

**DRAFT**

**High Level Task Force on the Global Food Security Crisis**

**UPDATED  
COMPREHENSIVE FRAMEWORK FOR ACTION**

**Dublin Draft: May 2010**

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*DUBLIN DRAFT  
10 MAY 2010*

## FOREWORD

The United Nations System High Level Task Force on the Global Food Security Crisis (HLTF) was established in April 2008. It developed the original Comprehensive Framework for Action (CFA) in July 2008 when the world was being rocked by spiralling food prices, resulting in increasing levels of hunger and social tension and distress for poorer households. The framework was designed to encourage concerted responses to the food price crisis with simultaneous actions and outcomes to meet the immediate needs of vulnerable populations and to build longer term resilience (the twin track approach). Progress by the HLTF against these outcomes has been documented in an annual progress report available on [www.un-foodsecurity.org](http://www.un-foodsecurity.org).

Following the release of the CFA there was increasing consensus on the policies and investments needed for sustained improvement in food and nutrition security along the lines of the CFA outcomes. The initial emphasis was to prioritize the interests of smallholder farmers, especially women, helping them to obtain the agricultural inputs they need in a predictable way, enabling them to increase their share of the value derived from their produce as it is stored, transported, processed and marketed, and ensuring that they are supported during periods when access to specific nutrients is compromised because of climatic events, changing market conditions, loss of assets and/or employment opportunities or incapacitation of adults in the household. As the economic contractions of 2008-9 deepened, the need for social protection and safety nets to help households avoid hunger received increased attention. In 2009 and 2010, the importance of nutritional security was more widely embraced with the evidence that even when communities experienced increases in their overall food production, the prevalence of under-nourished children remained high. As the CFA's emphasis on comprehensive approaches became ever more relevant over time, policymakers sought ways to link agriculture, food security and nutritional outcomes.

Since the creation of the HLTF and release of the CFA there has been a massive effort to encourage greater investment in food and nutrition security – making the case for more funding from national budgets, identifying the kinds of outcomes that should receive priority support (building on the CFA's comprehensive approach), mobilizing external support from donors and development banks, speeding the movement of funds to where they are needed and ensuring sound management, financial control and audit.

Late 2008 and early in 2009 major donors – including the European Commission, Spain and the US – indicated that if the systems were right they would be prepared to increase their investment. Positive signals included (a) synergy within the international system achieved through the HLTF's improved coordination at global and country level, (b) the work of the African Union Comprehensive Africa Agriculture Development Programme (CAADP) (together with Africa's Regional Economic Commissions) to stimulate multi-stakeholder efforts for formulating country and sub-regional compacts and investment plans, (c) the joint efforts by CAADP and donors to coordinate national government, development bank, donor, private sector and civil society engagement in developing investment plans. This combination of signals increased donor confidence in the possibility that national-level partnerships for food security could be supported through existing agency operating procedures without the need for the creation of a totally new funding mechanism (though some pooling of – and coordination – of funds was seen to be helpful).

As the months evolved the African Union and Regional Commissions, the European Union, bilateral donors, development banks, the G8 and G20, with consistent support from the UN Secretary General and HLTF members worked together on options for increased investment in food and security. There was a remarkable convergence of ideas around (a) the intention for a major scale-up in national and international investment for food and nutrition security, (b) the set of principles that would underlie this increased investment and (c) the means through which the investment would be planned and managed – with the minimum of new institutions, building on existing processes where these could be shown to work.

Given the changing food and nutrition security context within which national authorities and numerous other stakeholders have become engaged, the CFA has been updated so that it continues to inspire coordinated action for the realization of specific outcomes.

Still based on the twin track approach, the updated CFA includes a wider range of views and a fuller treatment of all aspects of food and nutrition security. It takes into account the need to accord greater priority to protecting those who are least able to enjoy their rights to food, environmental sustainability, gender equity and the pre-requisites for improved nutrition. It acknowledges that while States have the primary role in ensuring food and nutrition security for all, a multiplicity of other actors have vital contributions to make.

This updating work would not have been possible without the active involvement of, and constructive comments from, stakeholders from Governments, NGOs, CSOs and private sector. The HLTF would like to extend its thanks and gratitude to all of them.

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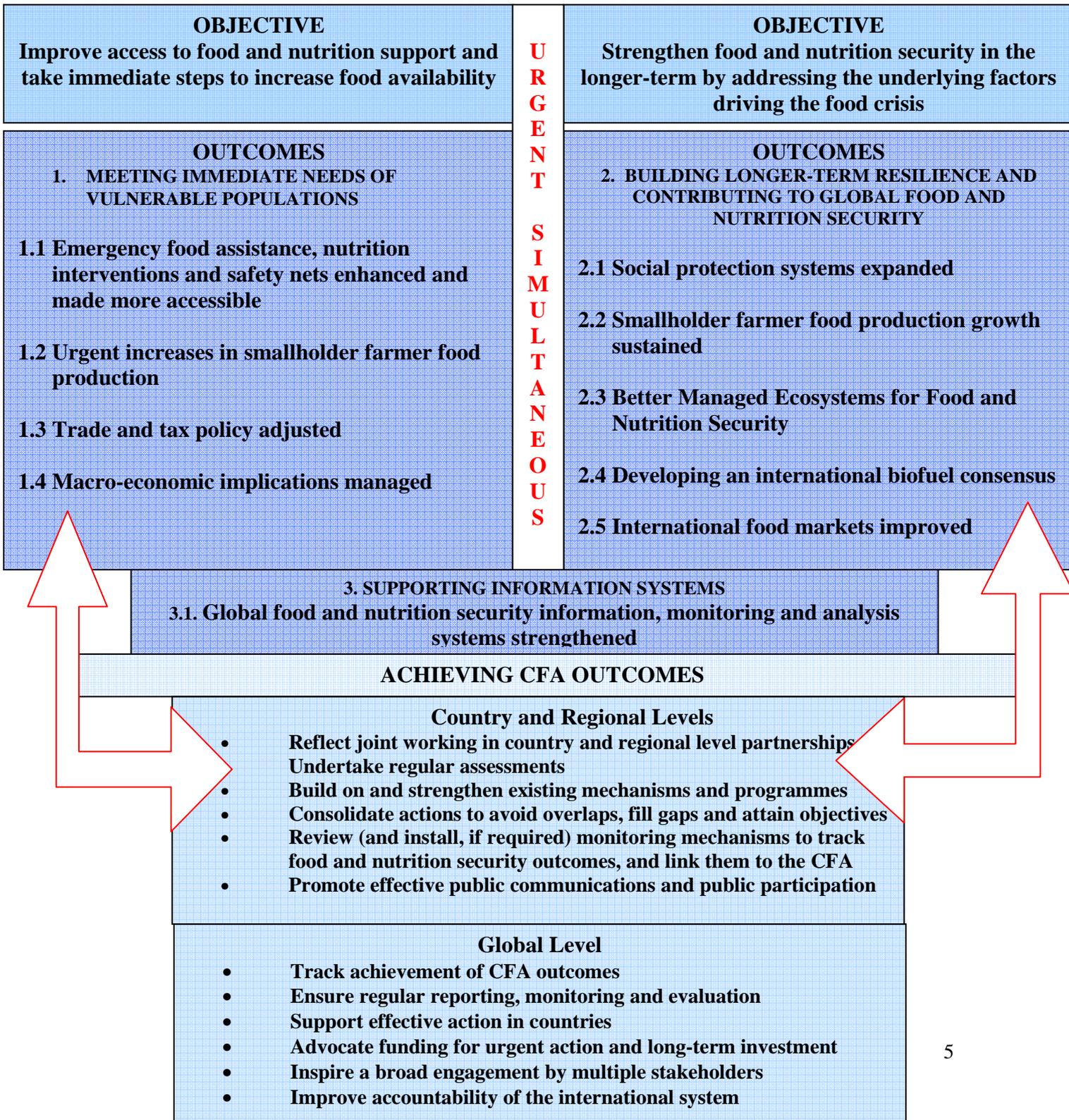
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**Millennium Development Goal 1: Eradicate Extreme Poverty and Hunger**

Declarations of High-Level Conferences on Food and Nutrition Security

UN CEB Communiqué on UN response to the Global Food Crisis

**COMPREHENSIVE FRAMEWORK FOR ACTION**



## A. CONTEXT ANALYSIS

1. *Food and nutrition security*<sup>1</sup>: Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life. Food insecurity exists when people do not have adequate physical, social or economic access to food as defined above. Food security therefore covers availability, access, utilization and stability issues, and – because of its focus on the attributes of individuals – also embraces their *energy, protein and nutrient* needs for life, activity, pregnancy, growth and long-term capabilities.

2. *2008 – 10: Two crises and their impacts affecting food security*: The Food and Agriculture Organization (FAO) and the World Food Programme (WFP) reported in their 2009 publication “*The State of Food Insecurity in the World*” (SOFI 2009) that - for the first time since 1970 - more than one billion people (around one sixth of all of humanity) are hungry and undernourished worldwide. Several factors converged to make 2009 particularly damaging to people at risk of food insecurity.

- i) The world was faced by two crises at the same time. The first was a food crisis that in 2006–08 pushed the prices of basic staples beyond the reach of millions of poor people. This strained the already limited ability of poor households to buy food. Many families were especially vulnerable to the rising prices as they were net food buyers. The rise in food prices did not always translate into an increase in farmers’ incomes due to ill-functioning markets.
- ii) Although prices have retreated from their mid-2008 highs, they remain elevated by recent historical standards. And they are volatile. At the end of 2008, domestic staple food prices remained, on average, 17 percent higher in real terms than two years earlier. The price increases had forced many poor families to sell assets or sacrifice health care, education or food just to stay afloat.
- iii) The second crisis was a breakdown of world financial systems in 2009 that affected all nations and reduced the capacity of developing country finance ministers to act in ways reflecting the needs of their poorer populations. With their resources stretched to breaking point, households found it difficult to ride out the economic storm. The financial and economic crisis was not easy to handle because of its magnitude and spread (it affected large parts of the world simultaneously).
- iv) An impact of these crises is the resulting damage to the economies of nations that are financially and commercially dependant on the world economy. They experienced the knock-on effects of economic contraction, with an associated cut-back in export markets and a shortage of credit. Many countries experienced across-the-board drops in their trade and financial inflows, and saw falls in their export earnings, inward investment by foreign enterprises, receipts of development aid, remittances from citizens living abroad and income from taxes.

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<sup>1</sup> This is the FAO working definition based on a paper prepared by Edward Clay of the Overseas Development Institute, London, UK, for the FAO Expert Consultation on Trade and Food Security: Conceptualizing the Linkages, Rome, 11-12 July 2002. The definition has evolved over time. In 1974 food security was defined in terms of the volume and stability of food supplies (“availability at all times of adequate world food supplies of basic foodstuffs to sustain a steady expansion of food consumption and to offset fluctuations in production and prices”). In 1983, the concept was expanded to cover securing access by vulnerable people to available supplies: “ensuring that all people at all times have both physical and economic access to the basic food that they need”. In 1986, the World Bank report “Poverty and Hunger” introduced the widely accepted distinction between chronic food insecurity, associated with problems of continuing or structural poverty and low incomes, and transitory food insecurity, which involved periods of intensified pressure caused by natural disasters, economic collapse or conflict. This concept of food security is further elaborated in terms of: “access of all people at all times to enough food for an active, healthy life”.

3. Faced with the effects of economic contraction, governments have supported households as they make undesirable but often unavoidable compromises - such as replacing more-nutritious with less nutritious food, selling productive assets, withdrawing children from school, forgoing health care or education, or simply eating less. Based on direct interviews with people who are most affected by food insecurity, country case studies conducted by WFP<sup>2</sup>, have revealed how households are affected by the fall in remittances and other impacts of the economic downturn. The case studies also show how governments are responding to the crisis by investing in agriculture and infrastructure and expanding safety nets.

## **1. CAUSES OF FOOD INSECURITY AND UNDER-NUTRITION: CURRENT SITUATION AND FUTURE RISKS**

4. *Structural factors and market failures*: In the last two decades many countries have successfully promoted food security with – in some cases – discernable improvements in the nutritional status of vulnerable people. However, the two crises have demonstrated that the structure and functioning of food markets was too fragile to withstand the impact of successive shocks. This reflects a history of inappropriate policies on effective land use and food production, decades of under-investment in agriculture (particularly smallholder-based production and processing systems), rural development and infrastructure; inconsistent attention to the effective operation of markets for food, and trading systems, and lack of support for safety nets, and social protection systems.

5. *Price volatility*: Poorer people are particularly affected by fluctuations in the prices of food as well as costs of inputs and transport. Even though prices have dropped since the 2008 peak and economic systems are recuperating, price stickiness has been evident in many developing countries and domestic commodity prices often stay high. These volatile prices add to the difficulties faced by farmers when making choices about crops to grow, livestock to purchase or new ventures to undertake, and result in increased levels of food insecurity among poor people. Volatility also undermines confidence in global systems for maintaining prices and securing supplies at times of need.

6. *Vulnerabilities*: The food price and the financial and economic crises revealed that different groups of poor people are particularly vulnerable to the impact of crisis situations. These include the nearly half a billion small-scale food producers and millions of waged agricultural workers (usually employed as casual labourers) who help produce the food on which we all depend, and poor people who live in urban areas whose purchasing power also depends on their ability to earn an income. Vulnerabilities are particularly pronounced in countries experiencing (or recovering from) breakdowns in political systems, civil strife and/or warfare.

7. *Challenges faced by women*: Women are responsible for about half of the world's food production: they produce between 60 and 80 percent of the food in most developing countries. They also constitute the majority of smallholder farmers in developing countries. In spite of their significant contribution to agricultural growth women face many constraints which limit their ability to ensure food and nutrition security within their households and communities. They are not easily able to access land, technology, training and extension services, marketing services and credit. Inequalities are exacerbated by biases in development policies, discriminatory legislation, longstanding traditions, and lack of access to decision makers.

8. *Need for better Governance*: This current context has exposed the failure of systems and institutions of, and the fragility of global mechanisms for, food governance when responding to the needs of poor people affected by substantial shocks. This implies the need for their operations to be made fit-for-purpose through the better global governance of world food security.

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<sup>2</sup> Reported in SOFI 2009

9. *Future risks*: Within many developing countries, anxiety about high food prices and intense competition over land, water and transport capacity has already increased the risks of civil unrest, political instability, displacement of people and migration across borders. Unstable energy prices, continued food price volatility, and lack of infrastructure for market access create a context in which farmers find it difficult to operate profitably and are tempted to intensify their demands on the State. Risks to profitable operation will remain as long as continuing population growth creates increasing demands for food in situations where there is limited capacity for increased production. Pressure on environments from farmers and their families, combined with the impact of climate change on agricultural production and food systems, will tend to increase the risks of food insecurity in coming decades. Climate change will also add to the demands for humanitarian action by triggering an increase in the frequency of extreme weather events.

## 2. STRATEGIES FOR IMPROVING FOOD SECURITY AND NUTRITION

10. *The twin track Comprehensive Framework for Action (CFA)*: This updated CFA sets out ways in which the UN System High Level Task Force (HLTF) can support food security policies in a coordinated way. The CFA is presented in two tracks: (a) meeting the immediate food and nutritional needs of vulnerable people and (b) addressing long-term drivers of food insecurity and under-nutrition through strengthening resilience of individuals and communities. Specific actions to improve nutrition security are described in the policy brief ‘Scaling-up Nutrition: A Framework for Action’ (the SUN Policy Brief)<sup>3</sup>. Given the evolution of national and international strategies for food and nutrition security since 2008 it is evident that several areas need additional emphasis as the CFA is updated.

- i) *Agriculture as an engine for development*: There is now a trend towards investing in agriculture as an engine for economic development. This approach – strongly fostered, within Africa, by the African Union - usually involves increased government spending on agriculture, infrastructure (for inputs and marketing) and the encouragement of foreign direct investment in food production, post-harvest storage, processing and marketing. It also includes investment in food and agricultural science, technology and knowledge transfer – in ways that take account of, and respond to, the needs of smallholder farmers. It includes the organization of smallholder farmers and agriculture workers in the elaboration and implementation of national plan for food and nutrition security so they can better participate in the new investments.
- ii) *Agriculture, smallholder farmers and environmental sustainability*: There is urgent attention to ways in which agriculture can contribute to environmental sustainability<sup>4</sup> and mitigation of climate change through new patterns of agricultural development. At the same time, long term food security policies take account of the likelihood that farmers who are currently food insecure will tend to be hard hit by climate change and other environmental shocks because they farm on marginalized land and depend on erratic rainfall. Hence nations are investing in disaster risk reduction (DRR) and climate change adaptation (CCA) to help ensure that those at risk can benefit from longer-term improvements in agricultural resilience. Special attention is needed for the millions of pastoralists who keep their flocks on marginal lands (e.g. the Sahel), earn their livelihoods through livestock rearing, and are particularly vulnerable to climatic shocks.

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<sup>3</sup> The SUN policy brief was prepared with financial support from the Bill and Melinda Gates Foundation, the Government of Japan, UNICEF and the World Bank. It is based on a series of consultations hosted by the Center for Global Development, the European Commission, the International Congress of Nutrition (ICN), United Nations Standing Committee on Nutrition (SCN), USAID, UNICEF, WHO and the World Bank. Many developing country partners, CSOs, bilateral partners, UN and multilateral agencies have contributed to this effort.

<sup>4</sup> The 17<sup>th</sup> Commission for Sustainable Development (CSD) calls for increased emphasis on sustainable agriculture with mutually beneficial linkages among small- and large-scale agricultural enterprises

- iii) *Safety nets, social protection and nutrition:* More attention is now being given to the needs of those who lack the necessary purchasing power for food security through extra emphasis on safety nets and social protection (especially for landless people) and interventions for better nutrition and dietary diversity.
- iv) *Indicators for measuring progress:* Bodies within the HLTF are joining with other stakeholders to agree and collate indicators to be used for measuring progress in relation to CFA outcomes. This work will be given increasing attention during 2010 and 2011.
- v) *Strengthened multilateral trading systems:* Trade assists developing countries in meeting their developmental goals. Enhanced market opportunities by way of reductions in trade barriers<sup>5</sup> and elimination of trade-distorting support to agriculture are being pursued through trade negotiations. An effective special treatment system for developing countries is integral to the current negotiations. A strengthened and reformed international agricultural trading system should result in increased trade volumes and diversified sources of supply for food imports. There is widespread interest in ensuring that trade reforms contribute to reductions in food and nutrition insecurity of the most vulnerable populations within developing countries.
- vi) *Ensuring that Women are at the centre of action for food and nutrition security:* There is increasing appreciation of the need for food and nutrition security strategies to take account of the challenges faced by women – as farmers, food processors, marketers, and household carers. The most important determinants of young children’s nutrition are the time available for women to feed their children under age 2 years and the variety (and nutrient density) of the food they are able to offer them. Secure access to land is a lifeline for all poor people, and especially for women. It enables women to increase farm-level investment, improve overall productivity and negotiate food and nutrition security in the household. Women’s rights are being pursued through the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).
- vii) *A rights-based approach:* The global food security crisis has revealed the extent to which the world’s people are unable to enjoy their right to food – to be able to access adequate food or the means for its procurement at all times. Many stakeholders call for the Progressive Realization of the Right to Food to be a reference in the design, implementation and evaluation of national laws, policies and programmes. The Voluntary Guidelines to support the progressive realization of the Right to adequate Food in the context of National Food Security,<sup>6</sup> adopted by FAO Council in 2004, offer policies and practical guidance for this approach. They provide a reference framework for civil society, private sector and government institutions in the development of their programmes.

### **3. NEW OPPORTUNITIES FOR LONG-TERM IMPROVEMENTS IN FOOD AND NUTRITION SECURITY**

11. *Stronger partnerships, better institutions and changing governance:* To implement comprehensive strategies for Food and Nutrition Security stakeholders at international, national and community levels are seeking stronger partnerships, better-functioning institutions and renewed governance. Multiple actors seek ways to work in synergy and create an enabling framework for investing in resilient food systems. This convergence has encouraged significant increases in funding for food and nutrition security, and revitalization of governance and institutions to this end.

12. *A Global Partnership for Agriculture, Food Security and Nutrition:* A global partnership for Agriculture and Food was proposed at the High-Level Conference on World Food Security: the

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<sup>5</sup> Especially on products of export interest to developing countries including through duty-free and quota-free access to exports from the least developed countries.

<sup>6</sup> Available at: [http://www.fao.org/righttofood/publi\\_01\\_en.htm](http://www.fao.org/righttofood/publi_01_en.htm)

Challenges of Climate Change and Bioenergy (FAO, June 2008) and the G8+ Summit in Japan (July 2008, Tokyo Declaration). The concept was expanded to include Food Security and Nutrition at the Madrid High-Level Meeting on Food Security for All (January 2009). Discussions continued at the FAO conference in November 2008, the G8+ L' Aquila Summit in July 2009 (where the L' Aquila Food Security Initiative - AFSI was launched) and at the G20 Summit in Pittsburgh in September 2009. AFSI sponsors committed to spend USD 22 billion over three years in a country-led, coordinated, comprehensive and long-term manner.

13. *Changing Governance of Food Security*: Member States of the UN system have reformed the Committee on World Food Security (CFS)<sup>7</sup> so that it can serve as the intergovernmental platform at the heart of the Global Partnership for Agriculture, Food Security and Nutrition. The reformed committee will (a) coordinate a global approach to food security, (b) promote policy convergence, (c) support and advise countries and regions, (d) coordinate at national and regional levels, (e) Promote accountability and share best practices, (f) receive scientific guidance from a High Level Panel of Experts and (g) Develop a global strategic framework for food security and nutrition.

14. *World Summit on Food Security – the Rome Principles*: In November 2009 the World Summit on Food Security in Rome adopted the '**Five Rome Principles for Sustainable Global Food Security**':

**Principle 1:** Invest in country-owned plans, aimed at channelling resources to well-designed and results-based programmes and partnerships.

**Principle 2:** Foster strategic coordination at national, regional and global level to improve governance, promote better allocation of resources, avoid duplication of efforts and identify response-gaps.

**Principle 3:** Strive for a comprehensive twin-track approach to food security that consists of: 1) direct action to immediately tackle hunger for the most vulnerable and 2) medium and long-term sustainable agricultural, food security, nutrition and rural development programmes to eliminate the root causes of hunger, under-nutrition and poverty, including the progressive realization of the right to adequate food.

**Principle 4:** Ensure a strong role for the multilateral system by sustained improvements in efficiency, responsiveness, coordination and effectiveness of multilateral institutions.

**Principle 5:** Ensure sustained and substantial commitment by all partners to investment in agriculture and food security and nutrition, with the provision of necessary resources in a timely and reliable fashion, aimed at multi-year plans and programmes.

These serve as a basis for turning political commitments into action and outcomes at community level.

15. *Private Sector Action to Reduce Food Insecurity*. In November 2009, representatives of companies engaged in the Global Partnership met in Milan. They indicated their capacity to help increase farmer productivity and their wish to help smallholders derive benefit from quality improvements, processing and marketing. Over the last 12 months Private Sector members of the World Economic Forum have developed a new Vision for Agriculture which reflects many of the elements within the CFA: they seek partnerships with national governments, farmers and intergovernmental bodies so as to contribute to the worldwide movement for food and nutrition security.

