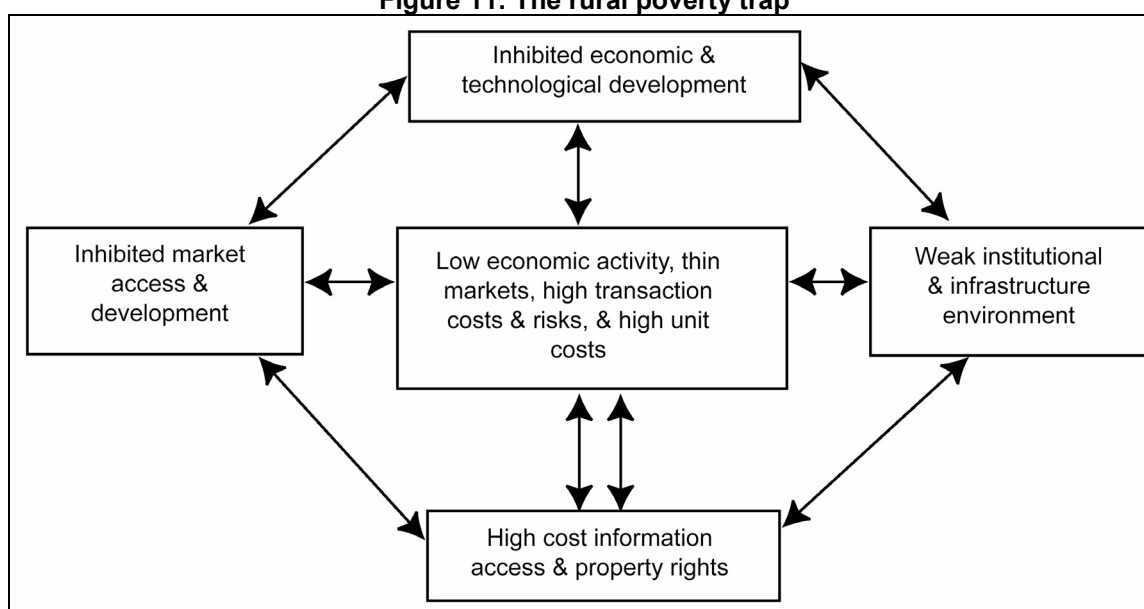


V. FROM CRISIS RESPONSE TO FOOD SECURITY AND SUSTAINABLE LIVELIHOODS

Poverty traps, vulnerability and risk management

102. In southern Africa, individuals, households, communities and indeed rural economies as a whole find themselves trapped in a cycle of poverty, vulnerability and crisis (see figure 2).¹⁸⁰ In poor rural economies, low levels of agricultural productivity lead to low levels of market demand and marketed produce; low levels of market activity lead to high marketing costs and risk, preventing market development; and lack of market development prevents the use of more productive agricultural inputs and sales of farm produce.¹⁸¹ If communities in southern Africa are to become food secure and move towards sustainable livelihoods, they must be enabled to escape the rural poverty trap, and to break the cycle of poverty, vulnerability and crisis.

Figure 11: The rural poverty trap



Source: Andrew Dorward, Jonathan Kydd, Jamie Morrison and Colin Poulton (2002), *Institutions, markets and policies for pro-poor agricultural growth*¹⁸²

103. Vulnerable communities are unable to manage risk. They are ill-equipped to deal with crises, and—being at the margins of survival—are likely to be unwilling to make risky investments to improve their well-being, even if they have the resources to consider such investments. People in rural areas in the countries of southern Africa face high risks on any investment that they might make, including climatic risks, coordination risks and risks of opportunism. Coordination risks exist when the complementary investments which are needed for an investment to pay off, may not be made.¹⁸³ For

¹⁸⁰ Q 137 [Jonathan Kydd, Imperial College at Wye]; Ev 78 [Jonathan Kydd, Andrew Dorward and Megan Vaughan memorandum]

¹⁸¹ Ev 78 [Jonathan Kydd, Andrew Dorward and Megan Vaughan memorandum]

¹⁸² Andrew Dorward, Jonathan Kydd, Jamie Morrison and Colin Poulton (2002) *Institutions, markets and policies for pro-poor agricultural growth*. See www.wye.ic.ac.uk/AgEcon/ADU/research/projects/ppag/ghentpap2.pdf

¹⁸³ Q 137 [Jonathan Kydd, Imperial College at Wye]

instance, investing in irrigation to increase agricultural productivity beyond subsistence levels will not pay off unless there is a road to take the produce to market. So-called risks of opportunism exist where an actor who might make the necessary complementary investment would have an effective monopoly and hence be able to extract an undue share of revenue from the supply chain. Coordination risks and risks of opportunism are both the result of thin markets, with few buyers, few sellers and a lack of institutions to mediate between buyers and sellers. In such situations, where there is a high risk that investments will fail, and people can't afford to fail, it is likely that investment will not take place and people will remain trapped in rural poverty (see figure 11). **If people and communities are to escape from poverty traps and move towards food security and sustainable livelihoods, they must be enabled both to cope with crisis-related risks and to make the risky investments which are needed to climb out of poverty.**

104. Approaches to reducing poverty and vulnerability through improving risk management range from “protective measures” and welfare support, to “preventive measures”, to “promotional measures” and productivity enhancement.¹⁸⁴ Protective measures aim to provide relief from poverty and deprivation. Preventive measures are direct measures for poverty alleviation. Promotional measures aim to improve real incomes and capabilities. This conceptualisation emphasises that reducing insecurity and improving livelihoods are part of a continuum of social protection and improved risk management. This is especially so in contexts such as southern Africa where livelihood insecurity is endemic rather than periodic.¹⁸⁵ This conceptualisation also reinforces the importance of integrating relief, recovery and development activities (see figure 12), and “points to the need for multiple approaches to social protection where poverty and vulnerability are widespread and highly differentiated.”¹⁸⁶ As Clare Short emphasised in oral evidence: “we have got to merge the continuing humanitarian catastrophe with the development programme because we are not going to come out of this quickly. Partly because it is so deep, but certainly because of the HIV dimension, recovery is going to take a lot longer.”¹⁸⁷ If short-term crisis management is to lead to longer-term development, poor rural communities must be enabled to better manage and deal with their risks. Long-term development reduces the need for short-term crisis management in the future. Donors and Governments must take this wider view when evaluating development interventions and investments.

105. Recognising that relief, recovery and development interventions ought to be integrated, and that protective, preventive and promotional measures form a continuum, in the remainder of this chapter we discuss aspects of rural development ranging from safety nets and social protection, to opportunity ladders, diversification and development. As Dr. Stephen Devereux argued in evidence: “We need to really focus on supporting the private sector, as well as putting in place some kind of safety net or some institutional support for food security. This might sound paradoxical, but I think it is a

¹⁸⁴ Naila Kabeer (2002), “Safety nets and opportunity ladders: Addressing vulnerability and enhancing opportunity in South Asia”, *Development Policy Review*, vol. 20, no. 5, pp. 595-6.

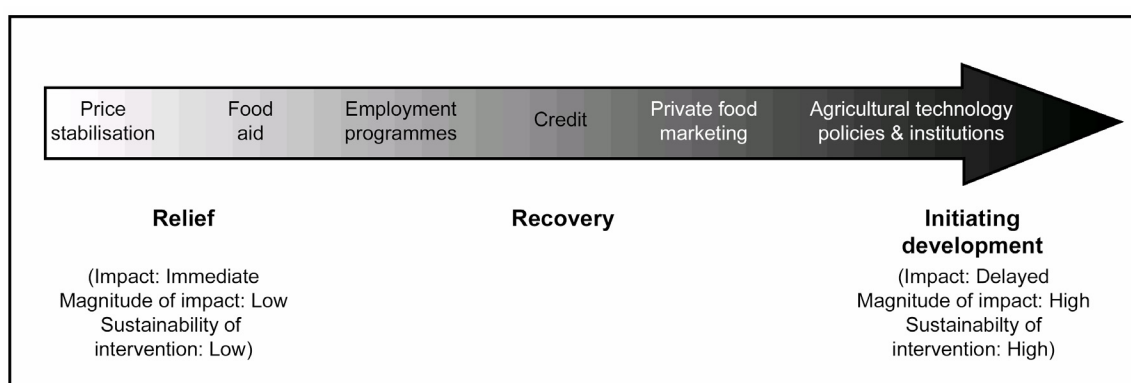
¹⁸⁵ The World Bank's Social Protection Strategy conceptualises three types of risk management and vulnerability reduction. Risk reduction strategies reduce the probability of risk before it occurs, reducing the variability of income flows and consumption patterns in the face of shocks, and improving welfare. Risk mitigation strategies help to reduce the magnitude of impact of a future shock through diversification and insurance strategies. Risk coping strategies enable people to cope by reducing the severity of the impact after a shock. Such strategies include drawing down savings, increasing child labour, and reducing food consumption. See Caroline Moser with Oscar Antezana (2002), “Social protection in Bolivia: An assessment of the terms of the World Bank's social protection framework and the PRSP”, *Development Policy Review*, vol. 20, no. 5, pp. 637-656.

