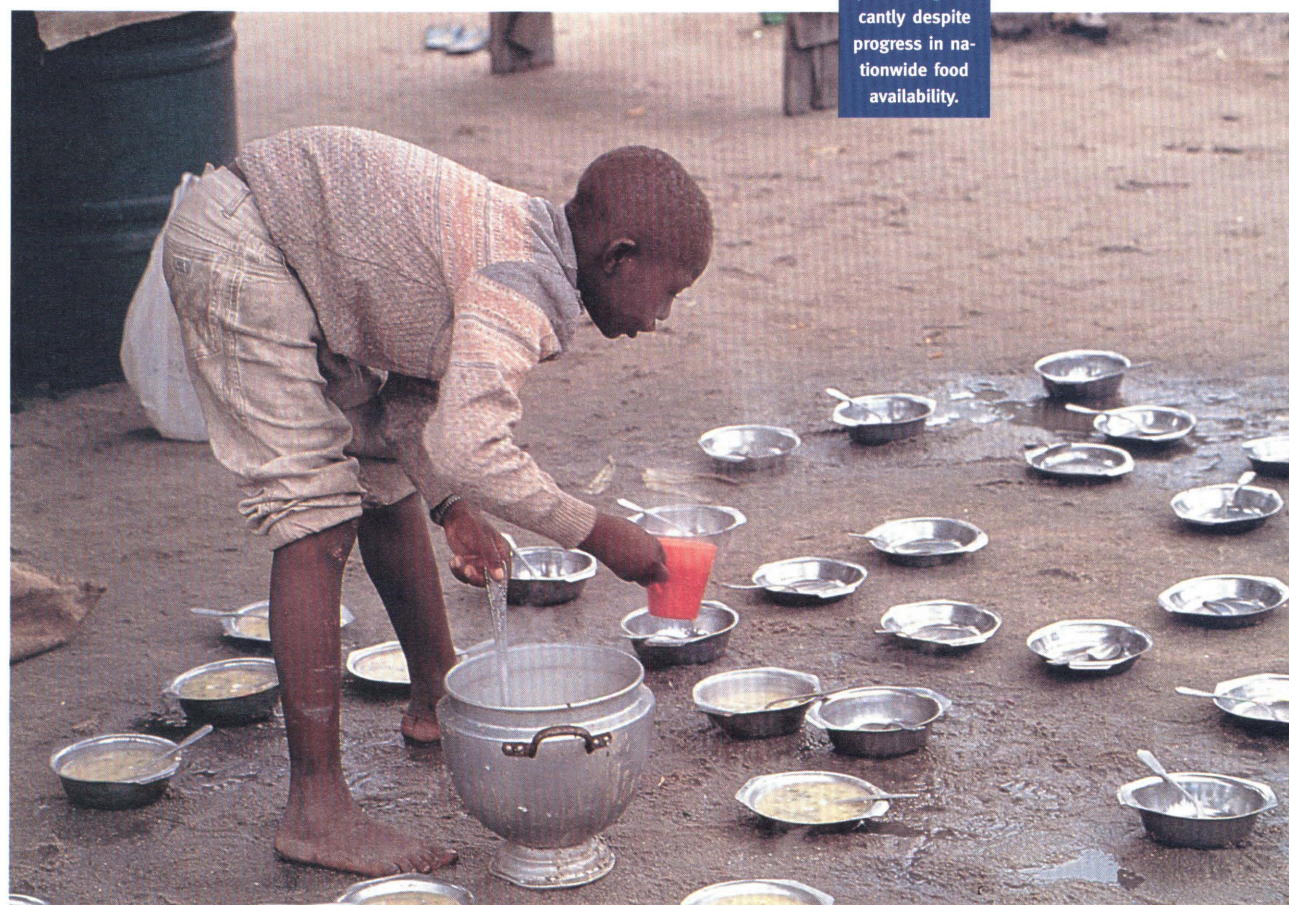




into poverty reduction. Budget and technical support for Proagri is the core programme of European aid. The 1999-2001 aid schedule complements this institutional support with support for civil society in the form of financing for NGO projects after calling for applications. The key element in this support is to re-

strict the role of the NGOs to that of facilitating contacts between the stakeholders involved in farm production and marketing, reconstituting herds and credit supply. The NGOs only provide a temporary function as direct aid operators in the regions most vulnerable to food insecurity.

Food security has not improved significantly despite progress in nationwide food availability.



DINO FRACCHIA/REA

## A regional approach to food security

In 1999, the food security units in Malawi and Mozambique jointly examined the regional dimension of food security. The idea was to address regional food security issues on the basis of community experience in the two countries. Four topics were selected. First, the sharing of information about national farm and food markets between the countries is to be extended. Second,

cross-border trade is marked by considerable differences of population in the two countries, and trade is greatly hampered by tariff barriers, especially for maize. Third, co-operation in seed improvement could generate synergies and it is recommended that experts be exchanged between the two countries.

Fourth, transport costs in Malawi are ex-

tremely high, and the development axis of the Nacala corridor in Mozambique, with its railway lines and port facilities, is of major importance for Malawi's landlocked economy. This approach of linking the European Commission's food security units in Malawi and Mozambique should be widened regionally to involve the whole of Southern Africa. ■

# 3.1.12. Madagascar

Population (1998)	14.6 millions
Per capita GDP (1998)	\$ 260
Average annual GDP growth (1988/98)	+ 1.1%
Per capita food aid (1998)	2.1 kg
Under-nourished population (1995/97)	39%
Under-nourished children under 5 (1998)	34%
Population below national poverty line (surveys 1992-98)	-
Development aid/GDP (1997)	24.3%

Sources: World Bank, World Food Programme, FAO, OECD



Infrastructure projects are part of the food for work programme.

## *After twenty years of recession, economic recovery is of little benefit to rural areas*

Since 1997, the Malagasy economy has revived after a long period of recession from 1975 to 1996, during which per capita GDP fell 37%. The reforms undertaken since 1996 are continuing, with some delays, particularly in privatisation. Economic growth in 1997 and 1998 showed encouraging signs of recovery. The recovery is largely driven by the develop-

ment of the tax-free zone and has not benefited people in rural areas. Madagascar is rich in natural resources, including minerals, and has a high development potential. Vanilla farming in the north of the island, for example, is a major source of export earnings. But the dysfunctions of the local market and an unwise storage policy do not allow small-scale farmers to take full advantage of the product's value added.

The objective of sustainable development is

## Donor co-operation for a system to prevent and manage climatic disasters and for locust control

Because of its location Madagascar is particularly exposed to devastating cyclones. Flooding and drought are also frequent, and recurring invasions of locusts. At present, under the national rescue council (CNS) co-ordination is being organised for cyclones. But so far the CNS has not been able to go beyond crisis management to give a lead in formulating a national policy. Some donors, primarily the United Nations, and to a lesser extent USAID, the British DFID, and CARE, intervene

as the need arises. The European Union has opted for prevention and management of natural disasters as its strategic theme of intervention. It intends to provide the impetus to make the crisis management system permanent via its 2000 food security support programme. The French development co-operation agency also wishes to join this action. In the matter of locust control, the European Commission has provided over half the financing since the start of 1998, the rest coming from the

World Bank, the national budget, France, and a dozen or so smaller donors. For the future a consensus is emerging between the Malagasy government and the donors on the basis of the recommendations of an international multi-disciplinary consultative group held in May 1999 under the auspices of the FAO. The consultative group first produced a locust situation report and then proposed a strategy for control, and ways of setting up a prevention scheme in the south of the country. ■

still far away, and structural problems are considerable: poor transport links, fragmented markets and deterioration in agricultural productive assets. Fair access to basic social services and improved economic opportunities for poor households can only be envisaged in the long term.

### **National food security strategy in preparation**

Until the early 1970s Madagascar exported thousands of tonnes of rice a year, but in the 1980s posted a large food deficit, as food aid rose at the same time as imports. The deficit has now been filled, but at the cost of a significant fall in the per capita food ration.

At household level, food insecurity remains rife. It affects nearly two-thirds of the population, particularly in the south of the island, where weather is unreliable and crops are often destroyed by pests. Furthermore, the removal of subsidies and liberalisation of markets (rice, wheat) have caused major price fluctuations, threatening households' access to food. Formulation of a food security policy is currently under examination, with help from the donors, under an action plan for rural development (PADR). This programme aims mainly to

strengthen civil society and decentralise the State (see box).

### **Support for civil society, locust control and early warning system**

In 1998 the EU programme comprised two main parts. Budgetary aid, subject to conditionalities that have yet to be achieved, is intended to support the institutional reform of central administration and the relevant ministries, and reform of regulations on imports, land tenure and animal health. Project aid financed a locust control programme, contributing to the good 1998 and 1999 harvests in the south of the country. A study fund was also allocated to set up various technical supports, including the early warning system (see box). In 1999, the locust control programme was extended and European Commission aid went both to regions with high development potential and to the most fragile regions regularly hit by drought and cyclones. This programme involves a call for applications from NGOs in order to promote civil society, particularly the emergence of farmers' organisations to take an active part in formulating and implementing development policies.

## **>Rolland Ravatomanga (PADR): "The Commission was a driving force right from the design stage"**

Can you say briefly what the PADR is?

Rolland Ravatomanga: The action plan for rural development (PADR) is a process designed to co-ordinate and prioritise action to execute the government's rural development policy. Consultation between the government and the donors began some years ago, and in November 1996 an economic policy framework document (DCPE) was approved and signed as a national base-line. The PADR permanent steering team has the mission of implementing the DCPE. The team is made up of representatives of the various ministries involved, the World Bank and the EU delegation.

What part does the European Commission play in supporting this process?

R.R.: The European Commission contributes actively to the PADR. It was a driving force right at the design stage, suggesting a bottom-up process, the decentralisation and opening-up of the exercise by creating regional platforms for five partners: the State, decentralised local authorities, civil society, the private sector, and NGOs. In financial terms, the European Commission still provides the main support for PADR structuring and functioning, for both the permanent steering team and the decentralised

groups. The first financing for priority actions in the regions will be implemented this year.

In what way does the PADR provide a better framework for food security support action?

R.R.: The PADR's planning work is divided among seven topic groups, supported by regional working groups. In each case, food security is one of the PADR's five major objectives. The others are institutional reform of the public sector; regionalisation of the policy formulation process, growth in farm production, and better access to social services for rural communities. ■

*Rolland Ravatomanga is the President of the PADR Permanent monitoring committee.*

# 3.1.13. Ethiopia

Population (1998)	61.3 millions
Per capita GDP (1998)	100
Average annual GDP growth (1988-98)	+ 3.6%
Per capita food aid. (1998)	10,3 kg
Under-nourished population (1995/97)	51%
Under-nourished children under 5 (1998)	48%
Population below national poverty line (surveys 1992-98)	45%
Development aid/GDP (1997)	14.1%

Sources: World Bank, World Food Programme, FAO, OECD

## *Structural reform and a healthy economic situation jeopardised by the conflict with Eritrea*

The economic reforms and structural adjustments undertaken under the auspices of the International Monetary Fund (IMF) since 1996 enabled Ethiopia to successfully combine growth and economic transition. Average annual growth between 1992 and 1996 was 7.6%, while progress was made in deregulating markets, harmonising taxes, lowering inflation and keeping the budget under strict control. But in 1999, prospects were marred by the border conflict with Eritrea; the government was less able to meet its budget commitments and reform schedule, and the war considerably slowed down aid from donors who had been ready to help the Finance Ministry.

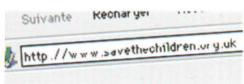
By far the most important branch of Ethiopia's economy is farming. It accounts for about half of GDP and provides close to 85% of jobs; coffee accounts for two-thirds of the country's exports. Because of this essentially

agricultural economic base and the lack of irrigation, with only 6% of the country being cultivated, the country is particularly vulnerable to drought and commodity price fluctuations.

## *Serious food crisis in 1999*

Farming in Ethiopia is mainly subsistence farming. Six million farmers provide nearly 95% of total production on holdings of less than two hectares. Less than 40% of this output is marketed. The geographical fragmentation of the market and high transport costs make it difficult to ensure that farm surpluses reach areas in deficit. Now over-cultivation due to population pressure is causing land degradation.

In 1996, the government adopted a national food security policy based on growth and employment, improved access to food and better management of emergency situations. Ethiopia is still heavily dependent on food aid. Half the population is said to fall below the minimum intake of 2,200 kcal a day. Of these, a quarter



*The British NGO Save the Children is present in Ethiopia through seven food security programmes financed by the European Commission.*

## >Steven Blight, Save the Children: "The task of targeting the most vulnerable is quite complex"

What SCF activities were financed by the European Commission in Ethiopia in 1998-99?

S.B.: In its food security work, SCF seeks to address peoples' access to food, agricultural production, and emergency preparedness and response. The European Commission is a major contributor to all facets of this work. In 1998-99, the Commission committed some €4.3 million to support eight projects, 43,000 tonnes of emergency aid and 700 tonnes of seed and fertiliser. The EC supports various SCF projects: strengthening long-term food security: support for the Amhara regional government, developing agriculture services and assisting natural resource management. It also helped SCF's work on food security programmes in Amhara, Tigre and Somali, and provided 10,500 tonnes of cereals to

support development activities through food-for-work.

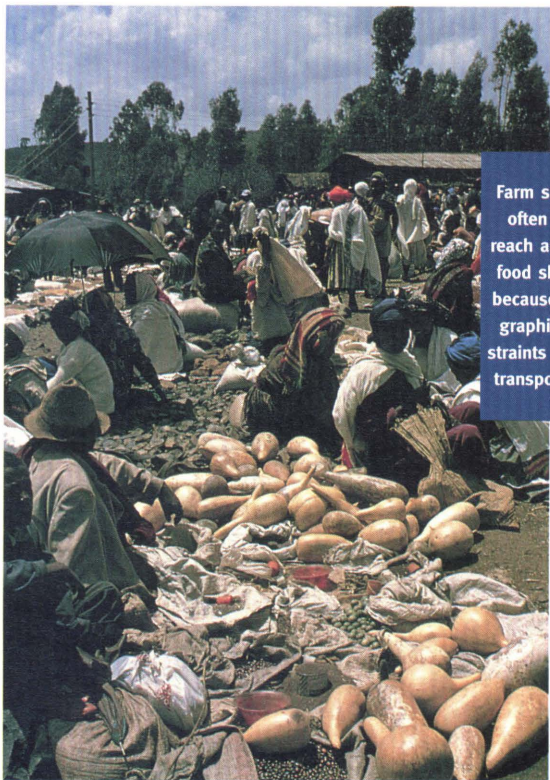
How did you proceed in the targeting of vulnerable populations for your "food for work" programme?

S.B.: Most actions directly target vulnerable groups, distributing inputs, livestock credits for poor female-headed and returnee households, and helping to improve community infrastructure. However, the task of targeting the most vulnerable is quite complex in Ethiopia because many households cannot afford to contribute labour to public works schemes. Some of the problems of "food for work" schemes were evident in 1999. Due to harvest failure, the population requiring assistance increased from two to six million over the course of a few

months; projects had to be suspended to make way for humanitarian action.

How would you assess the impact of your activity on food security in Ethiopia?

S.B.: One sustainable impact has been our success in demonstrating some viable opportunities for improving productivity on resource-poor farms, in promoting participatory, farmer-based approaches to agricultural extension and in improving livestock and vaccination services. But there can only be a long-term food security impact if there are major political and macro-economic changes. In the meantime, SCF's support of local capabilities for preparedness and crisis management does make a practical contribution to food security for vulnerable groups. ■



Farm surpluses often do not reach areas with food shortages because of geographical constraints and high transport costs.

