



**STATEMENT BY JOSETTE SHEERAN
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**CONFERENCE OF FOREIGN AFFAIRS COMMITTEE
CHAIRPERSONS OF EUROPEAN UNION PARLIAMENTS**

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It is a great honor for me to address this distinguished group today. I want to mention that this is also a personal honor for me because my grandmother grew up on a farm in Domremy, France, in Lorraine, in the village of Jeanne d'Arc. My great-grandfather, Jules Munier, was a graduate of the Sorbonne and a farmer; and my father, before he passed on last year, received the Légion for his courage in France during World War II supporting the French underground, and helping liberate France.

It is a deep honor to be here today and I can feel the pride of my ancestors that I have a chance to be in this building and with all of you today. I thank you for hosting and inviting me.

The European Union is a vital partner for the United Nations and the World Food Programme. The support of the peoples and parliaments of Europe is critical to WFP's ability to provide life-saving food and assistance to 90 million people this year; 80 percent of whom are women and children, including more than 3 million in Darfur alone, that depend on us everyday for their food.

Partnerships are critical to our work with UN institutions, non-governmental organizations and governments throughout the developing world. WFP has worked closely in our new Strategic Plan to ensure coherence in action within the UN and NGOs and with the governments themselves.

In 2007, WFP partnered with more than 120 NGOs from the European Union. Among our largest European NGO partner is Action Contre la Faim, followed by Save the Children UK, German Agro Action, Concern Worldwide, Oxfam and Medecins Sans Frontieres in Holland and other countries. In fact, I was just in Myanmar and our vital partner MSF is

providing food deliveries to people cut off by the cyclone. They are doing a fantastic job. We are proud of these partnerships both on a strategic and practical level to help reach those most in need.

Today, we meet at a critical time. A silent tsunami of soaring food and fuel prices is hitting the world's most vulnerable, with hunger and malnutrition on the march. This new face of hunger knows no borders, seeking out those with little or no resiliency to adjust to rapidly soaring prices. We estimate an additional 130 million people face hunger as food is priced out of their reach.

Food riots and protests have broken out, creating instability in fragile new democracies from Haiti to West Africa to Southeast Asia. Thirty countries have imposed food export restrictions, exacerbating the problem of food access and availability.

Last summer, I warned that a perfect storm of challenges – increasing commodity costs, climate change, conflicts and diseases – could hit the hungry hard. What I did not predict was the speed with which the storm would hit. In fact, from last summer, global food and fuel prices started the most aggressive pattern of global price increases perhaps ever recorded. We are not out of the woods yet.

On March 3, WFP was procuring rice in Asia for \$430; five weeks later it was \$780 and two weeks after that it was \$1,000 a metric ton.

Try to imagine how an organization like WFP copes with those price swings, and then try to imagine how those living on a dollar a day cope with such rapidly changing price swings.

Let me illustrate the impact that soaring food prices has had on WFP. This red cup is the type of cup we use in our school feeding programs throughout the world and particularly for Africa. This one in particular came from Rwanda and belonged to Lillian – don't worry she has a new cup. For those of you who have visited our school feeding programmes, you know that for many of the children, this is their most precious possession, and for many it is the only cup of food they get all day. From June 2007 to January this year, just simply due to soaring food prices, we were able to fill this cup 40 percent less. For the same contribution we could buy 40 percent less food. So that meant that throughout the world we had to cut our rations by 40 percent in Darfur and in schools throughout the countries where we work.

For people in Europe and throughout the world, high food prices are a painful pinch. For the so-called bottom billion, the poor people living on less than a dollar a day, or the 160 million living on less than 50 cents, this

can spell disaster. Without concerted global action, the world's bottom billion could become the bottom two billion, as their costs double for food and fuel, and as their purchasing power is cut in half.

The stock and cash reserves in these nations are being drawn down to all-time lows as in Liberia, Senegal and other countries. And just when the world needed WFP most, we were able to reach fewer people than ever. It has become clear that the world's anti-famine mechanism must be shored up and adjusted to meet new needs.