¹⁸⁶ Naila Kabeer (2002), p. 595 – see footnote 184.

¹⁸⁷ Q 170 [Clare Short]

two-pronged approach [...] It is a combination of finding the right mix of minimal support from the state for agriculture and food security and, at the same time, promoting the private sector really strongly and giving them the right signals so that they can fill those gaps they were supposed to fill.”¹⁸⁸ It should be noted that there is no simple mapping between the time horizon of an intervention, and whether it focuses on helping people to cope with crisis, or to take opportunities. Interventions to enable people to make the most of their opportunities are likely to be long-term in orientation, but some aspects of social protection—welfare programmes for orphans and people living with AIDS, but not perhaps free inputs programmes—are likely to be needed in the long-term too. We emphasise too in what follows the need to take account of the challenge of HIV/AIDS in all stages of, and approaches to, relief, recovery and development.

Figure 12: The relief-recovery-development continuum



Source: Babu and Bhouraskar (2002), p. 9 in *Humanitarian Exchange*, p.9 - see footnote 215

Rural development: Agriculture, safety nets and opportunity ladders

The role of agriculture in rural development

106. Agriculture has fallen out of favour with donors and multilateral agencies who have become disenchanted with the poor performance of agricultural investment as a development intervention. Coupled with this has been a growing belief that agriculture alone is insufficient to guarantee sustainable livelihoods and poverty reduction. As DFID notes in its recent issues paper on agriculture: “The proportion of ODA directed towards agriculture and rural development has fallen by almost two thirds between 1988 and 1998.”¹⁸⁹ Indeed, while in Malawi, we were appalled to hear that the share of agriculture in the World Bank’s Malawi portfolio had been scaled down from 40% to zero.¹⁹⁰ **DFID itself does not have a “strategy” for agriculture, because—DFID argues—“it is too diverse a subject”, in relation to which developing countries must themselves take the lead.**¹⁹¹ **Instead, DFID has recently published an “issues” paper which discusses the role of agriculture in improving the livelihoods of poor people. We fail to see why agriculture is any different in this regard from other sectors such as education,**

¹⁸⁸ Q 93 [Stephen Devereux, Institute of Development Studies

¹⁸⁹ DFID (2002), *Better livelihoods for poor people: The role of agriculture*, p. 15. See www.dfid.gov.uk/Pubs/files/agri_livelihoods.pdf

¹⁹⁰ International Development Committee, *Notes on Visit to Malawi*. Copy placed in House of Commons Library.

¹⁹¹ DFID (2002), *Better livelihoods for poor people: The role of agriculture*, p. 4 – see footnote 189.

and urge donors such as DFID to encourage their partner governments in southern Africa to take agriculture seriously, and to provide the necessary financial and technical support. Donors should not be active in all sectors—they should work to their comparative advantages—but given its considerable policy influence in the region, we believe that DFID has a responsibility to ensure that agriculture is not neglected by governments in southern Africa.

107. Poverty reduction requires economic growth, and for many developing countries—particularly in Africa, where agriculture remains the largest source of employment and accounts for one-third of GDP and one-half of exports—agriculture is an important engine of growth.¹⁹² With the exception of Hong Kong and Singapore, all recorded rapid reductions in widespread poverty began with livelihoods being enhanced through agricultural transformation.¹⁹³ As Kydd, Dorward and Vaughan put it in their memo:

Historically, dramatic poverty reduction in other parts of the world has most commonly been achieved by technological and institutional changes that have led to increased labour productivity, increased demand for labour, and increased wage incomes in relation to staple food prices. This has generally involved in its earlier stages sustained increases in productivity in staple food production (wheat, rice or maize), outstripping population growth. Increased cash crop production has played a supporting role, and then once growth has been stimulated by increased agricultural productivity stimulating labour markets, diversification into non-farm activities has taken off, and taken over as the engine of poverty reducing growth.¹⁹⁴

108. Whilst accepting that poverty reduction strategies in countries such as Malawi or Zambia do need to address agriculture, DFID officials told us that: “meeting the needs of the rural poor does not necessarily mean concentrating on agricultural strategy.”¹⁹⁵ We accept that agriculture on its own will not ensure poverty reduction, and agree with DFID when it says that: “Improving food security will increasingly become a matter for employment strategies, social security policy and food policies relating to international trade, food marketing and subsidy programmes and relief. In other words, although agriculture will remain central to food security in sub-Saharan Africa, policies to tackle hunger will need to become increasingly multi-sectoral.”¹⁹⁶ **We disagree with DFID that meeting the needs of the rural poor does not necessarily mean focussing on their agricultural capacity. We believe there is a risk that agriculture—which is the key component of rural livelihoods for millions of people in southern Africa, and the basis for growth and development—will continue to be neglected.** We welcome Clare Short’s acknowledgement that, “the swing away [from agriculture] went too far and we need to look again at how you can pay more attention to improving the livelihoods of poor rural communities. [...] The move away from agriculture has been too big.”¹⁹⁷

¹⁹² DFID (2002), *Eliminating hunger: Strategy for achieving the Millennium Development Goal on hunger*, p. 17 – see footnote 44.

¹⁹³ DFID (2002), *Better livelihoods for poor people: The role of agriculture*, p. 16 – see footnote 189; Q 146 [Andrew Dorward, Imperial College at Wye]

¹⁹⁴ Ev 77-78 [Jonathan Kydd, Andrew Dorward and Megan Vaughan memorandum]

¹⁹⁵ Q 22 [John Winter, DFID]

¹⁹⁶ DFID (2002), *Eliminating hunger: Strategy for achieving the Millennium Development Goal on hunger*, p. 15 – see footnote 44.

¹⁹⁷ Q 191 [Clare Short]

109. We accept that there is a need to try to find alternative incomes, livelihood strategies and ways out of poverty, in addition to agriculture, but we were told that: “At the moment, nobody seems to know where those alternative livelihoods are going to come from.”¹⁹⁸ The work of organisations such as Traidcraft, who seek to create sustainable livelihood opportunities through production and trade of handicrafts is important, but it is not a solution to widespread rural poverty.¹⁹⁹ **If poverty reduction and food security is to be achieved in southern Africa, agricultural investment must not be neglected. Rather than despairing at the hitherto poor performance of agriculture, donors must help to put in place the institutional environment which is needed to support agricultural investment and make it deliver significant poverty-reducing returns. Donors should support the re-building of agricultural extension services which were undermined as donor support to agriculture decreased.** We agree with Christian Aid that: “Support is needed for programmes to increase agricultural productivity through targeted affordable inputs and credit, rural social and economic infrastructure, and large-scale irrigation.”²⁰⁰

110. Attention must also be paid to the form of agricultural development. According to DFID, the “greatest impact on poverty has been seen in countries where small and medium scale agricultural producers have driven agricultural growth. Agricultural growth has not had as much effect in countries where the bulk of increased farm income has accrued to larger businesses.”²⁰¹ **The development of a cash-crop economy and export businesses can play an important role (see paragraphs 139-140), not least in transferring technology to developing countries, but for widespread poverty reduction and livelihood enhancement the focus must be on small and medium scale agricultural producers.**²⁰²

