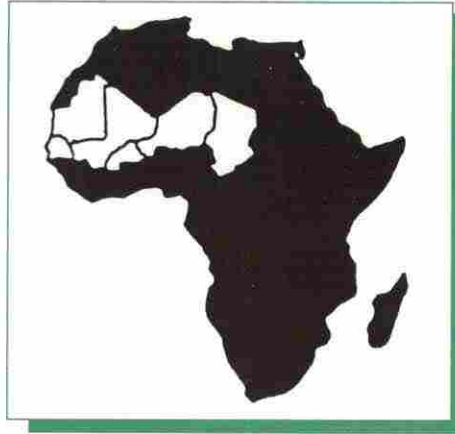


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CILSS

Permanent Inter-State Committee
for drought Control in the Sahel



OCDE/OECD

Organisation for Economic
Co-operation and Development

CLUB DU SAHEL

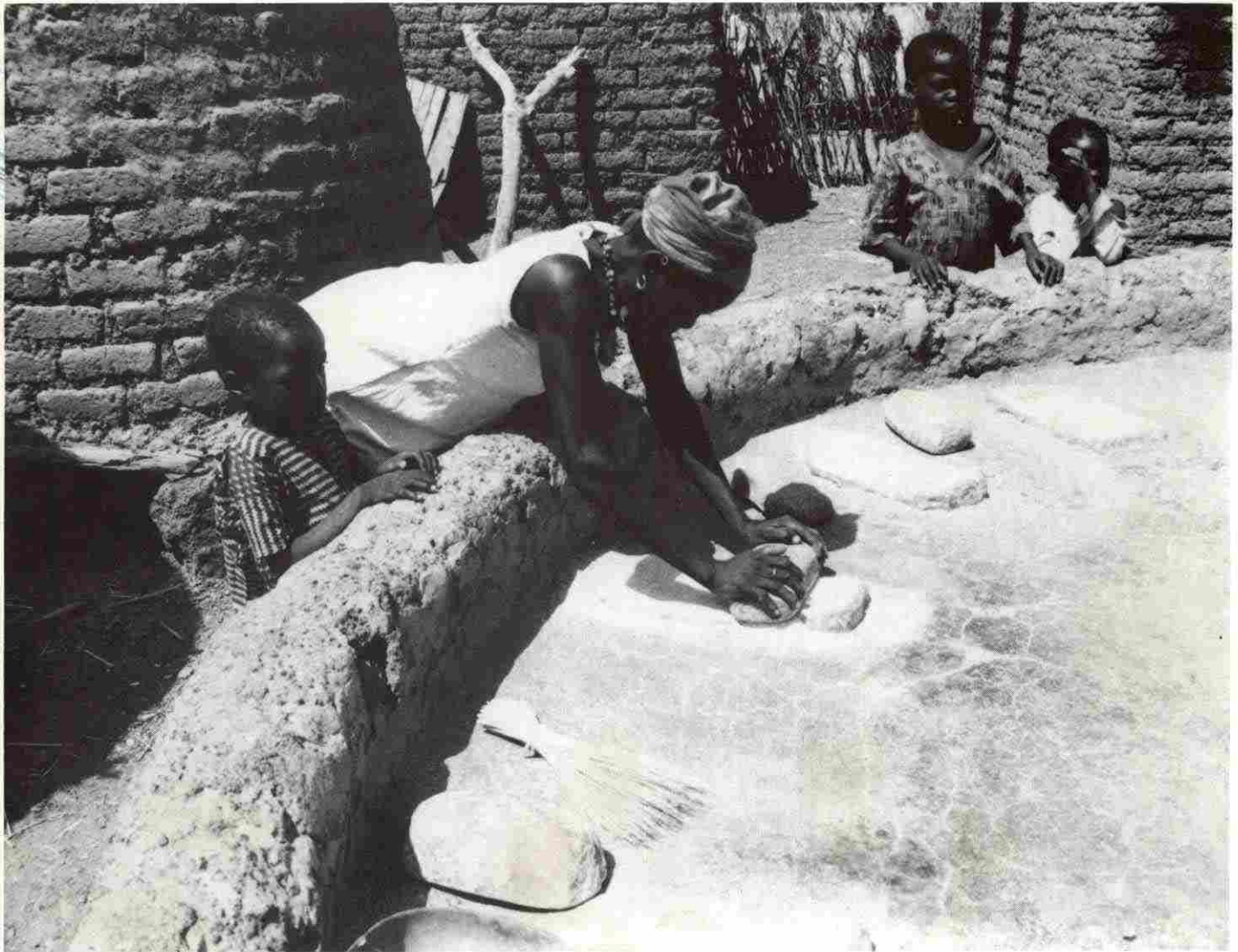


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THE FOOD AID CHARTER FOR THE COUNTRIES OF THE SAHEL

THE FOOD AID CHARTER FOR THE COUNTRIES OF THE SAHEL

Nobody argues against the need to provide food aid in a crisis situation but the maintenance of such aid when the crisis is over arouses widespread criticism. To contribute to food security without prejudice to local production, donors and Sahelian Heads of State recently adopted a "Food Aid Charter". This document - a world "première" - could well herald a more integrated approach to Sahelian agriculture.

The issue of food aid rallies both supporters and detractors. Understandably, one can hardly remain indifferent because in a crisis situation, aid is often a matter of life or death. Pointing to the hundreds of thousands of lives saved between the 1973 Sahelian crisis and the current one in the Sudan, the pro-group argues that food aid is a life saver. "Only when it arrives in time and is not diverted elsewhere", retorts the opposing faction.

Adding up to 5.4% of the world cereals trade, food aid plays a significant role in the agricultural economy of countries of the North. In the South, it accounts for 8.5% of commercial imports. In 1989, sub-Saharan Africa absorbed a quarter of total world food aid.

Despite the return of the rains, food aid still accounts for more than 10% of official development assistance to Sahelian countries where, in the current financial crisis, it represents a valuable resource for both governments and consumers. Food aid helps to stabilize prices and urban incomes; it can also be sold to increase fiscal revenues. The result is a steady increase in deliveries: 337,000 tons of cereals in 1987/1988, despite



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an increase in Sahelian cereals production and the availability of surpluses in certain regions.

"Positive" food aid?

"A number of mistakes were made during the first emergency food aid operations, but we gradually learned to avoid most pitfalls", says Michel de Verdière, from the French Ministry of Cooperation and Development. "However", he adds, "We find it far more difficult to respond to requests for food aid after a crisis".