It has been said that a hungry man is an angry man. The reports and images of urban food riots are stark reminders that food insecurity threatens not only the hungry but peace and stability itself. This crisis is creating perhaps the first globalized humanitarian emergency. We are entering a danger zone, and the next weeks and months will be critical.

According to the World Bank, high food prices are here to stay, at least until 2012.

Our ability to purchase and access humanitarian food is being challenged at the same time that we need to ramp up.

I would like to give some background now on WFP and where we stand in meeting this challenge and the things we can do to help address it.

The World Food Programme was created by you, the nations of the world, as the world's urgent hunger institution. When all else fails, you turn to us to prevent life-threatening food and nutrition vulnerability.

Today, we manage a global lifeline that can reach any corner of the world in 48 hours – as we did during the war in Lebanon, and after cyclones hit Bangladesh and also Myanmar – and also as we are now doing in response to the drought in the Horn of Africa. WFP deploys thousands of planes, ships, helicopters, barges and, when needed, donkeys, camels and elephants. Our motto is: nothing comes between WFP and a hungry child.

We are the logistics coordinators for the UN system, delivering not only food, but an array of life-saving goods for dozens of partners, including medicines for WHO, from our global network of Humanitarian Response Depots around the world including one in Brindisi, Italy. WFP provides global services, such as our Humanitarian Air Service, which brings 400,000 humanitarian and development workers in and out of disaster zones each year – including 10,000 aid workers in and out of Darfur each month.

We are a model of efficiency and effectiveness, using only 7 percent of each Euro you provide us for administrative overhead. WFP is in fact 100 percent voluntarily funded; receiving no core or assessed funds from any source. We are unique in the UN system for this.

WFP has been undergoing a revolution in how it does business; this is not the old style food aid. When WFP was founded back in the early 1960s, it was a surplus food program with the nations of the world sharing their extra bounty when they had it. Since then, we have seen a revolution in food aid. Times have changed; there are no surpluses available globally and there is virtually no more dumping of surplus food that can distort local markets. In fact, less than 1 percent of what we delivered last year was surplus food.

Europe has helped lead this revolution in food aid by shifting to cash contributions. Now, more than half of our budget is based on cash, allowing us to purchase food from local farmers throughout the developing world. Last year, 80 percent of our cash for food was spent in 69 different developing nations, helping break the cycle of hunger at its root.

The food we buy locally is used for emergency interventions as well as for safety net programs, such as school feeding. In fact, school feeding is a key component in the joint UN plan of action put forward by the Secretary-General to deal with the impact of the food crisis on the most vulnerable populations.

Each year, WFP provides school meals for 20 million children throughout the developing world. We have learned that if a school meal or take-home ration is provided to girls, it virtually guarantees that parents who would never allow their girls to go to school, order them to do so. It is the most effective human rights program for girls I have ever seen.

Cash contributions provided by the people of Europe enable us to fill this cup with food purchased locally from smallholder farmers; 70 percent of whom are women. This is a win-win situation.

We seek to ensure our hunger responses are supportive of local markets and farmers whenever possible. Let me mention just two examples:

During the floods in Mozambique, food could not reach the victims, and they could not afford to buy it because they were cut off from their incomes but there was plenty of food on local markets. In that case 80 percent of the food for the victims was purchased from Mozambican farmers, creating another win-win solution.

In Senegal – which is a food deficit nation – there is a surplus of salt, but most of the salt for local consumption is not iodised. WFP has contracted with 7,000 village salt producers – most of whom are women – to help them learn to iodise the salt which we in turn buy from them, creating a business incentive for investment in technology. Now the salt they sell locally is iodised; helping prevent goiter, which President Wade has called one of the biggest health challenges in Senegal.

