

Halving Hunger: Still Possible?

Building a rescue package to set the MDGs back on track

**EMBARGOED UNTIL TUESDAY 14th SEPTEMBER 2010
(10:00 GMT)**



Women wash their hands in an irrigation channel in the lands of Djoudé's women cooperative, Mauritania. © Tomás Abella/Intermón Oxfam

While time is running out, the global crises push the MDGs desperately off course. The only chance of avoiding failure is a rescue plan for all MDGs that includes the necessary measures, both political and financial. Halving hunger is still possible if developing countries take the lead with the right policies and investments, donor countries increase dramatically their aid to agriculture, food security and social protection under nationally and regionally-driven plans, and the global issues affecting food security are collectively addressed.

Summary

Ten years after the Millennium Development Goals (MDGs) agreed by world leaders became the greatest-ever commitment for a 'more peaceful, prosperous and just future', progress is slow and many hard-won achievements have been undone after the global food, fuel and economic crises. Unless an urgent rescue package is developed to accelerate fulfillment of all the MDGs, we are likely to witness the greatest collective failure in history.

Along with the goals on maternal health and water and sanitation, MDG 1 - eradicate extreme poverty and hunger - is one of the most off-track MDGs. The fact that these goals remain so far from success puts the whole MDG initiative at risk. Halving hunger must be one of the top priorities for urgent action at this year's MDG Summit in September.

In 2009, the number of people going to sleep hungry every day reached an all-time high of more than 1 billion, -most of them children and women- in a world with the capacity to produce enough food for everyone. Decades of under-investment in agriculture and misguided trade policies have undermined small farmers' capacity to produce, and have made poor people in developing countries extremely vulnerable to food insecurity.

The August 2010 increase in food prices, due in part to export restrictions in the Russian Federation, highlights the fragility of a world food system subject to extremely volatile prices. Another food price crisis may yet happen, as the structural causes are still latent: stimulus to biofuels, speculation on commodities, a growing demand for meat and energy in emerging countries, and stagnated agricultural productivity, especially in sub-Saharan Africa. Political insecurity in many states jeopardizes development and is another driver of food insecurity. Furthermore, climate change is rapidly pushing the world's poorest people - those least responsible for it and with least resources to tackle it - to the limits of subsistence.

Around the world, millions of families cannot buy or produce enough food, and many of them receive no help or protection from their governments. A longer-term food crisis looms, with very serious consequences for world stability. Each day of inaction brings us closer to failure and has a tremendously high cost in human lives and suffering.

If promises could feed people, there would not be one single hungry person left on Earth. Political leaders are much more willing to announce commitments than to fulfil them with concrete action - much less to be held accountable for delivering their promises. A raft of summits and declarations took place in 2008 in response to the food crisis. But beyond the rhetoric of tackling hunger and despite more resources having been made available, the actions have fallen far short of what is needed - a coherent and co-ordinated global response.

Not only is the quantity of aid insufficient, but the quality and effectiveness of aid has not improved enough either. The Rome Principles for Sustainable Global Food Security¹ (designed to ensure national leadership, co-ordination and predictable funding) are far from being implemented in the field, and aid agencies are still reluctant to abandon the project approach.

Halving hunger is still possible. Some countries have achieved tremendous advances in hunger reduction through a combination of effective policies and investment. Malawi, for example, is no longer dependent on food aid and has even become an exporter after it facilitated access to subsidized seeds and fertilizers to small producers. And Brazil has made the fight against hunger a state policy, combining social protection programmes with support for family-based agriculture.

Developing countries must lead a revitalized global effort to halve hunger by adopting the right policies and plans and increasing their own public investment in key sectors, including agriculture. Governments have a legal obligation to guarantee their citizens the right to food and sustainable livelihoods. But they cannot do it alone.

Based on data from the Food and Agriculture Organization of the United Nations (FAO), Oxfam estimates that an annual increase of \$75bn is needed to invest in agriculture and rural development, food security, social protection, nutrition programmes and food assistance to achieve the MDG target on hunger. Donors should provide half of this amount as ODA, with developing countries contributing the other half from national budgets. This should be part of a global rescue package for all the MDGs.

To achieve the target of halving hunger by 2015, Oxfam recommends that all governments, North and South, and international agencies:

- Co-ordinate action under a twin-track approach:
 - in the short term, provide assistance to people who suffer from hunger through nutrition programmes, food assistance and safety nets;
 - in the long term, strengthen people's resilience and capacity to produce food, improve the functioning of the market and establish social protection programmes.
- Support the reformed Committee on World Food Security (CFS) as the key forum for policy guidance and co-ordination of global action to address global food governance and the root causes of hunger and malnutrition;
- Establish a co-ordination and accountability mechanism for global financing, guided by the CFS;
- Recognize and strengthen the fundamental role of women in food security and nutrition;
- Regulate food commodity markets, to reduce speculation and price volatility;
- Prioritize actions based on existing structures, avoiding the creation of new mechanisms that fragment efforts to reduce hunger.

Developed country governments have a key role to play. They should:

- Dramatically increase Official Development Assistance (ODA) for agriculture and rural development, food assistance, nutrition and social protection by at least \$37.5bn a year, without taking resources away from other sectors that are key to achieving the MDGs;
- Align with national and regional priorities, improve co-ordination and support capacity building to ensure efficient delivery of aid, channeling through budgetary support wherever possible;
- Contribute individually to this collective effort based on each country's own financial capability;
- Leverage additional financing now to boost MDG 1, and other off-track MDGs, through innovative sources such as a tax on international financial transactions. For MDG 1 also create funding by phasing out the most trade-distorting types of agricultural subsidies in rich countries, and ending subsidies and tax exemptions for biofuels;
- Foster coherence by undertaking reforms in agricultural, trade, energy and investment policies, both domestically and internationally;
- Make immediately available the funds needed for adapting to climate change in developing countries, over and above existing ODA commitments.

In addition, Oxfam recommends that developing country governments:

- Increase public spending on agriculture and rural development, food security, nutrition and social protection, targeting women, smallholders and the most vulnerable consumers;
- Develop (or enhance) national and regional action plans describing (1) specific actions to reduce hunger and malnutrition, (2) how these will be financed by domestic resources, and (3) what financial and technical assistance is required internationally;
- Fully include the voice and participation of civil society stakeholders - in particular, women, smallholders, agricultural workers and the poorest groups in decision-making;
- Adopt policies on food and agriculture, social protection, trade and investment that respect the right to food and are coherent with hunger reduction objectives.

Time is running out. The forthcoming United Nations (UN) Review Summit on the MDGs is an opportunity that cannot be allowed to slip through our fingers. It is time to put a series of concrete and bold measures on the table that will halve hunger, and speed up the fulfilment of all the MDGs.

1

Introduction

'We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the entire human race from want.'

'UN Millennium Declaration',
September 2000.

Ten years have passed since world leaders made the greatest-ever collective commitment to a 'more peaceful, prosperous and just future' – the eight Millennium Development Goals (MDGs).² In an increasingly interdependent world, they recognized that there is a common responsibility to the whole of humanity, especially the most vulnerable people.

Today, there are many places where fewer people live in poverty and go hungry, where more boys and girls attend school, and more families have access to clean water and better health care. Globally, we have sufficient resources and knowledge to ensure that the MDGs are reached in every country. However, progress is too slow, and if things are not put back on course urgently, failure to achieve the MDGs will become the greatest collective failure in history.

In the last three years, food and fuel price rises and the global recession have meant that many hard-won achievements in relation to MDG 1 – ending poverty and hunger – have been reversed. Excluding China, the number of people living in extreme poverty has increased. MDGs 4 and 5, on child health and maternal health, are way off track. And in 2009, hunger affected more than a billion people, the highest number in history. Most of them are women and girls. Although FAO projection for 2010 shows a reduction in this figure, MDG 1 on hunger is still dramatically off track.

This report focuses on hunger, and sets out what needs to be done to build a rescue package to get MDG 1 – specifically the third target of halving hunger – back on track. As one of the most off-track MDGs – along with maternal health and water and sanitation goals – this must be one of the top priorities for investment and urgent action this year. This is crucial to get all of the MDGs back on track.

The report begins by examining the reasons why the hunger reduction goal is so off course. It surveys the series of summits and declarations that have dealt with food security and charted the global course of action to date. It also presents examples of success stories, showing that even some of the poorest countries have drastically reduced hunger through introducing effective policies backed up with political commitment and adequate funding. It concludes with a series of recommendations for all governments, North and South, and international agencies, to ensure that the MDG target on hunger is achieved within the remaining five years.

This is a critical year; the United Nations (UN) Review Summit in September 2010 is an opportunity for the MDG signatory countries to redouble their efforts to deliver the commitments they made. Developing countries and emerging nations must lead by adopting the right policies and turning them into actions. They must increase their own public investment in agriculture, food security and social protection. But they cannot do it alone.

International co-operation is more necessary than ever. Global efforts need to be matched by actions at national, regional and local levels. Based on the recognition of the Right to Food, global policies have to address the root causes of hunger, such as climate change, unfair trade rules, competition for land and water, price speculation and volatility, and the concentration of power in the hands of transnational companies.

Development aid has to increase dramatically, with donor countries fulfilling their long-overdue commitments and creating innovative sources of funding for development. Oxfam estimates that an annual increase of \$75bn is needed to invest in agriculture and rural development, food security, social protection, nutrition programmes and food assistance to achieve the MDG target on hunger.

Halving hunger is still possible. But the ultimate goal is not just to halve but to eradicate poverty and hunger. So the effort must go on beyond 2015. The challenge seems enormous, but history shows us what can be achieved if the commitment exists. The 21st century has to be remembered as the time when rich and poor countries worked together to end hunger.

2

The hunger landscape

'We need to address the question of global hunger not as one of production only, but also as one of marginalization, deepening inequalities, and social injustice. We live in a world in which we produce more food than ever before, and in which the hungry have never been as many.'

Olivier de Schutter, Special Rapporteur on the Right to Food at the FAO Conference, November 2009.

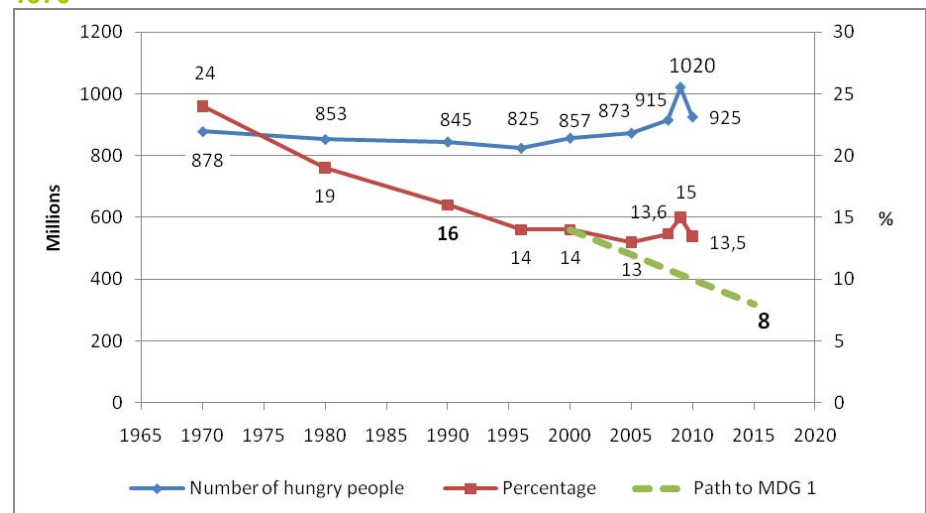
In a world that produces enough food to feed everyone, an unacceptable proportion of the people go to sleep hungry every day. 2009 was the year of a shameful record: one billion hungry people. This global figure is projected to decline in 2010, but it is still dangerously high – more than the population of the European Union (EU), Canada and the United States of America (USA) combined.³

With only five years to go, it looks more difficult than ever to achieve MDG 1: to eradicate extreme poverty and hunger. The rise in food prices during 2008–09, followed by the global economic crisis, has reversed much of the progress made between 1990 and 2005. Today, it is estimated that up to 90 million more people live in extreme poverty due to the global economic collapse, for which they are not responsible.⁴

Why is MDG 1 off course?

