



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*



The Estey Centre Journal of **International Law and Trade Policy**

Options for World Trade Organization Involvement in Food Aid¹

Linda M. Young

Department of Agricultural Economics and Economics, Montana State University

WTO members have presented diverse positions on food aid issues to the current round of negotiations on agriculture. Some members desire increased disciplines on food aid, while others are adamant that the WTO needs to fulfill past promises and meet the current need to increase the food security of developing countries. Underlying this debate are questions about the role of the WTO in food aid issues. It is proposed that a new, more cohesive institution for food aid be adopted to partner with the WTO.

Keywords: agricultural trade, food aid, food security, WTO negotiations on agriculture

Introduction

Proposals concerned with food aid submitted to the World Trade Organization (WTO) negotiations on agriculture indicate that members have widely varying perspectives on the proper role of the WTO in food aid and security issues. Some WTO members desire increased WTO disciplines on food aid, while other members are adamant that the WTO should fulfill past promises to increase the food security of developing-country importers. The questions underlying these positions are how to define the proper role of the WTO with respect to food aid and whether or not a

productive balance can be struck between food security and rules to minimize the impact of food aid on commodity markets.

The European Union is negotiating for greater WTO disciplines for food aid through increased adherence to the export subsidy disciplines of the Uruguay Round Agreement on Agriculture (URAA), particularly by the United States. In contrast, a proposal backed by a coalition of 16 developing countries² is focused on the question of how the WTO can increase food security in developing countries. Developing-country governments worry about their ability to import adequate food for their people during the period of reform when they expect food prices to be more volatile. They propose a Food Financing Facility for food-insecure countries that would be administered jointly by the WTO, the World Bank and International Monetary Fund (IMF).

The gap between these negotiating positions indicates a lack of clarity on the part of the WTO about its role in food aid, as food aid policy and disciplines have previously been undertaken by other institutions. Now is an excellent time for WTO members to reflect on what its role should be. As the URAA dealt with food aid in a minimal way, the WTO can consider new directions without contradicting previous policy. Negotiations for further reform of WTO rules governing agriculture, including food aid and other measures affecting food security, are underway. In the first phase of the negotiations, 125 member governments submitted 45 proposals for consideration. In the second phase of negotiations, six meetings have been scheduled to discuss topic areas in greater detail, with the goal of arriving at proposals for change.

The Ministerial Declaration from Doha indicates that the WTO intends to give priority to the concerns of developing countries, including food security (WTO, 2001a). While negotiations are underway, many developing countries are not committed to further reform of agricultural trade while their wide-ranging concerns on the implementation of the last round remain unaddressed. Food security is one of those concerns and is prominent in position papers submitted by developing and food-importing nations to current negotiations. A strong and thoughtful commitment by multilateral institutions to reinvent a more cohesive and effective institutional structure for food aid, and to properly define the WTO's role in this structure, might go some distance in alleviating the concerns of developing countries. Without addressing this larger question the WTO may be unable to find a productive solution to concerns of its members.

Food Aid Still Matters

Food aid is used to alleviate hunger due to the occurrence of natural disasters or political unrest. Food aid is also used in a wide variety of development projects, such as food-for-work in agricultural projects, and human resource projects including school feeding, health and nutrition programs. Food aid programs began in the 1950s due to the simultaneous existence of agricultural surpluses in the United States and Canada and both sporadic and systemic food shortages in many developing countries. Since the 1950s other countries have become important food aid donors, and donors differ in the importance of humanitarian motives, producer-support, and political objectives in their food aid programs.

A mix of national and multilateral agencies provide food aid. The United States continues to be the largest donor of food aid, and in the 1990s provided 40 to 60 percent of total donations. Canada supplied an average of 609,500 metric tons of food aid (largely cereals) over the past ten years, and donations have steadily trended downwards since 1992. Multilateral agencies delivered 28 to 42 percent of food aid since 1994. Almost all multilateral food aid is delivered through the United Nations World Food Programme (WFP, 2000). Cereal food aid averaged less than 0.5 percent of world cereal production, or around 9 percent of cereal imports by low-income food-deficit countries (WFP, 2000). Actual deliveries of food aid are illustrated in figure 1 and exhibit a great deal of variability. Food aid was nearly 13 million metric tons (mmt) in 1994, declined to 7.2 mmt in 1996, and doubled to 14.5 mmt in 1999. While an increasing variety of foods are used as food aid, cereals continue to account for around 87 percent of total food aid.

Food aid has become a concern for WTO negotiations because food aid levels increase in periods of surplus and decline when there are shortages in world markets. In addition, food aid can be used as an export subsidy. Tying food aid receipts to commercial imports would be a blatant export subsidy, and was forbidden in the URAA. The extent to which food aid may be used as an export subsidy in practice is more subtle, and is related to the tendency for food aid to vary with surpluses.

