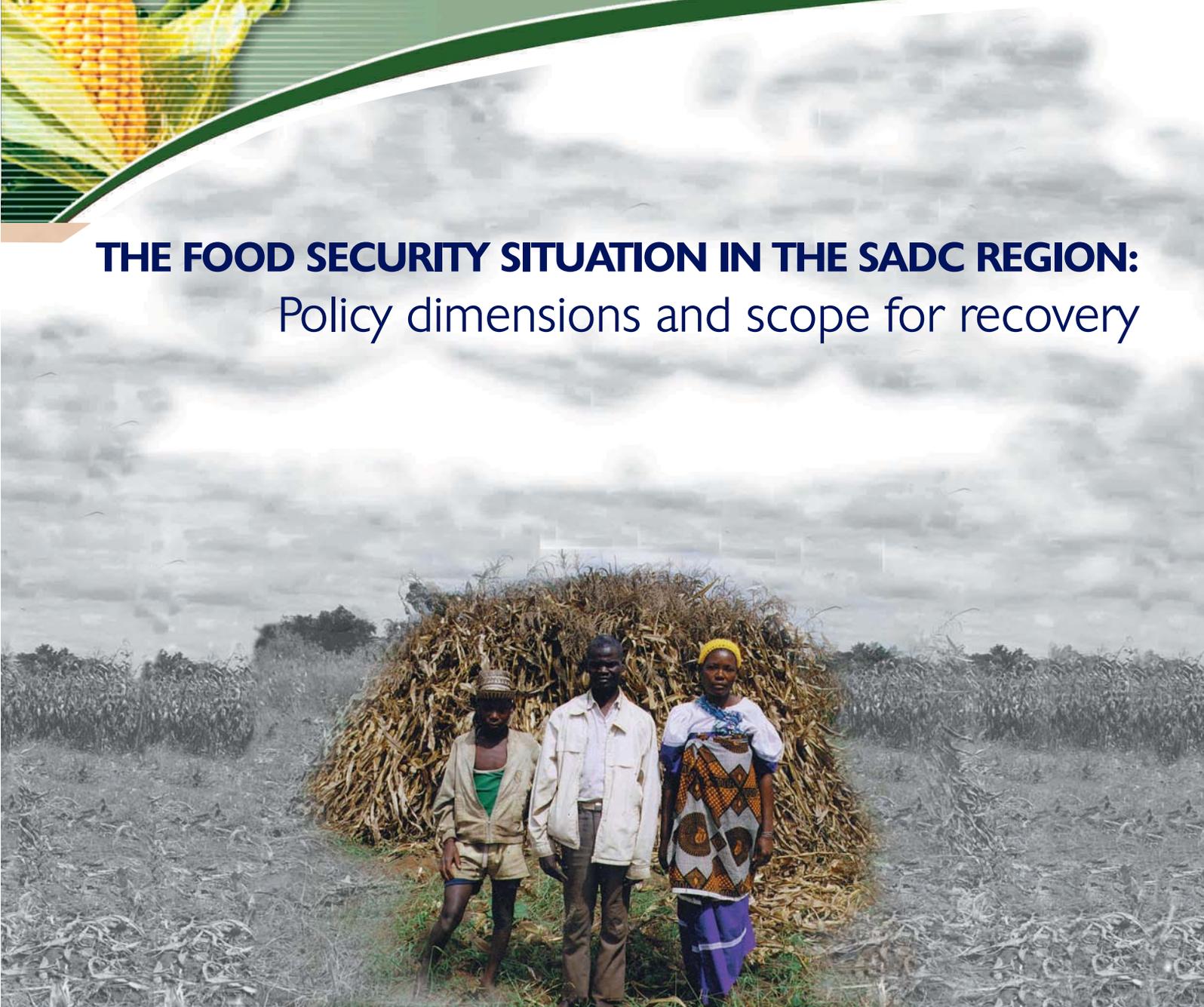


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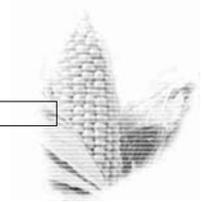
Food Agriculture and Natural Resources Policy Analysis Network

THE FOOD SECURITY SITUATION IN THE SADC REGION: Policy dimensions and scope for recovery



Discussion policy paper compiled from country node reports from five SADC countries (Malawi, South Africa, Tanzania, Zambia and Zimbabwe) under the short term food and farm input supply study





R.T. Mano (Co-author)
Food Agriculture and Natural Resources Policy Analysis Network of
Southern Africa (FANRPN)
12th Floor Social Security Centre
Cnr Julius Nyerere Way & Sam Nujoma Avenue
PO. Box CY 2765, Causeway
Harare, Zimbabwe
Tel++263 4 792348-50
Fax: ++263 4 792411
Email: policy@fanrpan.org
Website: www.fanrpan.org



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Executive Summary

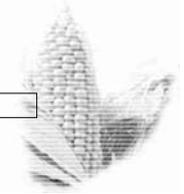
This paper summarizes the results and findings from on-going studies commissioned by the Food Agriculture Natural Resources Policy Analysis Network on short-term food and farm input supply in five selected countries in the SADC region i.e. Malawi, South Africa, Tanzania, Zambia and Zimbabwe. The initial results from the studies were discussed at a seminar held in Johannesburg, South Africa on 25 - 27 September 2002.

The objective of the study is to assist the region to gain a comprehensive understanding of the prevailing food insecurity and food security-related policy environment and constraints in the member countries and recommend remedial strategies for action by policy makers. The studies have revealed that, perhaps, with the exception of South Africa and Tanzania, almost all of the countries in the region affected by the 2002 drought induced crop failures; realized too late into the season that they had no comprehensive disaster management plans and food relief strategies in place; no significant stocks in their strategic food reserves, had inadequate foreign exchange reserves for speedy commercial food imports. These countries had insufficient resources to fund rapid production responses such as input supply and supplementary irrigation; and the policy environment was not highly conducive for the marketing and distribution of food resources.

The continuing famine in 2002/3 has once again reminded SADC countries of the fragile and precarious nature of both the national and regional food security situation, as experienced in the 1991/92 season. The return of good rains and natural harvests, albeit temporarily, often misleads governments into setting aside the implementation of effective and permanent policies and strategies for addressing long-term food security such as sound pricing and marketing policies, export promotion for high value crops, flexible strategic food reserve policies, sustainable input supply systems incorporating private agri-dealers, irrigation and facilitation of cross-border trade. In some cases governments faced with food shortages, instead of opening up their economies for more trade, have implemented policy reversals, which are very detrimental for long-term investment in agriculture. Examples include the re-introduction of price controls, single channel state controlled marketing monopolies and re-imposition of import / export restrictions.

Short term policy recommendations emerging from the on-going studies include relaxation of price controls, removal of import / export restrictions, introducing longer working hours at border posts, reducing paper work for traders, lowering transport levies, creating a green route and centralized logistics and information system for food movements between countries, targeted free input distribution schemes, facilitation of private sector in food and input distribution and efforts to enhance the skills of traders.

In the long-term, focus should be on the harmonization of regional trade rules and standards including regional bio-safety regulations, creation of national forums to encourage dialogue between government, private sector, farmers and civic society, introduction of permanent agri-dealer structures for input supply, water storage and irrigation management, including contract farming for seed and strategic crops, the development of all embracing (food, inputs, foreign currency) strategic reserves and food security management policy. Other long-term recommendations included training of policy analysts and support for policy networks in the region, as well as the establishment of a permanent regional trade negotiations team.