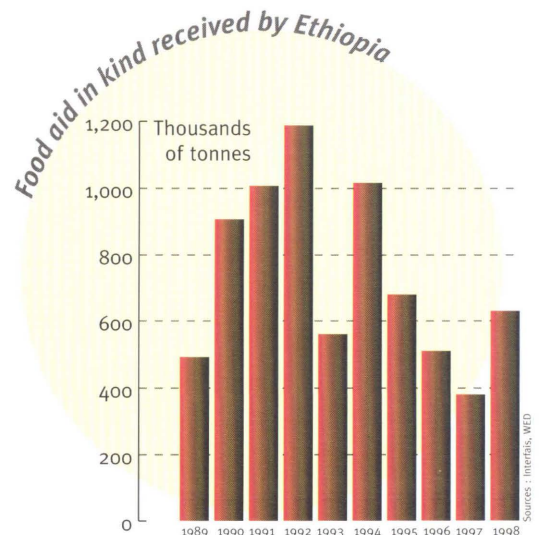
HERVÉ SAINT MACARY/CIAD

through local purchases (see box), job creation programmes in the most vulnerable parts of the country, soil conservation, and support for emergency food stocks. In 1999 an expected 50,000 tonnes of food aid was distributed among 500,000 people over a six-month period, through labour-intensive Employment Generation Schemes. These projects should help national development plans, conservation of soils and natural resources, herd development and the creation of jobs outside the farm sector. The European Commission particularly supports integrated food security programmes set up by the regional governments of Amhara and Tigre.

do not even get 1,650 kcal a day. The conflict with Eritrea and the two-year drought of 1998 and 1999 have created a severe food crisis: nearly 400,000 people have been displaced and about five million need food aid.

Strengthen the link between emergency food aid and long-term food security policy

Since 1996, European aid has focused on support for the domestic Ethiopian market



## EU local purchases: support local production

In 1995-96 when the country had a big harvest surplus for the first time in its recent history, at the Ethiopian government's request the European Commission launched a programme of local purchases. Between 1996 and 1999, nearly a third of the food aid financed by the European Commission was purchased locally, despite considerable year-to-year fluctuations in harvest quantities. To avoid disrupting the market, available supplies of different grains

are assessed before each harvest. To decide how much grain is to be bought where, the European Commission's Food Security Unit works in close collaboration with the Ethiopian authorities responsible for food security, and suppliers are chosen by competitive tender.

The purpose of these purchases is (a) to support local production (in 1996-97, local purchases by the European Commission and the World Food Programme (WFP)

amounted to 9% of all the grain marketed), (b) to reduce competition between imported food aid and local output (local grain, though of higher quality, was generally bought at lower prices than imported grain) and (c) to improve the quality of the produce sold while spreading good management practices among local merchants. The cereals bought are delivered to the emergency food stock and usually help to repay loans from NGOs or the WFP. ■

# 3.1.14. Yemen

Population (1998)	16.5 million
Per capita GDP (1998)	\$ 300
Average annual GDP growth (1988-98)	+ 3.8%
Per capita food aid (1998)	2.2 kg
Under-nourished population (1995/97)	37%
Under-nourished children under 5 (1998)	29%
Population below national poverty line (surveys 1992-98)	19%
Development aid/GDP (1997)	7.7%

Sources: World Bank, World Food Programme, FAO, OECD



Farming is profitable for only a third of the rural households.

GERARD HERBLLOT/CIRAD

## *The poorest households suffer the impact of economic transition*

In partnership with the main donors, Yemen has been pursuing reforms and structural adjustment since 1995. Thanks to rigorous and prudent management of its economic policy, the government has managed to reduce its bud-

get deficit, halt inflation and stabilise the currency market. Since 1998 however, the economic situation has deteriorated owing to the inherent difficulties of economic transition and the sharp fall in oil prices, oil being the country's main source of income.

In 1998, the abolition of government sub-

## >Abdulrahman Tarmoum, Vice-Minister for the national plan: *"The private sector and NGOs are social support instruments"*

How do you ensure food supply in a country that mostly depends on oil revenues and is in transition from a subsidised economic system to a market oriented system?

Abdulrahman Tarmoum: To ensure food security and food supply independently of the nation's export revenues, it is not enough to ensure that food is physically available from national output, imports and market efficiency. The most important aspect of the transfer from a subsidised economic system to a market-oriented system is making sure people are able to produce or purchase the food they need to meet their basic requirements. And because poverty is endemic,

it is most important to develop a range of different initiatives, programmes and funds to generate immediate incomes, create job opportunities, stimulate community development and promote the role of NGOs.

How do you manage to involve the private sector and NGOs in making government policy?

A.T.: With the recent reforms, the private sector and NGOs are social support instruments in a free-market economy. Their intervention during the public sector's withdrawal from production and trade is very important for ensuring a reliable food supply. Efficient markets and

income growth and distribution should then raise the population above the poverty line and ensure that they have regular access to food.

How do you support agricultural production while ensuring that market prices are affordable to consumers?

A.T.: By more systematic price monitoring so as to understand the features of the different markets, by extending the market information system to a broader set of products in order to improve market transparency, and by monitoring market efficiency, with earlier identification of local market disturbances which could threaten food security. ■

sidies pushed wheat prices up by 20% and the price of oil on the domestic market by 40%. This hit the poorest households directly. Progress still needs to be made to reduce the country's dependence on its oil revenues and improve wealth distribution.

### ***Endemic rural poverty and numerous obstacles to food security***

Eighty per cent of the Yemeni population are country dwellers and poverty is very much a rural phenomenon. The country is largely desert, and farming is profitable for only a third of the rural households scattered around its inhospitable lands. Farming accounts for about 18% of GDP and employs 60% of the labour force, but farm output provides only a third of domestic consumption. Most of the deficit is made up by commercial imports.

Rural poverty is therefore the main source of food insecurity, but other factors include environmental degradation, population pressure, restricted access to appropriate technology and inputs, limited water resources and climatic factors. Lastly, economic and social infrastruc-

ture is insufficient and little used. The government is trying to integrate the question of food security more fully in its economic reform measures, especially as regards deregulation of the wheat market. In 1999, it devised a food security strategy in collaboration with the European Commission (see box).

### ***From rural development to a comprehensive approach to food security***

Now that the government has adopted a comprehensive food security strategy, the European contribution has increased significantly. Up to 1988, European aid concentrated on rural infrastructure development schemes. Since then, a welfare strand and technical assistance have been added. The European Commission is now helping to build up institutional resources for food security management and finance specific projects. These concern dams, roads in rural areas, targeting disadvantaged communities, women's participation in the economy, market monitoring and the diversification of economic activity. A farm census and a market information system are scheduled.

## **Outlook for the EC 2000-2001 programme in Yemen: support for the country's social welfare fund**

Several poverty reduction programmes are under way in Yemen, often with the donor support. The Social Welfare Fund, however, has to date been funded solely from the national budget. The Fund acts as a safety net giving financial help to vulnerable groups at a rate of YR1,000 per household and YR200 per dependent. The system has been expanding ever since its introduction in 1996 and now benefits roughly 800,000 people in more than 200,000 households. The downside is that

because of the welfare fund's success its organisation now needs to be adapted and its management improved. The Commission is considering including support for the social welfare fund in its next aid and food security schedule for Yemen. If it does so, aid will focus on three main fields. In the first place the allocation system for benefits needs to be improved, especially the waiting time between applying for benefits and receiving payment, to avoid unnecessary difficulties for the households concerned.

A second focus would be institution building by training staff and updating equipment to cope with the growing number of applicants. Thirdly, the legal framework and prospects for expansion should be better defined, with the EU providing decision support for the governing body. This strand would especially aim to improve the targeting of beneficiaries, mainly by producing the information required for understanding the impact and extent of poverty in the country. ■

# 3.1.15. Bangladesh

Population (1998)	125.6 million
Per capita GDP (1998)	\$ 350
Average annual GDP growth (1988/98)	+ 4.7%
Per capita food aid (1998)	6.8 kg
Under-nourished population (1995/97)	37%
Under-nourished children under 5 (1998)	56%
Population below national poverty line (surveys 1992-98)	36%
Development aid/GDP (1997)	3.1%

Sources: World Bank, World Food Programme, FAO, OECD

## *Sustained economic growth*

The Bangladesh economic boom of the 1990s, with GDP growing at 4.5% to 5% a year, brought significantly faster growth in per capita GDP than in the 1980s. But annual per capita GDP growth was still less than 4%, the threshold above which growth is considered to have a significant impact on poverty in a country. At the same time, structural reform based on deregulation of the economy and budgetary discipline have stimulated the private sector and created a healthier macro-economic situation.

Exports, half of which are textiles, played a full part in this growth cycle and direct foreign investment increased steadily throughout the decade. The devastating floods of late 1998 and the effects of the Asian recession temporarily halted growth. The pace of reform, including some crucial public sector and financial sector reforms, were seriously slowed down in 1999 by a deadlocked political situation.

## *The food problems and poverty alleviation*

Nearly half the population, i.e. some 65 million people, are threatened with food poverty. The situation actually worsened over the 1990s because farm output was not growing fast enough to keep pace with population growth. In the Bangladesh subsistence economy nearly 65% of the rural poor are landless and the land area available per head of population is a mere 0.9 hectares. Those who do have access to land lack inputs and credit and have only weak links with the market. Women and children are the

chief victims because food sharing within the family is strongly skewed in favour of the men. Bangladesh has the world's highest level of retarded growth and emaciation among children; nine children in ten are malnourished.

And yet at the national level food supplies are adequate, and with the recent market deregulation the role of the private sector in this field has increased considerably (see box). So the food issue is not so much one of physical access to food as of combating poverty and low incomes among rural households. Government policy on this question focuses on a welter of food distribution programmes that do not necessarily target the vulnerable population groups.

The policy is also based –especially in the event of crisis– on management of a security stock which in 1999 reached an exceptional 1.6 million tonnes of grain (the average annual harvest being some twenty million tonnes). Donors are now objecting to management by security stocks and encouraging greater regional market integration instead. Donors are also favouring household income support schemes rather than free food hand-outs to cope with food access problems.

## *Long-established European aid geared to targeting vulnerable population groups*

The European Commission has been involved in food security in Bangladesh since independence in 1971. Bangladesh is one of the countries that receive most European food aid. Between 1992 and 1997, the European Com-

## IFADEP: testing and developing pilot food security projects

The Integrated Food-Assisted Development Programme (IFADEP) is a pilot rural development programme that aims to develop and test new models for food security support combining food aid, financial support and technical assistance. Operations covered by IFADEP also aim to build the capacity of the country's institutions for planning and implementing development activities.

A first module of the programme con-

cerns support for vulnerable groups, mainly the rural poor, the landless and, above all, disadvantaged and marginalised women. The project includes occupational training, financial support and income-generating activities. The second module is a fish farming programme involving training and the introduction of new fish species and fish farming technology. The third strand is road mending and maintenance; this is

continuing, raising road-building standards, introducing new maintenance techniques and providing computers. The programme is based on cash payment as opposed to the "food for work" model. This way suitable expertise is made available and the roads are built to last. From 2000 on, the women's income support and road maintenance modules will be expanded while the fish farming strand will come to an end. ■

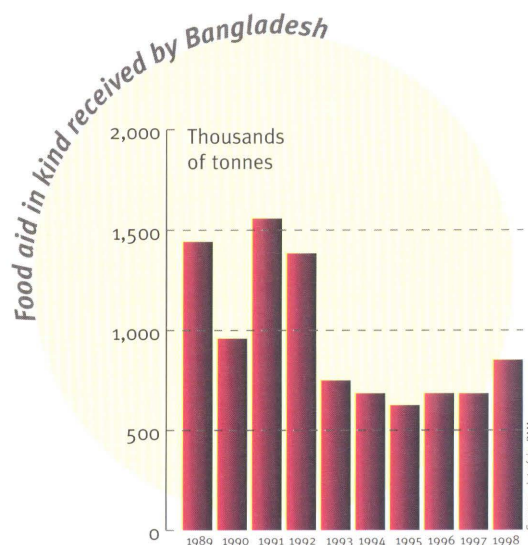




mission has provided more than half a million tonnes of grain and nearly EUR 30 million in financial and technical assistance. Since 1995, EC intervention has increased with the IFADEP rural development programme. This programme is based on financial aid and training for disadvantaged women, development of alternative activities such as freshwater fishing, road improvements and institution building (see box).

The programme aims to support the incomes of vulnerable groups and at the same time help towards market integration. In 1998, Bangladesh was allocated an exceptional EUR 33 mil-

lion from the El Niño fund (see section 1.3.2.). The main orientation of the programme for 1999–2001 was to operate a shift from aid in kind to financial aid, concentrating this on a lasting increase in the incomes of vulnerable groups.



### >Mohammad Abdus Samad, grain importer: “Our previous experience in importing and exporting other commodities enabled us to cope with the situation after the floods of 1998”

How did the 1997 reform of grain import policy enable you to develop your business?

M. A. Samad: The Government’s liberalisation of its foodgrain import policy helped MAS Group through exemption from import duty, simplified foodgrain import formalities and banking formalities, and easier access to bank services.

The government was alert to the need for a quick supply of foodgrains to the country, to be prepared for famine. Management at different levels in the process (banks, the comptroller of imports and exports, the transport and communication authorities etc.) was efficient, because foodgrain importing through the private sector was a high priority for the government.

Following the 1998 flood, how did you organise your business to respond to increased demand?

M. A. S.: We set up a network of grain suppliers in parts of India with a rice surplus, namely Punjab and Haryana. MAS Group had previous experience importing other commodities from India. We also sent our own staff to the rice delivery points to ensure the quality of the grain we were importing to Bangladesh; this way we had reliable information that could be quickly put to use. A network of local grain distributors was established with reputed distributors in Bangladesh, with co-financing arrangements with the MAS group; through this network we were able to reach remote rural areas we do not usually cover.

What factors have helped you expand your grain trading since 1998?

M.A.S.: The grain trade, rice importing especially, has been quite profitable, even compared to our main business of packaging. We imported 45,000 tonnes of rice in 1998 and 15,000 tonnes in 1999. We mean to increase our import volume if the government maintains its current policy of deregulating imports. At first we had difficulty importing from some provinces of India which imposed draconian restrictions on grains transport, even within India. Paradoxically, these problems had a beneficial effect on our business because the resulting negotiations between Bangladesh and India led to the two countries harmonising their trade policies. ■

*Mohammad Abdus Samad is chairman of Dhaka-based MAS Group, whose main business is packaging.*

# 3.1.16. New Independend

## Armenia

Population  
(1998)

3.8 million

Per capita GDP  
(1998)

\$ 480

Average annual GDP growth  
(1988/98)

- 7.7%

Per capita food aid.  
(1998)

30,9 kg

Under-nourished population  
(1995/97)

-

Under-nourished children  
under 5 (1998)

-

Population below national  
poverty line (surveys 1992-98)

50%

Development aid/GDP  
(1997)

10.2%

Sources: World Bank, World Food Programme, FAO, OECD

### *Economic transition: a slump in economic activity*

The dismantling of the Soviet economic system and the shift to a market economy in the first half of the 1990s were a traumatic experience for the New Independent States (NISs). The dissolution of the USSR, whose captive markets guaranteed commercial outlets, and the readjustment of suppliers' prices in line with world prices, wiped out the industrial base of the NISs, which was in no way ready to cope with the new competitive situation.

The GDP of the Caucasian economies and Kyrgyzstan collapsed, shrinking by about 60% between 1990 and 1994. Since 1990, the governments of these countries have been making reforms to move into the market economy. The public sector, which in 1988 employed as many as 90% of the working population in some of these countries, has been or is now being dismantled to make way for the newly stimulated private sector. The role of the State has been redefined: formerly the main operator, it now merely regulates the economy. Meanwhile a strict budget policy has stabilised the region's macro-economic situation.

Price inflation and soaring budget deficits have now broadly speaking been brought under control. The long-term objective of the region's governments is to integrate their economies into world growth. In this regard joining the World Trade Organisation seems to be an essential step. But the NISs' balances of payments and import financing are still badly out of kilter, especially as regards products directly related to food security. This is a major problem. In many cases total exports barely cover food imports, which in turn account for about a quarter of total imports.