Ratified by the Sahelian Heads of State at their summit meeting in Bissau in February 1990, the Food Aid Charter (see official text on pages 6 and 7) is the fruit of a long concertation process between donor and Sahelian countries on the need to promote long-term food security.

The basic principle is simple. Rather than being a stopgap measure,

*Cooperative storage;
village level security*



food aid must make a greater contribution to regional food security by supporting each country's capacity to produce and acquire staple foods.

The objective of the Charter is, therefore, to maintain overall supply at a relatively constant level through local or regional trade, and to guarantee supplies to high-risk or underprivileged groups of the population.

The preamble to the Charter discusses problems related to food aid operations: late deliveries, unsuitability of products, destabilizing effects on markets and producers, introduction of new food consumption patterns...

The document analyzes each of these frequently justified but occasionally over-simplistic criticisms.

One of the Charter's main points concerns closer consultation and cooperation between donor and beneficiary countries. Specific objectives are to:

— share information and work closely with a view to evaluating the economic situation and needs;

— consult on the types and amounts of food aid required to ensure that aid is distributed in a timely way and in the needed quantities;

— coordinate distribution to ensure that optimum use is made of logistic resources and commercial networks, in cooperation with traders and NGOs;

— undertake joint discussions of cereals balance sheets to generate more information on the current crop year and to apply the experience of one year to the next.

The result of extensive consultation and discussion

Taken at face value, these proposals may seem to be fairly prosaic. They have already been discussed at length in international conferences and in the Sahelian countries themselves.

First example: the Principles and Directives of the FAO concerning the distribution of surpluses, the first version of which dates back to 1954. This document, which offers a code of good conduct in food aid, seeks to ensure that food products are supplied as additional resources only, i.e., they must not replace "normal" commercial imports or hurt local production. Recognized by numerous donor and beneficiary countries, these principles are reviewed and updated on a regular basis.