I. Introduction

At the height of the 2002 food security crisis, the Food Agriculture and Natural Resource Policy Analysis Network (FANRPAN), organized a regional study financed by the United States Agency for International Development (USAID) to explore the policy and economic nature of the food crisis. The study focused on five SADC countries including three of the countries hardest hit by the current food crisis i.e. Malawi, Zambia and Zimbabwe as well as two surplus countries i.e. South Africa and Tanzania that were expected to play a leading role in the supply of food exports to the famine-hit countries¹. Research has included literature review, collection of economic documentation as well as consultation of stakeholders through workshops. This paper presents a description of the food security situation complete with a diagnosis of policy issues which tend to relieve or worsen the current crisis, as well as policy strategies for improving food security prospects and institutional innovations for improving the state of regional preparedness in managing food security crises.

The aim of FANRPAN in producing this policy paper is to stimulate and inform a regional debate on progressive food security among all stakeholders and policy makers leading to the regeneration of new effective proactive food security policies and responsive disaster management plans. Given the increasing frequency of droughts in the SADC region, promoting optimal supply of food for food security will require a combination of domestic production and trade strategies that capitalizes on local agricultural potential, the realities of the seasonal climatic risk and abundance of food in the global markets. Informed by current experiences with institutional and logistical failures in procurement, movement and distribution of food for famine relief, country studies reveal an almost universal desire within SADC for an effective integrated disaster management strategy and regional protocols on logistics for famine relief complete with in-built rapid emergence response system. Such a strategy should be organized to respond to short-term challenges (immediate response to the food supply threat and following agricultural recovery) as well as the need to implement long-term improvements, which was neglected once the previous 1992 drought was over.

The occasion of yet another drought and famine situation in 2002 has presented the SADC region with the requirement to evaluate its past efforts and critically reflect on its present food security and disaster management strategies. This reflection is particularly crucial at this time when the regional body is embarking on strategic reorganization to become more effective in achieving its strategic regional goals. The fact that an anticipated food shortage can translate itself into a food security and humanitarian crisis in a region that has the potential to become food self-sufficient - and even net exporter - and in spite of a world economy awash with food, brings to question the efficacy of food security strategies and emergence disaster reaction mechanisms of SADC countries and of the international community. Enriched with this experience, SADC must come out of the 2002 famine with comprehensive understanding of all dimensions of its food security challenge and critical appraisal of its own institutional and policy innovations.

Considering the particular focus of this paper, additional contributions on related issues would be useful to prepare for possible emergency needs for the next season as well as to re-design comprehensive food security strategies over the long-term: such areas include, e.g. the adequacy of external food aid with needs emerging from the crisis, the efficiency of the logistics of food emergency policies as well as agricultural development strategies with the incidence of HIV/AIDS on rural societies, the adequacy of recent agricultural development strategies and trade policies with food security implications over the long term.

¹ As Mozambique was not hit seriously by the crisis in 2002, the analysis undertaken by FANRPAN for that country is not used for this paper.

2. Background

2.1 The Development of the Food Security Crisis and Risk of Famine-induced Starvation

In 2002 four² SADC countries experienced severe national food shortages arising from drought-induced crop failures whose impacts were exacerbated by a combination of domestic policy and institutional failures. This happened despite early warnings of the pending crop failures and food shortages from a network of national early warning units and primarily due to lack of timely and effective preemptive policy reactions from famine-threatened SADC countries and the international community. The situation further deteriorated into a famine and a humanitarian disaster threatening the lives of over 13 million people. Malawi, Zambia and Zimbabwe are among the countries hardest hit by the 2002 famine situation.

Conservative estimates suggest that a total of 13 million people in the SADC region are in need of humanitarian food assistance. As illustrated in Table 3.1, Zimbabwe suffered the largest deficit in its food production, which left the country with a crippling 70% shortfall on its annual food requirements. While the World Food Programme (WFP) estimated that only 49% of Zimbabwe's population of 12 million people and primarily in rural areas is officially at risk of famine-induced starvation, national government and local experts believe that the proportion of the population vulnerable to food insecurity will progressively increase to 100% by early 2003 as private stocks in rural areas and supplies to the informal urban grain markets run out. However, the Zimbabwean government has not been forthcoming in facilitating private players and civic agencies willing and able to import grain for commercial distribution to the urban and rural population currently threatened with food insecurity but which could afford commercially priced food.

In Malawi, 29% of the population is considered to be at risk of famine while the comparable figure for Zambia is 26%. Unlike Zimbabwe, the governments of Zambia and Malawi took a much more comprehensive and integrated approach to addressing the pending national food crisis with varying degrees of success. In both Zambia and Malawi, the national governments took a more liberal approach by inviting domestic players from the private sector, civic sectors and public sector to complement efforts of the international relief agencies. In Zambia, commercial players entered into early negotiations with government to facilitate commercially viable private imports of supplementary food grains to cater especially for the urban population. Liberal food marketing policies of Malawi automatically allow for competitive free market pricing of food grains on the market place. Because of their comparable better domestic food policy environment and relatively swift response to famine warnings, Zambia and Malawi were able to secure commercial imports from South African private grain merchants forcing Zimbabwe to resort for its commercial imports to buying relatively more expensively priced maize from North and South American markets.

South Africa and Tanzania were the only two countries that achieved near normal food production in 2002. However, expected surplus food supplies from these two countries proved inadequate to offset the regional deficit necessitating external net inflows of food imports into the SADC region for the first time since 1992.

² Malawi, Zambia and Zimbabwe and for different reasons Angola. Malawi has actually experienced a series of food shortage since 2000/01. Mozambique experienced a severe food crisis in 2000 as a result of floods. Zimbabwe used to export grain.



For the past twenty years, SADC countries have worked together to address regional food security concerns but with very limited successes. The regional food security goal has remained elusive and vexing to policy makers in SADC national governments and in the international development agencies that provided technical and financial support towards the food security goal. One of the innovations from such funding has been the establishment of national early warning units, which in 2002 provided the region with timely advance warnings of pending food crisis. Despite the food security initiatives of the past twenty years and early warnings of a pending crisis, the 2002 famine found SADC countries ill-prepared - politically, financially and logistically - to deal promptly and effectively with the unfolding food security crisis.

Table 2.1: Extent of Drought and Timeliness of Response to Early Warnings by Country

	Zimbabwe	Zambia	Malawi	South Africa	Tanzania
Severity of Food crisis					
(a) Size of Cereal deficit	-1,654,000MT	- 684,000 MT	-277,000MT	+ 714,000MT	+ 117,000
(b) % of normal demand	-70%	-51%	-26%	8%	16%
(c) % population at risk	49%	26%	29%	0%	1%
Percent of Famine Food Requirements (or cereal deficit) met through					
(a) commercial imports	20%	7%	15%	n/a	0 %
(b) famine relief aid	4%	6%	9%	n/a	100%
(c) not yet secure	76%	87%	76%	n/a	0%
Timeliness of regional early warning on pending food insecurity	November 2001	December, 2001	6 months advance	November, 2001	Dec,2001
Month in which State Declared National Disaster and Official Appeal for Food Relief	February 2002 but Official appeal for food aid made in May 2002	May 2002	March, 2002 and appeal for food made at the same time		February 2002 in 7 southern districts. Extended EMOP 6298

Source : Country Policy Paper, 2002

2.2 Existing Policies and Strategies Before the Crisis

During the last twenty years, SADC countries have collaborated to address regional food security concerns as one of the highest priorities. The main strategic orientations have included (see also table 4.3)

- The establishment of national early warning units, which in 2002 provided the region with timely advance warnings of the pending food crisis (almost all countries)
- The development of Strategic Grain Reserves, to reduce the dependency and uncertainty related to traditional food aid and imports (almost all countries)
- Strategic foreign currency reserves for emergency importation of food (in Botswana).
- Food price control policy (several countries)

Moreover, the maize sector has always attracted policy focus at country level, with intense Government involvement even within the context of liberalization processes. This has had implications for research and extension orientation (e.g. high yield hybrid maize varieties) as well as for the design and promotion of input supply services and maize marketing services.