16. *Partnerships, Policy Coherence and Synergized Working*: The CFA approach is now being pursued by a broad range of stakeholders including governments, regional and international bodies,

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<sup>7</sup> See [ftp://ftp.fao.org/docrep/fao/meeting/017/k3023e3.pdf](http://ftp.fao.org/docrep/fao/meeting/017/k3023e3.pdf)

organizations of farmers and labourers, food producers, NGOs and civil society, philanthropic organizations, local authorities and research institutions. South-South and decentralized cooperation are at the heart of this evolving movement. The international community is committed to coordinated support for inclusive country-led approaches. This is taxing the capacity of national authorities, donor agencies and international organizations, and takes time to advance. But it is central to the principles developed in the G8 and G20, and at the November 2009 summit. Regional authorities in particular, as an intermediate layer of public authority, are supporting the evolution of participatory approaches to food security in ways that integrate the technical, financial and human resources required to meet both the needs of the population and the demands of national strategies (*See Section C*).

## B. OUTCOMES AND ACTIONS

### 1. MEETING IMMEDIATE NEEDS OF VULNERABLE POPULATIONS

**Objective:** Improve access to food and nutrition support and take immediate steps to increase food availability.

#### Outcomes and Actions

#### 1.1 Emergency food assistance, nutrition interventions and safety nets enhanced and made more accessible

- Ensure that emergency needs are fully met
- Protect basic consumption needs of vulnerable populations
- Scale-up nutritional support
- Support management of under-nutrition
- Promote school feeding
- Adjust social protection programs to account for food costs
- Reduce impediments to food assistance flows
- Ensure that local purchases of food for humanitarian purposes are exempt from restrictions
- Explore the establishment of humanitarian food reserves
- Reach all households with public information on food assistance, nutrition and hardship alleviation programs

#### 1.2 Urgent increases in smallholder farmer food production

- Provide productivity-enhancing safety nets
- Reduce post-harvest crop losses and improve village-level stocks
- Remove artificial constraints to domestic trade throughout the food chain in order to link small farmers to markets

#### 1.3 Trade and tax policy adjusted

- Review trade and taxation policy options
- Use strategic grain reserves
- Avoid generalized food subsidies
- Minimize use of export restrictions
- Reduce restrictions on use of stocks
- Reduce import tariffs
- Improve efficiency of trade facilitation
- Temporarily reduce VAT and other taxes

#### 1.4 Macro-economic implications managed

- Hold down core inflation and inflation expectations
- Assess the impact on the balance of payments
- Mobilize external support to finance additional food imports
- Ensure adequate levels of foreign exchange reserves
- Cost all fiscal measures taken in response to food crises

### 3. SUPPORTING INFORMATION SYSTEMS

#### Outcome and Actions

#### 3.1 Global food and nutrition security information, monitoring and analysis systems strengthened

- Improve further the coordination of information systems
- Continue to carry out comprehensive assessments, monitoring and evaluation
- Integrated analysis and monitoring of the impacts of shocks on food and nutrition security
- Conduct nutrition assessments
- Analyze policy options and programmatic approaches
- Review contingency plans and early warning systems
- Ensure accountability by monitoring food and nutrition security responses

### 2. BUILDING LONGER-TERM RESILIENCE AND CONTRIBUTING TO GLOBAL FOOD AND NUTRITION SECURITY

**Objective:** Strengthen food and nutrition security in the longer term by addressing the underlying factors driving the food crisis.

#### Outcomes and Actions

#### 2.1 Social protection systems expanded

- Strengthen capacity to design and implement social protection policies and programmes
- Ensure that special care is taken in identifying and addressing the needs of the most vulnerable
- Balance the need to ensure effective coverage of the vulnerable with the need to maintain efficient use of resources
- Improve linkages between sectors and between actors
- Improve the quality and diversity of food

#### 2.2 Smallholder farmer food production growth sustained

- Improve the enabling policy framework
- Stimulate public/private investment in agriculture
- Invest in gender- and nutrition-sensitive agricultural research on food crops, animal production, and inland fisheries
- Improve rural infrastructure
- Ensure sustained access to competitive, transparent and private-sector-led markets for food produce and quality inputs
- Support development of, and strengthen producer organizations with the participation of women
- Strengthen access of smallholders and other food value chain actors to financial and risk management instruments
- Improve animal health services

#### 2.3 Better managed ecosystems for food and nutrition security

- Ensure an equitable access to and better management of natural resources, including land, water, and biodiversity
- Introduce an economic mechanism that fully values ecosystems and their services
- Strengthen ecosystem monitoring and assessment
- Use new eco-agriculture approaches which also conserve or enhance natural ecosystems
- Strengthen local communities' ownership and use rights of forests and other natural resources coupled with monitoring and education programmes

#### 2.4 Developing an international biofuel consensus

- Agree on a common reference framework
- Facilitate biofuel guidelines and safeguard measures
- Re-assess biofuel targets, subsidies and tariffs
- Facilitate private investment in sustainable biofuel production
- Promote research and development, knowledge exchange and capacity building

#### 2.5 International food markets improved

- Reduce/eliminate agricultural trade distortions in higher income countries
- Complete the Doha Round of trade negotiations
- Ensure enhanced (additional) resources for 'Aid for Trade'
- Develop trade financing infrastructure
- Review policy constraints to enabling environment conducive to efficient private sector involvement in food markets
- Strengthen oversight of markets to limit speculation
- Build capacity for markets to meet needs of lower-income countries
- Support regional or global stocks sharing

## **1. MEETING IMMEDIATE NEEDS OF VULNERABLE POPULATIONS**

17. This section outlines the four basic outcomes needed to improve access to food and nutrition support and increase food availability. Under each outcome, it puts forward ‘elements of the action framework’ that need to be taken or scaled up at the national, regional and global levels so that they can yield immediate impacts to assist communities and governments in need and stabilize the situation. The outcomes are:

**1.1 Emergency food assistance, nutrition interventions and safety nets enhanced and made more accessible**

**1.2 Urgent increases in smallholder farmer food production**

**1.3 Trade and tax policy adjusted**

**1.4 Macro-economic implications managed**

18. These outcomes are considered critical because they will assist the most vulnerable and minimize the number of families who fall into food and nutrition insecurity because their incomes can no longer buy the food they need. They aim to meet the current and future demands for availability of food and its access so as to avert humanitarian crises, instability and longer term detrimental consequences for people’s health and livelihoods.

19. To achieve these outcomes, actions must simultaneously occur at local, national, regional and global levels. Social and agricultural inputs made available to local farmers and other vulnerable populations must be complemented by macroeconomic actions to ensure sustainability. Thus, the outcomes presented below embrace the ‘spectrum’ of actions needed to improve the availability, access and consumption of sufficient, safe and nutritious food both in quantity and quality to meet nutritional needs. It is understood that actions will be adapted to national and local conditions, take into account poverty reduction initiatives and include coordinated efforts by key stakeholders, particularly national governments, civil society and the private sector.

20. Given the urgency of these outcomes, the CFA emphasizes building on available resources and capacities, scaling up activities that are already underway, and improving interventions with unsatisfactory results rather than launching new interventions which might require elaborate planning or oversight. While the emphasis is on actions that can produce quick results, the duration of activities may vary depending on a number of factors such as lifting of export bans, speed and scale of supply response, and adjustments in food prices.

### **Outcome 1.1: Emergency food assistance, nutrition interventions and safety nets enhanced and made more accessible**

21. Hunger and under-nutrition are the greatest threats to public health, killing more people than HIV/AIDS, malaria and tuberculosis combined. Each day, 25,000 people, among them more than 10,000 children, die from hunger and related causes. The number of people suffering from hunger, and the severity of their condition have increased since 2007-2008, first, as a result of higher food prices, and second, due to the financial and economic downturn. Those who spend over 60 percent of their income on food are particularly exposed: the urban poor and displaced populations, the rural landless, pastoralists and the majority of smallholder farmers. Households unable to access the food they need will reduce the quality and quantity of their dietary intake, thus increasing risk of micronutrient deficiency as well as insufficient total energy intake. Other harmful coping mechanisms include taking children, in particular girls, out of school to work; migration, fire sale of assets, decreased expenditure on healthcare, and depletion of resources. Together, these mechanisms increase the risk of debt and destitution, hunger and under-nutrition.

22. Under-nutrition can have long term health consequences on vulnerable populations, in particular pregnant women, nursing mothers, infants and young children, as well as the elderly and people living with HIV/AIDS and tuberculosis. If not addressed, under-nutrition can permanently stunt mental and physical growth in the first years of a child's life. It worsens health status, leads to chronic illnesses, impairs school performance and limits earning potential as an adult. In extreme cases, under-nutrition kills.

23. To avert humanitarian crises, social instability and long term detrimental consequences for people's health and livelihoods, the immediate needs of vulnerable populations must be recognized in all interventions designed to improve food and nutrition security. This may well include scaling up on-going assistance and the design and implementation of new targeted initiatives after assessments and prioritization. In-country and international food assistance programmes should be applied with caution so as not to undermine the capacity of smallholders to scale up food production and obtain fair prices for their produce. Food-based interventions to increase the productive capacity of smallholders, and nutrition education programmes should be promoted.

24. Emergency food assistance and social safety net measures play an important role in addressing the immediate needs of vulnerable and high risk populations and in stabilizing their situation<sup>8</sup>. In practice, different safety net programmes are likely to be operating in a country, reflecting varying geographic circumstances and beneficiary needs. Effective targeting is key to keeping costs manageable. For each programme, nutrition objectives<sup>9</sup>, specific interventions and means of delivery need to be discussed directly with local authorities and with community groups. Public information and education about nutrition must be made available to create a sustained demand for the nutritious foods required by vulnerable households. Tracking systems need to measure the progress gained against specific targets, so programmes can be adjusted accordingly. While these programmes are on-going in many countries, the surge in vulnerability and impoverishment, combined with higher prices for food procurement, have dramatically increased the volume of demand for, and the costs of, interventions over the past two years.

25. A combination of direct and indirect interventions is needed to address immediate and underlying causes of under-nutrition. Indirect interventions are best delivered through development programmes that are nutrition-sensitive, comprehensive so that they respond to the factors that precipitate under-nutrition, and implemented through the full range of sectors including social welfare (with income generation), health, water sanitation, agriculture and food systems, and emergency assistance<sup>10</sup>. A human rights-based approach serves as a valuable starting point. In addition, pregnant women and children under two years of age will benefit from a sharp scaling up in the provision of nutrition-specific interventions<sup>11</sup> by mainstreaming them, where possible, within sectoral programmes. The choice of interventions should be based on assessments and take country-level capacities into account<sup>12</sup>.

26. Effective implementation of nutrition interventions at scale requires technical and managerial capacities which are generally hampered by a shortage of staff and lack of nutrition knowledge

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<sup>8</sup> Safety nets are a subset of broader social protection systems. They include mostly non-contributory transfers in cash, vouchers or in-kind/food, which can be unconditional or conditional – such as conditional cash transfers, school feeding, food for work and cash for work – and other interventions to improve access to food and basic essentials, such as price subsidies. In addition to safety nets, social protection also includes aspects of labour market policies and insurance options, such as contributory pensions and health insurance, and aspects of other sectoral policies for education, health, nutrition, HIV/AIDS and agriculture. Broader social protection is considered in Section 2.1.

<sup>9</sup> Nutrition-sensitive safety nets will ensure that women have adequate access to food and other productive resources. This allows women to be centrally involved in the planning and distribution of assistance in ways that take account of existing coping strategies and ensure information sharing.

<sup>10</sup> This requires a coordinated approach which is being pursued by both the reformed Standing Committee on Nutrition (SCN) and Committee on Food Security (CFS).

<sup>11</sup> These include public health interventions such as breastfeeding, complementary feeding for infants after the age of six months, improved hygiene practices including handwashing, periodic Vitamin A supplements, therapeutic zinc supplements for diarrhoea management, multiple micronutrient powders, de-worming drugs for children to reduce losses of nutrients, salt iodization, iron fortification of staple foods, iron-folic acid supplements for pregnant women to prevent and treat anaemia, iodized oil capsules where iodized salt is unavailable; treatment of children with severe undernutrition with ready-to-use therapeutic foods

<sup>12</sup> Recommendations are being developed by the multi-agency REACH initiative to end child hunger.

amongst community-based workers, including nurses in charge of delivering these interventions. However, training institutions exist in most countries with a cadre of skilled and experienced nutritionists or nutrition experts, often located in capital cities, outside the government system (e.g. in universities, private practices, international organizations or international NGOs). This knowledge and human resource potential should be tapped into and countries helped with a systematic review of nutrition capacity.

27. Lessons learned since the 2008 food crisis show that secure and equitable access to land and control over it mitigates the impact of food price volatility for poor households. Hence, beyond the need to ensure emergency food assistance and safety nets, land and other natural resources should be acknowledged as primary assets in household food production and as a key factor in preventing social and economic exclusion, especially in times of crisis. Emergency food assistance programmes should, as far as possible, be self-targeted and use local food resources to support local agricultural development and facilitate acceptability of distributed emergency foods.

28. Many communities need resources – from central government, through regional processes and even from the international community - to maintain and expand on-going food assistance programmes and extend support to those newly impoverished. These resources are most effectively used if decision makers have access to functioning early warning systems, vulnerability analyses and emergency assessments, and if programmes can respond to immediate food and nutrition security needs even when not part of a humanitarian crisis. Poor households often lack the knowledge and resources to acquire the nutritious foods they need, so any assistance programmes should be supported by public information campaigns.

29. Impediments to the export, transshipment and import of humanitarian food aid in recipient and neighbouring countries—which delay the ability to respond to urgent needs—must be removed. Global and regional agreements are needed to ensure the free flow of food assistance across borders and to develop innovative approaches to accessing food, possibly including physical and virtual. The creation of food reserves at a regional level, in harmony with regional agricultural and food policies, can help regulate food markets and protect countries against supply shocks and fluctuations<sup>13</sup>. The development of strategic cross-border grain trading systems and regional grain reserves can allow countries to access food in a fairer and logistically efficient way, avoid speculation, and create a buffer against shocks. The re-negotiating of the Food Aid Convention (FAC) could be an opportunity to include recognition of contributions to the stocking of regional food security reserves.

#### **The Food Aid Convention, 1999 (FAC)**

*For more information see <http://www.foodaidconvention.org>*

Current patterns of international food assistance are governed through the Food Aid Convention (FAC) which sets standards for quality and delivery, urges member countries to procure food aid locally and to respect local habits and nutritional needs. It enshrines a practical collective response based on a shared responsibility to tackle hunger regardless of prices. Under this convention, FAC members\* commit to minimal levels of food aid, agreeing to target vulnerable groups with timely assistance.

The FAC is to be renegotiated in 2010 as some stakeholders have proposed transforming the 'Food Aid Convention' into a 'Food Assistance Convention' (which includes the use of cash transfers and vouchers to increase the quantity or quality of food consumed). These stakeholders also propose a greater emphasis on the problems being addressed (households needing assistance rather than food to be donated); the tailoring of responses to specific problems (e.g. responses to nutritional needs, improving market access, ensuring adequate food quality) with the involvement of recipients in the design, conduct, monitoring and evaluation of immediate responses to food and nutrition insecurity.

*\* Membership as of December 2009: Argentina, Australia, Canada, European Union and its member States, Japan, Norway, Switzerland, United States.*

<sup>13</sup> See also sections 1.3 and 2.5.

## Elements of the Action Framework

### **Outcome 1.1: Emergency food assistance, nutrition interventions and safety nets enhanced and made more accessible**

#### **Actions:**

- **Ensure that emergency needs are fully met.** Scale up food assistance, nutrition interventions, and safety net programmes, such as school feeding and job creation schemes, to address hunger and under-nutrition in the most vulnerable populations.<sup>14</sup> Especially crucial is gender equitable distribution of food assistance and related services.
- **Protect basic consumption needs of vulnerable populations.** Targeted assistance can be provided in the form of food aid<sup>15</sup>, vouchers or cash transfers<sup>16</sup>, taking into account food safety, the nutritional, dietary and cultural needs of recipients, local food market conditions and financial infrastructures. Food aid should be provided with a clear exit strategy to avoid the creation of dependency.<sup>17</sup> Unconditional transfers can go hand-in-hand with self-targeting programmes which engage beneficiaries in training, asset and job creation. Channelling food assistance via women should be encouraged and opportunities to improve programme efficiency should be pursued and carefully monitored.
- **Scale up nutritional support through safety nets** to meet specific food and nutrition needs of vulnerable groups and prevent longer-term health consequences. For instance, mother-and-child health programmes can address nutritional deficiencies, using multi-micronutrient supplements for pregnant women and nursing mothers as well as timely complementary feeding for infants and young children with quality foods and nutrient products.<sup>18</sup>
- **Support management of under-nutrition, including therapeutic feeding** to treat severe acute under-nutrition of children. Technical and managerial capacity building is required to address severe under-nutrition and provide adequate supplies of therapeutic foods through community-based interventions. Other options and foods, often locally sourced, are available to deal with moderate under-nutrition.
- **Promote school feeding**<sup>19</sup> to address hunger among children, improve their enrolment and attendance in school, and contribute to a much-needed sense of normalcy for children living in insecure environments. School feeding can make use of micro-nutrient fortified foods, though nutrition may not be the primary objective of the intervention. School feeding can also reach other needy household members through take-home rations.
- **Adjust social protection programmes to account for food costs** when the programmes are not indexed to the cost of living, or are only adjusted annually. Such adjustments can be an important, visible response by government, requiring limited additional implementation capacity. Food

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<sup>14</sup> Including in particular groups such as IDPs and refugees.

<sup>15</sup> Food assistance packages should be carefully selected. Infant formulas, follow-on formulas and other commercial baby foods should be excluded. Commodities should be reviewed in light of the acceptability to the recipients, to health and nutrition policies of the recipient countries, as well as in light of their production and trade policies. They should be adequate in terms of energy and nutrient content.

<sup>16</sup> Vouchers and cash transfers should be emphasized in areas where food is available and markets are functioning well.

<sup>17</sup> FAO Right to Food Guideline 15 and the General Comment on the right to food issued by the UN Committee on Economic, Social and Cultural Rights.

<sup>18</sup> To include innovative nutrient supplements, such as micronutrient powders, and spreads; as well as vitamin A and zinc supplements.

<sup>19</sup> School feeding is a popular intervention choice with a range of direct and indirect benefits (including gender equality and socio-economic benefits): the choice of this intervention should be based on a careful study of both direct and indirect costs and benefits. School feeding programmes should be based as much as possible on local purchase, to provide local farmers with extra marketing opportunities and to stimulate production.

insecure people who do not benefit from existing schemes should be integrated as quickly as possible<sup>20</sup>.

- **Reduce impediments to food assistance flows** to countries most in need. The current donor practice of earmarking contributions may inadvertently result in cutbacks of humanitarian projects in those countries in need which are short of donor support. Some donor countries have partially or fully un-earmarked their contributions and provided more assistance in the form of untied cash. Others have come through with multi-year commitments. Such increased funding predictability and flexibility in the use of resources should be encouraged.
- **Ensure that local purchases of food for humanitarian purposes are exempt from restrictions.** This entails ensuring access to local purchases of food for humanitarian purposes where market conditions are conducive to such purchases, exempting purchases of humanitarian food from export restrictions or extraordinary taxes, and ensuring unhindered and safe movement of humanitarian food within and across borders.
- **Explore the establishment of efficient and effective humanitarian food reserves<sup>21</sup>** to enable communities, countries and regions to deliver lifesaving access to cereals and other commodities. Such reserves could contribute to the efficient and responsive supply of food in areas of acute and chronic needs, promote well-functioning markets, building on the foundation of lessons learned from existing national reserves and local cereal banks.<sup>22</sup>
- **Reach all households with pertinent public information on food assistance, nutrition and hardship alleviation programmes** to enhance the sustained demand for interventions. Households do not necessarily associate food and nutrition with external ‘agents’ and actions. For better nutrition outcomes, provide assistance in conjunction with improved access to primary health care services and public information to promote breastfeeding and food hygiene and to dispel inappropriate food taboos and restrictions.

## Outcome 1.2: Urgent increases in smallholder farmer food production

30. Three out of four poor people in developing countries live in rural areas and most of them depend directly or indirectly on agriculture, including crops, livestock, fish, and forests (non-timber forest products). Excluding the minority of larger farms and landless rural workers, smallholder farmers and their families represent some 2 billion people, about one-third of the global population, and are central to any solution to today’s global food and nutrition insecurity and the long term problems of hunger and poverty.

31. Although average farm size trends are heterogeneous across countries, it is estimated that globally 450 million farms (85 percent of farms worldwide) measure less than two hectares. With increased migration and off-farm employment, many small-farm holdings are now run by women farmers who face disadvantages in terms of access to agricultural inputs, extension services, markets, and financing. The majority of smallholder farmers and landless farm workers are net buyers of food and live on less than \$2 a day. The capacity of smallholder farms to grow more food is constrained because they lack access to soil and water management practices adapted to their eco-ecological zone and cannot afford quality seeds<sup>23</sup> or inputs such as fertilizer, veterinary drugs<sup>24</sup> and services. This can

<sup>20</sup> Eligibility criteria for targeted assistance should be transparent and take into account the prohibited forms of discrimination (e.g. discrimination based on race, colour, sex, language, age, religion, political or other opinion, national or social origin, property, birth and disability).

<sup>21</sup> See also sections 1.3 and 2.5

<sup>22</sup> The role and potential of reserves as food security mechanisms is also discussed in section 2.5 on international food markets.

<sup>23</sup> Quality seed can be of scientifically-bred varieties but also of local farmer varieties or landraces depending on what is the most appropriate and cost-effective under the circumstances.

<sup>24</sup> In many countries, animals are an important source of power for ploughing, harvesting and transport, and of food and nutrition. Animals can also serve as an informal means of savings and generation of cash for input, investment and food purchases.

result in expansion of the area used for agriculture to less suitable lands, with severe consequences for the ecosystems around the community.

32. Giving smallholder farmers access to key inputs in the near term (i.e. in forthcoming cropping seasons) immediately increases their capacity to produce food and earn an income. In times of crisis, urgent responses are needed - for instance, providing access to quality seeds, cuttings (e.g. for cassava), fertilizer and improved cultivation practices – so that small farmers can boost production and productivity. Supporting the development of producers' associations such as cooperatives can help reduce smallholders' expenses and facilitate the value-added processes.

33. Means for improving access to inputs should be market-based. This requires the visible hand of the State providing core public goods, improving the investment climate, regulating natural resource management and securing desirable social outcomes. Specific measures may include vouchers for purchase from the private sector, where markets are working and inputs available.<sup>25</sup> Where inputs are not adequately available, vouchers could however inflate input prices and make inputs less accessible to non-recipients of vouchers. Where input markets are not working, input distribution contracts with existing private dealers, NGOs, projects and government services are an alternative. Productivity-enhancing safety nets should go hand-in-hand with emergency food assistance as an incentive for smallholders to participate in agricultural training and collective marketing. Farmer schools and innovative technological assistance targeted at smallholders can improve soil, land and water management. Fostering learning and building institutions including farmer organizations, linkages and partnerships will help managing the transition between short-term and long-term actions.

34. Better access to critical production inputs needs to be complemented by urgent measures to improve services to farmers to ensure the preservation of vital ecosystem services. Existing public and private extension services need to be expanded to reach smallholders and include provision of information on the best use of seeds and fertilizer, integrated soil and water management and integrated pest control. Also important is access to information on price markets and crop production forecast to enable smallholders to negotiate better terms with big buyers and retailers. Both can be facilitated through innovative use of information communication technologies.