Even before the energy, food and economic crises of the last three years, the third target of MDG 1 – to halve the proportion of people suffering from hunger – was not on course in relation to either of its indicators.⁵ Between 1990–92 and 2004–06, the proportion of hungry people in the world had only been reduced from 16 per cent to 14 per cent. In absolute terms, this actually represents an increase from 845 million to 873 million people.⁶

Figure 1. Number and proportion of hungry people in the world since 1970



Sources: FAO Hunger Statistics (from 1969 to 2006); UN (2009) *The Millennium Development Goals Report 2009*; FAO (2009) *The State of Food Insecurity in the World: Economic Crises – Impacts and Lessons Learned*. FAO projections for 2010

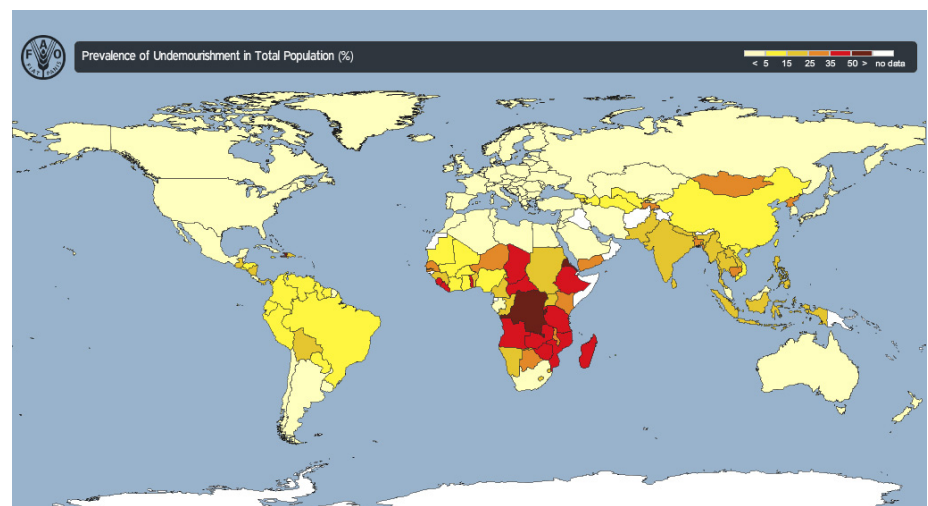
In 2008 and 2009, for the first time the proportion of hungry people increased up to 15 per cent,⁷ while the absolute figure reached a historic high of more than one billion people. FAO projects a reduction to 925

million in 2010, probably explained by a good global food supply, and lower prices. This still represents 13.5 per cent of the global population, dangerously off-track to reach the target by 2015.

The other indicator is also dramatically off course: the prevalence of underweight children has only been reduced from 31 per cent in 1990 to 26 per cent in 2007.⁸ This figure masks the poor health of mothers, both before and after giving birth.

In 2009, almost two-thirds of the world's undernourished people (642 million) lived in Asia and the Pacific, and a quarter (265 million) lived in sub-Saharan Africa. Just seven countries – India, China, the Democratic Republic of Congo (DRC), Bangladesh, Indonesia, Pakistan and Ethiopia – accounted for more than half the total of hungry people.⁹ In relative terms, however, sub-Saharan Africa is the worst affected region, with one in three people suffering from hunger. In 2009 five countries had the highest rates of hunger: the DRC (75 per cent), Eritrea (66 per cent), Burundi (63 per cent), Sierra Leone (46 per cent) and Zambia (45 per cent).¹⁰ Low government effectiveness, conflicts, political instability and high rates of HIV and AIDS are the main drivers for these dramatic rates.¹¹

Figure 2. Prevalence of undernourishment in total population, 2004–06



Source: FAO

National figures can hide large differences among ethnic and social groups. In Guatemala, for example, the proportion of undernourished people in 2006 was 16 per cent nationwide. However, in some districts, where the majority of people are indigenous, and where chronic and acute undernutrition persist, the figure reached 70 per cent.¹² Hunger also affects men and women differently. The Food and Agriculture Organization of the United Nations (FAO) estimates that 60 per cent of people suffering from hunger are women. This is despite the fact that women are generally responsible for growing, buying and preparing food for the family.¹³ Gender inequality is a root cause of hunger.

Understanding the causes

Hunger and malnutrition are not the result of scarcity of food but of poverty and inequality, particularly in rural areas, where three out of four poor people live.

Between 1970 and 1980, significant investment in research, irrigation and rural roads reduced the proportion of undernourished people from 24 per cent to 19 per cent, in spite of rapid population growth. Many developing countries had major national production stimulus programmes, and development assistance for agriculture was around 18 per cent of total ODA.¹⁴ As cereal yields increased, prices dropped and basic foodstuffs became more accessible. However, yield increases rarely reached the rural poor.¹⁵

Neglect of the agricultural sector

From the 1980s, the agricultural sector in developing countries began to be abandoned by national governments. The structural adjustment policies imposed by international financial institutions and liberalization of agricultural markets led to neglect of local food production. There were drastic cuts in public spending, leading to the dismantling of national agricultural research and extension systems and marketing boards.¹⁶ Donors began to withdraw at the same pace, leaving productive sectors in the hands of the market. They directed aid to emergency relief – often as food aid – and social sectors, namely health and education.

The result was that agricultural productivity stagnated. From 1990 to 2000, world grain yields rose by just 1.2 per cent annually, compared with 2.1 per cent between 1960 and 1990.¹⁷ Sub-Saharan Africa, two-thirds of whose lands are in remote or unfertile areas, is the region that really felt this decline. A hectare of cereal produces one-fifth of the yield that the same area produces in a rich country.¹⁸

Unfair trade

The unfair rules of international trade did the rest. While aid for agriculture in developing countries was reduced, industrialized countries increased support for their farmers and protected them from imports using tariff and technical barriers.¹⁹ Meanwhile, in developing countries unequal competition with imported food that was cheaper because it was subsidized pushed many producers to abandon their activity. Therefore, dependence on imports grew spectacularly in the least developed countries and made them more vulnerable to price volatility.²⁰

Haiti is a good example. In the 1980s, it produced 80 per cent of the rice its population consumed and was even a net exporter. But, advised by the financial institutions it depended on, it liberalized its agricultural market at a forced pace. Haitian farmers, unable to compete with the subsidized rice coming from the US, abandoned their fields and

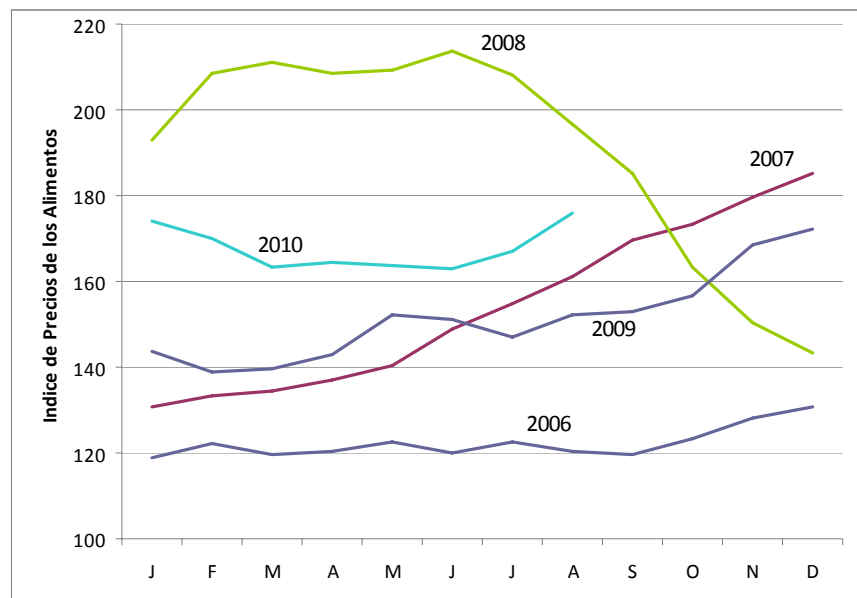
'We made a devil's bargain. It may have been good for some of my farmers in Arkansas, but it has not worked. It was a mistake that I was a party to. I have to live every day with the consequences of the lost capacity to produce a rice crop in Haiti to feed those people, because of what I did.'

Bill Clinton's speech at the Senate Foreign Relations Committee, 10 March 2010, referring to his decision in the 1990s to push Haiti to open its market to US rice imports.

migrated to the capital. Today, Haiti imports 80 per cent of the rice it consumes, and belongs to the group of Low-Income Food-Deficit Countries (LIFDC), which are the first in line to receive food aid.²¹

When prices skyrocketed in 2007 and 2008, food became a luxury beyond the reach of most people worldwide. While an increase in food prices should have benefited smallholders, in the absence of suitable agriculture and trade policies, they were unable to take advantage of it. As most of them were net buyers of food, they suffered the consequences of soaring prices.²² With no social protection for the most vulnerable, the real crisis occurred. Those who spend most of their income on food – women-headed households, the rural landless and the poorest urban families – were hardest hit. And Port-au-Prince was one of the cities where riots broke out as people became desperate for food.

Figure 3. World Food Price Index for 2006–2010 (2002–2004=100)



Source: *FAO Food Price Index Data*. Available at www.fao.org

As shown in Figure 3, international food prices remain higher than before the crisis. They have fallen slightly, because of the drop in import demand due to the global recession and a decline in biofuel feedstock demand associated with lower energy prices.²³ The supply response in 2008, and lower prices for transport and fertilizers (due to lower oil prices), contributed as well. However, restrictions to wheat exports by Russia, along with other factors, drove food prices up again and brought the Food Price Index to the highest level since September 2008.²⁴

With no time to recover, the poorest households must now cope with the consequences of a recession for which they are not responsible. With higher food prices and lower incomes, they have only two options left: reduce what they spend on food – eating less often and eating less nutritious food – or cut other expenses.

An uncertain future

'This has been a really difficult year. We are growing some maize now; and the only thing we can do is to pray for rains. Our maize is now at knee height; but I'm worried that the crops will fail, like they did last year when the rains just stopped. And then what?'

Esnath Tongoona, woman farmer in Chirumanzu district, Zimbabwe. Over half of Zimbabwe's population are dependent on food aid. February 2009

In the medium term, food prices are likely to remain high and volatile. But critically, prices may rise again at any time, as demonstrated by the recent escalation that followed droughts and export restrictions in the Russian Federation. The factors that drove the previous price hikes are still there: the stimulus of biofuels, above-average energy prices,²⁵ speculation on commodity markets, the growing demand for meat and energy in emerging countries, and a stagnant agricultural sector, especially in sub-Saharan Africa. A new climb in prices would have devastating effects on families who have seen their income diminish as a result of the recession.

In their *Agricultural Outlook* for 2010-2019, the FAO and the Organisation for Economic Co-operation and Development (OECD) predict that the next decade will bring increases in food prices in real terms (adjusted for inflation), compared to the period from 1997 to 2006: 15-40 per cent for coarse grains, more than 40 per cent for oil, and 16-45 per cent for dairy products.²⁶

As if this were not enough, climate change is rapidly pushing the poorest people – who are least responsible for causing it and have the least resources to cope with it – to the limits of subsistence. Higher temperatures, droughts and floods are ruining harvests, spreading pests and diseases and killing livestock. Weather-related disasters are predicted to become more frequent and intense; the average number of people affected by climate-related disasters has doubled since the 1980s.²⁷ According to the most recent analyses of the impact of global warming on hunger, 24 million more children will suffer from malnutrition, and an additional 20 per cent of people will be at risk from hunger in 2050.²⁸ The regions likely to be worst affected are those where food is already scarcest today: South-East Asia, sub-Saharan Africa and Central America.²⁹

A third factor is the food consumption pattern in developed countries and its extension to middle income countries. Today, half of the cereals grown worldwide are used for animal feedstock and non-food purposes – above all, biofuels.³⁰ The continually rising demand for meat and the squandering of energy sources has put world food security at even greater risk.

With the erosion of trust in international markets after the food crisis, some food importing countries are trying to secure their food supplies by taking control of land and water in poor countries, transforming food into a geo-strategic issue. Powerful investors, attracted by the expectation of high commodity prices and biofuels expansion, are also seeking 'available' fertile land to invest in. Although the scale of this global 'land grabbing' is not yet fully known, since mid-2008 it has drawn widespread criticism from non-government organizations (NGOs), UN agencies and some governments, as it is undermining the food security and livelihoods of some of the world's most vulnerable people.³¹

As things stand, the future is filled with uncertainty, and food markets are more and more volatile.³² The millions of families who cannot produce enough food and do not have enough income to buy it face even greater food insecurity. Many of these people receive no form of help or protection from their governments.

Unless we take urgent, co-ordinated action now, to introduce effective policies to fight hunger and protect the most vulnerable people, we may be looking at a long-term food crisis that will have very serious consequences for world stability. Each day of inaction brings us closer to failure, and has a tremendously high cost in terms of human lives and suffering. It is time to act, because promises do not feed people.

3

Inedible promises

'We pledge our political will and our common and national commitment to achieving food security for all and to an ongoing effort to eradicate hunger in all countries, with an immediate view to reducing the number of undernourished people to half their present level no later than 2015.'

'We consider it intolerable that more than 800 million people throughout the world, and particularly in developing countries, do not have enough food to meet their basic nutritional needs. This situation is unacceptable.'

Rome Declaration on World Food Security, November 1996.

If promises could feed people, there would not be one single hungry person left on Earth. Political leaders seem to be much more willing to announce commitments than to fulfill them, much less to be held accountable for delivering what they have promised.

After a long history of broken promises, the credibility of donor countries is very weak. The greatest financial commitment was made in 1970, when world leaders agreed a UN resolution to commit 0.7 per cent of their wealth to development aid.³³ Forty years later, only Sweden, Luxembourg, Norway, Denmark and the Netherlands have fulfilled this commitment.

At times of crisis, the last thing people need is more empty promises.