Yet despite initiatives of the past twenty years and early warnings of a pending crisis, the 2002 famine found SADC countries ill-prepared to deal promptly and effectively with the crisis.

3. Policy response to the current famine situation

3.1 Limited State of National Preparedness and Lack of Response to Early Warning of Pending Food Crisis

Malawi, Zambia and Zimbabwe, the three famine-hit countries became aware of the impending 2002 food crisis in November 2001. Governments appear to have waited almost four months to assess the full extent of the drought-induced crop failure before officially acknowledging the impending national food security disaster in February/March, 2002 giving the countries three to six months to implement disaster management programs and avert famine. However, the famine-hit countries appear to lack an effective disaster management plan and a rapid emergency reaction plan. Lacking significant stocks in their strategic grain reserves and in foreign currency reserves to finance timely supply of food imports, the famine hit SADC countries could not effectively respond with positive actions to preempt the impending food shortages. This reality contrasts sharply with the goals envisioned in the national food security strategies built around the national strategic grain reserves.

Stakeholders and policy makers in almost all famine-hit countries of SADC acknowledge that their countries were ill prepared to effectively manage the 2002 food security crisis. Table 3.2 summarizes perceptions of national stakeholders on the extent of preparedness of member countries and mixed feelings about the manner in which their countries reacted to the impending famine. The fact that in most SADC countries, drought-induced crop failure in one season may result in a food crisis, which could translate into a humanitarian crisis, is a clear indication of failures in their food security policy strategies and economic development efforts of the past decade. Only South Africa and Tanzania share favorable perceptions regarding their state of preparedness to deal effectively with domestic famine situations primarily due to their demonstrated capacity to produce food surpluses and to mobilize domestic resources for emergency relief.

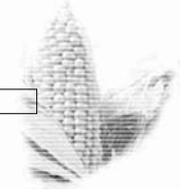


Table 3.1: Comparison of State of Preparedness across SADC Countries

	Zimbabwe	Zambia	Malawi	South Africa	Tanzania
State of Preparedness For 2002 Food Shortage	Very Poor	Poor	Poor	(a) Fairly good	Fair
Evidence of lack of State of Preparedness	<p>(a) Government was slow in acknowledging the impending food shortage and in launching official appeal to aid agencies</p> <p>(b) Lack of adequate strategic reserves of food grains and foreign currency for emergency famine relief.</p> <p>(c) Apparent reluctance of state to embrace NGOs in famine relief operations preferring to confer de facto monopoly to poorly resourced state agencies</p> <p>(d) Lack of clear policy guidelines on targeting beneficiaries distribution of food for famine relief</p> <p>(e) Late acknowledgement of impending shortages of agricultural inputs -fertilizer and seeds resulted in pressing shortages being experienced at start of the 2002/3 farming season</p>	<p>(a) Government not adequately prepared for the famine relief</p> <p>(b) Government did not take heed of early warning by local farmers union and millers to act on time about impending food shortages</p> <p>(c) Inadequate strategic food reserve policy which holds desired stocks at less than 1% of requirements</p> <p>(d) Foreign currency resources secured in time from World Bank facility to facilitate imports of food</p>	<p>(a) Rapid emergency decision making led to early placement of import orders for food grains as well as maize seed, and fertilizers with RSA firms and other regional input suppliers</p> <p>(b) Government apparently unaware of or surprised by the absence of significant SGR stocks indicative of lack of a transparent policy on management of strategic food reserve</p>	<p>(a) Fairly well established and sophisticated national system of monitoring indicators of potential disasters for early warning</p> <p>(b) Favorable policy environment accounting for presence of national capacity to consistently produce food in excess of national needs for export within the region.</p> <p>(c) Presence of permanent structures at provincial and municipal levels routinely catering for the food security needs of the vulnerable populations</p> <p>(d) Lack of a consolidated disaster management policy strategy and institutional arrangements for effective response to disasters. (White paper on national disaster management prepared)</p> <p>(e) Presence of an active network of local NGOs involved in poverty alleviation and welfare programs</p> <p>(f) Presence of international good will for RSA which would make it easy for the government to secure emergency assistance in times of need</p>	<p>(a) State able to meet bulk of its requirements for famine-hit districts from domestic sources</p> <p>(b) Early engagement with WFP resulting in early delivery of food relief to the famine hit districts</p>

3.2 Quality of National Policy Reactions by Famine hit Countries

Absence of disaster management plans : Famine hit countries of SADC reacted with divergent policy actions which have had mixed impacts on the food crisis. In the absence of a comprehensive disaster management program and reaction plans to famine, countries resorted to ad-hoc policy reactions implemented without balanced and rational approach to the need to enhance the availability of food supplies as well as the accessibility of the food to the various income categories of the population.

Table 3.2 : Policy Reactions to Emerging Food Security Crisis

Zimbabwe	Zambia	Malawi
<p>(a) Banning free market trading of maize and reintroduction of centralized state-run grain marketing system in a bid to protect consumers against hoarding and other exploitative tendencies of middlemen and private traders</p> <p>(b) State introduced price controls enforcing pan-territorial and pan-temporal prices for all basic consumer goods and for all consumers - regardless of income and vulnerability status in an attempt to stabilize cost of living and mitigate profiteering</p> <p>(c) New restrictions on import and export activities of private firms in an attempt to contain cross-border exports of food and import of such products as GMO maize against government policy</p> <p>(d) Intensified but belated state involvement in procuring commercial imports for emergence famine relief - in spite of foreign currency crisis</p> <p>(e) Establishment of Cabinet level Inter-Ministerial Taskforce on food security and famine relief assessment, procurement and distribution of food and inputs</p>	<p>(a) Continued reliance on the free market pricing system to procure and distribute food to the majority including those unaffected by drought and able to sustain themselves</p> <p>(b) State facilitation of private firms to freely import food into the country through timely signing of MOU with millers</p> <p>(b) Early floatation of tenders for state sanctioned imports of maize secured relatively lower prices from Uganda and RSA markets</p> <p>(b) Acknowledgement of roles and sharing of responsibilities between state, private sector and NGOs in procurement and distribution of food which reduced the financial burden to the state of feeding the hungry.</p> <p>(c) Banning of exports of maize and maize meal (mostly to DRC) and liberal imports through regional chain store Shoprite improved urban supply of cheaper maize meal</p> <p>(e) Substantial 200% increase in state allocation of resources to National Disaster Management Unit using World Bank facility for highly indebted poor countries</p>	<p>(a) Continued reliance on free market system for distribution of food to the majority of population not directly hit by famine and able to sustain themselves</p> <p>(b) Decision to use part of WB/IMF loan facility to provide general consumer subsidy on maize meal to improve access to food by all</p> <p>(c) Tolerance of cross-border informal trade bringing in much needed supplies of maize and beans from Tanzania & Mozambique</p> <p>(d) Liberal policy on famine relief encouraging all interested regional and international agencies, local private firms and NGOs to participate in famine relief by importing food and using state's storage facilities for famine relief</p> <p>(e) Acceptance of GMO maize from USAID without debate enabled Malawi to timely secure 87% of its famine maize needs</p>



Private Sector Promotion Versus Government Controlled Trade : While Malawian and Zambian authorities rallied both private domestic market players and civic groups to help in alleviating the food crisis, the Zimbabwean government - already crippled by a severe long running macroeconomic crisis and a runaway hyperinflation in excess of 135% - reacted to the unfolding food security crisis by banning private traders from participating in the procurement and distribution of major food grains and imposing crippling price controls. At a time when the country needed to facilitate grain imports and speedy internal distribution, some of the policies implemented in Zimbabwe made it more difficult and unnecessarily costly for local traders and civic groups to import grain for famine relief. The apparent discomfort of government of Zimbabwe with private sector participation in food marketing and reluctance of Zambia to give its private sector free reign on food imports and pricing demonstrate that the debate on the free market and appropriate role of the private sector in national food security strategies remains unresolved within the SADC region. Moreover, customs and administrative regulations and practices have induced serious delays in the shipment of food aid, as already experienced and recognized during the 1992.