### *Worsening inequality in the distribution of wealth*

The people of these countries have been hard hit by the economic transition. Unemployment has reached unheard of levels and inequality in wealth sharing has become much worse. Generally speaking, the richest 20% of households have seen their share of the national income increase by 10% to 15% between 1987-88 and 1993-4, while the remaining 80% fell back by about 5% (World Bank).

## Azerbaijan

Population  
(1998)

7.9 million

Per capita GDP  
(1998)

\$ 490

Average annual GDP growth  
(1988/98)

-11.5%

Per capita food aid.  
(1998)

8,6 kg

Under-nourished population  
(1995/97)

-

Under-nourished children  
under 5 (1998)

10%

Population below national  
poverty line (surveys 1992-98)

62%

Development aid/GDP  
(1997)

4.2%



S. SHERBELUREA

# nt States

Furthermore, poverty has become endemic and officially defined poverty now affects more than half the population, or even two-thirds, compared to less than 15% in 1987-88. The situation is all the more alarming for the fact that to comply with the conditions imposed under the structural adjustment programme, the current governments have had to make severe cuts in welfare spending not specifically targeted at the most vulnerable.

### ***Widespread political tensions and ethnic conflict***

This region-wide economic crisis has been accentuated by a political situation in which national and ethnic tensions are running high. Many armed conflicts have broken out since the implosion of the Soviet Union and latent insecurity still prevails in some parts. In Armenia, Azerbaijan and Georgia between 1991 and 1996, 1.6 million people were displaced out of a total pre-conflict population of 15.6 million. The impact on food security is both contingent and structural. In the short term, the victims of these conflicts –the displaced and the refugees–

have considerably swelled the ranks of those at risk of going hungry. This means the governments should take steps to prevent and manage food crises. This applies especially to Azerbaijan, which has had to cope with an influx of several hundred thousand displaced people and refugees following the Nagorno-Karabakh conflict.

In the long term, there are many obstacles to economic growth. Border conflicts increase a country's geographical isolation, creating a lasting obstacle to progress in regional trade and discouraging foreign investment. Under Turkish embargo in the early half of the 1990s, the Armenian economy was just beginning to recover in 1998.

### ***A regional approach to food security***

The region's political conflicts and macro-economic constraints make food security both a matter of urgency, to be prepared for and prevent the frequent food crises, and a long-term challenge, to ensure that the whole population has permanent access to food of adequate qual-

## Seminar for a national food security policy in Armenia

To define and develop a political framework for food security in Armenia the EU food security programme sent out a consciousness raising mission in April 1999. Under the auspices of a national food security commission chaired by the Minister for Agriculture, nine working groups and an inter-sector co-ordinating group were set up. The main guidelines for food security were explained to them and a work schedule laid down.

In May 1999, experts brought together the groups' outputs and summed them up in a single document, the national food security programme. This document was presented at an official seminar held on 20-21 May, attended by Armenian officials,

representatives of the donor community, a representative of the European delegation, representatives of the EU food security programme and experts from the European food security network.

The debate concerned the crisis in the rural economy and development prospects for the farm sector. In particular, the low level of productive investment was highlighted as a major problem resulting from the country's high interest rates. Measures to resolve the problem were discussed, such as State credit and the creation of a State guarantee fund. However, proposals of this kind were rejected because they run counter to the conditions of economic transition in general and budgetary rigour

in particular. Seminar participants understood high interest rates and the underlying lack of investment to be the result of macro-economic instability. Appropriate measures to strengthen the farm sector should therefore take the form of structural reforms to improve productivity, e.g. consolidating the land privatisation process, improving farming methods, extending the Ministry of Agriculture's regulation functions and range of services, etc.

In October 1999, the government issued a decree approving a national food security programme, so becoming the first of the New Independent States to have a national policy with clear food security objectives. ■



Georgia	
Population (1998)	5.4 million
Per capita GDP (1998)	\$ 930
Average annual GDP growth (1988-98)	- 15.4%
Per capita food aid (1998)	21.3 kg
Under-nourished population (1995-97)	-
Under-nourished children under 5 (1998)	-
Population below national poverty line (surveys 1992-98)	53%
Development aid/GDP (1997)	4.8%

Sources: World Bank, World Food Programme, FAO, OECD

Kyrgyzstan	
Population (1998)	4.7 million
Per capita GDP (1998)	\$ 350
Average annual GDP growth (1988-98)	7.2%
Per capita food aid (1998)	8.2 kg
Under-nourished population (1995-97)	4.8%
Under-nourished children under 5 (1998)	11%
Population below national poverty line (surveys 1992-98)	51%
Development aid/GDP (1997)	15.6%

ity. This two-level approach has been recently adopted by those countries receiving European structural aid: in 1999 Armenia, Azerbaijan, Georgia and Kyrgyzstan began to consider national food security strategies shaped by a region-wide understanding of the issue.

The NISs have a structural food deficit. Azerbaijan, for example, has a shortfall of 500,000 tonnes of grain. Although this food dependency is partly covered by international aid, it is a major burden on the import bill. And yet taken as a whole, the NISs have quite a good agricultural potential. One of the chief goals of their governments is therefore to revive agriculture.

The break-up of the collective farms and the reappropriation of land by smallholders makes it necessary to reform land tenure law (see box), rural credit and taxation. Investor confidence and access to credit and inputs depend on this. Strengthening market mechanisms is therefore a priority, especially since geographical isolation and lack of contact between farming areas and deficit areas cause additional problems in many parts.

On the demand side, the food security objective is to improve people's access to food. Here there is a two-pronged approach: assisting disadvantaged groups, mainly by introducing a minimum welfare income; and market price deregulation and transparency. Urban households, which cannot fall back on subsistence

farming, spend up to 60-70% of their incomes on food, according to the World Bank.

Lastly, preventing food crises implies gradually liquidating the buffer stocks which are too costly and ill-suited to a market economy and replacing them with emergency funds that can respond at the local level. This policy goes hand in hand with the project to set up food security monitoring units (see box).

### *Foreign exchange facilities to ease balance of payments deficits*

The European Commission's food security programmes for the NISs fit in with the IMF structural adjustment programmes for these countries. In particular, they comply with the conditions laid down under these plans.

Taking this regional dimension of food security into account, the European Commission's general approach is based on a foreign exchange facility granted to the beneficiary government to cover the private sector's needs for food imports. The counterpart funds generated by this support are destined for public spending, chiefly targeting farming, welfare and public services. A further aim is to revive production in the long term and help provide a safety net for vulnerable groups.

Permanent technical assistance is on hand in each of the New Independent States to provide help for ongoing government reforms, particularly those that concern developing the private

sector for grain production, marketing and processing. The reform assistance chiefly concerns reforms to provide greater security of land tenure: giving all land holders adequate property deeds, privatisation, and restructuring of the State land ownership system.

In practical terms, in Armenia this approach has meant restructuring the agriculture ministry to build its capacity to regulate the market and begin to withdraw from all operating functions in farming and the food industry. In

Azerbaijan, the European contribution has mainly been the liquidation of the security stock which was distorting the market, and replacing it with an financial emergency fund, to be released in the event of a food crisis. In Georgia, it has focused on completing the privatisation of farmland, which farmers had been leasing from the State. In Kyrgyzstan, where people are poorer, more than half the counterpart funds of budgetary aid go to welfare and support for vulnerable groups.

## The debate on land redistribution

To shift from a centralised economy to a market economy, agrarian reform is required to transform the old collective farms into private holdings. Throughout the NISs, agrarian reform has meant land redistribution to the benefit of those who used to work on the State farms (unlike the process in Eastern Europe, where the pre-Communist landowners were at the top of the list for land redistribution). In the NISs, some former State farm workers holding property certificates, have formed farmers' associations; others have started out as inde-

pendent farmers, and others again prefer to work for wages on holdings that are now shared-capital companies.

However, the physical distribution of land is a source of conflict and is it a matter of urgency to establish a precise land register so that property deeds can be issued. The international community is supporting this process, with technical assistance to create an adequate land register structure and financial help so that governments can equip and run regional and local land registry offices. These offices issue property deeds on

which the plots are recorded with precision. Farmers holding such deeds can sell or rent out their land or mortgage them to get loans. Setting up a land register is thus an essential step towards a smooth-running land market that will enable farmers to make the most of their holdings.

The EU food security programme, in close collaboration with other donors, is helping Armenia, Azerbaijan, Georgia and Kyrgyzstan to establish land registers by allocating targeted funds and technical assistance. ■

## Food security monitoring units for the Caucasus and Central Asia

The quality and presentation of national statistics in the Commonwealth of Independent States hardly allows governments to interpret trends in the food security situation reliably. Having realised this, the governments of Armenia, Azerbaijan, Georgia and Kyrgyzstan asked the EU food security programme to set up food security monitoring units in their countries.

Missions of experts went out to all four countries in January 2000. The experts

first identified those public institutions capable of supplying and interpreting statistical data. In most cases these were national statistics departments; in Armenia, it is the Ministry of Agriculture's information department. Next, potential users' needs were identified so as to modulate final output to match their expectations. The experts noticed that a great deal of data were available, but that they were under-used and few indicators had been developed from them that would

help to monitor the situation. In the light of this the experts chose which baseline statistics to use, decided how to form the indicators and what kinds of additional survey were needed. This mainly concerned monitoring consumption indicators.

For a while the equipment and operating costs for the food security monitoring units will be supported financially by the EU food security programme. The units will be operational in July 2000. ■

# Albania & Montenegro

***Albania: significant macro-economic imbalances, food insecurity mainly in urban areas***

The economic transition of Albania, one of the most centralised and isolated countries in Eastern Europe, was upset in 1997 by the collapse of a widespread “pyramid”-based savings system. The GDP fell by 7% in 1997 alone, and macro-economic and budgetary equilibria were hard hit. According to World Bank estimates for 1996/97, approximately one-third of the population lives below poverty level.

The job market, already weakened by the dismantling of State companies, received a second blow when private companies created during the first transition period went bankrupt. Out of a population of 3 million, nearly 450,000 people are thought to be unemployed.

Overall, the country does not suffer from any serious food insecurity except for a small part of the urban population. In rural areas, where over half the population lives, 450,000 subsistence farms (averaging 1 hectare each) were created when the collectivist system collapsed.

Since the country has a structural cereals deficit, the food bill is primarily a problem for poor urban households. Endemic unemployment, lack of income, the liberalisation of prices, monetary depreciation, inflation and insufficient welfare are the principal causes of food insecurity. Some urban households spend up to three-quarters of their income on food.

***Continued partnership with Bretton Woods institutions***

As a result of the intervention of the multinational force to re-establish peace, and the democratic election of a new government in 1997, Albania has benefited from significant contributions from donors. The country first received emergency financial aid; since 1998, a reinforced programme of structural adjustment (ESAF) has been implemented under the auspices of the World Bank and IMF.

For 1997-1999, EU aid was included in this process of macro-economic rehabilitation. A total of EUR 10.5 million was allocated for budgetary support for reforms aimed at increasing food security and boosting agriculture and on-going technical assistance. This assistance is part of an EU plan that also includes

PHARE, a special EUR 15 million aid programme dedicated specifically to macro-economic and budgetary rehabilitation, and the actions of ECHO, the European Community Humanitarian Office (see the box in section 1.3.1.1).

The objective of the 1999 food security programme lies within the framework of the stabilisation and structural readjustment efforts being carried out jointly by the World Bank and the International Monetary Fund (IMF). Five and a half million euros has been allocated for this programme, which focuses on three objectives: 1) budgetary support through PHARE, the special assistance programme; 2) reform of public administration and the Ministry of Agriculture; 3) support for the Policy Advisory Unit, the technical assistance unit of PHARE responsible for formulating agricultural development policies, and for the programme to assess land ownership carried out in co-operation with the World Bank and USAID.

***Montenegro: In a country unofficially divorced from the Federal Republic of Yugoslavia, who pays the food bill?***

The refusal of Montenegrin authorities to comply with Serbian government positions during the war in Kosovo, and the exacerbated political and military tensions in general in the region, have placed Montenegro in a situation of de facto independence since 1998. This political separation has greatly reduced the volume of trade between Montenegro and the rest of the Yugoslavian federation. In particular, the continuing interruption in food imports from Serbia, Montenegro’s leading supplier, has made it necessary to call on foreign markets, and thus led to increasing pressure on foreign exchange reserves.

Thus Montenegro is faced with a situation in which its food bill will be placing constraints on its balance of payments for some time. The economic and social situation is cause for concern. In mid-1999, there were about 100,000 displaced persons in Montenegro, which normally has a population of 650,000. The government also estimates at 500,000 the number of Montenegrins requiring food aid. For this

# enegro

reason, the World Food Programme and the UN High Commission for Refugees have implemented widespread programmes to provide social assistance and food aid.

Budgetary support to bolster the balance of payments and assist in regional integration

In response to a specific request by Montenegrin authorities, the European Commission has set up a budget support programme for 1999-2000. This EUR 10 million programme is designed to alleviate pressure placed on the

balance of payments. The counterpart funds raised will be directed towards high-priority objectives in the fields of agricultural revitalisation and market integration. Projects to increase agricultural productivity will be implemented. The process of price liberalisation and the regional integration of markets will continue to be encouraged in order to facilitate imports from outside the Yugoslavian federation. To this end, steps will be taken to stimulate the private sector to import more food.



In rural areas, where half the population lives, 450,000 subsistence farms were created when the collectivist system collapsed.

F. LERINSOJAGRAL

## 3.2.2. Angola

### *Macro-economic recovery contrasts with continued armed conflict*

Since 1997, progress has been made in stabilising the country and re-establishing order. Yet Angola is still a country torn by armed conflict between UNITA rebels and the government. There was some hope of a peace agreement, but since mid-1998 the country has sunk gradually back into latent political and military insecurity. This situation has slowed the process of democratisation and led to the concentration of power in a few hands.

Yet economic perspectives have improved. In 1999, important measures in the customs, fiscal and monetary fields were implemented to encourage the liberalisation of markets, and income from the oil industry is growing steadily. At the same time budgetary tightening has contributed to macro-economic stability and a return to productive investments.

From this standpoint, continuing political

and military tensions have not got in the way of increased co-operation with the International Monetary Fund (IMF), and a structural readjustment programme may be implemented some time in 2000. However, inflation and unemployment are still out of control and households are still in economic difficulty. This is particularly true in rural zones as a result of isolation and the existence of combat zones.

### *From emergency aid to rehabilitating agricultural production*

Angola must still import food to meet its requirements. The volume of national production depends greatly on the mobilisation of displaced rural households and on weather conditions. There is still a significant cereal deficit: between 250,000 and 400,000 tonnes annually, depending on the year. Nearly one million people were displaced between April 1998 and September 1999, and the armed conflict has affected the daily lives

Most of the displaced head for urban areas; nearly 60% of all Angolans now live in cities, a record for the region.





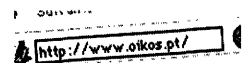
of nearly 3.7 million people out of a total population of 12.6 million. Most of the displaced head for urban areas; nearly 60% of all Angolans now live in cities, a record for the region.

The problems of physical access to food are being resolved, however. The government's 1999 military offensive should make it possible to improve considerably the access of vulnerable groups to rehabilitation programmes and to begin clearing mines from the combat zones. Food security in Angola is less and less a humanitarian emergency; it is increasingly a question of support for productive activities and marketing circuits in rural areas.

The current EU programme, begun in 1998, is a continuation of the preceding 1996 programme. It targets displaced people and, when

possible, reinstallation of these people in their villages. The first part of the programme is distribution of food aid and inputs to support the revival of agricultural production and projects that benefit the community as a whole. The second part of the programme involves financing NGO projects to develop agriculture and increase food security (see box). In addition, micro-projects begun under the 1996 programme have been extended. Monitoring the entire programme is performed locally with technical assistance and in partnership with the Planning Ministry and the Ministry of Agriculture and Rural Development. Implementation of the programme is co-ordinated with the European Development Fund (EDF) programme to support rehabilitation.