Building on these successes, WFP is launching a bold initiative to enhance our local purchasing programme called Purchase for Progress, or P4P, which is designed to ensure our local purchases are helping break the cycle of poverty and hunger among poor farmers. Purchase for Progress, which we will launch with the Gates Foundation, Howard Buffett Foundation and others at the UN General Assembly in September, will involve more than 18 nations and innovations in our procurement strategy including the introduction of forward contracting.

For example, donors do not necessarily allow us to commit to countries, like Uganda, that we will buy a certain amount of food from farmers for three years; but we consistently do so. With that kind of contract, farmers could then get credit to get seeds and fertilizers to increase yields. We will look at mechanisms like these and talk with you about the flexibility needed to use these purchases to help drive increased yields and help break the cycle of poverty and hunger.

We are working closely with FAO, IFAD, AGRA and others to look at the supply-side dimension of P4P. The intention is to help build capacity and ensure income for farmers, but also to ensure they increase their yields. My goal is that within three years, these farmers can say that they do not want to sell to WFP because they can make more money selling elsewhere; thereby breaking the cycle of poverty and hunger for those farmers hopefully forever.

We are also launching a revolution with the cash contributions, asking not just if the cup is filled but asking what is in the cup. For the first time, WFP can imagine looking at a set of nuanced nutritional interventions directed at a particular population and looking at what kind of products we put forward in specific situations. I want to just give you one example: we work with UNICEF and a French company on a product called PlumpyNut. This is power-packed with nutrition and this little packet is saving lives. It is mostly used by UNICEF because it is therapeutic feeding and can be used as an alternative to hospitalization for children who are extremely malnourished. This can transform their nutritional profile.

Another example is called PlumpyDough, which is peanuts and lots of nutrients and is a supplementary feeding for children not in medical crisis but for those who are getting close to it. This helps stem that kind of impact.

WFP also produces in India, a similar product that is a sweet paste that does not require water or refrigeration. This is revolutionizing our ability to help children deal with nutritional crisis. When you provide us with cash, these are the kinds of products we can look at to use in different circumstances.

In our school feeding programme, we developed this date bar with Egypt which is power-packed with nutrients and uses local food. It also helps meet specific nutritional needs of children. This is the kind of revolution that can happen when we have the chance to invest where it is smartest to help with the nutritional crisis.

WFP's Board has just approved in June, a new Strategic Plan that marks the historic shift from WFP being a food aid agency to what we are calling a food assistance agency. What I mean by that is that, in all of our operations, we will ask how our interventions not only meet the critical emergency needs, but, whenever possible, will help ensure that we break the cycle of hunger at its root through the types of programmes I just mentioned. In this Strategic Plan, WFP has introduced a more nuanced set of tools that allows us to ask what is causing the hunger and which interventions would be most appropriate for those market conditions.

For example, in Darfur there is no surplus food to purchase locally, so if people had cash it would not help with hunger needs and therefore it is appropriate to bring in food from the outside. In places like the DRC, where the land is fertile but many farmers cannot get their food to market, we tripled our local purchases connecting those farmers to help feed those in need and who are trapped in the conflict in DRC. In that case, local purchase was the appropriate response.

I just returned from Myanmar and I was in one neighborhood where the people were cut off from their incomes because of the storm, but the little stores there were filled with food. In that case, it was appropriate to give cash, so we gave them about 30 Euro cents a day for them to be able to go purchase the food they needed, helping the local markets get revived. Similarly, in Pakistan, we used vouchers in areas where there is food.

We have also used particular programs that can help rebuild countries. So rather than just handing out the food, we use the food as payment for vital

investment in rebuilding the infrastructure of countries. We have built tens of thousands of kilometers of roads in Angola, DRC and Southern Sudan.

Also, over the past 40 years, WFP has planted five billion trees in the world by doing Food-for-Work programs that help restore and keep vital soil present. I was just in Syria where a WFP program planted up to half the trees in the country, and up to one billion trees in Pakistan, and one billion trees in China which helped break the cycle of hunger in many regions there. I was just in the Timbuktu desert in Mali where 40,000 trees kept the advance of the desert off of rice fields that are productively feeding the area there.