Safety nets and social protection

111. Safety nets and social protection measures have two inter-linked aims. First, to ensure that people do not fall below a certain level of poverty. Second, by providing this buffer against risk, to encourage people to invest and take the associated risks.²⁰³ As figure 13 shows, there are some social protection measures in Mozambique, and discussions have taken place in Zimbabwe, but in the countries affected by the current crisis only Malawi has a well-developed safety nets strategy. Malawi’s National Safety Nets Strategy has four components, targeted at different groups of vulnerable people: firstly, welfare transfers targeted at the chronically ill, the elderly and the disabled; secondly, targeted nutrition for malnourished children, vulnerable pregnant or lactating mothers; thirdly, public works programmes for the rural poor who have spare labour, and the urban poor; and, fourthly, targeted inputs (seed and fertiliser) for the rural poor with land.²⁰⁴ Targeting assistance by type of vulnerability is key to the effective functioning of social protection measures. **We applaud DFID for its role in supporting the design of Malawi’s National Safety Nets Strategy. We urge DFID to do its utmost to**

¹⁹⁸ Q 106 [Stephen Devereux, Institute of Development Studies]

¹⁹⁹ Ev 123-126 [Traidcraft memorandum]

²⁰⁰ Ev 63 [Christian Aid memorandum]

²⁰¹ Ev 22, answer 10 [DFID supplementary memorandum]

²⁰² This touches on a broader debate within development thinking: whether to continue supporting the “peasant mode of production” in sub-Saharan Africa, or to encourage land privatisation and consolidation of family plots into large commercial farms, with smallholders either becoming waged agricultural labourers or moving to towns. It is beyond the scope of this inquiry to arbitrate between these two alternatives for Africa’s future development path.

²⁰³ Ev 21, answer 9 [DFID supplementary memorandum]; Q2 [John Winter, DFID]

²⁰⁴ Malawi Poverty Reduction Strategy Paper, p. 65. See http://poverty.worldbank.org/files/Malawi_PRSP.pdf

ensure that the strategy is put into practice, that the different elements of the strategy are integrated, and that, where appropriate, safety nets strategies are developed throughout the region.

Malawi	In 1999 the World Bank led a consultative process of designing a National Safety Net Programme for the poorest 20% of Malawi's population. Implementation of the Safety Nets Strategy stalled after it was handed over to the Government of Malawi in 2000, and at present it remains as a series of uncoordinated donor-funded projects, the largest among these being the World Bank-financed Malawi Social Action Fund (MASAF), and DFID's Targeted Inputs Programme (TIP).
Zimbabwe	The World Bank and the Government prepared a draft framework for a National Social Protection Strategy in 2000 that would pull together and enhance the various schemes that were operating in the country. While this was a fully consultative process the current political situation precludes further dialogue while the Government's arrears in both interest and capital repayments in excess of US\$130 million prevents the World Bank from taking this forward.
Mozambique	While there is no safety net programme the cash-for-work programme being developed by DFID as part of a longer-term relief programme could be the precursor for a wider Safety Net programme within the Poverty Reduction Strategy Paper.
Zambia	No discussions have taken place with Government or donors on a national safety net strategy.
Swaziland	No moves towards developing safety net programmes.
Lesotho	No moves towards developing safety net programmes.

Sources: DFID Supplementary memorandum and Committee's research

Food supplies: School feeding, price subsidies and grain reserves

112. Humanitarian interventions should seek to build on positive livelihood strategies and mitigate the damaging coping strategies that households adopt to survive shocks and crises. Targeted nutrition programmes, organised through school feeding programmes such as UNICEF's "Food for education" scheme have the added benefit of keeping children in school. As Clare Short told us: "In Zimbabwe children are dropping out of school and getting food to children in school gets food to children but it also keeps children in school, which in terms of their future lives is important for them."²⁰⁵ In addition, such schemes can usefully target orphans and geographic areas of particular need. **We therefore endorse the recommendations made by UN-OCHA, which as well as encouraging support for food-for-work and food-for-asset-creation programmes—(see paragraphs 117-119)—include increasing support to school feeding programmes to reduce withdrawals of children and promote enrolment and attendance.**²⁰⁶

²⁰⁵ Q 195 [Clare Short]

²⁰⁶ Ev 25, para 4 [UN-OCHA memorandum]

113. The provision of targeted nutrition and food supplies has been a matter of contention in southern Africa. Whilst in Malawi, we became aware of the World Bank's scheme to support a general maize subsidy to ensure that poor people could afford food, a scheme which is part of the Emergency Drought Recovery Project.²⁰⁷ We would not argue with this goal, but in our view the general subsidy scheme is misguided and its implementation—without adequate consultation with other donors—was unhelpful. It undermined plans for a targeted subsidy which DFID and other donors had been drawing up with the Government of Malawi. The World Bank-supported general subsidy also increases Malawi's debt by US\$50 million. The general subsidy scheme was justified to us by Malawian government and World Bank officials in terms of the immediate and pressing emergency needs, and the difficulty and cost of targeting subsidies accurately, particularly given the widespread nature of poverty in Malawi. Indeed, as Clare Short accepted in oral evidence: "one of the things that happens in food shortages is prices do go shooting up, so some intervention to bring them down while organising a recovery is not necessarily ruled out."²⁰⁸ We were also told that as most maize is produced for subsistence, its market price has little impact on the incentives or otherwise to produce more.²⁰⁹

114. We consider that a general maize subsidy is likely to strike the wrong balance between short-term relief and longer-term development. No doubt it will contribute to short-term food security. But it is likely to work counter to the longer-term development needs of Malawi by removing the incentives for farmers to move beyond subsistence levels of production and by undermining the incentives for traders. **In addition, given the likelihood of corruption in the sale of the SGR** (see paragraph 36 and figure 3), **and the possibility that a general maize subsidy might be diverted to buy votes at forthcoming elections²¹⁰ or leaked through resale to neighbouring countries where prices are higher, we are not confident that a general maize subsidy is the most effective way of combating poverty and improving food security. It is essential that efforts to meet the short-term needs of communities do not undermine longer-term development.** We accept that the needy in Malawi form a substantial majority of the population, and that differentiating between the poor and the very poor so as to target only the latter may seem to be perverse. But every effort must be made to maximise the effectiveness of (costly) social protection measures. **Targeting assistance to the most needy is the most effective way of spending scarce resources, and is likely to minimise the risk of profiteering by elites. We remain concerned at the likely impacts of the general maize subsidy in Malawi, and share DFID's frustration at the World Bank's lack of consultation during the design of the scheme.**

115. Governments in southern Africa have, since the 1970s and 1980s, maintained strategic grain reserves in order to ensure that their people have access to affordable maize. Over recent years, some members of the donor community—including the World Bank, the IMF, and DFID—have been opposed to the maintenance of substantial grain reserves, and encouraged governments to reduce their holdings.²¹¹ This opposition has been for understandable reasons. In the past, grain reserves have often been poorly managed and costly to maintain. It has also been thought that their existence and use to

²⁰⁷ See www4.worldbank.org/sprojects/Project.asp?pid=P080368

²⁰⁸ Q 196 [Clare Short]

²⁰⁹ Carlos Barahona and Sarah Levy (2002), *2001-02 Targeted Inputs Programme (TIP) Main report of the evaluation programme*, footnote 37. Background Paper 4 – copy placed in House of Commons Library.

²¹⁰ Q 179 [Clare Short]

²¹¹ Q 38 [John Hansell, DFID]

smooth prices between harvests might act as a disincentive to increasing maize production. In Malawi there have been serious concerns about the sale of the SGR as discussed in figure 3. **We are not a committee of inquiry into the complexities of the sale of Malawi's Strategic Grain Reserve, but such episodes do cast light on issues of governance and accountability. Greedy and corrupt officials in positions of responsibility must not be allowed to profit from the sale of a country's grain reserve. As such, we trust—although the removal of Gilton Chiwaula from the Anti-Corruption Bureau does not fill us with confidence—that the continuing inquiries will uncover what happened in Malawi, and that appropriate actions will be taken.**

116. **Properly managed grain reserves, coupled with the holding of options to purchase grain on commodity markets, must be part of future food security strategies in the region. Further—whilst it is important that the maintenance of grain reserves does not take too large a slice out of scarce governmental resources—we do not think it realistic to expect strategic grain reserves to operate on a full cost-recovery basis.**²¹² As with other forms of social protection, grain reserves are an investment in social welfare, food security and development, and must be supported as such. However, they must be managed transparently, accountably and efficiently, and in such a way that market disruption is minimised.