### **Elements of the Action Framework**

#### **Outcome 1.2: Urgent increases in smallholder farmer food production**

##### **Actions:**

- **Provide productivity-enhancing safety nets<sup>26</sup>** to poor smallholder farmers by providing targeted programmes to supply critical inputs such as locally adapted quality seeds<sup>27</sup>, fertilizer, animal feed, small irrigation pumps, and veterinary drugs and services. Technical advice, market and price information and local seed multiplication should be expanded to include soil, water and integrated pest management and adapted to reach women farmers<sup>28</sup>, ethnic minorities and other vulnerable groups. Restrictions on imports and other taxes should be reduced. For landless rural poor people, a similar package could be provided together with access to small cultivation plots for market or kitchen gardens.<sup>29</sup>

<sup>25</sup> This can have the dual advantage of targeting poor producers and boosting input markets.

<sup>26</sup> Monitoring and accountability mechanisms should be put in place to prevent mismanagement of administering safety nets (e.g. arbitral selection of eligible recipients by local officials or community leaders). Such monitoring and accountability mechanisms should encourage an active, free and meaningful participation by local communities, including women and other people facing marginalization or exclusion within the communities.

<sup>27</sup> Quality seed can be of scientifically-bred varieties but also of local farmer varieties or landraces depending on what is the most appropriate and cost-effective under the circumstances.

<sup>28</sup> It is important to ensure that women farmers participate in all community activities and have access to agricultural credit and loans, marketing facilities, appropriate technology, training and education and all community and extension services so as to increase their technical proficiency; and to participate in all community activities.

<sup>29</sup> Interventions should also include support to increasing food production in urban areas.

- **Reduce post-harvest crop losses and improve household and community based food stocks** through pest and disease control and post-harvest support for storage rehabilitation, supply of small-scale silos, small processing equipment and improvement of storage techniques, and by reinforcing extension services with inputs, refresher training and logistics.
- **Remove artificial constraints to domestic trade throughout the food chain in order to link smallholder farmers to markets**, including removal of bureaucratic barriers to transporting and trading inputs and food, and ‘informal’ taxation. Such interventions could address quality of production, reliability of supply, efficiency improvements, waste reduction, collective marketing, investments in small-scale market infrastructure, value addition activities such as rural processing and facilitation of contractual arrangements between smallholders and companies.

### Outcome 1.3: Trade and tax policy adjusted

35. In the face of high food prices, some governments consider trade and taxation policy measures to complement, or substitute, domestic social safety nets and investment actions. Such measures can be implemented quickly and have an immediate widespread impact. However, policies such as direct price controls, export restrictions, generalized subsidies or wage increases - can further distort markets, be ineffective in the medium to long term or be fiscally unsustainable. In the absence of effective social protection programmes that can be rapidly scaled up to protect the poor, countries may resort to such measures in the short term to address food access concerns, but a rapid transition to more targeted approaches should be aimed for, as untargeted policies result in the transfer of significant resources to the non-poor at the expense of other public expenditure priorities.

36. A particular concern is the imposition of price controls which may stabilize food price expectations in the short run, but act as a disincentive to food producers and retailers, can be difficult to enforce, and may lead to food shortages. Similarly, export restrictions can increase price volatility, reduce food availability in international markets and dissuade farmers from productivity-enhancing investments. During the food price crisis of 2007-08 more than 40 countries imposed export controls on food commodities. In such circumstances it is essential that food supplies for humanitarian purposes are exempted from such controls, to avoid impacting on affected countries and communities.

#### Export Management

Export restrictions were a contributing factor to high price volatility in grain markets in early 2008. Their use is not however prohibited under WTO, although countries are expected to consider their impact on food and nutrition security. Discussions are underway regarding further discipline in their use. The challenge is not to admonish countries which have acted within the WTO framework, but to encourage them to consider alternatives which make export restrictions their last, rather than first option. Countries need clear incentives at a regional and global level to pursue more open approaches to meet immediate, domestic political pressures.

37. Care is needed in implementing new policies until their broader impacts can be assessed in terms of their effect on government revenues and the economy, as well as on other countries, the environment and the broader food markets. In particular, new policy measures need to reconcile consumer interest in low priced food and the interest of farmers in higher returns to increase agricultural production. For example, while the pass-through of higher prices provides appropriate incentives to producers, and can contribute to a strong supply response, it is also likely to have a substantial adverse impact on the real incomes of rural and urban net food buyers, especially among the poorest households who traditionally allocate a large share of their incomes to food.

### Elements of the Action Framework

#### Outcome 1.3: Trade and tax policy adjusted

**Actions:**

- **Immediately review trade and taxation policy options and their likely impacts** on the poor, consumers and smallholder farmers, including on the realization of their right to food, as well as implications for government revenues, international food markets and commitment to enhanced international trade.
- **Use strategic grain reserves**<sup>30</sup> in countries with existing stocks, particularly where they can be channelled to food assistance programmes. Grain reserves require good stock management and access to market information. Care is needed as procurement and storage of grain reserves requires government expenditure. Under the WTO domestic support rules, public stockholding programmes for food security purposes in developing countries are covered under the Green Box so the expenditure incurred by the government in relation to accumulation and holding of stocks is exempt from a monetary ceiling.
- **Avoid generalized food subsidies** which have high fiscal costs and divert public resources from support to the poor. An effective and efficient policy response to ensure access to food while prices are high, is to increase the purchasing power of poor consumers, which can, in the short term be done through social safety nets. While some subsidy programmes try to improve efficiency by focusing on specific foods or foods more likely to be consumed by the poor, these are difficult to administer and can encourage smuggling of the subsidized items to neighbouring countries. These programmes, once in place, can be difficult to phase out when better-targeted mechanisms are developed or when food prices fall.

#### *Food exporting countries*

- **Minimize use of export restrictions** which in food security crisis situations may increase volatility of international prices, depress incentives for farmers to invest in food production, encourage smuggling, and undermine progress towards multilateral trade reforms and freer trade in the agriculture sector. In cases where countries do consider export restrictions, it is important to avoid transferring shocks to importers by utilizing the internationally agreed procedures for transparency and prior consultation with concerned stakeholders.
- **Reduce restrictions on use of stocks** to support humanitarian needs and international trade in periods of significant market turmoil. This benefits all countries through reduced price volatility.

#### *Food deficit and importing countries*

- **Reduce import tariffs** and other restrictions on food commodities and agricultural inputs. While trade liberalization generally has a positive overall impact on an economy, governments should anticipate the impact on the domestic agriculture sector, including smallholder farmers, as well as government revenue losses and balance of payment effects<sup>31</sup>.
- **Improve efficiency of trade facilitation** to reduce the cost and time required for importing critical food and agricultural inputs. These costs can often be significantly reduced through rapid upgrading of documentation, harmonizing procedures at the regional level, and infrastructure improvements.
- **Temporarily reduce VAT and other taxes** on food and critical agricultural inputs where taxes represent a significant proportion of retail prices. Tax reductions are generally less difficult to administer than a subsidy programme. However, governments need to consider generating financial resources from alternative means and the potential side-effects of public revenue losses, to avoid negative longer-term impacts on other priority expenditures in support of poverty reduction and economic growth.

<sup>30</sup> See also sections 1.1 and 2.5

<sup>31</sup> Sometimes, it is argued that with a decrease in tariffs there will be an increase in subsidized imports, negatively affecting domestic production. This would decrease local employment, thereby contributing to poverty, particularly when social safety nets do not exist or are not sufficient to compensate for the loss of employment. Increased poverty would then adversely affect economic accessibility to food. The issue of a substantial reduction in trade-distorting agricultural subsidies, especially by the developed countries, is being actively pursued in the Doha Round negotiations.

## Outcome 1.4: Macro-economic implications managed

38. High food prices in 2007-2008 created strong inflation pressures in low income countries and important fiscal and balance of payments implications for net food-importing countries. The International Monetary Fund (IMF) estimated that, for the 33 net food-importing countries eligible for the Poverty Reduction and Growth Facility (PRGF)<sup>32</sup>, the adverse effect of the rise in food prices on the balance of payments amounted to 0.5 percent of 2007 Gross Domestic Product (GDP) during January 2007 – April 2008<sup>33</sup>. The fiscal costs of remedial policy measures, such as cutting food tax rates and bolstering food price subsidies, were also estimated to be significant. Thirty-one low and middle income countries reported that the fiscal cost of food tax cuts between 2006 and 2008 ranged from near zero to 1.1 percent of GDP, with a median cost of 0.1 percent.

39. The macroeconomic impact of the surge in food prices was complicated by the onset of the global financial and economic crisis. After their peak in mid 2008, food prices declined substantially worldwide at the outset of the global financial and economic crisis as demand fell off sharply, stabilized in the first quarter of 2009, and recovered modestly in the spring. In low income countries this crisis thus greatly eased the inflationary pressures that had been anticipated as a result of the food price hike. At the same time, these economies were hit severely as export growth, remittances, and Foreign Direct Investment (FDI) inflows contracted substantially in 2009, deepening vulnerabilities, particularly of the poorest households, and complicating government efforts to ensure food and nutrition security.

40. Many developing countries had strengthened their economic and financial position over the decade before the crisis in terms of debt reduction and macroeconomic stabilization, though to varying degrees. Higher growth, smaller fiscal deficits, higher international reserves, and lower debt levels created more policy space. Average inflation in low income countries was also much lower during 2000-07 than in the 1990s.

41. In response to the global financial and economic crisis, most low income countries have implemented fiscal policies that, to some extent, preserve or expand spending to protect the poor and support the economy. In particular, capital spending was increased, and countries have sought to preserve or increase social spending.<sup>34</sup> Social support measures such as public works programmes and cash transfer programmes have also played an important role in some economies. These social support programmes have also addressed the needs of vulnerable households most affected by the earlier food prices. Some countries also eased monetary policy in order to help support growth, given the subdued inflation risks.

42. The global financial and economic crisis has demonstrated the importance of policy buffers to allow for countercyclical policies in the face of economic downturns. In the near-term, premature fiscal and monetary tightening should be avoided until an economic recovery is firmly under way. However, low income countries tend to be more exposed to economic shocks and natural disasters than other economies, in part as a result of their limited economic diversification. Over the medium term therefore, many low income countries will need to re-build their policy buffers through fiscal consolidation and prudent borrowing policies. Given countries' urgent and large spending needs, especially to address infrastructural needs, in many countries fiscal efforts should focus on revenue growth rather than spending restraint. In order to meet higher investment needs without excessive reliance on external borrowing, further development of domestic financial systems will be important,

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<sup>32</sup> The Poverty Reduction and Growth Facility (PRGF) was the IMF's principal lending facility for low-income countries, providing concessional balance of payments support. It was replaced in 2009 by the Extended Credit Facility (ECF), in the context of the overhaul of the IMF's overall low-income lending facilities.

<sup>33</sup> See "Food and Fuel Prices—Recent Developments, Macroeconomic Impact, and Policy Responses", IMF, June 2008, available at <http://www.imf.org/external/np/pp/eng/2008/063008.pdf>.

<sup>34</sup> For example, early evidence suggests that in Sub-Saharan African countries, capital spending increased as a share of GDP despite revenue shortfalls in most countries while outlays on health and education were preserved in 2009.

as this should help mobilize and utilize higher domestic savings. In addition, it will be crucial to establish or improve social safety net systems to channel support to vulnerable groups quickly and efficiently, especially in case of renewed adverse shocks.

43. Food prices are expected to rise only moderately in the medium-term while the higher cost of energy and increased biofuel usage could pose upward price risks in the longer term. Stronger social safety nets embedded in policy buffers, combined with international support, can help low income countries better manage the impact of price volatilities in the future.

### **Elements of the Action Framework**

#### **Outcome 1.4: Macro-economic implications managed**

##### **Actions:**

- **Hold down core inflation and inflation expectations** by setting a sufficiently firm monetary policy stance to prevent spillover of higher food and energy prices into more generalized and persistently higher core inflation and inflation expectations. For developing countries, this may be challenging as a tight monetary policy could induce slower growth or provoke a recession. However, the repercussions of allowing rising inflation through unduly accommodative monetary policy will be even more damaging to growth and the reduction of poverty.
- **Assess the impacts on the balance of payments and feasibility/sustainability of a reserve drawdown.** Some countries are able to finance higher net food imports from their reserves – at least initially. This gives time to adjust the composition of demand and to stimulate domestic agricultural production. However, net-food-importing developing countries with insufficient reserves, rising import bills and deteriorating terms of trade, need balance of payments support, or risk currency depreciation which would further raise the domestic price of food.
- **Mobilize external support to finance additional food imports.** For countries with inadequate reserves, additional resources must be mobilized rapidly. Such resources can come from either bilateral donors or international financial institutions in the form of grant-based humanitarian aid, increases in ODA or direct balance of payments support.
- **Ensure adequate levels of foreign exchange reserves,** including through reducing non-essential imports by the government and/or increasing exports once immediate food import needs are met.
- **Assess and comprehensively cost all fiscal measures taken in response to the rise in food prices.** All measures, whether in the form of additional public expenditure on support programmes for producers or consumers, or tax or import tariff reductions, need to be accurately costed for immediate and medium term consequences. Some governments need external assistance in the form of budget support to cope fiscally with sudden rises in food prices. Such assistance should help prevent an under-financing of social sectors and foster the awareness of the vital importance of social protection in coping with high food prices.

## **2. BUILDING LONGER-TERM RESILIENCE AND CONTRIBUTING TO GLOBAL FOOD AND NUTRITION SECURITY**

44. This section outlines the five basic outcomes to build resilience and respond to food and nutrition insecurity in the long term by addressing its underlying factors. Under each outcome it puts forward ‘elements of the action framework’ that need to be phased-in or scaled up at the country, regional and global levels, in order to yield durable results over the longer-term. The outcomes are:

### **2.1 Social protection systems expanded**

## 2.2 Smallholder farmer food production growth sustained

### 2.3 Better managed ecosystems for food and nutrition security

### 2.4 International biofuel consensus developed

### 2.5 International food markets improved

45. These outcomes recognize that immediate needs require urgent actions to enable vulnerable populations, farmers, and ultimately countries to withstand shocks and reach food and nutrition security. They will directly contribute to achieving the MDG to reduce hunger and focus on actions to support smallholder farmers (mostly women), and the rural and urban poor, by addressing the issues of social protection, infrastructure and other public goods, ecosystem and climate change and encouraging greater and more sustained private sector investment in smallholder farms.

46. As with section 1, these outcomes require actions at local, national, regional and international levels and concerted, long-term commitment from all stakeholders. They also require actions to be flexible and adjusted to evolving conditions.

47. It is understood that the actions will be adapted to national and local conditions, will take into account initiatives to address global climate change and poverty reduction, reflect the need for long-term sustainability and avoidance of further environmental damage and need to be agreed upon and taken forward by key stakeholders, including national governments, civil society, and the private sector

## Outcome 2.1: Social protection systems expanded

48. Well-functioning social protection systems help protect households and individuals against shocks, and can be a vital component of strategies to reduce poverty, hunger and under-nutrition. When properly designed and implemented, these programmes and policies support food insecure and vulnerable households and individuals in meeting their nutritional needs through periods of crisis, thereby preventing them from resorting to coping mechanisms with adverse consequences or being forced into labour or migration. They accommodate, in the best cases, the specific nutritional needs of individuals based on their age, gender, health and other conditions; and employ a multiplicity of approaches in order to reach their objectives. While progress has been made in aligning and coordinating nationally funded and externally supported programmes, and in improving programme efficiency, there is much to be done to improve coverage of vulnerable groups with benefit levels that will cover their basic, but often differentiated, needs and achieve specific nutritional outcomes, especially for pregnant women and children under two to protect their optimum growth and development potential.

49. Such programmes can be components of more comprehensive systems that provide a minimal level of social protection, often known as a social protection floor<sup>35</sup>. Typically, the social protection floor concept envisages a guaranteed rights-based minimum level of well-being based on both transfers and services. However, some of the actual assistance can come from programmes that encompass one or more instruments, including *inter alia* in-kind assistance in the form of food or food supplements; food fortification; school feeding, conditional or non-conditional cash transfers and employment guarantees.

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<sup>35</sup> Recognizing the importance and necessity of adequate social protection systems, the United Nations System Chief Executives Board (CEB) recently adopted (April 2009), 'the Social Protection Floor Initiative' (SPF). The SPF corresponds to a set of essential transfers, services and facilities that all citizens everywhere should enjoy to ensure the realization of the rights embodied in human right treaties. By working on both supply and demand side measures, the SPF takes a holistic approach to social protection including:

- 1) Services: Ensuring the availability, continuity, and geographical and financial access to essential services, such as water and sanitation, food and adequate nutrition, health, education, housing, life and asset saving information and other social services.
- 2) Transfers: Realizing access by ensuring a basic set of essential social transfers, in cash and in kind, to provide a minimum income and livelihood security for poor and vulnerable populations and to facilitate access to essential services. It includes social transfers (but also information, entitlements and policies) to children, people in active age groups with insufficient income and older persons.

50. While most of these instruments are intended to provide support in the short term (e.g. food aid) some instruments are intended to provide support in the long-term (e.g. food fortification), reflecting the longer-term needs of specified populations (e.g. children). The short-term instruments in general need to be flexible enough to respond to changing needs both expected (e.g. underemployment and seasonal unemployment in the rural sector) and unforeseen (e.g. natural disasters or aggregate economic shocks).

51. Short and long-term social protection programmes are usefully supported by legal frameworks and educational initiatives that promote the access of the most vulnerable to these programmes and are mindful of the human rights approach<sup>36</sup>. It is also important to exploit opportunities that may arise in other sectors, for example, including knowledge about better nutrition practices in school curricula could assist in moving household consumption patterns towards improved nutrition outcomes. At the same time, the specific measures adopted must be sustainable, effectively targeted and designed within fiscal constraints.

52. Most countries extend some elements of social protection that contribute towards the food and nutrition security of at least some parts of the population. It is possible in many countries to build upon these so as to progressively achieve universality in the coverage of excluded groups from existing schemes, while developing greater resilience to food access problems due *inter alia* to food price volatility and income shocks. The pace at which such development could occur will vary depending on specific country needs; available social infrastructure; and present and future vulnerability patterns as well as fiscal space and institutional capacity to design and administer different types of programmes and instruments. At the same time, macro-economic policies during a period of crisis should be designed to accommodate as far as possible the increased levels of social protection related public expenditures that the crisis triggers (counter-cyclical spending).

53. Countries may run multiple social protection schemes and apply different approaches, administered and financed by a variety of actors. In such cases the challenge will be to synergize, build on best practices and pool resources with a view to increase efficiency and the developmental potential of programmes. They should be effective in reaching the most vulnerable populations while also incorporating the most efficient means of transfer and improving linkages with other basic social services such as maternal and child care and basic education. As they do so, information systems should be able to allow for accurate beneficiary identification, while ensuring they link complementary human development and income-generating and employment opportunities, so as to enable beneficiaries to develop/implement sustainable livelihoods that may take them beyond eligibility thresholds.

54. Systems should include mechanisms to adjust the benefits being provided to changes in beneficiary circumstances as well as fluctuations in food prices and inflation. They should go hand-in-hand with risk management instruments (e.g. insurance) so as to jointly mitigate the effects of natural disasters, an issue likely to gain greater urgency due to climate change. In the case of food-based programmes for nutritional support, efforts should be made to link up with the private sector and promote local production and consumption of quality and micro-nutrient rich foods.

### **Elements of the Action Framework**

#### **Outcome 2.1: Social protection systems expanded**

##### **Actions:**

- **Strengthen capacity to design and implement social protection policies and programmes** to provide the basis for introducing or scaling up social assistance initiatives. Countries need to be

<sup>36</sup> A human rights-based approach requires respect for the rule of law, clear eligibility criteria, transparency, access to information and accountability mechanisms. Participation by right-holders in the design, implementation and monitoring of measures would also benefit their legitimacy.

equipped with policy frameworks and technical capacities to assist those who may suffer chronic disadvantages, as well as being able to rapidly respond to crises. Programmes and policies, based on a country-specific assessment of options, need to become an asset in reducing hunger and under-nutrition, rather than creating any fiscal and political liability which may lead to the system being unresponsive to changing needs.

- **Ensure that special care is taken in identifying and addressing the needs of the most vulnerable.** Food and nutrition insecurity may be pervasive in certain population groups defined by geography, gender, nature of livelihood, age, disease or other characteristics. Care must be taken in matching the nutrition needs of these groups with the kind of support that is being provided. It is also important to address any implicit or overt forms of discrimination that may exist in social or institutional settings, and that may be exacerbating the problem.
- **Balance the need to ensure effective coverage of the vulnerable with the need to maintain efficient use of resources.** There is no universal blue-print to ensure adequate coverage of vulnerable populations. In some cases (e.g. micronutrient fortification of basic foods), universal coverage may well meet the needs of both effectiveness and efficiency. In other cases, there might be a need to develop appropriate targeting criteria and mechanisms, and improve programme delivery methods through learning and innovation, in accordance with country-level capacity. In all cases, there is a need to ensure accountability and transparency in the use of resources as a means to increase civic responsibility and confidence in the equity and effectiveness of social protection systems.
- **Improve linkages between sectors and between actors.** For example, employment guarantee programmes that engage the able-bodied unemployed can help rehabilitate or create small-scale infrastructure and agricultural assets that provide lasting benefits for the community. Similarly, Food/Cash-For-Training can assist people in adopting skills, (re-) entering the labour market and moving towards self-sufficiency. School feeding, an effective incentive to improve school enrolment and attendance, is a valuable tool for improving nutrition among children, especially girls. This can be enhanced by introducing food and nutrition education and school gardening into the school curriculum. NGOs and the private sector can complement public sector efforts, e.g. NGOs can play valuable roles in monitoring as well as implementation in specific areas; and the private sector can be given incentives for local production of nutritionally rich foods (see below).
- **Improve the quality and diversity of foods** channelled through nutrition interventions to highly vulnerable groups taking into account cultural sensitivities. Promote closer involvement of local producers and small and medium scale businesses in producing micronutrient-rich foods at the country level. Support the production and consumption of locally-produced high nutritional quality products, e.g. animal sourced foods and fruits and leafy vegetables.

## **Outcome 2.2: Smallholder farmer food production growth sustained**

55. The sustainability of actions to help smallholder farmers increase their food production and incomes – and increase resilience in the face of crises – depends on a careful analysis of the context within which farmers are operating, the opportunities for marketing, the risks they face, and their longer-term prospects, giving due attention to women. It should not be assumed that the only way to support agriculture is to replicate the green revolution approach of the last two decades. In some cases strengthening smallholder agriculture calls for greater diversity, recognizing the importance of local varieties, land, watersheds and other resources, focusing research to enhance these systems (including seed systems), and developing special market linkages and value chains. This is only possible if policies of governments and other potential investors appreciate the heterogeneity of farming systems.

56. However, the current levels of productivity of most smallholders are still far below those which are possible and routinely achieved in countries where there has been appropriate investment in productivity. Reasons for this “yield gap” include shortages of financial investment, inappropriate policies, inequitable access to resources, insecure or inappropriate land tenure, lack of knowledge and training opportunities (especially for the young as new entrants into rural labour markets), poorly developed commercial infrastructure and/or food and agricultural chains as well as lack of adequate. Unsustainable land and water management practices, including deforestation, have also contributed to losses in soil fertility and productivity, and disruptions in food production and economic development, especially in the most fragile and marginal environments where smallholder farmers are the major custodians of natural resources (soil, water, forests, pastoral land, fisheries).