## >Jeremias Carvalho, OIKOS: "The capacities of local structures must be continually extended"



### What does OIKOS do in Angola?

Jeremias Carvalho: Part of our work focuses on emergency situations and includes the distribution of vital necessities, food aid, medical assistance and help for displaced families. Whenever possible, we engage in projects to rehabilitate agricultural production and the production system. Some of the agricultural inputs and aid we receive are provided by the World Food Programme (WFP) and the European Union's NESA programme, which was created specially for Angola. Another part of our action involves rehabilitation projects such as projects to improve infrastructure, institutions, production capacities and training of target groups. Finally, the last part of our commitment in Angola is composed of food security projects aimed at increasing the consumption of locally produced foods, reinforcing markets and

improving the inputs and the quality of products.

### Who do you work with?

J. C.: To improve a project's chance of sustainable success, OIKOS attempts to develop partnerships with local structures and administrations at all stages of the project. We recruit personnel locally and rely heavily on approaches that encourage local participation. Our purpose in doing so is to be as close as possible to the needs of people and also to involve them in the project as quickly as possible. We seek technical partnerships with local administrations and technical institutions, and with NGOs. In Angola, for example, we work with the Instituto de Desenvolvimento Agrário (IDA) on projects to revive agriculture. To ensure sustainable development and the continuation of our actions, it is vital that the competence of local structures be continually

extended, that these structures be connected in networks and that efficient training centres be created.

### What are the main difficulties you encounter?

J. C.: The political instability of the country and the insecurity that reigns in some regions make any type of intervention difficult. For example, emergency projects are extremely difficult to implement in regions where the United Nations peacekeeping force (MONUA) is not present. In addition, in many regions mines have once again been laid and local governments are practically non-existent.

In unstable regions projects often oscillate between emergency aid and rehabilitation according to the movements of people and how they are affected by the conflict. ■

*Angola is the main country of intervention of the Portuguese NGO Oikos.*

# Cuba

## ***A serious socio-economic crisis and EU presence limited to NGO action***

The fall of the Soviet system, on which the Cuban economy greatly depended, has caused a serious economic crisis in Cuba and a substantial drop in its population's standard of living. Given this context, and in hopes of supporting the democratisation of the country, the European Commission has become Cuba's largest development aid donor. In 1998, the Commission contributed a total of over EUR 14 million to all projects, or nearly 18% of the outside aid granted to the country.

As regards food security, co-operation between the European Commission and Cuba is based on the funding of NGO development actions, and has not led to a direct programme with the government. The Cuban government rejected the Commission's partnership proposal because of certain conditions associated with EU support, in particular, measures related to the emergence of the private sector and a gradual opening to a market economy.

## ***Involving local partners in agricultural diversification projects***

Food security in Cuba is still a structural problem related to the Cuban economy. The agricultural sector, which is one of the largest sectors in the national economy, is still highly centralised and thus bridled by certain difficulties associated with planned economic systems. The lack of foreign exchange is the primary problem recognised by the Cuban government. Imports of food for people and animals, agricultural inputs and appropriate technologies weigh heavily in the country's balance of payments.

Under the national plan, the Ministry of Agriculture uses the foreign exchange available to sustain production considered to be a priority, such as beef and milk, and export crops, which are often uncompetitive and grown according to the logic of a planned economy.

The food security problems of households are linked to problems of access to and/or availability of food. Between 1997 and 1999, the European Commission concentrated its action in support of food security on six NGO projects financed with budgetary funds from 1995 and 1996.

In 1999, the Commission adopted a new type of intervention in Cuba based on encouraging the most vulnerable groups to diversify agriculture. The objective was to attain food self-sufficiency for people that suffer the most from food crises.

The financial contribution of the European Commission is used exclusively for technical assistance and the purchase of imported equipment required for production infrastructure. Groups that benefit from the aid, and in some cases local authorities, are responsible for labour, specialised technical assistance and purchase of the local products required to carry out the projects. The administration handles all transportation on Cuban soil and facilitates access to the agricultural inputs, animals and medicines required to implement the projects. Unlike projects financed before 1999 (financing of imported agricultural inputs), no counterpart funds will be set up because of the management problems encountered.

In addition to improving the food security of beneficiary groups, the purpose of this support is to involve the various national actors more, such as civil society, local authorities and the government, in order to contribute to the definition of development policies.

# Liberia

## ***A country to be reconstructed after a devastating civil war***

Since the democratic elections held in 1998, Liberia has enjoyed a return to peace and relative stability after suffering the trauma of a long civil war that left 150,000 people dead, 700,000 refugees in other countries and as many displaced within the country. The new government faces a number of challenges, all related to the integration of displaced people, national reconciliation and, finally, reconstruction of the country. Rural people who depend on subsistence agriculture were the hardest hit by the conflict. The flight of these people, who left their villages for refugee camps or cities, caused the population of Monrovia, the capital, to double during the war. These rural people were naturally vulnerable to food crises, and during the war nearly one and a half million people received food aid.

Liberia habitually has a 30% food deficit; the civil war naturally aggravated the country's food dependency. Agricultural yields are low, fertilisers are seldom used and shifting agriculture prevails. Access to land, however, is not an obstacle because of low population density.

According to the FAO, production of rice (the main staple of the population) was estimated at 210,000 tonnes in 1998, which represents an increase of 25% over 1997 or 70% of average production before the war. Cassava production has been estimated at 313,000 tonnes, or 96% of the average pre-war production. Between 1996 and 1998, 55,000 tonnes in food aid and 130,000 tonnes in commercial imports entered Liberia each year. Because of this outside contribution, the country was able to supply the food its population required. Nutrition of households is still cause for concern in certain regions, but vulnerability with regards to food security is now more a problem of structure than of prevailing economic conditions.

## ***From emergency food to stimulation of agricultural production***

The high degree of mobilisation of the international community and the solidarity of neighbouring countries during the war made it possible to attenuate the malnutrition often found in such a situation. Since the end of the war, the gradual return of displaced people has signifi-

cantly altered food security in the country. The situation has changed from an emergency situation focused on managing displaced people to a situation in which the goal is to rehabilitate agriculture and reinstall these people. Given this change, steps taken by the European Commission aim to reduce food aid in kind and to give priority to reviving agriculture and returning displaced people to their homes.

Since 1996, the Commission has financed the distribution of food in refugee camps in Côte d'Ivoire, Guinea and Liberia as well as the distribution of inputs to rural people in Liberia. In 1997, the Commission focused on a number of key points such as monitoring the food situation, encouraging small-scale livestock farming and support for rural communities, while continuing to distribute inputs throughout the country.

The third phase of the EU programme, begun in 1998, consolidates the process of returning people to their home villages and helping them start again. It includes continued distribution of inputs and support for villagers in storing their seed, setting up programmes to revive agriculture, either based on existing projects or part of other fields of activity such as aquaculture or support for product transformation and marketing.

This support for food security complements the second rehabilitation programme of the European Development Fund (EDF) for 2000, which is set at EUR 27 million. Since 1990, the European Commission has contributed approximately EUR 200 million to all aid programmes.

# North Korea

## ***A serious economic crisis aggravated by a lack of transition measures***

The Democratic People's Republic of Korea (DPRK) is now more isolated than ever. The collapse of the Soviet bloc and the disappearance of captive markets caused the country's GDP to drop by half between 1992 and 1996. Industrial production is falling fast: in some plants it has plummeted to 20% of initial capacity. The situation is particularly catastrophic because the country receives no aid from the Bretton Woods institutions and the government has taken no policy action to ease the economic transition.

The health sector suffers from chronic shortages of medicines and equipment, and the water supply system is in poor condition. Agricultural production is also deficient; it does not meet the minimum requirements of the population. The situation has been exacerbated by natural disasters in the past few years (floods in 1995 and 1996, drought in 1997). The government has called for international assistance and set up the Flood Damage Rehabilitation Committee

(FDRC), an organisation responsible for co-ordinating and implementing international aid programmes. The government tends to consider access to food as an economic variable linked to exceptional climatic conditions, but factors contributing to food insecurity are part of the very structure of the North Korean economic model.

For the past thirty years, agricultural policy has been based on the principle of food self-sufficiency from the produce of State-run farms and agricultural co-operatives. Because the government preferred high-yield harvests, it encouraged the growing of maize, the country's second staple after rice, to the detriment of many other cereals. To make up for decreased yields, much more land was cultivated, particularly in areas prone to erosion. To compound the problem, industrial production of fertilisers, tractors and spare parts has fallen. At least half of all tractors and farm machines are out of service. Farm work, which was formerly mechanised, is now performed manually or with draught animals.

*Andreas Ramdohr is a representative of the German NGO "Deutsche Welthungerhilfe", in DPRK.*

## **>Andreas Ramdohr/Deutsche Welthungerhilfe – German Agro Action: “A relationship of trust with local authorities based on the transparency and professionalism of our action”**

Can you briefly describe for us your programme to rehabilitate agriculture in North Korea?

Since 1997, our activity has been concentrated on agricultural rehabilitation projects in the western part of the country. Our overall objective has been to boost sustainable and appropriate agricultural production and land use. Our activities aim to increase the frequency of winter and spring harvests, develop the production of potatoes grown from seed and diversify production. To diversify production we are encouraging the planting of sweet potatoes, and we are introducing new techniques for extracting starch for traditional noodle-based cookery. Our activities also include the use of greenhouses to improve the vitamin and mineral content of vegetables and the development of rabbit farming. Credit is clear-

ly an effective means of encouraging farmers to increase their production, but the institutional conditions required to set up a rural credit system are unfortunately lacking in North Korea.

How do you monitor projects in progress?

Our full-time agronomist is responsible for planning, implementing and monitoring our agricultural projects, in co-operation with the target communities and local authorities. All our projects now underway in North Korea are part of an overall plan that is reviewed every year. Each year, the target communities make their own evaluation, which helps us to continually adapt projects to actual conditions in the field. At present, farmers communicate their concerns freely and are open to any proposals likely to improve their situation.

Who are your local partners, and how would you describe your partnership with the government?

On the local level, we have targeted fifty co-operatives, each of which represents approximately 3,000 individuals in 600 households that cultivate an average of 750 hectares. On the regional level, we cooperate with the school of agricultural sciences, which provides technical assistance to farmers. Finally, over the years we have established a good relationship with the Flood Damage Rehabilitation Committee and its representatives on the regional level. This relationship of trust is based on the transparency and professionalism of our action. Our solid partnership with the North Korean government gives us greater flexibility with regards to working conditions. ■



### ***Making sure food aid actually benefits targeted groups***

The DPRK is faced with both the immediate need for food aid to alleviate the suffering of the most vulnerable groups, and the need to increase production by transforming the current agricultural system. Since 1996, the country has received massive amounts of food aid, particularly from the United States. For 1998, the World Food Programme (WFP) and the FAO estimate the cereal deficit at 1.37 million tonnes. Total consumption is estimated at 4.8 million tonnes. Commercial imports totalled 300,000 tonnes, the US promised another 300,000 tonnes in food aid and the European Commission and European NGOs earmarked 30,000 tonnes, but unmet needs still totalled 750,000 tonnes for 1998 alone.

For 1997-99, the EU contribution reached nearly EUR 90 million. This aid is primarily focused on the distribution of food to vulnerable groups (children, pregnant women, the elderly and the handicapped) through the WFP, but it is being progressively directed towards

NGO programmes for rehabilitating agriculture. To receive this assistance from the European Commission, national authorities must accept monitoring and control of food aid to ensure that this aid does indeed reach targeted groups.

The programme is geographically limited to two south-western provinces, South Pyon Yang and South Hwanghae. It benefits from on-site technical assistance. Generally speaking, the European Commission has the most elaborate system of monitoring of all donors in North Korea.

The EU contribution is also oriented towards NGO projects to rehabilitate agriculture. In 1999, one-third of EU funds went to these projects, and the programme renewed for 2000 is expected to bring this portion up to one-half. In addition to crop diversification, soil conservation and the circulation of new techniques and know-how, the rehabilitation programme also includes “food for work” projects that focus on improving infrastructure (see box).



# Palestine & Jordan

## ***Palestine: a country hemmed in on every side***

At present the population of Palestine is faced with a situation in which there are practically no perspectives for sustainable development. The absence of an autonomous State structure, the vulnerability of the Palestinian economy, dependence on Israel, lack of control of natural resources, weakness of the private sector and foreign investments, and a great deal of political uncertainty are all factors contributing to the precariousness of living conditions in the country.

Palestine depends heavily on other countries for its food supply. National agricultural production covers only one-third of the population's needs. According to the Palestinian Bureau of Statistics, 87% of all cereals and cereal-based foods are imported from Israel. The agricultural sector serves as a buffer to absorb labourers without a permit to work in Israel. One-third of this agricultural workforce is composed of women.

Direct partnerships with Palestinian towns to revitalise agriculture

Given the constraints that Israeli authorities impose on all agricultural activities, increased productivity appears vital to food security in Palestine. The European Commission's food security programme, which is currently being set up, aims to reduce situations of dependency by reinforcing institutional capacities and supporting a sustainable revitalisation of agricultural production. Within the Planning Ministry, a technical assistant will be responsible for training personnel and monitoring food security activities.

In the field, autonomous towns and farm communities will benefit from technical leadership and advice, particularly in areas such as the reduction of pesticides (use of which has attained record highs in Palestine), water management and initiation in farm financial management.

The second part of the programme, based on co-operation with the Palestinian university Birzeit, will focus on increasing productivity, particularly through crop/soil type and crop/water consumption associations. This European Commission support and dialogue with Palestinian authorities should eventually lead to

the creation of a food security policy specifically for Palestinians in Gaza and on the West Bank.

In addition, projects were also financed in the animal health sector in 1998, and an NGO programme to support micro-credit in rural areas was financed for EUR 3 million for 1999-2001 [see also EU backing for the Office des secours and UN efforts to help Palestinian refugees in the Middle East (UNRWA) in section 2.3.2.].

## ***Jordan: support for productivity and poverty reduction***

Jordan has suffered from a severe economic crisis since the beginning of the 1990's as a result of the UN embargo on Iraq, the country's traditional trading partner. A two-year drought also struck the country recently. However, the Jordanian population does not suffer from structural food insecurity. EU support for food security, set in 1997, amounts to EUR 2 million. Half of this amount goes to the Ministry of Agriculture to provide equipment for a network of animal health laboratories and to train farmers in techniques to increase productivity and disseminate these techniques. The other half is earmarked for the fight against poverty through support for the Ministry of Social Affairs. This ministry plans to conduct various market studies, train personnel and implement micro-credit activities and projects to create jobs.

## 3.2.7. Rwanda

### *Significant emergency aid and actions to rehabilitate agriculture since 1994*

Since the tragic events that occurred in 1994 and the ensuing genocide, Rwanda has received significant amounts of food aid and benefited from rehabilitation programmes provided by the international community. Despite the massacres and migrations, demographic pressure remains high, and the deficit of food produced within the country has deepened. At the end of 1996, the situation worsened as the result of the return of approximately 1,350,000 refugees from neighbouring countries. Because of the country's agricultural potential, the exacerbated ethnic tensions greatly heighten the political and social dimension of access to food.

From 1994 to 1999, the European Commission's action focused on emergency humanitarian aid and rehabilitation and was based on two complementary programmes. First, the revival of agricultural production was encouraged with the distribution of inputs and seeds and a strategic security supply was established to correct the malfunctioning of supply circuits. These actions are part of the EU food security programme for Rwanda (PSAUER).

Second, an institutional support programme with technical assistance was established to help the Ministry of Agriculture and Livestock reinforce its capacity to monitor and co-ordinate actions in progress. This programme, the food security support programme for Rwanda (PASAR) has benefited from substantial logistical support and training programmes for personnel.