A raft of summits and declarations

In 1996, four years before the MDGs were agreed, world leaders assumed responsibility for eradicating world hunger, with an intermediate goal of reducing the *number* of hungry people by half – to 420 million – between 1990 and 2015.³⁴ MDG 1's third target is to halve the *proportion* of people suffering from hunger in the same period. This is actually a step backwards, because if this target is achieved, there will still be 585 million people who are undernourished.³⁵ This one word makes a huge difference for 165 million people.

Two years after the Millennium Summit, the UN warned that resources dedicated to agriculture were decreasing, and that if this situation continued, the MDG on hunger would not be reached until 2050. In its final declaration, the 2002 World Food Summit called for an International Alliance Against Hunger and defined action priorities for the Anti-Hunger Programme. It estimated that \$24bn would be needed each year to stimulate agricultural development.³⁶

But the ambition of this programme has not been fully realized. And concern over the slow progress in reducing hunger seems to have vanished – that is, until the 2008 food price crisis set alarm bells ringing. It drove the UN Secretary-General to set up the High-Level Task Force on the Global Food Security Crisis (HLTF) which proposed a Comprehensive Framework for Action (CFA) to overcome the food crisis.

Box 1. The Comprehensive Framework for Action: moving beyond the framework to the action

The Comprehensive Framework for Action (CFA) is based on a twin-track approach: in the short and long term. It sets out priority areas and reveals the enormous financial gap that has to be bridged. It does not recommend specific policies or actions, but rather offers a variety of options to choose from, depending on what best suits a particular context. Its intention is to catalyze actions by governments, international agencies, civil society and the private sector. It acknowledges that without major investment, it will not be possible to obtain the desired results. It proposes an increase of between \$25bn and \$40bn annually for food aid, agricultural development and social protection.

The CFA urges national governments to increase their public spending on agriculture and social protection. It also urges donors to commit 10 per cent of ODA to agriculture in the next five years, as well as extending food aid, nutrition programmes and social protection networks.

Two years after its launch, it is time to ask what progress the CFA has made beyond its paper promises. There is an urgent need for reinvigoration of effort and a more specific action plan, with clear responsibilities regarding its implementation and monitoring.

Source: Oxfam analysis

The CFA was presented at the High-Level Conference on World Food Security in June 2008, when prices were at their peak. This was a *de facto* summit, since over 40 heads of state attended. It closed with the corresponding Declaration on World Food Security, which once again included good intentions but no figures.³⁷ Although the FAO called for \$30bn a year from donors to boost agriculture,³⁸ the commitments made individually by some countries barely reached \$6bn.

One month later, the G8 met in Hokkaido Toyako, Japan. They announced a total annual commitment of \$10bn for the countries affected by the crisis.³⁹ And for the first time, accountability was included in the agenda, naming a group of experts to report on donors' fulfillment.

The High-Level Meeting on Food Security for All in Madrid in January 2009 was intended to accelerate progress in the fight against hunger and start up a Global Partnership for Agriculture, Food Security and Nutrition.⁴⁰ However, no new concrete financial commitments were made, except by Spain, the host.⁴¹

'The shortfalls in progress towards the MDGs are not because they are unreachable, or because the time is too short, but rather because of unmet commitments, inadequate resources and lack of focus and accountability.'

UN Secretary-General (2010) *Keeping the Promise.*⁴²

At the following G8 meeting, in L'Aquila (Italy) in July 2009, pressure from the USA to come up with a concrete agreement gave rise to the L'Aquila Food Security Initiative (AFSI).⁴³ Aside from reiterating the messages of previous summits, it specifies a financial commitment – more than \$20bn over three years for agricultural development and food security. It also laid down the five principles that will guide its fulfillment: 1) invest in national plans, 2) improve co-ordination, 3) a twin-track approach towards food security, 4) reinforce multilateralism, and 5) allocate predictable funding through multi-year plans.

The year 2009 ended with a lacklustre World Summit on Food Security – with the absence of G8 heads of state, except Italy – that ended up with a final declaration that contained nothing new, apart from ratifying the Rome Principles laid out in L'Aquila. As a positive step towards global food security governance, it agreed to reform the Committee on World Food Security (CFS). But it was a missed opportunity to set out a real rescue package for MDG 1, with specific plans, resources and well-defined responsibilities.

One year on, L'Aquila under scrutiny

In July 2009, 13 donors – the G8 plus the European Commission (EU), Spain, Australia, the Netherlands and Sweden – agreed the L'Aquila Food Security Initiative to 'mobilize more than \$20bn over three years through this coordinated, comprehensive strategy focused on sustainable agriculture development, while keeping a strong commitment to ensure adequate emergency food aid assistance'.⁴⁴ The amount pledged was, in fact, \$22bn.

To ensure that this time they would be held accountable, a monitoring group was commissioned to present a report on the fulfillment of individual commitments at the next G8 summit to be held in Canada in June 2010. Each country had to supply information on their spending deadlines, the sectors they had agreed to finance, and whether these were 'additional' resources.

Table 1. L'Aquila unpacked

Country	Pledge (\$m)	Additional (\$m)	Pros	Cons
Australia	360	360	Mostly for productive sectors. All additional.	Includes money spent in 2009 and probably double counted aid for trade.
Canada	1,034	526	Transparency on whether funds are additional. Most resources for agriculture.	Includes money spent in 2008/09.
EC	3,800	742	Transparency on additional money. Starts in 2010.	-

France	2,161	365	Mostly to agriculture.	2009 money included. Low use of multilateral channels. No new money according to Oxfam data.
Germany	3,000	1,000	Starts in 2010.	Less than half to agriculture. High proportion to 'other', including landmines clearance. Lack of transparency on multilateral pledges.
Italy	428	-234*	Commitments will probably be respected.	Additionality negative according to Oxfam data. Almost all spent before July 2009, only \$100 m a year in 2010 and 2011. Mostly not for agriculture.
Japan	3,000		Starts in 2010. Focused on productive sectors and transport.	More funds for transport than agriculture. Not clear if also loans are included. No multilateral.
Netherlands	2,000	139	Credible figures indicate funds are additional.	Not focused. Pledges start in 2009.
Russia	191	64	Almost half through multilateral.	Starts in 2009. Most for nutrition.
Spain	696	696	Only includes pledge made in L'Aquila.	Pledge starts in 2009. Not clear funds are additional.
Sweden	522	14	Pledge starts in 2010. Does Not include money through the EU.	Not clear funds are additional.
UK	1,718	-52*	Transparency on whether funds are additional. Nutrition and forestry excluded.	Additionality negative according to Oxfam data. Pledge starts in 2009.
US	3,500	1,751	Pledges for agricultural development. Nutrition, food aid and aid to 'special' countries excluded. Starts in 2010.	Not clear funds are additional. Double counting funds to climate change adaptation.
TOTAL	22,410	4,006		

Source: G8 Canada (2010) 'Muskoka Accountability Report.'⁴⁵

* Additional funds according to Oxfam calculations.

New funds or recycled?

A large proportion of the funds announced with much fanfare at L'Aquila have turned out to be nothing more than recycled promises. There were even cases of countries whose funding announcements actually represented a reduction in aid.

Italy, for example, included in its pledge \$228m that had already been spent in 2009 before the G8 Summit. It also promised to spend \$100m in 2010 and \$100m in 2011 on agriculture, nutrition, development food aid/food security assistance and rural development. Therefore, in reality, fulfilling its promise would mean cutting back on aid by as much as 56 per cent.⁴⁶

It is important for donors to adopt a common definition of 'additional' funds and to be transparent about their commitments, stating how much is additional funding and how much is carried over from previous commitments. According to Oxfam analysis, based on available information and data, the actual amount of new funds committed at L'Aquila is \$4bn, far below the \$6bn reported by donors to the OECD.

Double counting

When reporting on its L'Aquila commitments, the US has included funds pledged for adaptation to climate change in developing countries as AFSI funds.⁴⁷

This double counting is not acceptable, because finance committed to tackle climate change is essentially different in nature from development aid, and should be additional to ODA commitments and targets.⁴⁸ ODA disbursements for the forestry sector, for example, also run the risk of being counted within the framework of the programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD).

Also the context is crucial here, as overall aid promises are simply not being met. This year the G8's \$50bn target and the EU's collective target to reach 0.56% of GNI have both been missed. The fact that this overall aid pie is not growing fast enough makes it more important than ever that new money pledged really is new, as otherwise it can mean simply re-announcing existing spending with no real additional benefit for poor people, or worse, taking more away from other crucial areas like education, health and water and sanitation. It's hard to imagine having to choose between food and medicines, and leaders must not force poor people to make this choice.

A comprehensive strategy?

The G8's Muskoka Accountability Report (2010) shows that, while the decline in investment is reversing, the international donor community is far from a coordinated strategy as was proposed in the AFSI. Each

donor country continues to establish its own priorities for allocating funds and reporting individually. For instance, nutrition and safety nets – two critical aspects – are only supported by a few countries.

A comprehensive and coordinated response to the challenge of eradicating hunger is crucial to address its transnational causes and build global action. One year on, the L'Aquila Initiative is far from being a truly collective effort.

Much more than money

Increasing ODA to fight hunger and promote agriculture and rural development is essential, but not enough. The G8 leaders, aware of this, made a raft of further commitments as part of AFSI, including the following: improve the global governance of the food system; monitor the factors that influence market volatility, including speculation; support national strategies for adaptation to climate change; prioritize local food purchases when food aid is delivery in kind; and ensure coherence between biofuel policies and food security.

All of these changes are vital steps to tackle the structural problems that might lead to future crises. True accountability should also include information on the extent to which rich countries are delivering on these promises.

More aid, but more effective aid too

Governments have a legal obligation to guarantee their citizens the right to food and sustainable livelihoods.⁴⁹ With appropriate policies, they must tackle structural issues such as unequal access to resources or the poor functioning of food markets. Redefining public spending priorities could also lead to more investment in sectors that are key for food security.

Section 5 will show how impressive advances can be made in the reduction of hunger and poverty where the political will exists and public investment is sufficient and well directed. When aid is well delivered, it can also transform people lives. This section reviews some elements that define quality and effectiveness.

Not the time to turn our backs

With the global economic crisis, exports and foreign investment have fallen and access to credit is now much more restricted. To avoid millions more people falling into poverty and a reversal of the achievements that took so many years, international co-operation is needed now more than ever.⁵⁰ There could be no worse moment to turn our backs on the poorest people.

However, in 2009, donors reduced total aid in real terms by \$3.5bn, and more than half of the OECD's Development Assistance Committee (DAC) countries cut their aid budgets.⁵¹ The International Monetary Fund (IMF) estimates that the 71 poorest countries in the world received around 25 per cent less ODA in 2009 than the year before.⁵² Donors such as Italy, Ireland, Spain and Germany have already slashed their aid budgets.⁵³

Aid is vital right now, and it is not just a question of solidarity. Rich countries bear direct responsibility for the food insecurity that poor countries are experiencing. They have imposed structural adjustment policies, they have imposed unjust international trade rules, they have promoted the production and use of biofuels without weighing up their impact, and they do not sufficiently regulate the practices of transnational companies on land investment, employment and trade – all of which contribute to poverty and food insecurity.

Fortunately, in response to the food crisis and after an unprecedented number of world summits, co-operation funds for agricultural development, food security and nutrition have again begun to flow. But this in itself is not enough. It is urgent to invest *more*, but it is also urgent to invest *more effectively*, as proposed below.

A twin-track approach

Today, there exists a broad consensus – reflected in the CFA – that to eradicate hunger, a twin-track approach is needed, specifically:

1. Responding to the immediate needs of the vulnerable population in the short term with emergency food assistance, nutrition treatments and safety nets, as well as providing access to seeds and fertilizers.
2. Developing agricultural production and increasing its resilience in the long term, supporting small-scale agriculture, improvements in market functioning, and social protection systems.

Food aid that strengthens local livelihoods

Emergency food aid save many lives every year by reaching those people who suffer most critically from hunger. It may be the only access to food in certain situations of conflict or natural disaster. Even though the trend toward lower global volumes of food aid has been reversed after the food crisis, the increase in 2008 was only 5 per cent – totally inadequate to satisfy current needs.⁵⁴

A considerable part of food aid continues to be given in kind, and more than half of the food distributed is produced in rich countries, who often use this as a way to get rid of their agricultural surpluses.⁵⁵ Purchasing food aid in donor countries adds to costs and delays, particularly in the case of the United States, which requires it be transported in US-flagged vessels. Furthermore, by flooding local markets, aid delivered in this way can undermine local livelihoods, deepening poverty and dependence on aid.⁵⁶ There are other, more flexible and efficient forms of aid, such as sourcing in-country or regionally or transferring cash, which strengthen rather than undermine local livelihoods.⁵⁷

Investing in social protection

Protecting the most vulnerable sections of the population from hunger also means improving social protection networks and programmes. Learning from past experience, these initiatives must be scalable in order to respond appropriately when shocks occur. But they must also be affordable, and sustainable over time.