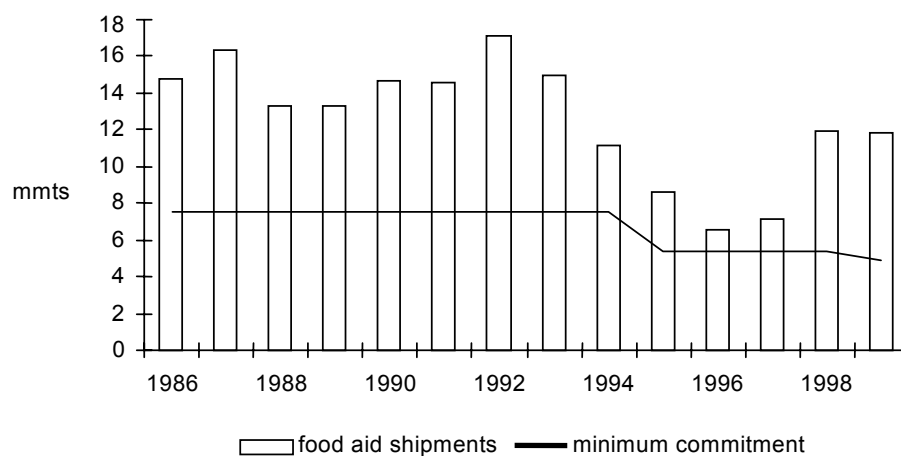


Figure 1. Food Aid Shipments and Minimum Commitments (million metric tons)

Source: FAO

Note: FAO and WFP data on total food aid shipments vary to a degree. FAO data is used for this graph as a longer time period was available.

The importance of agricultural surpluses in food aid programs has presented a problem for both donors and recipients. As donors are largely agricultural exporters, their concern has been to use surpluses as food aid and to deliver food aid in a manner that would minimize disruption to world markets. In 1954, the Consultative Subcommittee of Surplus Disposal (CSSD) of the UN Food and Agriculture Organization was charged with developing protocols for food aid with the goal of achieving minimal disruption to commercial agricultural trade. These protocols require that those countries that export on a commercial basis to a recipient country be notified of most concessional food aid. In addition, the recipient must import its “usual marketing requirements”, so that food aid is additional consumption and minimizes disruptions to normal commercial trade. The United States is the country most frequently singled out in complaints about CSSD violations, due to the size and recipients of some U.S. food aid donations.

For recipients, the importance of surplus disposal in donors’ food aid programs has resulted in less food aid during times of global food shortage when prices are high and stocks are low (figure 2). In short, the delivery of food aid has been, and to some extent continues to be, greatly influenced by availability. The first food aid convention was negotiated in 1967 in an attempt to better address recipient needs.

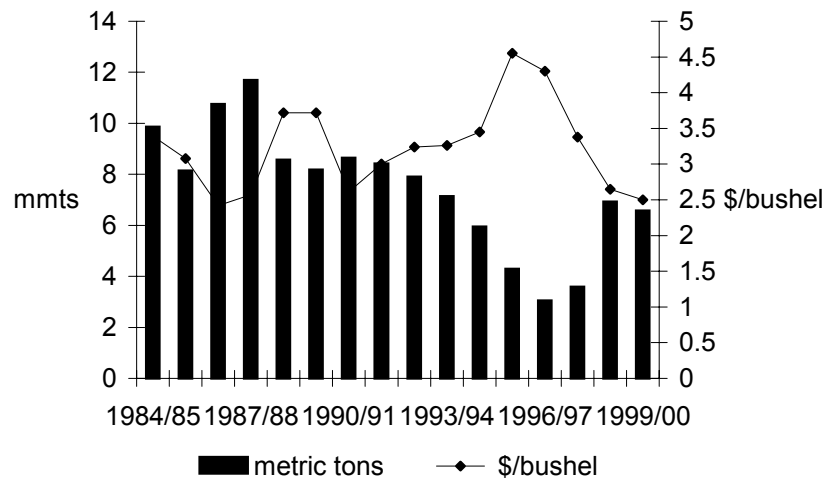


Figure 2. Wheat Prices and Wheat Food Aid Shipments

The Food Aid Convention (FAC) is a forum in which donors commit to provide a minimum amount of food aid for a specified period of time, and the 1967 convention guaranteed minimum donor commitments of 4.5 mmt of food aid. This minimum commitment rose to 7.5 mmt in 1986, although actual donations have exceeded minimum commitments in many years. In 1999, donors to the FAC decreased their pledged commitment to 4.8 mmt, the lowest level since the initiation of the program 33 years earlier (figure 1). It should be borne in mind that actual donations were nearly three times commitments in 1999 due to the existence of substantial surpluses. Current donor obligations under the FAC are in terms of tons of food, not dollars, which should assist in maintaining minimum food aid levels regardless of cereal prices in the future. However, in recent years the United States has continued its historical pattern of increasing its food aid donations when wheat and other cereal stocks are high.