57. Practical experience suggests that there are realistic opportunities to more than double yields by smallholders in most countries by using known and available technology within an enabling policy and regulatory framework and linking input support to broader technology transfer, particularly technologies which build on existing smallholder farming and risk management systems. Experience also shows that integrated natural resources management, such as soil and water conservation approaches and Conservation Agriculture (CA), association of crop and animal production and increasingly inland fishery, provide strong bases for enhanced factor productivity, resource use sustainability and better adaptation to climate change.

58. Unleashing the full potential of smallholder farming is key to the global food security agenda, but it is not enough. To boost food supply, it is essential to increase public and private investments throughout the food chain. Smallholder farmers need to be enabled to participate in the value chain by involvement in food processing at the local level. Policies are needed to ensure smallholder farming does not end at the ‘farm gate’ but extends to storage, food handling and marketing as well as capacity building for food safety, preservation and standards compliance. Ensuring on-farm storage and food processing contributes to food safety by reducing the effects of aflatoxins, contaminants and pathogens. It also contributes to the prevention of food shortages.

59. Publicly supported actions on smallholder farming include the investments in ‘public goods’ such as establishing a conducive framework for public and private investment, improvements to rural infrastructure<sup>37</sup>, promotion of markets for agricultural inputs and produce, sustainable management of water, genetic and other natural resources, provision of veterinary and extension services, development of financial services and agricultural research and technology dissemination. In addition there is a need to strengthen producer organizations which both reduces the costs for smallholders to integrate into the evolving agricultural supply chains, and improves their bargaining position for share of the value added vis-à-vis often well-organized and concentrated input supply and food marketing companies.

60. Larger farmers face fewer constraints and usually have better access to inputs and markets. However, larger farmers will also benefit from ‘public good’ investments including improved infrastructure and the provision of veterinary and extension services.<sup>38</sup>

## **Elements of the Action Framework**

### **Outcome 2.2: Smallholder farmer food production growth sustained**

#### **Actions:**

<sup>37</sup> Critical local infrastructure, such as rural roads and bridges, public storage facilities and existing small scale irrigation facilities require rehabilitation and where small-scale irrigation facilities do not exist, they need to be developed. Combined with removal of internal policies which restrict or impede the movement of agricultural products, these measures can significantly lower costs and improve the incentives for farmers to increase production

<sup>38</sup> As for all social protection transfers, increasing access to production inputs without full cost recovery must be carefully designed. Risks include leakage of benefits to non-target groups, resale of inputs or input vouchers by the target group and rent seeking by officials, and that the interventions become a regular activity that would be difficult to terminate in the future when the crisis subsides. It is also crucial not to impede or drive out local and national private sector input suppliers.

- **Improve the enabling policy framework** by reviewing current macroeconomic, budget, trade and sectoral policy impacts on incentives for smallholder production and development of input and output markets serving smallholders, with special focus on women. National and international stakeholders should promote macroeconomic, agriculture and food policies conducive to increasing public and private sector investment in food supply and that acknowledge the critical role of smallholder farmers.
- **Stimulate private investment in agriculture** in order for agriculture to serve as a sustainable and competitive source of growth and employment for the national economy, and a prime driver of agriculture-related industries and the rural non-farm economy while protecting the environment. This entails creating a more conducive climate for investment, including well-defined and transparent business regulations, contract enforcement, improvements in basic transport, communication and power infrastructure, and investments in basic education and health services. Effective public investment in rural development should provide the basis for increasing private investments in businesses which provide inputs and services to smallholders, as well as expansion of agricultural marketing and processing enterprises which integrate smallholders into domestic and international food supply chains.
- **Invest in gender- and nutrition-sensitive agricultural research on food crops, animal production, and inland fisheries.** Promote technology dissemination for improving food and nutrition security in the context of climate change. Specific efforts should be made to develop research on orphan food crops such as tropical roots and tubers (cassava, yams), and neglected grains (millet, sorghum); to devise and disseminate technologies for improved soil fertility such as integrated soil and water management; and to support adaptive and participatory research within the food chains using local knowledge and already known technologies. This implies promoting approaches to information, knowledge sharing and learning that are better adapted to the needs of small farmers (e.g. farmer-to-farmer exchange, farmer field schools).<sup>39</sup>
- **Improve rural infrastructure** such as roads, irrigation and electrification to remove bottlenecks in marketing, reduce transaction costs and boost productivity. To stimulate private investments, infrastructure needs to be properly targeted to support food production and marketing. Investments need to be financially efficient and sustainable with provisions for operation, maintenance and depreciation/renewal.
- **Ensure sustained access to competitive, transparent and private-sector-led markets for food produce and quality inputs,** focusing on the key food commodity chains (from producer to consumer) and their stakeholders (producers, traders, processors, government, etc.). Include private-sector-based networks of agricultural input dealers (e.g. seed, fertilizer, equipment, animal feed) tailored to the needs of smallholder farmers. Strengthen market linkages, especially between farmers and food traders and processors (through e.g. contract farming). Promote fairer distribution of value-added among value chain actors by developing food processing, packaging, distribution and marketing enterprises.
- **Support development of, and strengthen producer organizations with the participation of women.** Strengthened farmer and producer organizations enable smallholders and other actors in the food chain to reduce costs, manage common resources and learn together. Producer organizations also need support at local, national and regional levels to improve bargaining power in policy dialogue and within food value chains.
- **Strengthen access of smallholders and other food value chain actors to financial and risk management instruments** to increase farm-level investments, boost productivity, and enhance

<sup>39</sup> The 2008 International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) presents a broader change agenda for the AKST systems 'to be used to reduce hunger and poverty, to improve livelihoods and facilitate equitable environmentally, socially and economically sustainable development.' See: <http://www.agassessment.org/>. This was supported by the CSD 17 decision.

assets. Agricultural financial services remain underdeveloped. There is a need to expand the outreach of rural financial institutions and to develop new products for food production and marketing that enable investments while reducing risks. Examples include leasing, insurance (for risk mitigation, including for climatic risks), matching grants, warehouse receipt systems, commodity-based financial products, and overdraft facilities for input dealers. Financial services should be delivered along with good practice principles by professional financial institutions; governments should avoid interfering in the provision of credit at retail level.

- **Improve animal health services.** The availability and quality of animal health services and medicines and feed are important to protect smallholder assets and to support crop production, nutrition and livelihoods.

### **Outcome 2.3: Better managed ecosystems for food and nutrition security**

61. Feeding the world under the changing climate, degrading environment and increased resource demand requires sustainable ecosystem management and equitable governance. 70 percent of the estimated 1.1 billion people in poverty around the world live in rural areas and depend on the productivity of ecosystems for their livelihoods. Healthy and protected ecosystems not only directly provide communities with a diverse range of edible plant and animal species as food sources<sup>40</sup> but also support entire agricultural systems through crop pollination, crop irrigation, spawning areas for fisheries, and the conservation of wild crop relatives. While the biodiversity benefits of healthy protected ecosystems are well recognized, all too often the contributions of these ecosystems to food and nutrition security and sustainable livelihoods are undervalued.

62. Healthy, fully-functional, well-managed and adequately protected ecosystems achieve cost-effective multiple objectives for food and nutrition security under a changing climate and form the basis for long-term sustainable development and the continued provision of the essential services on which society depends. However, inadequate ecosystem protection has led to degradation and a decline in services, reducing the prospect of food and nutrition security for all.

### **Elements of the Action Framework**

#### **Outcome 2.3: Better managed ecosystems for food and nutrition security**

##### **Actions:**

- **Ensure an equitable access to and better management of natural resources, including land, water, and biodiversity.** An ecosystems management approach must be mainstreamed into national agriculture plans. This includes the development of transparent, equitable, nutrition and gender-sensitive and context-appropriate biodiversity and natural resources policies.

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<sup>40</sup> These include vegetables, fruits, nuts, roots, algae, fungi, bush meat, insects, birds, and fisheries products. Also low-income rural people rely heavily on the direct consumption of wild foods, medicines and fuels, especially for meeting micronutrient and protein needs, particularly during periods of food shortages.

- **Introduce an economic mechanism that fully values ecosystems and their services.** One of the main drivers for ecosystem degradation is economic. For example, forests are destroyed because it is more profitable in the short-term to use land for other purposes. Therefore, an effective policy has to reward the long-term value of the services provided by ecosystems above that of the short-term gain.
- **Strengthen ecosystem monitoring and assessment.** Existing ecosystem monitoring and assessment programmes are either incomplete or only partially integrated. The money spent on ecosystems research and monitoring does not reflect the true value of the services that ecosystems provide to the global economy. More support for science to provide the basis for a comprehensive science-based management approach is required.
- **Use new eco-agriculture approaches which also conserve or enhance natural ecosystems.** Eco-agriculture strategies include using the spaces in and around productive areas for habitat networks, while also improving the habitat quality of productive areas themselves by reducing agrochemical pollution, modifying water, soil and vegetation management, or by modifying farming systems to mimic natural ecosystems. To develop, promote and support eco-agriculture innovations will require increased research, the re-building of technical assistance services that support producers in managing both agricultural and natural resources, and in some cases policy changes.
- **Strengthen local communities' ownership and use rights of forests and other natural resources coupled with monitoring and education programmes.** A transparent land tenure policy for managing land effectively while securing access to land and its use for communities or individuals, particularly marginalized groups is critical to long term sustainability and growth. Devolution of state forest land to local communities, as private individual or group holdings, has already doubled in the past 15 years and is continuing. Priority areas for reform can be those indigenous and other local managed lands that are already being well-managed for biodiversity conservation, and where communities have organized to defend their resources.

## Outcome 2.4: Developing an International Biofuel Consensus

63. Most recent growth in biofuel production has occurred in the developed countries and emerging economies, predominantly the United States of America, the European Union (EU) countries and Brazil<sup>41</sup>. In the developed countries, biofuels have been promoted by policies supporting and subsidizing production and consumption; such policies are now being introduced in a number of developing countries<sup>42</sup>.

64. Biofuel policies, in particular targets, subsidies and tariffs in support of biofuel production in all countries, need to be designed carefully, based on assessment of energetic efficiency (that biofuel supplies higher energy than it demands for production), environmental benefits (that they positively contribute to the reduction of Greenhouse gas emissions and do not cause harm to biodiversity and

<sup>41</sup> Brazil has pioneered the development of an economically competitive national biofuel sector based largely on sugar cane

<sup>42</sup> The State of Food and Agriculture 2008: Biofuels – Prospects, Risks and Opportunities

water resources) and social benefits (that they help local development, create employment, improve food and nutrition security and do not negatively impact access to land). Where policies are already in place, they require reappraisal in light of the lessons learned during the 2007-2008 food price crisis and longer-term trends that have an impact on food and nutrition security.

65. The steep increase in the use of some cereals as feedstocks for the production of biofuels - triggered by support mechanisms and high oil prices - contributed to higher food prices. In the longer term the fundamental question is one of competition for land and resources such as water more than a question of competition for food crops. This calls for bioenergy policies based on land use planning, aligned with other sectoral policies and flanked with regulatory frameworks or certification applied on a project level. Further pressure on food and nutrition security could come from large scale operations if they were authorized and run without responsible governance of land tenure<sup>43</sup>.

66. Risks and opportunities from biofuels vary with location, crop and pathway choices. Biofuel development could inject new investment, technology and knowledge transfer that could lead to increased agro-ecological productivity, with possible food production benefits. In addition, it could spur the development of local businesses, increasing the purchasing power for food on a village level, and improving the handling of food, for example storage and cooking. However, if not properly managed, biofuel development can (through its impact on food prices and land tenure) harm poor households who are net food-buyers.

67. Second and third generation biofuels, which are at various stages in the research and development to commercialization continuum, are seen to be more efficient in terms of pressure on land and resources, energy yields and greenhouse gas emissions. Several entities and the Rapporteur on the Right to Food have advocated for the consideration of a moratorium on liquid biofuels production from agricultural feedstocks to allow time for regulatory structures to be put in place to safeguard economic, social and environmental rights.

68. Given the cross-boundary implications of biofuel policies and growing trade, there is an urgent need to establish a greater degree of international consensus and agreed policy guidelines on biofuel production which take full account of food and nutrition security, as well as climate change mitigation and adaptation efforts, other environmental concerns, income generation options, and energy needs at local levels<sup>44</sup>.

## **Elements of the Action Framework**

### **Outcome 2.4: Developing an International biofuel consensus**

#### **Actions:**

- **Agree on a common reference framework for sustainable biofuel development and enforcement mechanisms.** Sustainability principles should be based on an internationally agreed standard that satisfies international trade law requirements, and should take into account environmental, social and institutional factors<sup>45</sup>. International biofuel consensus should consider already ongoing processes like the Global Bioenergy Partnership and the Round Table for Sustainable Biofuels.

<sup>43</sup> See Topic Box on Large-Scale Land Acquisition in Annex A.

<sup>44</sup> Under the Global Bioenergy Partnership (GBEP), a number of governments and UN agencies are working on science-based, relevant, practical and voluntary sustainability criteria and indicators to guide analysis of bioenergy, and inform decision making at a national level.

<sup>45</sup> This should comprise: ensuring sustainable use of natural resources, particularly land and water, safeguarding biodiversity; reducing greenhouse gas emissions; generating benefits for local communities; promoting food and nutrition security; and undertaking stakeholder consultation in the preparation of biofuels investments.

- **Facilitate the adoption and implementation of biofuel guidelines and safeguard measures** that minimize adverse impacts on global food and nutrition security and the environment, to mitigate risks associated with biofuel development in the short and medium term, building on existing guidelines based on good practices<sup>46</sup>.
- **Re-assess biofuel targets, subsidies and tariffs** to reduce pressures on grain and oilseed demand and food prices and to harness the potential benefits of biofuels while controlling negative consequences. Phasing out production subsidies, combined with simultaneous tariff reductions, would allow biofuels to be produced from the most efficient feedstock and by the lowest cost producers.
- **Facilitate private investments in sustainable biofuel production in developing countries** to diversify energy sources and reduce volatility in both food and energy markets, provided that appropriate safeguards are in place for vulnerable groups and key areas of concern. At the international level, the establishment of effective certification schemes can encourage sustainable private investments in biofuel production where national regulatory frameworks are absent or underdeveloped.
- **Promote research and development, knowledge exchange and capacity building** on biofuel production pathways that limit competition with food, contribute to local development and are environmentally sustainable.

## Outcome 2.5: International food markets improved

69. The food crisis has highlighted a number of weaknesses in the functioning of international food and agricultural markets, with drastic consequences for the poor. It confirmed that markets are neither perfectly transparent nor open. Food prices have been relatively stable and low for several decades, and the recent price volatility has highlighted new challenges. The knock-on effects resulting from policy actions of a few countries have highlighted limitations in the international trading system, and the need for countries to commit to a more open and fair trade system. The impact of speculation in futures and commodity markets has also shown the importance of appropriate regulatory measures at the multilateral level to ensure that on-going integration of financial markets provides the basis for increased benefits, rather than risks, for the poor.

### Food Reserves<sup>47</sup>

Grain stocks have declined by about half over the past six years, largely reflecting consistently low prices and the confidence of countries in using foreign exchange reserves for any critical food purchases. While the recent price spikes and, in the case of rice, difficulties in obtaining supplies even at current, high prices, have called into question this approach, countries need to be cautious about rushing into large increases in national stocks. Given limited current supplies, rapid build-up of stocks will put additional pressure on markets and further increase prices. Moreover, there are significant costs and complexities in managing stocks, particularly if carried out by the public sector. Alternative approaches include development of regional stock or food reserve agreements, virtual stocks, financial instruments such as options, weather risk insurance or bonds, and contracts with the local private sector to manage stocks. The warehouse receipts schemes may also be considered as a cost-effective means to maintain food reserves and which also simultaneously provide additional benefits including in the form of enhanced market efficiency, easing access to rural finance and facilitating trade.

<sup>46</sup> These include ex-ante assessments of the impacts of policies or commercial activities that use food crops as feedstock, or change land ownership and use, as well as assessments of impacts of biofuel production on food prices at national levels have been developed.

<sup>47</sup> See also sections 1.1 and 1.3.

70. Many of these challenges require collective action at the multilateral level. The food price crisis has shown that countries need to act in a coordinated way to avoid actions which meet national needs but which can make the problem worse for other countries. Efforts to rebuild and improve the management of household, community and national stocks should be complemented with regional and global stocks and related mechanisms to ensure food access. Stocks should be released strategically to support programmes which facilitate food access to the most vulnerable population and dampen price fluctuations. Food stocks management should improve with closer involvement of the private sector including through private-public partnerships. Coordinated arrangements at the regional or global level, such as real or virtual strategic stocks arrangements, can provide countries with greater confidence that their urgent needs can be met rapidly in case of future food crises. However, further work is required on the feasibility of an international system of cereal stocks as a key strategy to counter the impacts of future supply or demand disruptions.

71. Similarly there are emerging financial instruments which can support countries at much lower cost than holding physical stocks. International support is required to develop appropriate instruments for low income countries and to build confidence in their reliability.

72. A key challenge in a crisis is the appropriate speed, sequencing and nature of ongoing processes of trade liberalization in agriculture. While it enhances export and income generation opportunities for farmers in developing countries, policies to encourage efficient and competitive smallholder production and increased investment in the agricultural sector need to be put in place or strengthened, especially in the context of past underinvestment in research and extension, infrastructure and marketing. The frameworks<sup>48</sup> governing agricultural trade recognize this, though there is on-going discussion to encourage these areas of public support, as well as active debates, similar to those in other technological domains, regarding how to balance the role of intellectual property rights as incentives to innovation in agriculture and the need to ensure rapid and low-cost access of smallholders to these innovations.

73. More liberalized international markets would contribute to global food and nutrition security through increased trade volumes and access to diverse sources of food imports<sup>49</sup>. However, if there is an initial, rapid surge in imports, temporary support mechanisms for smallholders may be needed and governments may have to intervene. It should be assessed<sup>50</sup> whether and how developing countries should lower import tariffs, particularly if they are a strong source of government revenue and/or if the tariff line in question protects local production against cheap and subsidized imports<sup>51</sup>. Governments should take into account the potential impact of changes in the trade regime on the fiscal revenue base. Reducing trade-distorting agricultural support in developed countries is also important. Global efforts to improve food markets must therefore be consistent in supporting the goal of strengthening sustainable smallholder production and contributing to overall food and nutrition security.

## **Elements of the Action Framework**

### **Outcome 2.5: International food markets improved**

#### **Actions:**

<sup>48</sup> In the framework of WTO rules, various policy measures relating to, inter alia, research, infrastructure, extension, marketing, nutritional food security, and rural employment related programmes can be covered under the Green Box where expenditures are not be subject to any monetary ceiling. Moreover, in the agriculture negotiations under the Doha Round WTO members are considering modifying the Green Box so as to even more effectively cover developing country's programs.

<sup>49</sup> However, gender inequalities should be addressed and the conditions should be created to facilitate participation of women to benefit from these opportunities including in their smooth adjustment process when women are engaged in subsistence agriculture and they have to shift to other sectors when trade necessitates such changes.

<sup>50</sup> An ex-ante impact assessment, keeping in mind human rights of the population, should be conducted.

<sup>51</sup> The presence of social safety nets may assist developing countries in their trade liberalization undertakings.

- **Reduce/eliminate agricultural trade distortions, in particular subsidies and market restrictions, in higher income countries** which undermine incentives for farmers in lower income countries and impede progress on the broader free trade agenda<sup>52</sup>.
- **Complete the Doha Round of trade negotiations<sup>53</sup> to provide an enhanced set of agreed rules for a more transparent and fair international trading system**, taking into account the food and nutrition security, livelihood security and rural development needs of the developing countries. The WTO Marrakesh Decision on the Possible Negative Effects of the Reform Process on Least Developed Countries and Net Food-importing Developing Countries may need to be used to assist these countries during a transitional period of higher food prices stemming from the implementation of the reforms including how to ensure that incentives for private innovation and international publicly funded research support the challenge of improving smallholder production in the short and longer term.
- **Ensure enhanced (additional) resources for ‘Aid for Trade’** to strengthen capacity of developing countries to engage in and realize benefits from international trade in food products. This can include building capacity to utilize the provisions of trade agreements effectively and design and implement appropriate policies, assistance with supply constraints as well market access impediments such as quality and phytosanitary standards, labelling and other market entry requirements.
- **Develop trade financing infrastructure** to enable developing countries to expand their access to trade finance. Scarcity of trade finance may lead to a slow-down of trade as well as production and is considered to constrain the developing and low-income countries from participating fully in international trade. The development of trade financing infrastructure has also been pursued under the Aid for Trade initiative. During liquidity squeeze, better coordination between private sector financing agencies (which account for close to 80 percent of the market) and public sector and multilateral agencies may help to reduce the gap between demand and supply of trade finance.
- **Review policy constraints to enabling environment conducive to efficient private sector involvement in food markets** so as to ensure an effective flow of food from farmers to consumers. Government may require support to formulate appropriate policies in this regard.
- **Strengthen analysis and oversight of food commodity and futures markets to limit scope for speculation to exacerbate price volatility.** Analysis is needed on the impact of speculative activities on the volatility of agricultural markets. Given the direct impact of volatility in food markets on the poor, the analysis may point to the need for additional precautions to ensure that the use of these markets for quick financial gain does not dominate their price transparency and risk management functions in agricultural markets, and ensuring that appropriate market safeguards are in place to limit speculation-driven volatility.
- **Build capacity for international financial markets to better meet needs of lower-income countries** through development of price and weather risk transfer instruments which can reduce the fiscal impact of responding to a food crisis by shifting the risk to financial markets.. Pilot activities linking lower income countries to futures and options markets, commodity exchanges, weather-indexed bond markets and weather reinsurance markets need to be scaled up, and include

<sup>52</sup> The Commission for Sustainable Development decided at its 17<sup>th</sup> session that market access for agricultural products should be substantially improved, the parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect should be ensured, and trade distorting domestic support should be substantially reduced, in accordance with the mandate for the Doha Round and the Hong Kong Declaration on the Doha Work Programme. Special and differential treatment for developing countries shall be an integral part of all elements of the Doha Round and shall enable them to effectively take account of their development needs, including food security and rural development.

<sup>53</sup> Paragraph 13 of the Doha Declaration sets out the objectives of the negotiations on agriculture as follows: substantial improvements in market access, reductions of, with a view to phasing out, all forms of export subsidies, and substantial reductions in trade-distorting domestic support. Special and differential treatment for developing countries is to be an integral part of all elements of the negotiations and ‘non-trade concerns’ are to be taken into account.

intermediation support from international financial institutions. These countries should be assisted to develop the necessary institutions, legal and regulatory framework as well as the expertise to use these markets to their own best advantage.

- **Support development of regional or global mechanisms for improving emergency access to food through stock sharing** and reduced restrictions on the release of stocks to other countries under emergency conditions (*see also section B1.1*).

### 3. SUPPORTING INFORMATION SYSTEMS

#### **Outcome 3.1: Global food and nutrition security information, monitoring and analysis systems strengthened**

74. Stronger information, monitoring and analysis systems are needed to better prepare for tomorrow's crises, to ensure that investment and actions taken by governments and the international community are minimizing risks to the most vulnerable and to accelerate progress towards achieving the Millennium Development Goals and targets towards hunger reduction, food security and better nutrition. These systems are important for a) developing a shared understanding of the current status of agriculture development, nutrition and more generally food security at all levels, b) identifying the magnitude of needs among different livelihood groups and the realization of their right to food, and c) encouraging greater effectiveness, accountability and coordination of donor support for national, sub-regional, regional and global efforts - in-country and between capitals. They should include participatory assessments that involve all stakeholders or their representative organizations to ensure responses attuned to needs.