Given that hunger is mainly a problem of access to food, it can only be fought effectively if smallholder production is increased and people's resilience to climate change is strengthened.⁵⁸ Doing this achieves two goals simultaneously: more food is available on local markets, and rural livelihoods are strengthened, reducing poverty. However, two-thirds of the developing world's farmers live in remote or low productive areas and have not benefited from the advances made in the last century in research and development.⁵⁹

Fighting gender inequality is fighting hunger

Around the world, women are usually responsible for providing food for the family. They cultivate, fish, collect, store, process and cook, breastfeed and teach habits on nutrition and hygiene. But women are also the first to eat less when food is scarce.⁶⁰

It is estimated that women produce 60–80 per cent of the food consumed in developing countries, and as such, they are the key to food security.⁶¹ However, they are systematically excluded from decision-making and have less access to land and water, new technologies, agricultural extension, credit, markets and social capital.⁶² Despite international law recognizing women's equal rights, the persistence of discriminatory laws, policies, patriarchal traditions and attitudes still prevents women from enjoying their rights. In India, Thailand and Nepal, for example, less than 10 per cent of women farmers own land.⁶³ And in some countries, a married woman is not allowed to register land in her name.⁶⁴

Without land as collateral, women are often cut off from access to credit, despite evidence that women are more reliable in meeting loan repayments. An analysis in Kenya, Malawi, Sierra Leone, Zambia and Zimbabwe found that women received less than 10 per cent of available credit to smallholders, and just 1 per cent of the total credit available to agriculture.⁶⁵

Because women's role in food production is often overlooked, training services rarely meet their needs. A 1989 FAO survey on extension services in 115 countries showed that women received only 2–10 per cent of extension services, and only 5 per cent worldwide.⁶⁶ Development aid is not well balanced either; women receive just 7 per cent of total aid to agriculture, forestry and fishing.⁶⁷

Reducing gender inequality is paramount to fighting hunger, and gender differences cannot be ignored. Women must participate at all levels of programme and policy decision-making. As the primary producers at the household level, they need greater access to and control over productive resources and services that respond to their particular needs, as well as opportunities to participate equally in markets. Moreover, investment in nutrition, education and health programmes directed at women will bring enormous returns in terms of family well-being. Without specific attention to these issues, gender-blind interventions are likely to reinforce and even increase inequalities between men and women.

An effective response?

'Our action will be characterized by a comprehensive approach to food security, effective coordination, support for country-owned processes and plans as well as by the use of multilateral institutions whenever appropriate. Delivering on our commitments in a timely and reliable manner, mutual accountability and a sound policy environment are key to this effort.'

L'Aquila Joint Statement on Global Food Security, L'Aquila Food Security Initiative, July 2009.

In spite of the formation of the HLTF, co-ordination in the field among UN agencies, the World Bank and other donors in response to the food crisis is a long way from becoming a reality. As part of the AFSI, the five Rome Principles were defined to guide the use of funds in order to ensure national leadership, effective co-ordination, an integral focus, an important role for the multilateral system, and stable, predictable funding.⁶⁸ These principles are similar to those already proposed by the Global Donor Platform for Rural Development in 2008, which adapted the Paris Declaration on Aid Effectiveness to agriculture and rural development.⁶⁹

However, although there is little disagreement among donors in theory, these principles are rarely adopted in practice. Field studies carried out by Oxfam on the international response to the food crisis in three West African countries (Niger, Burkina Faso and Ghana), and on co-operation in the fight against hunger in Guatemala, found that donors have hardly changed the way they work.⁷⁰ Co-operation agencies resist joining national and regional plans and strategies, and continue to apply a programme or – even worse – a project logic.

Box 2. More aid but not better aid for Niger, Ghana and Burkina Faso

International aid has long represented the bulk of agricultural sector financing in many West African countries. In 2008, it accounted for 75 per cent of the domestic agriculture budget of Niger, over 60 per cent in Ghana and 80 per cent in Burkina Faso. In 2008, at least 67 projects were implemented in Niger, 63 in Ghana and 130 in Burkina Faso, without counting those implemented by NGOs.

The short-term response to the recent global food crisis concentrated on food aid, distribution of seeds and fertilizers, and social protection programmes. Most donors prefer working through the specialized UN agencies and NGOs due to their supposed logistical and human capacities. The amount of resources promised by donors between 2008 and 2009 and the urgency of delivery complicated co-ordination efforts in the field among agencies and national governments. This cornucopia of projects contributes very little to strengthening local capabilities and further undermines people's capacity to deal with the next crisis. Furthermore, most of these emergency interventions remained temporary, and most of the mid-term projects were financed with a reallocation of funding that had initially been intended for other development sectors.

National agriculture co-ordination bodies do exist in these countries, but they serve more to exchange information than to actually co-ordinate interventions on the ground, let alone to implement joint reviews and programmes. One exception is the Niger National Body for the Prevention and Management of Food Crises (DNP-GCA),* in which government and donors finance joint actions through a common fund. Even in Niger though, in 2010, some donors decided to use funds of the UN contingency plan instead of this national mechanism.

Aid delivery on the ground has barely changed, questioning the ability of

national governments and aid agencies to join forces to reach long-term development goals. Recent donor interest in supporting the Comprehensive Africa Agriculture Development Programme (CAADP) offers the opportunity for this necessary change. In West Africa, national governments are starting up agricultural investment plans that make donors' efforts converge to one common programme. But to ensure the success of these processes, donors have to progressively move away from projects towards national policies and programmes through capacity building and budgetary aid.

** Dispositif National de Prévention et de Gestion des Crises Alimentaires*

Based on the Oxfam International Research Report (2009) 'Aid for Agriculture: Turning Promises into Reality on the Ground. Co-ordinating Donor Interventions in Three West African Countries'.

5

It can be done

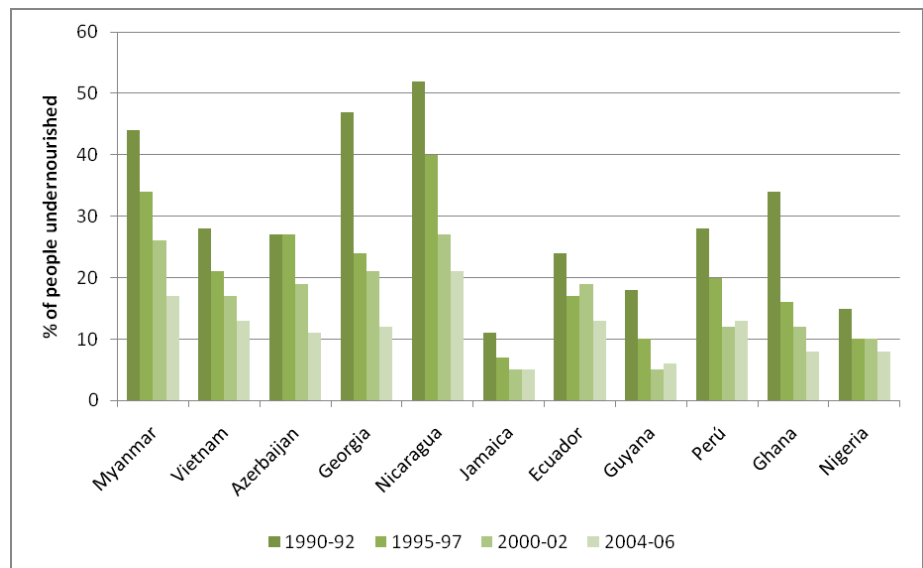
'In fact, famines are so easy to avoid that it is incredible that they are allowed to occur.'

Amartya Sen (1999) *Development as Freedom*, Oxford: Oxford University Press.

There are no excuses. Even the countries with least resources have shown that it is possible to drastically reduce hunger when the right measures are backed up with political commitment and adequate funding. There is no 'one size fits all' solution that can be applied to every case – pathways to success are as diverse as the contexts where they occur. The experience of countries as different as Viet Nam, Ghana, Malawi or Brazil shows the importance of setting the right political course in order to translate the right to food into concrete actions.

Between 1990 and 2005, the number of hungry people decreased in 31 of the 71 countries monitored by the FAO.⁷¹ There are already 12 countries that have reached the MDG 1 hunger target, and others such as China and Brazil are well on their way. For some of them, this has required a tremendous effort, because they started out with extremely high rates of hunger – Nicaragua, for example, with 52 per cent in 1990. Their stories show that even the poorest countries can make impressive progress in reducing hunger.

Figure 4. Countries that have halved the number of people going hungry⁷²



Source: FAO (2009) *The State of Food Insecurity in the World*

Although every case is different, all of the countries that have achieved progress have made hunger reduction a fundamental element of their poverty reduction strategies, and have recognized agriculture as a development driver. The policies and measures they have adopted correspond to the twin-track approach proposed in 2002 at the World Food Summit and reintroduced in the CFA: promoting small-scale food production, on the one hand, and ensuring social support and protection for the most vulnerable, on the other.

For countries such as Mozambique, Malawi and Nicaragua, international aid has been very important for success, while in others like Viet Nam, export revenues and foreign investment have been more important than ODA in reducing poverty and hunger rates.

Enabling farmers to grow more

Given that 80 per cent of hungry people live in rural areas and half of them are small farmers,⁷³ stimulating family production can bring important benefits in terms of access to food and poverty reduction. The success stories show that when decision makers listen and respond to people's needs, policies are more effective.

In Malawi, a large part of the success in hunger reduction came about as a result of a subsidy programme launched in 2005 that has improved poor farmers' access to fertilizer and seeds. Maize production doubled in just two years, surpassing domestic demand in 2008 for the fourth consecutive year. As a result, Malawi is no longer a food aid recipient and is now an exporter,⁷⁴ even providing food aid to Haiti. However, there are still food security challenges⁷⁵

Despite the success of these measures, environmental risks and the limited availability of supplies for certain fertilizers demand a stronger effort in developing technologies that require low external input.

Other sub-Saharan African countries, such as Tanzania and Kenya, have initiated similar input subsidy programmes – in Kenya's case, mainly with domestic resources. Nigeria – one of only two African countries to have reached the MDG 1 target of halving hunger (the other being Ghana) – has put investment in small-scale agriculture at the centre of its food security strategy. During the food price crisis, the Nigerian government distributed fertilizer to increase domestic production, and also turned to national reserves.⁷⁶

The positive correlation between investment in agriculture and food security becomes evident when comparing national statistics of developing countries. In countries where more than 35 per cent of the population suffer from hunger, public spending per farmer averages \$14 a year, compared with \$880 in countries with hunger rates of less than 2.5 per cent.⁷⁷

Box 3. Viet Nam: the benefits of supporting small-scale agriculture

Five years ahead of the 2015 target, Viet Nam has halved hunger and reduced poverty from about 58 per cent of the population in 1993 to 18 per cent in 2006. Not surprisingly, it has attracted a great deal of attention for its unprecedented economic and social growth. The take-off started with agricultural land reform, followed by labour-intensive manufacturing development and, more recently, promotion of electronics and high-tech sectors in the hope of becoming an industrialized country by 2020. Integration into the global market facilitated the increases in exports and

foreign investment.

Once a rice importer, Viet Nam is now the second biggest exporter in the world. How has this been achieved? Public support to smallholder agriculture was an important factor. The de-collectivization of property and the opening up to fertilizer imports (use of which tripled due to lower prices) allowed food production to increase exponentially. Equitable land distribution and investment in irrigation, agricultural technology and extension systems were key to a growth in agriculture that made a substantial contribution to poverty reduction.

Price stability has been a priority for the government. It protected both producers and consumers against sharp price fluctuations and maintained restrictions on rice exports until 2001, when the quota system was abolished. Rice exports have been increasing ever since.

Food security has been a central element of domestic policies. In 1998, the Hunger Eradication and Poverty Reduction Programme was launched with the goal of eliminating chronic hunger and narrowing the income gap between social groups and geographical areas. Despite having a budget of only \$600m between 2001 and 2005 (0.8 per cent of GDP), this programme had a remarkable impact on livelihoods, access to education and health services.

Viet Nam's government has demonstrated leadership and ownership of the country's development. With the support of the international donor community and NGOs, the government developed a national strategy for poverty reduction and a national plan to reach the MDG. International commitments are reflected in five-year plans for social and economic development, and Viet Nam is one of the few countries committed to the 20/20 plan (20 per cent of ODA and 20 per cent of public spending for social services). The majority of international aid is very well aligned with national priorities as it is channeled in the form of budget support or executed through the government's structures.

Based on Quang (2006) 'What has made Viet Nam a poverty reduction success story?' Case study in contribution to Oxfam (2008) *From Poverty to Power*. Oxfam International.

Enabling people to buy more food

As 20 per cent of people who suffer from hunger live in cities and with 22 per cent of people landless,⁷⁸ increasing production alone is not sufficient to improve people's access to food. Moreover, most small-scale producers are net food buyers.⁷⁹ Aside from maintaining prices within acceptable limits, people's purchasing power must be increased to enable them to buy enough food to meet their needs. In Guatemala, for example, the minimum salary does not even cover the cost of a basic food basket.⁸⁰

Guaranteeing that the minimum salary covers basic expenses for a family is an essential step. But for people without regular work, temporary work programmes or cash transfers are effective ways of facilitating access to food.