Second example: the International Wheat Convention (IWC) and its appendix on food aid, which concern donor countries only. The IWC sets the minimum annual contribution to be made by member States to the world food aid pool (about 10 million tons a year).

Other examples: the numerous discussions on food aid that have taken place between donor and Sahelian countries at international conferences, e.g., Nouakchott (1979), Dakar (1982) and Mindelo (1986). Food aid and development efforts were also discussed in 1983 at a roundtable involving France, the Organization of African Unity and the World Food Council. In 1984, another meeting was organized by the Club du Sahel and the OECD Development Center to discuss these same issues. Meeting in the same year at Dublin, the European Council stressed «the need to improve coordination between the Community, its member States, other donors and non-governmental organizations to increase the efficiency of food aid».

The above conferences drew upon experience in the field to bring about changes in food aid policies. The problems are far from being solved but substantial progress has been made.

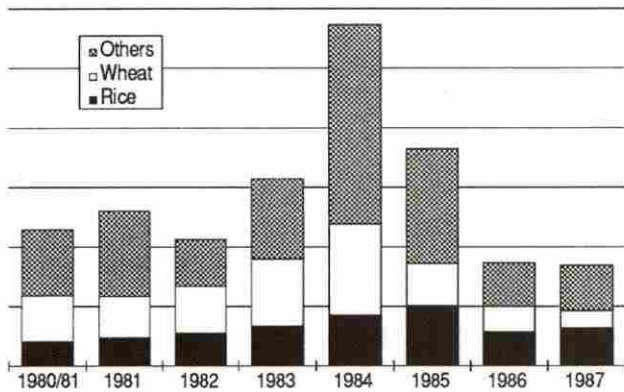
In addition, major donor countries have been undertaking a critical analysis of their own food aid programs. The main outlines of policy implementation - including cooperation with NGOs - were defined more clearly.

Internal assessments can bring about a change in legislation, as is currently happening in the United States. A number of donors (the EEC, Netherlands and West Germany) have also asked the World Food Program to participate in the evaluation of their bilateral aid programs. Practices nevertheless vary significantly from one donor country to another. The Netherlands, for instance, acquire approximately one-third of their bilateral food aid from developing countries whereas other countries export their own surpluses.

Beneficiary countries, for their part, have improved their ability to monitor the food situation. The annual balance sheets prepared by Sahelian countries under the aegis of the CILSS, are becoming increasingly more detailed and now in-

FOOD AID IN CEREALS TO THE SAHEL

from 1980 to 1987 (in thousands of metric tons)



clude data on food aid. The various early warning systems have been further developed and integrated. Finally, cereals market monitoring systems are becoming widespread and more integrated into the decision-making process.

Political implications

The Charter is therefore the outcome of a long and complex process. Its contribution is nevertheless significant in several ways:

— The Charter illustrates the determination of donor countries to give to the countries of the Sahel more effective support through increased consultation and collaboration.

— The Charter symbolizes international recognition of the close links between food aid and national food policies. Donor countries have reversed their viewpoint of this problem. Food aid is no longer considered as an outlet for world surpluses but as a component of national food policies.

Viewed from this perspective, the Sahel is a region that clearly deserves the highest priority. Sahelian countries are particularly sensitive with respect to their ecology, economy and food supplies. The international community has demonstrated its determination to provide a

specific solution for this region in which the level of official development aid per capita is higher than anywhere else in Africa. In the Sahel, food aid springs more from a desire to offer humanitarian assistance and development aid, and is much less influenced by geopolitical factors

than is the case in other regions.

Application of the Charter will require a significant change in attitude on the part of both donors and beneficiaries. Indeed, which country has never supplied large amounts of food aid in the hope of winning a contract? Which Sahelian government has never accepted food aid in the hope of balancing its budget?

The Sahelian market is not huge: only about 700,000 tons of cereals are imported annually, but countries of the North have already clashed for far smaller market shares, each trying to provide heavier subsidies than the other. The United States, Canada and the EEC are waging a fierce trade war on the world market: will they declare a truce on the Sahelian front?

The Charter adopted at Bissau implies that they will. The American representative stated that each word and sentence in the Charter was negotiated with the Department of Agriculture. It took months to reach an agreement on the

The Sahelian market is not large, but exporting countries compete to supply it.

text". On the French side, it is no secret that "the dialogue with the exporters and ministries concerned was polite but just as difficult..."