75. Much work is already on-going at community, country, regional and global levels. While information, monitoring and analysis systems are being strengthened and harmonized they also need to capture developments in all aspects of food and nutrition security (access, availability, utilization, and stability) within the context of the five Rome principles<sup>54</sup>. Most national authorities, in collaboration with regional and global entities, are already documenting (or 'mapping') food and nutrition security activities in this way. In addition, the reformed Committee on Global Food Security (CFS) will both support and draw on national food and nutrition security mapping. Information collected should aim to cover, but not be limited to, current food and nutrition security situations, status of strategies for agricultural development and food and nutrition security as well as current and planned investments.

76. Significant attention is given to countries which are at high risk and, therefore, likely to see the biggest changes in their nutrition and food security profiles. These are countries which a) exhibit low response capacity and high levels of food insecurity and poverty; b) have a high prevalence of under-nutrition especially child under-nutrition, c) have high food and fuel imports compared to total imports, exports and international foreign reserves; d) have relatively large urban populations; e) already experience high inflationary pressures and a politically unstable environment; f) have populations that spend a significant proportion of household income on food and are otherwise vulnerable of becoming food insecure; and g) are increasingly exposed to extreme weather effects of climate change. These countries may need support in their efforts to measure, analyse and monitor vulnerability, risks and response capacity to avoid rapid actions and policies which can have grave consequences for their populations and neighbouring countries.

#### **Elements of the Action Framework**

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<sup>54</sup> See Section A (Context and Analysis) p. 10

### **Outcome 3.1: Global Food and Nutrition Security Information, Monitoring and Analysis Systems Strengthened**

#### **Actions:**

- **Improve further the coordination of information systems on food and nutrition security** to facilitate a comprehensive analysis. There are several initiatives underway to synchronize overlapping information systems and provide a systematic understanding of countries at-risk and their needs and trends across the dimensions of poverty, vulnerability, production and trade. This information needs to be updated and comparable with other national and international programmes, and linked to decision-makers and stakeholders such as smallholder farmers.
- **Continue to carry out comprehensive food and nutrition security assessments, monitoring and evaluation** in some of the most vulnerable countries, including an analysis of all factors, policies and trends which may impact food price levels and transmissions, local food availability, access and utilization. Where necessary, investment in surveillance and early warning systems should be increased. The country's commitment and capacity to implement the required actions should also be assessed, while capacity development initiatives should be designed where needed.
- **Integrated analysis and monitoring of the impacts of shocks on food and nutrition security.** The analysis should determine how many people are affected by food and nutrition insecurity and indicate which groups are most affected by shocks (age, gender, livelihood and geographical area) and how many people are concerned. Analysis and monitoring should be based on data collected through a variety of sources, capturing households' incomes, expenditures (food and non-food), food sources, food consumption patterns and coping mechanisms. It should also include the expected impact of international trade measures on the diet and health of the affected populations.
- **Conduct nutrition assessments** and set up a nutritional surveillance system, focusing on vulnerable groups, such as pregnant women, children under the age of five, the elderly and those suffering from infectious diseases. Assessments should account for nutritional deficiencies that have a range of causes, including insufficient access to quality foods, care, hygiene, water and diseases. An analysis of the implementation of essential nutrition interventions, their quality and efficiency is also required.
- **Analyse the policy options for easing pressure on food prices and identify programmatic approaches for channelling immediate assistance** to improve the food and nutrition security of vulnerable communities. Policy and programmatic options should be based on country and regional capacities and those of international aid partners and the assessment of risk management capacities at different levels (regional, national, community and household). These options should include clear allocation of responsibilities with realistic timeframes, targets and benchmarks to monitor implementation of these policies and programmes.
- **Review contingency plans and strengthen preparedness and early warning systems** that take account of risks, impact, capacities and response mechanisms, and focus attention on the food processing sector and consumer behaviours.
- **Ensure accountability by monitoring food and nutrition security responses via appropriate national and international mechanisms** (including administrative and judicial mechanisms) to ensure that these responses do not fail to reach those who need them most. Such monitoring can be undertaken with the assistance of national human rights institutions and benefit from the action of the UN Committee on Economic, Social and Cultural Rights and the Special Rapporteur on the Right to Food.

## C. ACHIEVING CFA OUTCOMES

77. The effort to overcome the underlying causes of food and nutrition insecurity will require many years of sustained advocacy, political commitment, financial contribution and joint action by a broad range of stakeholders along the line of the five Rome principles<sup>55</sup>:

- a) support for country-led processes;
- b) ensuring a comprehensive approach to food security;
- c) strategic coordination of assistance;
- d) supporting a strong role for multilateral institutions;
- e) sustaining a robust commitment of financial resources.

78. Since the production of the original CFA, the HLTF and its members contribute to the full range of its outcomes and their achievement. They are focusing their work on:

- a) Supporting effective action in countries.
- b) Advocating for funds needed for urgent action and long term investment
- c) Inspiring a coordinated engagement by multiple stakeholders.
- d) Improving accountability of the international system.

79. Progress on and lessons learned from these efforts are documented in the Annual HLTF Progress Report available at [www.un-foodsecurity.org](http://www.un-foodsecurity.org). One of the main lessons learned is that partnerships at country, regional and global levels, and synergized working and cooperation are critical for a coordinated response to global issues such as food and nutrition insecurity. Partnerships should follow the organizing principle of subsidiarity and perform tasks which are appropriate for their level of action and cannot be performed effectively at another level.

### 1. PARTNERSHIPS AT COUNTRY LEVEL

80. A comprehensive approach to food and nutrition security may require action on several fronts at the country level – sustainable agricultural production, procurement and distribution, nutrition support, safety net strengthening among others. Within governments, each of these areas is associated with one or more ministries; outside governments there is generally a multitude of stakeholders – donors, HLTF organizations, NGOs, CSOs, private sector entities – with varying degrees of involvement and expertise in one or more of these areas. It is critical that all these partners work together and coordinate their activities towards common objectives.

81. The importance of establishing strong partnerships at the country level is reflected in the five ‘Rome Principles’<sup>56</sup>, which can only be brought to life through joint action. Such partnerships are most effective when there is strong national ownership. A country-led food security strategy can help identify individual and joint roles of the various stakeholders along each of the four dimensions of food and nutrition security: availability, access, utilization and stability. The process of forming such a strategy, provided it is carried out in a transparent, consultative and participatory way, can itself become an important force towards forging such a partnership, and identify roles and opportunities for NGOs and other actors as partners to contribute in line with their comparative advantages.

82. Regarding the multilateral system, a broad and inclusive partnership, based on the UN Resident/Humanitarian Coordinator, and World Bank Country Director systems and other established country-level mechanisms is a key factor for achieving improved food and nutrition security outcomes. Therefore, the agencies comprising the HLTF have committed themselves to a more unified approach, more concerted action and strengthened coordination with multi-year resource

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<sup>55</sup> See Section A (Context and Analysis), p. 10

<sup>56</sup> Idem

commitment at the country level for improved food and nutrition security in all of its aspects. Where appropriate, HTLF member agencies plan together, draw upon shared resources, synergize their actions, and use common approaches to monitor and report on progress. They build upon the lessons learned from initiatives such as the ‘one-UN’ pilots, ‘MDG achievement funds’, and the CAADP Roundtables to function more effectively.

83. National Poverty Reduction/Development Strategies, United Nations Development Assistance Frameworks (UNDAFs) and, where available, national food security strategies can serve as organizing frameworks for coordination. Modalities for coordination will vary from country to country but would typically be characterized by close and systematic joint action to address both the needs of vulnerable people and the drivers of vulnerability and food insecurity, in support of government plans. Close and more systematic cooperation on their assessments and planning efforts, and systems for regular consultation and sharing of analysis will help strengthen the partnership in ways that support national priorities, fill gaps, and avoid duplication.

84. The following work and coordination modalities can be adapted to each individual country context, making full use of - and strengthening if necessary - the systems and capacities that are already in place, while ensuring the participation of non-institutional actors:

- **Reflect joint working in country level partnerships.** These partnerships will encompass food assistance, food and nutritional security, agriculture, other livelihood-support activities that increase and diversify household incomes of the poor, trade and other economic issues and will be led by national authorities, bringing together civil society, farmer/producer and consumer organizations, including women farmers, private sector<sup>57</sup>, scientific and research bodies, regional and international organizations. They should involve relevant government departments, including the ministries for finance, planning, agriculture, key social sectors, natural resources, environment and health, with clear and visible political leadership. To ensure efficiency and sustainability, the work of partnerships should be consistent with the principles of the Paris Declaration on Aid Effectiveness.
- **Undertake regular assessments.** Stakeholders that agree to coordinate should establish joint assessments and ensure that they are planned, discussed and analyzed collaboratively, in a way that will help establish understanding of underlying causes of food and nutrition vulnerability and insecurity, immediate and longer-term consequences, and an appropriate mix of short and longer-term policy and programme options. These assessments could build upon those already developed within the country’s existing institutional, planning and budgeting processes (e.g. Poverty Reduction Strategies, UNDAFs, National Development Plans (PRS/NDP), national food and nutrition policies and strategies, sectoral plans) and engage the broad range of stakeholders so as to benefit from their knowledge, skills, expertise, suggestions and support.
- **Build on and strengthen existing mechanisms and programmes.** Partnerships should avoid, where possible, creating new approval, reporting or coordination mechanisms, and add value by bringing together existing groups working on the relevant issues. The partnerships should ensure the participation of those stakeholders addressing cross-cutting issues, including gender, human rights and nutrition, and also finance, planning and trade.
- **Consolidate actions to avoid overlaps, fill gaps and attain objectives.** The wide range of actions, on-going or planned, by stakeholders should be coordinated as much as feasible into a

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<sup>57</sup> Responsible for the movement of nearly all food from the farmer to the consumer and for the supply of most farm inputs, the private sector can play a major role in promoting food and nutrition security. However, the sector often works in a fragmented way and does not partner well with government and other stakeholders. Private sector companies need to consider promoting greater collaboration amongst themselves, such as by establishing associations of the entire food chain (inter-professional commodity associations).

shared standard implementation framework, with identified roles and responsibilities for all actors, that will help reach the food and nutrition security goals. This framework will provide all stakeholders a clear view of their efforts in achieving country-specific objectives, improving coordination of support, and identifying unmet needs.

- **Review (and install, if required) existing monitoring and evaluation mechanisms to track food and nutrition security outcomes.** The partnership should make use of existing (or new) tracking, monitoring and evaluation mechanisms, developed within the PRS/NDS, national agriculture, food and nutrition policies and strategies, budget monitoring, MDG reporting processes, and sectoral plans and strengthen them as necessary to ensure adequate tracking of key food and nutrition security indicators, especially among the most vulnerable populations. In this regard, the partnership should strengthen national capacities in the area of food and nutrition security statistics and information systems, policy analysis, formulation, implementation, monitoring and evaluation. This could be done by: (i) providing cutting-edge knowledge, methods and tools; (ii) facilitating knowledge exchange and lessons learning among peers, (iii) reviewing practical mechanisms to implement policy changes; and (iv) team building among key stakeholders, including development partners.
- **Promote effective public communications.** This will ensure that the partnership's analysis, strategy and actions are understood by the wider public, in particular those whom the actions are intended to assist. Programme effectiveness will require strong vigilance from civil society groups to ensure that the assistance reaches the intended people in the quantities and qualities intended. Further, the poverty and social impact of trade, fiscal and other macroeconomic policy measures, particularly on the most vulnerable groups, needs to be considered carefully.

85. *Contributions by the UN System:* The UN and the Bretton Woods institutions have committed within the HLTF and under the leadership of the UN Secretary General to supporting the country-led process outlined above by catalyzing effective coordination, action and accountability at the country level, mobilizing international financial support, ensuring sound information management, and by dedicating resources and skilled personnel to support national assessments, actions and monitoring. The Coordination Team of the HLTF is tracking country situations, measures planned and taken by the government and the international community in response to food insecurity through the development of country-reports and fiches published on its website [www.un-foodsecurity.org](http://www.un-foodsecurity.org).

86. *Synergized external assistance:* In addition, HLTF member institutions are ensuring that their own country support frameworks and existing coordination mechanisms fully facilitate and reinforce their commitments to help address food and nutrition challenges within the framework of the CFA. Adjustments are being made to policies, programme design, financial and technical resources, as well as to relevant assessment and monitoring frameworks to reinforce accountability in supporting country-level results. Table 1 highlights actions of the HLTF members in support of countries to respond to immediate consequences of the current food and nutrition challenge, and to address simultaneously underlying causes and contribute to improved food and nutrition security in the longer-term.

## 2. PARTNERSHIPS AT REGIONAL LEVEL

87. The HLTF is engaged with the regional organizations as they expand their role in responding to food and nutrition insecurity. HLTF engagement with regional bodies is based on an acknowledgement of two important dimensions of their role: (1) political incentive and technical guidance to promote responses at country level and (2) building regional markets and pooling risks and responses of their membership.

88. Political groupings such as the African Union (AU) and the Association of South East Asian Nations (ASEAN) have developed policy frameworks<sup>58</sup> that provide a conceptual basis for the development of national policy and practical guidance on inclusive planning processes. These processes are essential for building the partnerships needed at country level for food and nutrition security. There is strong coherence between these regionally owned frameworks and the CFA, especially on the will to develop a comprehensive approach to food and nutrition security issues.

89. Regional partnership platforms, such as the CAADP Partnership Platform, provide space for dialogue among regional groupings, governments, donors and UN agencies. They facilitate common agreement on shared principles and proposed actions and pave the way for improved alignment of policies. They also offer opportunities for monitoring and evaluation of performance and tracking governments' expenditures and aid flows, hence stimulating a better coordination of donors, regional multilateral development banks and UN agencies for coherent supports to countries.

90. Beyond the critical policy support they provide to member governments, Regional Economic Commissions are developing regional policies to address the cross-border dimensions of food security and build strong regional markets. The rationale for regional policies for food and nutrition security is based on the strong intra-regional complementarities between ecology, production and consumption. It is also based on the need for shared management of trans-boundary resources (such as rivers and river basins, aquifers, pastoral lands and marine resources). The regional food and nutrition security policies focus on regional investment for fostering national efforts and tackling specific regional issues such as the lifting of intra-regional trade barriers, reinforcement of regional value-chains, harmonization of information systems and coordination of monitoring systems for food emergencies. Given the historical institutional and political fragmentation of many sub-regions, convergence and synergies of plans of actions of national and regional stakeholders might be challenging. However, some regions have been developing coordination mechanisms with all stakeholders that ensure alignment and coherence of the technical and financial contributions by international aid, regional banks, regional technical agencies and regional platforms of farmers' and civil society organizations.

91. The HLTF and regional groupings are working together to reinforce synergies at the different levels of engagement (country, sub-regional, regional and global levels) and to strengthen the participation of civil society, farmers' organizations and private sector in these processes. The HLTF is facilitating the convergence of different regional and sub-regional efforts to establish clear regional food and nutrition security policies with ownership of all concerned.

92. The HLTF is encouraging the provision of greater support for regional economic integration processes and the use of regional entities as effective intermediaries in the development of policies and plans for addressing food and nutrition security challenges.

### **3. PARTNERSHIPS AT GLOBAL LEVEL**

93. *Global Partnership on Agriculture, Food Security and Nutrition*. The concept of a partnership – embracing multiple stakeholders, mobilizing significant new resources and drawing on the advice of an expert scientific panel, emerged during 2008 and was proposed by the French President at the High Level Conference on Food Security and Climate Change in Rome in June. The African Union, European Union and G8 committed to support it. After the July 2008 G8 summit, Japan chaired an expert group on agriculture and food to develop principles for the partnership. Some nations favoured a formally constituted entity; others wanted an informal arrangement bringing together interested parties around a common cause. At the January 2009 High Level meeting on Food Security for All, in Madrid, participants indicated that any formally constituted entity should be assembled through an

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<sup>58</sup> Comprehensive African Agriculture Development Program (CAADP) of the AU or Convergence Matrix of Programs and Activities on the Implementation of Food Security of the ASEAN.

intergovernmental process. During 2009 and 2010 the partnership has evolved as the amalgam of convergent initiatives on food and nutrition security.

94. *Governance of global efforts to address food and nutrition insecurity.* In November 2008, the FAO Conference proposed that the Committee on World Food Security (CFS) be reformed in a way that incorporates not only Member States but representatives from intergovernmental bodies and organizations, private sector bodies (and foundations), development banks and other stakeholders within civil society (including farmers' and labour organizations). A programme to revitalize the CFS was agreed at the Summit on World Food Security in November 2009<sup>59</sup>. The Committee's secretariat is now being constituted. The Committee's bureau meets regularly and an Advisory Group representing the different CFS constituencies has been constituted.

95. *Ensuring a sound scientific base for sustained improvements in food security.* The CFS will be able to draw on a High Level Panel of Experts (HLPE) that offers authoritative guidance to stakeholders when confronted with issues on which there is, as yet, no international scientific consensus. These include means to address the continuing volatility of food prices, to support communities as they adapt their farming systems to changing climate, the place of agricultural practices that depend on inputs of seeds and fertilizers, and means for enabling smallholders to have better land security especially in settings where outside interests seek to acquire their land for their own purposes. The plan for the HLPE was agreed in November 2008. At the same time, the Consultative Group on International Agricultural Research (CGIAR) is being reformed so that it responds better to the interests of farmers in poorer countries and delivers new insights and technologies that benefit them.

96. *The significance of the L'Aquila Statement.* The funds committed at the G8 Summit in L'Aquila in July 2008 represented a dramatic increase in the amount potentially available for investment. More importantly, the statement agreed by the heads of state of 26 countries and 14 representatives of regional and international organizations spelled out a novel approach that called on the multiple stakeholders in the Global Partnership for Food Security and Nutrition to work with synergy, flexibility and trust despite the challenges they each face with current strictures on development assistance. This approach was reaffirmed at the 2009 Rome Summit on Food Security, including the five principles of the L'Aquila Statement renamed the five Rome principles<sup>60</sup>.

97. *Putting the L'Aquila Statement into practice.* Different stakeholders have been trying to make the L'Aquila Statement operational. Their effort is described as the L'Aquila Food security Initiative (AFSI). This has meant:

- Harmonization of donor practices in line with the Rome Principles, while recognizing that they have their own ongoing programmes
- Establishing a mechanism for tracking the original L'Aquila pledges as one element of the wider development assistance funding for food and nutrition security, making space for the full range of donors to be covered by this tracking, and maintaining the focus on comprehensive actions to improve food and nutrition security
- Maintaining the engagement of the CFS in this effort at Global level while encouraging involvement of the full range of stakeholders at country and regional levels,
- Supporting countries as they map the food and nutrition situation and establish who is doing what with a view to improving coordination and effectiveness while sustaining the comprehensive approach (and seeking to build viable linkages between work on food and nutrition security);
- Assisting all stakeholders with the development of investment strategies, plans and programmes (based on policy agreements such as Compacts)
- Monitoring results so as to ensure ongoing accountability.

<sup>59</sup> See <ftp://ftp.fao.org/docrep/fao/meeting/017/k3023e3.pdf>

<sup>60</sup> See Section A (Context and Analysis) p. 10

98. *What fits where.* The HLTF works with AFSI group and the CFS. HLTF members do what they can – individually and collectively – to help them shape their work and discharge their responsibilities. The CFS is the expression of countries’ political will, informed through the participation of farmers’ organizations, NGOs and private sector. The CFS will develop a Global Strategic Framework for food security and nutrition to improve coordination and guide synchronized action by a wide range of stakeholders. The framework will be flexible so that it can be adjusted as priorities change and will build on other frameworks such as the CFA, the Comprehensive Africa Agriculture Development Programme (CAADP), and the Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security. CFS members have called for a framework that reflects their collective interests and is to be developed through a democratic and participatory process.

#### **4. SYNERGIZED WORKING AND COOPERATION**

99. *Regional value chains* have the potential of expanding markets by providing incentives for private investors to make long-term investments in agro-processing and agribusiness. They also provide a context for governments to jointly address institutional and other constraints to regional investment and trade in commodities. Regionally integrated value chains could also be important for expanding markets, both for inputs and outputs, including for smallholder farmers who are often at a disadvantage in terms of accessing these markets. Such integration could create the scope to exploit economies of scale and improve access to new technologies and complementary services.

100. *South–South cooperation* offers real opportunities for the transfer of policy experiences and technologies necessary for boosting agricultural productivity in developing countries, and also opens up investment and market opportunities on a more level playing field than currently exists for many producers. There is much to be gained from the exchange of experience and knowledge between countries and communities seeking to develop their agriculture and food security systems especially if they face similar challenges. The exchange is most likely to involve the transfer of technology and exchange of expertise. It usually involves technical cooperation and training for capacity building – it involves producer organizations and cooperatives as well as national and regional institutions. A number of developing countries are emerging as active partners on technical and economic cooperation for development in developing regions, especially in Africa – including China, India, Brazil, Malaysia, Turkey, Cuba, Indonesia, Egypt, South Africa and several countries in the Middle East.

101. An important rationale for South–South cooperation is the similarity of soil, climatic and ecological conditions among some groups of developing countries. Where countries have successfully developed agricultural technologies specifically for small-scale farmers, and have designed and implemented the right policies to help raise investments in the rural sector, mechanisms need to be devised to share these experiences with other developing countries. At the same time, South–South cooperation in agriculture can help promote a diversity of experiences that could well be the single most important ingredient for achieving sustainable agriculture, particularly in small farmer settings.

102. *Triangular cooperation* exists when South–South cooperation is supported through partnerships with Northern donors who provide financial and/or technical assistance. It is regarded as the ‘third generation’ of cooperation, and for many it represents a promising field with great and still largely untapped potential. FAO’s Special Programme for Food Security (SPFS) and the Japan International Cooperation Agency’s programme on research are examples of triangular cooperation. A specific example of triangular cooperation involves Japan, Brazil and Africa. The NERICA project (New Rice for Africa) resulted from the cooperation between several African countries and research centres, backed by donors (e.g. Japan, FAO and the African Development Bank). It led to the creation of new drought-resistant and high-yield rice for Africa, and is an illustration of the potential of triangular cooperation for future consideration.

103. *Decentralized cooperation* has an enormous impact on food and nutrition security in many nations – and prevents many local level and national crises. It is most effective when coordinated with others under the leadership of national authorities. There is scope for decentralization of all cooperation whether north-south or south-south (so that it occurs between farmer organizations, small-scale enterprises, local governments and civil society organizations). Local authorities are working together on new dynamics for development and contributing to the different aspects of food security by supporting development stakeholders, structuring professional organizations, pooling expertise and political commitment and strengthening capacity building.

## 5. INVESTING IN FOOD AND NUTRITION SECURITY

104. CFA activities require a combination of public and private financing from a wide range of sources. While the amount of financing available remains of paramount concern, there is increasing recognition that the sources, the committed amounts and the terms and use of funding are all important issues if the current focus on food and nutrition security is to sustain longer term progress. In 2008, the food price crisis focused attention on the need to catalyze, monitor and coordinate financial flows in support of food and nutrition security from the myriad different sources. As the HLTf agencies highlighted in their various studies and appeals, realizing the outcomes of the CFA requires mobilizing more funding from all key stakeholders – private and public. It also requires that available resources are invested effectively and consistently to country-led priorities developed through national and regional processes such as CAADP compacts or PRSPs. Furthermore such investment plans should also clearly be sensitive to social and environmental aspects.