Families in a situation of greater vulnerability need support in the form of social protection systems. These might include food aid or cash grants (that may or may not be conditional upon children attending

school or receiving vaccinations), as well as other help with health and nutrition or credit and insurance services. Food distribution programmes using local supplies, such as in the case of Brazil, have been most successful due to the dual benefit of improved food security and higher incomes for small-scale producers.

Box 4. Brazil: a state policy of wiping out hunger

Between 1990–92 and 2004–06, Brazil reduced the proportion of people going hungry from 10 per cent (15.8 million people) to 6 per cent (11.9 million), while malnutrition was reduced by 73 per cent. The proportion of underweight children has already been halved. All of this puts the country well on its way to fulfilling MDG 1.

Food security has been one of Brazil's political objectives since the 1980s, but the fight against hunger intensified in 2002. Under President Lula, the government intends to surpass the MDG and completely eradicate hunger before the end of its mandate. To achieve this, it started the ambitious Zero Hunger programme, which already covers a third of the population.

The first cornerstone of this programme is the *Bolsa Familia* (family fund). Mothers of families below the poverty line receive up to \$80 per month on the condition that their children are vaccinated and attend school regularly. With a budget of over \$6bn in 2008 (2 per cent of the national budget), it reached over 50 million people – more than a quarter of the population – and is the largest conditional transfer programme in the world. Other important programmes that form part of the national nutrition and food security strategy are the National School Meals Programme and the Workers' Meal Programme.

The second cornerstone is strengthening smallholder agriculture, which produces 70 per cent of domestic food consumption. In spite of using only a quarter of the country's cultivated land, the sector supplies 38 per cent of the agricultural GNI, guarantees national food security and employs three out of every four workers in rural areas. A smallholder credit programme facilitates access to investment capital, and the food acquisition programme ensures state purchases for public institutions (hospitals, schools and prisons) or for the creation of national reserves.

Together with agricultural reform programmes, access to financial services, insurance and technical assistance has made Brazil much less vulnerable in the face of the food price crisis and the global economic crisis.

Sources: National Council on Food and Nutrition Security (2009) 'Construction of the System and the Policy of Food and Nutritional Security: the Brazilian Experience'; Oxfam (2008) 'Double-Edged Prices: Lessons from the Food Price Crisis – 10 Actions Developing Countries Should Take', Briefing Paper 121, OxfordFAO (2009) *The State of Food Insecurity in the World*.

Treating and preventing malnutrition

Ideally, malnutrition should be prevented, but when there is a high incidence, it is necessary to treat it in order to save lives. In Peru, the percentage of underweight children under five years of age has been maintained at below 5 per cent thanks to a series of interventions in

nutrition, hygiene and health. Cambodia and Bangladesh also have major national children's nutrition programmes. Malawi, Ethiopia and Niger have also started national programmes with successful results.⁸¹

Box 5. Ghana: the need to consolidate achievements

Ghana is one of only two African countries to have already achieved the goal of halving hunger (Nigeria is the other). Ghana has reduced the number of hungry people from 5.4 million in 1990–92 (34 per cent of the population) to 1.7 million in 2004–2006 (8 per cent). It has also succeeded in reducing the poverty rate to a greater extent than any other African country in the last 15 years. However, there is still a large disparity between the south, which is more favourable for agriculture, and the north, which is arid and much poorer.

In 2003, Ghana adopted its first national Poverty Reduction Strategy as the political framework for driving efforts to achieve the MDG. Its economic growth is based on agricultural development – mainly cocoa – and public spending on agriculture increased until it surpassed 10 per cent of the national budget in 2006. Food security has always been a priority for the state.

The central instrument of social protection policies is the Livelihood Empowerment Against Poverty (LEAP) programme. This provides monthly cash transfers for mothers of extremely poor families (20 per cent of the population) on the condition that their children attend school and receive vaccination.

Unfortunately, a large part of the success achieved up until now is threatened by the economic crisis. Within the framework of ECOWAS (Economic Community of West African States) agriculture policy, the government of Ghana has signed an agreement with development partners to support the implementation of the food and agriculture sector policy. Donor support will be crucial in helping Ghana to consolidate its successes and advance more firmly towards achievement of all the MDG targets.

Based on Ghana Millennium Development Goals 2006. IFAD Rural Poverty Portal: 'Rural poverty in Ghana' <http://www.ruralpovertyportal.org/web/guest/country/home/tags/ghana> (last accessed July 2010); J. Fanzo and P. Pronyk (2010) 'An Evaluation of Progress toward the Millennium Development Goal One Hunger Target: A Country-Level, Food and Nutrition Security Perspective', Center for Global Health and Economic Development The Earth Institute of Columbia University; Government of Ghana Ministry of Finance and Economic Planning (2009) Ghana Aid Policy 2010–2015.

6

A rescue package for the MDGs must halve hunger

'Collectively, the Millennium Declaration represents the most important promise ever made to the world's most vulnerable people. This promise is not based on pity or charity, but on solidarity, justice and the recognition that we are increasingly dependent on one another for our shared prosperity and security.'

UN Secretary-General (2010)
Keeping the Promise.

To get back on track to meet the MDG target on hunger by 2015, the root causes of hunger must be urgently addressed. Without comprehensive reforms of national and global policies on food, agriculture, trade and climate change, no plan to fight hunger – however ambitious – will succeed. But in addition to political changes, the financial gap must be bridged, with more and better investment.

After reviewing development aid budgets for 2010, the OECD concluded that many donor countries will fall more than \$20bn short of what they pledged five years ago at the Gleneagles Summit.⁸² This has been confirmed with the G8 Muskoka Accountability Report presented at the Toronto Summit in June 2010.⁸³ The economic crisis cannot serve as an excuse for rich countries to delay their commitments to the MDGs.

Time is running out. The September 2010 summit, where progress on the MDGs will be reviewed, must establish a rescue package to avoid enormous failure to achieve the MDGs. To give an idea of the size of the effort needed, Oxfam has calculated the approximate global investment that would be required to meet the MDG target of halving hunger in the next five years.

Although the 2008 Comprehensive Framework for Action (CFA) does not offer detailed estimates of financial needs, it suggests increasing annual investment in food assistance, agricultural development and social protection by between \$25bn and \$40bn through the combined efforts of national governments, the private sector, civil society and the international community. This estimate, however, should be reviewed in light of the most recent figures on hunger, and should be based on national needs.

How much would it cost?

In 2003, the FAO calculated that \$24bn in additional public funding – including national budgets of developing countries and ODA – would be needed to reach the goal of halving hunger, invested in a series of twin-track interventions in line with those proposed by the CFA.⁸⁴ In this way, the number of hungry people could be reduced by 420 million by the year 2015.

This figure has been used as a starting point for calculating the current financial gap, taking into account that there are just five years left and the most recent projection by FAO is 925 million people hungry in 2010. Today, the increase in investment needed to reach the goal of halving hunger is \$75bn per year (*see* Annex 2 for details of the calculation).

This figure needs to be updated when more precise country specific estimations will be available. Depending on the evolution of the number of hungry people and on the level of ambition of the actions undertaken by all governments, in the next years this figure may either decrease or increase. Following the CFA's recommendations, half of these new resources should be channeled into agriculture and rural development, and the other half to food assistance, social protection and nutrition programmes.⁸⁵

Applying a principle of shared responsibility, half of these resources should come from international aid and the other half from developing countries, who must increase their public spending on agriculture.⁸⁶ African countries have already committed to a target of at least 10 per cent of national budgets.⁸⁷

For their part, developed countries would have to increase their ODA by at least \$37.5bn a year to provide the necessary support to national and regional plans on agriculture and rural development, food assistance, social protection and nutrition. In 2008, the total ODA committed to these sectors was \$15.8bn.⁸⁸ This means that a total of at least \$53.3bn a year in ODA is needed to save the MDG on hunger from failure. This equates to close to \$150 a year for rescuing a person from hunger.⁸⁹

In 2008, donors delivered only a third of what was needed for comprehensive action. And for agriculture and rural development, ODA in 2008 was only one-fourth of what is required.

Table 2. Financial needs for rescuing the MDG on hunger

	Additional funds needed (\$bn)			ODA committed in 2008 (\$bn)	Total ODA needed (\$bn)
	Total gap	Developing countries gap	ODA gap		
Agriculture and rural development	37.50	18.75	18.75	6.65	25.40
Food assistance, social protection and nutrition	37.50	18.75	18.75	9.15	27.90
TOTAL	75.00	37.50	37.50	15.80	53.30

Rescuing a person from hunger requires a donor effort around \$150 per year.

However, increasing ODA to renew the effort to fight hunger should not be made at the expense of cutbacks in other sectors like health and education that are also essential for reaching the MDGs. The goals are a package, not a list of options, and success in one area is reliant on the others. The volume of aid should increase until it finally reaches the long-delayed commitment of 0.7 per cent of national income. This is one crucial step to meeting the MDG on hunger, as well as the other goals to halve extreme poverty that governments promised to the world's poorest people.

Keeping climate change funds separate

These figures do not include the significant investments that developing countries will have to make to deal with the impact of climate change on food security and to strengthen the resilience of women producers and other vulnerable sectors. Oxfam estimates that at least \$50bn a year is currently needed to adapt to climate change, increasing to \$100bn a year by 2020. A key target for these funds will be the agricultural sector, where small farmers' vulnerability to climate shocks is particularly severe. This money must be disbursed urgently, and must be in addition to ODA commitments.⁹⁰

Of the 'fast start' commitments made in Copenhagen in 2009 – \$30bn for 2010–2012, balanced between mitigation and adaptation – only a small fraction has been disbursed so far. There is little transparency about the recipients of these funds, including the channels through which they are being delivered, whether they are loans or grants, and the baseline against which additionality is measurable.

The funds promised at the L'Aquila Initiative, while representing a first step in the right direction, are completely insufficient given the magnitude of the need. Even if rich countries fulfill their commitments and spend \$22bn over three years on agriculture and food security, and even if \$6bn were new funds, this would only represent a small fraction of what is needed.

Finding innovative sources of funds

Now that many developed countries are facing huge constraints on public budgets, innovative mechanisms must be found to help raise additional funds for the MDGs that are most off course.

A tax on international financial transactions such as stocks, bonds, commodities and currency transfers could raise \$400bn annually.⁹¹ Half of these funds could be devoted to development and adaptation to climate change in the poorest countries. This would not replace ODA, but would instead provide the investment needed right now to accelerate progress on the most off-track MDGs without moving money from one important sector to another. Robbing Peter to pay Paul is not an answer to the current levels of finance to meet development and environment goals, but a Financial Transaction Tax could be.

Funds for fighting hunger could also be raised by phasing out the most trade-distorting types of agricultural subsidies in rich countries or dismantling subsidies and tax exemptions for biofuels, with the added benefit of reducing externalities that affect the price of food.

Sharing the cost

The total effort that donor countries must make in order to get the hunger reduction goal back on track must be assumed collectively and specified in individual commitments. In order to suggest what might be

a fair sharing of the effort, Oxfam proposes that each country contributes proportionally to its capacity: a combination of wealth – taking gross national income (GNI) as an indicator – and the gap between current spending on ODA and the 0.7 per cent target agreed 40 years ago.⁹² (For details, see Annex 3).

Oxfam believes it is fair to demand greater effort from those countries that are still a long way from achieving that goal. ODA disbursed in 2008 to agriculture, rural development, food security, nutrition, social protection and emergency food aid would have to increase threefold to achieve what is needed. According to these capacity criteria, the US would have to provide almost half of the total funds needed each year, and the EU almost 30 per cent.

The amount required from the EU would be around \$15bn, far less than the \$65bn it spent in 2008 on the most trade-distorting types of subsidies to agriculture production.⁹³ For the US, the \$26.4bn required is less than the \$36.5bn spent in 2008 on supporting their own farmers and subsidizing biofuels.⁹⁴

Table 3. Selected DAC donors' share of the necessary ODA to rescue MDG 1 on hunger

Country	Capacity (%)	ODA required ¹ (\$m)	ODA disbursed in 2008 (\$m)
United States	49.62	26,446	4,461
European Union	28.05	14,950	1,924
Germany	7.02	3,740	580
Italy	6.32	3,366	162
France	4.24	2,261	613
Spain	3.29	1,755	575
United Kingdom	2.61	1,390	554
The Netherlands	0.57	306	204
Ireland	0.28	147	128
Japan	15.32	8,168	1,422
Canada	3.85	2,050	507
Australia	2.25	1,198	285
TOTAL DAC²	100.00	53,300	10,667

Source for 2008 ODA (bilateral disbursement on agriculture, rural development, food security, nutrition, social protection and emergency food aid) *Creditor Reporting System* of the DAC-OECD.

¹ ODA that would need to be provided annually by donor to halve hunger.

² ODA by all countries belonging to the DAC-OECD. Above just a selection of some donor countries.

