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IMPLEMENTATION OF RECOMMENDATIONS OF THE WORLD FOOD CONFERENCE

A REPORT TO THE CONGRESS

SUBMITTED BY THE

AGENCY FOR
INTERNATIONAL DEVELOPMENT

COMMITTEE ON
INTERNATIONAL RELATIONS
U.S. HOUSE OF REPRESENTATIVES



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(II)

FOREWORD

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, D.C., December 31, 1976.

This report has been submitted to the Congress by the Agency for International Development pursuant to section 213 of the International Food and Development Assistance Act of 1975 (Public Law 94-161). Section 213 states:

The Congress calls upon the President to strengthen the efforts of the United States to carry out the recommendations of the World Food Conference. The President shall submit a detailed report to the Congress not later than November 1976 with respect to the steps he has taken to carry out the recommendations of the World Food Conference, including steps to fulfill the commitment of the United States and to encourage other nations to increase their participation in efforts to improve the food security of the poorest portion of the world's population.

The report is being published by the International Relations Committee, in view of its legislative and oversight responsibilities in this field, as a public service for those interested in steps taken by the United States to carry out the recommendations of the World Food Conference.

THOMAS E. MORGAN, *Chairman.*

(III)

CONTENTS

	Page
Foreword -----	III
Summary -----	1
Efforts to increase world food production -----	4
Emphasis on the small farmer and rural poor -----	8
Nutrition -----	12
Balance between food and population -----	14
Women and food -----	15
Food aid -----	16
Food security -----	18
IFAD -----	19

ANNEX

World Food Conference resolutions :	
Resolution I: Objectives and strategies of food production -----	22
Resolution II: Priorities for agricultural and rural development -----	24
Resolution III: Fertilizers -----	26
Resolution IV: Food and agricultural research, extension and training -----	29
Resolution V: Policies and measures to improve nutrition -----	34
Resolution VI: World soil charter and land capability assessment -----	45
Resolution VII: Scientific water management: Irrigation, drainage, and flood control -----	46
Resolution VIII: Women and food -----	48
Resolution IX: Achievement of a desirable balance between population and food supply -----	51
Resolution X: Pesticides -----	55
Resolution XI: Programme for the control of African animal trypanosomiasis -----	57
Resolution XII: Seed industry development -----	58
Resolution XIII: International fund for agricultural development (IFAD) -----	59
Resolution XIV: Reduction of military expenditures -----	65
Resolution XV: Aid to victims of colonial wars in Africa -----	65
Resolution XVI: Global information and early warning system on food and agriculture -----	66
Resolution XVII: World food security -----	67
Resolution XVIII: An improved policy for food aid -----	69
Resolution XIX: International trade, stabilization and agricultural adjustment -----	73
Resolution XX: Payment of expenses to representatives of national liberation movements -----	74
Resolution XXI: Expression of thanks -----	74
Resolution XXII: Follow-up action -----	75

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REPORT TO THE CONGRESS REGARDING IMPLEMENTATION
OF RECOMMENDATIONS OF WORLD FOOD CONFERENCE

Sec. 213 of the International Development and Food Assistance Act of 1975 calls for a report to the Congress detailing the steps taken by the United States to carry out the recommendations of the World Food Conference of 1974. The following report marking the second anniversary of the World Food Conference is submitted in response to this provision and updates a similar report submitted last year to the Senate Subcommittee on Foreign Agricultural Policy. The report reviews the major follow-up measures in the context of U.S. foreign assistance policy and the overall food policy strategy adopted by the World Food Conference. In the accompanying annex, substantive follow-up steps are discussed resolution by resolution.

SUMMARY

The World Food Conference was convened in the shadow of a succession of natural disasters, poor harvests and quantum jumps in the cost of petroleum based fertilizers, pesticides and other essential agricultural inputs. The combined effect of these events raised the spectre of an impending world-wide crisis and outright famine in the case of many of the world's poorer nations which had suffered crop failures and lacked the means to pay for a two-fold increase in the cost of imported food stuffs. However, the crisis atmosphere also helped to galvanize world opinion and spurred ministerial-level delegates of 130 governments and representatives of several score of international organizations and private agencies that participated in the World Food Conference to adopt a common set of goals and objectives for the elimination of hunger and malnutrition and to agree on a range of measures designed to carry out these objectives.

The United States Government, through close coordination between its Executive and Legislative branches, played a leading role in structuring the Conference and in formulating the action program embodied in the series of resolutions the Conference adopted. The resolutions were adopted on the basis of a broad consensus by all of the delegates, despite the diversity of interests and views represented at the Conference. They reflect wide differences in approach and concerns ranging from lofty declarations on elimination of hunger within a decade, to special interest pleas to defray the travel expenses for national liberation movements. Some resolutions are very broad in scope, as in the case of agrarian reform and integrated rural development; others are more focussed and specific, such as control of African animal trypanosomiasis. Overall, however, the resolutions adopted reflect not only the intensity of concern over the world's problems

of hunger and malnutrition, but also agreement on a program for attacking these problems.

Now, two years after the World Food Conference, the crisis atmosphere which brought it about has, at least temporarily, abated. The world as a whole, and the developing countries in particular, have experienced two successive years of improved crop production and food harvests. Food prices have eased, stocks are up, fertilizer and other agricultural inputs are more available and their costs have stabilized or even declined. In part, these results reflect the intensification of productive efforts that the World Food Conference helped to mobilize, but overall, improved output has arisen primarily from more favorable weather conditions in a number of the main producing countries as well as in the large food deficit areas.

In relation to the overall goals, the net effect of this improvement has been essentially to move the world a few steps back from the brink of disaster and to provide a little more time to attack the fundamental problems of inadequate agricultural production and distribution that must be resolved if the World Food Conference goals are to be achieved.

Since results to date appear to have served mainly to restore agricultural growth to a trend line without the acceleration deemed necessary to move visibly closer to World Food Conference goals, one could draw a fairly pessimistic view of the situation, and from that, of the level of additional efforts so far undertaken. It has to be recognized, however, that two years is simply too short a period for significant end-results to have occurred. With a few exceptions, the World Food Conference resolutions require a longer lead time for tangible pay-outs. Moreover, to the extent that the resolutions call for underlying socio-economic reforms, the impact even of the most successful effort in this regard, tends to be diffused throughout a broad segment of the population and hence much more difficult to assess than would be the case, for example, for location-specific capital investments.

While it may be difficult to relate results directly to the effort undertaken, and premature in many cases, given the inherent lag between investment and pay-off, one can nevertheless examine performance in terms of progress in the level of effort undertaken and implementation rate of the measures called for by the World Food Conference. Here the picture is considerably brighter and more encouraging than if one focusses simply on the overall goals and implicitly judges progress in terms of the needs to be met.

In each of the two years since the World Food Conference, overall efforts designed to expand food production in the developing countries, and improve income distribution and levels of nutrition have in fact been substantial and are steadily increasing. Implementation performance, however, has been uneven, with considerably more progress registered in some areas than in others. Principal features of follow-up efforts to the World Food Conference can be summarized as follows:

- U.S. foreign aid directed toward agricultural development has increased very substantially. A similar pattern in terms of increased levels and emphasis also has occurred in the official development assistance from other donors and from the international organizations, including the World Bank group and the regional development banks in which the United States participates.
- In respect to the follow-up mechanisms proposed by the World Food Conference, the International Fund for Agricultural Development (IFAD) is now nearly a reality, and if the final necessary effort is made by all those concerned, the IFAD, designed specifically to promote agricultural development, will stand out as the single most visible accomplishment of the past year.
- Within the agricultural sector of the developing countries, external donors as well as recipient governments have shown a much greater awareness of the social equity imperatives of directly involving the poorest segments of the population, and new development projects reflect a major effort to refocus and shift priorities in favor of the small farmer and rural development.
- Food aid to the developing countries, although slightly under the 10 million tons target set by the World Food Conference, has nevertheless increased considerably, with a major portion of it provided by the United States.
- In a number of areas, including fertilizers, pesticides, seed development and agricultural research, there has been considerable forward movement, although it remains less than what is called for by the World Food Conference or by an assessment of projected needs and requirements if agricultural production in the developing countries is to be steadily expanded at the targetted 4 percent annual average growth rate.

- In the critical area of improving nutrition, the United States remains in the vanguard of developing innovative approaches to the problem, but overall progress toward eliminating malnutrition is sadly lagging, and this in turn reflects the slow progress being made in resolving the underlying problems of income distribution, food production and population growth in the developing countries.
- Food security, unfortunately, stands out as having shown the least forward movement among the major objectives agreed to by the World Food Conference. While the improved world production of the past two years has permitted some build-up in grain stocks, progress toward establishment of an international system of nationally held grain reserves to meet the contingency of a serious food crop disaster has been far slower than the U.S. had anticipated.

EFFORTS TO INCREASE WORLD FOOD PRODUCTION

The World Food Conference called on all nations, developed and developing alike, to undertake large-scale efforts to expand world food production. The magnitude of the task has been indicated by several economic studies which project grain production in relation to grain requirements in developing countries over the next decade. The quantitative results vary in accordance with the underlying assumptions used concerning rates of increase in production, population, income and consumption; but the studies show a consensus in projecting a serious gap between food production and requirements in the developing countries.

Projected Food Deficit

The most widely cited projection, prepared by the FAO for the World Food Conference, estimated that the average annual grain deficit in developing countries could reach 85 million tons per annum by 1985. This projection is based essentially on extrapolation of trend-line data and assumes a population increase of 2.7 percent per annum and growth in grain demand of 3.3 percent per annum. Production is assumed to increase at a rate of 2.6 percent annually, based on past experience; but no allowance is made in the consumption projection for the effect on aggregate demand of efforts to improve income distribution and to improve levels of nutrition for the lower income groups.

A study by the U.S. Department of Agriculture, incorporating a range of supply and demand assumptions, and a population growth rate of 2.4 percent, projects a grain deficit by 1985 for the developing countries varying between 16 and 72 million tons. On the low side, the gap between LDC production and demand is derived from a very high projected annual rate of growth in grain production of 4.1 percent, which in turn presupposes sharply increased agricultural inputs. More recent projections by the International Food Policy Research Institute (IFPRI) indicate that the shortfall in grains will be in the 95 to 108 million ton range by 1985/1986 depending on the rate of economic growth. Like the FAO projections, these do not consider the additional amounts that would be required to improve diets or the increased demand for food grains generated by possible redistribution of income to low income people. When adjusted for difference in source data, the FAO and IFPRI projections are not significantly different.

These studies also indicate that the projected food deficit will be highly concentrated in poor countries with large populations--an estimated 40 percent will be accounted for by India, Bangladesh and Egypt--but will be equally serious in a number of smaller countries, particularly in Africa, where the quantities involved are not so vast. About half the total deficit is projected to be in countries with annual per capita GNP of less than \$200. Even if exportable food surpluses can be produced at sufficient levels in other parts of the world, the food-deficit countries are not likely to have the foreign exchange to import such quantities commercially on a sustained basis.

To meet this increased demand for food requires maximum agricultural production in the U.S., in other developed countries and in the developing countries themselves. Food aid can and should play a major transitional role by assuring supplies while the underlying production strategy is pursued, but clearly the top priority must be given to increasing food production, especially in the major food-deficit countries that have production increasing potential. If, in addition, significant efforts are to be made to reduce malnutrition, or if desirable changes occur in income distribution in favor of lower income groups (with a consequent increase in the demand for food), an annual growth rate in grain production by developing countries of at least 4 percent would appear to be a minimum objective.

Investment requirements.

The investment needed to bring about such an acceleration in agricultural production is prodigious. The FAO Secretariat, in a report

to the World Food Conference, indicated that the total annual investment in agriculture in the developing countries would have to increase from the 1972 level of \$8-10 billion to an annual average of \$16-18 billion during 1975-1980. The report assumes that the developing countries themselves could be expected to mobilize domestic savings to cover only about 2/3 of this investment gap. The remaining 1/3 of the investment financing would thus have to come from external sources. In 1972 prices, the external resource requirement could thus be estimated at roughly \$6 billion dollars. Taking into account intervening inflation, the estimated annual resource transfer in current 1976 prices would now approximate an average of \$10 billion if the 4 percent growth target for developing countries agriculture is to be sustained. While the specifics of the FAO report are open to question, the general conclusion is not--a much greater resource flow is required.

Since the World Food Conference, there has in fact been a very substantial increase in the aggregate flow of development assistance to LDC agriculture. According to the most recent assessment prepared by the Consultative Group on Food Production and Investment (CGFPI), commitments for concessional resource transfers to LDC agriculture amounted to almost \$6 billion in 1975. This represents a 50 percent increase over the \$4 billion level in 1974, which in turn was more than 50 percent over that of 1973. Comparable data is not yet available for 1976, but on the basis of partial information from several of the main sources, the level of commitments this year will show a further, although much smaller, increase.

While present levels of assistance to LDC agriculture still fall substantially short of the inflation-adjusted figures representing projected external resource requirements, the dramatic increase obtained since 1973 suggests that an annual resource flow target of \$10 billion is attainable. It could in fact be reached in 1977 with a further increase in effort similar to what has already been demonstrated as possible.

Certain major qualifications, however, should be added to such figures. Most notably, the external resource gap estimate is based on food production needs, while the resource commitment figures include not only assistance directly related to food production but also assistance for more broadly defined areas such as agro-industries, fertilizer plants and rural infrastructure, which stimulate and support food production, but do so

only indirectly. Secondly, the commitment levels so far attained will be translated into disbursements and increased production only over future years. Because of the investment lag, current expenditure levels are not yet as high as the \$6 billion figure may imply. Conversely, however, it does not include private capital flows which could be expanded considerably to help meet the overall external resource requirements.

Multilateral Assistance

Within the total commitment levels of assistance to agriculture in developing countries, the multilateral agencies, in which the U.S. plays an active role in terms both of policy coordination and financial support, have been responsible for roughly half. The major effort has come from the World Bank Group. IBRD/IDA commitments to agriculture increased from \$956 million in FY 1974 to \$1848 million in FY 1975. The comparable figure for the fiscal year ending June 30, 1976, shows a moderate decline to \$1628 million. In addition, however, the World Bank has provided approximately \$700 million since the World Food Conference to expand LDC fertilizer production. In terms of total World Bank lending, the share going to agriculture has doubled from 15 percent to 30 percent over the past several years.