### *Returning capital to the rural world and institutional support*

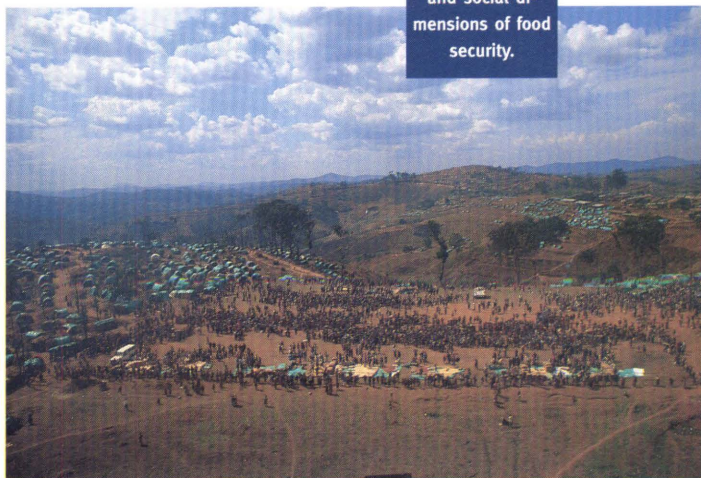
Now that the political situation has stabilised, food security operations have entered a post-crisis transition phase between emergency aid and long-term development assistance. The EU programme for 1999–2001 is thus an intermediate phase that precedes implementation of the European Development Fund (EDF) programme in 2002.

The Rwandan government has defined an overall food security action plan. This plan, based on a study financed by the European Commission, includes the EU food security

support programme. It combines measures to increase agricultural production destined for national consumption with measures to increase the income of households and thus give them access to inputs and the resources required to buy imported products.

One objective of the programme is to bring capital back into the rural world and create jobs, particularly through the creation of labour-intensive projects. Rural and urban development modules will also be implemented. A second objective is to build the country's institutional capacities, particularly within the Ministry of Agriculture. In addition to technical assistance, the programme will provide an information and early warning system for food security. It will include information on markets and a network to provide information on the yield of food crops. In addition, feasibility studies are being carried out in preparation for the 8th indicative EDF programme.

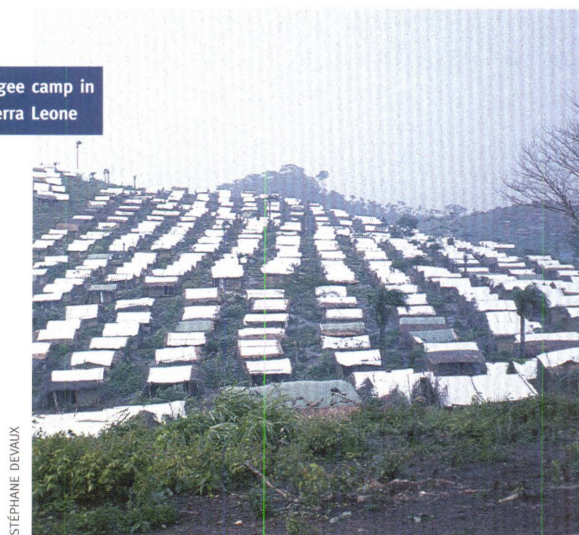
Ethnic tensions highlight the vital political and social dimensions of food security.



PERISCOOP

## 3.2.8. Sierra Leone

Refugee camp in  
Sierra Leone



STÉPHANE DEVALUX

### *A rural environment shattered by civil war*

Sierra Leone, weakened by a long civil war, has not benefited from a real return to peace and political stability since that war ended in 1996. A coup d'état occurred in 1997 and the capital city, Freetown, was occupied by rebels in January 1999. However, the signature of peace treaties in July 1999 and the presence of UN forces in the country (currently over 11,000) augurs well for a period of sustainable reconstruction and return to development. There is much to be done. The country's UNDP human development index is the lowest in the world, and its diamond mines, the State's only real source of income, are in the hands of the rebels.

The priority in national reconstruction is the demobilisation of former combatants, which must be carried out before displaced people can return to their homes. Half a million Sierra Leoneans are living in refugee camps in neighbouring countries and an additional one-third of the population has moved within the country, primarily to urban areas. A total of approximately 1.6 million people must be moved back to rural areas.

These people have clearly suffered from food shortages. In addition, agricultural production has fallen because of the lack of farm labourers. The country imported approximately 30% of its rice before the war. Hopes for revitalising production are hampered by the lack of inputs and by the insufficiency or even total absence of infrastructure and investments.

There are significant differences between north and south. A certain degree of security in the south has made it possible to provide the population with inputs regularly, while some regions in the north were inaccessible for years.

The government has begun a programme of disarmament, demobilisation and reintegration of refugees and displaced persons. With the support of donors, large-scale food security programmes have been set up to sustain the productive capacity of people settling in. At the same time, the distribution of emergency food aid has been cut back progressively.

### *Helping refugees return to their homes and start again*

In 1997 and 1998, the European Commission financed four NGO programmes to revive agriculture and encourage the return of 40,000 displaced rural households. These programmes distributed inputs to vulnerable groups targeted according to predefined criteria. They also provided for monitoring food security for rural people, and were carried out successfully despite extremely insecure conditions and unsuitable means of transportation and infrastructure.

Because these programmes were clearly successful, new funds were allocated in 1999 to extend the programme to 40,000 more households. In addition to the direct financing the NGOs receive from the European Commission, the NGO EuronAid association provides the supply of inputs. The extended programme, unlike its predecessor, will be implemented in regions directly affected by the war, i.e., in the north and north-eastern areas of the country. It will target those returning to the region and those who never left, as well as demobilised combatants.

This programme was formulated with the help of the ministries in charge of agriculture and national reconstruction. It is implemented directly by the NGOs with the help of a technical assistant and the European delegation in Sierra Leone. This support for food security complements the programme to reinstall and rehabilitate to which the European Development Fund (EDF) contributed EUR 9.2 million in the period from 1997 to 2000.



## 3.2.9. Somalia

### *Latent civil war and unfavourable weather conditions contribute to widespread food insecurity*

Civil war is the main obstacle to development in Somalia. The north-western part of the country is currently enjoying a relative degree of peace, and public administration is being set up. Yet in the south political tensions still run high, and affect the living conditions of rural households, particularly as regards access to food.

Highly unfavourable weather conditions since 1997, mainly caused by the El Niño effect, have also contributed to food vulnerability. The country's natural resources are limited: only 13% of the land in Somalia can be cultivated, and cereal production suffers from a structural deficit. Civil war and adverse weather conditions have only aggravated this deficit, and agricultural production has fallen constantly since 1994.

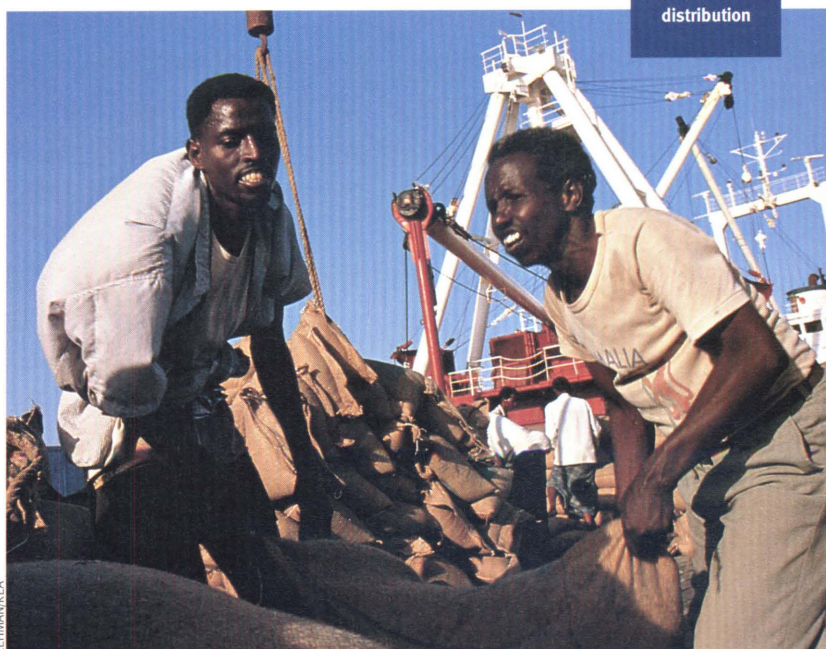
According to the FAO, pre-war production amounted to approximately 600,000 tons for an interior consumption estimated at 770,000 tons. Between 1994 and 1998, cereal production fell to 290,000 tons for an interior consumption of 570,000 tons. The 1998-1999 agricultural campaign was even worse; floods caused by the El Niño effect reduced cereal production to 120,000 tons. The floods damaged agricultural infrastructures, in particular, and ravaged the banana plantations (an export crop) that were just recovering from civil war. Finally, the Saudi Arabian embargo on imports of livestock from Somalia, which was lifted at the end of 1999, has greatly weakened the economy of nomadic populations.

### *A food evaluation unit in co-operation with the WFP and NGOs*

The European Union is the largest donor in Somalia. In 1996, the European Commission provided EUR 2 million in food aid through the World Food Programme (WFP). In 1997, a programme to monetise 12,000 tons of food aid targeted specific communities in an effort to reduce their dependence on the free distribution of food.

Yet the Commission's main action in the area of food security is the processing and analysis of information. An important network of food aid

and humanitarian organisations was set up in Somalia after the 1992-1993 famine. A great deal of logistics are involved in such a network. To meet the network's needs for information and analysis, since 1995 the European Commission has financed a Food Assessment Unit set up the WFP. This unit contributes above all to comprehension of the local and regional nutritional situation of the population and to co-ordination of donor actions to rehabilitate Somalia. Two NGOs present in Somalia, Save the Children-UK and Action Against Hunger provide the unit with technical assistance. The unit also works closely with the American organisation, Famine Early Warning System (FEWS).



## 3.2.10. Sudan

### *Destructured survival mechanisms*

The long civil war in Sudan has considerably increased the precariousness of households' living conditions. The war has primarily struck the south of the country, causing the displacement of over 3 million people to date. The basic survival mechanisms of the population are in danger. The nature and length of the conflict, along with unfavourable weather conditions, have resulted in a massive deterioration of agricultural infrastructure and economic resources.

Pervasive insecurity and the disintegration of administrative structures in both rural and urban areas have made any type of national food security very difficult. In many areas the destruction of traditional agrarian systems and the end of food self-sufficiency have considerably increased the vulnerability of people and their structural dependence on outside aid.

Insufficient natural resources, the lack of water and the loss of livestock are causes of frequent conflicts between local communities that lead to breakdowns in supply chains and the displacement of people. Most farmers are having enormous difficulty obtaining the inputs they need to grow crops and reconstitute herds.

### *NGO projects integrated in the EDF rehabilitation programme*

Since 1994, the European Commission has contributed nearly EUR 200 million to the Sudan: EUR 131 million for actions managed by the European Community Humanitarian Office (ECHO) and EUR 65 million for food aid. Since 1998, the European Commission has supported food security through the financing of two NGO projects. In 1998, the EU financed a regional information system set up by CARE International for an amount of EUR 0.6 million.

At the end of 1999, a second programme run by the NGO Dutch Interchurch Aid was selected. The objective of the programme is to rehabilitate agriculture; it covers 70,000 households in three regions with high agricultural potential. The EU has allocated EUR 1.6 million to the programme over two years.

These NGO programmes are integrated into the 6th rehabilitation programme of the European Development Fund (EDF). The EDF programme was begun in Sudan in 2000; EUR 15 million has been allocated to the programme. In addition to reinforcing food security, the EDF programme aims to improve health conditions and the water supply.

The war has resulted in a massive deterioration of agricultural infrastructure and economic resources



NOEL CHABEUR/CIRAD

# Tajikistan

## *A deeper economic and political crisis than in other NISs*

Food insecurity factors in Tajikistan are generally similar to those in the other New Independent States (NISs) that receive support from the European Commission: Azerbaijan, Georgia, Armenia and Kyrgyzstan (see section 3.1.13). However the extent of the economic crisis, insecurity and household poverty are even greater here. When Tajikistan was still part of the USSR, it was already one of its poorest regions, and the current transition period has only confirmed the country's inability to cope with the challenges of development and integration into a market economy.

The economy, in particular, has suffered from the transition. GDP shrank by 70% between 1987 and 1996, and structural reforms are more slow in coming than in the other NISs. The rise in energy costs, the end to financial transfers from Russia, the loss of traditional captive markets and the emigration of skilled workers in this decade have practically eliminated all nationwide economic activity. In addition, debt to other ex-USSR republics has reached record heights: up to 150% of GDP.

Given this situation, the country's cotton and aluminium exports are clearly too meagre to spark any sustainable growth. Finally, the civil war in Tajikistan was more deadly than in all the other ex-USSR republics, with the exception of Chechnya. Between 1991 and 1996, 50,000 of the country's initial population of 5.2 million were victims of the conflict.

In such a context, food security is still a matter of providing emergency food aid to much of the population. The country is faced with supply problems at both national and regional levels. When Tajikistan was part of the Soviet block, it produced only 15% to 20% of the food it consumed. Since the country became independent, the fall in commercial imports from former USSR republics has not been compensated for. At regional level, the problems of physical access to food are aggravated by the natural isolation of the country and the insecurity of access routes. Some regions have been cut off from the world for several months; they have had absolutely no access to urban centres.

## *In the absence of a national contact, the EC programme has been suspended since 1997*

Like the four other NISs mentioned above, in 1997 Tajikistan was part of the group of countries that were to benefit from the European Commission's programme to support food security. The long-term programme, designed to improve structures, was implemented in partnership with the government of Tajikistan, but civil war and recurrent political instability have made the country difficult to govern and interrupted constructive dialogue with the European Commission.

Thus the 1997-1999 programme, based on the Commission's regional model for the other NISs, has been suspended. The EU action in favour of food security in Tajikistan is currently limited to support for the four NGO projects in the field of agricultural rehabilitation and privatisation on the local level. Given the dearth of contacts on the national level, local partnerships are more important in Tajikistan. In addition to its support for European Community Humanitarian Office (ECHO) emergency operations, the European Commission finances distribution of food through the World Food Programme.

# 4.1. Breakdown of budgeted financial aid

Breakdown of the budgeted financial grants in the European Commission's food aid and food security programme for 1998 and 1999. Amounts are rounded to the nearest thousand euros. These figures refer to the Commission's programmed financing and do not necessarily correspond to the disbursements made.