The Economic Research Service of the United States Department of Agriculture (USDA) (Shapouri, 2001) estimates that for 1997-2000 a substantial gap existed between food aid deliveries and food levels required to maintain the level of consumption that occurred over the past three years (the status quo) or the level of food required to meet nutritional needs. Figure 3 compares estimated needs with food aid deliveries and indicates that food aid has fallen short of estimated needs.

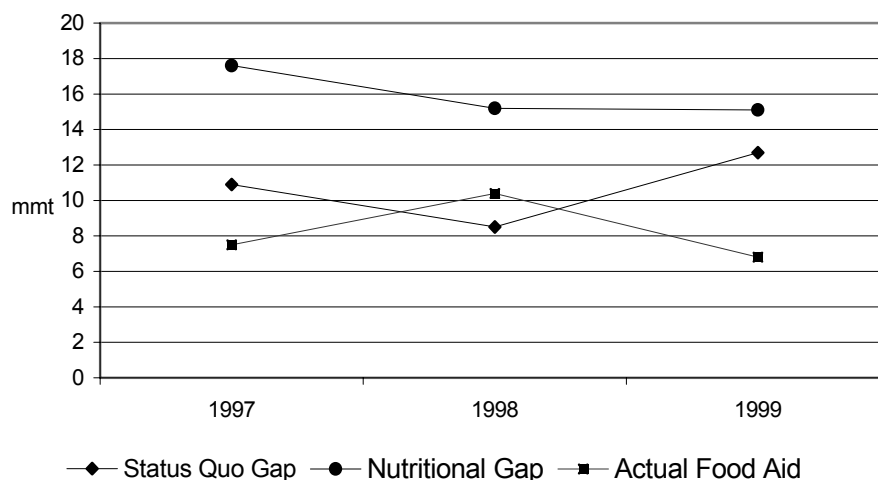


Figure 3. Actual Food Aid and Food Aid Needs, 1997-1999

Note: Actual food aid received by 67 countries.

Looking to the future, the Economic Research Service (1999) estimates that food aid required to maintain per capita consumption at 1996-98 levels in 67 developing countries is 13 mmt, while the food gap to meet minimum nutritional requirements is estimated to be 15 mmt. In meetings of the Agriculture Committee of the WTO, representatives of the FAO have repeatedly emphasized that the food security of least-developed and net-food-importing countries remains precarious. The FAO estimates that one-sixth of the developing world's 800 million people do not have access to sufficient food to lead healthy and productive lives, and other analysts have concluded that developing countries are experiencing a decline in food security (IFPRI, 1998).

Food Aid in the Uruguay Round Agreement

The Uruguay Round Agreement addresses food aid in the Agreement on Agriculture and in a Ministerial Decision. Article 10.4 of the URAA states that (1) food aid shall not be tied to commercial exports of agricultural products to recipient countries; (2) food aid must be carried out in accordance with the UN Food and Agriculture Organization's "Principles of Surplus Disposal and Consultative Obligations"; and (3) food aid must be provided fully in grant form or meet the terms for concessional food aid as provided in Article 4 of the 1986 Food Aid Convention. These rules incorporate the use of protocols and multilateral institutions that developed over a long period of time.

Food aid was one of the concerns voiced by least-developed countries (LDCs) and net-food-importing countries (NFIDCs), which anticipated difficulties in importing adequate supplies of food on reasonable terms during the implementation of Uruguay Round reforms. These concerns were addressed in a ministerial decision³ (subsequently referred to as the NFIDC Decision) that was adopted as a part of the Uruguay Round Agreement. The NFIDC Decision committed the WTO to:

- review the level of food aid established by the Committee on Food Aid under the Food Aid Convention 1986 and to initiate negotiations in the appropriate forum to establish a level of food aid commitments sufficient to meet the legitimate needs of developing countries during the reform programme;
- adopt guidelines to ensure that an increasing percentage of basic foodstuffs is provided to least-developed and net-food-importing developing countries fully in grant form and/or on appropriate concessional terms in line with Article 4 of the Food Aid Convention 1986; and
- give full consideration in the context of their aid programmes to requests for the provision of technical and financial assistance to least-developed and net-food-importing countries to improve their agricultural productivity and infrastructure.

