Analysis of food vs. money aid

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AGEC 4960
Overview

• Introduction: Why is this issue important?
• Overview of issue
  • Important Definitions
  • Millennium Development Goals
  • Donor Countries
• Aid Programs and Policies
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  • European Union Aid Programs
  • United Nations Aid Programs
• Impacts
• Methods
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• Conclusions/Recommendations
Children in Cambodia eating rice for school breakfast. The program is supported by the World Food Program.


### Overview of Issue:

- Globalization
- Developing Countries
- Food Security
- Monetary Aid
- Food Aid

### Definitions

### Overview of Issue:

- **Goal 1:** Eradicate extreme poverty and hunger
- **Goal 2:** Achieve universal primary education
- **Goal 3:** Promote gender equality and empower women
- **Goal 4:** Reduce child mortality
- **Goal 5:** Improve maternal health
- **Goal 6:** Combat HIV/AIDS, malaria & other diseases
- **Goal 7:** Ensure environmental sustainability
- **Goal 8:** Develop a global partnership for development

### Millennium Development Goals

### Quick Facts

- **2005:** 1.4 billion people lived on < $1.25 / day
- **10 million people** die each year from hunger & hunger related diseases
- **Rising food prices** may push 100 million people deeper into poverty
- **In 2006 fewer children** below five were undernourished - from 33% in 1990 to 26% in 2006

Source: Eradicate Extreme Poverty and Hunger; http://www.mdgmonitor.org/goal1.cfm#
Overview of Issue:

• Food Aid:
  • Used to promote development
  • Used in emergencies for quick relief

Donor Countries

Food Aid by Major Donors, 1995-2005

USA 59.2%
EU 25.2%
Japan 5.9%
Canada 4.9%
Australia 3.0%
Other 1.7%


Overview of Issue:

- In 2008, largest donors of ODA by volume were:
  - U.S.
  - Germany
  - United Kingdom
  - France and
  - Japan.

<http://www.oecd.org/document/35/0,3343,en_2649_34487_42458595_1_1_1_1,00.html>
### Aid Programs & Policies:

- **Food for Progress (FFPr)**
- **McGovern-Dole International Food for Education and Child Nutrition Program**
- **Food for Peace Act (formerly Public Law 480, Titles I, II, III)**
- **Section 416(b)**
- **Local and Regional Procurement Projects**

### United States

<table>
<thead>
<tr>
<th>Program</th>
<th>Metric Tons</th>
<th>Total Cost (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food for Peace Title II</td>
<td>2,306,110</td>
<td>$2,350,693.30</td>
</tr>
<tr>
<td>Bill Emerson Humanitarian Trust</td>
<td>323,820</td>
<td>$265,781.50</td>
</tr>
<tr>
<td>Food for Progress</td>
<td>220,890</td>
<td>$166,000</td>
</tr>
<tr>
<td>Section 416(b)</td>
<td>----</td>
<td>----</td>
</tr>
<tr>
<td>Food for Education</td>
<td>86,860</td>
<td>$99,000</td>
</tr>
<tr>
<td>Farmer-to-Farmer</td>
<td>----</td>
<td>$10,000</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>2,937,680</strong></td>
<td><strong>$2,891,474.80</strong></td>
</tr>
</tbody>
</table>

Amount and allocation of food aid by program in the United States in 2008.

## Aid Programs & Policies:

- **Primary goal:** Eradicate Poverty
  - MDGs are essential
- **Everything But Arms initiative**
- **EU Aid** is mostly non-repayable grants and some soft loans & investment capital

## European Union

“EU development policy aims to give disadvantaged people in the third world control over their own development, which means attacking the sources of their vulnerability.”

Aid Programs & Policies:

• United Nations Development Program (UNDP)
• World Food Program (WFP)
• Food and Agriculture Organization of the UN (FAO)

United Nations

UNDP responds to recent natural disasters in the Asia-Pacific region

Photo credits: 1) Philippines 2009 ©Jason Gutierrez/IRIN; 2) Samoa 2009/UNDP and; 3) West Sumatra 2009 © Jefri Aries/IRIN
Impacts

• Increased food prices

• Shift from long-term development aid to emergency food aid

• U.S. agriculture in the global market

• Aid in reducing poverty
  • Positive & negative

• Short & long-term

Source: http://cache1.asset-cache.net/xc/56308060.jpg?v=1&c=IWSAsset&k=2&d=17A4AD9FDB9C
F19390335F8FAgCA92A68CBA7971562FF108191F19EEB4800E7
Methods

• Considerations of effectiveness of aid:
  • Corruption
  • War, instability
  • Natural disasters
  • Impact on farmers in donor countries
  • Short and long-term effectiveness
  • Aid programs

Photo credit: Peter Casier; Source: http://www.blogcdn.com/www.greendaily.com/media/2008/02/food_aid.jpg
Analysis

- U.S., European Union and United Nations Aid Programs
- Helping development programs in LDCs
- Benefits of:
  - Money aid
  - Food aid
**Conclusions/Recommendations**

- Continue MDGs
- Developed countries working together
- Improving technology
  - Impacts on farmers and the global market
- EU’s elimination of quotas and tariffs: other countries should follow

Sources


Questions or comments?