Putting the Rome Principles into practice

Developing countries should take responsibility for leading the design and start-up of costed National Plans of Action which specify the actions that the government and its partners will take to implement the FAO Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security.⁹⁵ All countries that were represented at the World Summit on Food Security in Rome in November 2009 agreed on the following principles:

1. To invest in nationally led plans.
2. To improve national, regional and global co-ordination, avoiding duplication of effort and identifying gaps.
3. To take a twin-track approach toward food security: direct action to help the most vulnerable populations and mid- and long-term programmes for the development of agriculture, food security, nutrition and rural development.
4. To ensure that the multilateral system has an important role.
5. To contribute financial resources punctually, in a stable and predictable manner, through multi-year plans and programmes.

Fulfilling these principles is fundamental. But the reality is a long way from the rhetoric with regard to the quality and effectiveness of aid. This will pose a major problem if the urgency of getting investment flowing is not accompanied by a real effort to overcome historic problems of lack of harmonization among donors and alignment with national priorities and plans.

At national and regional levels, there are co-ordination mechanisms that must be strengthened to be more effective. But on a global level, there is a much greater challenge. The creation of a new World Bank fund, the Global Agriculture and Food Security Programme (GAFSP) – although mobilizing important funding to fulfill L’Aquila commitments – risks fuelling the current unco-ordinated approaches to global hunger.

This new fund should not distract donor attention from the need to dramatically improve co-ordination and coherence of their response to the global food crisis. Accountability must be ensured, and financing deficits in national and regional plans should be urgently identified.

Box 6: Improving global financial co-ordination, coherence and accountability

A true global action to eliminate hunger and malnutrition needs to be based upon trust, mutual responsibility and accountability. The Committee on World Food Security (CFS) is the appropriate political forum to guarantee the involvement of all states and the participation of civil society in meeting this critical goal.⁹⁶

To avoid developing countries being bombarded with unco-ordinated projects from multiple sources, Oxfam proposes a financial mechanism that ensures co-ordination, coherence with global policy frameworks, and alignment with national plans.

This mechanism should:

- Include equal number of representatives from donor and recipient countries as well as the chairperson of the CFS;
- Base decisions on a global strategic framework, building on existing frameworks such as the CFA, the CAADP and the FAO's Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food – developed by the CFS and in a bottom-up assessment of needs and gaps, respecting the principle of subsidiarity;
- Develop a body of fair, simple, clear and objective rules that all national or regional plans must meet in order to receive international financing;
- Establish a global five-year financing plan that guides the assignment of resources by specific commitments to support national and regional plans, recorded in an International Public Register of Commitments;
- Reduce the fragmentation of agricultural and food security aid architecture by encouraging the channeling of all resources through national and regional plans and funds, wherever possible as budget support;
- Produce an annual accountability report on delivery of finance and alignment with the Rome Principles.

Conclusions and recommendations

2008 and 2009 witnessed the greatest reverse in the fight against hunger. Although projections for 2010 show a decline in the global figures, the proportion of people suffering from hunger remains stagnated above 13 per cent. This is far from the MDG 1 target of 8 per cent by 2015 and means almost no improvement since 2000. After decades of unjust policies and neglect of family-based agriculture in the developing world, the global energy, food and economic crises have left an unacceptable balance of poverty and food insecurity.

The root causes of the food price crisis remain, which means it could be repeated. The vulnerability of the global food system has become evident once again during the August 2010 price increase associated to draughts and cereal export restrictions in the Russian Federation. And climate change is already wreaking havoc on people's livelihoods all over the developing world.

As things stand, MDG 1 on poverty and hunger – and the rest of the MDGs along with it – is desperately off course. The only chance of avoiding failure is if a rescue plan is developed that includes the necessary measures (both political and financial) and is put into effect immediately. It is still possible – rescuing a person from hunger requires a donor effort around \$150 a year, matched by a similar figure from developing country governments.

Developing country governments must lead the effort and be the first to invest more to free their people from hunger and malnutrition. But given the scale of the task, they cannot do it alone. Food security is not a question of borders but rather a global goal and a responsibility shared by all countries, which are legally obliged to protect, respect and enforce the right to food. All leaders will have to be accountable for this to their citizens and to the global community.

The MDG 1 target of halving hunger is yet a modest target that would still leave almost 600 million people undernourished. The ultimate goal must be to eradicate hunger once and for all. Donors have to move beyond their rhetoric and change the way they work, to deliver a more co-ordinated, coherent and efficient aid response.

There is a need to increase both the quality and quantity of ODA, supporting national and regional plans, and focusing on women as agents of change. Aid must also promote and strengthen small-scale food production through family-based agriculture, fishing or herding. Given that three out of every four people living in poverty are in rural areas, this is also the best way to combat poverty and contribute to achieving the rest of the MDGs.

There is a moral obligation on the part of the industrialized countries to

act now. For years, they have applied unfair policies that have undermined the livelihoods of poor people in developing countries and their ability to feed themselves. Development aid can save many lives and contribute to achieving a future without hunger and poverty. Success in some of the poorest countries shows that it is possible to drastically reduce hunger when the correct measures are backed up with political commitment and adequate financing.

The global economic crisis must not be used as an excuse for abandoning women and the most vulnerable people in the fight against hunger. Acknowledging that developed countries are forced to cut budgets to cope with their structural deficits, they must increase ODA to avoid failure in meeting MDG targets.

Time is running out. Global action is needed to create a rescue package for all the MDGs. Focusing on the MDG on hunger, Oxfam recommends that all governments, North and South, and international agencies:

- Co-ordinate action under a twin-track approach:
 - In the short term, caring for people who suffer from hunger through nutrition programmes, food assistance and safety nets;
 - In the long term, strengthening people's resilience and capacity to produce food, improving the functioning of the market and establishing social protection programmes.
- Support the reformed CFS as the key forum for policy guidance and co-ordination of global action to address global food governance and the root causes of hunger and malnutrition;
- Establish a co-ordination and accountability mechanism for global financing, guided by the CFS;
- Recognize and strengthen the fundamental role of women in food security and nutrition;
- Regulate food commodity markets, to reduce speculation and price volatility;
- Prioritize actions based on existing structures, avoiding the creation of new mechanisms that fragment efforts to reduce hunger.

Developed country governments have a key role to play. They should:

- Dramatically increase ODA for agriculture and rural development, food assistance, nutrition and social protection by at least \$37.5bn a year, without taking resources away from other sectors that are key to achieving the MDGs;
- Align with national and regional priorities, improve co-ordination and support capacity building to ensure efficient delivery of aid, channeling through budgetary support wherever possible;
- Contribute individually to this collective effort based on each country's own financial capability;
- Leverage additional financing now to boost MDG 1, and other off-track MDGs, through innovative sources such as a tax on international financial transactions. For MDG 1 also create funding

by phasing out the most trade-distorting types of agricultural subsidies in rich countries, and ending subsidies and tax exemptions for biofuels;

- Foster coherence by undertaking reforms in agricultural, trade, energy and investment policies, both national and international;
- Make immediately available the funds needed for adapting to climate change in developing countries, over and above existing ODA commitments.

In addition, Oxfam recommends that the governments of developing countries:

- Increase public spending on agriculture and rural development, food security, nutrition and social protection, targeting women, smallholders and the most vulnerable consumers;
- Develop (or enhance) national and regional action plans describing (1) specific actions to reduce hunger and malnutrition, (2) how these will be financed by domestic resources, and (3) what financial and technical assistance is required internationally;
- Fully include the voice and participation of civil society stakeholders - in particular, women, smallholders, agricultural workers and the poorest groups in decision-making;
- Adopt policies on food and agriculture, social protection, trade and investment that respect the right to food and are coherent with hunger reduction objectives.

Annex 1

Table A1.ODA bilateral disbursements in 2008 to sectors related to hunger and malnutrition (constant 2008 \$m)

Country	Agriculture	Rural Development	Food security	Nutrition	Social protection	Emergency food aid	TOTAL 2008
Australia	103	28	62	1	10	81	285
Canada	152	15	87	83	27	143	507
France	484	39	76	0	12	1	613
Germany	253	161	51	3	33	78	580
Italy	57	13	54	0	30	7	162
Japan	959	104	262	0	89	8	1,422
Netherlands	139	34	22	1	2	6	204
Spain	198	54	83	57	69	115	575
Sweden	97	45	15	1	9	30	197
UK	130	106	94	6	113	105	554
US	763	1	552	17	884	2,244	4,461
TOTAL DAC countries¹	3,919	778	1,398	182	1,381	3,008	10,667

Source: DAC-OECD Statistics, *Creditor Reporting System*, http://www.oecd.org/document/0/0,2340,en_2649_34447_37679488_1_1_1_1.00.html (last accessed July 2010).

¹ ODA by all countries belonging to the DAC-OECD. Above just a selection of some donor countries.

Annex 2

How much will it cost to halve hunger?

In 2003, the FAO estimated that in order to halve the number of hungry people – which meant 420 million fewer hungry people– it would be necessary to invest an additional \$24bn (2002 dollars) in public spending each year.⁹⁷ This calculation included public funding in developing countries as well as ODA. To bring this figure up to date, we have taken the following points into consideration:

1. Inflation. In order to compare the figure with the most recent ODA data registered by the DAC-OECD, it has been updated to 2008 dollars. Using the deflator for DAC countries, this becomes \$35.7bn (2008 dollars).⁹⁸
2. Total investment until the goal is reached. The FAO's estimate was made in 2003, which means that it covered the 13 years until 2015 and amounts to a total investment of \$463.7bn (2008 dollars) for that period.
3. The number of hungry people has risen. In 2003, reducing the number of hungry people by half between 1990 and 2015 meant a decrease of 420 million people. Today, there are 925 million hungry people, and projections indicate that in 2015 the population will be 7.3 billion.⁹⁹ To meet the MDG 1 target, 'only' 8 per cent of the population should be hungry in 2015; in other words, 584 million people. This means reducing the number of hungry people by 341 million instead of 420 million. Taking this into account, a total investment of \$376.8bn would be needed up until 2015.
4. A shorter timeframe. There are only five years left to reach the MDG. Therefore, an investment of \$75.3bn is needed each year.

This is an estimation that as soon as precise country assessments are available should be updated. The estimation of financial needs may change in the next years depending on:

- Evolutions of the number of hungry people that may depend, notably, on national, regional or global policy changes.
- Donor success in taking adequate and ambitious actions. If developing countries and donors will fail to deliver adequate resources (and/or to make the necessary policy changes) they will have to reduce the same number of hungry people in less time. This will increase the cost of the rescue package.

Annex 3 Paying a fair share

In order to share the effort required from donors fairly, we have developed a capacity index that combines a country's gross national income (GNI) with its position in regard to meeting the 0.7 per cent commitment to development aid. The index gives more weight to the latter (7/10) than to GNI (3/10).

Total GNI -and not GNI *per capita*- has been chosen, in line with ODA commitment of spending 0.7% of total GNI.

$$\text{Capacity index}_A = 0.3 * (\text{GNI}_A / \text{GNI}_{\text{total}}) * 100 + 0.7 * (\text{GAP}_A / \text{GAP}_{\text{total}}) * 100$$

Table A2. Capacity index

Country	GNI, PPP (2008, \$m int'l.)	ODA (projection 2010, \$m)	GAP to 0.7% ODA	CAPACITY INDEX (%)
United States	14,226,600	24,705	74,881	49.62
EU	13,403,322	63,878	33,102	28.05
France	2,135,800	10,130	4,821	4.24
Germany	2,951,820	11,691	8,972	7.02
UK	2,225,490	14,185	1,393	2.61
Italy	1,843,010	3,426	9,475	6.32
Spain	1,404,400	5,652	4,179	3.29
Netherlands	667,939	5,323	0	0.57
Belgium	378,856	2,706	0	0.33
Sweden	348,291	3,915	0	0.30
Greece	318,029	525	1,701	1.12
Austria	311,479	1,178	1,002	0.77
Portugal	237,204	608	1,052	0.73
Denmark	206,202	2,299	0	0.18
Finland	190,989	1,112	224	0.28
Ireland	158,028	824	282	0.28
Luxembourg	25,785	304	0	0.02
Japan	4,493,670	8,501	22,954	15.32
Canada	1,289,510	3,542	5,484	3.85
Australia	798,320	2,460	3,128	2.25
Switzerland	299,845	1,881	217	0.37
Norway	282,518	2,849	0	0.24
New Zealand	107,563	324	428	0.31
TOTAL	34,901,348	108,140	140,198	100.00

Sources: *World Development Indicators*, World Bank for the GNI and OECD Secretariat Projections for the ODA 2010 OECD estimate