Rendez-vous in 1992

The Charter does not seek to force member countries to follow a strict "modus operandi". Each country operates within its own political, institutional and economic constraints. Further, the food policies of Sahelian countries and the types of food aid are so varied that a certain amount of flexibility is essential.

Mr. Brah Mahamane, outgoing Executive Secretary of the CILSS, points out that "habits cannot be changed overnight. Rather than draw up a code of good conduct, we decided to come to an agreement on certain principles, which we undertake to respect. And that won't be easy for the donors or the Sahelians".

Will the Charter mark a real watershed in food aid policies? The answer will only become fully clear in 1992 when the first formal assessment of the Charter's application by all sides is due.

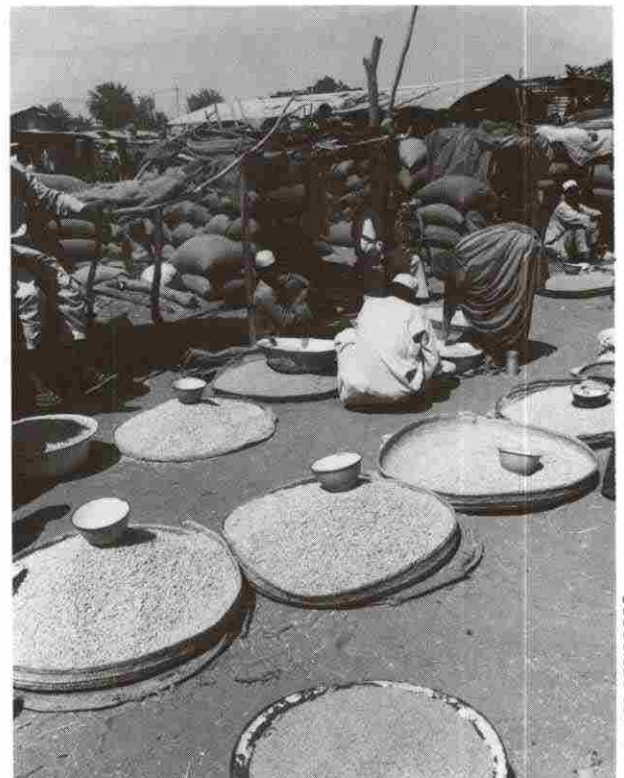


PHOTO PERISCOOP

FOOD SECURITY

The primary objective of the food security policies of the countries of the Sahel is to ensure that a supply of foodstuffs is available at the right time and in the right place so that demand can be met under market conditions that generate incomes for producers and traders and that satisfy consumers. The international community supports the countries of the Sahel in this endeavor through development aid programs, of which food aid is one component.

Food aid is used when natural catastrophes or critical conditions lead to food shortages or famines. Food aid also is used to provide foreign exchange relief to countries which cannot afford all needed food. It also can be used to overcome temporary or structural food deficits when local markets cannot, under normal conditions, supply food to deficit areas. In addition, food aid is used to feed targeted, vulnerable groups often through Private Voluntary Organizations and Non-Governmental Organizations.

Experience has shown the difficulties that development partners have encountered in attempting to integrate food aid into effective agricultural policies: first, market conditions do not always allow areas with surpluses to supply food to deficit areas through private sector channels. The cons-

straints to these transfers, and the role for food aid in addressing such constraints are not clearly identified. Second, food aid is sometimes hampered in meeting its objectives by inappropriate timing of deliveries, mismatches of commodity selection, and slow, costly, or inappropriate distribution.

In some instances, insufficient use was made of local resources to cover the shortages caused by the 1984 drought. In addition, the food aid which was shipped near the end of the drought arrived too late and was no longer required, as a result storage and transportation facilities in some areas became saturated. In the worst cases, the abundance of food aid available at harvest time depressed local market prices.

The 1986 Mindelo conference on Sahelian cereals policies provided an opportunity for all the donors, multilateral agencies and Sahelian organizations to draw lessons from these experiences. The conference put forward the notion of "successive lines of defense" in an effort to define the role that food aid should play.