105. The estimated amount of funding required varies significantly but there is general agreement on the need to reverse and compensate for the rapid decline in investment in agriculture, food and nutrition security over the past 25 years<sup>61</sup>. Estimates of the total financing needed reflect different objectives, funding periods and potential sources of funds<sup>62</sup>. In addition, many of these estimates have not included the costs of developing and implementing improved and more sustainable nutrition programmes and safety nets as an inherent component of the food and nutrition security agenda<sup>63</sup>. Accordingly, while these estimates are helpful in demonstrating the magnitude of the increase in resource flows required to support food and nutrition security, they need to be complemented by assessments of the sources, direction, terms and uses of the funds relative to the priority areas highlighted by the CFA.

106. Although it is advisable that national budgets increase their share for tackling food and nutrition insecurity, overseas development assistance (ODA) clearly has an important role in coordinating and accelerating planning and implementation of food and nutrition security investment plans. The fight against under-nutrition and hunger cannot afford to be constrained by the current revenues available to developing countries, particularly in the context of additional shocks such as the financial crisis and increased climate variability. Accordingly, ODA is critical to support key public investments highlighted in the CFA, including safety nets, infrastructure, research and extension and capacity strengthening. In terms of progress in mobilizing ODA resources, available statistics demonstrate that following a long period of decline, investment in agriculture is increasing, though it remains well below historic levels and there is scope for improving the targeting vis-à-vis food and nutrition security needs. After bilateral and multilateral ODA to agriculture fell to a 30-year low in 2002, it has been increasing at an average annual rate of 5 percent in real terms from 2002 to 2007, raising actual

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<sup>61</sup> Organization of Economic Cooperation and Development (OECD)

<sup>62</sup> For example, annual agricultural investment requirements vary from \$16 million (IFPRI) to as high as \$500 million (FAO) depending on whether the focus is on meeting MDG1 by 2015, of eliminating hunger by 2025, and whether the investments of farmers and other local private sector are included in the estimates.

<sup>63</sup> The total financing needs to scale up priority nutrition interventions has been estimated to be US\$11.8 billion per annum, of which US\$1.5 billion is expected to be borne by private household resources. This leaves a total financing gap of US\$10.3 billion to be raised from public resources (both national and global) to support the scale-up. (Scaling Up Nutrition: What will it Cost? World Bank 2009)

annual flows from approximately \$4 billion in 2002 to over \$6 billion in 2007. 2008 and 2009 figures are expected to indicate even faster increases, albeit from a drastically low base. While two-thirds of this assistance went to poorer countries, with Sub-Saharan Africa receiving 31 percent and South and Central Asia 23 percent the aid is not well targeted on the countries with the highest rates of under-nutrition<sup>64</sup>.

107. In terms of most recent commitments to respond to food and nutrition insecurity \$22 billion was pledged at the L'Aquila G8 Summit in July 2009, \$6 billion of which is expected to be additional funds.

108. Several initiatives are improving both the mobilization and coordination of ODA in support of food and nutrition security. The World Bank's Global Food Crisis Support Program (GFRP) is a \$2 billion initiative launched in 2008 to mitigate the initial shock of high food prices on vulnerable groups. The European Union's Food Security Facility has already committed €1 billion to projects worldwide working through the UN and the World Bank and NGOs. The Global Agriculture and Food Security Programme (GAFSP) is a Fiduciary Intermediary Fund established at the World Bank launched on April 22, 2010<sup>65</sup>. To date, firm pledges to GAFSP amount to approximately \$950 million (with contributions from Spain, Canada, the USA, Bill and Melinda Gates Foundation and the Republic of Korea). The GAFSP seeks to help countries in their quest for the long-term growth and sustainability of the smallholder farms. Total confirmed contributions to WFP totalled \$5 billion in 2008 and \$4 billion in 2009. However, these contributions fell short of expanded overall needs. These collective initiatives complement bilateral funding.

109. Foreign direct investment (FDI) is also an important source of foreign investment financing which is complementary with public investment-focused ODA, but needs to take place in a context that ensures consistency with national food security objectives. Given that most agricultural, and many safety net activities are inherently in the private sector, foreign investment flows through FDI are an important source of transfer of know-how as well as financing. Available data regarding international private investment flows from UNCTAD indicate a more rapid increase in private FDI in developing country agriculture, though this is largely in the processing sectors. From 2002 to 2007, FDI increased from approximately \$15 billion to \$60 billion. Almost 90 percent of this investment was in food and beverage processing and marketing, reflecting the continuing importance of smallholders' own investment and domestic private and public sector financing for primary production. To-date one initiative has already been developed that aims at increasing food and nutrition security relevant FDI investments.

110. The sustainability of public efforts to secure food and nutrition security for all depends primarily on developing countries' own public expenditures. In terms of sectoral financing from developing country governments, while data is limited, there is a consensus on increasing the share of public expenditures focused on agriculture and food security. Under CAADP, following the Maputo Declaration, African states have set the goal of targeting 10 percent of public expenditures to agriculture, a goal which 8 of 36 countries have achieved to date. These commitments have also generated increased interest amongst stakeholders in-country to better understand and participate in the setting of budgetary priorities and investment plans and monitoring of their impacts.

111. The most significant source of financing now and in the future will be private sector investments from developing countries themselves, including their smallholder farmers<sup>66</sup>. While the withdrawal of state support for many aspects of agricultural services has stimulated an increased role for the local

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<sup>64</sup> Organization for Economic Cooperation and Development (OECD)

<sup>65</sup> The GAFSP includes a private sector window to be implemented by the International Finance Corporation (IFC) to complement its Public Sector Window. The GAFSP private sector window will deploy instruments and form partnerships to help increase productivity, improve market access, support innovation and development of new ideas in financing and technology, reduce information asymmetries between small end users of capital and financial institutions, and reduce risks associated with financing smallholders/companies in the agribusiness sector. The allocations to this window by the donors are still to be determined.

<sup>66</sup> For example, FAO estimates that about 75 percent of the investment required to eliminate hunger by 2025 will have to come from developing country private sector.

private sector, this remains grossly inadequate due to the absence of complementary public services and know-how and, in some cases, enabling policy environment.

## ANNEX A

### TOPIC BOXES

This annex provides ‘topic boxes’ to highlight particular actions, programmes or concerns relevant to a comprehensive response to food and nutrition insecurity

#### FOOD ASSISTANCE

##### **Topic Box 1 Local Food Purchase**

Internationally-sourced food can be costly and ill-timed, particularly if trans-shipment is required. Food and cash assistance provided from regional and national sources is likely to be less costly, more rapidly mobilized and capable of more flexible use than assistance which draws on international food stocks or funding. Moreover, regional and local food purchases bring substantial economic benefits to traders, millers and the broader farming community in developing countries, as long as practices are adopted that ensure quality and safety standards and avoid price spikes and hardships to nearby consumers.

The challenge remains to have smallholder farmers benefit from local food purchases. Possibilities include direct purchases from farmer groups, forward contracts, and purchases of processed foods. All of these options require strong partnerships among stakeholders such as traders, processors, national governments, the UN system, NGOs, research and financial institutions, and bilateral donors. They also require skill-building initiatives to enable farmers and other market actors to engage in complex marketing activities.

In the short term, using local purchases to promote smallholder agriculture requires substantial start-up investment and technical expertise. In the long term, these costs may be offset by the benefits of increased local food availability and sustainable food and nutrition security among farming communities.

Enabling smallholder farmers to respond to the demands of food assistance programmes may turn the threat of high food prices into an opportunity for producing surplus food and raising the family income.

## SOCIAL PROTECTION

### Topic Box 2

#### Food and Nutrition Security for the Urban Poor and Balanced Regional Growth

Increasing urbanization is a crucial dynamic for food and nutrition security. The urban poor, (about 1.2 billion slum dwellers, and growing by nearly 30 million every year), generally meet all of their nutrition needs in markets, and are therefore especially susceptible to losses in income and increases in the price of food, energy and other essentials. Even under normal conditions, the urban poor are often not capable of producing or purchasing the nutritious food or household energy they need.

The projected increase of the global population by 3.4 billion by 2050 presents a formidable challenge for food production: the expectation that most of this increase will be in urban areas introduces additional complications due to the conversion of agricultural land, competition for water and the escalating use of energy, all of which tend to raise the price of food. At the same time, the diet of the urban poor, based on cheap and easy-to-prepare foods makes it harder to achieve adequate levels of nutrition.

Measures to enable the urban poor to access sufficient nutritious food must include support for developing livelihoods – whether through jobs or self-employment – that generate stable and sufficiently high income streams. Food and cash transfers, including food/cash-for-work or training, together with school feeding, based on efficient and effective targeting methodologies, need to be given priority. The use of voucher-based systems may be readily applicable in most cities and towns, giving incentives to private sector investment and increased demand for locally produced food. Municipal governments need to be brought more centrally into building strategies to tackle urban food and nutrition insecurity. However, the high population density of urban areas, and the concentration of the poor in well defined locations may make it easier to extend coverage, and also facilitate the actions of NGOs and other civil society actors.

Any long-term strategy to deal with food and nutrition security needs to encompass more effective strategies to promote sustainable urbanization. A paradigm shift in design and urban planning is needed to:

- Reduce the distance for transporting food by encouraging local food production within city boundaries and in immediate surroundings;
- Invest in transport infrastructure such as rail, trunk and feeder roads to bring agricultural produce to markets in order to raise local farm productivity;
- Reduce the need for energy-intensive transport through better land-use planning and more compact and complete cities and communities;
- Provide a more balanced approach to regional development including promoting secondary towns as rural economic growth nodes, accompanied by investments in infrastructure to stimulate local economic development and enhance agricultural marketing, credit and input distribution systems.
- Promote energy-saving cooking techniques and cheap alternative cooking fuels in urban areas to reduce the demand for fuelwood and charcoal, thereby improving the sustainability of agriculture in rural areas.
- Invest in health, sanitation and education infrastructures to enable the urban population to contribute to national development and economic growth.

### Topic Box 3

#### Social Safety Net Programmes

The most common forms of social safety net programmes are food transfers, production inputs, workfare, vouchers, and cash. Providing food or inputs directly to families should happen only when markets are functioning poorly and transport and storage remain cost-effective. Where markets are limited and private suppliers are unwilling to invest in distribution infrastructures without some assurance of demand, voucher-based systems can provide effective incentives for greater private investment. In countries and areas where markets and banking systems operate reasonably well with outreach to people even in remote areas, cash transfers may be the preferred option given their generally lower administrative costs and the increasing ease of wireless banking.

Unconditional transfers provide in-kind assistance, vouchers or cash. Other programmes link the provision of assistance to complementary social and productive services, such as school attendance, prenatal screening, immunization completion, or participation in public works.

- In assessing and developing social safety net programmes, countries and their development partners should engage in: *Mapping*—identifying and monitoring population groups and their respective vulnerability levels;
- *Fine tuning beneficiary targeting*—matching programme approaches with the needs and context of defined population groups, and assessing program effectiveness;
- *Ensuring equity in treatment of beneficiaries*—designing programmes that are fair in terms of providing similar levels of benefits to households/individuals who are at the same level of vulnerability (horizontal equity) and/or belong to the same category of population (old-age people for example), whilst also providing more generous benefits to those beneficiaries who are worse off (vertical equity);
- *Cost-effectiveness*—balancing the need to minimize inclusion and exclusion errors in targeting with the need to keep administrative costs at the lowest possible level consistent with having the desired programme impacts;
- *Safeguarding incentive compatibility*—avoiding significant distortion of normal incentives which households face regarding employment or other key decisions for poverty reduction.

#### Topic Box 4

##### Social Protection, Productive Employment, and Decent Work

The extension of various forms of social protection as a means of mitigating food and nutrition insecurity is essential for reducing vulnerability. The concept of decent work includes the right to social protection but also refers to productive employment and enterprise development, a floor of basic rights at work of which social protection is but one, and the right to participation through social dialogue. Agriculture is a sector where ‘decent work deficits’ are particularly apparent. Three quarters of the world's poor live in rural areas and most earn their living from agriculture. However the returns they derive from their labour are often insufficient to meet their basic needs<sup>67</sup>.

The rights deficit for rural workers is equally well documented:

- Many rural workers are denied their basic human right to freedom of association, and few workers are covered by collective bargaining agreements;
- Social security and other social protection measures often exclude agricultural workers, although agriculture is one of the most dangerous industries to be employed in;
- Women and youth are often disadvantaged by inequalities and discrimination concerning their access to and control over productive resources;
- Seventy percent of child labour takes place in agriculture;
- Forced and bonded labour in agriculture still exist to a considerable extent;
- Agriculture is heavily dependent on migrant, seasonal and temporary workers, and other forms of precarious work which render agricultural workers extremely vulnerable, often constituting a poverty trap.

Productive employment – and, more broadly, decent work – can help addressing food and nutrition insecurity in a sustainable manner. The food price crisis of 2008 witnessed the further erosion of already inadequate incomes, leading to increased poverty and hunger. Social protection is an important means of addressing the hunger / poverty nexus and is directly related to the promotion of productive employment: workers, when provided with at least some guarantee of income, whether in cash or kind, are more likely to engage in initiatives that can increase their earning capabilities.

#### **SMALLHOLDER FARMER FOOD PRODUCTION AND VALUE CHAIN**

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<sup>67</sup> (ILO report on rural employment for poverty reduction, 2008)

**Topic Box 5**  
**Sustainable Food Production Systems:**  
**Soil Fertility, and Integrated Soil, Land and Water Management**

Increases in food production should not be achieved at the expense of environmental sustainability. While there is scope in some developing countries for bringing new land into cultivation and in intensifying land use through irrigation, these options are costly, have potentially adverse environmental consequences, and are not feasible on the scale required to resolve the massive problem of accelerated soil productivity decline. There are a number of good farming practices affordable to smallholders that help to increase production efficiency, provide control of pests and diseases and ensure food safety. These provide ecosystem services beyond agricultural production, for example, carbon sequestration or rain-water infiltration into soils to minimize runoff and water pollution, and reconversion of dry land into fertile soils. Any programme to increase food production will necessarily target existing agricultural areas – both rain fed and irrigated – to increase soil fertility in situ, and to promote good land, crop, livestock and forestry management practices. To this end, a soil fertility strategy in support of poverty reduction and food and nutrition security has inherently a long term perspective of 15 to 20 years and would comprise, *inter alia*:

- policy measures that include land tenure, access and use of land and trees and resource pricing;
- technical solutions for suitable cropland and high potential grazing land that empowers farmers, including women, and pastoralists to better manage soils and water through extension and new and proven practices (see below);
- prioritized research programmes and participatory research and knowledge transfer focusing on soil and water conservation, sustainable land management and integrated soil and plant nutrient management that promote the efficient use of plant nutrients and reduce environmental impact;
- improved smallholder farmer knowledge of and access to organic and inorganic fertilizer.

The Conservation Agriculture (CA), sometimes called agro-ecology, combines agricultural practice and effective use of ecological knowledge and direct seeding into crop residues. As it is based on reduced soil tillage and crop rotation it helps to increase water retention and plant nutrient exchange capacity, both of which are imperative for soil health and sustainable production. It is energy efficient since there is less tillage that requires tractors or animal traction and not fertilizer intensive since nutrients are more efficiently recycled. However, CA involves more weeds due to minimal tillage, higher incidence of pest and insect infestations as chemical use is minimal and limited land use intensification.

Other sustainable farming practices include the water and soil conservation techniques such as the “assisted natural regeneration” in agro-forestry, low cost indigenous techniques such as shallow infiltration pits (also called *tassa* or *zai*) which nurture seedlings and encourage forestation and other water-harvesting techniques such as stone bunds and semi-circular bunds (*demi-lunes*).

One of the major outcomes of these ecologically friendly technologies is the enhancement of nature-based inputs from pollinators such as bees and increased genetic diversity.

**Topic Box 6**  
**Development of Private Sector Market Linkages with Smallholders and the Rural Poor**

Allowing smallholders and the rural poor to supply products and add value in agricultural supply chains will help both to increase overall food supply and to improve rural incomes. Improving terms of trade in favour of agriculture, combined with historic under-investment in the sector, suggests that there are significant untapped opportunities with high economic returns if constraints to access to finance and know-how can be overcome.

Arrangements which benefit smallholders and rural labourers, as well as generating sufficient value to interest downstream investors are multiplying. Increasingly, these are being developed in the context of ‘value chain’ or ‘filière’ analysis which identifies the costs and value-added along the entire supply chain, and assesses the institutional and social relationships at key points in the supply chain. The value-chain approach also provides an effective means to coordinate private and public efforts, including physical investments, information and capacity building and public policies.

Successful market integration arrangements with smallholders and rural labourers have been developed by the private sector, NGOs, development organizations and governments, often working together. While the number of market integration activities that benefit all key actors in the supply chain is increasing, these opportunities will not be available to all smallholders or rural labourers right away. Efforts need to be complemented by food security and rural safety nets to assist the most vulnerable.

### **Topic Box 7**

#### **Large-Scale Land Acquisitions**

Land is a critical economic asset in all societies. It defines power relations among individuals, families and communities, determines the formation of individual and collective identity, and underlies organization of social, cultural and religious life. Secure access to land, water and forest produce, increases people's resilience in the face of hunger and poverty. It enables them to invest in productive activities and to manage natural resources. Those with insecure rights of land tenure typically constitute the poorest and most vulnerable communities in any society...

Population growth, high food prices, the impact of climate change, globalised food systems, and growing demand for both agro-fuels and animal feed lead to fierce competition for arable land and associated resources. Countries dependent on food imports seek to secure their food supplies face uncertainty and market volatility, and set out to invest in arable land overseas. These demands on land place very high pressures on land tenure systems.

There has been a sharp increase in the trend to acquire or control of large tracts of agricultural land and associated resources within developing countries. Agro-enterprises and extractive industries, private equity and other financial institutions, government-linked companies including sovereign funds, and individual companies or entrepreneurs seek to invest in land. Because they lack a voice in negotiations, local stakeholders such as small-scale farmers and members of rural communities, pastoralists and indigenous people often remain 'invisible' in these deals. Skewed land distribution, insecurity of land tenure (resulting from dualism between statutory and customary rights), issues related to land privatization and the breakdown of collective farming, and degradation of natural resources, civil unrest or even violent conflicts may influence the way in which such deals are made. Large-scale acquisition of land in agriculture-based economies may lead to displacement of populations, the undermining of human rights, increased corruption, reduced food and nutrition security and environmental damage. It has resulted in loss of livelihoods or opportunity for land access by vulnerable people, nutritional deprivation, social polarization, political instability and violent conflicts.

There is a broad-based consensus that public and private investment in agriculture and agro- and food industries is critical for increasing global food supply, improving food security and the development and diversification of rural economies. Considering the risks associated with large-scale land acquisition, orienting investments towards adding value to existing systems of production is an optimal way to increase returns to investment. Opportunities for foreign direct investment include food storage, processing, marketing, production support and quality improvement, as well as building better linkages to markets. Investment in production is likely to yield greater returns than the purchase of land per se. Investments in existing systems of production contribute to economic development and poverty reduction as they do not have the polarising effect of denying people equitable and secure access to land<sup>68</sup>.

Initiatives have been launched to facilitate the search for transparent and win-win arrangements between investors and rural communities and help mitigate risks. These have included improvements in the governance of land and tenure over natural resources, as well as principles and good practices to guide investment in agriculture<sup>69</sup>.

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<sup>68</sup> Deninger, K. , Land policies for growth and poverty reduction, World Bank Policy Research Report, 2003

<sup>69</sup> Building on the experience of the International Conference on Agrarian Reform and Rural Development (ICARRD) and the Right to Food Guidelines, FAO has launched a process to prepare 'Voluntary Guidelines to Govern Land and Other Natural Resources' to be completed by 2012 with the objective to provide practical guidance to States, civil society and the private sector on responsible governance of tenure of land and other natural resources. FAO, 'Towards Voluntary Guidelines on Responsible Governance of Tenure of Land and other Natural Resources', 2009

In January 2010, FAO, IFAD, UNCTAD and the World Bank agreed to seven 'Principles for Responsible Agricultural Investment that Respects Rights, Livelihoods and Resources' (also called the 'Responsible Agricultural Investment (RAI) Principles')<sup>70</sup> which apply to all agricultural investments (not only to land):

1. Existing rights to land and associated natural resources are recognized and respected.
2. Investments do not jeopardize food and nutrition security but rather strengthen it.
3. Processes for accessing land and other resources and then making associated investments are transparent, monitored, and ensure accountability by all stakeholders, within a proper business, legal and regulatory environment.
4. All those materially affected are consulted, and agreements from consultations are recorded and enforced.
5. Investors ensure that projects respect the rule of law, reflect industry best practice, are viable economically, and result in durable shared value.
6. Investments generate desirable social and distributional impacts and do not increase vulnerability.
7. Environmental impacts due to a project are quantified and measures taken to encourage sustainable resource use while minimizing the risk/magnitude of negative impacts and mitigating them.

The UN Special Rapporteur on the Right to Food has recently suggested an additional set of core principles and measures for host States and investors<sup>71</sup>.

Because of the political sensitivity and lack of transparency around international land transactions, reports of land-related investments are often unreliable and based on low-quality data. Various promising initiatives aimed at improving the knowledge base, and deepening analyses of this issue, have recently been launched<sup>72</sup>.

### **Topic Box 8** **Rehabilitate Rural and Agricultural Infrastructure**

Rehabilitation, as well as building and modernization, of selected rural and agricultural infrastructure can help accelerate agricultural productivity growth. More and better use of irrigation systems can raise yields. Stronger linkages of farmers to markets can increase tradable agriculture, help raise farm profits, and overall economic growth. Improved storage infrastructure can further reduce farmers' risks and vulnerability, and improve food security. Strengthening of public institutions and involvement of the private sector can improve investments and effective operations and maintenance on rural and agriculture infrastructure.

Improving irrigation and water resource management is vital to raising crop yields and household income, and to meeting higher food demands while offsetting the potential negative impacts of climate change. By 2050 the world will have to produce enough food to feed 2-3 billion additional people and, without further investment, climate change could reduce yields by as much as 20 percent in developing countries. While only 20 percent of the world's farmed area is irrigated, it produces 40 percent of the value of agricultural production in developing countries. Irrigation will continue to be an important source of productivity growth, especially in Sub-Saharan Africa and parts of Latin America that still have large untapped water resources for agriculture. In other regions where the scope for expanding irrigated agriculture is limited, more effort is needed to increase water use efficiency and productivity by addressing the policy, technical, and governance aspects of agricultural water use. Investment is needed in both physical infrastructure (e.g. irrigation canals and water capture) and institutional support (e.g. water users' associations, river basin management authorities and hydrological data capacity).

Rural transport networks that better link farmers to markets can reduce transport and transaction costs, raise prices that farmers receive, and increase tradable agriculture. In the poorest countries, transport costs can represent 50-60 percent of total marketing costs. This means bulky food staples are uncompetitive to produce for export, even in good years and expensive to import in bad years. This leaves many local food markets, particularly in Africa, especially vulnerable to weather shocks that lead to lack of food availability or, in the best case, to high local staple food price volatility. Investment is needed in constructing and rehabilitating rural access or feeder roads to connect farmers to markets.

<sup>70</sup> FAO, IFAD, UNCTAD and the World Bank, January 2010.