Apart from the World Bank, the regional development banks also have registered a dramatic increase in financing agricultural projects. The Asian Development Bank almost tripled its lending to agriculture in 1974, to a level of \$134 million, or almost a quarter of all loans approved that year. In 1975, loan approvals to agriculture rose further, to \$246 million, or 37 percent of the total. In the case of the Inter-American Development Bank, agricultural lending increased from \$182 million in 1973 to \$228 million in 1974 and to \$332 million in 1975. Substantial further increases for agricultural funding by the regional banks has occurred in 1976 offsetting the decline for the World Bank.

Bilateral Assistance.

Increased emphasis on agriculture also has characterized bilateral assistance. While each country ultimately determines its own allocations of external assistance, the U.S. has been a consistent advocate of increased emphasis on agriculture in all of the international fora in which development needs and plans are discussed and coordinated. A major example is the Development Assistance Committee (DAC) of the OECD, where following the initiative and active lead of the U.S., all major bilateral donors have undertaken extensive reappraisals of their development assistance programs in the area of food and agriculture. Among the U.S. Government agencies, A.I.D., as

"spokesman for development," has consistently encouraged other bilateral donors as well as the international financial institutions to increase assistance to food and nutrition, particularly for the lower income countries where the need for accelerated food production is greatest.

Within the A.I.D. program itself, food production and nutrition programs have been given top priority and now amount to almost \$500 million, or over 50 percent of the bilateral development assistance funding provided by A.I.D. The following table shows the trend over the past several years for A.I.D.'s total functional assistance, the amounts directed to food and nutrition, and the relative share of the total which the latter represents.

CHANGING COMPOSITION OF AID DEVELOPMENT
ASSISTANCE FUNCTIONAL ACCOUNTS

	FY 74	FY 75	FY 76	Trans. Quarter	FY 77
TOTAL	779	768	720	214	925
Food & Nutrition	275	436	407	117	487
Percent of Total	35.3	56.8	56.5	54.7	52.6

With the past several years having served to build a broader base and test out the new program techniques involved in a more concentrated attack on the interrelated problems of food production, rural development and nutrition, a substantial further increase in assistance to food and nutrition projects could be managed on a cost-effective basis.

EMPHASIS ON THE SMALL FARMER AND RURAL POOR

If the primary thrust of the World Food Conference resolutions is productive, that is, focusing on the means and effort required to expand agriculture and food production, the second thrust is distributive, that is, assuring that social equity considerations

are taken into account more specifically so that the small farmers and rural poor who constitute the majority of the population in the developing countries fully participate in and benefit from the expanded production. The emphasis placed on lower income groups by the World Food Conference is reaffirmed in respect to A.I.D.'s programs by the Foreign Assistance Act, as amended in 1975. Specifically Section 103 on Food and Nutrition, para (c), states that,

"Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor....."

The objectives of maximizing production, on the one hand, and assuring more equitable distribution of the benefits, on the other, are not incompatible, but do require careful coordination and balance in what has come to be called a participatory development strategy. Experience shows that agricultural investment efforts which succeed in raising production do not necessarily generate a commensurate increase in employment or income for low income people. Increased foodgrain production, for example of vital importance in the consumption patterns of low income families in many countries, may not provide a direct increase in employment even sufficient to create adequate demand for the increased grain production itself. Conversely, however, a substantial increase in employment and hence income of the poor majority cannot be sustained in low-income countries unless there is a commensurate gain in total food production and other goods to provide for the increased consumption demand accompanying higher incomes.

A practical strategy which increases both production and income of poor families is complex and likely to vary among countries with different factor endowments and levels of development. Moreover, it must confront numerous problems both of a political and economic nature whose solution would lead many to despair of seeing any real progress achieved in the absence of political revolution and establishment of authoritarian regimes which can reallocate resources without regard to market forces. The latter, it is argued, mean that economic returns to factors of production are a direct consequence of the marginal product and relative scarcity of each factor; and since the only factor of production that the rural poor control to any degree is their labor, rural incomes will remain very low as long as labor is in surplus supply.

Participatory Strategy

The participatory agriculture strategy that A.I.D. is following is designed to work within the context of market forces rather than against them. This still means, however, that the low income countries have to face critical policy choices and possible trade-offs. To attain the basic objectives of a participatory strategy, a substantial increase and redirection of public expenditure flows may be required, or major realignment and adjustment of agricultural prices in relation to the cost of inputs, or adjustment between import and export prices through tariff or currency changes. In other cases, redistribution of land may be required.

Each of these policy measures may be viewed as an unacceptable short-run sacrifice by powerful urban and rural elite groups. Without such changes, however, the specific, direct efforts to help the small farmer and rural poor through improved access to agricultural inputs, credit, marketing services, etc. will provide only limited and perhaps temporary benefit. A major aspect of the U.S. effort to implement the rural development objectives of the World Food Conference is to encourage through our participation in Consultative Groups and multilateral assistance organizations as well as through our bilateral assistance programs the undertaking of necessary policy changes and to help support the implementation of such changes through the financial assistance we can provide.

Another area in which considerable scepticism has been raised in respect to the chances of success for improving incomes for the small farmer and rural poor, on a long-run basis, turns on the question of savings behaviour. Conventional economic theory has held that the marginal propensity to save increases with levels of income, i.e., the rich save more both in absolute and relative terms than do the poor. The resource gap analysis discussed previously indicated that domestic savings as well as external resources must be raised if investment and production targets are to be met, and that two-thirds of the aggregate financing requirements must come from efforts to mobilize domestic savings within the developing countries themselves. Hence, it can be argued that in the developing countries where inadequate domestic savings already constitute a major constraint on expanding new investment and production, any large-scale effort to shift incomes in favour of the poor as called for by the World Food Conference will be self-defeating since the net effect will tend to reduce aggregate savings and further limit the financing available for productive investment.

The participatory strategy A.I.D. is following seeks to help developing countries break out of this vicious circle by assuring that development efforts in the rural sector will maintain a balance between increased income and savings and the higher level of consumption goods that will be demanded. In addition, A.I.D. is also financing policy-oriented social science research into questions such as savings and investment behaviour of lower income groups in order to better understand how problems in this area can be overcome.

In this regard, it is worth mentioning the striking results of a major study now underway in which the findings suggest that the savings propensity of a broad range of lower income groups may actually be higher than that for the economy as a whole, in direct contrast to what conventional economic theory would indicate. In the case of the small farmer, the rate of savings may be very high, although this appears less in monetary terms than in direct improvement, i.e., investment in his dwellings, livestock and small landholdings in the form of better drainage and other means of increasing the soil's productivity.

Small farmers are generally efficient allocators of scarce resources given the constraints they face and typically can achieve yields per acre as high as or higher than large farmers. For this reason, A.I.D. is convinced that the best approach for implementing the World Food Conference's twin goals of increased food production in tandem with greater social justice lies in programs designed to help small farmers gain access to agricultural inputs and services that they need to become more productive. The essential elements are each covered under one or more of the World Food Conference resolutions and include such inputs as technical information, credit, fertilizer, insecticides and improved seeds; an appropriate system of incentives to assure a fair return; suitable rural infrastructure such as market roads and irrigation systems; minimum processing, storage and marketing facilities; and cooperatives or similar organizations enabling participation by farmers in decisions affecting them.

Each activity in A.I.D.'s program is designed to strengthen and support one or more of these components of an integrated agricultural development system. In addition to programs and projects in this area directly carried out by A.I.D., the U.S. Government participates actively in the work of the FAO and all of the other international agencies which are carrying out parallel programs and efforts.

Agricultural Research

Apart from the programs designed for immediate impact based on existing technology, A.I.D. also is heavily involved in promoting research which will yield direct and indirect benefits to small farmer agriculture over the longer term. Such research efforts range from social science investigations into the savings behaviour of the low-income groups as mentioned above, to applied physical science research into questions such as improved nitrogen fixation. Overall, A.I.D.'s research and research support funding now amounts to approximately \$50 million annually.

A major portion of this is carried out through the Consultative Group for International Agricultural Research (CGIAR), which A.I.D. has supported since its inception, and which coordinates and funds research programs in nine international agricultural research centers. These centers have been responsible for major breakthroughs in the development of the new high-yielding varieties of wheat, maize, rice and other grains. In addition, under Title XII of the Foreign Assistance Act, the new permanent Board for International Agricultural Development has been recently established and will provide a focal point for expanding the role of U.S. land grant colleges and universities in efforts concerning the food production problems of the developing countries.

NUTRITION

Closely related to efforts to increase the productivity of small farmers and the rural poor are policies and programs designed to improve levels of nutrition. While increased agricultural production and income may not by themselves automatically result in improved nutrition, they are nevertheless essential conditions and their absence will retard or even vitiate whatever progress might otherwise be achieved by carrying out specific nutritional programs. By the same token, reduction in the rate of population growth is similarly necessary if significant long-run progress is to be sustained in overcoming malnutrition and its consequences among the poor of the developing countries. In fact, improved levels of nutrition might be regarded as the ultimate objective of the World Food Conference and as such is a goal for which tangible progress depends not simply on efforts directly focussed on nutrition, but even more importantly on the rate of progress among all of the interrelated, underlying factors.

While the past two years have witnessed an alleviation of the extremely critical hunger and malnutrition situation which prevailed in many areas at the time of the World Food Conference, the target date which was adopted for the elimination of these problems still appears as remote as it did at the time of the Conference. This disparity between the expectations raised and the results so far achieved has contributed to a sense of frustration and disappointment among many of those who are keenly concerned with these problems. This in turn has generated considerable criticism of what is seen as a lack of real commitment and effort undertaken in the area of nutrition by all of those countries and organizations that participated in the Conference.

A.I.D. has not escaped such criticism. This fact entails some measure of irony it might be suggested, since it was largely A.I.D., with support of other agencies of the U.S. Government, which did the pioneering work on many of the specific approaches ultimately endorsed by the World Food Conference and embodied under the Nutrition resolution. At the same time, however, such criticism is not without foundation, given the leadership role the U.S. has assumed in the area of nutrition, and the technical and financial capability that could in fact be mustered.

Among the criticisms of A.I.D.'s effort in the area of nutrition are: 1) the fact that funds specifically earmarked for nutritional projects constitute a very small portion of the total foreign assistance program; 2) that A.I.D. together with the other agencies of the U.S. Government with responsibilities in this area could be making substantially greater inputs into the organization and implementation of nutritional efforts being carried out by the international agencies; and 3) while A.I.D. has developed a number of impressive nutritional techniques, it has been weaker on the implementation side by not providing the staff necessary to help carry out efforts in the field.

In response to the first point, it may be noted that all of the funds which are appropriated under Section 103 of the Foreign Assistance Act are ultimately directed to the goal of improving nutritional levels whether they finance specific nutrition studies and projects or attack the underlying economic problems which must be resolved if nutritional levels are to be raised on a self-sustaining basis. The same is true for most of the PL 480 program. Moreover, even in the narrower context of specific nutrition projects, the U.S. has helped to carry out a number of significant new initiatives both in bilateral and multilateral areas. These include nutrition surveys in a number of developing countries, increased scientific research in the area of nutrition and a campaign against vitamin A blindness and iron deficiency anemia.

A.I.D. is currently undertaking an intensive reappraisal of the effectiveness and potential directions of its programs in the area of nutrition. Because of the importance of this issue and because of the particular concern that has been raised over the adequacy of efforts so far made, the question of U.S. involvement in nutrition is examined in considerable detail under the second section of this report pertaining to implementation actions resolution-by-resolution.

BALANCE BETWEEN FOOD AND POPULATION

Rapid population growth in developing countries--at current rates a doubling of population every 35 years--seriously exacerbates the already difficult task of improving the welfare of millions who live at or near subsistence. Such growth creates additional demands on scarce resources and impairs the precarious health of those who share present and future development burdens. Worldwide population growth generates increasing environmental pressures and contributes to international political and economic disruption--factors which will affect the lives of all of us in the future.

Although only a decade ago it would have been impossible for a large international conference to seriously discuss population issues, let alone reach any agreement in this area, the World Food Conference clearly showed itself to be concerned with the important relationship between growing world population and the ability of the world to feed itself. In Resolution IX, it called on governments and people "to support...rational population policies ensuring to couples the right to determine the number and spacing of births"--an action reinforcing the resolutions adopted at the earlier World Population Conference in Bucharest.

The population issue and its consequences go far beyond the quantitative problem of achieving a reasonable balance between world food production and consumption and touches on a whole range of variables affecting quality of life, especially among lower income groups. A.I.D., together with other governments, UN agencies and private organizations involved in family planning have helped to focus attention on the fact that access to information and the means of planning family size are essential to the improved growth and nurturing of children and to the general health and welfare of the family. Population programs also are increasingly based on recognition that women's roles and status in the society have a strong bearing on decision making regarding the spacing of children.

The U.S. has played a key role both in stimulating awareness of the need to slow population growth and in supporting techniques and facilities designed to help in this effort. By the end of the current fiscal year, the U.S., through A.I.D., will have provided more than \$1 billion in international assistance to population programs throughout the world. This will amount to more than half of all such assistance to the developing countries.

While population programs had limited impact in their initial years, the growing recognition throughout the developing nations of the seriousness of the problem and the increased availability of family planning services are now making inroads in the effort to slow the rate of the world's population growth. Expressed in increments to the total population, approximately 70 million persons were added in 1970. In 1974, the increment was approximately 63 million, and the downward trend appears to be accelerating.

WOMEN AND FOOD

The Conference also recognized the important roles of women in food production, stating that rural women in the developing world account for at least fifty percent of food production. In Resolution VIII, governments were asked to involve women fully in decision-making for food and nutrition policies; grant them rights to full access to all medical and social services including family planning, and to education and information essential to the mental and physical fitness of children. Governments were asked to educate and train women especially in food production and agricultural technology, marketing and distribution techniques as well as to provide for consumer, credit and nutrition information. Inherent in these expressed desires is the recommendation that governments promote equal rights and responsibilities for men and women so that women's energies, talents and abilities are fully utilized in the battle against world hunger.

Many steps have been taken by governments, UN agencies and our foreign aid program on these important issues. The General Assembly's unanimous passage of the World Plan of Action resulting from the International Women's Year Conference in Mexico ascribed to the same recommendations. The UN Commission on the Status of Women met in Geneva in September, 1976, and added a special section on Rural Development to the Convention to Eliminate Discrimination Against Women. If adopted by the General Assembly, this Convention will become binding on all member States, and for the first time

includes the principles of the Food Conference and World Plan regarding women and food production. Highlights of these and Agency actions are outlined in the Annex.

