

Committee on World Food security (CFS) 2011

Food Price Volatility Roundtable

In spite of the vigorous and constructive debate, a number of governments played wise monkeys and kept a 'hear nothing, see nothing, say nothing' approach. They stubbornly refused to take up the recommendations made by experts and civil society and go beyond their short term interests. Some powerful governments did not approach the talks with the aim of bringing almost one billion people out of hunger but as if it was a zero-sum game trade negotiation.

The CFS ensured that food price volatility was on the agenda. However, the unwillingness of key G20 countries to tackle big drivers of food price volatility such as trade regulation and biofuels undermines this week's efforts. Some governments seem to place their blind short-term economic interests above the right to food for all.

Because of government failure to tackle the root causes of food price volatility and because of the flawed process in which was impossible to further influence the outcomes, CSOs walk out of the room during the last night of the negotiations.

General observations:

- Timing : inadequate timing because some main G20 governments did not want to undermine the G20 agenda. Similarly the WTO agenda remains a clocking element where no government seems willing to put its relevance into question. Therefore it was not possible to go beyond the G20 Action Plan.
- Preparation : too short preparation. Everything was last minute and there was inadequate time to build a strong consensus on issues not already agreed. Moreover, weak role of non-G20 countries played an important role in the outcomes.
- Participation : developing countries were almost totally absent from the debate and unprepared (or in the case of West Africa and Africa in general, there was no transmission of prepared positions into the negotiations). We briefed Africans before the CFS and few other countries. Sometimes they made good statements on the policy roundtable but they failed to fight during the night negotiations.
- Process : the negotiation process led by Russia was not very transparent. Often CSOs inputs have not been taken into account and in the last negotiation sessions Russia and the CFS Chair were presenting new paragraph agreed by governments without any meaningful discussion or, sometimes, without give the opportunity to other participants to make proposals. There was recognition among governments that this process was flawed and hopefully this will not happen again because it contradicts the open and participatory nature of the CFS.
- HLPE : the report was critical to move the debate forward, but FAO feels threatened by the HLPE and its legitimacy. A number of countries didn't share the recommendations of the HLPE and were very vocal in lobbying meetings on this. The recommendation about biofuels indicate that countries want to increase control over the ways of working of the HLPE by indicating it should be science based and explicitly take into account work of the FAO and the Global Bioenergy Partnership. There is a need to continue to support it, contribute to build its legitimacy, defend its independence and further use the existing report.
- CSO work generally seen positively. The preparation was last minute (also because of CFS late establishment of Task Teams to prepare the policy round tables), with limited participation of social movements. The priorities identified were: agricultural and price policies, trade, coherence, reserves, commodity exchanges and biofuels. Cooperation in the group was very good, but unprepared for delayed agenda. There was no CSOs capacity to engage well before with official delegations.

Observations on specific policy asks:

- The initiative to improve markets transparency was supported but full transparency of private sector unsure.

- Rapid Response Forum. Linkages with the CFS still unclear. This is something that the Bureau will sort out. The Forum will not be used to deal with regional food crisis (people representing governments on it are experts on global markets) but there was interest by few countries to look on how the CFS can help to move things forward when there is lack of early action.
- Speculation: result positive but very general. The CFS recognized the need to “improve transparency, regulation and supervision of agricultural derivative markets”. It implicitly recognizes the fact that speculation plays a role in volatility and can be a strong tool to advocate for progress particularly in term of regulation. There is a need that the CFS secretariat with the AG, develop an adequate monitoring of decisions to ensure the need to report on the status of implementation of all recommendations.
- Trade: The presence in a number of countries delegations of their WTO negotiations had a strong impact on all the discussions on food price volatility. At some stages the focus looked to be market access and how to avoid trade distorting measures rather than how to achieve food security. The discussion was difficult also because at few weeks before the WTO ministerial nobody wanted to move (or give the impression they were ready to move). It was clear that for a number of countries no discussion on trade rules is possible outside the WTO mandate.
- Biofuels: It was not possible to agree on concrete action. The EU played a delaying tactics since the beginning by proposing a study on biofuels. US and Brazil followed in effectively moving the battle on the study instead that on the need to eliminate mandate, subsidies and tariffs. The HLPE received the mandate to develop a study on biofuels. Timing is still unclear. The Bureau will decide. Beyond the study, they agreed to “review biofuels policies - where applicable and if necessary - according to balanced science-based assessments of the opportunities and challenges they may present for food security so that biofuels can be produced where it is socially, economically and environmentally feasible to do so”.
- Food reserves: The outcome is very weak, but opens the door to develop a study to assess role of buffer stocks at local, national and regional levels. Basically it was the same recommendations agreed in by the G8 in 2009 (they just included relevant stakeholders) and never implemented. The critical issue will be what international organisation will take the lead on this, as opinions are fairly biased.
- Emergency reserves: no reference to alignment to national and regional reserves policy, limited to WTO consistent policy (not sure that local procurement schemes are fully WTO compatible). The development of a code of conduct for humanitarian reserves let a bit the door open to keep food reserves in the CFS agenda.
- Food Aid Convention: no reference to the need to maintain a collective commitment. Just mentioned vaguely the FAC importance and the importance to provide adequate food aid.
- Gender dimension has been very weak. A reference was included in the paragraph on social protection but the gender dimension remain very weak if not absent in the debate.

Prospects for 2012:

- FPV will remain high on the CFS agenda in 2012 (with specific issues like biofuels, reserves, AMIS&RRF, Social protection, climate change). This will remain true also beyond 2012 given the fact that we know that prices will remain high and volatility in the medium term (even if they can crash down as in 2009). The food price crisis is not over also because governments failed to address the root causes of the crisis.
- Need to reinforce the capacity and participation of the CSM on FPV.
- There is a need to engage with social movements and governments at national levels and ensure that Africans and Asians participate actively to influence the outcomes until the end. Their stronger presence in the Bureau will probably help.

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