<sup>71</sup> United Nations, Report of the Special Rapporteur on the right to food, Olivier De Schutter, 'Large-scale land acquisitions and leases: A set of minimum principles and measures to address the human rights challenge', A/HRC/13/33/Add.2, March 2010

<sup>72</sup> Including the International Land Coalition (global), le Hub Rural (West and Central Africa), LandNet (Africa), AGTER (global)

Storage and market infrastructure can reduce post-harvest losses and wastage, and improve quality and safety standards. Investment is needed in post-harvest infrastructure such as household and community storage, larger scale silos and warehouses, small-scale processing and drying equipment, pack houses and cold storage facilities. Also in safety and quality infrastructure including testing laboratories and livestock quarantines facilities. Reducing post-harvest losses and wastage can improve food security, and help reduce risks and vulnerability.

Investment in rural and agricultural infrastructure has also strong multiplier effects in terms of development of rural non-farm activities that are an important source of income and safety for rural households.

### **Topic Box 9** **Reducing Post-Harvest Losses**

A significant quantity of the food produced in developing countries is lost after harvest. This aggravates hunger and means that expensive inputs such as fertilizer, irrigation water and human labour are wasted. For cereals alone, one estimate is that in Sub-Saharan Africa post-harvest losses lead to \$4 billion in foregone incomes annually. More significantly, qualitative post-harvest losses lead to a loss in market opportunity and nutritional value, as well as adverse effects on the health of populations consuming unsafe food, notably that contaminated with aflatoxins. It is more cost effective and environmentally sustainable to reduce post-harvest losses than to increase production. Post-harvest loss reduction can improve food quality and safety whilst enhancing supply-chain efficiencies, rural income generation and employment.

With adequate investment and training, food losses could be drastically reduced. The causes of post-harvest losses are manifold: harvesting at an incorrect stage of produce maturity, excessive exposure to rain, drought or extremes of temperature, contamination by micro-organisms, spillage, damage from inappropriate tools, chemical contamination or rough handling (including heat build-up) during harvesting, loading, packing or transportation, and inadequate and insecure storage facilities. Additionally, much produce is wasted because farmers, lacking reliable market information, produce more than the market requires or do not meet the quality or safety standards of the market. Food losses contribute to high food prices by removing part of the supply from the market. They also have an impact on the environment as land, water, human labour and non-renewable resources such as fertilizer and energy are used to produce, process, handle and transport food that no one consumes.

While tens of thousands of people have been trained to handle harvested food properly, investment and training in good practices has to be scaled-up. Good practices include training to deal with mycotoxin contamination of grain staples, and use of household metallic silos, warehouse receipts systems and mechanical drying systems that reduce the risks inherent in sun-drying. However, interventions in one region or country may not work in another. Improvements must take the prevailing socio-economic conditions fully into account.

With the transition to market-driven systems and a greater reliance on the private sector, interventions to reduce post-harvest losses must be considered within the context of commodity value chains, and focus on improving the efficiency of the chain as a whole, rather than disjointed, single-point interventions. The central role of the private sector must be recognised, and post-harvest loss reduction strategies developed that provide economic incentives to all actors in the chain. This needs to be underpinned with an enabling environment that encourages private sector investment and the partnering of the public and private sectors in spearheading growth and development.

The following determinants of success have been identified: strong commitment and support of governments and the donor community; existence of a strong domestic demand for grains and grain products as opposed to imports; strong and trans-disciplinary approaches and institutions that facilitate and drive the participatory development and testing of new technologies. Gender and diversity-sensitive approaches should also be used in planning, selection, implementation and up-scaling of post-harvest loss reduction interventions; and differential approaches are needed depending on whether the principle objective is household food security or commercialization of agriculture.

AfDB, FAO, the European Commission, IFAD, the World Bank, WFP, UNIDO, and the UK's Natural Resources Institute, as well as some private sector representatives from the grain industry in Africa, have

already agreed on the need to develop a community of practice to facilitate the evaluation of innovations and assist in their scaling-up, knowledge management and information sharing on best practices and lessons learned. Such a platform will allow expert knowledge to be channelled into the development agenda and inform investment programmes.

### **Topic Box 10** **Genetically Modified Organisms (GMOs)**

The role of genetically modified organisms (GMOs) in longer-term growth in food production is increasingly under discussion. GMOs are the result of transferring one or more genes from one organism to another, e.g. a bacterial gene introduced into plant genetic material. While GMO use is expanding, and promises significant improvements in yields and resistance to crop losses from pests, drought and salinity, it also raises a number of concerns, including environmental and health impacts, the consequences for biodiversity in crops and related plants, cost, and relevance of GMOs for small, resource poor farmers in developing countries.

At the farm level, GMO-based production is tightly regulated in a number of important markets. Countries must take care to ensure no mixing of GMO with non-GMO crops bound for these markets. GMO-based hybrid seeds, as is the case for all improved varieties, require farmers to purchase seeds for each cropping season. GMOs require large capital investments and GMO development has generally been oriented towards large-scale commercial agriculture. The result has been very little development of varieties of staple crops such as sorghum, millet or cassava.

Given their increasing use, transparent national and regional frameworks are needed for screening the biosafety and appropriateness of GMOs. For most smallholder farmers, emphasis will, in the short run, remain on transferring existing, under-utilized technological options that are relatively low cost and advocate for a family farming model with an agro-ecological scheme while countries further assess the issues related to GMOs based on growing international experience.

## ECOSYSTEMS

### **Topic Box 11**

#### **Inter-linkages between Food and Nutrition Security and Ecosystems**

Natural resources account for more than 25 percent of the wealth of low-income countries. Ecosystems provide the natural resources capital needed for development but they are under assault. The release of harmful and persistent pollutants from mining, manufacturing, sewage, energy and transport emissions, agro- and other chemicals, degrades terrestrial and aquatic ecosystems. Unsustainable land and water use and the impacts of climate change are driving land degradation, including soil erosion, nutrient depletion, water scarcity, salinity, chemical contamination and disruption of biological cycles. The cumulative effects of these changes threaten food and nutrition security, biodiversity, and carbon fixation and storage. People in the poorest countries of the world are the most reliant on natural resources for their wellbeing, and are often the most vulnerable to land degradation and global changes.

Rural farmers depend on natural ecosystems for their food and nutrition security. Many of them are playing a very important role in maintaining ecosystem functions and traditional varieties of crops that have important genetic resources. The rural poor rely directly on ecosystem services for clean and reliable water. Ecosystem degradation results in less water for people, crops and livestock; lower crop, livestock and tree yields, and higher risks of natural disaster.

The poor often harvest, process and sell wild plants and animals in order to buy food. Sixty million people depend on herding in semi-arid rangelands which they share with large mammals and other wildlife. Thirty million low-income people earn their livelihoods primarily through fishing, twice the number of 30 years ago. The depletion of coastal fisheries has serious impacts on food and nutrition security. Wild plants are used in farming systems for fodder, fertilizer, packaging, fencing and genetic materials. Farmers rely on soil micro-organisms to maintain soil fertility and structure for crop production, and on wild species in natural ecological communities for crop pollination and pest and predator control.

Food and nutrition insecurity threatens ecosystems when it leads to over-exploitation. Low farm productivity leads to depletion of soil and water resources, and pressure to clear additional land. 40 percent of cropland in developing countries is estimated as being degraded. Of more than 17,000 major protected areas, 45 percent are heavily used for agriculture, while many of the rest are islands in a sea of farms, pastures and production forests that are managed in ways incompatible for long-term species and ecosystem survival. Also, land use change, e.g. from native forests to intensive systems (particularly palm oil, livestock systems and soya), deprives local people of traditional varied food sources, reduces biodiversity, impacts climate regulation capacity and alters the economic basis for food provision on local and global scales.

The natural resource base should and can be a source of sustained livelihoods. Maintaining and promoting the ability of agricultural systems to generate goods and ecosystem services can ensure the sustainability of agriculture under intensification. Soaring prices in 2008 highlighted the vulnerability of agriculture, which is highly dependent on fossil fuels and inputs that are extraneous to the field. Cultivation practices are undergoing a shift from dependency on non-renewable inputs and from chemical-based intensification to forms of biological intensification—such as IPM and Conservation Agriculture—that draw on biodiversity and natural resources to increase the productivity of farmlands.

There are recognized environmental and economic benefits in phasing out subsidies for agriculture that impacts the natural resource base. Moreover, there is evidence that investment in environmental management results in increased income generation for the rural poor. Yet transitioning to new production systems needs enabling policy and investment in environments which should be based on four principal criteria: long-term environmental effectiveness, equity consideration, cost effectiveness and overall institutional compatibility of the policy combinations. Financing plans that allow local resource conservation to pay for itself over time can be developed, but local communities or domestic financial sources are often unable to make the initial seed investment.

## INTERNATIONAL FOOD MARKETS AND TRADE

### Topic Box 12

#### Food Sovereignty and International Trade

Ensuring people's food and nutritional security is a national responsibility. National governments implement the policies they deem necessary to ensure food security for their people, but are expected to pay due attention to their international obligations, including coming to the help of those in need.

Policy flexibilities are built into the existing multilateral trade agreements, and the obligations that go with them. A similar approach is being pursued during the ongoing Doha negotiations. The WTO Agreement on Agriculture includes a "development programme" window, which, *inter alia*, allows developing countries to provide input subsidies to poor farmers without any monetary limit. In the Doha negotiations, it has been agreed that developing countries will continue to have access to this flexibility. The Green Box under the Agreement on Agriculture permits all WTO member governments to pursue a wide range of policy measures to enhance agriculture productivity, like the provision of support for research, training, infrastructure services. Governments also have flexibility to respond to specific constraints like natural disasters or regional disadvantages.

For developing countries, there are flexibilities within the Green Box to enable governments to build up public sector stocks for food security purposes and to provide domestic food aid. Within the Doha negotiations, WTO members are considering modifications to the Green Box so that it more effectively responds to the needs of developing countries.

The freedom of Governments to pursue food security policies of their own choosing is sometimes referred to as Food Sovereignty. There is no agreed definition of this concept. Food Sovereignty is recognized under some national laws. The following three examples illustrate various descriptions of the notion of food sovereignty with increasing degrees of policy prescription:

- a) States are able to make their own policy decisions about agriculture and food and nutrition security  
States are able to avoid being subject to any global policy blue-print or internationally imposed model for the design of food and agriculture policies though they must adhere to international agreements to which they are a party;
- b) States pursue their own sustainable model for agriculture development  
States adopt policies that encourage sustainable smallholder-based agriculture systems, more equitable relations between producers and merchants in food and value chains, less dependency on oil-based inputs (such as fertilizers) and on genetically modified seeds (GMOs), and no reliance on international companies promoting these kinds of inputs;
- c) States protect their own agricultural and food systems from external forces  
States adopt policies with the explicit purpose of protecting the development of agriculture and encouraging self-sufficiency through the use of trade barriers and/or subsidies. Different levels of 'protectionism' (or 'isolationism') are advocated by different actors, e.g., some focus on the protection of regional markets (or large national markets), others on the protection of local-level markets.

The first two of these examples, and to some extent even the third example, can be pursued by governments through making use of the policy flexibilities they have written into the existing trade agreements. The flexibilities may be enhanced by the changes currently under negotiation, including the introduction of a "special products" category for developing countries.

In order to enable countries to adopt suitable policy measures and to achieve food security for their populations, functioning and non-distorting international agricultural markets are critically important. These are vital both to food importing countries and for developing countries that are investing in agricultural growth.

Global trade agreements reflect the realities of an inter-connected world, and are designed to limit the damage that could be caused to markets and people if all national government policies were to be based solely on national interests. Much damage resulted during the period 1948 – 1995 when agriculture trade was only subject to a narrow set of rules.

Many developing countries have recognized the linkage between national farm support programmes and the conditions of the international agricultural markets, and insisted on the development of a multilateral framework that addressed both actions taking place at national borders and domestic farm support measures. Their interests were critical in framing the WTO Agreement on Agriculture. Clearer rules for sanitary and phyto-sanitary measures have also been agreed in order to ensure that health protection takes precedence over trade interests, while – at the same time - avoiding unnecessary restrictions imposed with the pretext of food safety, or of protecting animal and plant health. An increasing number of developing countries is now actively engaged in negotiating clearer and more specific rules for agriculture trade under the Doha trade round.

The Agreement on Agriculture and the Doha Trade Round are instances where international cooperation leads to regulation of issues that may not be effectively handled at the national level. They are the outcome of decisions by states to exercise their sovereignty in a manner that gives the greatest scope for food security not only inside their borders, but across the globe.

### **Topic Box 13** **Inflation and Food Prices**

About 44 percent of total inflation in 2007 could be attributed to food price hikes at end-2007. However, there were significant differences across countries and regions. In Asia food price inflation contributed about two thirds of total headline inflation, in Africa, Latin America, the Middle East and the CIS the contribution was slightly above 40 percent, while for the advanced economies food price increases contributed less than 20 percent to headline inflation.

Food prices were expected to ease gradually in 2008, reflecting expectations of a better harvest in 2008-09, and to remain flat in 2009. The sharp slowdown of global growth in the wake of the global financial and economic crisis reinforced the fall in food prices, though on average, they remain well above their pre-crisis levels. The present food price cycle is likely to last longer than the usual 2-3 years, as structural measures to deal with the food price crisis will take time to take effect.

The surges in food (and fuel) prices were large shocks that had to be absorbed and passed on to consumers, with measures to mitigate impacts on the poorest households. Such large shocks also required country-specific macroeconomic policy responses to ensure stability. The most pressing macroeconomic policy issue at the global level at the height of the food and fuel price crisis in 2008 was to ensure that the first-round impact of surging food and fuel prices on inflation did not lead to significant second-round effects and accelerating inflation expectations. The sharp fall in global demand owing to the global economic slowdown has effectively reduced this danger.

As the global recovery gets underway, however, the risk of a resurgence of inflationary pressures should not be underestimated. Many developing countries and emerging market economies have made significant progress in reducing inflation and raising growth rates in recent years. These hard-won gains must not be jeopardized by adoption of inadequate or inappropriate macroeconomic policies. And the fight against a generalized rise in inflation is important for the poor, as they would be most affected.

As governments prepare to withdraw the fiscal and monetary stimulus measures undertaken in response food price rises, a careful balance between different macroeconomic objectives is needed; consolidating weakened fiscal positions and preserving macroeconomic stability, while strengthening and expanding social protection systems to reduce vulnerabilities and enhance resilience.

## **INFORMATION, MONITORING AND ANALYSIS SYSTEMS**

### **Topic Box 14**

#### **Information, Monitoring and Analysis Work Underway**

- In Africa the Comprehensive Africa Agriculture Development Programme (CAADP) supports the development of country- and sub-regional compacts between national authorities, farmers' groups, civil society, private entities, development banks, donors and other interested parties to establish plans for investments in food and nutrition security based on these compacts. Improvement in dietary diversity is one of the general indicators for the overall process of the 3rd pillar of CAADP and FAO is collaborating with other UN agencies, institutions and universities to refine and validate standardized household measures of dietary diversity and household food security in the interest of tracking progress towards improving food security and nutrition
- Globally, the Food and Agriculture Organization (FAO) and the World Food Programme (WFP) are aiding the development of detailed national food and nutrition security investment programmes and plans. An important element of this collaborative work by FAO and WFP will be the forthcoming joint FAO/WFP strategy on Information Systems for Food Security, based on the recent first joint evaluation of FAO and WFP activities in an area of common interest and collaboration
- FAO's Global Information and Early Warning System, GIEWS, continues to monitor and assess the food security situation at global, regional and country levels, while providing alerts on impending food crises; key GIEWS outputs include the Food Outlook and Crop Prospects and Food Situation reports and web-based Country Food Security Briefs updated on a bi-monthly basis. A web-based food prices monitoring and analysis tool provides up-to-date information on national and international food prices.
- The World Bank, IFAD and Regional Development Banks offer financial support for sector-wide investment plans and/or for programmes within the national plan through a range of instruments
- The Global Donor Platform for Rural Development (GDPRD) encourages transparent and predictable donor support for country programmes (in line with the Paris Declaration) and – in Africa - works with CAADP on a framework for mutual accountability that engages both national authorities and donors
- The OECD-DAC compiles annual reports on ODA flows, illustrating how development assistance is spent in sectors related to food and nutrition security.
- Drawing from the current monitoring and analytical work of various UN agencies, the UN system agencies have established a Global Impact and Vulnerability Alert System (GIVAS), consisting of a Global Impact and Vulnerability Data Platform and a series of Global Alert products to track developments, and report on the political, economic, social and environmental dimensions of a crisis. The GIVAS' added value resides in the compilation of real time data and analysis from a variety of reliable sources covering multiple dimensions of vulnerability, including food and nutrition security.
- The European Joint Research Centre (JRC) FAO and USAID have joined forces to compare and improve their respective food security monitoring and early warning systems and establish the Famine Early Warning Systems Network (FEWSNET).
- The new Integrated Phase Classification (IPC) system facilitates and accelerates the reaction time to food security crises by allowing a common and internationally recognized classification of their severity and bringing them closer to the decision making process; it is used by several UN agencies and in-country partners in various regions.
- The Cost of the Diet (CoD), which is a new tool developed by Save the Children, calculates the cost of the cheapest diet that meets the nutritional requirements of families using just the foods available locally. This data is combined with income and contextual information gathered from the Household Economy Approach assessments.
- The FAO is preparing a user-friendly web platform FS-ATMIS (Food Security Activity Tracking Management Information System) about food and nutrition security actions under implementation or planned at national and regional levels.
- Information on the nutrition situation of vulnerable populations is being collected through national nutrition surveys, often implemented with the support of UN organizations, bilateral donors and NGOs. Data have been collected through the UNICEF Multiple Indicators' Cluster Surveys and the USAID Demographic and Health Surveys. Databases compiling the available information are kept by the World Health Organization and are accessible through the Nutrition Landscape Information System (NLIS).

### **Topic Box 15**

#### **Monitoring as a Tool for Realizing the Right to Food**

Monitoring is an essential part of the effort to realize the right to food. During the implementation of national strategies on the right to food, the monitoring process enables governments and other stakeholders to assess the impact of legislative, policy and programmatic measures on the enjoyment of the right to food, to track and evaluate the achievements in the progressive realization of the right, to identify the challenges and obstacles affecting it, and to facilitate corrective measures.

To monitor the implementation of the right to food, states should set verifiable benchmarks to be achieved in the short, medium and long term, and develop a set of indicators. Furthermore, to maximize its effectiveness, the monitoring process needs to be based on human rights principles. For example, information gathering, management, analysis, interpretation and dissemination should be transparent and conducted with the participation of a broad range of stakeholders, particularly those groups and individuals who are the most affected by food insecurity and the most marginalized (*see FAO, Methods to Monitor the Human Right to Adequate Food, Vol.1, Rome, 2008*)

Various actions can be taken to monitor the realization of the right to food. Reviews of policy, budgets or public expenditure and public monitoring mechanisms (for example, inspection of food safety, nutritional status surveys and land registration) are important administrative mechanisms to this end. Assessments of various kinds, such as impact assessments, offer a way for policymakers to anticipate the likely impact of a projected policy on the enjoyment of the right to food and later to review its actual impact. Government self-monitoring can be usefully complemented by monitoring by national human rights institutions and civil society organizations.

### **Topic Box 16**

#### **Indicators to Assess, Monitor and Evaluate Food and Nutrition Security Situations**

To assist a country-specific analysis, illustrative indicators can be used to assess, monitor and evaluate food and nutrition security situations. These indicators include:

- *Structural indicators* that assist in monitoring the right to food and nutrition and reflect the ratification/adoption of legal instruments and existence of basic institutional mechanisms;
- *Process indicators* that outline State policy instruments such as measures undertaken in public programmes and specific interventions that a State is willing to take in order to give effect to its intent/acceptance of human rights standards and to improve the population's food security and nutritional status;
- *Outcome indicators* that capture attainments, individual and collective and reflect the status of realization of the right to food and the improvement in food security, health and nutrition.

Gender-based indicators also need to be developed to collect sex disaggregated data in the agricultural sector.

#### **Overview of illustrative indicators for the assessment, monitoring and evaluation of food and nutrition security situations**

##### **Structural indicators**

- International human rights instruments, relevant to the right to adequate food, ratified by the State
- Date of entry into force and coverage of the right to adequate food in the Constitution and other forms of Superior Law
- Date of entry into force and coverage of domestic laws relevant to the implementation of the right to adequate food
- Number of registered/operational civil society organisations involved in the promotion and protection of the right to adequate food

#### *Nutrition*

- Presence of a national nutrition policy
- Presence of a governance mechanism for the implementation of nutrition policy
- Government budget for nutrition interventions

#### *Food Safety and Consumer Protection*

- Time frame and coverage of national policy on food safety and consumer protection
- Number of registered/operational civil society organisations working in the area of food safety and consumer protection

#### *Food Availability and Food Accessibility*

- Time frame and coverage of national policy on agricultural production and food availability
- *Time frame and coverage of national policy on drought, crop failure and disaster management*

### **Process indicators**

- Number of complaints on the right to adequate food received, investigated and adjudicated by the National Human Rights Institution, Human Rights Ombudsperson and other mechanisms, and the proportion responded effectively by the Government, as applicable, in the reporting period
- Net ODA for adequate food received/provided as a proportion of public expenditure on food/Gross National Income

#### *Nutrition*

- Proportion of population below minimum level of dietary energy consumption
- Proportion of vulnerable population receiving fortified food
- Proportion of children under five receiving iron supplements
- Ratio of community health workers/total population
- Proportion of population with sustainable access to an improved water source

#### *Food Safety and Consumer Protection*

- The disposal rate/average time to adjudicate a case registered in a consumer court
- Share of public social sector budget spent on food safety and consumer protection advocacy, education, research and implementation of the law and regulations
- Proportion of food producing and distributing establishments inspected for food quality standards and/or frequency of inspections
- Number of cases filed/ proportion adjudicated under food safety and consumer protection law

#### *Food Availability*

- Proportion of the female headed households/other vulnerable groups with legal title to agriculture land
- Arable irrigated land per person
- Proportion of farmers accessing extension services
- Share of public budget spent on strengthening domestic agricultural production (e.g. agri-extension, irrigation, credit, and marketing)
- Per capita availability of major food items through domestic production, import and aid (source: food balance sheets)
- Cereal import dependency ratio

#### *Food Accessibility*

- Share of household consumption of major food items for vulnerable population met through publicly

- assisted programmes
- Unemployment rate/average wage rate of vulnerable segments of labour force
- Incidence of poverty in the country
- Work participation rate among by gender and other vulnerable groups
- Estimate of access of women and girls children to adequate food within household

### **Outcome indicators**

#### *Nutrition*<sup>73</sup>

- Proportion of underweight children below age five
- Proportion of adults with body mass index (BMI) <18.5
- Proportion of stunted children below age five
- Proportion of children below age five with Hb<11 g/dL
- Proportion of women in reproductive age with Hb<11 g/dL
- Proportion of children exclusively breastfed below six months

#### *Food Safety and Consumer Protection*

- Number of recorded deaths/incidence of food poisoning related to adulterated food

#### *Food Availability*

- Per capita availability of major food items of local consumption

#### *Food Accessibility*

- Proportion of population below minimum level of dietary energy consumption
- Per capita expenditure on food for the bottom three deciles of population/vulnerable groups

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<sup>73</sup> The number of underweight children is currently used as the main indicator of nutritional status of a population. A more accurate description of undernutrition would be given by providing the number of children under five who have a low height for age (stunting). Stunted children may have a normal weight for their age, but have a greater susceptibility to disease and a retarded motor and cognitive development. 90 percent of the world's stunted children (178 million) live in just 36 countries. The proportion of infants under six months of age who are not exclusively breastfed is a second required addition, as adequate breastfeeding can reduce all-cause neonatal mortality or morbidity by 55-87% and provide protection for later chronic diseases. Vitamin and mineral deficiencies are a clear reflection of qualitative inadequacies of the diet and are often a more sensitive indication of the deterioration of nutritional status. The most common condition is iron deficiency anaemia (IDA). IDA in pregnancy is considered responsible for 20 percent of maternal deaths at delivery. The prevalence of IDA in women of reproductive age and in children under five needs therefore to be added to the set of monitoring indicators.