Ineffective Restrictions Against Cross-border Trade : Almost all the famine-hit countries also became much more vigilant in enforcing existing restrictions against a flourishing informal cross-border regional trade in food stuffs such as maize, sugar, cooking oil, as well as fertilizer and seed among other basic commodities. Despite the policy restrictions, informal trade in the same commodities continued to flourish due primarily to the strong incentive to trade arising from the steep price disparities existing between neighboring countries that forbid free trade in food³. Given that prices for food stuffs and even agricultural inputs in Zimbabwe's neighboring countries are sometimes 500% higher than Zimbabwe's controlled prices, trade restrictions and inefficient domestic pricing systems encourage continued informal exportation of foodstuffs from Zimbabwe aggravating the food shortages in Zimbabwe while enhancing supplies in the neighboring countries (Zambia, Mozambique, and Malawi and DRC).

Food Assistance Restricted by Lack of Harmonized Generally Modified Organisms (GMO) Policy : The 2002 famine also brought to the limelight the issue of Genetically Modified Organisms in food systems which SADC countries (with notably the exception of South Africa) have not yet conclusively debated as a policy matter. Countries such as Zambia adopted negative policy positions against GMO maize. But lack of clarity on whether the focus of the policy concern was on the consumption of GMO maize or merely on protecting domestic food production systems from possible contamination with potential exporting constraints, was a source of confusion and caused delays in the shipment of GMO yellow maize into the famine hit countries. Malawi's liberal position on GMO maize resulted in the country securing almost all of its food aid requirements ahead of Zambia and Zimbabwe which continued to experience difficulties in sourcing adequate supplies for famine relief. Given the prevalence of informal trade between neighboring countries such as Malawi, Tanzania, Zambia and Zimbabwe, it would appear futile for a few countries to take unilateral decisions on trans-boundary issues of bio-safety and food security that affect trade. Given that GMO is increasingly becoming an integral part of the global food system, there is an urgent need for SADC policy makers to engage in an informed debate on the GMO issue leading to a common regional policy position on GMO and the role it shall be allowed to play in addressing the region's food security challenge.

3.3 Specific Policy Measures that were Implemented to Deal With Food Procurement and Distribution

Approaches to Food Procurement and Distribution: The famine-hit countries faced a challenge of promoting procurement and distribution of food to famine hit districts without adversely affecting access to food. Table 3.3 summarizes the policy actions taken by the selected countries that might have positively and negatively affected the domestic famine situation. In all the famine-hit countries, governments intensified their efforts in 2001 and 2002 to acquire grain for their strategic grain reserves using a combination of price and non-price policy instruments. In Zambia, Malawi and Tanzania, governments offered higher intervention prices in a bid to lure farmers to sell more of their grain to national strategic grain reserves. Zimbabwe resorted primarily to non-price policy measures of

³ Despite the regional commitment to free trade protocols of SADC and COMESA.

banning all other players from buying grain from farmers and making it illegal on paper for farmers not to surrender their grain to the Grain Marketing Board within a specified period of time after harvesting.

Domestic Pricing: The motivation for the cash strapped government of Zimbabwe was to acquire grain at the lowest possible cost to achieve its cheap food policy without seriously affecting budgetary deficit through severely taxing the poverty-stricken maize producing peasant farmers in wetter regions. While Malawi moved towards import parity pricing of domestic grain, Zimbabwean peasant farmers received for their maize, less than 30% of the landed cost of imported maize. Further more overvalued exchange rates, which render exports more expensive and imports cheaper than they would be, affected food imports by reducing the foreign exchange inflows into the country while increasing competition between food and other non-food imports for the scarce resource.

Control Over Food Aid Distribution: Given that the major source of food for famine relief was to come from international relief organizations, countries that created a domestic environment that was more facilitative than restrictive were able to attract more aid from the donor nations compared with those countries that took a confrontational attitude. The success of Malawi in securing almost all of its requirements for famine relief and even more sugar, cooking oil and beans than its normal annual requirements demonstrate the success of Malawi's public policy and its international public relations strategy. In contrast, Zambia continued to experience difficulties in securing donor support for food aid due to its controversial policy on GMO maize. Zimbabwe secured the least international support due to a combination of restrictive policy environment for the operations of international relief organizations. SADC countries must recognize the global political economy surrounding the supply of food aid to any country or region and effectively manage their policy programmes in order to attract both humanitarian assistance essential for famine relief, international development aid and private commercial investments all of which are essential for agricultural and economic development.

It is also the responsibility of Governments to create an enabling environment that generates confidence as well as encourages and coordinates (instead of over-controlling) the work of the organizations involved in food relief, in order to provide for efficiency and timeliness.

Specific targeting of famine-hit people: Efforts have been developed at national and regional levels over the late 90s to increase the capacity to identify and target particularly vulnerable/hit categories of populations - in particular by setting up vulnerability assessment processes on a regular basis. Some food distribution programmes do specify priority categories of populations to be targeted. Monitoring of the efficiency of targeting specific categories of population should be made, including populations such as farm workers in Zimbabwe and Congolese immigrants in Zambia as they are specifically targeted, under the supervision of all stakeholders involved. Independent evaluation should also be conducted.

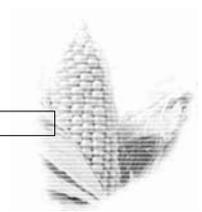


Table 3.3: Emergency Policy Measure that affected food procurement and distribution of food for famine relief

	Zimbabwe	Zambia	Malawi	South Africa	Tanzania
Policy impacts Positive Policy Developments	State attempts to contain possible increase in food prices in response to food shortages	(a) Intensive acquisition of grain for SGR from surplus Northern region (b) Early engagement of stakeholders - millers and farmers unions to assess the food needs	(c) Liberal policy of facilitating famine relief from all NGOs and aid agencies (d) Acceptance of GMO maize for famine relief with prudent policy of milling it before distribution	Liberal commercially motivated private sector export marketing of maize fairly to all countries in the region	(a) Liberal commercially motivated food production system (b) Early identification of districts affected by food surpluses and by prospects for famine (c) Intensification of state acquisition of grain from surplus regions in the north
Negative Policy Developments	(a) New restrictions banning private domestic procurement and distribution of food grains giving under-funded state marketing agency a monopoly on domestic marketing of food grains (b) New restrictive laws on registration of NGOs to undertake famine relief work in Zimbabwe (c) New restrictions on food imports and official government inspections of all maize imports consignments outside the country before issuing of import permit (d) Delays in giving clarity on government policy regarding GMO maize imports resulted in loss of potential support from donors	(a) Delays in addressing private sector proposals for maize import price guarantees supported by the farmers union (b) Poor tendering procedures allowed RSA firms to break their maize contract after under pricing competitors to win the tender (c) Reluctance of Zambia to accept GMO maize for milling before distribution resulted in diminished donor support	(a) Poor state of regional preparedness resulting in delays in transportation of imported food to Malawi (b) Low levels of emergency stocks of maize accounts for steep rise in domestic prices in Feb/Mar/Apr 2002	(a) Lack of emergency protocol at RSA ports and transport industry prioritized handling and inland transportation of food relief shipments to famine hit SADC countries	Poor regional arrangements to facilitate shipment of famine relief grain to neighboring countries hard hit by the famine

3.4 Country Specific Policies And Efforts to Facilitate Speedy Recovery from the 2002 Famine

Procurement and Distribution of Farming Inputs : Almost all the countries affected by the 2002 famine are implementing famine recovery programs centered on the in-coming 2003 agricultural season. Table 3.4 shows that National governments and development agencies have started distribution of modest packages of agricultural inputs (hybrid maize seeds, fertilizers, chemicals) to allow households to grow sufficient food to meet their food security requirements.