Public works programmes

117. Public works programmes seem to offer a promising approach to the provision of safety nets in such a way that they build the assets of individuals and communities, providing the basis for longer-term development. In southern Africa, where many poor families have spare labour in the dry season, public works programmes can utilise this spare capacity for the development of rural infrastructure. Put simply, public works programmes can—as we saw for ourselves in Malawi—construct the roads and bridges which are needed to link agricultural communities to markets for agricultural inputs and products, build the schools which are needed for education, and construct the irrigation schemes which are needed to increase agricultural productivity. As Professor Kydd, Dr. Dorward and Professor Vaughan wrote in their memorandum: “If designed and administered appropriately these can be used to develop input supply markets and maize markets, improve rural roads, increase national and household maize production and food security, strengthen rural administrative capacity, and reduce dependency.”²¹³

118. Public works programmes can take various forms; payment for work can be made in cash, food, agricultural inputs, or partial repayment of credit.²¹⁴ The type of payment must be informed by a clear understanding of the livelihood strategies of the participants, and the contexts in which they find themselves. For instance, cash payment schemes may contribute to the emergence of markets, but if food prices are too high, or markets are non-existent, payment in food or agricultural inputs may be more appropriate.²¹⁵ Schemes which reward work by paying off an individual's debt—as suggested by Professor Kydd²¹⁶—may improve people's access to credit. Schemes which provide agricultural inputs in return for work can play an important role in

²¹² Q 157 [Jonathan Kydd, Imperial College at Wye]

²¹³ Ev 78 [Jonathan Kydd, Andrew Dorward and Megan Vaughan memorandum]

²¹⁴ Ev 121 [Stephen Carr memorandum]

²¹⁵ Suresh Babu and Ashwin Bhouraskar (2002), “Fighting famine in southern Africa: Steps out of the crisis”, *Humanitarian Exchange*, no. 22, p. 7.

²¹⁶ Q 161 [Jonathan Kydd, Imperial College at Wye]

improving agricultural productivity. Stephen Carr reported in his memorandum that: “Experiments with this approach with thousands of farmers (funded by USAID) have proved immensely popular and have brought quite obvious benefits both in terms of food production and rural road development.”²¹⁷

119. Public works programmes must be designed carefully. As Rob Holden and Anthony Smith of DFID explained: “it is a question of having a range of tools and interventions at your disposal and using them as appropriate”,²¹⁸ “there is no blueprint that is applicable across the region.”²¹⁹ **In many ways, local people, including intended participants and beneficiaries, may well be in the best position to advise on the most effective form of payment and should be involved fully in the design and implementation of such schemes. Public works programmes must take account of local situations and gender relations, and other measures must be taken to support those who cannot work. For instance, labour intensive public works programmes are entirely inappropriate for people living with HIV/AIDS, the infirm, and women with child-care responsibilities.**²²⁰ **But we believe that public works programmes provide an excellent way of linking short-term relief to longer-term development and urge DFID to support such schemes wherever communities in southern Africa have spare labour.**

Targeted subsidised inputs

120. The provision of targeted, subsidised, inputs—seeds and fertiliser—is another way of simultaneously addressing food security needs and promoting longer-term development. Malawi has been something of a pioneer in this regard. During our visit, we saw packs containing 5 kilograms of seed, 10 kilograms of fertiliser, instructions on planting, and leaflets about HIV/AIDS being distributed. DFID and other donors have supported the provision of “Starter Packs” since 1998/99. According to Carlos Barahona and Sarah Levy—the leaders of the team which has evaluated this programme for DFID—two-thirds of smallholders in Malawi cannot afford to purchase inputs. They argue that this is the key reason for the under-production of maize, sharp rises in food prices, and resultant food security crises. The DFID-financed ‘Starter Pack’ and ‘Targeted Inputs Programme’ has partially offset the declining access to inputs associated with economic liberalisation (currency devaluation, removal of subsidies, and collapse of rural credit).²²¹ Introduced as a post-drought rehabilitation programme in the mid-1990s, the free distribution of agricultural inputs aimed to promote both household and national food security. Because of concerns that it was unsustainable and undermining markets, the programme was reduced from a universal to targeted distribution in the season preceding the 2001/02 food crisis.²²² As an immediate response to the crisis, DFID launched a Winter Targeted Inputs Programme in mid-2002, and the Government of Malawi announced a return to universal free inputs distribution for the 2002/03 farming season.

121. There has been criticism of the “stop-go” nature of what is now termed the Targeted Inputs Programme, and of the speed with which the programme was scaled down. Some commentators have suggested that the reduction in the Targeted Inputs

²¹⁷ Ev 121 [Stephen Carr memorandum]

²¹⁸ Q 194 [Rob Holden, DFID]

²¹⁹ Q 195 [Anthony Smith, DFID]

²²⁰ Q 161 [Jonathan Kydd, Imperial College at Wye]

²²¹ Ev 121-123 [Carlos Barahona and Sarah Levy memorandum]

²²² Ev 122, para 7 [Carlos Barahona and Sarah Levy memorandum]

Programme contributed to the food shortages of 2001/02. This may be so, but had other factors not come together—erratic rainfall, logistical problems, the sale of the grain reserve—the phasing out of the Targeted Inputs Programme might not have been implicated in a crisis. Inputs programmes and their phasing out should be well-planned, but they cannot be based on perfect foresight. Indeed, Clare Short explained to us the converse risk that Targeted Inputs Programmes might seek to do too much, and hence increase dependency on free inputs. As the Secretary of State recalled: “We were involved in the Starter Packs of seeds and fertiliser scheme but then government wanted us to broaden and broaden it, and we did, and there was a big growth in production and then, of course, prices dropped and we think we overdid it, but it is easy to be wise after the event.”²²³

Year	Weather	Beneficiaries (households and % coverage)	Total Harvest	Targeted Inputs Programme Contribution
1998/99	Good	2.86 million 100%	1 650 000 MT	500 000 MT
1999/2000	Good	2.86 million 100%	1 860 000 MT	350 000 MT
2000/01	Moderate/Poor	1.5 million 50%	1 420 000 MT	75 000 MT
2001/02	Moderate/Poor	1 million 33%	1 280 000 MT	40 000 MT

Source: Ev 122, para 7 [Carlos Barahona and Sarah Levy memorandum]

122. Targeted Inputs Programmes can play an important role in achieving food security. To do so they must be part of a longer-term rural development strategy which, over time and where possible, reduces dependence on free inputs, making inputs more affordable and accessible by raising rural incomes and promoting rural development.²²⁴ We urge DFID to continue its support for Malawi’s Targeted Inputs Programme, and to work with other Governments to examine whether such schemes—with carefully planned exit strategies—might enhance their food security and longer-term development prospects.

123. Donors and governments in southern Africa urgently need to find ways of making yield-enhancing inputs (fertiliser and seeds) accessible to smallholder farmers at affordable prices. The free distribution of inputs, whether universal or targeted, in Malawi or elsewhere, is a useful interim measure but does not provide an appropriate model for a sustainable long-term solution to food insecurity. An alternative proposal made to us by Stephen Carr, to amend the existing rural public works programmes so that participants are paid with vouchers for

²²³ Q 179 [Clare Short]

²²⁴ Ev 122-123, paras 8-9 [Carlos Barahona and Sarah Levy memorandum]; Q 159 [Andrew Dorward, Imperial College at Wye]; Q 159 [Max Lawson, Oxfam]

agricultural inputs, rather than in food or cash as at present, should be seriously considered.²²⁵

124. The key principle of effective social protection strategies is that they must not undermine longer-term sustainable development. As we were told by DFID officials, this meshing of approaches, and time horizons, has not been systematically achieved in southern Africa.²²⁶ Ideally, social protection measures ought to actively contribute to—as well as not undermine—sustainable development. The challenge is to devise asset-building social protection measures which are investments in production rather than simply protective of consumption.²²⁷ **Short-term assistance and focused safety nets must contribute towards longer term goals of improving governance, reducing dependency, nurturing functioning and equitable markets, developing infrastructure, and increasing agricultural productivity.**²²⁸ Finally, effective social protection strategies, whilst addressing short-term needs, must—by including plans for the phasing out of certain forms of assistance such as free inputs programmes where possible—look to a future where such measures are employed less frequently and less widely.