## ANNEX B

### MAIN ACTIONS BY THE UNITED NATIONS AND BRETTON WOODS INSTITUTIONS TO ADDRESS FOOD AND NUTRITION SECURITY

<b>OBJECTIVE: Improve access to food and nutrition support and take immediate steps to increase food availability</b>		
<b>CFA Outcomes and Actions</b>	<b>Contributing Organizations</b> <i>(alphabetical order)</i>	<b>Indicative Activities Underway</b>
<p><b>1.1: Emergency food assistance, nutrition interventions and safety nets enhanced and made more accessible</b></p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <i>Ensure that emergency needs are fully met</i></li> <li>• <i>Protect basic consumption needs of vulnerable populations</i></li> <li>• <i>Scale-up nutritional support</i></li> <li>• <i>Support management of under-nutrition</i></li> <li>• <i>Promote school feeding</i></li> <li>• <i>Adjust social protection programmes to account for food costs</i></li> <li>• <i>Reduce impediments to food assistance flows</i></li> <li>• <i>Ensure that local purchases of food for humanitarian purposes are exempt from restrictions</i></li> <li>• <i>Explore the establishment of humanitarian food reserves</i></li> <li>• <i>Reach all households with public information on food assistance, nutrition and hardship alleviation programmes</i></li> </ul>	<p><b>DPKO</b></p> <p><b>FAO:</b> Early warning, emergency response</p> <p><b>IMF</b> Policy Advice</p> <p><b>OCHA:</b> CERF Response to the Effects of Current Food Price Crisis</p> <p><b>UNDP</b></p> <p><b>UNHCR</b> public health and HIV operations</p> <p><b>UNICEF</b> Support to Emergency Nutrition Security</p> <p><b>World Bank</b> Global Food Crisis Response Program</p> <p><b>WFP's</b> Response to the Global Food Crisis</p> <p><b>WHO's</b> global health response</p> <p><b>WHO/FAO</b> food fortification guidelines</p>	<ul style="list-style-type: none"> <li>▪ Ensuring conditions exist for emergency operators to deliver emergency food assistance and related support</li> <li>▪ Assessing existing gaps and constraints and identifying opportunities to integrate and scale up nutrition-related actions in countries</li> <li>▪ Advising governments and partners on policies and actions that affect access to food and nutritional security and the realization of the right to adequate food.</li> <li>▪ Implementing targeted general food distributions to affected populations</li> <li>▪ Scaling up internationally-supported safety nets, such as school feeding, supplementary feeding for mothers and children, management of severe and moderate malnutrition, promotion of exclusive breastfeeding and appropriate complementary feeding practices, delivery of primary health care services, promoting food hygiene and safe food supply, employment and cash voucher programmes, resettlement grants for returnees</li> <li>▪ Providing a platform for agencies to expand nutrition or food security activities, such as additional take-home rations of nutritionally fortified food for younger siblings of school children</li> <li>▪ Support nutrition surveillance schemes and programmes to assess health/nutrition impact of the food-related crises</li> <li>▪ Advocating for: greater predictability of financial support for and physical access to food assistance, reduced earmarking and restrictions on aid contributions, exemptions of humanitarian assistance from export restrictions and extraordinary export taxes, unhindered and safe movement of humanitarian food within and across borders.</li> <li>▪ Exploring the possibility of establishing actual or virtual humanitarian food reserves.</li> <li>▪ Providing grants to respond to the most immediate, life-saving activities</li> <li>▪ Accommodating the increased cost of social programmes and other food crisis related fiscal measures, consistent with macroeconomic stability and sustainability</li> <li>▪ Advocating more access to food aid, for more food availability for vulnerable groups including refugees, returnees and displaced persons.</li> <li>▪ Local-level production of fortified complementary and therapeutic foods</li> <li>▪ Strengthening food-based nutrition interventions and nutrition education programmes to address nutrition problems</li> </ul>

		<ul style="list-style-type: none"> <li>▪ Using local food resources (local purchases) to support local agriculture development and ensure acceptability of distributed emergency foods</li> <li>▪ Promoting enrichment of local basic foodstuffs; introduce consumer subsidies targeted to poor population groups</li> </ul>
<p><b>1.2: Urgent increases in smallholder farmer food production</b></p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <i>Provide productivity-enhancing safety nets</i></li> <li>• <i>Reduce post-harvest crop losses and improve village-level stocks</i></li> <li>• <i>Remove artificial constraints to domestic trade throughout the food chain in order to link small farmers to markets</i></li> </ul>	<p><b>DESA</b> policy briefs  <b>FAO</b> Initiative on Soaring Food Prices (ISFP)  <b>IFAD</b> Country Programs  <b>UNDP</b> small grants  <b>World Bank</b> Global Food Crisis Response Program, Agriculture Action Plan and IFC Action Plan with Private Sector  <b>WFP's</b> Response to the Global Food Crisis and P4P</p>	<ul style="list-style-type: none"> <li>▪ Providing policy analysis and assistance</li> <li>▪ Providing financial and technical support for small farmers/net food buyers to increase production and productivity: direct distribution of seeds, fertilizer, provision of vouchers, credit schemes, quality control, use of existing supply mechanisms</li> <li>▪ Encouraging increased food productivity through the use of selected seeds/breeds and use of fertilizer and other inputs</li> <li>▪ Supporting private sector initiatives to introduce food fortification in basic foodstuffs and the production of RUTFs using local resources and taking into account local food habits</li> <li>▪ Ensuring availability and accessibility of high nutritional quality products for child nutrition</li> <li>▪ Considering nutritional impact of subsidies and market restrictions</li> <li>▪ Developing quick-response food crop outgrower schemes through public-private partnerships</li> <li>▪ Strengthening national seed systems and community seed banks</li> <li>▪ Supporting rapid interventions to link small farmers to markets, increase access to inputs' markets, and development of market information services</li> <li>▪ Launching outgrower schemes with private sector operators for boosting production in the near cropping seasons</li> <li>▪ Financing post-harvest support (storage rehabilitation, supply of small scale silos, small processing equipment, improved storage techniques)</li> <li>▪ Facilitating logistics arrangements for governments and partners to move agricultural inputs</li> <li>▪ Supporting disaster mitigation and contingency planning</li> <li>▪ Purchasing food assistance locally in ways that benefit low-income farmers</li> </ul>
<p><b>1.3: Trade and tax policy adjusted</b></p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <i>Review trade and taxation policy options</i></li> <li>• <i>Use strategic grain reserves</i></li> <li>• <i>Avoid generalized food subsidies</i></li> <li>• <i>Minimize use of export restrictions</i></li> <li>• <i>Reduce restrictions on use of stocks</i></li> <li>• <i>Reduce import tariffs</i></li> <li>• <i>Improve efficiency of trade facilitation</i></li> <li>• <i>Temporarily reduce VAT and other taxes</i></li> </ul>	<p><b>FAO</b> policy options guide  <b>IMF</b> Policy Advice  <b>OECD policy advice</b>  <b>UNCTAD</b> Short-term Responses and policy advice  <b>UNDP</b> Policy working papers and small grants  <b>World Bank</b> Global Food Crisis Response Program  <b>WTO:</b> Implementation of the existing multilateral trade rules, including the Agreement on Agriculture.</p>	<ul style="list-style-type: none"> <li>• Identifying the range of possible short-term policy responses and analysis of the advantages and disadvantages of each measure; and advising countries on specific implications</li> <li>▪ Advising on trade policy adjustments and trade facilitation measures to reduce the cost of imported food and agricultural inputs</li> <li>▪ Advising and assisting in operationalizing improved food import procurement systems to reduce transaction costs, including import financing costs</li> <li>▪ Identifying policy options in agricultural trade areas in the context of ensuring food security at the country level</li> <li>▪ Advise countries on food security risks associated with imposing restrictions on trade</li> </ul>

<p><b>1.4: Macro-economic implications managed</b></p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <i>Hold down core inflation and inflation expectations</i></li> <li>• <i>Assess the impact on the balance of payments</i></li> <li>• <i>Mobilize external support to finance additional food imports</i></li> <li>• <i>Ensure adequate levels of foreign exchange reserves</i></li> <li>• <i>Cost all fiscal measures taken in response to food crises</i></li> </ul>	<p><b>IMF</b> Diagnostics/Policy Responses/Financial Assistance via concessional lending  <b>UNDP</b> policy support  <b>World Bank</b> Policy Advice/Financial Assistance</p>	<ul style="list-style-type: none"> <li>▪ Assisting countries to estimate the fiscal cost of measures taken and advice on how best to accommodate this cost; and to assess the net impact of higher food and fuel prices on the Balance of Payments (BOP), and provide BOP financing as required</li> <li>▪ Assisting countries with assessing impacts and identifying policy options</li> <li>▪ Providing more rapid financing in case of shocks to help address BOP impact</li> </ul>
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<b>OBJECTIVE: Strengthen food and nutrition security in the longer run by addressing the underlying factors driving the food crisis</b>		
<p><b>2.1: Social protection systems expanded</b></p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <i>Strengthen capacity to design and implement social protection policies and programmes</i></li> <li>• <i>Ensure that special care is taken in identifying and addressing the needs of the most vulnerable</i></li> <li>• <i>Balance the need to ensure effective coverage of the vulnerable with the need to maintain efficient use of resources</i></li> <li>• <i>Improve linkages between sectors and between actors</i></li> <li>• <i>Improve the quality and diversity of food</i></li> </ul>	<p><b>ILO</b> policy support and recommendations  <b>IMF</b> Policy Advice  <b>UNDP</b> Country paper(s)  <b>FAO</b> food and nutrition security, improving quality and diversity of foods  <b>UNEP</b>  <b>OHCHR</b>  <b>UNHCR</b>  <b>UNICEF</b> Support to Nutrition Security  <b>World Bank</b> Global Agriculture and Food Security Program  <b>WFP's</b> Response to Global Food Crisis</p>	<ul style="list-style-type: none"> <li>▪ Financing and technical support for improvement and expansion of social safety nets and development of broader social protection system in an environmentally sustainable manner</li> <li>▪ Creating fiscal space to fund social safety nets</li> <li>▪ Supporting efforts to advance child-sensitive social protection schemes and systems (including in relation to school-feeding potential)</li> <li>▪ Reinforcing the functioning of and access to basic social services in health, education and protection</li> <li>▪ Advising countries on ways to strengthen national food distribution programmes and safety nets, including through dissemination of knowledge of good practices</li> <li>▪ Providing financial and technical support for piloting and supporting programming, procurement, logistics and food fortification innovations</li> <li>▪ Promoting the implementation of human rights and good governance principles in the design, implementation and monitoring of social protection measures.</li> <li>▪ Sharing experiences across countries and regions and produce relevant documentation for better advocacy</li> <li>▪ Ensuring that refugees and displaced persons are taken into account in all the safety net programmes</li> </ul>
<p><b>2.2: Smallholder farmer food production growth sustained</b></p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <i>Improve the enabling policy</i></li> </ul>	<p><b>FAO's</b> Food security programmes  <b>IFAD</b> Country programmes  <b>UNCTAD</b>  <b>UNDP</b> Diagnostic and policy</p>	<ul style="list-style-type: none"> <li>▪ Increasing funding for international and national agricultural research centres to increase diffusion of 'off the shelf' technologies as well as develop next generation requirements for smallholder farmers</li> <li>▪ Providing financial and technical support to countries to scale up seed development programmes, increase early generation seed production, capacity building with the national</li> </ul>

<p><i>framework</i></p> <ul style="list-style-type: none"> <li>• Stimulate public/private investment in agriculture</li> <li>• Invest in gender- and nutrition-sensitive agricultural research on food crops, animal production, and inland fisheries</li> <li>• Improve rural infrastructure</li> <li>• Ensure sustained access to competitive, transparent and private-sector-led markets for food produce and quality inputs</li> <li>• Support development of, and strengthen producer organizations with women participation</li> <li>• Strengthen access of smallholders and other food value chain actors to financial and risk management instruments</li> <li>• Improve animal health services</li> </ul>	<p>paper  <b>UNEP</b>  <b>WFP's</b> P4P initiative  <b>World Bank</b> Global Agriculture and Food Security Program, Agriculture Action Plan, and IFC Action Plan with Private Sector</p>	<p>seed service, seed policy reform, establishment of farmer seed enterprises, demonstration of improved varieties; increase soil fertility, good agricultural practices, improve extension, support producers' organizations.</p> <ul style="list-style-type: none"> <li>▪ Scaling-up public-private partnerships and outgrower schemes for boosting food supply</li> <li>▪ Working with MDG Africa Initiative to accelerate achievement of MDG 1 within the framework of CAADP and to boost progress towards MDG 7 within the framework of the NEPAD action plan of the environment initiative.</li> <li>▪ Financing improved production infrastructure and access to markets, bearing in mind issues such as investments in processing, institutional and organizational development and market infrastructure and policies</li> <li>▪ Financing rehabilitation of rural and agricultural infrastructure; scaling up ongoing rehabilitation through food or cash for work for small-scale irrigation, market infrastructure, rural roads, soil conversation</li> <li>▪ Focusing on transfer and adaptation of techniques and varieties that will benefit smallholder farmers</li> <li>▪ Increasing investment and loans to agribusiness and finance services in rural areas</li> <li>▪ Supporting land tenure security programmes</li> <li>▪ Promoting legal empowerment of poor people</li> <li>▪ Advising countries on development of food security strategies which integrate stocks, financial instruments and other options based on country needs and capacities.</li> <li>▪ Identifying the longer-term policy options for food security and also disseminate policy experiences on good practices through dissemination of knowledge across countries</li> <li>▪ Providing technical and financial support to government and private sector for introducing use of financial instruments for food risk management</li> <li>▪ Leveraging private investments through FDI</li> <li>▪ Promoting people-centred and human rights based approaches as reference framework for pro-poor policy making</li> </ul>
<p><b>2.3: Better managed ecosystems for food and nutrition security</b></p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Ensure an equitable access to and better management of natural resources, including land, water, and biodiversity</li> <li>• Introduce an economic mechanisms that fully values ecosystem and their services</li> <li>• Strengthen ecosystem monitoring and assessment</li> <li>• Use new eco-agriculture approaches which also conserve or enhance natural ecosystems</li> </ul>	<p><b>FAO:</b> work on synergies and tradeoffs between food security and climate change mitigation and adaptation  <b>GEF</b>  Adaptation Funds and growing support to PES components as innovative financing mechanism in a growing number of projects  <b>IFAD RUPES and PRESA</b> initiatives  <b>UNDP-</b> work on Institutionalizing Payments for Ecosystem Services  <b>UNEP</b></p>	<ul style="list-style-type: none"> <li>• Promoting a low energy, productive agriculture source of diversified and nutritious food; sustainable soil fertility, water resources and genetic resources management</li> <li>• Strengthening the science base of negotiation support materials for appropriate levels of compensation for environmental services</li> <li>• Financing technical assistance services</li> <li>• Investing in long-term monitoring of environmental service delivery, under different land management options, including comparisons between natural and managed ecosystems</li> <li>• Analysing and isolating practices that at improve food security and resilience to climate change, while contributing to climate change mitigation and improved water management</li> <li>• Mainstreaming synergetic approaches into national policies</li> <li>• Advising countries on required enabling institutional and policy environmental to develop self-financing payment for environmental services agreements with increasing contributions from the private sector</li> </ul>

<ul style="list-style-type: none"> <li>Strengthen local communities' ownership and use rights of forests and other natural resources coupled with monitoring and education programmes</li> </ul>	<p>Carbon Benefits Project <b>WRI</b> Mainstreaming Ecosystem Services Initiative</p>	
<p><b>2.4: Developing an international biofuel consensus</b></p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>Agree on a common reference framework</li> <li>Facilitate biofuel guidelines and safeguard measures</li> <li>Re-assess biofuel targets, subsidies and tariffs</li> <li>Facilitate private investments in sustainable biofuel production</li> <li>Promote research and development, knowledge exchange and capacity building</li> </ul>	<p>FAO publications and studies and Bioenergy and Food Security (BEFS) Project FAO/UNEP Decision Support Tool for Bioenergy OECD publications and working papers UNCTAD UNDP UNEP scientific assessments, screening tools, policy papers and Bioenergy Policy Support Facility World Bank Diagnostics and Convening Key Actors IFAD support to national capacity</p>	<ul style="list-style-type: none"> <li>Supporting international initiatives and dialogue to establish sustainability criteria for bioenergy at policy and project levels, providing technical expertise and analysis</li> <li>Conducting in-depth analysis of effects of biofuel policies; assessing impact of biofuel growth on agricultural commodity markets; quantitative analysis of impact of fuel and food prices on inflation and on food and nutrition security</li> <li>Working with major biofuel consumers and producers to eliminate subsidies to allow biofuels to be produced by most efficient producers</li> <li>Supporting research into second generation biofuels which could have much lower impacts on food production</li> <li>Developing operational toolbox to assist policy makers design bioenergy strategies</li> <li>Assisting developing countries in assessing the viability of their biofuels potential and minimizing the trade-offs with food security esp. for small farmers</li> <li>Assisting countries in designing bio-energy strategies which take into account opportunities and trade-offs.</li> <li>Investing in policy and analytic work on biofuels, trade, subsidies, gender impact, nutrition impacts</li> <li>Conducting analytical and policy work on trade-off between food and biofuels</li> <li>Assessing the environmental impact of biofuels</li> <li>Understanding the possible linkages between biofuel boost and land concentration potential</li> </ul>
<p><b>2.5 International food markets improved</b></p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>Reduce/eliminate agricultural trade distortions in higher income countries</li> <li>Complete the Doha Round of trade negotiations consistent with development focus</li> <li>Ensure enhanced (additional) resources for 'Aid for Trade'</li> <li>Develop trade financing infrastructure</li> <li>Review policy constraints to enabling environment conducive to</li> </ul>	<p>FAO working papers and policy briefs UNCTAD working papers and policy briefs World Bank: Global Agriculture and Food Security Program WHO : global analysis of nutrition policies WTO: Implementation of the existing multilateral trade rules, including the Agreement on Agriculture; conduct of the Doha Round Negotiations WTO/OECD aid for trade review</p>	<ul style="list-style-type: none"> <li>Expanding work with international private sector on development of financial instruments for risk-based management and mitigation tools/strategies</li> <li>Analyzing potential influence of financial markets or non-commercial trading activity on commodity price movements</li> <li>Pursuing the completion of the Doha Round of trade negotiations to provide an enhanced set of agreed rules for a more transparent and fair international trading system, taking into account the food security, livelihood security and rural development needs of developing countries.</li> <li>Providing assistance to leverage finance for agricultural development from sovereign funds of the South</li> <li>Monitoring food and nutrition policies at national level and link to international trade policies</li> <li>Increasing trade finance including via targeted initiatives</li> <li>Assessing feasibility in given contexts of regional food reserve systems</li> <li>Understanding large scale land deals in the frame of ensuring 'national food security' abroad</li> </ul>

<p><i>efficient private sector involvement in food markets</i></p> <ul style="list-style-type: none"> <li>• <i>Strengthen oversight of markets to limit speculation</i></li> <li>• <i>Build capacity for markets to better meet needs of lower-income countries</i></li> <li>• <i>Support regional or global stocks sharing</i></li> </ul>		
<p><b>3.1 Global food and nutrition security information, monitoring and analysis systems strengthened</b></p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <i>Improve further the coordination of information systems</i></li> <li>• <i>Continue to carry-out comprehensive assessments, monitoring and evaluation</i></li> <li>• <i>Integrated analyses and monitoring of the impacts of shocks</i></li> <li>• <i>Conduct nutrition assessments</i></li> <li>• <i>Analyze policy options and programmatic approaches</i></li> <li>• <i>Review contingency plans and early warning systems</i></li> <li>• <i>Ensure accountability by monitoring food and nutrition security responses</i></li> </ul>	<p><b>FAO</b>  <b>IMF</b> Diagnostics  <b>UNEP</b>  <b>OHCHR</b>  <b>UNHCR</b>  <b>UNICEF</b> Support to Nutrition Security  <b>World Bank</b> Global Agriculture and Food Security Program  <b>WFP's</b> Response to the Global Food Crisis  <b>WHO</b> nutrition surveillance and policy monitoring initiatives</p>	<ul style="list-style-type: none"> <li>▪ Promoting the methodological harmonization and comparability of food and nutrition security analysis methods, including: <ul style="list-style-type: none"> <li>➢ Food diversity index</li> <li>➢ Household Food Insecurity Index</li> <li>➢ Food Balance Sheets</li> <li>➢ State of Food Insecurity</li> </ul> </li> <li>▪ Forecast food security developments by detecting first indications of adverse agricultural outcomes through satellite observation and classify them with the new Integrated Phase Classification system,</li> <li>▪ Tracking information on food security actions on country level with the web-based Food Security Activity Tracking Management Information System,</li> <li>▪ Conducting in-depth analysis of causes of food price increases; quantitative analysis of macro-economic impact of fuel and food prices on inflation, balance of payments, fiscal balances,</li> <li>▪ Conducting in depth analysis on the impact on food and livelihoods security of food price increases,</li> <li>▪ Conducting joint assessments of impact of food prices on countries, particularly the vulnerable including refugees and displaced persons, in order to support governments in developing appropriate responses and monitoring the impact of the response and the situation,</li> <li>▪ Strengthening food security and market information systems; and food commodity information and forecast,</li> <li>▪ Supporting country-level monitoring of the health and nutritional status of vulnerable populations, and evaluating potential health outcomes of different scenarios,</li> <li>▪ Collecting information on nutrition situation of vulnerable populations through national nutrition surveys, Multiple Indicator's Cluster Surveys and compile them with the Nutrition Landscape Information System,</li> <li>▪ Supporting country level monitoring of food markets,</li> <li>▪ Reinforcing EMPRES system to improve surveillance and prevention for major plant pests and diseases that may threaten food supply,</li> <li>▪ Assisting countries to monitor the macroeconomic implications in 2008 of country policy responses to high food and fuel prices,</li> <li>▪ Compiling country information to provide global assessment and monitoring framework,</li> <li>▪ Providing technical and financial support to assist countries with establishing food security and vulnerability monitoring systems to anticipate potential food crises, improved weather and</li> </ul>

		<p>climate forecasting, adjustment of land use plans and development of contingency plans. Build capacity of local communities.</p> <ul style="list-style-type: none"> <li>▪ Strengthening the capacity of countries to assess risks, examine the feasibility of transferring risk to the financial markets, and implement integrated risk management approaches.</li> <li>▪ Strengthening countries' capacities to monitor the impact of policy decisions on the realization of the right to food with a view to promote policy coherence.</li> <li>▪ Facilitating monitoring of land use change and preparing assessments of ecosystems change and emerging issues which may impact global food security.</li> <li>▪ Monitoring social protection system impact on the most vulnerable groups through UN Human Rights Council's Universal Periodic Review, Treaty bodies and Special Procedures mechanisms.</li> </ul>
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