FOOD AID

While the long term solution to the world's food problem clearly lies in expanding agricultural production in the developing countries, substantial amounts of food aid will be required for some time to come to help the food deficit countries cover their import requirements and feed particularly vulnerable groups. The World Food Conference adopted this concept under Resolution XVIII which calls on donors to consider ways of increasing food aid in the short term particularly to the most seriously affected. The Conference also adopted a food aid target of 10 million tons of grain annually.

While the food aid target has not yet been met, the current shortfall is less than 10 percent, and the U.S. has been remarkably generous in terms of its contributions to this international effort. During FY 1976, the major donors committed 9.2 million tons of grain as food aid, of which almost 50 percent was provided by the United States.

The U.S. food aid program serves a variety of developmental needs. Under Title I of PL 480, the U.S. sells agricultural commodities to needy food deficit countries on highly concessional terms. This helps to provide an immediate buffer against shortfalls in their production and enlarges the volume of food available for consumption. Under Title II of PL 480, the U.S. donates blended foods to nutrition programs. Most are administered by voluntary agencies, and maternal and child health projects are given the highest priority. The PL 480 program has recently recovered to a level which provides minimal security against moderate fluctuations in world food production as well as assured supplies of commodities for Title II nutrition programs.

The International Development and Food Assistance Act of 1975 includes several provisions designed to ensure that U.S. food aid is concentrated to benefit the poor in needy food deficit countries. Of total commitments under Title I, 75 percent must

be allocated to countries with an average annual per capita GNP of \$300 or less; and, of the 1.3 million metric ton minimum level for Title II programs, 1.0 million must go to U.S. voluntary agencies and the World Food Program.

In using food aid as a development resource, it is important to recognize that a successful policy for rapidly expanding local agricultural production for improving the welfare of the low income peoples of the world is necessarily part of a broader strategy that increases employment and the purchasing power of the lower income people. It is a complex undertaking in which, initially, demand for food may exceed growth in supply until employment and income generating programs take hold. Frequently, moreover, a short-term dilemma is also presented since in many developing countries food production fluctuates substantially from year to year.

The proceeds of concessional sales are often used to finance programs to increase agricultural production and the commodities also contribute to supply stability in the face of lags in production and fluctuating weather. Stable food supplies are an essential underpinning for developing country governments to support a strategy of raising incomes and creating demand for expanded local food production. For the longer run a range of devices may be pursued to increase production and improve distribution in order to ensure the necessary food supplies. Clearly there is potential for joint programming of U.S. dollar and food assistance to achieve common development objectives, and several recent changes in legislation and programming procedures have been established for this purpose. Food aid now is managed in a cycle similar to the one used for dollar assistance, and this greatly simplifies the integration of the two resources.

In the long run, of course, the goal of U.S. assistance is to help the developing countries to provide themselves with a nutritionally adequate diet. If their tastes and purchasing power permit, some countries may choose to import foodstuffs on a commercial basis. The United States is in a position to continue to compete effectively in those markets.

The PL 480 Title I program, properly defined, can play a significant role in influencing countries toward strategies designed to increase local incomes and production, thereby helping to meet the humanitarian objective set forth by the World Food Conference.

Each country context will differ, of course, and in each our ability to effect a specific linkage of food aid to development will depend upon careful analysis, planning and consultation by the recipient, the U.S. Mission and interested agencies in Washington. Food aid plans must be constructed to ensure that U.S. food aid does not act as a disincentive to local agriculture production by depressing prices farmers receive and that it is linked with other development programs to achieve needed additional policy changes and commitment of resources by the recipient government.

FOOD SECURITY

At the time the World Food Conference was held, world stocks of food grains had been drawn down to their lowest level in twenty years following a succession of poor harvests and crop failures. A number of grain surplus countries, including the United States, had taken steps to restrict exports and it appeared that the world could not sustain another season of poor harvests without confronting a major international catastrophe which would bear most heavily on the food deficit nations. In the face of this situation, the Conference adopted a number of resolutions and recommendations designed to strengthen world food security. The main elements of the strategy on food security included an improved policy for food aid; an expanded information and early warning system on crop prospects; expansion of food storage systems in the developing countries; and the implementation of a proposed International Undertaking on World Food Security. In conjunction with the latter, a number of governments agreed to study the feasibility of establishing an internationally coordinated system of national reserves which would be large enough to cover foreseeable major production shortfalls.

The United States has supported the principles, objectives and guidelines contained in the Undertaking on World Food Security and has given this issue high priority. We have also offered a specific proposal for a reserves system for wheat and rice within the framework of the International Wheat Council to improve world food security.

Unfortunately, although all governments recognize the need to help protect developing nations from the vagaries of the weather and to ease production shortfalls, progress toward agreement on

an effective system of food reserves has been disappointingly slow. In the view of the U.S. Government, the slowness which has characterized discussion on this question results less from a lack of the will to put a grains reserve system into place than it does from the exceedingly complex policy problems involved in designing for an effective system.

Although technical discussions are proceeding, one of the key issues that has not been resolved concerns the appropriate trigger mechanism under which the system's reserves would be accumulated or released. A number of the participating countries maintain that the appropriate mechanism should be price related. Others, including the U.S., favor a mechanism based on a production/stocks trend index, on grounds that a price mechanism would not necessarily reflect real changes in the world's physical availabilities of food grains.

The U.S. Government is confident that these differences can be resolved in such a way that the legitimate interests of farmers in the food exporting nations can be protected. While there has been a lessening of the apparent urgency on this issue as a result of the recent improvement in food crop production and considerable progress toward the replenishment of normal grain reserves during the past year simply through an improvement in the international production-consumption balance, the United States will continue to work for the establishment of an effective system of reserves to safeguard the interests of all countries, and especially the developing countries, against food production shortfalls.

IFAD

The idea of an international Fund for Agricultural Development, or IFAD as it has come to be called, represents the most original and innovative idea to come out of the World Food Conference. Although many countries, including the U.S., were initially unenthusiastic, the magnitude of the resource gap as well as agreement among delegates that the new institution would not duplicate existing international agencies led to the adoption of the IFAD proposal as a new mechanism specifically designed to channel additional international assistance to support efforts by developing countries to expand food and agricultural production.

Now, after two years of intensive international negotiations on contributions to the Fund and on the Articles of Agreement to govern its operations, the IFAD is on the point of becoming a

reality. If the final effort currently in process to complete the \$1 billion funding target is successful, this new fund will stand out as the single most notable accomplishment of the past year in respect to steps undertaken to carry out the resolutions of the World Food Conference.

A principal feature of the new Fund, and one which distinguishes it from other multilateral assistance efforts, is the fact that it was conceived as a joint undertaking to bring together for the first time both traditional foreign aid donors and new donors, the members of the Organization of Petroleum Exporting Countries (OPEC). Working out the respective responsibilities and obligations between the two groups of donors represents a significant step in terms of international cooperation, but this difficult process prevented the Fund from materializing sooner.

Underlying this is the fact that the funding issue was approached from a different perspective by each of the two groups. The traditional donors, led by the United States, took the position that if the new endeavor was to be a truly joint undertaking, the funding responsibility also should be equally shared by the two groups of contributors. The OPEC members, on the other hand, argued that the relative disparity between levels of development and national product of the two categories of donors did not justify equal contributions. As negotiations proceeded, this difference was bridged with a compromise by both sides to the effect that, although contributions need not be identical, they would be approximately equal. Subsequently, however, after pledges of approximately \$530 million, including the U.S. contribution of \$200 million, were announced by Category I countries, the OPEC members of Category II announced that their contribution would be limited to \$400 million with the proviso that Category I must increase its share to \$600 million.

For a number of months following the June, 1975 plenipotentiary conference, where it was expected that the IFAD agreement would be opened for signature, the resulting shortfall against the \$1 billion target and the lack of parity in contributions created an impasse which has threatened to cause the IFAD initiative to miscarry. However, intensive diplomatic efforts carried out in international meetings where IFAD has been discussed and direct bilateral approaches to the principal OPEC contributors now make it likely that the funding problem can be resolved and the IFAD agreement put into effect before the end of this year.

The impending agreement results, on the one hand, from a more constructive attitude and increase in contributions by OPEC and, on the other hand, from a decision by a number of Category I contributors also to increase their contributions, the latter on grounds that the purposes that the IFAD is designed to serve outweigh continued insistence on the issue of closer comparability between the two groups of donors.

Throughout the long process of making IFAD a reality, the United States has played a strong leadership role, helping to resolve the funding and parity issues, and designing the policies and procedures incorporated in the articles of agreement to ensure that IFAD will function not only efficiently but in a manner that is compatible with the existing international institutions with which the Fund will collaborate.

U.S. leadership in the IFAD endeavor has been made possible by the substantial contribution the U.S. has pledged and by the exceptional degree of coordination and cooperation between the Executive branch and the Congress that has characterized U.S. participation in IFAD from the beginning of discussions on this undertaking.

With the funding issue now resolvable, the Articles of Agreement adopted and the Preparatory Commission actively engaged in working out the procedures, the IFAD can be brought quickly into operation. This will reaffirm the strong commitment the United States has expressed through supporting the resolutions of the World Food Conference to expand food production in the developing countries and to alleviate hunger and malnutrition.

ANNEX

World Food Conference Resolutions

Resolution I: Objectives and Strategies of Food Production

In this Resolution the Conference resolves that the objective of the international community as a whole should be the elimination of hunger and malnutrition within a decade. It calls on the governments of developing countries to give high priority to agricultural and fishery development, to formulate short, medium and long-term food production and utilization objectives taking into account demographic and general development goals consistent with good environmental practices; take measures for agrarian reform; and develop adequate national supporting services.

The Conference also requests or urges governments to increase their assistance for agricultural development, especially to least developed and most seriously affected countries, including capital on favorable terms, and to provide the necessary inputs for agriculture such as fertilizers, pesticides, and machinery with incentives to enable the producer to buy. The Conference requested all governments to reduce waste of all agricultural resources, land, water and energy.

The Conference called on the UN regional Economic Commissions to continue their assistance to governments of their regions in their economic development efforts. It also urged FAO, in consultation with UNDP and other relevant organizations to develop criteria for selecting suitable areas for food production; to make an inventory, on the basis of the criteria, of areas suitable for additional production; and to indicate ways and means for carrying out additional food production.

In a final section of the Resolution the Conference requested the World Bank, Regional Banks, UNDP and UNIDO to mobilize the support of their respective communities in support of the objectives of this Resolution.

Food production in developing countries increased by 5% during 1975, or by an amount greater than the declared 4% goal of the World Food Conference. While this development is in part no doubt due to unusually favorable weather conditions, it is also in part due to the high priority being given to increasing their own agricultural production by the international community. The United States almost doubled its

bilateral development assistance for food and agriculture in the past three years, from \$275 million in FY-74 to \$487 million in FY-77. Meanwhile, official development assistance commitments from all international sources for agriculture have grown from \$2.5 billion in 1973 to \$5.9 billion in 1975, with World Bank lending for this purpose having grown from \$1.1 billion to 2.2 billion.

An important part of the process of alleviating world food problems is the identification of the extent and distribution of those problems, measurement of the flow of international resources directed toward their solution, and evaluation of major policy and other constraints. The U.S. Government has been very active in all of these efforts in cooperation with other governments, and with the World Bank, FAO, UNDP and UN agencies in related fields; the recently created World Food Council recommended by resolution of the World Food Conference and UN General Assembly; and with two other organizations resulting from that Conference, i.e. the Consultative Group on Agricultural Production and Investment, and the IFAD-International Fund for Agricultural Development which is currently in the process of establishment.

The United States has also been active in international efforts to address particular aspects of food production problems. For example, during FY-76 AID devoted more than \$1 million toward reducing the sometimes considerable losses of food between the farm field and the final consumer. The U.S. has joined with others in a consortium dedicated to solving the agricultural problems of the Sahel region of Africa.

In short, the U.S. Government, through A.I.D. has been very deeply involved in carrying out the recommendations of Resolution I, particularly through A.I.D. whose largest component of technical assistance and supporting financial assistance is in the field of agriculture. Examples of specific fields of activity by A.I.D. are discussed further in connection with other conference resolutions.

Resolution II: Priorities for Agriculture and Rural Development

This Resolution calls on all governments to implement appropriate progressive agrarian reforms; promote cooperative organizations; encourage formal and non-formal education of rural people. It calls on international and bilateral agencies to emphasize through various activities integrated rural development programs. Among the institutions mentioned, through which integrated rural development might be brought about are those for employment and income generation, credit and marketing systems, and cooperative institutions. The Resolution urges that such institutions be organized in developing countries to reach the mass of farmers and rural workers, and taking into account the role of rural women in agriculture. It also aims at elimination of illiteracy within a decade. The Resolution calls on the governments of developed countries to become mobilized to take part in development work.

Because agrarian reform is understandably associated with politically sensitive issues, AID generally follows an indirect approach toward encouraging secure tenancy in those developing countries where such reform is appropriate, and has frequently accorded more direct responsibility in this area to multilateral organizations such as the World Bank and the FAO. AID has extended the 211(d) utilization grant to the University of Wisconsin Land Tenure Center (LTC), largely to accommodate the continued demand of developing countries for the Center's technical services. Concurrently, AID has encouraged the LTC to focus its research program toward key agrarian reform issues, the solution of which has policy as well as operational implications. AID has also endorsed the LTC's major plans for an International Seminar on Agrarian Form to be held during the summer of 1977. This largely indirect assistance to the developing countries through the LTC is complemented by AID-supported cadastral surveys and related land tenure studies in various countries, including Bangladesh.

Cooperatives continue to constitute a primary means of grouping and involving large numbers of small farmers in rural development. AID provides grant support to several institutions including Agricultural Development International (ACDI) which provide technical assistance to developing countries in the field of organizational

development; the ACDI plans to sponsor a seminar on cooperatives which will provide an international forum in which to bring together expertise and experience in this vital area. On the more operational level, AID provides loans (or is reviewing requests for loans) for electric cooperatives in the Philippines, small farmer organizations in Honduras, cooperative marketing in the Philippines, and small farmer credit cooperatives in Kenya. The recent program guidance that was sent to AID's field Missions encouraged the continued emphasis on cooperative development.