## 4.1.1. Breakdown by country

<b>Europe</b>		1998	1999
<b>Albania</b>		220	6,503
Direct Aid	Exchange facility		5,000
	Tech. assistance		500
Indirect Aid	EuronAid		1,003
	NGOS	220	
<b>Kosovo</b>		0	10,000
Indirect Aid	WFP		10,000
<b>Montenegro</b>		0	10,400
Direct Aid	Exchange facility		10,000
	Tech. assistance		400
<b>West Africa</b>		1998	1999
<b>Burkina Faso</b>		2,991	697
Direct Aid	Support actions	965	
	Grains (4150 t)	818	500
	Transport	208	
Indirect Aid	EuronAid	45	
	NGOs	955	359
<b>Cape-Verde</b>		5,000	5,000
Direct Aid	Exchange facility	5,000	5,000
<b>Côte d'Ivoire</b>		0	415
Indirect Aid	EuronAid		415
<b>Liberia</b>		5,455	582
Direct Aid	Support actions	1,500	
	Tech. assistance	500	
	Tools and inputs	2,160	
	Transport	190	
Indirect Aid	WFP	1,105	
	EuronAid		144
	NGOS		438
<b>West Africa</b>		1998	1999
<b>Mali</b>		708	2,757
Direct Aid	Support actions		800
Indirect Aid	EuronAid	708	540
	NGOs		1,417
<b>Mauritania</b>		708	
Indirect Aid	NGOs	893	
<b>Niger</b>		6,470	1,189
Direct Aid	Support actions	5,600	
	Tech. assistance	700	
Indirect Aid	EuronAid		393
	NGOs	170	796
<b>Sahel (region)</b>		0	645
Direct Aid	Support actions		645
<b>Senegal</b>		500	421
Direct Aid	Support actions	500	
Indirect Aid	WFP		421
<b>Sierra Leone</b>		3,039	9,066
Direct Aid	Support actions		1,500
Indirect Aid	WFP	514	7,566
	ONG	2,525	
<b>Central Africa</b>		1998	1999
<b>Rwanda</b>		2,425	19,992
Direct Aid	SAP		1,000
	Support actions		5,000
	Tech. assistance		2,000
Indirect Aid	WFP		10,279
	EuronAid	2,032	1,713
	ICRC	393	

<b>Central Africa</b>		1998	1999
<b>Cameroon</b>		0	456
Indirect Aid	EuronAid		456
<b>Chad</b>		0	229
Indirect Aid	WFP		229
<b>Dem. Rep. Congo</b>		616	2,487
Indirect Aid	WFP		1,193
	EuronAid		707
	NGOs	616	593
<b>Horn of Africa</b>		1998	1999
<b>Eritrea</b>		7,449	8,719
Indirect Aid	WFP		2,936
	EuronAid	5,655	5,783
	ICRC	1,794	
<b>Ethiopia</b>		74,748	50,031
Direct Aid	Grains (50,000 t)	10,000	(50,000 t) 9,550
	Support actions	10,000	1,500
	Tech. assistance	1,500	1,500
	Transport	2,500	2,950
Indirect Aid	WFP	23,753	11,745
	EuronAid	11,266	16,917
	NGOs	15,729	5,869
<b>Somalia</b>		6,669	9,645
Direct Aid	SAP		4,000
Indirect Aid	WFP	4,114	5,408
	EuronAid	2,555	237
<b>Sudan</b>		23,203	15,039
Indirect Aid	WFP	13,134	9,079
	EuronAid	6,406	4,370
	NGOs	663	1,590
<b>Uganda</b>		2,864	4,637
Indirect Aid	WFP		4,637
	ICRC	2,864	
<b>Indian Ocean</b>		1998	1999
<b>Madagascar</b>		20,366	17,494
Direct Aid	Exchange facility	8,000	
	Support actions	4,779	12,000
	Tools and inputs	2,780	1,670
	Transport	4,441	1,330
Indirect Aid	EuronAid	142	1,474
	NGOs	224	1,020

<b>Southern Africa</b>		1998	1999
<b>Angola</b>		22,638	17,207
Direct Aid	Support actions	4,000	
	Tech. assistance	2,700	
	Grains (3,000 t)	450	
	Vegetable oil (500 t)	375	
	Other products	450	
	Tools and inputs	800	
	Transport	1,230	
Indirect Aid	WFP	10,106	17,207
	NGOs	1,003	
	ICRC	1,524	
<b>Kenya</b>		5,270	0
Direct Aid	WFP	4,886	
	NGOs	384	
<b>Malawi</b>		21,584	31,271
Direct Aid	Exchange facility	8,500	20,800
	Support actions		5,200
	Tech. assistance	700	1,700
	Grains* (30,000 t)	3,000	
	Transport*	2,550	
Indirect Aid	WFP	5,940	
	NGOs	894	3,571
<b>Mozambique</b>		6,020	20,000
Direct Aid	Support actions	820	16,300
	Tech. assistance		1,700
	SAP	1,290	
Indirect Aid	NGOs	3,910	2,000
<b>Swaziland</b>		1,412	0
Direct Aid	NGOs	1,412	
<b>Tanzania</b>		5,205	0
Direct Aid	Support actions*	5,000	
Indirect Aid	NGOs	205	
<b>Zambia</b>		1,085	1,554
Indirect Aid	EuronAid		1,554
	NGOs	1,085	
<b>Zimbabwe</b>		0	491
Indirect Aid	EuronAid		491

\*Special El Niño grant

\*Special El Niño grant

<b>Caribbean</b>		1998	1999
<b>Haiti</b>		5,896	5,938
Direct Aid	Support actions	2,000	
Indirect Aid	EuronAid		2,237
	NGOs	3,896	1,701

<b>Near and Middle East</b>		1998	1999
<b>Jordan</b>		4,606	3,915
Direct Aid	Support actions	2,000	
Indirect Aid	UNRWA	2,606	3,915

<b>Lebanon</b>		2,063	1,796
Indirect Aid	UNRWA	2,063	1,796

<b>Palestine</b>		9,148	13,167
Direct Aid	Support actions		4,000
	Tech. assistance		1,000
Indirect Aid	UNRWA	6,173	5,905
	NGOs	2,975	2,262

<b>Syria</b>		1,449	1,285
Indirect Aid	UNRWA	1,449	1,285

<b>Yemen</b>		14,349	292
Direct Aid	Exchange facility	11,500	
	Tech. assistance	2,000	
Indirect Aid	WFP	849	
	NGOs		292

<b>Asia</b>		1998	1999
<b>Afghanistan</b>		1,833	2,423
Indirect Aid	WFP		1,953
	NGOs		470
	ICRC	1,833	

<b>Bangladesh</b>		89,915	27,228
Direct Aid	Support actions	6,800	15,000
	Support actions*	2,000	12,000
	Grain purchases (65,000 t)	8,775	(50,000 t) 6,250
	Grains purchases* (75,000 t)	8,625	
	Tech. assistance	1,500	2,000
	Transport	3,500	3,750
	Transport*	4,866	
Indirect Aid	WFP*	34,400	
	EuronAid		228
	NGOs	1,847	

<b>Cambodia</b>		560	0
Indirect Aid	NGOs	560	

<b>Asia</b>		1998	1999
<b>North Korea</b>		57,125	44,581
Direct Aid	Support actions	1,300	4,375
	Grain purchases (10,500 t)	1,3187	(81,000 t) 8,910
	Sugar (99)	1,800	1,320
	Beans/lentils (98)	(6,000 t)	(3,300 t)
	Vegetable oil (3,000 t)	2,329	(5,000 t) 4,250
	Tools and inputs	7,200	3,500
	Transport	5,625	6,795
	Tech. assistance		850
Indirect Aid	WFP*	21,865	11,766
	EuronAid	719	2,815
	NGOs	511	
	NGOs*	2,589	

<b>India</b>		3,780	71
Indirect Aid	WFP	3,720	
	EuronAid	60	71

<b>Indonesia</b>		0	5,158
Indirect Aid	WFP		5,158

<b>Laos</b>		1,740	0
Indirect Aid	NGOs	1,740	

<b>Pakistan</b>		0	1,264
Indirect Aid	EuronAid		1,264

<b>Caucasus</b>		1998	1999
<b>Armenia</b>		12,000	10,000
Direct Aid	Exchange facility	11,000	9,500
	Tech. assistance	1,000	500

<b>Azerbaijan</b>		14,000	12,960
Direct Aid	Exchange facility	13,500	11,500
	Tech. assistance	500	500
Indirect Aid	WFP		960

<b>Georgia</b>		14,844	12,218
Direct Aid	Exchange facility	13,000	12,000
	Tech. assistance	1,000	500
Indirect Aid	WFP		218
	ICRC	800	
	NGOs	44	

\*Special EI Niño grant

\*Special EI Niño grant

<b>Central Asia</b>		1998	1999
<b>Kyrgyzstan</b>		8,500	8,500
Direct Aid	Exchange facility	8,000	8,000
	Tech. assistance	500	500

<b>Tajikistan</b>		1,753	6,187
Indirect Aid	WFP		3,383
	EuronAid		1,894
	NGOs	1,753	910

<b>Central America</b>		1988	1999
<b>Cuba</b>		0	512
Indirect Aid	EuronAid		12
	NGOs		500

<b>El Salvador</b>		441	592
Indirect Aid	EuronAid	441	220
	NGOs		372

<b>Guatemala</b>		582	2466
Indirect Aid	EuronAid	161	2054
	NGOs	421	412

<b>Honduras</b>		8,711	6,082
Direct Aid	Exchange facility	3,400	3,000
	Support actions		1,000
	Support actions*	5,000	
	Tech. assistance		1,000
Indirect Aid	EuronAid		1,082
	NGOs*	311	

<b>Nicaragua</b>		27,026	6,575
Direct Aid	Exchange facility	9,200	
	Support actions	1,000	
	Support actions*	5,000	
	Tech. assistance	800	
Indirect Aid	EuronAid	5,286	5,187
	NGOs	1,525	1,388
	NGOs*	4,215	

\*Special El Niño grant

\*Special El Niño grant

<b>South America</b>		1998	1999
<b>Bolivia</b>		24,817	22,127
Direct Aid	Exchange facility	15,000	10,000
	Support actions	5,000	10,000
Indirect Aid	EuronAid		400
	NGOs	2,010	1,727
	NGOs*	2,807	

\*Special El Niño grant

<b>Equador</b>		0	669
Indirect Aid	NGOs		669

<b>Peru</b>		3,847	16,536
Direct Aid	Exchange facility		12,000
	Support actions		2,400
	Tech. assistance		600
Indirect Aid	NGOs	1,555	
	NGOs*	2,292	

\*Special El Niño grant

<b>No geographical programming</b>		1998	1999
Indirect Aid	FAO		12,500
	EuronAid*	11,139	
	NGOs	1,500	108
Others		31,038	31,800

\*Special El Niño grant



## 4.1.2. Breakdown by partner

### 4.1.2.1. World Food Programme

	1998		1999	
	tonnes	€'000	tonnes	€'000
Grains	217,500	32,625	195,391	23,351
Vegetable oil	12,000	8,820	15,700	10,458
Sugar	1,700	561	3,000	790
Other products		10,200		11,725
Transport		71,665		57,816
		123,871		104,140

	1998		1999	
	tonnes	€'000	tonnes	€'000
Ethiopia	23,753		11,745	
Bangladesh	34,400		0	
North Korea	21,865		11,766	
Angola	10,106		17,207	
Sudan	13,134		9,079	
Rwanda	0		10,279	
Kosovo	0		10,000	
Somalia	4,114		5,408	
Sierra Leone	0		7,566	
Malawi	5,940		0	
East Timor	0		5,158	
Kenya	4,886		0	
Uganda	0		4,637	
India	3,720		0	
Tajikistan	0		3,383	
Eritrea	0		2,936	
Afghanistan	0		1,953	
Dem. Rep. Congo	0		1,193	
Liberia	1,105		0	
Azerbaijan	0		960	
Yemen	849		0	
Senegal	0		421	
Chad	0		229	
Georgia	0		218	
<b>Total</b>		123,872		104,138

### 4.1.2.2. EuronAid NGO group

	1998		1999	
	tonnes	€'000	tonnes	€'000
Grains	48,000	7,161	145,000	20,300
Powdered milk	13,000	2,125	1,200	2,040
Beans/lentils	4,500	1,463	8,000	3,200
Sugar	1,300	429	7,500	2,250
Vegetable oil	2,000	1,478	900	684
Other products		12,000	3,000	5,000
Tools/inputs		2,800		2,000
Transport		11,535		19,526
		38,991		55,000

	1998		1999	
	tonnes	€'000	tonnes	€'000
Ethiopia		11,266		16,917
Sudan		9,406		4,370
Eritrea		5,655		5,783
Nicaragua		5,286		5,187
Rwanda		2,032		1,713
North Korea		719		2,815
Somalia		2,555		237
Haiti		0		2,237
Guatemala		161		2,054
Tajikistan		0		1,894
Madagascar		142		1,474
Zambia		0		1,554
Sierra Leone		514		1,007
Pakistan		0		1,264
Mali		708		540
Honduras		0		1,082
Albania		0		1,003
Dem. Rep. Congo		0		701
El Salvador		441		220
Zimbabwe		0		491
Cameroon		0		456
Côte d'Ivoire		0		415
Bolivia		0		400
Niger		0		393
Burkina Faso		45		338
Bangladesh		0		228
Liberia		0		144
India		60		71
Cuba		0		12
<b>Total</b>		38,990		55,000



#### 4.1.2.3. United Nations Relief and Works Agency for Refugees in the Near East (UNRWA)

	1998		1999	
	tonnes	€'000	tonnes	€'000
Powdered milk	1,150	2,300	1,225	2,450
Beans/lentils	40	13	40	20
Sugar	3,500	1,155	3,750	1,013
Vegetable oil	1,715	1,261	1,855	1,382
Transport		762		786
Sup. actions		6,800		7,350
<b>Total</b>		<b>12,291</b>		<b>13,001</b>

	1998		1999	
	Palestine	6,173		5,905
Jordan	2,606		3,915	
Lebanon	2,062		1,796	
Syria	1,449		1,285	
West Bank	0		97	
<b>Total</b>	<b>12,290</b>		<b>12,998</b>	

#### 4.1.2.4. United Nations Food and Agriculture Organisation (FAO)

FAO	1998		1999	
	€'000		€'000	
Tech. assistance*	0		2,380	
EWS**	0		10,120	
<b>Total</b>	<b>0</b>		<b>14,499</b>	

\*Technical Assistance \*\*Early Warning System

#### 4.1.2.5 International Committee of the Red Cross (ICRC)

	1998		1999	
	tonnes	€'000	tonnes	€'000
Grains	13,500	2,025	0	0
Vegetable oil	1,500	1,103	0	0
Sugar	300	99	0	0
Other products		2,000	0	0
Tools/inputs		1,755	0	0
Transport		2,225	0	0
<b>Total</b>		<b>9,207</b>		

	1998		1999	
	Afghanistan	1,938		0
Angola	1,524		0	
Eritrea	1,794		0	
Georgia	800		0	
Uganda	2,863		0	
Rwanda	393		0	
<b>Total</b>	<b>9,207</b>		<b>0</b>	

# The Council of the European Union

## Council Regulation (EC) No 1292/96 of 27 June 1996 on food-aid policy and food-aid management and special operations in support of food security

Official Journal NO. L 166, 05/07/1996 P. 0001 - 0011

Having regard to the Treaty establishing the European Community, and in particular Article 130w thereof,

Having regard to the proposal from the Commission (1), Acting in accordance with the procedure laid down in Article 189c of the Treaty (2), Whereas now, as ever, food aid is an important aspect of the Community's development cooperation policy; Whereas food aid must be integrated into the developing countries' policies for the improvement of their

food security, in particular by the establishment of food strategies aimed at alleviating poverty and geared to achieving the ultimate goal of making food aid superfluous;

Whereas the Community and its Member States closely coordinate their development cooperation policies as regards food aid programmes and operations aimed specifically at enhancing food security; whereas the Community, with its Member States, is a party to certain international agreements in this domain, and in particular the Food Aid Convention;

Whereas regional, national and household food security, with the long-term aim of securing universal and constant access to a diet that will promote a healthy and active life, is an important element in the fight against poverty and whereas it is important for this to be emphasized in all programmes intended for developing countries;

Whereas food aid must not have any adverse effects on the normal production and commercial import structures of the recipient countries;

Whereas food aid and operations in support of food security are key features of Community development cooperation policy and must be taken into account as objectives in all Community policies likely to affect the developing countries, in particular from the point of view of economic reforms and structural adjustment;

Whereas, given the different responsibilities of men and women for the food security of households, systematic account should be taken of their different roles when drawing up programmes aimed at achieving food security;

Whereas women and communities should be involved to a greater extent in efforts to achieve food security at national, regional or local level and at the level of households;

Whereas food aid must be an effective instrument ensuring access to an adequate and appropriate diet and improving the availability and accessibility of foodstuffs to the public, consistent with local dietary habits and production and trading systems, particularly in food crises, and fully integrated into development policy;

Whereas the food-aid instrument is a key component of the Community's

policy on preventing or helping in crisis situations in the developing countries and whereas account should be taken in its implementation of its possible social and political effects;

Whereas food-aid operations cannot be part of a viable solution unless they are integrated into development operations geared to relaunching local production and trade;