Opportunity ladders

125. If poor rural communities are to climb out of poverty they need “opportunity ladders” as well as safety nets and social protection. Professor Kydd, Dr. Dorward and Professor Vaughan suggested in their memorandum that the key conditions necessary for the rural economy to escape from the poverty trap are: “crops, technology development and input and output prices and interest rates that make investments in farming and in marketing profitable; systems that provide farmers and traders with reliable and coordinated demand and supply, free from excessive risks of opportunism; improved roads and other communications, including mobile phones; and a momentum of growth and increasing trust in rural markets and services.”²²⁹ Had such conditions been met in the past, agricultural liberalisation might have contributed to food security, rather than as seems to be the case, undermined it (see paragraphs 39-41). As Christian Aid argued, investment in rural transport, accessible market information, the ability of producers to come together in associations to increase their bargaining capacity, and effective institutions to manage the process of change were all lacking.²³⁰

126. The priority now is to put in place the essential preconditions for the development of sustainable rural livelihoods and a healthy rural economy, phasing in measures to kick-start markets (see figure 15). DFID wrote that:

At country level the priority for rural development is to create a policy and institutional environment that provides opportunities for poor people to derive a better livelihood from agriculture and non-farm enterprises. This will include strengthening or creating a sound institutional framework to improve poor people’s access to land, markets and services. It means creating an enabling environment that encourages private sector investment, particularly in agriculture and agricultural services. It also means supporting the agricultural

²²⁵ Ev 121 [Stephen Carr memorandum]

²²⁶ Q 2 [John Winter, DFID]

²²⁷ Naila Kabeer (2002), p. 590 – see footnote 184.

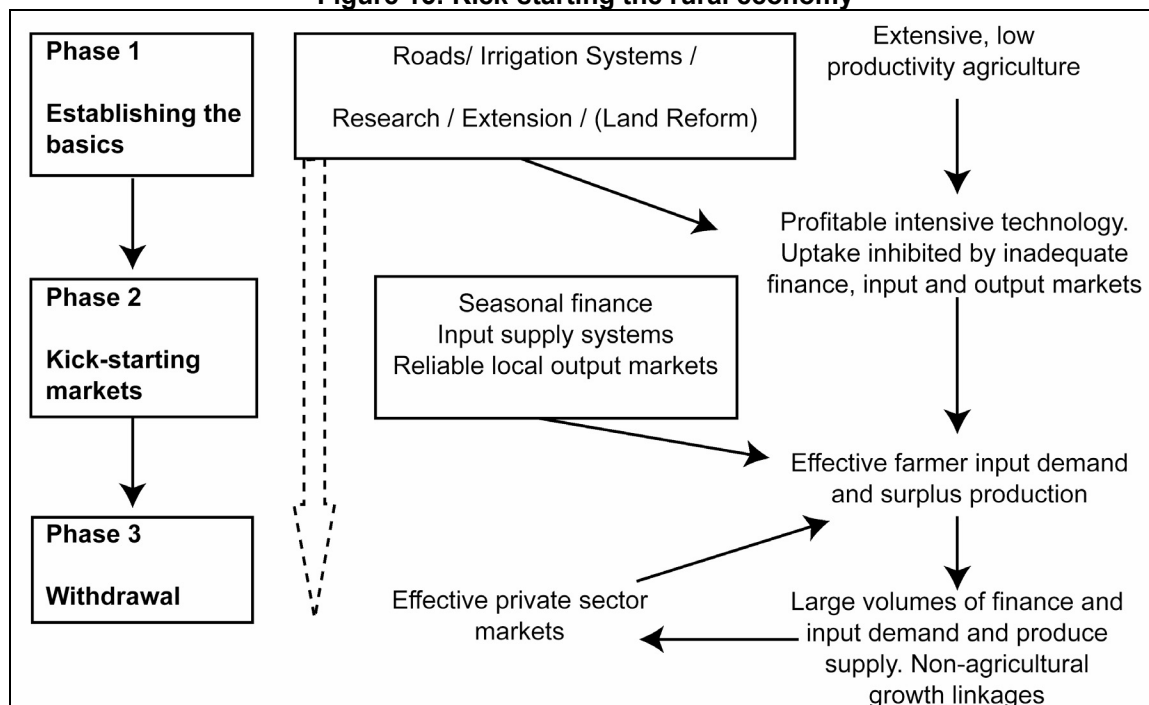
²²⁸ Ev 78 [Jonathan Kydd, Andrew Dorward and Megan Vaughan memorandum]

²²⁹ *Ibid.*

²³⁰ Ev 56 [Christian Aid memorandum]

sector by giving particular emphasis to agricultural technology and marketing institutions.²³¹

Figure 15: Kick-starting the rural economy



Source: Dorward et al (2002) – See footnote 182

Agricultural inputs: Seeds, fertiliser, water, land and credit

127. As regards technological improvements, there are a range of ways in which progress might be made. World Vision suggested that the crisis has been created by “decades of policies” that have encouraged dependence on white maize and on technologies (such as chemical fertilisers and hybrid seeds) that are economically unfeasible and environmentally damaging.²³² In terms of seeds, there may be some potential in the use of particular drought-resistant varieties of maize and other crops. Such possibilities should be explored, but **we believe that the open-pollinated varieties (OPVs) which require few inputs, and which farmers can store and re-use, are more appropriate for poor smallholder farmers than hybrid and genetically-engineered varieties which require annual repurchase and could tie poor farmers into costly relationships with powerful transnational seed companies.** As a recent report by the International Maize and Wheat Improvement Centre on the development, maintenance, and seed-multiplication of open-pollinated maize varieties notes: “Improved OPVs are easier to develop than hybrids, their seed production is simpler and relatively inexpensive, and subsistence farmers who grow them can save their own seed for planting the following season, reducing dependence on external sources.”²³³

²³¹ Ev 21, answer 10 [DFID supplementary memorandum]

²³² Ev 130 [WorldVision memorandum]

²³³ CIMMYT (1999), *Development, maintenance, and seed multiplication of open-pollinated maize varieties*. Available at www.cimmyt.cgiar.org/

128. Fertiliser presents a similar problem, with many smallholders in southern Africa unable to afford expensive fertilisers marketed by transnational fertiliser firms. We agree that more progress is needed in the development of practical organic methods of providing soil nitrogen for maize production, to complement, and reduce, the application of inorganic fertilizers needed to support sustained higher yields.²³⁴ The delivery of free or subsidised seeds and fertilizer—for instance through the DFID-supported Targeted Inputs Programme in Malawi—has provided some seeds and fertiliser to some farmers. But, useful as this programme undoubtedly is, it does not allow people to choose how much fertiliser or seeds they acquire, or when. What is needed in the longer-term is well-functioning markets which make seeds and fertiliser available to smallholder farmers at affordable prices.²³⁵ An additional way of making fertiliser more widely available would be to encourage livestock husbandry. Livestock numbers have been drastically reduced as households have sold assets in response to the crisis, and have also fallen because of concerns about security. But livestock can and should provide an important source both of protein and of fertiliser. **We would like DFID to explain its plans for making affordable fertiliser available to smallholders in southern Africa, in both the short and longer-term.**

129. Irrigation technologies provide another way of improving the availability of inputs, in this case water. Whilst in Malawi, we received a presentation about the Government's long-term irrigation plans. But we were dismayed that such plans had not been initiated already. We also heard about DFID's plans to encourage smallholders to join together to purchase treadle-pumps to increase their productivity. The treadle-pumps would pay for themselves in one year of increased productivity, and could play an important role in enabling and encouraging smallholders to move beyond subsistence, and to work cooperatively. **Climatic uncertainty, drought or erratic rainfall, is an increasingly important source of vulnerability in southern Africa, and one which should be addressed by developments in irrigation. Just as price-smoothing in maize markets can reduce one form of vulnerability, making maize prices less erratic, more predictable and more affordable, so too can irrigation and "rainfall-smoothing" or "rainwater-harvesting" reduce vulnerability.** This is particularly important given the sensitivity of food-crops to the timing of rain, and the likelihood that global climate change will lead to more erratic weather in southern Africa.²³⁶ Investment in irrigation and rainfall-smoothing would also remove the disincentive that farmers face to adopting higher-yielding varieties of maize which are more sensitive to climatic conditions.