The conference recommended in particular that food aid be considered only as a last resort, and used only after local, national and regional surpluses turned out to be insufficient or unavailable. The conference suggested that a general consensus document be drafted on the principles governing the food aid system, to define the proper conduct of food aid policies.



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Prices have to reward producers fairly.

Upon adoption of the Mindelo recommendations by the CILSS Council of Ministers, the CILSS and the Club du Sahel instigated wide consultation and discussions on the food aid issue; the Food Aid Charter for the Countries of the Sahel is the fruit of that initiative.

Discussions pointed out the following constraints and recommended ways to address them:

— *Constraint:*

Food aid programming has been inflexible at times.

— *Response:*

Food aid scheduling should not be inflexible, but rather should be adjusted to meet requirements; and deliveries should be timed to coincide with needs.

— *Constraint:*

There is a risk that food aid may, in certain cases, contribute to lower prices for local commodities and create disincentives to local production.

— *Response:*

Food aid should not be a systematic instrument, but should be tailored to need. Food aid should not compete with local food products to the point of depressing demand and bringing down prices for these products to levels discouraging local production. The aim of food aid is not to become per-

manent but to support economic development and eventually the ability to produce or import commercially all food needs, making future food aid unnecessary.

— *Constraint:*

There is a risk that food aid may further induce changes in consumption patterns from traditional to imported cereals.

— *Response:*

Recent evidence indicates that changes in consumption from traditional cereals to imported wheat and rice are in large measure caused by urbanization, convenience of cereal preparation and price differentials. Nonetheless, food aid policies should explicitly avoid aggravating these trends, especially where food aid may be a key component.

— *Constraint:*

Donor-supplied food aid may in certain cases substitute for reliance on surpluses from nearby areas or from within the region in meeting deficits.

— *Response:*

Where feasible and economically viable, food aid policy should support rather than substitute for private trade between neighboring surplus and deficit regions.

In view of these constraints, it has become clear that food aid operations cannot fully succeed unless cooperation between donors and beneficiary countries is based on the following principles:

- Sharing of information and close collaboration with a view towards evaluating the economic situation and needs;
- Consultation on the types and amounts of food aid needed, so that aid may be distributed in a timely way and in the needed quantities;
- Coordination of distribution, so that optimum use can be made of logistic resources and commercial or cooperative networks, in cooperation with traders and NGOs.
- Joint discussions of cereals balance sheets both to rely on better information on the current year and to apply the experiences of one season to the following year.

The Food Aid Charter for the Countries of the Sahel is not a legally binding international code of rules and procedures. By approving the Charter, however, the parties do agree to make every effort to respect the principles of a shared philosophy on food aid.

Official text of the Food Aid Charter

This document has been unanimously subscribed to by CILSS member nations and Club du Sahel donor countries (Canada, European Economic Community, Federal Republic of Germany, France, Netherlands, United States of America). It was formally approved by the CILSS heads of state at their summit meeting in Guinea Bisau, February 10, 1990.



The concerned parties

1 — Recognizing the importance of food aid in the struggle against hunger and malnutrition;

2 — Recognizing a pressing need for food aid to be treated as an active component of overall development aid efforts aiming to create an ability to provide adequate food supplies, either through production or commercial imports;

3 — Recognizing that both donors and beneficiaries have expressed the wish that the food aid system be improved by drawing on past experience and by applying the recommendations made in this respect;

4 — Recognizing the need to adapt, to the extent possible, food aid to the qualitative and quantitative requirements

of target populations in such a way as to avoid significant falls in the market prices of food products, as well as resulting marketing constraints;

5 — Recognizing the importance of supporting swift, flexible procedures, allowing at minimal expense a reliable supply of food aid by sea, land, or, as a last resort, air;

6 — Recognizing the need to avoid promoting a greater dependence on imports through actions liable to foster long term changes in consumption patterns away from locally-produced cereals;

7 — Recognizing that food surpluses as well as food deficits can have a destabilizing effect upon prices, revenues and food availability, and the need to integrate food aid into regional trade policies so that the market can better absorb local fluctuations in food supply;

8 — Recognizing that there can be no real solution to the problems posed by food aid unless donors reach a consensus among themselves, in agreement with the beneficiaries, to coordinate efforts and actions.