Whereas analysis, diagnosis, programming and monitoring need to be improved to make food aid more effective and avoid adverse effects on local production, distribution, transport and marketing capacities;

Whereas food aid should be made a real instrument of the Community's policy of cooperation with the developing countries, thereby enabling the Community to participate fully in multiannual development projects;

Whereas it is therefore necessary that the Community be able to provide a steady overall flow of aid and be in a position, in appropriate cases, to undertake to supply to the developing countries minimum amounts of products under specific multiannual programmes linked to development policies as well as to enter into undertakings in relation to international organizations;

Whereas the Community's support for the developing countries' efforts to achieve food security could be enhanced by greater flexibility in food aid, granting financial support for operations concerning food security, and in particular the development of farming and food crops, as an alternative to food aid in certain circumstances, while protecting the environment and the interests of small farmers and fishermen;

Whereas the Community can assist those in need in rural and urban areas in the developing countries by helping finance operations in support of food security through the purchase of food products, seed, agricultural implements and inputs, and relevant means of production, and through storage programmes, early-warning systems, mobilization, supervision and technical and financial assistance;

Whereas it is necessary to continue to support regional approaches to food security, including local purchasing operations in order to make use of the natural complementarity between countries belonging to the same region; whereas the policies conducted in the field of food security should be given a regional dimension in order to foster regional trade in foodstuffs and promote integration;

Whereas the purchase of foodstuffs at local level reduces inefficiency, costs and damage to the environment which might be caused by the transport of large quantities of foodstuffs in the world;

Whereas the genetic potential and bio-diversity of food production must

be safeguarded;

Whereas Community food-aid policy must adjust to geopolitical change and the economic reforms under way in many recipient countries;

Whereas a list should be drawn up of the countries and bodies eligible for Community aid operations;

Whereas to that end provision should also be made for Community aid to be made available to international, regional and non-governmental organizations; whereas such organizations must satisfy a number of conditions guaranteeing the success of food-aid operations;

Whereas, in order to facilitate the application of certain of the measures envisaged and ensure that they mesh with the recipient country's food security policy, provision should be made for close cooperation between the Member States and the Commission within a Food Security and Food Aid Committee;

Whereas in determining the steps to be taken for the execution of food-aid operations the implementing procedures should be adjusted to the specific nature of each recipient area, although within the framework of a common policy and strategy;

Whereas, in order to ensure better management of food aid, aligning it more closely on the interests and needs of the recipient countries, and to improve the decision-making and implementing procedures, it is desirable to replace Council Regulation (EEC) No 3972/86 of 22 December 1986 on food-aid policy and food-aid management (3), Council Regulation (EEC) No 1755/84 of 19 June 1984 on the implementation in relation to food of alternative operations in place of food-aid deliveries (4), Council Regulation (EEC)

No 2507/88 of 4 August 1988 on the implementation of storage programmes and early warning systems

(5), Council Regulation (EEC) No 2508/88 of 4 August 1988 on the implementation of cofinancing operations for the purchase of food products or seeds by international bodies or non-governmental organizations (6) and Council Regulation (EEC) No 1420/87 of 21 May 1987 laying down procedures for the implementation of Regulation (EEC) No 3972/86 on food-aid policy and food-aid management (7),

# has adopted this Regulation:

## CHAPTER I

Objectives and general guidelines for food aid and operations in support of food security

### Article 1

1. Under its policy of cooperation with developing countries and in order to respond appropriately to situations of food insecurity caused by serious food shortages or food crises the Community shall carry out food-aid operations and operations in support of food security in the developing countries.

Food-aid operations of a humanitarian nature shall be carried out in the framework of the rules on humanitarian aid and shall not fall within the scope of this Regulation. In the event of a serious crisis, all the instruments of the Community's aid policy shall be implemented in close coordination for the benefit of the population concerned.

2. Operations under this Regulation shall be appraised after analysis of the desirability and effectiveness of this instrument as compared with other means of intervention available under Community aid which could have an impact on food security and food aid, and in coordination with these means.

The Commission shall ensure that operations under this Regulation are appraised in close coordination with intervention by other donors.

3. The objectives of the food-aid operations and operations in support of food security referred to in paragraph 1 shall, in particular, be:

- to promote food security geared to alleviating poverty, to help the population of developing countries and regions, at household, local, national and regional levels,
- to raise the standard of nutrition of the recipient population and help it obtain a balanced diet,
- to take account of the concern to ensure the supply of drinking water to the population,
- to promote the availability and accessibility of foodstuffs to the public,
- to contribute towards the balanced economic and social development of the recipient countries in the rural and urban environment, by paying special attention to the respective roles of women and men in the household economy and in the social structure; the ultimate objective of Community aid operations shall be to make the recipients into agents of their own development,
- to support the efforts of the re-

ipient countries to improve their own food production at regional, national, local and family level,

- to reduce their dependence on food aid,
- to encourage them to be independent in food, either by increasing production, or by enhancing and increasing purchasing power,
- to contribute to the initiatives to combat poverty with development as an objective.

4. The Community's aid shall be integrated as thoroughly as possible into the development policies, particularly those on agriculture and agri-foodstuffs, and the food strategies of the countries concerned.

Community aid shall back up the recipient country's policies on poverty, nutrition, reproductive health care, environmental protection and rehabilitation, with special attention to the continuity of programmes, particularly in a post-emergency situation. Whether sold or distributed free of charge, aid must not be liable to disrupt the local market.

## TITLE I

### Food-Aid operations

#### Article 2

1. The products supplied, along with an other operation in the framework of food aid, must reflect as closely as possible the dietary habits of the recipient population and shall not adversely affect the recipient country.

When products are selected, consideration shall be given to how to maximize the quantity of food with a view to reaching the maximum number of people, taking into account the quality of products in order to ensure adequate levels of nutrition.

When selecting the products to be supplied as Community aid and the procedures for the mobilization and distribution of that aid, particular account shall be taken of the social aspects of access to food in the recipient countries, and especially of the most vulnerable groups and the role of women in the household economy.

2. Food aid shall primarily be allocated on the basis of an objective evaluation of the real needs justifying such aid, as this is the only way to improve the food security of groups which do not have the means or possibility of plugging their food shortage themselves. To that end, consideration shall be given to the following criteria, without excluding other relevant considerations:

- food shortages,
- the food situation measures

using human development and nutritional indicators,

- per capita income and the existence of particularly poor population groups,
- social indicators of the welfare of the population in question,
- the recipient country's balance-of-payments situation,
- the economic and social impact and financial cost of the proposed operation,
- the existence in the recipient country of a long-term policy on food security.

3. The granting of food aid shall, where necessary, be conditional on the implementation of short-term, multiannual development projects, sectoral operations or development programmes, and as a priority those which promote sustainable long-term food production and food security in the recipient countries within the framework of a food policy and strategy. Where appropriate, this aid may take the form of a direct contribution to the implementation of such projects, operations or programmes. Where Community aid is intended for sale, such complementarity must be ensured by the use of counterpart funds for purposes agreed by the Community and the recipient country or, where appropriate, the body or non-governmental organization which receives the aid. Where food aid is provided as backing for a development programme spread over a number of years, it may be supplied on a multiannual basis linked to the programme in question. Besides the allocation of basic foodstuffs, aid may be used for the supply of seed, fertilizer, tools, other inputs and commodities, the creation of reserves, technical and financial assistance and awareness and training schemes.

4. As a key component of food-security programmes food aid may be given to support efforts by the recipient countries to create buffer stocks paying special attention to individual farmers' stocks and national reserves, in tandem with the setting-up of regional reserves.

5. Counterpart funds shall be managed in a manner consistent with other Community aid instruments. In the case of countries undergoing structural adjustment, and in line with the relevant resolutions of the Council, the counterpart funds generated by the various development assistance instruments constitute resources which must be managed as part of a single and consistent budgetary policy in the context of a programme of reforms.

In this context, the Community could move from targeting counterpart funds towards more general allocation, as soon as progress has been made in improving the effectiveness of the monitoring instruments, programming and budget implementation, and as regards internalization of reviews of public expenditure. Without prejudice to the foregoing, these funds shall be managed in accordance with general Community aid procedures for such funds and as a priority to support food-security policies and programmes.

## TITLE II

### Operations in

### support of food security

#### Article 3

Where circumstances warrant it, the Community may carry out operations in support of food security in developing countries suffering a food shortage.

Such operations may be implemented by the recipient countries, the Commission, international or regional organizations or non-governmental organizations.

The purpose of these operations shall be to support, using the resources available, the framing and execution of a food strategy or other measures fostering the food security of the population concerned and to encourage them to reduce their food dependency and their dependence on food aid, especially in the case of low-income countries with serious food shortages. The operations must help to improve the living standards of the poorest people in the countries concerned.

Operations in support of food security shall take the form of financial and technical assistance, in accordance with the criteria and procedures laid down in this Regulation. Such operations shall be planned and appraised in the light of their consistency with, and complementarity to, the objectives and operations financed by other Community development-aid instruments. They must be part of a multiannual plan.

#### Article 4

A developing country eligible for Community food aid operations under this Regulation may receive part or all of the food that has been - or may be - allocated to it in the form of operations in support of food security either directly or through international, regional or non-governmental organizations, with particular account being taken of trends in production, consumption and reserves in that country, the food situation of

its inhabitants and the food aid granted by other donors.

#### Article 5

Operations in support of food security shall take the form of technical and financial assistance aimed, in accordance with the objectives laid down in Article 1, at improving sustainable and long-term food security by helping finance, inter alia:

- the supply of seed, tools and inputs essential to the production of food crops,
- rural credit support schemes targeted particularly at women,
- schemes to supply the population with drinking water,
- storage schemes at the appropriate level,
- operations concerning the marketing, transport, distribution or processing of agricultural and food products,
- measures in support of the private sector for commercial development at national, regional and international level,
- applied research and field training,
- projects to develop the production of food crops while respecting the environment,
- flanking, awareness, technical assistance and field training operations, in particular for women and producers' organizations and agricultural workers,
- support measures for women and producers' organizations,
- projects to produce fertilizer from raw materials and basic materials found in the recipient countries,
- schemes to support local food-aid structures, including training schemes on the ground.

#### TITLE III

##### *Early-warning systems and storage programmes*

#### Article 6

The Community may support existing national early-warning systems and help to strengthen existing international early-warning systems concerning the food situation in developing countries and, in exceptional and duly substantiated cases, it may operate such systems, in accordance with the procedure laid down in Article 27. It may also cover the cost of implementing storage programmes in these countries in support of food-aid operations under this Regulation or comparable measures undertaken by the Member States, international or regional organizations or non-governmental organizations.

Such operations should be consistent with other Community development aid instruments, including the use of counterpart funds generated by the sale of food aid, and be compatible with Community development policy.

These operations are intended to strengthen the food security of

the recipient countries. They must help improve the living conditions of the poorest sections of the population in the countries concerned and conform with their development objectives, in particular the policy on food crops.

Community participation in such operations shall take the form of financial and/or technical assistance, in accordance with the criteria and procedures laid down in this Regulation.

Operations supported by Community aid shall be appraised in the light of and in a manner consistent with existing programmes managed by specialist international organizations.

#### Article 7

Community support for storage programmes and early-warning systems may be granted, upon request, to international or regional organizations or non-governmental organizations for operations to help developing countries eligible for food aid from the Community and its Member States.

#### Article 8

Community aid may help finance the following measures:

- early-warning systems and systems for gathering data on trends in harvests, stocks and markets, the food situation of households and the vulnerability of the population with a view to improving understanding of the food situation in the countries concerned,
- operations aimed at improving storage systems with a view to reducing waste or ensuring sufficient storage capacity for emergencies. Such operations may also include the establishment of the infrastructure, in particular bagging, unloading, disinfection, treatment and storage facilities, needed to handle food products in these countries in support of food-aid operations or operations in support of food security,
- preparatory studies and training schemes in connection with the above activities.

#### CHAPTER II

##### Implementing procedures

##### for food aid and storage

##### and early-warning

##### operations in support of food

##### security

#### Article 9

1. The countries and organizations eligible for Community aid for operations under this Regulation are listed in the Annex. In this connection, priority shall be given to the poorest sections of the population and to low-income countries with serious food shortages.

The Council, acting by a qualified majority on a proposal from the Commission, may amend that list.

2. Non-profit-making non-governmental organizations

(NGOs) eligible for direct or indirect Community financing for the implementation of operations under this Regulation must meet the following criteria:

(a) if they are European non-governmental organizations, they must be autonomous organizations in a Member State of the European Community under the laws in force in that Member State;

(b) they must have their headquarters in a Member State of the Community, the recipient countries or, exceptionally, in the case of international NGOs, a third country. This headquarters must be the effective decision-making centre for all co-financed operations;

(c) show that they can successfully carry out food-aid operations; in particular through:

- their administrative and financial management capacity,
- their technical and logistical capacity to handle the proposed operation,
- the results of operations implemented by the relevant NGOs carried out with Community finance or finance from the Member States,
- their experience in the field of food aid and food security,
- their presence in the recipient country and their knowledge of that country or of developing countries;

(d) undertake to comply with the conditions laid down by the Commission for the allocation of food aid.

#### Article 10

1. The Community may help finance operations in support of food security of the kind described in Titles

I, II and III (Chapters I and II) executed by the recipient country, the Commission, international or regional organizations or non-governmental organizations.

2. Cofinancing operations may be carried out at the request of recipient countries, international or regional organizations or non-governmental organizations, where such operations seem the most appropriate way of enhancing the food security of groups without the ways and means to cope with a food shortage themselves.

3. In the design of the Community operations defined in Titles I, II and III, the Commission will give particular attention to:

- the pursuit of sustainable impact and economic viability in project design,
- the clear definition and monitoring of objectives and indicators of achievement.

#### Article 11

-1. Products shall be mobilized on the Community market, in the recipient country or in one of the

developing countries (listed in the Annex) if possible one belonging to the same geographical region as the recipient country.

2. Exceptionally, products may be mobilized on the market of a country other than those provided for in paragraph 1 of this Article in accordance with the procedure laid down in Article 27:

- if the requisite type or quality of product is unavailable on the market of the Community or any of the developing countries,
- if there is a serious food shortage, where such purchases are likely to increase the effectiveness of the operation.

3. Food products available on the internal market may be mobilized on the market of a developing country, if the economic efficiency of doing so compares favourably with that of mobilizing products on the European market.

4. Where food is purchased in the recipient country or in a developing country, steps must be taken to ensure that such purchases threaten neither to disrupt the market of the country concerned or of any other developing countries in the same region nor to affect adversely the supply of food to their inhabitants.

Such purchases shall be integrated as thoroughly as possible into the implementation of Community development policy towards these countries, particularly with regard to the promotion of food security in the country concerned or at regional level.

#### Article 12

Where a recipient country has partially or totally liberalized food imports, the mobilization of Community aid must be consistent with that country's policy and not distort the market.

In such cases, the Community contribution may take the form of a foreign-currency facility to be made available to private-sector operators in the country concerned, subject to the operation being part of a social and economic policy and an agricultural policy aimed at alleviating poverty (including the strategy on the importation of basic foodstuffs). The recipients shall be required to prove that they have made proper use of the means put at their disposal. Priority shall go to small and medium-sized private operators in order to ensure that operations are complementary. To the extent that its powers to carry out operations so allow, the Commission may adopt positive discrimination measures for small and medium-sized private operators.

Such aid shall be governed by the principles laid down in Article 11.

#### Article 13

1. The Community may cover costs relating to the transport of food aid.

2. Where the Commission considers that the Community should cover costs relating to the inland transport of food aid, it shall take account of the following general criteria:

- a serious food shortage,
- the delivery of food aid to low-income countries suffering from serious food shortages,
- whether the food aid is destined for the international or regional organizations or non-governmental organizations referred to in Article 10,
- the need to increase the efficiency of the food-aid operation in question.

3. Where food aid is sold in the recipient country, the Community should cover inland transport costs only in exceptional circumstances.