130. Land reform and redistribution is not a panacea for rural development in southern Africa. As Professor Kydd pointed out to us, in Malawi, productivity enhancements from land reform would be eaten up by only a few years of population growth. On the other hand, in Zimbabwe for instance, improved access to land has significant potential, and is clearly a very important issue, both politically and in terms of increasing agricultural production. DFID told us in their supplementary memorandum that land and agrarian reform pose significant challenges to the countries of southern Africa. If these challenges are not tackled, they have the potential to deter economic growth and promote instability. **Historical imbalances in land ownership do need to be corrected, but land reform programmes must be planned and implemented carefully, legally, with adequate consultation, and as part of poverty reduction strategies. We strongly**

²³⁴ Ev 78 [Jonathan Kydd, Andrew Dorward and Megan Vaughan memorandum]

²³⁵ Q 106 [Stephen Devereux, Institute of Development Studies]

²³⁶ Third Report from the International Development Committee, Session 2001-02, *Global climate change and sustainable development*, HC519. See www.publications.parliament.uk/pa/cm200102/cmselect/cmintdev/519/519.pdf

endorse DFID’s support for a regional technical facility to take forward land policy issues at a regional level within SADC.²³⁷

131. Credit too can help move people on to opportunity ladders. Without access to credit, few smallholders can even contemplate making investments in their future well-being. In their memorandum, Christian Aid reported that in Malawi private credit companies charge around 45 to 50% interest on loans.²³⁸ At this rate, and lacking the assets needed for collateral on loans, poor households are unable to contemplate taking the risks associated with investing in their future livelihoods. **We agree with Christian Aid, that support should be provided to enable commercial and government credit institutions to provide rural credit, and urge DFID to increase the support it offers to this sector in southern Africa. There is a role too for farmers’ associations such as NASFAM in improving smallholders’ access to agricultural inputs and credit, provided they have the ability to reach and serve the very poorest farmers.**

The role of the Food and Agriculture Organisation

132. The UN’s Food and Agriculture Organisation (FAO) might be expected to play an important role in improving the provision of inputs and encouraging the adoption of new technologies. But as we heard both in Malawi and in oral evidence, the FAO—in part because of constraints beyond its control—is limited in what it does. Not for the first time, Clare Short criticised the FAO for its approach to agricultural development, sustainable livelihoods and hunger. The Secretary of State suggested that the FAO is less effective than it might be, and argued that its emphasis on food security is “hopeless because you can have a country self-sufficient in food with lots of hungry people or you can have a country not self-sufficient in food and everybody fed.”²³⁹ Indeed, there is a mistaken lingering tendency in the countries of southern Africa to assume that food security and national food self-sufficiency are one and the same.

133. We share the sentiments expressed by Clare Short, but acknowledge the constraints within which the FAO works. Unlike the World Bank, or even DFID, the FAO does not have the resources to provide a great deal of advice on agricultural policy to developing countries.²⁴⁰ We appreciate too the role of the FAO as an important repository of specialist expertise which developing countries can use, and the normative role it plays in backing up the negotiation of international norms and standards. **We support strongly Clare Short’s efforts to reform the FAO, and in particular its approach to food security, but encourage the FAO’s critics to be realistic in their expectations of what the FAO can do within its resource constraints. They should not undermine the important work which the FAO does in promoting and developing international standards, and in providing agricultural advice for hard-pressed developing countries. Nevertheless, if the FAO is not—in the absence of sufficient governmental capacity—the right organisation to be involved in agricultural extension, improving agricultural productivity and encouraging diversification, we wonder which organisation is.**

²³⁷ Ev 22, answer 11 [DFID supplementary memorandum]

²³⁸ Ev 60 [Christian Aid memorandum]

²³⁹ Q 193 [Clare Short]

²⁴⁰ Q 147 [Jonathan Kydd, Imperial College at Wye]

Agricultural outputs: Prices, markets, diversification and exports

134. Relatively stable and predictable prices are good for both consumers and producers, and for rural development. Consumers want prices to be stable at a level which enables them to buy sufficient food to eat. Producers want prices to be stable at a level which provides them with a reasonable return on investment. Rural development, as discussed earlier (paragraph 125), requires a momentum of growth and increasing trust, a momentum which requires price stability. States and parastatal marketing agencies such as ADMARC in Malawi have in the past attempted to provide some price stability, balancing the needs of consumers and producers. But there is no enthusiasm in the donor community for a return to the use of state or state-related institutions for price-smoothing; and, as donor financial support would be crucial, a return to such practices is unlikely. As Christian Aid explained: “Some members of the donor community (including the World Bank and DFID) have on occasion shown reluctance to acknowledge, promote or support the role of the state or state-related institutions in creating, supporting, and regulating staple food markets.”²⁴¹ The fear—based in part on past experience—is that such institutions are likely to be expensive, suffer from poor governance (mismanagement, corruption, elite capture, lack of transparency), and, in distorting the market, may crowd out the emergence of small- and medium- private processing and trading entrepreneurs.

135. We share the above-mentioned concerns, and would not wish to see a return to the inefficiencies of the past. Nonetheless, we have some sympathy with the view of Christian Aid that “some form of government intervention is clearly needed in crisis-affected countries to regulate and create markets in order to ensure stable food supplies and distribution, to align demand more closely to supply, to regulate the activities of private market actors, and to protect and promote the production capacity of households with few assets and low resilience to external shocks.”²⁴² John Seaman of SCF-UK told us in oral evidence that: “if you had stabilised the price of maize in 2001 in Malawi no crisis would have occurred.”²⁴³ In the 1960s and 1970s, many African countries subsidised food prices and applied counter-seasonal price-smoothing policies, supported by parastatal interventions in the grain market (buying up surpluses post-harvest and releasing these stocks onto the market at cost price during the hungry season). The aim of these policies was to maintain constant consumer food prices and supplies all year round. In the 1980s, these interventions were heavily criticised by the World Bank and IMF as inefficient, unaffordable and market-distorting, and by the mid-1990s price subsidies and price-smoothing interventions were phased out. In India, on the other hand, thousands of ration shops continue to provide access to food for the poor at affordable prices.

136. Price stability and food security—enabling better management of the risks associated with crises—is fundamental to efforts to develop a sustainable market economy. Food- insecure households are risk-averse households; risk-averse households do not make the investments needed to move beyond subsistence. John Winter of DFID said: “We would, of course, like to see an open market in maize within the region.”²⁴⁴ If the appropriate institutions were in place to ensure that sufficient maize was provided at prices which the poor could afford, we would

²⁴¹ Ev 60 [Christian Aid memorandum]

²⁴² *Ibid.*

²⁴³ Q 115 [John Seaman, SCF-UK]

²⁴⁴ Q 34 [John Winter, DFID]

agree. Currently, they are not. Without advocating any particular form of intervention, we believe that the principle of guaranteeing access to affordable food for the poor at all times is one that should be re-instituted and followed.

137. There is clearly a need for institutional innovation and experimentation, freed from ideological straitjackets. Kato Lambrechts of Christian Aid argued that: “The challenge is to sit down and think through what is the most appropriate response and not necessarily go down an ideological road, i.e. liberalisation for the sake of liberalisation, but to look at what would be a response that would be pro-poor that would actually serve and help to sustainably grow the livelihoods of the most vulnerable.”²⁴⁵ We agree. **The potential of using targeted food subsidies as an alternative to the unsustainable and inefficient consumer price subsidies of the past should be explored. DFID has recent experience with a pilot scheme of targeted “flexi-vouchers” in Malawi.** Under this scheme, beneficiaries were given vouchers to a certain monetary value which they exchanged for commodities at local stores. Many acquired food for their families, but interestingly, many acquired blocks of soap which they stored and bartered or sold for food some months later, when food prices rose. **Perhaps the lessons learned from this initiative could be expanded and incorporated into larger safety net programmes at the national or even regional level.**

138. **In addition, DFID should support southern African governments and SADC in their efforts to encourage the emergence of new and more effective “hybrid institutions”, which involve the state and the private sector in the regulation of staple food markets. It is not clear what sorts of systems might be able to deliver both price stability at appropriate levels, and the coordination and protection needed to nurture fragile market development. But it may be worth exploring the idea of private companies tendering for franchises to deliver specific services—including food supplies—at predetermined, and if necessary supported, prices.**²⁴⁶