Malawi and Zambian Governments : The governments of Malawi and Zambia are implementing fairly free input programs to complement private efforts to recover from the drought. The countries have placed early input import orders from Zimbabwean and South African companies. International aid agencies such as FAO are also implementing similar free input programmes in these two countries while the private importers have been given the latitude to bring in commercial imports for the rest of the agricultural population which is not eligible for free inputs.

The Zimbabwean Government is also implementing a country-wide free tillage and free input distribution program benefiting all resettled and rural farmers as part of its land reform program. Although other development agencies are marginally involved in the distribution of inputs, the government of Zimbabwe is eager to play a central role despite its severe budgetary problems. In order to contain costs of this input scheme and partly to contain alleged profiteering of the private sector, the government has introduced price controls and a very tight input pricing policy regime which, in a depressed economic context, might threaten the viability of Zimbabwe's once thriving agro industry. In response to reduced profit margins amidst escalating operating costs and foreign exchange shortages, the firms have cut back on production. Without a liberal import policy⁴, domestic agricultural recovery efforts in Zimbabwe may be seriously hampered by severe shortages of domestic supplies of almost all agricultural inputs. Reaching the right people : In all famine-hit countries, the recovery programmes appear to be undifferentiated and untargeted with an overemphasis on the production of maize⁵.

An independent evaluation of the effectiveness of recovery programmes would be quite useful to learn lessons about the effectiveness of the targeting of specific categories of populations, the adequacy of the proposed packages with households' needs and the form of the distribution process.

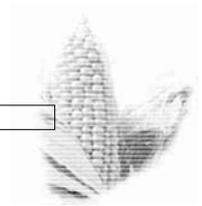
An evaluation of initiatives carried to propose diversified cropping patterns by small-scale farmers beyond maize alone should be conducted. The same applies to research as well as extension initiatives as regards the promotion of drought resistant and hybrid vs. open pollinated varieties.

SADC countries must recognise the importance of fair and competitive domestic producer prices for food crops which are an integral part of any famine recovery program especially given the levels of domestic pricing inefficiencies which continue to constrain domestic food production in the famine-hit countries

Marketing Prospects of Recovery Programmes : If the maize recovery programs were to succeed and the farmers were to enjoy a bumper harvest of maize, it is unlikely that the maize would expeditiously find its way to the national grain markets for distribution to deficit agricultural provinces and income-based urban population unless incentive producer prices are offered to the peasant farmers.

⁴ Capacity to import on a commercial basis also appears to be limited.

⁵ Maize, the most common staple food in the region, and in particular high-yield varieties, are particularly sensitive to climatic incidents and agronomic practices. Moreover, small-scale farmers, would usually tend to diversify their crop production pattern in order to spread risk and optimize the complementarity of their production factors.

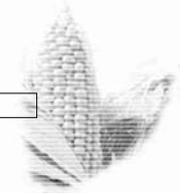


Indeed in almost all the famine-hit countries, governments have not informed farmers of the floor price for maize in the 2003 marketing season leaving the peasant farmers to base their production plans primarily on their own household food requirements for 2002 / 2003 rather than on market demand. In Zimbabwe, large scale farmers have reduced, over the years, the acreage under maize in favor of non-food cash crops whose prices are more attractive and remain uncontrolled by government. Unless governments move swiftly to announce either remunerative producer prices for food crops for 2003 or to provide convincing prospects for attractive purchases by the private sector, most of the harvested surplus would not necessarily flow to the strategic grain reserve nor to the domestic market if local traders continue to get significantly higher prices from informal cross border trade.

Considering present indications that the recovery programmes may not be successful in some countries this year, early steps (i.e. before harvest) should be taken to prepare for additional needs, taking into consideration findings from monitoring processes.

Table 3.4: Table: Policy Measures Positively and Negatively Affecting Domestic Input Supply and Famine Recovery

Policy impacts	Zimbabwe	Zambia	Malawi	Tanzania	South Africa
<p>Positive Policy measures</p>	<p>(a) Government subsidized agricultural input scheme initiated in 2001/2 and repeated in 2002/3 for all major food and cash crops</p> <p>(b) Blanket nation wide policy of debt "forgiveness" for all farmers who borrowed from the state to finance the agricultural activities during the drought-hit 2001/2 season</p> <p>(c) Policy incentives for private sector led mobilization of domestic funds for financing agricultural investments by newly resettled indigenous commercial farmers</p>	<p>(a) Government and NGOs initiated a modest and targeted input distribution scheme primarily to provide vulnerable households with maize seed and fertilizer for the 2002/3 farming season</p> <p>(b) Early importation of key inputs from RSA, Zimbabwe and Uganda ensured timely delivery of inputs</p>	<p>(a) Government replaced the Targeted Input Program (TIP) with a country-wide free starter pack input programs benefiting all smallholder farmers in the 2002/3 season</p> <p>(b) Early placement of import orders for seed and fertilizer and chemicals ensured timely delivery of inputs</p>	<p>(a) Free market based input distribution complemented by the social services and humanitarian assistance programs of a dense network of NGOs</p> <p>(b) Government implemented a modest seed distribution program to famine hit families</p>	<p>(a) No apparent formal input supply program instituted by the state</p> <p>(b) Active free market supply for agricultural inputs ensure availability but does not guarantee accessibility of inputs to all farmers</p>
<p>Negative Policy measures</p>	<p>(a) Perceptions on implementation of the land redistribution program adding to the risk and uncertainty in farming which might have further worsened food production and inflows of food aid</p> <p>(b) Poor planning of the free input scheme which continue to leave out most vulnerable populations (e.g. displaced commercial workers, and peasants) from benefiting from the schemes and vulnerable to chronic food insecurity</p> <p>(c) Government acquisition of almost all domestic input supplies has crowded out and marginalized private input marketing system threatening the viability of commercial markets</p> <p>(d) Domestic shortage of all major inputs due to unfavorable pricing policy, inadequate state allocation of foreign exchange to input producers and importers</p>	<p>(a) Inadequate state resources to finance input acquisition and distribution for drought recovery</p> <p>(b) Too little emphasis placed on donations of inputs in the aid requisitions of government and in humanitarian assistance offered</p>	<p>(a) Government resources limited to finance country-wide untargeted free input scheme</p> <p>(b) Potential shortage of domestic supplies of seeds and fertilizer</p> <p>(c) Poor attention to adapted non-maize food crops e.g. cassava</p>	<p>(a) Poor transport infrastructure creating localized inefficiencies in the distribution and pricing of inputs leading to serious access problems for the poor</p> <p>(b) Overemphasis on food handouts and too little donor support for famine recovery programs such as improving farmer access to high yielding inputs, farmer training, provision of seasonal input credit - runs the risk of creating a new class of donor dependent poor people in disaster prone areas</p>	<p>(a) Absence of comprehensive and targeted state program to improve poor farmers' access to key agricultural inputs</p> <p>(b) Declining maize to fertilizer price ratio has reduced INCENTIVES for small-holder peasant farmers to apply fertilizer on maize culminating in yield reduction.</p>



4. Beyond Recovery - Long Term Policy Strategies for Sustainable Food Security and Agricultural Development

The 2002/3 famine has once again reminded SADC countries of the precarious nature of both national and regional food security situation. While seasonal climatic variations account for the variation in annual food production across the region, the food security problem facing most countries appears to be much more complex in terms of a multiplicity of causative root factors. In the past, the SADC region has attempted to respond effectively to similar food security disasters at both national and regional level. But the return of good rains and normal harvests, albeit temporarily, often fooled governments into setting aside the implementation of strategies for addressing long-term food security such as the adoption of sound strategic grain reserve policies, conducive domestic marketing and pricing policies and regional trade policies, favorable market-based input supply system and irrigation development, among other strategies.