4. The Community may also cover the air transport costs of food-aid operations in exceptional circumstances.

#### **Article 14**

The Community may cover final distribution costs where the smooth execution of the food-aid operations concerned requires it.

#### **Article 15**

Community aid shall take the form of grants. Aid may cover the external and local costs of implementing operations, including maintenance and operating costs.

Operations under this Regulation shall be exempt from taxes, duties and customs charges.

Any counterpart funds shall be used in accordance with the objectives laid down in this Regulation and managed in agreement with the Commission. The competent authority of the recipient country shall keep accounts on the collection and use of the funds and shall be obliged to render accounts.

#### **Article 16**

The Community contribution may also cover flanking activities necessary to make the operations under this Regulation more efficient and, in particular, supervision, monitoring and inspection, distribution and field training.

#### **Article 17**

Participation in invitations to tender and other procedures for the award of public contracts shall be open on equal terms to all natural and legal persons in the European Union and the recipient countries. It may be extended by the Commission to operations under Article 11 (2) to include natural and legal persons in the countries where the aid is mobilized.

When implementing this Regulation, the Commission shall guarantee the openness of the operations in question by publicizing

them properly. The Commission shall ensure that operations by intermediary organizations are also publicized properly.

#### **Article 18**

The Commission may authorize a representative to conclude cofinancing agreements in its name.

#### **Article 19**

1. The Commission shall lay down the allocation, mobilizing and implementation conditions for aid under this Regulation.

2. Aid shall not be implemented unless the recipient country, international or regional organization or non-governmental organization complies with these conditions.

#### **Article 20**

The Commission shall take all measures necessary for the proper implementation of food-aid programmes and operations, and operations in support of food security.

To that end, the Member States and the Commission shall afford each other all necessary assistance and exchange all relevant information.

### **CHAPTER III**

#### **Procedure for implementing food-aid operations and early-warning and storage operations in support of food security**

#### **Article 21**

1. The Council, acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament, shall determine the Community share of the overall amount of cereals aid laid down in the Food Aid Convention as the total contribution of both the Community and its Member States.

2. The Commission shall coordinate the operations of the Community and the Member States as regards the supply of cereals aid under the Food Aid Convention and shall ensure that the total contribution by the Community and its Member States is at least as high as the quantities provided for in the said Convention.

#### **Article 22**

The Commission, acting in accordance with the procedure laid down in Article 27, and taking account of the general policy guidelines for food aid shall:

- adopt the list of products which may be mobilized as aid,
- lay down rules for mobilization, monitoring and evaluation,
- determine each recipient's share of the products, in terms of quantity and cost,
- where necessary, adjust allocations during the implementation of programmes.

#### **Article 23**

Decisions:

- granting food aid or providing for an operation in support of food security and laying down the conditions for the latter,

- granting a contribution to international or regional organizations or non-governmental organizations for the financing of operations in support of food security,

- granting aid for a storage programme or early-warning system; shall be adopted by the Commission in accordance with the procedure laid down in Article 27, in compliance with the limits set in Article 25.

#### **Article 24**

1. In accordance with the Council decisions referred to in Article 21 and the decisions taken under Article 22, the Commission shall decide on:

(a) emergency or serious food shortage operations, where famine or an imminent danger thereof seriously threatens the lives or health of people in a country without the ways and means to cope itself with a food shortage. The Commission shall act after consulting the Member States by the most appropriate means.

Three working days shall be allowed to the Member States in which to put forward any objections. If there are any objections, the Committee referred to in Article 26 shall examine the question at its next meeting;

(b) the conditions governing the supply and implementation of aid, in particular:

- the general conditions applicable to recipients,
- initiation of the procedures governing mobilization, supply of products and implementation of other measures, and conclusion of the relevant contracts.

2. For the purposes of paragraph 1 (a), the Commission shall be entitled to take all necessary measures to speed up the supply of food aid.

The volume of aid granted in a given case shall be limited to the quantities needed by the population affected to cope with the situation for a period not normally exceeding six months.

The Commission shall ensure that priority is given at all stages to the mobilization of food aid for the operations provided for in paragraph 1 (a) and (b).

#### **Article 25**

Decisions regarding operations the financing for which under this Regulation exceeds ECU 2 million shall be taken in accordance with the procedure laid down in Article 27.

#### **Article 26**

1. The Commission shall be assisted by a Food Security and Food

Aid Committee, hereinafter referred to as "the Committee", composed of representatives of the Member States and chaired by a representative of the Commission.

2. The Committee shall examine the long-term implications of any proposal to commit funds for food security at household, local, national and regional level in the recipient countries, bearing in mind the principles laid down in Article 1. It shall also analyze and monitor food-security policies which are in receipt of Community aid and examine proposals for joint initiatives.

3. The Committee shall draw up its own rules of procedure.

#### **Article 27**

The representative of the Commission shall submit to the Committee a draft of the measures to be taken.

The Committee shall deliver its opinion on the draft within a time limit which the Chairman may lay down according to the urgency of the matter in question. The opinion shall be delivered by the majority laid down in Article 148 (2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The Chairman shall not vote.

The Commission shall adopt measures which apply immediately. However, if these measures are not in accordance with the opinion of the Committee, they shall be communicated by the Commission to the

Council forthwith. In that event, the Commission shall defer application of the measures which it has adopted for a period of two months from the date of such communication.

The Council, acting by a qualified majority, may take a different decision within the time limit referred to in the previous paragraph.

#### **Article 28**

1. In order to guarantee the principle of complementarity referred to in the Treaty and enhance the effectiveness and consistency of the Community and national food-aid provisions and operations in support of food security, the Commission shall seek to ensure that its own activities are as closely coordinated as possible with those of the Member States and with other policies of the European Union,

both at decision-making level and on the ground, and may take any appropriate initiative in pursuance of this end.

To that end, Member States

shall notify the Commission of their national food-aid operations and of their food security programmes. The Commission, acting in accordance with the procedure laid down in Article 27, shall stipulate how notification of national operations is to be effected.

2. The Commission shall ensure that operations implemented by the Community are coordinated with those of international organizations and bodies, in particular those which form part of the United Nations system.

3. The Commission shall seek to develop collaboration and cooperation between the Community and third-country donors in the field of food security.

4. Coordination and cooperation between the Community and the Member States, and between the latter and international organizations and third-country donors shall be the subject of a regular exchange of information within the Committee.

#### Article 29

The Committee may examine any other matter concerning food aid and the other operations under this Regulation raised by its Chairman, either on the latter's own initiative or at the request of a representative of a Member State.

The Commission shall inform the Committee, within one month of taking its decision, of the food-aid or food-security operations and projects it has approved, indicating their amount and nature, the recipient country and the partner entrusted with implementation.

The Commission shall notify the Committee of the general guidelines for products mobilized as Community food aid.

#### Article 30

The Commission shall undertake regular evaluations of significant food-aid operations to establish whether the objectives laid

down in the appraisal of those operations have been achieved and to provide guidelines for improving the effectiveness of future operations. It shall inform the Committee periodically on the evaluation programmes.

Member States and the Commission shall notify each other as soon as possible of the results of evaluation work and of analyses or studies that would improve aid efficiency. The work will be analyzed in the Committee. Member States and the Commission shall endeavour to carry out joint evaluation exercises.

The Commission shall draw up procedures for the dissemination and internal and external communication of the conclusions of evaluation exercises to the departments and organizations concerned.

#### Article 31

At the close of each financial year, the Commission shall submit an annual report on the implementation of this Regulation to the European Parliament and the Council. The report shall set out the results of execution of the budget as regards commitments and payments and projects and programmes financed during the year. As far as possible, the report shall contain information on the funds committed nationally

during the same financial year. As far as possible, it shall contain the most important statistical data (by recipient country, nationality, etc.) on contracts awarded for the implementation of projects and programmes.

The report shall also contain a breakdown of expenditure assigned to each type of operation as provided for in Articles 2, 5 and 8.

Lastly, the report shall contain information on operations undertaken with the counterpart funds generated by food aid.

#### Article 32

Regulations (EEC) No 3972/86, (EEC) No 1755/84, (EEC) No 2507/88, (EEC) No

2508/88 and (EEC) No 1420/87 shall be repealed.

As a transitional measure and until the new mobilization Regulation is adopted by the Commission, Commission Regulation (EEC) No 2200/87 of 8 July 1987 laying down general rules for the mobilization in the Community of products to be supplied as Community food aid (8) shall continue to apply.

Three years after the entry into force of this Regulation, the Commission shall submit to the European Parliament and to the Council an overall evaluation of the operations financed by the Community under this Regulation, accompanied by suggestions for the future of the Regulation and, if necessary, by proposals for amendments to it.

#### Article 33

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg,

27 June 1996.

For the Council

The President

A. MACCANICO

(1) OJ No C 253, 29. 9. 1995, p. 10.

(2) Opinion of the European Parliament of 15 December 1995 (OJ No C 17, 22. 1. 1996), Council Common Position of 29 January 1996 and decision of the European Parliament of 24 May 1996 (OJ No C 166, 10. 6. 1996).

(3) OJ No L 370, 30. 12. 1986, p. 1. Regulation as last amended by Council Regulation (EEC) No

1930/90 (OJ No L 174, 7. 7. 1990, p. 6).

(4) OJ No L 165, 23. 6. 1984, p. 7.

(5) OJ No L 220, 11. 8. 1988, p. 1.

(6) OJ No L 220, 11. 8. 1988, p. 4.

(7) OJ No L 136, 26. 5. 1987, p. 1.

(8) OJ No L 204, 25. 7. 1987, p. 1. Regulation as amended by Regulation (EEC) No 790/91 (OJ No L 81, 25. 3. 1991, p. 108).

## 1. Countries

LDCs (LEAST-DEVELOPED COUNTRIES). Afghanistan, Bangladesh, Benin, Bhutan, Botswana, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Djibouti, Equatorial Guinea, Ethiopia, Gambia, Guinea Bissau, Guinea, Haiti, Kiribati, Laos, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Sao Tome and Principe, Sierra Leone, Solomon Islands, Somalia, Sudan, Tanzania, Togo, Tuvalu, Uganda, Vanuatu, Western Samoa, Yemen, Zaire, Zambia.

OTHER LICs (OTHER LOW-INCOME COUNTRIES, per capita GNP US \$ 675 in 1992). China, Egypt, Eritrea, Ghana, Guyana, Honduras, India, Indonesia, Kenya, Nicaragua, Nigeria, Pakistan, Sri Lanka, Tajikistan, Timor, Vietnam, Zimbabwe.

LMICs (LOWER MIDDLE-INCOME COUNTRIES per capita GNP US \$ 676-US \$ 695 in 1992). Albania, Algeria, Angola, Anguilla, Armenia, Azerbaijan, Belize, Bolivia, Cameroon, Chile, Colombia, Congo, Costa Rica, Ivory Coast, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Fiji, Georgia, Grenada, Guatemala, Iran, Iraq, Jamaica, Jordan, Kazakhstan, Korea, (Democratic Republic), Kyrgyzstan, Lebanon, Macao, Marshall Islands, Micronesia Federated States, Moldova, Mongolia, Morocco, Namibia, Niue, Occupied Territories, (Gaza and The West Bank), Panama, Papua New Guinea, Paraguay, Peru, Philippines, Senegal, South Africa, St Helena, St Vincent and The Grenadines, States of Yugoslavia, Swaziland, Syria, Thailand, Tokelau, Tonga, Tunisia, Turkey, Turkmenistan, Turks and Caicos Islands, Uzbekistan, Wallis and Futuna.

## 2. Bodies

WFP, ICRC, IFPC, UNHCR, UNRWA, FAO, UNICEF.

## 3. Non-governmental organizations

European NGOs, NGOs of the recipient country or, exceptionally international NGOs, specializing in development.

BELGIQUE/BELGIË

**Jean De Lannoy**  
Avenue du Roi 202/Koningslaan 202  
B-1190 Bruxelles/Brussel  
Tél. (32-2) 538 43 08  
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**Cyprus Chamber of Commerce and Industry**  
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Fax (357-2) 66 10 44  
E-mail: demetrap@ccci.org.cy

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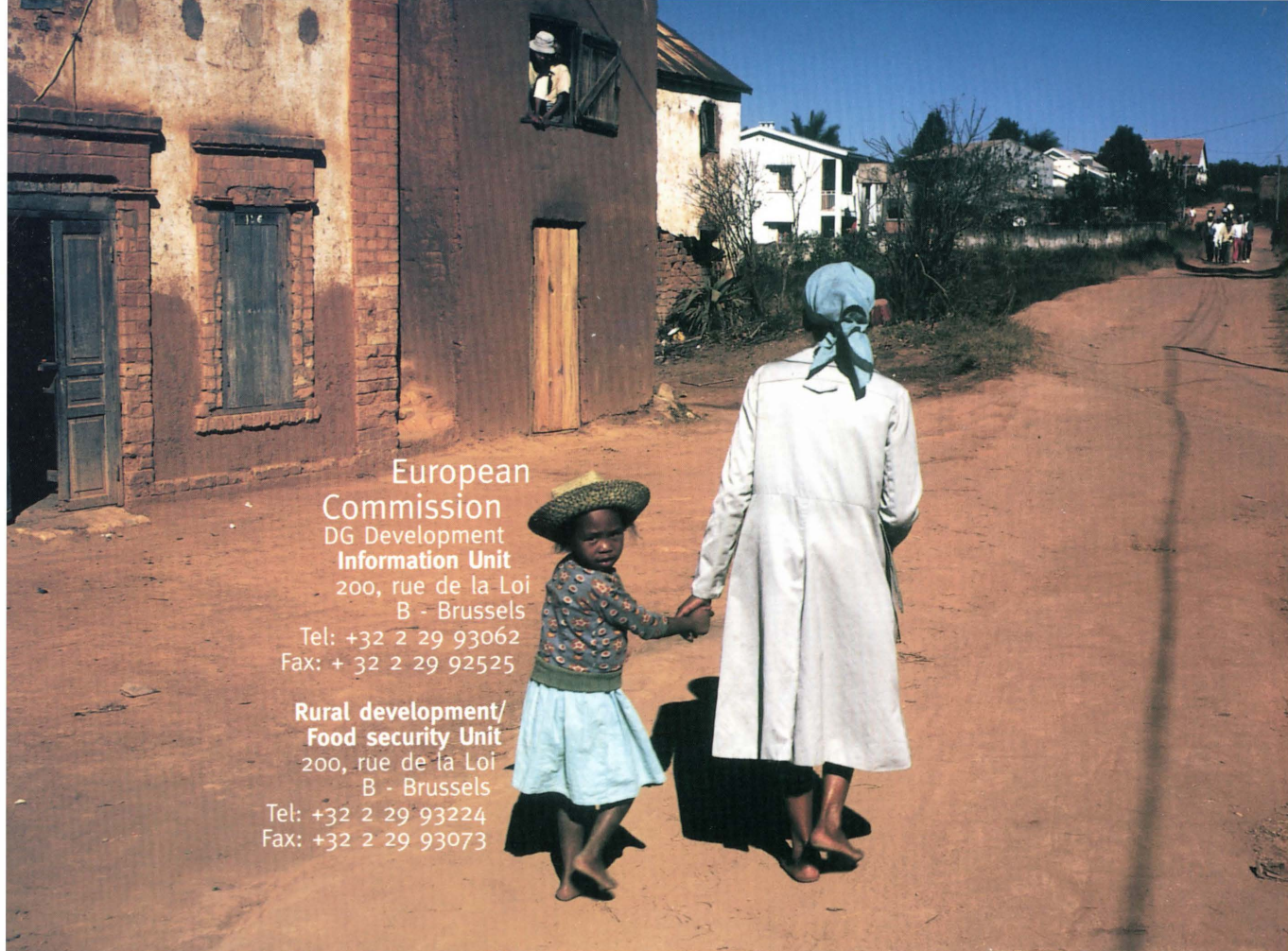
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