The concerned parties adhere to the following:

I. Definition of the objectives of food aid

The general objective of food aid is to help support food security by addressing, in a timely and appropriate manner, problems arising from food shortages or deficits, whether they are caused by structural deficiencies, or crisis situations calling for emergency actions.

The long-term objective is to prevent crises and to correct structural deficiencies by supporting overall development and taking actions aimed directly at vulnerable groups. In this context, food aid plays a positive role,

whether it is supplied as foodstuffs, or through the use of counterpart funds generated through local sales.

II. Evaluation of the food situation

II.1. The concerned donor governments, multilateral aid organizations and governments of beneficiary countries, in collaboration with all involved partners - undertake to cooperate on the evaluation of the food situation in Sahelian countries, to help base decisions on reliable information and realistic forecasts, particularly on deficits and surpluses. Similarly, when the situation calls for emergency aid, the parties agree to share immediately information at their disposal to facilitate appropriate decisions and actions. The parties undertake to continue in their efforts to improve the quality of national and regional data.

II.2. The concerned parties also undertake to improve and harmonize their own appraisal criteria, based upon:

- proper analysis of each country's food requirements and food availability: domestic production and consumption, movements of stocks, all types of imports and exports;

- indicators of the food situation, involving nutritional status and the purchasing power of the population groups concerned, prices on the different markets, and availability of food products in production and consumption areas;

- food aid absorptive capacity of each country, and availability of additional financial and technical resources needed to make effective use of food aid.

III. Evaluation of food aid requirements

Beneficiary governments and bilateral or multilateral donors undertake to hold discussions at least once a year in order to evaluate food needs on the basis of jointly derived food balance data, with a view towards defining:

- the objectives of food aid in its different forms;
- types, quantities, and qualities of aid to be supplied;
- the areas and population groups concerned;
- logistical constraints;
- periods when delivery is desirable, and periods when delivery could become inappropriate.

These components will determine the provisional supply schedule which food aid donors and national authorities will agree to implement. This schedule can then be used as the incremental framework for all subsequent action to be taken by the different partners.

In countries where no coordination mechanism exists, action shall be taken to fill this gap.

IV. Practical implementation of food aid activities

IV.1. The donors undertake to harmonize their decisions, and agree to coordinate their actions.

In order to ensure optimum satisfaction of requirements, and to make the best use of logistic resources, donors will work with each Sahelian country to jointly define:

- quantitative distribution of food aid shipments;
- the choice of products;
- the origin of food aid (local purchases, triangular operations, imports);
- beneficiaries.

The donors will keep each other informed on:

- the expected time lag between the assessment of needs and the supply of aid;
- means of food aid distribution and utilization;
- basic logistical organization.

IV.2. The concerned parties recognize the need to integrate food aid into agricultural and rural development policies, to coordinate it with other types of aid, trade policies and macro-economic policies, and to integrate food aid into long-term development plans. As is possible, multi-annual programs should remain sufficiently flexible to allow for the provision of financial or technical assistance in lieu of foodstuffs, provided the food supply situation warrants it.

The donors therefore undertake:

- to indicate the quantities and types of annual or multiannual aid they plan to allocate, so that beneficiary countries may take this into account when formulating their development policies;

- to adjust their aid to avoid, to the extent possible, harmful effects on local production and marketing, i.e., reduction of market share, lower producer prices, disruption of distribution channels, or saturation of storage facilities;

- to minimize actions directly promoting lasting changes in food consumption patterns to the detriment of local production.

IV.3. The donors and the beneficiary countries undertake:

- not to distribute food aid freely except in the case of emergency aid or to help vulnerable groups;

- to sell food aid without prejudice to domestic free market prices;

- to use counterpart funds proceeds to support development activities, particularly those aimed at food security.

IV.4. The donors and the beneficiary countries undertake:

- to promote cereal flows between surplus and deficit countries through economically viable triangular operations and the stimulation of regional cereals trade.

V. Food balance sheets and prospects

V.1. The annual meeting of the Network for the Prevention of Food Crises in the Sahel, jointly organized by the CILSS and the Club du Sahel, will provide an opportunity to make retrospective evaluations of:

- trends in the nutritional status of beneficiary populations;

- the impact of aid on the national economies of the beneficiary countries, in particular on trade and rural development;

- the contribution of donors and beneficiaries to overall food security.