Education (formal and non-formal) and human resource development is one of AID's major sectoral areas of emphasis, together with food and nutrition, and health and family planning. This year, guidance was sent to the field indicating how Missions could better integrate education programs into their total development assistance programs in a fashion more consistent with the learning needs of the rural poor. In addition, AID supports projects designed to improve the educational levels in developing countries, especially in Latin America and Asia.

Food production and rural development programs (which often include agrarian reform concerns, cooperative organizations, and education activities) are the cornerstone of the AID program in most developing countries. Accordingly, AID continues to allocate substantial development assistance resources allocated to increase yields per acre on small farms, to increase employment opportunities of the underemployed, and to improve income distribution. AID is currently reviewing requests for an integrated rural development program in Chad, a rural resource support loan in Ghana, agricultural sector loans in Tanzania and the Dominican Republic, grain marketing in Zaire, simple irrigation in Indonesia and rainfed agriculture in Pakistan, and appropriate technology requests from various countries including Peru. The new Title XII, Famine Prevention and Freedom from Hunger, has permitted AID to work more closely with U.S. land-grant and other universities in promoting increased food production. (See Resolution IV for further details on implementation of Title XII.)

Resolution III: Fertilizers

This Resolution contains eight recommendations, as follows:

Recommendations 1 and 2 encourage bilateral and multilateral donors to give special attention to supplying fertilizers to the MSAs during the period of shortage and astronomically high prices.

Recommendations 3 and 4 recommend that FAO, UNIDO and World Bank jointly assist developing countries to improve efficiency of their fertilizer plant operations; and urge international institutions, developed countries and others to provide financial and technical assistance, technology and equipment on favorable terms to build necessary additional fertilizer production facilities in developing countries having essential raw materials, and to assist them in other ways with the establishment of necessary infrastructure.

Recommendation 5 requests interested countries to consider entering into cooperative ventures or partnerships for promotion of a stable fertilizer production/supply system enabling developing countries to obtain them.

Recommendation 6 requests the FAO Commission on fertilizer, member countries, and international organizations (UNIDO and World Bank) to prepare an authoritative analysis of the world demand and supply situation as a basis for world fertilizer policy.

Recommendation 7 requests member countries to introduce standards, policies and measures to ensure quality, including mineral and alternative sources of plant nutrients such as organic fertilizers and others.

Recommendation 8 recommends intensification of international efforts in the transfer of technical knowledge through extension/education and greater use of various methods for improving soil fertility.

The U.S. government, primarily through AID, participated actively in multilateral cooperative programs and bilateral programs as well.

In regard to recommendations 1 and 2, although the shortage is history and prices are now at a reasonable level, the U.S. through AID is continuing to emphasize fertilizer in its program. In FY 1976 and the Transition Quarters, July - September, AID Financed 410,895 and 39,000 metric tons of fertilizer valued at \$65 million to nine (9) countries, in FY 1977 supplying 287,000 tons to date.

Following recommendations 3 and 4, the U.S. has actively supported the programs of FAO, UNIDO and IBRD in attempting to stimulate rational investments in the industry, to improve the system supplying basic information for both marketing and commitment of capital to the industry. It has provided technical assistance through the TVA and more recently through the International Fertilizer Development Center - IFDC. A major effort in this field was a preliminary survey of resource development and use potential in West Africa which is leading to specific development projects. IFDC is involved in many smaller projects which in the aggregate can be expected to have a significant impact on both investment decisions and on production from existing units.

Although the U.S. Government is not directly involved in partnerships between U.S. and LDC producers, it has encouraged joint participation; for example, AGRICO in the Fauji project in Pakistan. More recently the Cooperative League U.S.A. has been exploring provision of a marketing service to Latin American countries.

The U.S. has participated regularly in the FAO Commission on Fertilizers, the FAO Fertilizer Industry Advisory Committee and most recently, through TVA and its support of IFDC in the Consultation on the Fertilizer Industry.

The U.S. has long had rigorous enforcement of quality standards for the fertilizer industry through individual state laws. A concerted effort has been launched to increase the reliability of reporting and to achieve uniformity in these standards. Adequate quality control methods are available for almost all products. In this regard AID with TVA assistance is revising its model specifications for fertilizers to ensure both good product quality and permit the broadest possible competition among legitimate suppliers. These specifications are suitable for either fertilizer purchase or as product specifications for factory design.

The U.S. interest is not limited to chemical fertilizers. Within the past two years AID has committed \$2,684,000 for research on biological nitrogen fixation under tropical conditions. Another \$233,000 is programmed for FY 1977. Intensive projects are underway at the University of Florida and the University of Hawaii while the USDA is coordinating a number of smaller activities which build on special skills throughout the U.S.

As a major step to improve the transfer of knowledge about fertilizers and their production, the U.S. through AID and Canada launched the International Fertilizer Development Center - IFDC. Since its incorporation in October 1974 the IFDC has brought together a staff of 47, including 26 highly qualified professionals. Its staff includes nationals from 10 countries. In support of the fledgling Center the U.S. has contributed \$10.7 million, \$5.7 of which is for basic buildings and equipment. Since its founding the IFDC has furnished technical assistance to more than 20 countries and cooperated actively with the World Bank Group, UNDP, and ESCAP.

Resolution IV: Food and Agricultural Research, Extension and Training

This resolution emphasizes the need to increase agricultural research training and extension programs. It also emphasizes the need for linkages among national and international research programs.

In particular, Recommendations 1 through 9 spell out the fields in which international regional and national research should be developed, and the results exchanged through various "linkages". Among the areas mentioned for strengthening and intensification of efforts are maximizing production of all food crops and live-stock through improved water development; better utilization of land, water and other resources; opening up of new lands; and development of non-conventional as well as traditional sources for raising of nutritional levels. Extensive efforts should also be made to increase productivity and reduce costs by such developments as solar and geophysical energy, plant introduction and genetic breeding. Recommendations were also made on the need for research relating to ecological impact of various forces including climatic, and the importance of applied research to specific farming systems.

Recommendation No. 9 contains some proposals for specific actions:

(1) That FAO undertake collection, dissemination of current research, results of research already underway and that resources be made available to permit exchange of experience between different centers;

(2) That the resources of CGIAR (Consultative Group on International Agricultural Research) co-sponsored by FAO, UNDP and World Bank be increased in order to enable it to strengthen and complement the work of international and national institutions and the centers; and

(3) That adaptive research and cooperative efforts be made at all levels to strengthen specific areas and techniques of research.

A number of important things have taken place within the past year which are directly supportive of this resolution:

1. Title XII (Amendment to the Foreign Assistance Act)

Through Title XII, we have launched a broad program to use the vast resources of our agricultural college and universities in solving worldwide food and nutrition problems. While AID has long and successfully used the expertise of U.S. universities in development programs, the new authorization will permit more systematic and longer-term application of scientific and technological expertise on agricultural development problems. The new approach aims to encourage our agricultural universities to integrate their overseas and domestic programs, extending the borders of the universities beyond the state and beyond the nation.

The first major steps are being taken to implement Title XII. The President has named an outstanding group of noted agriculturists to the Board for International Food and Agricultural Development, authorized by Title XII. The Board held its first meeting in October 1976 and is meeting monthly. Extensive coordinated background work by U.S. university and AID representatives greatly facilitated deliberations of the Board. Rapid progress is expected in working out arrangements whereby U.S. institutions can more fully participate in the development and implementation of programs designed to meet broad-based research needs of developing countries, as well as of those directed to specific country research and development priorities in food and nutrition.

Implementation of provisions under Title XII will involve careful analysis of how U.S. institutions can most effectively link with LDC R and D institutions, and with the international agricultural research centers. We and other technical assistance organizations - particularly through the mechanism of the Consultative Group on International Agricultural Research (CGIAR) - are seeking and finding ways to better contribute to worldwide agricultural R and D networks. A major consideration is how best to capitalize in agricultural R and D in meeting developing country needs.

2. The National Academy of Sciences' Study on Food and Nutrition

This important study, financed in part, by AID, will be very useful in providing guidelines for the role of the U.S. in meeting the food and nutrition problems of the countries of the developing world. Emphasis is directed to helping these countries to help themselves. An Interim Report of this study was released in 1976; the full report is scheduled to be released about mid-1977.

3. The International Agricultural Research Centers

In 1975 about 30 CGIAR members contributed a total of approximately \$47.5 million to these centers and associated activities. The corresponding figure for 1976 is about \$62.5 million; the expected amount for 1977 is some \$78 million. The U.S., through AID, contributes up to 25% of these total requirements. The work of the centers addresses the major food sources and main agricultural regions of the developing world. Increasing emphasis is being placed on the small, disadvantaged farmer who requires, for adoption, a low-cost technology that takes into account the constraints of capital and production inputs. In particular, mention is made of the newest of the centers - ICARDA (International Center for Agricultural Research in the Arid Areas) - which addresses needs of farmers in the more marginal agricultural regions of the developing world.

In 1976 we participated in a comprehensive review of the CGIAR system with a view to assessment of the nature, scope and management of activities for the next 3-5 years. The Review Report strongly affirmed the importance of the CGIAR and the activities supported by it. It called for their continuance for the foreseeable future; for a three-year period of consolidation during which no major new financial obligations should be incurred; and for more effective linkages of the centers with national agricultural programs, on the one hand, and with advanced research institutions (e.g., in the U.S.) for supportive research, on the other. The Report was, in principle, supported by all members.

4. Farming systems for the Small Operator

If we are to help the small farmer in the developing countries, we must understand him and his overall agricultural enterprise. This is a time-consuming and complex assignment, which perhaps explains why we and other technical assistance organizations have tended to avoid or postpone it. We have responded to the Congressional mandate to better address our attention to this large, important and relatively neglected segment of the rural population in the LDCs. Fortunately, the CGIAR shares this view, so we find the international centers giving greater attention to the needs of the small farmers.

A growing number of AID-supported country-level farming systems R and D projects are primarily concerned with small farmers. The Agency, at the same time, is attempting to identify common denominator aspects of farming systems of small operators that can serve as a basis for research on methodology that could have widespread application. This is important in view of the recognized site-specificity of the strictly applied aspects of small farming systems' production technology.

5. Low-Input Technology

AID, both through support to U.S. institutions and to international centers, is focusing on development of technology that takes into consideration capital and input constraints of poor farmers in the developing countries. The following examples are illustrative of initiatives taken, or further emphasized, subsequent to the World Food Conference:

- Biological fixation of nitrogen. Research is underway with U.S. universities (e.g., Hawaii and Florida) to determine how farmers can more effectively make use of this "low-cost" nitrogen for increased yields of food crops. The U.S.D.A. is assisting us in identifying problems and scientists to broaden the scope of this work. Modest support is being given for work to explore the feasibility of biological fixation of nitrogen in non-leguminous food crops such as the major cereals.

- Testing of Potential New Varieties of Crops under low-input/Stress Conditions. Work on important crops such as wheat, barley and sorghum is being conscientiously oriented in order to identify materials that perform in a superior manner under stress conditions. For example, barley and sorghum materials are being screened for tolerance to drought and heat. The international center for maize and wheat (CIMMYT) has been encouraged by the CGIAR to consider ways in which more experimental materials can be tested systematically under low-input (e.g., low level of fertilizer) conditions.
- Development of more effective fertilizers and fertilizer use practices. The new International Fertilizer Development Center (IFDC) is expanding its program of research and technical assistance. We are encouraged by the growing recognition of the important role of IFDC as reflected in the recent decision of the CGIAR to nominate three members of the Board. The work at the International Rice Research Institute (IRRI) on more effective use of fertilizers through the "mudball" technique illustrates a kind of unsophisticated technology that could have important implications for small rice farmers who are severely restricted in the amount of fertilizer they can purchase.
- Aquaculture and Fisheries. AID's recently established Division of Aquaculture and Fisheries provides a basis for substantially increased research, development, and training directed to the needs of aquaculture and artisanal fishery in the developing countries.

6. CARIS

AID has helped support the development of CARIS (Current Agricultural Research Information Services) through FAO. Fao is expected to assume the funding of CARIS beginning in 1978. CARIS seeks to establish an international information system to collect, process, and disseminate data on research institutions, workers, and programs. CARIS will link with national research information services.

Resolution V: Policies and Measures to Improve Nutrition

Recommendations 1 and 2 of the Resolution relate to the need for integrated food and nutrition plans and policies designed to reduce hunger and malnutrition. As one means of implementing this objective, FAO was requested, in cooperation with the other organizations in the UN system (WHO, UNICEF, WFP, World Bank, and UNESCO) to prepare a project proposal for assisting governments to develop intersectoral food and nutrition plans. FAO was also requested (Recommendation No. 10) to make an inventory of vegetable food resources, other than cereals, and to study the possibility of increasing their production and consumption especially in the areas where malnutrition is widespread. FAO, WHO and UNICEF were requested (Recommendation No. 12) to expand their monitoring of food contamination, and to establish a global nutrition surveillance system to provide information on factors affecting food consumption and nutritional status (Recommendation No. 13).

Most of the other recommendations deal with specific components of nutrition planning. These relate, inter alia, to measures for national governments to take with respect to food for vulnerable groups including encouragement of breast-feeding and changes in weaning practices (Recommendation No. 6); nutrition education (Recommendation No. 4); health, and related social services for those suffering from protein malnutrition (Recommendation No. 5); food supply for emergencies (Recommendation No. 8); food fortification through meeting specific nutrient deficiencies (Recommendation No. 9); consumer education (Recommendation No. 11); establishment, by governments, of applied research in specific nutrition fields (Recommendation No. 14); association of non-government organizations with national programs (Recommendation No. 15) and improvement of the nutritional and educational status of women (Recommendation No. 16).

The United States Government has been working for many years toward achievement of the same nutritional objectives as those of the World Food Conference. Since the Conference, the U.S. has accorded even higher priority toward these objectives, both through U.S. bilateral assistance programs and as a member of the international organizations in the UN System.