Concerns Regarding Implementation

An obvious difficulty presented by the NFIDC Decision is the ambiguity of its language, which makes it difficult for parties to agree whether or not these commitments have been met. The WTO did review food aid levels and did initiate negotiations under the Food Aid Convention, resulting in the 1999 FAC Agreement. The result of the convention was unsatisfactory to some countries as the minimum level of commitment by donors declined. For that reason and others, statements by many developing countries indicate they do not consider that commitments made by the WTO have been met. Eleven developing countries state in their position paper that “Despite the promises, there has been no political will to activate the Marrakesh Decision in order to address the problems of net-food-importing developing countries (NFIDCs). This had been the avenue by which developing countries expected to receive compensation for the negative effects of liberalization” (WTO, 2000a).

This failure is one reason for reluctance on the part of many developing countries to negotiate for further reforms (Bridges Weekly Trade Digest, 2000a; Bridges Weekly Trade Digest, 2000b; WTO, 2001b).

In December 2000 the General Council of the WTO instructed the Agriculture Committee to examine problems faced by food-importing developing countries, in particular how to more effectively implement the NFIDC Decision (WTO, 2001b). This committee has identified three issues in discussions over implementation: a food financing facility, and both technical and financial assistance for improving agricultural productivity and infrastructure.

Negotiating Positions

While food security and agricultural development are prominent concerns in position papers, only a few countries and trading blocs specifically address food aid. Proposals from developed exporting nations reflect concern that food aid may be used by other exporting nations to circumvent their export subsidy restrictions, with an adverse impact on agricultural markets. The European Union's position requests implicit export subsidies such as food aid be disciplined in conjunction with export subsidy disciplines. The EU submission includes the following specific proposals concerning food aid (WTO, 2000b):

- Food aid should be given only in grant form and only to least-developed and net-food-importing developing countries.
- A code of conduct covering food aid operations should be established.
- The type of operations to be considered as food aid should be clearly defined;
- Notifications should be mandatory and always *ex ante* not *ex post*.
- A list of recipients should be established and criteria for emergency situations developed.

The United States has not advanced specific proposals for food aid (WTO, 2000c) beyond the status quo. The U.S. proposal requests:

- continuation of current disciplines in Article 10.4;
- renewal of donor commitment to food aid; and
- strengthening of WTO rules on export restrictions.⁴

Proposals from developing countries focus on the potential role that food aid plays in food security. India discusses food aid within the context of food security (WTO, 2001b) and:

- supports criteria on food aid to ensure that food aid is distinct from export subsidies; and
- states that food aid should be offered regardless of the world market price.

Egypt proposes (WTO, 2001c) that:

- the NFIDC Decision be reviewed and strengthened; and
- a fund be created for NFIDCs and LDCs, which would obtain a rebate on their food import bills after they have purchased their requirements on the open market at unsubsidized prices. The fund would be financed from a number of sources, prominent amongst which would be international financial organizations, specialized UN agencies, developed-country donors, and major exporters.⁵

A group of developing countries including the MERCOSUR countries (Argentina, Brazil, Paraguay, and Uruguay), and Chile, Bolivia, and Costa Rica (WTO, 2000d) propose that food aid to NFIDCs should be given without commercial conditions and fully in grant form. Finally, the only point on food aid made by the CAIRNS group (WTO, 2000e) is that additional disciplines are needed on “non-commercial transactions” and export credits and credit guarantees. Some donors and recipients share the desire for food aid to be distinct from export subsidies and market development programs and for it to be given as aid in grant form. Other position papers state that, as recipient-country food aid needs and circumstances are diverse, limits on the form of food aid may not serve a useful purpose.

Egypt’s idea for a food import fund has been further developed by 16 countries that are negotiating for a Food Financing Facility (F3)⁶ in the Agriculture Committee’s work on implementation issues. The Food Financing Facility is proposed as a 1.4 billion-dollar fund that would provide a short-term safety net for importing countries facing difficulties in financing normal commercial requirements of basic foodstuffs. Egypt argues that such a fund would increase the confidence of countries facing adjustment that they would be able to meet their food import needs.

The November 2001 WTO Doha Ministerial

The Doha Ministerial produced three declarations, including one that addressed implementation issues. In this declaration (WTO, 2001d) the signatories promised to “take note” of the recommendations forwarded by the Committee on Agriculture (WTO, 2001e) including:

- Early action should be taken within the framework of the Food Aid Convention by donors and the UN World Food Programme to review donations to better meet the needs of LDCs and NFIDCs.
- WTO members should take measures to ensure that levels of food aid to developing countries are maintained in periods of high prices.
- Food aid to less-developed and net-food-importing developing countries should be in grant form.
- An interagency panel should be developed, including the World Bank, the IMF, and the UN Conference on Trade and Development, to explore the food financing revolving loan.