139. Limited progress has been made in southern Africa with diversifying agricultural production, firstly as regards staples, from maize to cassava and sweet potatoes, and secondly into the production of cash crops, such as cashew nuts, oilseeds, pigeon peas, and paprika, alongside the more established commodities of tobacco, tea, sugar and coffee. In terms of staples, the preference for eating maize in much of southern Africa is a constraint to diversification, and one which donors should, sensitively, seek to reduce. In terms of cash crops, there is considerable potential. As DFID wrote in their supplementary memorandum: “Currently, exporting out of Africa is the only promising avenue for growth, given that intra-African trade is likely to remain constrained, due to low local demand and poor integration of African markets. African trade represents a tiny fraction of world trade and its exports are in many cases below their level of three decades ago, so there is great potential for expansion.”²⁴⁷ **We believe that some diversification into production of cash crops for export is desirable and were pleased to hear in Malawi of DFID’s support for efforts to develop export capacity and know-how through the Integrated Framework. There are however important limitations and obstacles. Cash crop production is not a panacea, particularly for land-locked countries such as Malawi. In addition, a shift to cash crops will not in itself guarantee food security—the fundamental basis for development beyond subsistence levels—for rural communities. As Andrew Dorward explained:**

²⁴⁵ Q 131 [Kato Lambrechts, Christian Aid]

²⁴⁶ Ev 78 [Jonathan Kydd, Andrew Dorward and Megan Vaughan memorandum]

²⁴⁷ Ev 22, answer 10 [DFID supplementary memorandum]

If maize goes from two kwacha a kilo to 30 kwacha a kilo, you cannot rely on tobacco income to buy maize, so you have to carry on producing your own maize to insure yourself against that eventuality. That means that, if you are going to get cash crops actually having a more generic effect throughout the poorer parts of the rural economy where the majority of people live and operate, then you have to get food crop markets going and food crop production going as well, so that there is a lot more stability and people can rely on those markets.²⁴⁸

140. The major obstacle to export-led growth is of course that of limited market access and the highly hypocritical maintenance of export subsidy regimes in the EU and US.²⁴⁹ This is an issue we are exploring in our current inquiry into “Trade and development: Aspects of the Doha agenda”, but it is clear already that **perhaps the best thing that developed countries could do to improve the prospects of developing countries such as those in southern Africa would be to practice what they preach, improving market access and eliminating export subsidies, at the same time as helping to build developing countries’ export capacity. We urge DFID and the UK Government as a whole to step up its efforts to persuade our European partners that fundamental reform of the Common Agricultural Policy must to be a priority. In addition, consideration should be given to the role of a “development box” in allowing developing countries to maintain subsidies for essential food security reasons.**

The challenge of HIV/AIDS

141. HIV/AIDS is central to the humanitarian crisis in southern Africa. HIV/AIDS is creating new groups of vulnerable people, and will kill many more people in southern Africa than hunger. As the UN Inter-Agency Standing Committee stated: “Unless prompt and decisive action is taken now, it is estimated that, just due to HIV/AIDS, 20% of the adult population will die prematurely.”²⁵⁰ Hunger may be alleviated, at least temporarily, by a good harvest; HIV/AIDS will remain a problem for decades. As we discussed in section 3.2.3, HIV/AIDS and food insecurity are linked together in a cycle of malnutrition, HIV/AIDS, poverty and food insecurity. If communities in southern Africa are to emerge from the current humanitarian crisis, and to move towards sustainable livelihoods, the challenge of HIV/AIDS must be addressed, and integrated into all stages and aspects of relief, recovery and development. As DFID noted in its strategy paper on eliminating hunger: “Policies for food security, agriculture and rural development must all take into account the consequences of HIV/AIDS, such as the loss of labour, the changes in livelihood strategies and the reduction of capacity in local organisations.”²⁵¹ We were disappointed therefore to hear Clare Short report that: “everybody is talking about it but there is very little change in the way that things are done.”²⁵²

²⁴⁸ Q 145 [Andrew Dorward, Imperial College at Wye]

²⁴⁹ Q 144 [Max Lawson, Oxfam]

²⁵⁰ UN Inter-Agency Standing Committee, *Southern Africa’s humanitarian crisis: Heads of the major humanitarian agencies call for action*, 20 January 2003. Available at www.reliefweb.int

²⁵¹ DFID (2002), *Eliminating hunger: Strategy for achieving the Millennium Development Goal on hunger*, p. 18 - see footnote 44.

²⁵² Q 169 [Clare Short]

HIV/AIDS and humanitarian assistance

Improving nutrition

142. In their joint paper on HIV/AIDS and food security, Oxfam and SCF-UK argued that: “Successful efforts to improve the food security and livelihoods of families should reduce the probability of HIV infection, slow the progression of HIV to AIDS and increase the resilience of households trying to recover from HIV-related illness and death [...] Efforts to reduce the rate of HIV infection in adults and children should—if successful—have a positive impact on people’s food security.”²⁵³ HIV-infected individuals have 50% higher protein needs, and 15% higher energy requirement than do uninfected individuals. A good diet helps HIV-infected individuals to avoid opportunistic infections, and prolongs their survival.²⁵⁴

143. One of the best ways to help to address the HIV pandemic in terms of those who are affected is to improve nutrition. Unfortunately, as Judith Lewis of WFP explained to us: “We have not been able to do that with the pipeline. Basically our pipeline has centred around cereals and, of course, that has an adverse affect on health. When you have too much dependence on cereals, you have pellagra and all of the things that go with that. We have not been able to [improve the nutrition of food aid] but we are convinced that this is one of the best ways to help at giving people a little longer and a more productive life.”²⁵⁵ Clare Short told us why it has not as yet been possible to improve the nutritional content of food aid, explaining that: “we have been struggling to get enough money to get food of any kind through to people.”²⁵⁶ **We appreciate that the priority has been to get enough food of any type through to the hungry, but trust that DFID and the international community will—now that the food pipeline is more secure—seek to improve the nutritional content of food aid, to maximise its effectiveness in addressing the needs of those infected with HIV.**

Improving targeting

144. In addition to improving the nutritional content of food aid, special efforts must be made to target assistance, to ensure that orphans are not left out. Clare Short acknowledged the importance of targeting orphans for food aid, but told us that in many cases, for instance in Zimbabwe, it is not even known where the hungry, including hungry orphans, are.²⁵⁷ As the Secretary of State put it: “We would love to be in a position where we knew where all the orphans were and we were capable of making special support and provision for them, but we are not there yet.”²⁵⁸ Efforts must be made to improve this situation. **Targeting of assistance is crucial. Targeting is impossible if agencies do not even know where the hungry, and particularly the most vulnerable groups of people, including orphans, are. We would like to know what steps DFID is taking, in partnership with other agencies, to improve the mapping of need.**

²⁵³ Oxfam/SCF-UK (2002), *HIV/AIDS and food insecurity in southern Africa*, p. 2 – see footnote 83.

²⁵⁴ Ev 17, answer 3 [DFID supplementary memorandum]

²⁵⁵ Q 52 [Judith Lewis, WFP]

²⁵⁶ Q 169 [Clare Short]

²⁵⁷ Q 172 [Clare Short]

²⁵⁸ *Ibid.*

HIV/AIDS and long-term development

Maintaining agricultural capacity

145. HIV/AIDS has major implications for food security and the longer-term development prospects of southern Africa. Death and physical weakness devastate the agricultural capacity of rural communities and households, making survival near-impossible. DFID officials posed the question: “how do we help them where they are depending upon family labour, where you may have sold your assets which include draught oxen and you are down to family members hoeing the land, and the family members consist of a grandmother and a grandfather and ten orphan children?”²⁵⁹ The international community needs to make a special effort to answer this question. In particular, **efforts must be made to assist HIV-affected households through the provision of appropriate labour-saving technologies, by encouraging diversification into less labour-intensive crops, and by working out how to ensure that agricultural know-how is passed down through the generations despite the early death of HIV-infected parents.**²⁶⁰

146. In parallel to developing less labour-intensive technologies, donors, governments and agricultural specialists need to think creatively about how labour-scarce households can be assisted at times of the agricultural year when labour is especially important, for ploughing for instance. In Ethiopia households with oxen and labour plough and weed the fields of households who lack oxen and labour (e.g. elderly widows) in exchange for a share (one-quarter or one-third) of the harvest from that field. A public works programme could pay labour-surplus households to work the fields of labour-constrained households, and might work well in contexts such as southern Malawi where there are growing numbers of landless and near landless households who might be encouraged to participate in this kind of programme. **We encourage DFID to consider the possibility of designing a public works programme to provide extra labour for child and grandparent-headed households at critical times, in return for food, cash, or agricultural inputs.**

Maintaining governmental capacity

147. HIV/AIDS also has a major impact on the capacity of governments and civil services in southern Africa to respond to the current crisis, and to put in place the foundations for long-term sustainable development. To put it starkly, a government Minister, or a senior official, who is HIV-positive may be more concerned with their own health and their family’s well-being over the next few months or years, than with a ten or twenty year time-horizon for their country’s sustainable development. There are some frightening anecdotal accounts of the percentage of government ministers in certain countries who are HIV-positive. Whatever the true figures there is no doubt that HIV/AIDS is removing the capacity at a senior level of decision-makers in many southern African governments.