V.2. The concerned parties undertake to examine possible improvements in this area; in particular:

- monitoring of the food situation;

- coordination of evaluations;

- the distribution of tasks and responsibilities among donors and beneficiaries;

- the procurement of transport and other logistical means for the delivery of food aid;

- More generally, the overall mechanism promoting better coordination and closer cooperation among all parties.

On-the-air comments about the food Aid Charter

Excerpted from interviews by Boniface Vignon at Bissau in February 1990 and broadcast on "Afrique Matin Magazine", Radio France International.

ON THE ADOPTION OF THE CHARTER

His Excellency, Mr. José Britto, Minister of Plan, Cape Verde:

"The Charter represents a great step forward by the international community. Up to now, the problem of food aid was looked at from an essentially humanitarian viewpoint. Our partners have now formally recognized that food aid can be used as a tool to promote development. Generally speaking, this is the first time at the sub-regional level that the international community has reached an agreement with its partners on a Charter defining the ground rules."

Mr. Jean-H. Guilmette, Director of the Club du Sahel:

"The Charter is one of several measures intended to offer producers and consumers long-term protection. After the major shortages brought about by the serious climatic problems of 1970-1980, it became almost too easy to request and receive food aid. Many people simply fell into the habit of consuming incoming food aid, which also simplified certain budgetary problems. This lowered the prices received by national producers, who therefore had no incentive to produce surpluses. In the long term, such a situation could only impoverish the region."

"It was therefore necessary to conciliate short- and long-term interests: the short-term interest of the importer or consumer as opposed to the long-term interest of raising production capacity in the different countries, to break Sahelian dependency on external supplies."

ON THE APPLICATION OF THE CHARTER

Mr. Jean-H. Guilmette, Director of the Club du Sahel:

"The first task is to continue to improve the assessment of food needs. The work carried out by the CILSS over the past few years has greatly improved the procedures used in data collection. The assessment drawn up at the end of the harvest now reflects reality rather than political or financial aspirations."

"Secondly, the application of the Charter should increase transparency, to ensure that donors provide more information on their transactions than they did previously, and guarantee that flexibility in the management of food aid goes toward the needs of the Sahel rather than toward those of donor countries."

"We hope that the net result will be a food aid policy that is more closely integrated with national agricultural development policies in the Sahel, more flexible, and better suited to the needs of the different countries."

ON THE CHARTER AND FOOD SECURITY

Mr. Brah Mahamane, outgoing CILSS Executive Secretary:

"The Sahel has the potential to produce sufficient quantities of rice and wheat. It is unacceptable for our biggest cities to consume imported rice and wheat while 90% of our natural potential goes untapped."

"The Charter is a unique framework, an example of international cooperation in which members of the international community have joined forces to speak in unison."

"I hope that the Sahelians, with their customary determination, will also join forces to make the Food Aid Charter a reality. In this way, we shall be able to reduce our structural dependency on rice

and wheat year by year through the cereals policies implemented by the various countries."

His Excellency, Mr. Ibni Oumar Mahamat Salley, Chadian Minister of Plan:

"We feel that the main objective of the Charter is to reduce food dependency. This is the most important aspect of the document. The process set in motion should increase the production of local cereals to the detriment of surpluses sent by donor countries to the Sahel until fairly recently."

ON THE CHARTER AND REGIONAL ECONOMIC INTEGRATION

His Excellency, Mr. Gora Lassou, Chadian Minister of Agriculture

"When surpluses are available in the Sahel, we need to be able to sell them to countries that are not members of the CILSS. By the same token, if surpluses are available in coastal countries, then that is where we should go to seek our supplies. The regional economic integration advocated in the Food Aid Charter does not refer to a market made up exclusively of CILSS countries: we must discourage cereal imports and promote the development of agriculture in all the countries of the Sahel. Contacts must be developed between the CILSS and other economic organizations in central and western Africa to trade available surpluses."

His Excellency, Mr. Moussa Traoré, President of the Republic of Mali:

"The Republic of Mali is already looking at the post-Charter era. We would like to move beyond the question of food security. The Sahel is capable of producing surpluses and of exporting some to other countries of our continent, or to other parts of the world."