1. The U.S. Bilateral Program

While primary U.S. Government responsibility for follow-up on the Nutrition Resolution of the World Food Conference per se lies with

the Offices of Nutrition and Food for Peace in the Agency for International Development, there are numerous agencies and offices of the Government whose actions have an immediate or potential effect on nutritional well-being overseas. The consumption pattern of populations in low income countries may be affected, in some cases significantly, by U.S. policies relating to concessional food sales, exports and imports, and grain reserves. Nutritional status also may be affected by U.S. assistance to these countries in the areas of agriculture, health, population, education, and rural and urban development. It should be recognized that policies and decisions in these other areas may have an equal or greater effect on nutritional well-being than those carried out by the AID Offices of Nutrition and Food for Peace. Resolution V, however, as far as the U.S. Government is involved, pertains primarily to the activities of these two offices, and of relevant USAID Mission programs overseas.

The AID Nutrition Strategy as a whole is oriented along the lines of our Congressional Mandate. The strategy is based on the premise that problems of hunger and malnutrition are concentrated in the "poor majority" in LDC's, who have neither been included in the development process nor shared significantly in its benefits. The plight of the 460 million chronically malnourished people, half of them children, has eased somewhat since the World Food Conference but is still critical.

The over-riding objective of the AID Nutrition Strategy is to assist communities and governments and to work with external assistance agencies in meeting the basic needs of this group and reducing their deprivation. From the perspective of the poor throughout the world, the most basic needs relate to survival, the keys to which are nutrition and health.

The U.S. response to these recommendations is threefold:

First, AID recognized that external assistance agencies cannot and should not play a design-directive role in the development and implementation of specific interventions to meet the nutritional needs of populations in other countries; that responsibility for these and other development activities lies at the national and sub-national levels of the governments of these countries. AID also recognizes that many governments are not

yet fully committed, for a variety of reasons, to the goal of improving the nutritional well-being of their poor majority. Accordingly, AID's first objective in responding to Resolution V is to increase LDC governmental awareness of malnutrition, to increase governmental commitment to nutritional improvement, to provide information on the kinds of interventions available, and to suggest planning contexts for such decision-making.

Toward this objective, AID has been providing assistance to numerous governments in the development of intersectoral nutrition plans at the community, sub-national and national levels as well as undertaking pioneering work in the development and application of such methodologies. AID can make a further contribution by insuring that new U.S.-assisted programs in health, agriculture and other relevant sectors emphasize the nutritional impact of these programs particularly among the poorest. (See objective 3).

A key instrument in the preparation of nutritional plans is the nutrition survey. These surveys play a multiple role. They identify the number, regional distribution and characteristics of the malnourished groups. They provide clues to the causes of malnutrition as well as base line data that can subsequently be used to evaluate the impact of nutrition interventions. Finally, they serve to sensitize governments to the existence and importance of the malnutrition problem which often reflects non-participatory patterns of development.

AID has already financed nutrition surveys in six countries, and will finance nutrition surveys in five additional countries during FY 1977. AID also plans to finance a major study on the functional implications of malnutrition (Recommendation No. 1 of the Nutrition Overview Study Team of the National Academy of Sciences' World Food and Nutrition Study, July 1976) to translate the scientific measurements in such surveys into long term health effects, productivity and behavioral consequences which can be understood by decision makers. Such sensitization ideally should strengthen the hands of governments interested in direct nutrition interventions and more equity-oriented patterns of development.

The second AID objective with regard to Resolution V follow-up is to assist low income countries in the analysis, design, promotion, implementation and evaluation of direct nutrition interventions aimed at poor and vulnerable population groups.

AID, primarily through its overseas missions, has been working actively in the area of direct interventions for the past 10 years, providing technical, financial and food assistance, appropriate equipment and, more recently, soft loan financing to governments interested in launching such programs. In addition to continuation of the Title II food grants (principally through U.S. Voluntary Agencies), the overall AID strategy with respect to this second objective is two-fold. First, AID is systematically examining the relative costs and effectiveness of a range of interventions which will affect the nutritionally most vulnerable groups. Rather extensive AID-financed operations research is underway in the areas of nutrition education (Recommendation No. 4), child feeding (Recommendation No. 7), and food fortification (Recommendation No. 9) to determine what does and does not work. This will help to refine intervention approaches, and by disseminating this information nutrition planners will be able to program more effectively. Most of the interventions being examined are aimed primarily at the most vulnerable population groups, pregnant and lactating women and children in the first two years of life. Such research, in general, is probably the most important category of applied nutrition research (Recommendation No. 14) that can be undertaken at present in low income countries. This research, while very broadly defined, is highly operational in content, and carried out within the context of each country's own programs, priorities, and capacities.

The second aspect concerns training. Past experience suggests that even in LDC's which are committed to programs to combat malnutrition, implementation of nutrition intervention efforts suffers from the endemic management problems of underdevelopment and often ceases once external assistance is withdrawn. During the past three years, AID has attempted to respond to this need by financing and encouraging considerable training of middle and senior level government officials in nutrition planning. During the coming years AID will continue such training but in the low income countries themselves to permit direct exposure to the malnutrition problem and its key determinants. In addition, in order to support village level identification and care of mothers and children at risk, AID, through its Offices of Nutrition and Health, hopes to become actively involved in the process of training village workers in public health and nutrition extension services.

In addition to this systematic program of research, training and assistance to governments in developing sensible packages of inter-

ventions, AID has selected a few categories of nutrition interventions which it plans to support more specifically in the context of the particular needs and conditions of individual countries.

One of these intervention approaches is village-level identification and care of pregnant and lactating mothers and children at risk. This involves selection and minimal training of village residents responsible to the community who then provide simple nutrition, health and family planning services. The most important nutrition component involves the periodic measurement of height and weight of young children to identify malnutrition and the provision of education and food supplementation as required. Follow-up care can be targeted for children identified in this fashion as being nutritionally at risk. Such a program will require major attention to low-level training, and AID hopes to take a leadership role in the organization of such training. This village level intervention, if successful, will also generate an ongoing body of data (from the height/weight charts kept for each child) which can serve as the basis for national and sub-national nutrition surveillance systems (Recommendation No. 13). In most cases this would be preferable to independent nutritional status surveillance exercises which, when there are no response mechanisms, have the potential of becoming ends in themselves.

The second category of interventions to be emphasized relates to vitamin A deficiency and iron deficiency anemia (Recommendation No. 9). These problems, specifically identified by the U.S. Secretary of State in his opening address to the World Food Conference, follow protein-calorie malnutrition in terms of their consequences, but are considerably easier to address. AID is pursuing a number of different interventions--ranging from nutrition education to food fortification--in an effort to develop appropriate low cost alternatives for individual countries. In the area of fortification, AID has carried out some of the pioneering research on non-cereal carriers which might permit more complete coverage of low income populations than would cereal fortification. AID has financed research on the feasibility of fortification of sugar, tea, salt and flavoring agents and during FY '77 will extend this research to provide countries with a reasonably complete matrix of fortification possibilities using unconventional carriers.

AID has taken the initiative in organizing an international consortium of public and private agencies interested and involved in addressing the problem of vitamin A deficiency. The group is comprised of the UN Agencies specifically concerned - WHO, UNICEF, and FAO, private voluntary agencies, and other bilateral donors. The consortium will coordinate a worldwide attack on the problem, with AID assisting operations of the consortium and sponsoring appropriate portions of programs recommended by the group. A worldwide conference cosponsored by AID and WHO was held in Jarkarta several weeks after the World Food Conference as well as other organization meetings in Washington, and the consortium is now operational. In addition, AID has approved multi-year projects with activity underway in Haiti, Guatemala, Indonesia, Sri Lanka and El Salvador.

A similar international consortium has been formed to conduct a campaign against iron deficiency anemia. AID and WHO co-sponsored an international conference to establish guidelines for carrying out programs to combat anemia which resulted in the approval of a recent multi-year project. AID is budgeting a total of \$10 million to be spent on vitamin A and iron projects over the next five years to support these efforts.

Another area of intervention in which AID is particularly interested relates to breast feeding and, more broadly, to changes in weaning practices (Recommendation No. 6). With the active support and encouragement of groups such as the Inter-religious Task Force on U.S. Food Policy, AID has undertaken two research projects and is seeking to develop a strategy capable of having some impact on breast feeding and weaning practices including the early provision of supplementary solid food. While we have considerable knowledge about the deleterious effects of poor weaning practices we know relatively little about affecting such practices. Accordingly major attention in FY '77 will be directed at meeting this particular knowledge gap, specifically in the context of the needs and responsibilities and participation of women in the development process. In this effort AID will call upon the Committee on International Nutrition of the U.S. Food and Nutrition Board in the National Academy of Sciences.

One important means of addressing several of these priorities lies in the area of appropriate technology. Clearly, the U.S. has an enormous comparative advantage in the area of technological research and development. In the field of nutrition, however, the

scope for technology transfer capable of affecting the poor majority is limited. In the past, most of these technologies have produced raw materials or foods largely beyond the purchasing power of the poor. In addition they tended to be capital rather than labor intensive and accordingly were often inappropriate in capital-short, labor-surplus economies. There is, however, a category of intermediate food technology in nutrition which often is appropriate to the realities of low income countries and which may provide low cost solutions to particular problems. One example is low cost Extrusion cookers, developed in the U.S. to process soy beans for feed on the farm or in small feed mills but also capable of producing pre-cooked easily digestible foods for young children. AID in cooperation with USDA is evaluating the utility of these low cost extruders under actual field conditions in LDC's.

The third major objective with respect to Resolution V is to determine the consumption/nutrition implications of policies and programs in other development sectors. While the nutrition community has done rather well in its attempts to pursue and learn about direct nutrition interventions, we have done far less well in identifying the nutritional effects of other development policies and programs. And yet the consumption and nutritional effects of agricultural price and land use policies, of health care and population programs, of rural employment programs and of food trade policies are often more significant than direct interventions. The nutrition community has a responsibility to identify these effects and assure that they are considered in the decision-making process. In many cases, the mere identification of projected consumption effects, with all that this implies politically, will have an important effect on the decision. This process represents a crucial and the most neglected component of nutrition planning advocated by Recommendations 1 and 2.

During FY '77, AID plans to develop and establish in at least one country, a relatively simple system to permit translation of the projected income and/or price effects of development policies or programs into projected consumption effects, disaggregated by income and age groups. This will provide some insight into the nutritional effect of such policy changes. AID has also initiated a systematic effort to determine the nutritional and health benefits of water supply systems, (Recommendation No. 5), subsidized consumption systems and health systems.

Food aid cuts across many of the issues discussed above. The U.S. PL 480 Title II program has been undergoing considerably reorientation over the past decade in the direction of increased nutritional impact. School feeding is gradually being replaced by pre-school feeding with increased efforts directed at children in the poorest families in the critical 6-24 month age group, and the nutritional value of Title II commodities has been improved. Beginning in FY '77, in the context of Agencywide disaster planning, explicit attention will be given to the nutritional issues related to disasters in an effort to permit more effective U.S. inputs and also to provide LDC governments with assistance in disaster pre-planning.

While continuing to increase the nutritional effectiveness of Title II programs, AID will also begin in FY '77 to explore alternative means of increasing the nutritional impact of Title I concessional sales programs. Title I foods already are being used in several countries to support subsidized consumption systems designed to increase the food intake in low income groups, particularly in the cities. In Pakistan, the ration system, utilizing PL 480 wheat, in part, increases the real income of the lowest income group by 10 percent and provides between 9 and 14 percent of their caloric needs. AID intends to study similar subsidized consumption systems in other low income countries in FY '77 and '78 as part of a broader examination of the nutritional benefits of Title I delivery systems. Such an examination will also attempt to identify appropriate administrative structures that might permit the expansion of these programs into the rural sector. If it can be demonstrated that such programs are truly cost effective, or can be made to be cost effective with good management, it is likely that LDC's may consider such interventions justified irrespective of the provision of PL 480 or other external aid. Consideration will also be given to the possibility of increased utilization of local currencies, loan forgiveness provisions and the inclusion of blended foods under Title I for nutritional purposes.

In contrast to a reasonably active role on the recommendations referred to above, AID does not anticipate involvement in recommendation 10 (vegetable food resources), recommendation 11 (consumer education services) or recommendation 12 (food contamination monitoring program).

AID will continue to work closely with non-governmental organizations (Recommendation 15) in the conduct of its programs, and, in addition will continue to provide grant support to such organizations to increase their nutrition programming capability. During FY '76, AID grants totalling \$780,000 were provided to such organizations. In FY '77 that figure is expected to rise to \$1.2 million.

Finally AID will make renewed efforts to work in concert with international agencies to carry out the word and spirit of Resolution V. The work of WHO and FAO is of particular importance. Diplomatic as well as technical/professional channels are being used to encourage these organizations to place greater program stress on activities to combat malnutrition. AID also will participate actively with other U.S. Government departments and offices in exercising the U.S. membership responsibilities to the international agencies, and will attempt to affect the organization, priority setting, and decision making of these agencies in ways which best support implementation of Resolution V.

The foregoing description of AID's general direction and emphasis of effort in combatting malnutrition is being translated into country specific operational programs. Already 15 of AID's country assistance programs contain specific operational nutrition projects or nutrition components of agriculture or health projects. For example, loans to four Central American countries for nutrition totalled \$32 million in FY 76, and PL 480 Title II resources were valued at \$313 million. Central funding of AID research programs in nutrition increased from a level of \$1.4 million in 1973 to \$5.6 million in 1976, and projects funding of \$7.2 million in 1977 and \$10 million in 1978.

2. Nutrition Activities in the UN System

Improvement of nutritional levels in the developing countries is a primary objective of the FAO, and is important also in the work of the WFP, WHO, UNICEF, UNESCO and UNDP. There is also increasing involvement in the field of nutrition by the international financing institutions. For example, in 1977 the World Bank, with strong encouragement from the U.S., will finance a nutrition project in Brazil, the first project of its kind approved to date.

Acting under the impetus of the World Food Conference, the UN Economic and Social Council, with strong U.S. support, set up a sub-committee on nutrition designed to stimulate increased nutritional awareness and activities throughout all the agencies in the UN System.