Recognize First Weaknesses of Past Agricultural Development Strategies: Country level analysis of agricultural performance over the past decade since the ravaging 1992 drought indicates negative productivity trends and sluggish growth in per capita food production. These trends are indicative of systemic domestic agricultural policy failures which have a confounding effect on vulnerability of countries to droughts and food insecurity. The policy shortfalls that are evident in the SADC countries most affected by the 2002 famine are summarized in the box below.

Domestic Policy Failures Confounding the 2002 Food Security Challenges

- (a) Failure to sustain domestic strategic investments in agricultural development: Negative trends in real domestic investment in agriculture development especially by government as evidenced by diminishing fiscal support to national institutions of agricultural research, technology development and agricultural extension.
- (b) Failure to offer market incentives for sustained per capita growth in domestic food production: Implicit taxation of domestic food and agricultural production system through continued implementation of unsound pricing, marketing and trade policies accounts for failure of most countries to sustain growth in per capita food production
- (c) Failure to implement targeted safety net programs for the vulnerable groups: Food security prospects in almost all of the severely affected SADC countries have been undone by the governments' continued reliance on expensive and economical costly policy of universal consumer food subsidies which can only provide undifferentiated short-term relief to all consumers - poor and wealthy - at the expense of long-term viability of food production system and sustainability of food security for both producers and consumers
- (d) Failure to complete implementation of credible domestic macroeconomic stabilization policy reforms and economic structural adjustment programs: The current food insecurity challenge is most pronounced in those SADC countries that lag behind in the implementation of economic stabilization and structural adjustment programs.
- (e) Failure to nurture domestic culture of democracy and good governance: Natural governance challenges continue to ferment sporadic political unrests and national conflicts of varying degrees of intensify across SADC region. Political instability tends to force insecure governments to promulgate economic and food security policies for short-term selfish goals of political survival and it restricts the development of an enabling environment for farmers and their buyers, to do business.

SADC governments and their economic partners must acknowledge the role played by domestic agricultural economic policy failures in translating the impacts of the 2002 drought from crop failure into humanitarian crisis. In designing drought recovery strategies, they must balance the usual short-term emphasis on provision of input packages with provision of a permanent and predictable enabling domestic policy environment. The latter would need to attend to the policy problems that have rendered their countries most vulnerable to famine. Guarantees for sustainable long term food security can only come from innovative macro-economic and sector-specific policy incentives for farmers and businesses to work optimally towards national economic goals of economic growth, employment and food security:

In view of present challenges to agricultural growth, the totality of policy reforms required in each member state must provide incentives for:

- (a) Farmers to produce an optimal mix of food and cash crops ;
- (b) National Agricultural Research and Development Institutions to invest in the development and extension of the best possible technologies to enhance yields and close the gap between potential and realized productivity in African agriculture on a sustainable basis;
- (c) Entrepreneurs to provide appropriate support services and marketing arrangements linking farmers to domestic agribusiness and to regional markets;
- (d) Labor force to enjoy lucrative employment and growth in their real incomes and purchasing powers to enable a majority of them to afford adequate diet for their families and without subsidies from government; and
- (e) Economic growth essential for government to generate sufficient fiscal resources to finance much needed public investments in agricultural development and in social services including targeted food security support for the vulnerable citizens.

4.1 Policy Agenda for Long Term Food Security

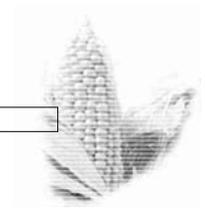
Defining the issues on the agenda: Increasing drought frequencies and threats from global competition are realities which need to be taken into account when dealing with the long-term prospects for sustainable food security. The long-term agenda should include the following issues:-

- (a) Business Oriented Development of Smallholder production systems;
- (b) Improving the Efficiency of the domestic marketing and pricing systems;
- (c) Designing effective safety net programs to ensure sustainable food and economic security for the vulnerable groups; and
- (d) Promoting regional and international trade

4.2 Policy Issue I: Development of Business Oriented Smallholder Agriculture

Support Services: To achieve the regional goal of sustained food security, SADC agriculture needs to ensure sustained growth in productivity and global competitiveness. SADC governments and sector stakeholders must train and educate a new generation of business-oriented small-scale farmers, significantly improve public investment expenditure on agricultural research, technology development and extension programs - as well as improve accessibility and sustainable credit systems (see table 4.1).

Land redistribution and management: SADC agriculture is still primarily made up of a dual mixture of traditional farming sector dominated by small-scale farms with narrow economic competitiveness capacity and a modern estate agricultural sector dominated by oversized commercial farms. SADC countries will have to undertake agricultural reform to address domestic pressure from a growing population demanding affordable food and a global market place threatening to eliminate non-competitive agricultural production systems. While the SADC region is already engaged in a debate on land reform, the emphasis must shift away from short-term political motivations towards strategic demands for sustainable, market-oriented smallholder agriculture. Governments should then consider land reform as part of an integrated multi-component development process rather than a once off political event.



4.3 Policy Issue 2: Completing Domestic Market Reforms : Improving The Performance of Agricultural and Food Markets

The food security situation within SADC is constantly undermined by the poorly developed state of national agricultural and food markets. On this matter, table 4.2 presents two critical policy issues: (1) what form should unfettered markets take to serve long term agricultural development and food security interests of the nation; (2) is the liberal policy of free multiple trader participation in food markets more effective than relying on state monopoly marketing boards.

In the SADC region, apparent failure of market liberalization programs to deliver efficient markets in some countries has reopened the debate on the role of government versus free market forces in influencing the national economy. While some SADC countries have made significant progress in developing their agricultural and food markets since they liberalized their domestic markets, in most countries competitive marketing and efficient free market pricing system failed to emerge through such a process. This has left the countries with incomplete market systems and poorly integrated regional markets. In particular, they tend to keep food from being efficiently distributed and competitively priced in all regions. Some governments have reacted by re-introducing state controls on pricing and marketing of food and agricultural commodities. Such approaches then rely on the business and management efficiency of government-controlled institutions, and their unlikely ability to adjust prices to induce all economic players along the chain to produce, sell and buy. For instance, a pricing system controlled either by the free market or by policy makers becomes costly especially in famine-hit countries when it fails to induce farmers, whether small or large-scale, to expand their food production especially following a drought year. However, the appropriate reaction to this challenge would be to embark on a program to facilitate and regulate the process of development of a much needed competitive system of private markets for agricultural and food commodities. SADC governments must contemplate on whether a wholesale return to controlled economy can deliver market services more efficiently than even an under-performing market system.