Developing countries had asked for much more (WTO, 2001d). They had asked that developed-country donors maintain reserves that would be released at reasonable prices to LDCs and NFIDCs in times of shortage, and that WTO member commitments of food aid, the volume of physical reserve, and contributions to the food financing revolving fund be a part of legally enforceable country schedules.⁷ The level of commitment by the WTO to food insecurity issues continues in the same vein, where encouraging donors to address food aid issues, and urging other multilateral agencies to act is the route, rather than incorporating enforceable disciplines into WTO agreements.

Options for Reform: Status Quo Institutional Arrangements

Proposals for criteria to determine what qualifies as food aid may be motivated by past and potential abuse of food aid by donors. In addition to humanitarian goals, food aid has been used by many donors to achieve political and commercial objectives (Ruttan, 1996; Barrett, 1999; Christensen, 1999). Food aid has been used, particularly by the United States, as a mechanism to dispose of excessive commodity stocks and as a tool for market development.

The marginal changes discussed in this section can be made within the current institutional structure for food aid, subject to the caveats discussed in the conclusion to this section. However, these disciplines are not likely to meet the concerns of developing countries.

Food Aid in Grant Form

One criterion for food aid is that it be given solely in grant form. Several countries and institutions have taken steps in this direction.

- The NFIDC Decision states that an increasing percentage of food aid should be on grant terms (or on a concessional basis as in the FAC Article 4).
- Under the 1999 Food Aid Convention, donors agreed that all food aid to least-developed countries through the FAC would be in the form of grants. With the exception of the United States, all donors through the FAC currently provide 100 percent of their food aid on grant terms. For the United States this figure varied between 83 percent and 93 percent of U.S. food aid between 1995/96 and 1998/99 (WTO, 2000f).

Of the major food aid donors, the United States is the only one that continues food aid programs that are not in grant form, although the importance of credit programs has declined in recent years. The most prominent food aid program that operates on a concessional basis, (subsidized credit) is the U.S. PL 480 Title I Program, which has a stated goal of promoting U.S. agricultural exports. Negotiators should consider moving Title I discussions from food aid to export credits discussions (Young, Abbott and Leetmaa, 2001). Negotiating PL 480 Title I in the context of export credit negotiations may meet both donor and recipient-country desires to eliminate unclear distinctions between some food aid programs and export credit programs.

Food Aid Recipients

Other important criteria are those that define which countries should receive food aid.

- Under the 1999 FAC, donors agreed to give priority to least-developed⁸ and lower-income developing countries. Other eligible recipients are lower-middle-income developing countries and all others on the WTO list of NFIDCs⁹ when they are experiencing food emergencies and when food aid is targeted at vulnerable groups.

- The UN World Food Programme's (WFP) governing body set a goal that 90 percent of the WFP's development assistance be directed to low-income food-deficit (LIFD) countries and 50 percent to least-developed countries. The WFP directed 60 percent of its expenditures in the year 2000 to least-developed countries and 89 percent towards LIFD countries, percentages that have been fairly stable in recent years (WFP, 2001).
- The European Union adopted regulation 1296/96 in 1996 defining the legal framework for EU food aid, which mandates that EU aid focus on the most vulnerable countries. The EU Commission states that with two exceptions (Peru and Palestine) all recipients of EU aid are LIFDCs (European Commission, 2000).

However, while careful targeting of food aid is a stated goal of the EU, larger than normal global food aid flows in 1999 were largely due to donations by the EU of 0.5 mmt and the U.S. of 1.9 mmt of cereals to Russia, which is not a LIFDC.

In the United States, food aid is administered both by the U.S. Department of Agriculture (USDA) and by the U.S. Agency for International Development (USAID). The strategic plan adopted by USAID states that emergency programs must be directed to meeting the critical food needs of targeted populations. However, the programs administered by the USDA do not appear to follow guidelines similar to those of the EU and the WFP, as only 17 of 45 countries receiving Section 416b food aid are on the list of least-developed and net-food-importing developing countries. It is important to note that in 1999 the United States also donated 1.5 mmt of food to the WFP through the Section 416b program, donations which the WFP praised as instrumental in meeting the increased needs for emergency food aid of priority populations (Shortley, 2001).

A Definition of Food Aid

As establishment of criteria for food aid has been a troublesome issue in the past (FAO, 1992), it may be useful to undertake negotiations to categorize transactions that are clearly food aid and those where disagreement exists. The Consultative Committee on Surplus Disposal has operated since 1954 under the Food and Agriculture Organization of the United Nations. This committee has a comprehensive list of transactions that could serve as a basis for negotiations on the types of transactions that constitute food aid. Transactions that are widely agreed upon as constituting food aid could be unrestricted and free from challenge. Another category could include transactions that are not uniformly considered food aid, such as

programs with overriding market-development objectives, and these could be subject to tighter consultation and notification requirements, and to overall limitations. Another category of food aid considered contentious in notification procedures is programme food aid (Shortley, 2001; Hildebrand, 2001). Programme food aid is normally given to recipient countries for sale on the open market, with proceeds going to support budgetary and balance-of-payments objectives. According to Shortley and Hildebrand, food aid distributed as food to targeted populations is usually not controversial.