Notes

- ¹ 'Rome Principles for Sustainable Global Food Security', Declaration of the World Summit on Food Security, 16–18 November 2009, Rome, FAO, http://www.fao.org/fileadmin/templates/wsfs/Summit/Docs/Final_Declaration/WSFS09_Declaration.pdf (last accessed July 2010).
- ² 'UN Millennium Declaration', Resolution of the United Nations General Assembly, 8 September 2000.
- ³ 1.02 billion hungry people is the highest level since 1970, which is the first date for which data of this type are available. FAO (2009) '1.02 billion people hungry', FAO Media Centre, 19 June 2009. <http://www.fao.org/news/story/en/item/20568/code/> (last accessed July 2010).
- ⁴ United Nations (2009) *The Millennium Development Goals Report 2009*, New York: United Nations.
- ⁵ The first MDG – to eradicate extreme poverty and hunger – has three targets: 1) To halve the proportion of people living on less than \$1 a day; 2) to achieve full and productive employment and decent work for all; and 3) to halve the proportion of people who suffer from hunger. Progress on the third target, which is the focus of this report, is measured by two indicators: a) prevalence of underweight children under five years of age (being underweight to be below 2 standard deviation (SD) of the National Center for Health Statistics (NCHS)/World Health Organization (WHO) reference median); and b) the proportion of the population below the minimum level of dietary energy consumption (the minimum standard is 2,100 calories per day). To simplify, in the report, we refer to this second indicator as the proportion of hungry people. Source: 'Revising Indicators of Sustainable Development - Status and Options', United Nations Division for Sustainable Development Expert Group Meeting on Indicators of Sustainable Development, 3–4 October 2006, New York.
- ⁶ In the developing world, the change was from 20 per cent (826 million people) in 1990–92 to 16 per cent (858 million) in 2004–06. FAO (2003) *The State of Food Insecurity in the World 2003: Monitoring Progress Towards the World Food Summit and Millennium Development Goals*, Rome: FAO; and Hunger Statistics at <http://www.fao.org/hunger>
- ⁷ In 2008, both the proportion and the number of hungry people in the world rose, reaching 13.6 per cent and 915 million respectively, and in 2009, the proportion reached 15 per cent: 1.02 billion people. FAO (2009) *The State of Food Insecurity in the World: Economic Crises – Impacts and Lessons Learned*, Rome: FAO.
- ⁸ Of 117 countries analysed by UNICEF, only 63 are on the road to fulfilling the goal of reducing the prevalence of underweight children under five years of age. UNICEF (2009) *Tracking Progress on Child and Maternal Nutrition*, New York: UNICEF.
- ⁹ FAO (2009) *op. cit.*
- ¹⁰ *Ibid.*
- ¹¹ Von Grebmer et al. (2009) *2009 Global Hunger Index. The Challenge of Hunger: Focus on Financial Crisis and Gender Inequality*. Bonn, Washington D.C., Dublin. Welt Hunger Hilfe, IFPRI, Concern Worldwide.
- ¹² Guatemala ranks second in the world in terms of unequal land distribution. According to the 2003 census, 8 per cent of commercial farmers own around 80 per cent of cultivated land, while 92 per cent of subsistence farmers use the remaining 20 per cent. Expansion of monocultures for export (sugar cane, banana and palm oil) is dispossessing indigenous populations, whose rights are not legally protected. For more information, see Intermón Oxfam (2010) 'Combatar el hambre en Guatemala: un análisis de la eficacia de la ayuda española a los sectores de agricultura, desarrollo rural y seguridad alimentaria'.
- ¹³ FAO (2009) *op. cit.*
- ¹⁴ FAO Investment Centre reports that ODA for agriculture dropped from 18 per cent of total ODA in 1979 to 3 per cent in 2004. FAO Investment Centre, 'Increased Agricultural Investment is Critical to Fighting Hunger', <http://www.fao.org/tc/tci/whyinvestinagricultureandru/en/> (last accessed July 2010). In spite of the recent increase in response to the crisis, in 2008 it represented only 4.9 per cent of the total ODA (including agricultural, forestry and fishing sectors) according to the Creditor Reporting System of the OECD–DAC.
- ¹⁵ For example, in this period, rice crop productivity increased by 32 per cent and wheat by 51 per cent. Oxfam International (2009) 'Investing in Poor Farmers Pays: Rethinking How to Invest in Agriculture', Briefing Paper 129, Oxford: Oxfam International.
- ¹⁶ Today the states whose economies depend on agriculture dedicate only 4 per cent of their national budget to it, while in industrialized economies the figure is close to 15 per cent. FAO (2009) *op. cit.* Computing both public and private sources, developing countries invest only one-ninth of the amount that developed countries spend on agricultural research and development, as a percentage of agricultural GNI. World Bank (2007) *2008 World Development Report: Agriculture for Development*, Washington D.C.: World Bank.
- ¹⁷ L. Brown (2006) *Plan B: Rescuing a Planet Under Stress and a Civilization in Trouble*, 2nd edn, New York and London: W.W. Norton.
- ¹⁸ World Bank (2007) *op. cit.*
- ¹⁹ In 2008 alone, OECD countries supported their own producers with \$265bn (statistics from OECD *Producer Support Estimates*). For a comprehensive analysis, see also Oxfam (2002) *Rigged Rules and Double Standards: Trade, Globalisation and the Fight Against Poverty*, Oxford. Oxfam International.
- ²⁰ In 1970, the least advanced countries imported 8 per cent of the cereal they consumed, 18 per cent of the

- sugar and 9 per cent of vegetable oil. In 2009, they imported 17 per cent of cereal, 45 per cent of sugar and 55 per cent of vegetable oil. FAO (2009) *op. cit.*
- 21 Oxfam (2010) 'Haiti: A Once-in-a-Century Chance for Change', Briefing Paper 136, Oxford: Oxfam International.
- 22 Oxfam (2008) 'Double-Edged Prices: Lessons from the Food Price Crisis – 10 Actions Developing Countries Should Take', Briefing Paper 121, Oxford: Oxfam International.
- 23 The fall in price of some food commodities has been widely attributed to faltering consumer/import demand because of the global recession and limited availability of credit, as well as to lower biofuel feedstock demand resulting from lower energy prices. It is still uncertain how these factors will evolve in the short term and affect the future of agricultural markets. FAO (2009) *The State of Food and Agriculture: Livestock in the Balance*, Rome: FAO.
- 24 FAO (2010) 'Wheat sends food prices up. FAO Food Price Index climbs five per cent in August' FAO Media Centre. 1 September 2010. <http://www.fao.org/news/story/en/item/45006/icode/> (last Accessed September 2010).
- 25 High energy prices are assumed to remain in the next decade. A further increase in oil prices could be expected to increase input and production costs, having an impact on crop supplies, prices and trade flows, and reinforce feedstock demand for biofuels. See OECD–FAO (2010) *Agricultural Outlook 2010–2019*, France: OECD–FAO.
- 26 *Ibid.*
- 27 Oxfam (2010) 'Climate Change Adaptation: Enabling People Living in Poverty to Adapt', Research Report, Oxford: Oxfam GB.
- 28 IFPRI (2009) *Climate Change: Impact on Agriculture and Costs of Adaptation*, Food Policy Report, Washington D.C.: IFPRI.
- 29 World Food Programme (2009) *Climate Change and Hunger: Responding to the Challenge*, Geneva: WFP.
- 30 FAO (2009) 'Hunger in the Face of Crisis', Economic and Social Perspectives Policy Brief No. 6, September, Rome: FAO.
- 31 For more information on the drivers, actors and implications of land grabbing, see GRAIN (2008) 'Seized: The 2008 Land Grab for Food and Financial Security', <http://www.grain.org/briefings/?id=212> (last accessed July 2010); L. Cotula, S. Vermeulen, R. Leonard and J. Keeley (2009) *Land Grab or Development Opportunity? Agricultural Investment and International Land Deals in Africa*, London/Rome: FAO, International Institute for Environment and Development (IIED) and International Fund for Agricultural Development (IFAD); FAO (2009) 'From Land Grab to Win-Win: Seizing the Opportunities of International Investments in Agriculture' Economic and Social Perspectives Policy Brief 4, June; Dr. M. Görgen, Dr. B. Rudloff, Dr. J. Simons, A. Üllenberg, S. Våth and L. Wimmer (2009) *Foreign Direct Investment (FDI) in Land in Developing Countries*, Eschborn: Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ); De Schutter (2009) 'Large-Scale Land Acquisitions and Leases: A Set of Core Principles and Measures to Address the Human Rights Challenge', Special Rapporteur on the right to food; J. von Braun and R.S. Meinzen-Dick (2009) "Land Grabbing" by Foreign Investors in Developing Countries: Risks and Opportunities', IFPRI Policy Brief; V. Songwe and K. Deininger (2009) 'Foreign Investment in Agricultural Production: Opportunities and Challenges', Agriculture & Rural Development Notes, Issue 45, January; S. Daniel and A. Mittal (2009) *The Great Land Grab: Rush for World's Farmland Threatens Food Security for the Poor*, California: The Oakland Institute; S. Daniel and A. Mittal (2010) *(Mis)Investment in Agriculture: The Role of International Finance Corporation in Global Land Grab*, California: The Oakland Institute.
- 32 Price volatility measures how much the price of a commodity fluctuates over a given time frame using the standard deviation of prices. In the first four months of 2008 volatility in wheat and rice prices approached record highs (twice the level of the previous year for wheat and five times for rice). High volatility attracts speculative activities and was one of the factors prompting the past global food crisis. See FAO (2009) *The State of Agricultural Commodity Markets. High food prices and the food crises – experiences and lessons learned*.
- 33 This commitment was reaffirmed in 2002 with the Monterrey Consensus for Financing of Development, and in the G8 meeting at Gleneagles in 2005, where the EU member countries set a roadmap to reach 0.7 per cent by 2015.
- 34 'Rome Declaration on World Food Security', World Food Summit, Rome: 13–17 November 1996.
- 35 Demographic projections predict a world population of 7.3 billion people by 2015. Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat (2009). *World Population Prospects: The 2008 Revision*, New York: United Nations, http://esa.un.org/unpd/wpp2008/pdf/WPP2008_Selected_Tables_1.pdf (last accessed July 2010).
- 36 FAO (2003) *Anti-Hunger Programme. A Twin-Track Approach to Hunger Reduction: Priorities for National and International Action*, Rome: FAO.
- 37 'Declaration of the High-Level Conference on World Food Security: the Challenges of Climate Change and Bioenergy'. Rome: 5 June 2008.
- 38 Statement by Jacques Diouf, Director-General of the FAO, at the opening of the High-Level Conference on World Food Security in Rome, June 2008.

- ³⁹ 'G8 Leaders Statement on Global Food Security', Toyako, 7–9 July 2009.
- ⁴⁰ 'Statement of the Madrid High-Level Meeting on Food Security for All', Madrid, 26–27 January 2009.
- ⁴¹ At the Madrid meeting, Spain announced that it would dedicate €1bn over the next five years for agricultural and food security programmes.
- ⁴² United Nations Secretary-General (2010) *Keeping the Promise: A Forward-Looking Review to Promote an Agreed Action Agenda to Achieve the Millennium Development Goals by 2015*, Geneva: UN General Assembly, A/64/665.
- ⁴³ The L'Aquila Food Security Initiative (AFSI) was endorsed by the G8 and by Angola, Algeria, Australia, Brazil, Denmark, Egypt, Spain, Ethiopia, India, Indonesia, Libya (Presidency of the African Union), Mexico, Nigeria, the Netherlands, People's Republic of China, Republic of Korea, Senegal, South Africa, Turkey, the Commission of the African Union, FAO, International Energy Agency (IEA), IFAD, the International Labour Organization (ILO), IMF, OECD, the UN Secretary-General's High-Level Task Force on the World Food Security Crisis, the WFP, the World Bank, the WTO, the Alliance for a Green Revolution in Africa (AGRA), the Consultative Group on International Agricultural Research (CGIAR), the Global Donor Platform for Rural Development and the Global Forum on Agricultural Research (GFAR).
- ⁴⁴ 'L'Aquila Joint Statement on Global Food Security, L'Aquila Food Security Initiative', 10 July 2009.
- ⁴⁵ G8 Canada (2010) 'Muskoka Accountability Report : Assessing Action and Results Against Development-Related Commitments'.
- ⁴⁶ Communication by Oxfam International and Ucodep Campaign Office (Italy)
- ⁴⁷ Communication by Oxfam America.
- ⁴⁸ The climate-related challenges faced by developing countries clearly impose an additional cost burden on national budgets and on individuals and households. It follows, therefore, that the funding provided from the global community should be additional. See Oxfam (2009) 'Beyond Aid: Ensuring Adaptation to Climate Change Works for the Poor', Briefing Paper 132.
- ⁴⁹ Article 25 of the Universal Declaration of Human Rights (adopted in 1948) says that 'Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family [sic], including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.' Article 11 of the International Covenant on Economic, Social and Cultural Rights adopted in 1966 establishes that 'The States Parties will recognize the right of everyone to an adequate standard of living for himself and his family [sic], including adequate food, clothing and housing, and to the continuous improvement of living conditions; take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent, recognizing the fundamental right of everyone to be free from hunger.'
- ⁵⁰ It is estimated that only a quarter of developing countries exposed to the crisis have enough fiscal capability to cope with it and, of these, one-third depend on international aid. World Bank (2010) 'The Global Economic Crisis: Assessing Vulnerability with a Poverty Lens', Poverty Reduction and Economic Management (PREM) Network Policy Note, New York: World Bank.
- ⁵¹ Although total aid registered a small increase, from \$122bn in 2008 to \$123bn in 2009, the amount of aid fell by \$3.5bn when compared to 2009 prices. See Oxfam International (2010) 'Rich country donors still well off-track on their aid commitments', Oxfam International, 14 April, <http://www.oxfam.org.uk/applications/blogs/pressoffice/?p=12119> (last accessed July 2010).
- ⁵² FAO (2009) *The State of Food Insecurity in the World, op. cit.*
- ⁵³ In 2009, ODA plummeted in Italy by 31 per cent, in Ireland by 19 per cent, and in Germany by 12 per cent. Spain has announced a cut of €800m over the next two years, which will probably be more once cuts in decentralized ODA are accounted for.
- ⁵⁴ World Food Programme (2008) 'Food Aid Flows 2008', Rome: WFP.
- ⁵⁵ Oxfam International (2009) 'A Billion Hungry People: Governments and Aid Agencies Must Rise to the Challenge', Briefing Paper 127, Oxford: Oxfam International.
- ⁵⁶ There are numerous examples of producers being displaced from the market by the flow of international foodstuffs. For example, donor response to the food deficit in Malawi in 2002–03 made corn prices fall by \$150 per ton in the course of one year. Local corn, yucca and rice production fell sharply and losses to the national economy were estimated at \$15m. See F. Mousseau (2004) Southern African Regional Poverty Network (SARPN) 'Roles of and Alternatives to Food Aid in Southern Africa'.
- ⁵⁷ The OECD calculated that the purchase of food from neighboring countries may be up to 33 per cent cheaper than transport from the donor country. See E. Clay (2004) 'The Development Effectiveness of Food Aid and the Effects of its Tying Status', OECD Development Assistance Committee (DCD/DAC/EFF(2004)9). See also Oxfam (2009) 'A Billion Hungry People', *op. cit.*
- ⁵⁸ The CFA and all other institutional proposals for challenging food and nutrition insecurity in the world put small-scale agriculture at the centre of productive development. See the HLTF Comprehensive Framework for Action, 'L'Aquila Joint Statement on Global Food Security'.
- ⁵⁹ Oxfam International (2009) 'Investing in Poor Farmers Pays: Rethinking How to Invest in Agriculture', Briefing