Table 4.1 The Food Security Policy Matrix and Long Term Strategies: Commercial Development of Smallholder Agriculture and Food Production Systems

Specific Policy Measures in Place	Issues From the Region	Current Policy Developments	Implications of Current Policy Developments	Recommendations
(a) Land Redistribution and Management	* While differing in their strategies, a number of the famine-hit countries of SADC have identified land redistribution and land management as one of the key levers for sustainable poverty alleviation and agricultural growth.	* Land reform has become part of the agenda on SADC agriculture	SADC countries can learn from Zimbabwe's on-going land reform program about short term and long term food security impacts of the land reform program.	Treatment of land redistribution as part of an integrated agricultural transformational process rather than a political event.
(b) Promotion of Productive Commercially Oriented Smallholder Farming Systems	* Development of their smallholder traditional agricultural systems into more productive, commercially oriented farming systems	* A number of initiatives from the public-, private-, civic-& NGO sectors across the region support smallholder farmers in developing market linkages, adopting business oriented approaches and adapting their farming system	Growing need for SADC region to learn from each other's policy experience and institutional innovations in developing resilient food production systems and sustainable transformational development peasant farmers into commercially- oriented & economically resilient farmers.	Documentation and sharing regional experiences with development initiatives and policy innovations that work Greater policy emphasis on irrigation development for drought mitigation strategies and sustainable food production
(c) Fiscal Funding of Agricultural Research, Technology Development & Extension	Diminishing financial support to national agricultural research institutions Growing gap between observed and potential productivity	Limited scope for increased support for agricultural research and extension in face of growing pressure for reduction in state deficit expenditure	Weakening prospects for productivity growth and long-term food security in SADC's poor and famine-prone countries due to cut backs in state funding of agricultural research and extension services	Strengthening the capacity of farmer organizations to exert effective pressure on national governments to sustain funding of agricultural development and support programs
Provision of Seasonal input credit and long-term financing of farm investments	Peasant farmers from across the SADC region suffer from chronic problem of limited access to seasonal input credit and absence of longer term financing of farm projects	While private sector is reluctant to extend credit to peasant farmers without collateral assets, NGO initiatives have shown that it is possible to improve access to credit for the poor farmers using such innovations as village banking, credit guarantee	Risk sharing and smart-partnership arrangements between innovative sections of the private financial sector and government or NGOs willing and able to act as guarantor for loans extended to poor farmers	SADC governments must actively promote risk-sharing and mutually beneficial smart-partnerships between the private sector, the public sector and development NGOs with the goal of expanding access to credit for asset-poor peasant farmers. These arrangements may include tax rebates for private sector offering credit to peasant farmers

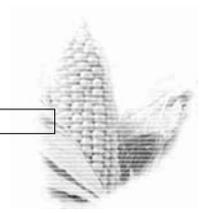


Table 4.2 Food Policy Matrix and Long Term Policy Strategy: Improving Domestic Agricultural and Food Marketing and Pricing System

Specific Policy Measures in Place	Issues From the Region	Current Policy Developments	Implications of Current Policy Developments	Recommendations
Pricing Policy	Whether or not to free market pricing for food crops will improve or reduce overall food security?	<p>Most countries have resorted to untargeted subsidies to wholesalers to ensure low consumer price.</p> <p>Others has instituted legislated food price which have no direct fiscal implications.</p> <p>Of the studied countries only RSA has a policy of direct income support for the poor.</p>	<p>The current policy of untargeted consumer price subsidies and/or price controls are costly and ends up paying uncompetitive prices for food crops inciting farmers to reduce their marketable production and shift to cash crops</p>	<ul style="list-style-type: none"> * Accept in principle the concept of free market pricing of food and agricultural commodities * Introduce regulations against collusive pricing behavior * Intensify policy support for developing private food markets by increasing number of players, improving information flow, developing modern communication
Market Participation	Whether to open the food distribution and marketing chain to private players or retain government monopoly?	<p>While majority of governments have liberalized markets for almost all cash crops, food markets remain restricted and at best only partially liberalized. Only RSA and Tanzania appear to have fully liberalized food markets</p>	<p>Efficiency in marketing and distribution of food depends on efficiencies of the marketing boards</p> <p>Presence of parallel markets sign of presence of arbitrage opportunities associated with state's spatial pricing and marketing inefficiencies</p> <p>Policy restrictions private sector participation often confound problem of missing market services essential for linking local markets</p>	<ul style="list-style-type: none"> * Liberalization of domestic food markets must be extended to cover all food crops to enhance spatial efficiency in food distribution * Targeted special policies such as food subsidies, infrastructure development, free cross border trade - can address social concerns about food security implications of high food prices in remote areas

4.4 Policy Issue 3: Long Term Food Security Policies and Effective Safety Nets for Vulnerable Groups

The major food security strategies currently employed within the SADC region are diverse especially with regards protection of vulnerable groups. Table 4.3 summarizes the major strategies and evaluates the policy issues and implications associated with each of the policy alternative. Almost all the famine-hit countries have, at least on paper, a comprehensive policy of state-managed strategic grain reserves. In some but not all countries the program is linked to a floor price control policy.

The 2002 famine found none of the famine hit countries with any significant holdings of grain in their Strategic Grain Reserves (SGR). Failure of state to store in normal years sufficient grain for famine mitigation in lean years is often a reflection of political concern over time as well as inadequate policy specifications and financial provisions. Inadequate holdings of grain stocks for SGR often reflect tight domestic market situations even in normal years which render it costly for government to compete with private traders and consumers seeking maize for current consumption. Strategic Grain Reserves must be considered as part of a holistic program for promoting food production and stabilizing domestic food markets.

Due to the difficulties and challenges associated with effective investment and management of SGR, there is surging interest among the development community in holding of foreign currency reserves as well as insurance mechanisms for the strategic purposes of insuring national food security. Foreign currency reserves remains a novel idea widely considered infeasible by most SADC countries currently dogged by chronic balance of payment problems except for Botswana and South Africa.

Opportunities exist for famine-hit SADC countries to make considerable savings on food security strategies by targeting safety nets to benefit only the poor. The popular policy in the famine-hit countries remains one of providing common subsidies to all consumers despite the apparent inefficiencies and high overall budgetary cost. Available evidence shows that only South Africa and Botswana have developed a sophisticated and effective targeted welfare program benefiting the poor, unemployed and the aged.

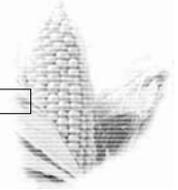
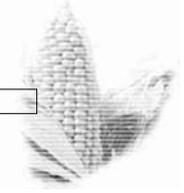


Table 4.3: Food Policy Matrix - Long Term Strategies for Shielding Vulnerable Population from Food Insecurity

Specific Policy Measures in Place	Issues From the Region	Current Policy Developments	Implications of Current Policy Developments	Recommendations
<p>(a) Strategic Grain Reserve and price controls</p>	<p>Although almost all SADC countries have a policy of holding strategic grain reserves primarily in the form of grain, all famine hit countries did not have any significant carryover stocks .</p>	<p>Holding of physical strategic grain stocks for use during famine years remains very popular across the region. Despite long history of SGRs in SADC, most countries lack clear guidelines on SGR management while others do have yet have the storage facilities to hold desired SGR stocks</p>	<p>SGR under present ad-hoc system of management proved to be inefficient and ineffective strategy for addressing food insecurity, challenges that faced famine-hit SADC countries in 2002. SGR levels adversely affected by declining trends in production or delivery of food grains to designated state agencies due to price disincentive.</p>	<p>SADC countries must revisit their SGR policies and redesign its mgt and funding system to improve efficiency and effectiveness in ensuring availability and affordability of food grains Adopt a holistic approach to SGR policy complete with policy incentives to promote growth in rain fed & irrigation production and delivery of food grains to SGR.</p>
<p>(a) Strategic Foreign Currency Reserves for emergency importation of food</p>	<p>Famine prone countries have chronic foreign currency crisis which render self-financing of food imports in times of deficit production infeasible</p>	<p>With the exception of perhaps Botswana, there is no apparent serious policy effort to establish foreign currency reserve specifically for emergency funding of food imports in famine years</p>	<p>SADC countries suffering from poor economic growth and chronic balance of payment problems lack adequate net inflows of foreign exchange for them to even contemplate reserving any amount for future use in the face of pressing daily foreign exchange hardships</p>	<p>Though desirable, a policy of holding strategic foreign exchange reserve for the specific purpose of self-financing strategic food stocks in deficit years is not presently feasible for most famine prone SADC countries as due to their chronic balance of payment problems.</p>
<p>(c) Targeted Food Security Safety Nets for Vulnerable Groups</p>	<p>Absence of targeted approach to food security Continued reliance on costly safety nets which provide shelter for all regardless of their food security status</p>	<p>Instituting targeted approach to provision of safety nets only to the vulnerable category Does the cost of administering a targeting mechanisms offset the financial savings and efficiency gains of targeting program - especially in a region with pervasive poverty?</p>	<p>Cash-strapped SADC governments must be the ones at the fore-front of piloting targeted approaches to providing safety nets against food insecurity. But vulnerable governments may insist on an undifferentiated food security support scheme</p>	<p>Policy of targeting support only to deserving beneficiaries is recommended in principle because its bound to be much more cost effective and efficient in terms of social goals.</p>