A Caveat on Negotiating Disciplines in the WTO

First and foremost, the goal of the WTO is to reduce distortions to trade. The danger in negotiating food aid issues in the context of the WTO is that other and more pressing questions will remain unspoken and unanswered. These questions include whether or not the level of food aid guaranteed through the Food Aid Convention is adequate, how to target aid to meet the needs and concerns of recipients as well as donors, and how to use food aid effectively in the development process. The expertise that has developed on these questions largely resides in other institutions, such as the World Food Programme, individual country development and aid agencies, and private voluntary organizations. With its current mandate, the WTO is not an appropriate venue to balance the trade concerns of donor nations, which predominate in the WTO, with the food security concerns of many developing countries. If the WTO chooses to negotiate further disciplines for food aid it should err on the side of meeting the interests of recipient nations, whose concerns are more pressing than donor-country concerns over small potential impacts on market share and prices.

A New Institutional Structure for Food Aid

Another option is for the WTO to spearhead the development of a new multilateral institutional structure for food aid. The current structure for food aid is unwieldy and uncoordinated, and has been the subject of criticism over a long period of time (Talbot, 1990; Ruttan, 1996). Currently, there is no single institution that has both the responsibility and the power to effectively coordinate food aid policy between donors and recipients and to address major international crises. Below is a brief description of the major players in food aid. This list does not include other institutions that are primarily concerned with promoting food security through agricultural development.

- The World Food Programme provides emergency and project food aid to recipient countries. As WFP programmes are not supported by UN dues, the WFP works with donors to develop programs and solicit donations. Many other UN agencies are concerned with food aid, including the UN High Commission on Refugees and the Department of Humanitarian Affairs; however, they are not responsible for delivering food aid.
- The World Food Summit, supported by the FAO, brings together a large and diverse group concerned with food security to set goals and discuss policy. The development and implementation of national action plans to meet those goals is the responsibility of sovereign nations. The FAO Committee on World Food Security is responsible for monitoring progress towards World Food Summit goals.
- The FAO Consultative Subcommittee on Surplus Disposal (CSSD) has been the primary international vehicle for notification and consultation over food aid and concessional transactions since 1954. Protocols govern which transactions require that exporters be notified, some on an *ex ante* and others on an *ex post* basis. Over the last ten years an average of 62 percent of food aid shipments have undergone notification through the CSSD.
- The World Trade Organization has a mandate to provide rules governing trade, including food aid. To date, the WTO has played a minimal role in developing rules for food aid and has referred to protocols adopted by the FAO's CSSD. In addition, the WTO took on poorly defined responsibilities for the food security of developing nations by adopting the Ministerial Decision on the Possible Negative Effects of the Reform Programme on Least-Developed and Net-Food-Importing Developing Countries.
- The Food Aid Committee of the International Grains Council sets minimum levels of food aid guaranteed by donors.
- The World Food Council, until it dissolved in 1993, was an annual forum composed largely of Ministers of Agriculture who met to discuss food security issues, including food aid.
- National food aid programs maintained by the United States, the EU Commission, Canada, Japan and many European countries and other national governments give food aid both bilaterally and through the WFP.

- Non-governmental organizations (NGOs) are used by national food aid programs and the WFP to deliver food aid and implement programs. NGOs also are food aid donors and play active roles in contributing to food security policy in international venues and advocating for food aid funding.

Previous authors have criticized current institutional arrangements for food aid as lacking the power and responsibility to effectively coordinate international food aid programs. Shaw and Clay (1998) argue a body similar to that of the disbanded World Food Council would not work. They believe its failure was due to establishment of the World Food Council as a separate body without executing authority and with a mandate that cut across that of other agencies.