Paper 129, Oxford: Oxfam International.

- 60 According to WFP Hunger Stats, more than 60 per cent of hungry people are women, <http://www.wfp.org/hunger/stats>
- 61 IFPRI (2000) 'Women: The Key to Food Security'. Issue Brief No. 3, Washington D.C.: IFPRI. In many African countries, women account for up to 80 per cent of food production, UN Department of Public Information, 'Women Farmers: the "Invisible" Producers.' Africa Recovery, <http://www.un.org/ecosocdev/geninfo/afrec/vol11no2/women.htm> (last accessed July 2010).
- 62 IFPRI (2008) 'Promising Approaches to Address the Needs of Poor Female Farmers', Discussion Paper, Washington D.C.: IFPRI.
- 63 FAO 'Women, agriculture and food security' factsheet, <http://www.fao.org/worldfoodsummit/english/fsheets/women.pdf> (last accessed July 2010).
- 64 M. Benschop (2004) 'Women's Rights to Land and Property', Contribution from UN-HABITAT to the Commission on Sustainable Development.
- 65 E. Northoff, 'FOOD: Women farmers are invisible actors in hunger drama', Inter Press Service, http://www.ansa-africa.net/uploads/documents/publications/World_News_Women_farmers.pdf (last accessed July 2010).
- 66 FAO (1997) 'Higher Agricultural Education and Opportunities in Rural Development for Women: An Overview and Summary of Five Case-Studies', Rome: FAO.
- 67 OECD (2007) *Aid in Support of Gender Equality and Women's Empowerment*, OECD–DAC Secretariat.
- 68 These principles were ratified in the World Summit on Food Security in Rome, and became known as the 'Rome Principles'. 'Declaration of the World Summit on Food Security', Rome, November 2009.
- 69 Global Donor Platform for Rural Development (2009) *Joint Donor Principles for Agriculture and Rural Development Programmes: Incentives for Change*, Bonn: Global Donor Platform for Rural Development. The principles are: ownership by partner countries; alignment with national development strategies, institutions and procedures; harmonization among donors; managing for results; and mutual accountability.
- 70 Oxfam International Research Report (2009) 'Aid for Agriculture: Turning Promises into Reality on the Ground. Co-ordinating Donor Interventions in Three West African Countries', Oxford: Oxfam International; Intermón Oxfam Research Report (2010) 'Combatir el hambre en Guatemala: un análisis de la eficacia de la ayuda española a los sectores de agricultura, desarrollo rural y seguridad alimentaria'.
- 71 FAO (2009) *Pathways to Success: Success Stories in Agricultural Production and Food Security*, Rome: FAO.
- 72 The most recent statistics on hunger are from 2004–06. When more recent data are published, we will know if the trend of progress has continued after the impact of the increase in food prices and the economic crisis.
- 73 It is estimated that half of the hungry people in the world depend on small-scale farming; 20 per cent are landless farmers and 10 per cent live from herding livestock, harvesting and fishing. UN Millennium Project Task Force on Hunger (2005) *Halving Hunger: It Can Be Done*, New York: United Nations Development Programme (UNDP).
- 74 J. Fanzo and P. Pronyk (2010) 'An Evaluation of Progress toward the Millennium Development Goal One Hunger Target: A Country-Level, Food and Nutrition Security Perspective', Center for Global Health and Economic Development The Earth Institute of Columbia University.
- 75 The World Food Programme advocates for food distribution in the country and their 'refugee' food programme goes on till December 2012. See www.wfp.org/countries/malawi.
- 76 FAO (2009) *Pathways to Success*, *op. cit.*
- 77 FAO, IFAD, WFP (2002) *Reducing Poverty and Hunger: The Critical Role of Financing for Food, Agriculture and Rural Development*, Paper Prepared for the International Conference on Financing for Development Monterrey, Mexico, 18–22 March 2002, Rome: FAO Economic and Social Development Department.
- 78 UN Millennium Project (2005) *op. cit.*
- 79 FAO (2008) 'Soaring Food Prices: Facts, Perspectives, Impacts and Actions Required', HLC/08/INF/1.
- 80 In 2008, the minimum salary in Guatemala was less than 1,500 quetzales (about \$150). That same year, the basic food basket cost 1,900 quetzals (about \$190). Intermón Oxfam (2010) *op. cit.*
- 81 Fanzo and Pronyk (2010) *op. cit.*
- 82 In 2005, all of the EU countries that are members of the Development Assistance Committee (DAC) pledged to dedicate at least 0.51 per cent of their GNI to ODA by 2010. But the OECD calculates that DAC donors will only spend \$107bn (in 2004 dollars) in 2010 as opposed to the almost \$130bn promised at the Gleneagles Summit and the Millennium + 5 Summit. OECD (2010) 'Donors' mixed aid performance for 2010 sparks concern', http://www.oecd.org/document/20/0,3343,en_2649_34447_44617556_1_1_1_37413,00.html (last accessed July 2010).
- 83 The G8 Muskoka Accountability Report shows clearly that the promise made at Gleneagles in 2005 to increase aid will be broken, and there is no plan stating how to fill the \$20bn shortfall over the next two years.

For Africa, figures are even worse; OECD estimates that the shortfall will be \$14bn on a promise of \$25bn. The G8 have delivered less than half of the commitments they made.

- ⁸⁴ FAO (2003) *Anti-Hunger Programme*, *op. cit.*
- ⁸⁵ For a definition of aid to 'agriculture', 'rural development', 'nutrition', etc, see OECD–DAC (2010) 'Measuring Aid to Agriculture', <http://www.oecd.org/dataoecd/54/38/44116307.pdf> (last accessed July 2010).
- ⁸⁶ A study mentioned by FAO estimates that during the last decade, developing countries on average invested \$142bn in agriculture. FAO (2009) 'Investment: The Challenge', High-level Expert Forum on How to Feed the World 2050, Rome, 12–13 October.
- ⁸⁷ African countries committed themselves to this goal in 2003 by means of the Maputo Declaration, with the aim of increasing agricultural productivity by at least 6 per cent by 2008. However, only 7 of the 53 African countries have complied (Ethiopia, Madagascar, Malawi, Mali, Niger, Senegal and Zimbabwe). In most of them, the proportion of hungry people has been reduced. See ActionAid (2009) 'Five Out Of Ten? Assessing Progress Towards the AU's 10% Budget Target for Agriculture', London: ActionAid.
- ⁸⁸ Of this total, \$6.65bn went to agriculture and rural development. Therefore, the ODA for these sectors should reach a total of close to \$31bn a year. The most recent data are from 2008, registered in the OECD–DAC's *Creditor Reporting System*, <http://stats.oecd.org/Index.aspx?DatasetCode=CRSNEW> (last accessed May 2010).
- ⁸⁹ If the total ODA needed (\$53.3bn annually) is divided by the number of people who would no longer be hungry (341 million, see Annex 2), the result would be \$156 per year for each person rescued from hunger.
- ⁹⁰ Oxfam International (2009) 'Beyond Aid: Ensuring Adaptation to climate change works for the poor', Briefing Paper 132, Oxford: Oxfam International.
- ⁹¹ A tax of just 0.05 per cent applied to financial transactions would raise \$400bn annually, half to invest in domestic issues and the other \$200bn for issues in developing countries. Of this, \$100bn should contribute to ODA and \$100bn to adaptation to climate change.
- ⁹² For current spending, the OECD forecasts for 2010 have been used.
- ⁹³ The European Union (27) Producer Support Estimate in 2008 was \$135.6bn, from which categories A (support based on commodity output) and B (payments based on input use) are considered the most distorting, and accounted to \$65.2bn. Producer and Consumer Support Estimates database, <http://stats.oecd.org/Index.aspx?DatasetCode=CRSNEW> (last accessed July 2010).
- ⁹⁴ US Producer Support Estimate in 2008 was \$27bn, according to the Producer and Consumer Support Estimates database, http://www.oecd.org/document/59/0,3343,en_2649_33797_39551355_1_1_1_37401,00.html#country (last accessed July 2010). Regarding US support to biofuels, recent research shows that the US spent over \$9.5bn in 2008 supporting its biofuels' industry by means of tax credits and the Renewable Fuels Standard. See: Earth Track and Friends of the Earth (2009): "A Boon to Bad Biofuels".
- ⁹⁵ FAO (2005) 'Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security', Rome: FAO, www.fao.org/docrep/meeting/009/y9825e/y9825e00.HTM (last accessed July 2010).
- ⁹⁶ The CFS must be the main international body for co-ordinating and following up actions for global food security. For detailed analysis of the CFS and proposals, see Oxfam (2009) 'Bridging the Divide: The Reform of Global Food Security Governance', Briefing Note, Oxford: Oxfam International.
- ⁹⁷ FAO (2003) *Anti-Hunger Programme*, *op. cit.*, p 34.
- ⁹⁸ To consult DAC deflators, see www.oecd.org/dataoecd/43/43/34980655.xls
- ⁹⁹ UN Department of Economic and Social Affairs (2009) *op. cit.*

© Oxfam International September 2010

This paper was written by Arantxa Guereña with contributions by Luca Chinotti, Sonia Goicoechea, Jean-Denis Crola and Eric Hazard. The author also acknowledges Javier Perez, Chris Leather, Rob Bailey, Thierry Kesteloot, Teresa Cavero, José Antonio Hernández, Raquel Gomes, Madelon Meijer, Duncan Green, Emma Seery, Nathalie Beghin, Colin Roche and Saya Saulière, who provided valuable comments in its production. The text may be used free of charge for the purposes of advocacy, campaigning, education, and research, provided that the source is acknowledged in full. The copyright holder requests that all such use be registered with them for impact assessment purposes. For copying in any other circumstances, or for re-use in other publications, or for translation or adaptation, permission must be secured and a fee may be charged. E-mail publish@oxfam.org.uk.

For further information on the issues raised in this paper please e-mail advocacy@oxfaminternational.org.

The information in this publication is correct at the time of going to press.



Oxfam

www.oxfam.org

Oxfam is an international confederation of fourteen organizations working together in more than 100 countries to find lasting solutions to poverty and injustice: Oxfam America (www.oxfamamerica.org), Oxfam Australia (www.oxfam.org.au), Oxfam-in-Belgium (www.oxfamsol.be), Oxfam Canada (www.oxfam.ca), Oxfam France (www.oxfamfrance.org), Oxfam Germany (www.oxfam.de), Oxfam GB (www.oxfam.org.uk), Oxfam Hong Kong (www.oxfam.org.hk), Intermon Oxfam (www.intermonoxfam.org), Oxfam Ireland (www.oxfamireland.org), Oxfam Mexico (www.oxfammexico.org), Oxfam New Zealand (www.oxfam.org.nz), Oxfam Novib (www.oxfamnovib.nl), Oxfam Quebec (www.oxfam.qc.ca)

The following organizations are currently observer members of Oxfam, working towards full affiliation:

Oxfam India (www.oxfamindia.org)

Oxfam Japan (www.oxfam.jp)

Ucodep (Italy) (www.ucodep.org)

Please write to any of the agencies for further information, or visit www.oxfam.org. Email: advocacy@oxfaminternational.org