The FAO, because of its mandated responsibility to improve levels of nutrition, is in a position to assume an active leadership role in this area. Unfortunately, this leadership has not been pursued in recent years as diligently as many would wish, in part because of the relative slowness of decision making in international bodies and in part also because many of the governments which are members of the FAO have attached relatively low priority to nutritional activities in the FAO program and budget. The FAO has nevertheless taken positive action in a number of nutritional areas: These include:

- (1) FAO's assistance with feeding programs, which is primarily that of providing training materials and technical backstopping, has been adequate.
- (2) Useful results have also come from the joint FAO/WHO food contamination monitoring program. FAO reports that food control programs have been initiated in a number of developing countries (in Africa in particular) with the assistance of UNDP and bilateral donor agencies. Progress was made at the international level in the preparation of guidelines for the establishment of food control service and the development of modern food legislation. This area deserves continued emphasis and further progress can be expected.
- (3) With respect to global nutrition surveillance, a meeting of a Joint FAO/UNICEF/WHO Expert Committee on the Methodology of Nutrition Surveillance was held. This is an area in which many practical problems of methodology remain to be worked out and tested before a large scale effort would be cost efficient. FAO's logical contribution to the total effort would appear to be in assessing the adequacy of the supply of nutrients provided to a given population by local food production and available food supplies. This approach is in fact being taken by FAO. This effort is linked to the Food Information and Global Warning System; therefore, progress by FAO in this nutrition effort will depend on progress in the latter area.

(4) Leadership within the Nutrition Division of FAO put major emphasis on providing governments with assistance in intersectoral food and nutrition planning. Major budget increases were proposed in this area and several meetings were held with representatives of other organizations and agencies in the UN family and bilateral aid agencies to review proposals made by FAO for cooperative effort in this area. Many inadequacies were apparent in the proposals. These were partially corrected in response to suggestions from the U.S. and other countries and from other organizations and agencies. Because the early proposals from the FAO secretariat were not well thought out, the U.S. urged a slower expansion of funding in this area to insure efficient use of funds. This course of action is being followed by the FAO secretariat.

(5) Another recommendation of the WFC concerned cooperative effort among FAO, WHO, and UNICEF to promote coordinated programs in applied nutrition research. FAO organized and held a meeting in 1975 of representatives of FAO, WHO, UNESCO, UNICEF, SFC, WFP, UN, UNDP, World Bank, PAG and several bilateral aid agencies, and recommendations for establishing a coordinated effort were developed. This area is receiving continued support in FAO. One specific action undertaken to improve the effectiveness and cost efficiency of FAO's work in applied nutrition is a cooperative agreement being negotiated between FAO and the Agricultural Research Service of the U.S. Department of Agriculture. This agreement provides for cooperative action, with the USDA's Nutrient Data Bank serving FAO as well as the United States as a repository and processing center for data on the nutritional composition of foods, information that is essential to most efforts to improve nutrition.

Overall, some progress has been made in implementing recommendations of the WFC. With changes that are taking place in leadership within the FAO secretariat, further progress can be expected, probably at as rapid a rate as would be possible without excessive waste of funds.

Resolution VI - World Soil Charter and Land Capability Assessment

The Resolution recommends that governments take soil protection and conservation measures along with other sound agricultural practices to intensity grazing, crop production and bringing new lands into production. It also recommends that FAO, UNESCO, UNDP, WHO and other interested organizations undertake assessment on lands that can still be brought into cultivation, with a view to halting irreversible soil degradation and also providing a basis for cost estimates for agricultural inputs required for restoration of land. The Resolution urges FAO to select appropriate ways and means to establish a World Soil Charter, as the basis for international cooperation in rational use of world land resources.

FAO and UNESCO are continuing their work on a World Soil Map. It could when finished provide an updated and more accurate assessment than any existing.

The World Soil Charter is a European initiative. A draft charter was discussed and published by the Council of Europe in 1973. The Charter emphasizes the relationships between national uses of soils and water, and international consequences. It proposes international agreements and international standards for the prevention of soil degradation. The U.S. government has no recent information about this project.

AID has a number of programs (studies, workshops, symposium, etc.) that are focused on the development and transference of appropriate soil management techniques for both the new land and for lands with new and higher intensity for agricultural production. For the properly identified (classified) soils the management systems and management problems are predictable. Recognition and consideration by the developing countries of this fact of response predictability of known-soils will have far reaching effects on the efficient utilization of resources and on the possibilities of success or failure of individual projects in their overall national agricultural programs. AID is strongly promoting the idea of making inventories of the soil resources of the developing nations.

Resolution VII: Scientific Water Management: Irrigation, Drainage and Flood Control

The Resolution recommends urgent action by governments and international organizations (FAO, WHO), other international agencies, and governments to undertake:

Climatic, hydrological, irrigation and desert research on potential water power, health safety, and related matters; surveys and other measures related to ground-water potential; flood protection and control; drainage systems and salinity; and control of "desert creep".

The resolution calls on international organizations and governments to increase financial resources for these undertakings. It also urges governments and international agencies to increase resources for research and to make arrangements for meeting energy requirements for irrigation, including solar and wind power. It also urges strengthening or initiation of research and training in all aspects of technology and water delivery systems.

The important role of water in agricultural development has been recognized by practically all agencies involved with development. Almost every country in the world now has some program of identifying and quantifying its water resource.

AID, development banks, and other aid-granting organizations are heavily involved in giving assistance to the development of irrigation projects. There is a growing trend however, to devote more attention to improving existing systems. It has been recognized that wasted water in irrigation is not only costly but, creates the problems of water-logging and salinity.

AID's research program in Pakistan is developing techniques and guidelines which small farmers can utilize to greatly improve the efficiency of use of the water which is in the irrigation systems. Other countries, for example, Egypt and Sri Lanka, are considering the development of similar adaptive research programs which define the water management problems and prescribe, through testing, appropriate solutions.

Another AID research project is exploring the possibility of rapidly creating mutations in agricultural plants to resolve certain basic environmental constraints such as salt, drought and aluminum toxicity in the soils. This subject matter will be high-lighted at an International Workshop in November 1976.

AID is testing a hypothesis for agro-technology transference from one tropical region to another based on soil taxonomic classification and will cover such subject matters as erodibility, efficiency of irrigation, water holding capacity and moisture availability.

Resolution VIII: Women and Food

This Resolution calls on all governments to provide to women in law and in fact medical, health, nutrition and other services required for nurture and growth of healthy children;

- to include in their national plans provision for education and training on an equal basis with men in all aspects of food and agricultural production, marketing, distribution, credit, consumer and nutrition information;
- to promote equal rights for men and women, in order that their energy, talent and ability may be fully utilized with men in partnership against world hunger.

There has been considerable "follow-up" of this Resolution both at the United Nations level, and by individual governments, including that of the United States.

The resolution encompasses recognition of the roles women play in food production, its importance to immediate family health and nutrition, and the need for specific action on the part of governments to ensure that women are integrated in all aspects of decision-making, training, technical assistance and services related to food production and utilization on an equal basis with men.

The United Nations has taken a number of important steps relating to this Resolution with strong support from the United States. The FAO Council in June 1975 adopted a precedent-setting resolution, "Integration of Women in Agricultural and Rural Development and Nutrition Policies." This included provisions as well for FAO to ensure equal treatment for women and men in recruitment, promotion, etc. within the Organization. WFP, at its 28th Intergovernmental Committee Session, by the FAO Conference in September 1975, took similar action. This was strengthened and adopted by the FAO Conference in November 1975. FAO and WFP also produced comprehensive reports on women and food issues for the International Women's Year Conference in Mexico in mid-1975. Many of the findings and recommendations in these reports are included in the World Plan of Action and 34 Resolutions adopted by the IWY Conference and later unanimously approved by the UN General Assembly.

In September 1976, another precedent was set by the UN Commission on the Status of Women, which adopted a new section on rural development in its Convention to Eliminate Discrimination Against Women. This convention must be approved by the General Assembly to become binding on all member states. Policies and plans of UNDP, UNICEF, WHO and others of the UN system during 1975 and 1976 complement this trend. The objectives of these actions were essentially to (a) ameliorate the conditions and enhance the rewards for women in rural areas and (b) ensure that women are provided knowledge and resources needed to improve family living conditions and contributions to food production and related agricultural activities.

Other donors have taken a more active interest since 1975 in the roles and status of women, particularly rural women, and have recognized the dual need for integration of women in agricultural development as well as provisions for recruitment and promotion of women to senior posts within their own organizations. In the past few months, most Western donors have initiated special appointments of women and task forces to focus on women in development, with particular emphasis on rural women. Their program concepts are similar to those of our foreign aid program.

AID is actively pursuing similar goals in accordance with Congressional mandates of 1973, 1974 and 1975 foreign assistance legislation, requiring that all bilateral and multilateral programs pay particular attention to the integration of women in their national economies. For example:

- Since 1974, AID has had a Coordinator for Women in Development, responsible directly to the AID Administrator. The Office monitors and guides implementation and provides catalytic assistance to the integration of women in the development process, with particular emphasis on the agricultural and rural development sectors. The Office has provided more than \$500,000 to date in support of seminars and conferences in the US and abroad, baseline research in rural areas of four countries, and special projects in two others, plus development and distribution of training materials.
- AID has a world-wide liaison system consisting of personnel especially assigned in field missions and in AID/W Offices and Bureaus to assist in the design, implementation and evaluation of projects. These and other personnel in Washington provide the nucleus of the review committee of experts serving the Coordinator's Office, principally on matters of special research.

- At the time of the previous report, AID had initiated projects with specific emphasis on women in food and nutrition, principally in African countries, and had visited 11 Agency Missions in North Africa, the Middle and Far East, and Central America to assist with the integration of women in the rural development programs. The number of countries reporting projects has risen to 37, and there are now regional projects in all areas. The focus is mainly on rural development, nutrition, family planning, health and agricultural-related activities.
- As a result of the AID-instigated seminar on Women in Development for donor representatives to the OECD Development Assistance Committee in October 1975, at least six donor country foreign aid programs have structured coordinating units or task forces to serve similarly to AID's Coordinator's Office.
- AID personnel served on Delegations to the Inter-American Commission on Women, Organization of American States, and the UN Commission on the Status of Women session in 1976. These meetings resulted respectively in a Regional Plan of Action for Latin America emphasizing rural development, and insertion of a special section on women in rural development in the new Convention to Eliminate Discrimination Against Women. These were precedent-setting actions.
- AID is now employing a computerized data bank and retrieval system to demonstrate special emphasis on women in development, with delineation of rural development, nutrition and population programs focused principally on women.
- AID is also working with the UN Research Institute in Social Development to produce special indicators for women in development and for rural development in general.

Resolution IX: Achievement of a Desirable Balance Between Population and Food Supply

The Resolution calls on all governments and people everywhere to undertake, as a short-range goal, the growing and equitable distribution of sufficient food to "all human beings" for an adequate diet; and also to support, as a longer-term solution, rational population policies ensuring to couples the right to determine the number and spacing of births, freely and responsibly, in accordance with needs and within a development strategy.

In this resolution, the Food Conference gave worldwide recognition to the critical relationship between population and food. Over the past decade much has been accomplished to help achieve a desirable balance between food supply and population through the development of population policies and adoption of family planning practices to reduce population growth rates:

- The World Population Year, the World Population Conference, the World Population Plan of Action approved by 136 nations and calling for provision of family planning information and means to all individuals and couples, and the international Women's Year Conference, have greatly increased awareness of population problems and the acceptability of action programs;
- Most nations have removed restrictions on provision of family planning information and means to their populations, and more than 50 nations now have national family planning programs -- many of them far advanced.
- Rapid improvement in fertility control technology has been accomplished during the last several years with increasing availability of colored and lubricated condoms, lower dose oral contraceptives with iron tablets, and simplified techniques of female sterilization and pregnancy termination which now permit such surgery to be performed as an out-patient procedure under local anesthesia.
- Family planning programs have already largely accomplished their purpose in a number of developing countries -- Singapore, Hong Kong, Taiwan - where information and the

most effective means have been made generally available and where birth rates are now approximate 20 per 1000. In Korea bilateral USAID population program assistance was completed in fiscal 1975;

- In nine additional developing countries family planning education and service programs have reached the point where termination of USAID bilateral population program assistance could be possible within several years - Philippines, Thailand, Indonesia, Tunisia, Colombia, Costa Rica, El Salvador, Jamaica and Panama.
- The annual increment in world population -- the product of the world population x its growth rate -- was approximately 66 million in 1965 and 63 million in 1974. But the peak annual population increment occurred about 1970, with approximately 70 million people added that year. An accelerating downward trend is now underway.
- Through FY 1977, the U.S. through AID will have provided more than \$1 billion for international population programs assistance -- more than half of all such assistance to the developing countries. These AID resources have been applied as follows:
 - \$142 million to the the United Nations Fund for Population Activities, approximately 45% of UN population resources;
 - \$82 million to the International Planned Parenthood Federation, approximately 36% of IPPF resources;
 - \$105 million to four other action intermediaries -- Pathfinder Fund, Population Council, Family Planning International Assistance, and the Association for Voluntary Sterilization;
 - \$50 million for research and development of new and improved means of fertility control;
 - \$160 million for purchase and transportation of contraceptives and clinical supplies;

- \$261 million for support of family planning programs in 43 countries on a bilateral basis (exclusive of contraceptives). Foremost recipients of USAID assistance have been:

Philippines	Tunisia
India	Korea
Indonesia	Afghanistan
Pakistan	Ecuador
Thailand	Ghana

- \$170 million for development of more adequate demographic data, training, research on determinants and consequences of fertility, policy development, and evaluation;
 - \$34 million for administration of the program.
- In Bangladesh, some 19,000 family planning workers, the training of whom was financed in part by AID are providing family planning information and contraceptives. The Government of Bangladesh plans to increase that number to 30,000 workers shortly. A national commercial network for distributing contraceptives has started through an American organization under AID contract.
 - In Pakistan, a national effort aimed primarily at rural illiterate couples is receiving major support from AID. About 4,200 family planning teams cover 75% of the population of Pakistan. The Government of Pakistan is considering mass production of condoms in the near future. The GOP is in the midst of an ambitious effort to energize the program and motivate couples to practice family planning.
 - In Philippines, largely as a result of AID assistance, 2,400 clinics now provide full family planning services and recruit about 54,000 new acceptors each month. The program emphasizes increasing services to rural areas, promoting commercial distribution of contraceptives, and expanding sterilization services.