The Overseas Development Council proposes that the UN should develop a high-level agency concerned with economic security:

A “UN economic security council” has been advocated as a decision-making forum at the highest level to review threats to global human security and to provide a structure to deal with issues of world governance and world action vis-à-vis poverty and social needs in a systematic and politically realistic way. The Group of Seven (G7) industrialized countries and the Group of Fifteen (G15) developing countries have been called upon to establish a joint high-level steering committee for sustainable food and nutrition security. Whatever decisions are taken on UN reform, a focal point is needed on food security at the highest political level, to ensure that it remains a central issue in action for economic and social development and peace, with cohesive and co-ordinated programmes of international development assistance. (ODI, 1997, p. 7)

While it is beyond the scope of this paper to say how an optimal institutional structure for food aid would look, several features for a cohesive structure can be identified. It would be useful to have an institution that was involved in both setting the rules and specifying minimum levels for food so that a balance between the two objectives could be achieved. This would necessitate having both donors and recipients involved in the process in a significant way. This institution could draw on the food aid expertise that exists in many multilateral organizations and could provide the protocols needed by the WTO without becoming a part of the WTO. The WTO could draw on the new organization for expertise just as it draws on the on the Codex Alimentarius and the International Plant Protection Organization to develop international sanitary and phytosanitary standards.

The WTO needs to define its role in food aid. A status quo approach has inherent limitations, and WTO adoption of disciplines needs to be balanced with the objective

of providing adequate food aid. A bolder initiative on food security might assure developing nations that their legitimate food needs will be met while they open their borders. Their perception that the WTO has failed to fully implement the NFIDC Decision indicates that this assurance has not been provided. In a recent meeting LDC governments “expressed their determination to reverse the marginalization of our countries in international trade and enhance LDCs’ effective participation in the multilateral trading system” (Bridges, 2001). While the Doha Ministerial went some distance in recognizing that the food security issues of NFIDCS need to be addressed, the WTO has yet to clearly articulate its role in food aid. Strengthening and reorganizing the current institutional structure for food aid would go some distance toward bringing developing countries into what was once named the “developing country round”.

References

- Barrett, C. 1999. “Does Food Aid Stabilize Food Availability?” *Policy Reform, Market Stability and Food Security*. R. Paarlberg and T.L. Roe, eds. Proceedings of a conference of the International Agricultural Trade Research Consortium, September.
- Bridges Weekly Trade Digest. 2000a. “WTO Implementation To Remain a Priority.” Vol. 15, No.4, www.ictsd.org/html/weekly/story4.06-02-01.htm, February 2.
- Bridges Weekly Trade Digest. 2000b. “Implementation Held Back by North-South Issues.” Vol. 4, No. 26, www.ictsd.org, September 26.
- Bridges Weekly Trade Digest. 2001. “LDCs say ‘not ready’ for a new round.” Vol. 5, No. 29, www.ictsd.org, July 31.
- Christensen, C. 1999. “The New Policy Environment for Food Aid: The Challenge of Sub-Saharan Africa.” *Policy Reform, Market Stability and Food Security*. R. Paarlberg and T.L. Roe, eds. Proceedings of a conference of the International Agricultural Trade Research Consortium, September.
- Economic Research Service. 1999. Food Security Assessment: Situation and Outlook Series. GFA-11, U.S. Dept. of Agriculture, WDC, December.
- European Commission. 2000. “Bi-annual Report 1998/1999. EU Food Aid and Food Security Programme: Towards recipient country ownership of food security.” From www.resal.org, April.
- Food and Agriculture Organization of the United Nations (FAO). 1992. *Principles of Surplus Disposal and Consultative Obligations of Member Nations*. Rome.
- Hildebrand, M. 2001. Personal communication with the Canadian Consulate, May 18.

- International Food Policy Research Institute (IFPRI). 1998. "The Changing Outlook for Food Aid." From <http://www.ifpri.cgiar.org/textonly/2020/newslet/nv%5F1198/2nv1198a.htm>.
- International Grains Council. 2001. "Grains Trade and Food Security Cooperation." From www.igc.org.uk/brochure/broengmain.htm.
- Organization for Economic Co-operation and Development (OECD). 2001. Aid Flows from Development Assistance Committee Members, Development Assistance Committee, www.oecd.org.
- Overseas Development Institute (ODI). 1997. "Global Hunger and Food Security after the World Food Summit." Briefing Paper 1, www.odi.org.uk/breifing, May.
- Ruttan, V. 1996. *United States Development Assistance Policy: The Domestic Politics of Foreign Economic Aid*. Baltimore and London: John Hopkins University Press.
- Shapouri, S. 2001. Personal communication, Economic Research Service, February 9.
- Shapouri, S. and M. Missiaen. 1990. "Food Aid: Motivation and Allocation Criteria." FAER # 240. ERS, U.S. Dept. of Agriculture.
- Shaw, C. and E. Clay. 1998. "Global Hunger and Food Security after the World Food Summit." *Canadian Journal of Development Studies* Special Issues, Volume XIX.
- Shortley, T. 2001. Personal communication with the World Food Programme, May 17.
- Talbot, R. 1990. *The Four World Food Agencies in Rome*. Ames: Iowa State University Press.
- Trueblood, M. and S. Shapouri. 2000. "Safety Net Policy in a Global Context: Low Income Food Importing Countries." Selected paper, International Association of Agricultural Economists, Berlin, Germany, August.
- World Food Programme (WFP). 2000. Annex to Annual Report. WFP/EB.A/2000/3-A. Available from www.wfp.org.
- World Trade Organization (WTO). 2000a. "Agreement on Agriculture: Special and Differential Treatment and a Development Box." Committee on Agriculture Special Session. G/AG/NG/W/13, June 23.
- . 2000b. "European Communities Proposal on Export Competition." Committee on Agriculture Special Session. G/aG/NG/W/34. September 18.
- . 2000c. "Proposal for Comprehensive Long-Term Agricultural Trade Reform: Submission from the United States." Committee on Agriculture, Special Session, G/AG/NG/W/15, June 23.
- . 2000d. "Export Subsidies – Food Security or Food Dependency? A Discussion Paper presented by Argentina, Brazil, Paraguay, and Uruguay (MERCOSUR), Chile, Bolivia and Costa Rica." Committee on Agriculture, Special Session, G/AG/NG/W/38, September 27.