Table 4.4: Food Security Policy Matrix and Long Term Strategies: Promoting Free Competitive Regional and International Trade in Food and Agricultural commodities

Specific Policy Measures in Place	Issues From the Region	Current Policy Developments	Implications of Current Policy Developments	Recommendations
<p>Liberalization of Food and Agricultural Trade grain trade within the SADC Region</p>	<p>* Region agreed to the principle of free trade within the SADC region * Most countries still maintain a host of tariff and Non Tariff Barriers to trade in agricultural and food Commodities</p>	<p>* Most countries still unsure about the net effects of free SADC trade on their own BOP outcomes and national food self-sufficiency and food security status * Almost all countries want to become net food exporters and tend to judge a net food importer as most undesirable outcome of free trade</p>	<p>* Uncertainty about nation-specific impacts accounts for slow regional pace at which SADC trade protocol is being ratified and being implemented. * Prospects for SADC free trade on food products compromised limited understanding among SADC policy makers of how free trade affects country's food imports and how trade affects food security outcomes of both net importer/exporters.</p>	<p>Dialogue with policy makers on empirically tested consequences of free trade versus autarky policies in terms of national and regional food production growth and food security outcomes for importing and exporting countries.</p>
<p>Progressive Removal of Barriers to Regional Trades</p>	<p>Agreement in principle but implementation lagging behind</p>	<p>None</p>	<p>Countries want free access for their exports but are reluctant to promote free imports from their neighbors</p>	<p>Considerable gains in regional food security likely with free SADC trade in food and agriculture - both for net importers and exporters Easy to sell countries accept free trade in food and agriculture as part of a movement towards free trade in all commodities</p>
<p>Advocating for Global Free Trade in Food and Agriculture Products and for Favorable Delay in Opening of Domestic Markets of LDCs to International Competition</p>	<p>Would SADC countries benefit or lose from free trade with rest of the world in agriculture and food?</p>	<p>WTO movement towards free agricultural trade progressing with binding commitments for African countries</p>	<p>Countries in SADC have a long way to go before they can benefit from free global trade in food and agriculture Premature free global trade might not be beneficial</p>	<p>SADC and other African countries must negotiate for delayed and phased integration into free agricultural and trade market</p>



4.5 Policy Issue 4: Promoting Regional Free Trade in Food and Agriculture as Precursor to Integration with Global Food Markets

At present regional free trade is not considered seriously by SADC governments as a potential instrument for achieving domestic food security. Most Countries are still unclear about whether free trade would worsen or enhance their national food security status (Table 4.4.) These policy concerns of individual countries emanate from:

- an apparent preference for national food self sufficiency (at any cost);
- a desire for most countries in the region to eventually become surplus domestic suppliers and exporters of food to the SADC region and beyond.;
- limited analysis undertaken by these countries up to now, on the complex implications of regional free-trade agreements for agricultural and food economy at country level and
- some lack of confidence between each other, considering the contrasted states of economies within the region.

The idea that one country may lose its food self-sufficiency status but become more food secure as a regional food-importing country than it could ever achieve without free regional trade is yet to be fully grasped by policy makers. This accounts for the pace at which SADC is deliberating the issues of removal of trade barriers to translate the SADC free trade protocol into reality. There is need for much more engagement with policy makers, governments and other sector stakeholders at national and regional level regarding potential implications and consequences of free regional trade on national and regional food security.

Given the stage of development of SADC itself, relative to international agriculture and food systems, the region's food industry is perhaps not ready for competitive free trade engagement with global players. Despite the realities imposed by WTO commitments, country studies show a general lack of public and parliamentary debate on policy positions of member countries and the SADC region regarding agricultural trade and its impact on domestic economies.

SADC should assist, through analysis and capacity building, agricultural stakeholders of member states involved in policy formulation to analyze the practical implications of regional and WTO trade agreements for the agricultural industry at national and regional level and derive as well as harmonize strategic orientations for the sector.

5. Conclusion and Way forward

The food security crisis of 2002, demonstrated the complexities of the food security situation in the SADC region. Studies conducted in five countries yielded quite specific insights on the policy dimension that contributed to its severity and suggested policy changes that enhance disaster preparedness of countries and the region. The fundamental recommendations could be grouped into five categories:

(a) Preparedness for Famine and Effective Management of the Food Security Crisis Situation : Effective famine disaster management strategies complete with specified national and regional institutional mechanisms for reacting and responding on an impending food security crisis should be designed.

(b) Integrated Strategy for Timely Mobilization of Resources for Famine Relief: Timely acknowledgement of an impending disaster is key to effective mobilization of emergency relief support especially from the donor community.

However, relief organizations do not necessarily manage to raise adequate and timely support to avert famine. Thus member countries must enhance their domestic and regional capacity to address impending famine situations by developing and managing an adequate stock of strategic resources for famine relief. Considering failures of existing reserves to address the crisis, their institutional set up and management should be reviewed and complementary mechanisms explored.

(c) Policy Dimensions Were at Least as Important as the Drought: In almost all famine-hit countries, drought aggravated the effects of many years of ineffective and detrimental agricultural and food policies ranging from poor price incentives to poorly funded and designed agricultural research, extension and development programs. To fully recover from the 2002 famine, it is recommended that countries go beyond provision of inputs for drought recovery (which will require some form of evaluation) and reexamine their domestic agricultural and economic policies. A progressive shift towards a favorable and enabling domestic agricultural and economic policy environment is essential to complement any good rains that may come in 2003 and to turn-around the domestic agricultural and food security situation in 2003. For some famine-hit countries such as Zimbabwe, solutions to the current episode of food insecurity rest with acknowledgement of the structural nature of the production crisis and effective adjustment of existing domestic agricultural and economic policies that gives back the initiative to sector stakeholders.

(d) Long Term Food Security will depend on Refocused Agricultural Development at National and Regional Levels to Effectively Combat Food Insecurity. Given that vulnerability to drought is essentially a problem of underdevelopment, the long term food security strategy of countries must refocus on the development of domestic agricultural and food systems. This implies that governments must make difficult economic and social policy choices to finance investments over consumption and improve the structure, conduct and performance of the agricultural sector. It is recommended that countries consider not only national strategies but facilitate regional integration as an integral part of national and regional food security strategies and famine relief.

(e) In The Very Short Term, Address Today the Poor Prospects For the Whole 2003:

- the state of monopoly, control and distrust as developed by some Governments towards partners involved in relief operations and food trade should be relieved, considering the level of the crisis;
- preparation be made by Governments as soon as possible in partnership with aid agencies and other stakeholders, in order to anticipate food and input supply needs;
- continuous monitoring and evaluation of needs and emergency operations should be undertaken in order to improve them quickly and target vulnerable populations;
- issues of GMO policy as well as institutional delays in transporting food aid and imports should be addressed without delay.