And we have upgraded our needs assessments and vulnerability analysis – which we conduct for the global system – to include local market conditions.

This is all part of what I call WFP's 80-80-80 solution: today 80 percent of WFP's cash for not only food, but also land transport is spent locally and 80 percent of WFP's staff is locally hired. This helps build permanent local capacity and knowledge about food security.

I want to mention that during the past three months we have had to go through an unprecedented effort to mobilize additional resources to help keep this cup filled. In March, I wrote to Heads of State and governments and traveled the globe urging action.

Last month, we were able to announce at the High-Level Meeting on World Food Security sponsored at FAO that we were able to reach the goal in covering the gap in the cost of food this year caused by the soaring food prices. That included an historic 316 million Euro donation by the Kingdom of Saudi Arabia – the single largest gift in WFP's history. This was a critical symbol and a huge contribution to show that the world is standing together in this food crisis. I also want to thank the many generous contributions totaling some 630 million Euros in new funding to help fill this gap.

But our total program needs have essentially doubled, and we still require a further 1.9 billion Euros this year. With a doubling of food and fuel costs and new needs emerging, we are looking at a 3.8 billion Euro annual total need next year. We need all nations to urgently consider how we will meet this need. It is a challenge for all of us.

In the Secretary-General's High-Level Task Force on the food crisis, WFP has been identified as the front line agency to deal with the larger deep field role that is needed to address and alleviate human suffering with this crisis. We urge all of you to continue working with us.

I do want to mention two areas of particular urgency. First, in Somalia, the needs have basically doubled there because of the drought and high food prices. I want to thank in particular the countries that have helped us fight piracy there. France, Denmark, and the Netherlands have come forward to escort our ships that bring food into Somalia. We thank you. We are currently without escorts and we appeal to all nations to help provide those escorts which have proved a valuable deterrent to piracy.

I also want to mention that we have a critical situation in the Horn of Africa where drought and high food prices are doubling the needs there.

In closing, I want to say that I am an optimist. Today the world is producing more food and nurturing more people than ever before in human history. In fact, 40 years ago twice the proportion of the world was in hunger compared to today. Thirty-seven percent was hungry in 1969 and today 17 percent is hungry. The problem is that we are not keeping up with the population growth. But the world knows how to battle hunger and we urge all of you to work with us to tackle this.

I will also point out that, from our point of view, this is a huge opportunity for African farmers but we are facing about a three to four year crunch in supply while countries are able to ramp up their needs.

In particular, I want to mention four areas where we need your help:

First, I mentioned the financial help we need and we do need to look at the doubling of commitments to help with the urgent needs.

Second, we need your help in ensuring that all governments let us purchase humanitarian food and export it. Right now for example we face supply chain cuts in Ethiopia, Afghanistan and elsewhere because we cannot purchase the food and move it except from a few countries. So now the tenders we put out must all be global just to find the food that we need.

Third, we need your help in ensuring more predictable and stable funding and more flexible funding. In particular I want to thank Sweden, Denmark, the Netherlands, Germany, Portugal, Hungary, Bulgaria and Croatia as leading donors who are giving us flexible funding in keeping with the Paris Declaration and good humanitarian donorship to be able to target the money and purchase the food where we need to.

Finally, I call on all of you to support our Purchase for Progress revolution which can help connect poor farmers to markets, and again is part of the coherent response to this crisis.

My son was asked in a college class recently – he is studying in Europe – what the greatest source of peace was in the world today. He raised his hand and said, “the European Union.” I was proud of that because given our ancestry, one of the first things I did with my children was drive through Europe and talk about the fact that just a generation ago Europe was war-torn. Today, what a miracle that when many needed help just a generation ago with food, Europe is now one of the most generous contributors to fight global hunger on earth. You are our number two donor – taken together with the European Commission and all of Europe. You have been leaders in this crisis and we need your continued leadership. I thank you for this session.