- . 2000e. “WTO Negotiations on Agriculture: Cairns Group Negotiating Proposal Export Competition.” Committee on Agriculture, Special Session, G/AG/NG/W/11, June 16.
- . 2000f. “Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developing and Net-Food-Importing Developing Countries (NFIDC Decision): Actions Taken Within the Framework of the Decision as Notified by Members.” Committee on Agriculture, Special Session, G/AG/NG/S/4, April 27.
- . 2001a. “Ministerial Declaration: Doha WTO Ministerial 2001.” [www.wto.org/ministerial conferences-Doha 4th Ministerial– summary of 14 November](http://www.wto.org/ministerial_conferences-Doha_4th_Ministerial_summary_of_14_November), downloaded on November 21.
- . 2001b. “Discussion on ‘Peace Clause’ data, a proposed food safety-net fund, and 69 notifications,” Agriculture Committee, WTO News, 28-29 June.
- . 2001c. “Comprehensive Proposal By The Arab Republic of Egypt to the WTO Negotiations on Agriculture.” G/AG/NG/W/107, Committee on Agriculture Special Session, February.
- . 2001d. Implementation-Related Issues and Concerns. www.wto.org on November 21, 2001.
- . 2001e. “Committee on Agriculture (Regular Meetings) Implementation-Related Issues,” G/AG/11, 28 September.
- Young, L.M., P.C. Abbott and S.E. Leetmaa. 2001. “Export Competition: Issues and Option in the Agricultural Negotiations.” Commissioned Paper Number 15, International Agricultural Trade Research Consortium, www.umn.edu/iatrc, May.

Endnotes

1. The author gratefully acknowledges support for this research from Economic Research Service of the USDA.
2. Côte d’Ivoire, Cuba, Dominican Republic, Egypt, Honduras, Jamaica, Kenya, Mauritius, Morocco, Pakistan, Senegal, Sri Lanka, St. Lucia, Trinidad and Tobago, Tunisia, and Venezuela.
3. Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food Importing Developing Countries.
4. This statement is taken verbatim from the U.S. position and its meaning is unclear. However, it is possible that it means the U.S. wants to discipline export taxes.
5. See Trueblood and Shapouri (2000) for a discussion of an import insurance program that could provide a replacement for food aid programs.

-
6. Côte d'Ivoire, Cuba, Dominican Republic, Egypt, Honduras, Jamaica, Kenya, Mauritius, Morocco, Pakistan, Peru, Senegal, Sri Lanka, St. Lucia, Trinidad and Tobago, Tunisia, and Venezuela are supporting the proposal.
 7. As proposed disciplines on food aid would apply to donors, and all major donors are WTO members, almost all food aid would be covered by a WTO agreement although some recipients are not members of the WTO. This is also true of current disciplines through other agreements, as almost all donors are members.
 8. Least developed countries as recognized by the UN include: Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Congo, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Eritrea, Gambia, Guinea, Guinea Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, Sudan, Togo, Tuvalu, Uganda, United Republic of Tanzania, Vanuatu, Yemen, Zambia.
 9. The WTO list of net-food-importing developing countries includes: Barbados, Botswana, Côte d'Ivoire, Cuba, Dominican Republic, Egypt, Honduras, Jamaica, Kenya, Mauritius, Morocco, Pakistan, Peru, St. Lucia, Senegal, Sri Lanka, Trinidad and Tobago, Tunisia, and Venezuela (G/AG/5/Rev.3).

The views expressed in this article are those of the author(s) and not those of the Estey Centre Journal of International Law and Trade Policy nor the Estey Centre for Law and Economics in International Trade. © The Estey Centre for Law and Economics in International Trade.