148. As more and more people die from AIDS-related illnesses and opportunistic infections, the pool of talent and leadership—which countries need to address their development needs—shrinks. We discussed this issue with DFID and government officials whilst in Malawi, considering what DFID and other donors might do to help

²⁵⁹ Q 31 [John Hansell, DFID]

²⁶⁰ Q 53 [Judith Lewis, WFP]

governments to maintain their capacity. In particular, we considered whether or not it would be sensible and sustainable for DFID and other donors to increase the provision of technical assistance in the form of personnel. Such a step should not be taken lightly. **DFID officials suggested us in evidence that a first approach to improving capacity ought to be through enticing emigrants from the countries of southern Africa—perhaps emigrants who have studied and stayed in North America or Western Europe—back to southern Africa. Increasing technical assistance to enable countries to hire expatriate expertise, whether from other parts of Africa, other parts of the developing world, or elsewhere, should be a secondary step.**²⁶¹ Putting more “white faces” in developing countries’ governments would be something of a last resort. As Clare Short told us: “Nothing is ruled out given the scale of damage and loss that the HIV/AIDS pandemic will mean for some countries, but generally the development of local talent and capacity is always the best.”²⁶²

Anti-retrovirals

149. Anti-retroviral drug therapies are a further way in which HIV/AIDS might be addressed. They offer, in particular, the prospect of prolonging the lives of “essential workers” such as teachers and health-workers, and maintaining the capacity of developing countries’ governments and civil services. Oxfam and SCF-UK pointed to the inaccessibility of essential medicines including anti-retroviral drugs (ARVs) due to high prices and the lack of health infrastructure as a major problem. We welcome the fact that the cost of ARVs has fallen to around \$300 per patient per year and look forward to seeing prices fall still further.²⁶³ **Access to essential medicines must be improved, and provision must be made within the World Trade Organisation’s agreement on Trade-Related Aspects of Intellectual Property Rights for the production of more affordable drugs for public health purposes. Part of the international response to the HIV/AIDS pandemic must be a more flexible application of patent rules in developing countries.**²⁶⁴ **The USA and its pharmaceutical industry must not be allowed to obstruct unilaterally such important and sensible initiatives.**

150. Nevertheless, we do not regard the widespread provision of ARVs as a realistic solution to the problems of HIV/AIDS. As Clare Short told us: “The whole Western, European obsession with anti-retroviral drugs is not where Africa is, except in the cities.”²⁶⁵ A good diet is essential to successful ARV therapy; effective health-care systems are essential to the delivery of ARVs. Neither of these prerequisites are in place in southern Africa. **In our view, whilst efforts should be made to improve the affordability of ARVs, this must not distract donors and governments from the need to focus on basic health-care systems.** ARVs must not be seen as a magic bullet; the crisis in southern Africa is primarily one caused by poverty and vulnerability, rather than by lack of access to medicines. As Clare Short put it: “We need to think through what kind of care and support we need for the poor, and what is the first priority for the orphans. I am sure we should be willing to try and put anti-retrovirals into that, but I do not think we should start with the question of anti-retrovirals, we should start with

²⁶¹ Q 47 [John Winter, DFID]

²⁶² Q 168 [Clare Short]

²⁶³ Oxfam (2002), *False hope or new start? The Global Fund to Fight HIV/AIDS, TB, and Malaria*, footnote 6. See www.oxfam.org.uk/policy/papers/24globalfund/24globalfund.pdf

²⁶⁴ Oxfam/SCF-UK (2002), *HIV/AIDS and food insecurity in southern Africa*, p. 4 – see footnote 83.

²⁶⁵ Q 174 [Clare Short]

people and their health and how to protect them and if they are going to be sick, give them some care and treatment, and then look at where anti-retrovirals fit into that.”²⁶⁶

Attitudes and behaviours

151. HIV/AIDS still carries with it a stigma and sufferers continue to face discrimination. Individuals, communities and countries need to address the issue openly. Behavioural change—more use of condoms, less promiscuity and prostitution, and a later start to people’s sexually active lives—rests on attitudinal change, including changing attitudes about gender and the place of women in society. Clare Short explained to us that a reduction in HIV-infection rates amongst young people in Uganda from around 30% to 5% had been achieved mainly through behaviour change which had come about by “energising the whole country to understand the cause of the pandemic.”²⁶⁷ Poverty plays its role in the spread of HIV/AIDS; prostitution, for example, tends to be economically-motivated rather than culturally-determined. Nonetheless, **we urge donors, NGOs and governments to do their utmost to promote improved understanding of HIV/AIDS, and to lay the foundations on which attitudinal and behavioural changes are built.**

The Global Fund to fight AIDS, tuberculosis and malaria

152. The UN Secretary-General’s Special Envoy for HIV/AIDS in Africa reported that the HIV/AIDS pandemic could be defeated through “joint and Herculean efforts by the African countries and the international community.” He noted signs of strength and hope in every country, but described the lack of funding for the fight against HIV/AIDS—in particular for the Global Fund to fight AIDS, tuberculosis and malaria—as “mass murder by complacency.”²⁶⁸ **In January 2003, the USA announced that it will treble its spending on HIV/AIDS to \$15 billion over the next five years.**²⁶⁹ **We applaud the USA for taking this step, and for demonstrating the priority which they attach to the fight against HIV/AIDS. We hope that other donors will be encouraged to do the same. We are concerned however that only \$1 billion of the new money will be channelled through the Global Fund. The rest is to be distributed bilaterally, and will therefore be more subject to pressures from domestic interest groups which object to the linking of HIV/AIDS and reproductive health issues. It is of course vital that money is spent effectively, and every effort should be made to ensure that the Global Fund is effective, but marginalising multilateral initiatives is surely counter-productive.**

153. Clare Short told us that “there is a lot of muddle around the Global Fund”, and argued that its weaknesses were more about a lack of leadership in some countries than a lack of funds. As she stressed “a lump of money” is rarely the answer to development questions; in the case of HIV/AIDS what is most needed is effective health care systems.²⁷⁰ **We agree with this sentiment—the focus should be on healthcare systems—but we urge donors, including the UK, to not marginalise the Global Fund, but to work to make it more effective. The Special Envoy’s language may have been extreme, but the sense of urgency which he injected is welcome. If southern Africa is to move from crisis to food security and sustainable livelihoods,**

²⁶⁶ *Ibid.*

²⁶⁷ Q 168 [Clare Short]

²⁶⁸ *Press briefing by Special Envoy for HIV/AIDS in Africa*, 8 January 2003. Available at www.reliefweb.int

²⁶⁹ See www.usaid.gov/about/hiv/aids/

²⁷⁰ Q 167 [Clare Short]

responding effectively to the threat of HIV/AIDS must be integrated into all stages and aspects of relief, recovery and development now. We therefore support the requests made by Oxfam and SCF-UK to the international community to ensure that all programming and funding activities respond to the impact of HIV/AIDS; to increase funding for food aid and food aid that meets the needs of people infected with HIV; and to increase funding for non-food needs including health, nutrition, water and sanitation.²⁷¹ We look forward to hearing how DFID is taking account of HIV/AIDS in its continuing response to the immediate crisis, and in its work with partner governments to lay the foundations for longer-term development.

²⁷¹ Oxfam/SCF-UK (2002), *HIV/AIDS and food insecurity in southern Africa*, p. 1 – see footnote 83.