- The Government of Indonesia Family Planning Program, working basically through 2,675 clinics and with support from AID and other donors has been able to achieve a level of new acceptors of family planning of 6.4 million of whom 48% are continuing acceptors. In 10 of the remaining 21 outer island provinces not covered by the program, the government moved to bring in family planning services beginning in 1975. At last report the program was moving well.
- While the clinic-based program seemed to be relatively successful, to reduce the danger of possible program slow-down, which seems to be inherent in clinic-based programs, about 19 months ago the Indonesians undertook a study leading to the establishment of village contraceptive delivery centers. As of March 1976 some 3,400 centers had been established. The GOI is looking to a further and rapid expansion of the village distribution center concept.

Resolution X: Pesticides

This Resolution called on FAO, other international organizations and member governments and industry to review pesticide supply/demand information, investment requirements, regulatory procedures, and alternate methods of pest control. Specifically, the Resolution called on FAO, in cooperation with UNEP, WHO, UNIDO, member governments and industry, to convene on an urgent basis an ad hoc consultation to recommend ways and means to give effect to this Resolution.

This ad hoc consultation was held in Rome from April 7 to 11, 1975, and our AID/W representative was a member of the U.S. delegation. The consultation elaborated upon Resolution X of the World Food Congress and prepared 14 specific resolutions. Of these resolutions the first three on (i) training in efficient, safe and effective use of pesticides, (ii) efficient and safe application of pesticides and (iii) improved plant protection services, particularly in developing countries have been closely followed by AID in designing and implementing technical assistance programs to LDCs.

In 1976

- AID continued to contract with University of California, Berkeley for expert advice on integrated pest management. Pest and pesticide management training, LDC pesticide residue laboratory support and regulatory procedure standardization are ongoing.
- An Environment Impact Statement of AID pesticide activities is being undertaken. The resultant document will critically assess the past, present, and future AID pesticide related programs and establish guidelines to minimize hazards and maximize benefits.
- AID maintains liaison with FAO, UNEP, WHO, other international organizations and member governments on pesticide and pest management meetings and programs. Assistance in developing national programs in various pesticide activities such as use, regulation, residue monitoring, and disposal is provided.

- "For example, a pesticide management workshop was scheduled for Guatemala City from February 2 through 7, 1976 (suspended by the earthquake of 3-4 February) and will be rescheduled, at the request of government representatives, at an appropriate time. Representatives of the project also participated and assisted in a similar workshop sponsored by the Far East Regional Office of WHO in the Philippines from September 6 to 10, 1976. Of particular importance, is a report prepared by the Project on "The Agromedical Approach to Pesticide Management" for the use of professional workers and administrators in agriculture and health in developing countries.
- AID also continues to contract with a number of other U.S. universities with the objective of developing ways and means of increasing good crop productivity in LDCs. These projects include the improvement of the genetic resistance of sorghum to major diseases and insect pests (Texas A&M University), disease and insect control in food legumes (University of Puerto Rico), development of integrated pest management programs for the control of root-knot nematodes (North Carolina State University), and development of weed control systems for LDCs (Oregon State University).
- AID plans to send a delegation to an FAO expert consultation in December 1976.
- Finally, AID is continuing its contract (initiated in FY 1976) with the Department of the Interior to develop methods other than the use of broad spectrum poisons for the control of noxious vertebrate pests including grain-eating birds and rodents in LDCs."

Resolution XI: Programme for the Control of African Animal Trypanosomiasis

This Resolution recommends that FAO in cooperation with other governments and organizations launch a long-term program for the control of African animal trypanosomiasis.

The Resolution also called for establishment within FAO of a small coordinating unit for the first phase of the program concerned with training, pilot field control projects and applied research, and to "mobilize funds and services" for this program.

Trypanosomiasis and its vector - the Tsetse fly - constitute a major barrier to agricultural and livestock development in Africa.

As a result of the Recommendation XI of the World Food Conference FAO has developed a 40 year plan to Control Trypanosomiasis in Africa. Often at an international meeting on the subject in Ghana in December 1975, FAO announced a preliminary 5 year phase of the operation which provides for an FAO coordinating unit, a review of pesticide formulation and application, and the development of professional and technical workers training centers. A major control program sponsored by African nations and other donor agencies.

FAO has announced a technical meeting of participating countries and major donor agencies for the purpose of coordinating all control programs. This meeting originally scheduled for late February or early March 1977 has been postponed until fall 1977 in order to develop more effective participation and planning.

AID is carrying out a research project in Tanzania on a biological control system for controlling the Tsetse fly, the vector of trypanosomiasis.

Recently the Agency has inaugurated an extensive tsetse fly control program in Mali, West Africa.

AID is also cooperating very closely with FAO and other donor agencies in coordination of country funded trypanosomiasis control activities. This activity resulted from an International Symposium on Trypanosomiasis control held in London in August 1976.

Resolution XII: Seed Industry Development

This Resolution recommends that governments take measures to promote the seed industry and recommends that FAO strengthen its seed industry development program. It urges governments of developing countries to make short and long-term plans including commitments of manpower, institutional and financial resources for development of the seed industry; it also suggest governments and other parties to take measures at all stages of production, distribution, and marketing to insure quality control of seeds. It recommends strengthening of FAO's Seed Industry Development Program to provide training in technical and management aspects of the seed industry for the benefit of national seed production and utilization efforts.

- AID has initiated discussions with FAO on means to involve the commercial seed industry of the U.S. and other developed countries in the establishment and strengthening of viable seed industries in developing countries. Prospects appear good for an effective joint AID-FAO action program in this field.
- The AID contract program with Mississippi State University, for advice and technical assistance in seed program development, continues to operate effectively.
- AID-funded programs for seed industry development are underway in Tanzania, Cameroons, Thailand, Costa Rica, Ecuador, and Honduras and soon will be initiated in Ghana, Rwanda, Chad, and the Central African Republic.
- Discussions have been undertaken by AID with representatives of the U.S. commercial seed trade to encourage trade participation in seed industry development activities.

Resolution XIII: International Fund for Agricultural Development (IFAD)

Resolution XIII on IFAD was a major accomplishment of the World Food Conference. An OPEC initiative, it received widespread support due to the recognition of the importance of increasing agricultural production among developing countries if the world's food problems are to be met. IFAD was proposed as a means of providing concessional financing for viable projects aimed at both increasing food production and improving the nutritional level in the poor food deficit countries. It was not conceived as a new institution duplicating existing bilateral and multilateral programs but as a central source of funding increased food production. Major emphasis was placed on its reliance on existing international financial institutions (IFIs) to identify projects and administer the loans.

IFAD has also become an important element in the North/South dialogue. At an early Session of the Development Commission of the Conference on International Economic Cooperation (CIEC), unanimous agreement was reached on a statement urging IFAD's early establishment. A successful IFAD would have important implications for CIEC. Further, IFAD offers an important opportunity for cooperation between OECD and OPEC countries to meet significant development needs of the world's poorer countries, and for OPEC countries to increase their share of the development finance burden.

Resolution XIII outlined the general terms of reference which have guided the IFAD negotiating process. The most significant of these are:

a) Voluntary funding from all developed countries and all developing countries in a position to do so.

b) IFAD would be administered by a Governing Board consisting of representatives of the following categories of countries:

- i) contributing developed countries;
- ii) contributing developing countries; and
- iii) potential recipient countries.

Due account must be taken of the need for equitable representation among the three categories, and regional balance among the recipients.

c) IFAD disbursements should be carried out through existing international and regional institutions according to criteria and regulations established by the Governing Board.

d) IFAD becomes operational when the U.N. Secretary General determines in consultation with representatives of countries who pledge funds to IFAD, that the funds are adequate.

First Meeting of Interested Governments

U.N. General Assembly Resolution 3348 (XXIX) called on the Secretary General to convene a meeting of interested governments to work out the details of IFAD. This meeting, attended by 66 countries (including most OPEC and major OECD countries), was held in Geneva May 5-6 1975. While mainly devoted to a general discussion of the need for IFAD, the meeting did have two concrete results:

a) adoption of a Saudi proposal for a SDR \$1 billion initial capitalization for IFAD; and

b) establishment of an Ad Hoc Working Group with 27 countries (9 from each category) to make recommendations regarding funding, organization, operations and legal instruments needed to implement Resolution XIII.

Other concepts discussed at this meeting which had an important influence on later negotiations were the link between Board representation of OECD and OPEC countries and relative contributions; and the need for a small IFAD professional staff with the IFIs, UNDP and FAO providing technical and administrative services.

Ad Hoc Working Group Meetings

The Ad Hoc Working Group held two meetings (June 30-July 4, 1975 and September 22-27, 1976) and accomplished the following tasks:

- a) completion of the text of a draft Articles of Agreement on the overall structure of IFAD;
- b) agreement that IFAD should be a U.N. Specialized Agency with autonomy in policy formulation and operations; and
- c) adoption of a Saudi compromise proposal that the voting system would be based on the principle of equal division of voting power among the three categories of countries.

U.S. Support for IFAD

Initially, the U.S. and other developed countries were not enthusiastic about the creation of a new institution which, at the onset, appeared duplicative of multilateral and bilateral aid efforts already underway to meet additional needs. However, the U.S. and other developed countries agreed to support IFAD provided there were substantial OPEC contributions for IFAD and that the new institution, rather than creating a large staff, would use existing institutions for technical and supervisory operations.

Secretary Kissinger announced substantial support for IFAD at the September 1975 UN Special Session, when he indicated that the U.S. was prepared to seek Congressional appropriation of a \$200 million direct contribution to IFAD "...provided that others will add their support for a combined goal of at least \$1 billion". In December 1975, the Congress authorized the \$200 million contingent on IFAD's reaching the \$1 billion target and equitable burden sharing among the categories of contributors.

Second Meeting of Interested Governments

By the time of the Second Meeting of Interested Governments in Rome in October 27-November 1, 1975, considerable political momentum had been created toward the establishment of IFAD. This momentum overcame the lack of agreement on many of the major issues such as the voting system, operations and funding.

The meeting adopted a draft resolution for submission to the UN General Assembly. This was significant since its passage at the end of the Thirtieth Session of the General Assembly made it possible to call an IFAD Plenipotentiary Conference before the end of 1976.

Third Meeting of Interested Governments

When the Third Meeting of Interested Governments took place in Rome January 28-February 6, 1976, there was general recognition that prompt agreement was necessary on IFAD's institutional elements or the entire initiative could fail. As a result, this important meeting was characterized by:

a) Completion and approval of the draft Articles of Agreement. The Articles were highlighted by:

- i) Freedom for each category to determine the distribution of votes in that category and agreement on the decision making majorities required for IFAD decisions;
- ii) IFAD's use of international institutions for the administration of projects in its financing operations; and
- iii) Requirement that pledges total \$1 billion before the Articles would be opened for signature; and ratification by countries contributing at least \$750 million before the IFAD Agreement enters into force;

b) Arrangements for convening the Plenipotentiary Conference;

c) Preparation of a draft Resolution establishing an IFAD Preparatory Commission (Prepcom).

Plenipotentiary Conference

The Plenipotentiary Conference was held in Rome June 10-12, 1976. While called to open the IFAD Agreement for signature, it failed to accomplish this goal since total pledges still fell short of the agreed \$1 billion target.

When the OPEC Finance Ministers committed \$400 million to IFAD from the \$800 million OPEC Special Fund, this pledge was conditioned on a contribution by OECD countries of at least \$600 million. At the same time, the U.S. and other OECD countries argued for an equitable burden sharing between OPEC and OECD countries. By the time of the Conference, total pledges in convertible currencies were \$935 million, with \$527 million from the OECD; \$400 million from OPEC and \$8 million from the non-oil producing LDCs.

Rather than begin IFAD at a lower level, the Conference changed provisions of the Articles of Agreement so that if the target was not reached by September 30, 1976, the Prepcom would call a meeting of all prospective IFAD members before January 31, 1977 to determine whether the target should be modified.

The June Conference also formalized the Prepcom, and charged it with the responsibility for preparing by-laws and regulations which will permit IFAD to begin operations soon after the Agreement enters into force.

Prepcom Meetings

The Prepcom held its first session in Rome September 27-30, 1976 amid continuing concern over the funding issue. In addition to electing Saudi Ambassador to the FAO A.M. Sudeary as Prepcom adopted rules of procedure and established an interim secretariat. Also, the Prepcom decided that, assisted by the interim secretariat and a working committee of experts, it would begin work on developing the lending criteria and policies to govern IFAD operations.

An important feature of the Prepcom was the September 30 report on the status of IFAD pledges. Significantly, Iran decided to increase its already substantial \$104.75 million contribution to IFAD through the OPEC Special Fund by an additional \$20 million. This statesmanlike act increased total OPEC pledges to \$420 million. OECD pledges stood at \$540.5 million and non-oil producing LDC pledges stood at \$8.7 million. Thus total freely convertible pledges were \$969.2 million, or still about \$30 million short of the target.

Nevertheless, optimism concerning IFAD funding prompted the Prepcom to defer a decision to call a meeting of interested governments until the Second Session of the IFAD Prepcom scheduled to begin December 13.

Despite the differences that have arisen between the three categories during the IFAD negotiations, the recent prepcom meeting showed considerable willingness on the part of all countries to cooperate to ensure the early establishment of IFAD. We are optimistic that the funding impasse can be overcome by a concerted effort by all categories. Further we are encouraged that the spirit of cooperation which has characterized recent IFAD deliberations will continue, allowing IFAD to promptly begin its important task of dealing with the serious food production and nutrition problems facing the developing world.

Resolution XIV: Reduction of Military Expenditures

The Resolution calls on governments attending the Conference to take measures to reduce their military expenditures on behalf of development and to allocate increasing proportion of these sums to financing of food production in developing countries and to building up of food reserves for emergency cases.

The U.S. and fifteen other nations stated that they would have abstained had the Conference voted on this Resolution. The U.S. has consistently taken the position that appropriate levels of military expenditures were outside the purview of the World Food Conference. Nevertheless, underdeveloped countries have continued to raise this question, most recently at the second World Food Council meeting.

Resolution XV: Aid to Victims of Colonial Wars

The Resolution calls on Director-General of FAO and Executive Director of WFP to intensify efforts to supply food aid to victims of "colonial wars" in a number of specified countries. It requests the Secretary-General to assist the national liberation movements in their national reconstruction, and calls on governments and non-governmental organizations to provide assistance to compensate these countries for damages suffered through military conflict.

Under this mandate, the UN/FAO World Food Program (WFP) has channeled over \$20 million into projects and emergency assistance for Angola, Cape Verde Islands, Guinea-Bissau, Mozambique, Sao Tome and Principe. The WFP activities include feeding vulnerable groups and school children, resettlement of displaced persons and refugees, and food-for-work projects for agricultural development. The WFP has also given assistance to Portugal to assist 350,000 Portuguese nationals who were displaced from Africa.

Resolution XVI: Global Information and Early Warning System
on Food and Agriculture

The Resolution authorizes establishment of a Global Information and Early-Warning System on Food and Agriculture to be operated and supervised by FAO. The Resolution requests all governments to participate fully in the System, by collecting statistical and other data on a wide range of factors affecting food and agricultural supplies, trade, etc., and requests governments, when necessary or desirable, to improve their own data system to facilitate the global System. The Resolution provides for wide-spread dissemination of these data, and requests the WMO (World Meteorological Organization) to provide, as its contribution to the System, data on a wide range of matters relating to climatic changes and conditions.

The major responsibility for establishing the System is with FAO. Within the U.S. Government, the U.S. Department of Agriculture is responsible for providing U.S. data as an input to the System and for general liaison and monitoring. The U.S. Agency for International Development (A.I.D.) is indirectly supporting the strengthening of this important System through its technical assistance program for developing countries.

AID has a number of projects in developing countries that are aimed at strengthening the capability of those countries to do their own analyses of policy issues related to agriculture and rural development and to improve planning capability as a basis for more rational social and economic policy decisions. An integral part of these activities invariably is the need for improved data, among other things, on food production and consumption. As these data series are improved, the Global System should benefit.

Following the World Food Conference, AID decided to put increased emphasis on this problem. An "Expanded Program of Economic Analysis for Agricultural and Rural Sector Planning" was developed, with an approved funding level of up to 5.3 million dollars for the initial three years. This new Expanded Program provides a mechanism for enlisting the help of several U.S. universities which have particular strengths in related areas to work collaboratively with AID and with developing country institutions to strengthen the capacity of these countries in policy analysis and associated data systems regarding food and agriculture.

AID also is assisting selected developing countries to use earth satellite and remote sensing technologies as a means of improving the countries' data on natural resources and food production. As these technologies are improved, the Agency will be prepared to give more emphasis to assisting the developing countries to take advantage of them.

Resolution XVII: World Food Security

With world grain stocks at their lowest level in more than 20 years, the WFC recognized that priority should be given to the establishment of an international grain reserve. In addition to endorsing the FAO International Undertaking on World Food Security, the Conference suggested that major food producers, consumers and traders meet at an early date to accelerate the creation of an international system of nationally held reserves.

The Conference called on FAO to complete the operational and technical arrangements required for implementation of the undertaking on food security including practical examination of financial and administrative problems involved.

In pursuance of this Resolution the United States invited representatives of nine countries and the European Community to convene in London in February 1975 to explore the feasibility of a reserve system. We have followed up this initiative in the framework of the International Wheat Council which has established a special working group to examine possibilities, including the establishment of international grain reserves, for a new agreement to succeed the International Wheat Agreement of 1971. This study of reserves and other provisions that might be included in a new agreement is continuing.

Progress toward establishment of a reserve system has been slow because of the complex task of resolving differences among participating countries, especially over the trade aspects of a new agreement, and because of the inevitable close relationship with the broader Multilateral Trade Negotiations taking place under the GATT.

The Committee on World Food Security held its first session in Rome in April 1976 to evaluate the food security situation and adequacy of world cereal stocks and to examine implementation of the International Undertaking on World Food Security, particularly with respect to special assistance to developing countries, national grain stocks policies and progress in the establishment of a Global Information and Early Warning System for Food and agriculture. The most recent meeting of Committee on Food Security was held in Rome, November 1976.

Resolution XVIII: An Improved Policy for Food Aid

This resolution contains seven specific recommendations to governments and international organizations to improve food aid policies and programs. The following statements, made in the context of U.S. Government activities, update the information contained in the November 6, 1975 report to the Senate Subcommittee on Foreign Agricultural Policy:

- Suggestion one calls for a minimum continuity of food aid levels to protect against price and production changes. As a member of the Food Aid Convention, the U.S. continues to provide a generous share of the grain pledged under this convention, i.e., 45% of the total 4.2 million tons pledged.
- Suggestion two recommends that donor countries agree to 10 million tons of grain of food aid per year and that they implement forward planning of food aid. During FY 1976 the major donors committed 9.2 million tons of which about 50% was provided by the United States. The U.S. is programming 5.6 million tons for FY 1977. We continue to urge other donors to increase their donations to help reach the 10 million ton level.
- Suggestion three called upon importing and exporting countries to meet after the World Food Conference to consider food aid needs for the most seriously affected countries. Within ten days following the Conference, this meeting was convened under the chairmanship of the Director General of the FAO. The U.S. attended and participated actively in encouraging other donors to focus greater attention on the most seriously affected nations. Moreover, in the case of U.S. allocations of food aid, while the present legislation may be almost too restrictive, at least 75% of all food aid allocated under Title I of the PL 480 sales program, starting with FY 1976, must be to those countries with a per capita GNP of \$300 p.a. or less.

- Suggestion four urges donor countries to channel more food aid through the World Food Program, increase grant aid, consider the use of food aid repayments for nutrition programs and emergency relief and provide additional cash resources to purchase food from developing countries. U.S. support to the World Food Program is evidenced by the fact that we have been over a number of years, the major donor of food to the WFP. This procedure continues -- During the 1975-76 biennium the U.S. contributed \$140 million consisting of \$97 million for commodities, \$40 million for services and \$3 million in cash. For the 1977-78 biennium the U.S. pledged \$188 million, \$155 million for commodities, \$30 million for services and \$3 million in cash. Further, Sec. 201 (b) of P.L. 480 establishes a minimum of 1.3 million tons of agricultural commodities to be distributed each year on a grant basis of which at least one million tons is to be distributed through non profit voluntary agencies and the World Food Program.
- By law, food aid repayments are deposited back into the Commodity Credit Corporation accounts, are used to fund future P.L. 480 programs, and therefore cannot be programmed for nutrition and emergency relief activities. However, the U.S. has other vehicles for implementing nutrition and emergency relief programs:
 - ** P.L. 480 Title II commodities are used, in part to support maternity child feeding activities.

Title II commodities are also used for emergency relief programs, e.g., in FY 1976 the U.S. provided 5,440 MT of blended fortified foods to Ethiopia during a period of severe drought.

 - ** A new provision under Section 106 of P.L. 480 permits a measure of "loan forgiveness" under Title I agreements if, inter alia, local currency proceeds from the sales of U.S. agricultural commodities are applied as additional increments to agreed purposes; efforts to improve and expand national nutrition programs would, of course, be given priority consideration.

- ** Nutrition activities are also funded through the regular foreign assistance programs. A detailed description is covered under Resolution V Policies and programmes to improve nutrition.
 - ** Specific funds are appropriated under the Foreign Assistance program for Contingencies and Disaster Relief Assistance.
- Suggestion five calls for the reorganization of the Inter-governmental Committee (IGC) of the World Food Program to better accommodate the food aid coordination functions assigned to it by the World Food Conference. This was accomplished and the new "Committee on Food Aid" (CFA) held its first session in Rome during April 26 - May 7, 1976; the second meeting is scheduled for November 15 - 27, 1976.
- Suggestion six recommends that governments where possible earmark stocks or funds for meeting international emergency requirements, and that guidelines be developed to implement this aspect of the FAO's proposed international undertaking on World Food Security. The United Nations General Assembly suggested a target of not less than 500,000 tons. This issue was debated extensively during the first session of the CFA and while there was consensus on the merits of such a reserve, further discussion on implementation will be an agenda item during the November 1976 meeting. It should be noted that the U.S. does not plan to contribute to the Emergency Reserve, because:
 - ** the main value of the Emergency Reserve lies in making available additional food aid resources; a U.S. contribution could mean a corresponding reduction in regular program contributions to the WFP or in U.S. bilateral food aid assistance.
 - ** the United States strongly supports the economic and social development role of the WFP and prefers to pledge its multilateral food aid to that purpose.

** the United States expects to continue to be the largest donor of emergency food aid, both on a bilateral basis and, as need arise, in response to WFP requests.

- Suggestion seven recommends that some emergency stocks be voluntarily placed at the disposal of the World Food Program in order to increase its ability to assist in emergency situations. The U.S. position remains unchanged, i.e., in view of the magnitude of our own bilateral food aid programs (including emergency food aid activities) and in view of our already substantial contribution to World Food Program project aid, it has not been necessary for the U.S. to make emergency food stocks available to the World Food Program.

In addition, other donors such as Canada provide substantial amounts of additional food aid to the World Food Program and therefore, emergency stock donations from the U.S. are not necessary.

Resolution XIX: International Trade, Stabilization and Agricultural Adjustment

This Resolution seeks to promote world food availability through measures which will liberalize world trade in agricultural commodities, encourage exports of agricultural commodities from developing countries, and establish an overall integrated program for commodities to consider new approaches to commodity problems. Nineteen separate recommendations for actions are addressed to "all", or "developed" or "developing" countries, to international organizations generally, and to specific international bodies concerned with trade and/or development, especially UNCTAD, FAO and World Food Program urging them to take various measures and adopt policies which will achieve the objectives of greater liberalization of trade in favor of developing countries.

The Tokyo Round of multilateral trade negotiations, under GATT auspices, is continuing its consideration of trade liberalization measures for agricultural products of interest to developing country producers, particularly through the deliberations of its groups devoted to Tropical Products, Agriculture, and non-tariff measures to trade. The negotiating phase is expected to commence early in 1977.

The Commodities Resolution adopted at UNCTAD IV in May sets up two series of international consultations: (1) producer/consumer discussions on 18 major commodities of interest to developing countries and (2) preliminary discussions leading to a negotiating conference on a Common Fund no later than March 1977. The U.S. will participate in the discussion on these 18 individual commodities based on our understanding of the UNCTAD Resolution, as stated for the record in Nairobi; namely, (1) that these meetings are to determine--without commitment--measures which may be appropriate to these products and (2) that actual negotiations on commodity arrangements will be held as and when required by the results of these meetings.

On January 1, 1976, the U.S. system of generalized tariff preferences came into effect. These preferences cover over 2700 products whose trade value in 1975 was \$2.5 billion. Moreover, as evidence of the growth potential of the system, the covered products compete directly with \$25 billion of goods comprising 1/4 of total U.S. imports. 135 countries and dependent territories are eligible to benefit from the system.

Resolution XX: Payment of Expenses to Representatives of National Liberation Movements

This Resolution requests the General Assembly to defray all travel costs and related expenses of representatives of the national liberation movement who have participated in the World Food Conference.

This Resolution was adopted by the General Assembly in accordance with the procedure established for earlier UN meetings. Actual payment practice varies from meeting to meeting.

Resolution XXI: Expression of Thanks

This Resolution expresses its deep appreciation to the President of the Republic of Italy and to all the people of the Republic of Italy for hosting the World Food Conference.

Resolution XXII: Follow-UP Action

In addition to the substantive resolutions addressed to member governments, to existing organizations within the UN System and to Non-Governmental organizations, the Conference, in Resolution XXII, recommended establishment of several new mechanisms designed to ensure appropriate follow-up of the Conference resolutions. The major new bodies established are the World Food Council, the Consultative Group on Food Production and Investment (CGFPI) and the International Fund for Agricultural Development (IFAD). The latter is discussed under Resolution XIII.

World Food Council

The World Food Council composed of 36 member countries was established to meet at the Ministerial level. Its headquarters is in Rome. Its Executive Director appointed by the UN Secretary General is John A. Hannah, former Administrator of the United States Agency for International Development. The function of the Council is to review periodically the world food situation and propose remedies to governments and international organizations for resolving problems and improving agricultural policies.

The World Food Council has met twice at the Ministerial level to provide overall coordination and follow-up of policies concerning food production, nutrition, food security, trade and aid. The Council has made progress in establishing its operating procedures and has succeeded in narrowing the focus of issues for consideration to a level that is manageable. The next meeting of the World Food Council is scheduled for June, 1977. It will be preceded by preparatory work among delegations representing member countries.

Consultative Group for Food Production and Investment (CGFPI)

The Conference requested the World Bank, FAO and UNDP to organize this Group, which is composed of bilateral and multilateral donors and representatives of developing countries. The CGFPI is jointly staffed by the World Bank,

FAO and UNDP. Its functions are to encourage a larger flow of external resources to food production, and to ensure more effective use of available resources, to improve coordination of food production activities of multilateral and bilateral donors.

The CGFPI has met three times under the chairmanship of Ambassador Edward Martin of the United States. At its most recent meeting, held in Manila in September 1976, the group agreed to concentrate during the next year on the preparation and review of country food plans. This process is intended to improve the effectiveness of the flow of resources to developing countries for food production. The CGFPI's sponsoring organizations will review the results of this work to determine whether the Group should be continued longer than one additional year.

International Group for Agricultural Development in Latin America and the Caribbean (IGAD)

Although not the direct result of a World Food Conference Resolution, this Group's establishment is a reflection of the worldwide concern over the need for increased food production and effective mechanisms to bring this about.

In May, 1975 the Inter-American Development Bank (IDB) Board endorsed the establishment of the International Group for Agricultural Development in Latin America and the Caribbean (IGAD). This consultative group was created to identify major constraints to increasing agricultural production, promoting rural development and improving nutrition in Latin America, and to find ways to combine recipient and donor resources to overcome these constraints. The Group will seek to promote and coordinate a greater flow of donors' technical and financial resources for food production and rural development.

IGAD is composed of governmental, inter-governmental, and private organizations in Latin America. The major donors in the hemisphere, including the IDB, the World Bank and A.I.D., among others, have agreed to participate in the Group. Latin American nations which are members of the IDB have also been invited to participate. A.I.D. proposes to provide roughly \$200,000 over a three year period (1976-78) to support the Secretariat of the Group. This represents about 18 percent of the estimated budget.

The inaugural meeting of the Group was held in Cancun, Mexico in May, 1976. There Latin American Governments and donors agreed on general lines of action, including activities 1) to overcome the lack of trained manpower for project development and implementation, 2) to improve the linkages from international research centers through national centers and extension services, to the farmers, and 3) to reduce post harvest losses. Currently, the Secretariat is developing more specific proposals. IGAD will complement the Consultative Group on Food Production and Investment (CGPFI) which will focus primarily on other regions.

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