

# Effects of structural food aid on Rural Development

Case-study Burkina Faso

# Structural food aid

- **Purpose:** Discussion on the development effects of different kinds of structural food aid on local population
- Structural food aid:
  - All food aid given to the country:
    - On a regular basis
    - Not for emergencies
- Kinds of structural food aid
  - Direct transfer
  - Triangular transactions
  - Local purchase

- About myself:
- Socio-economist
- Former staff-member of WFP and FAO
- Former Rural Development Adviser Netherlands Ministry of Foreign Affairs
- Now: Independent researcher/consultant

# Methodology

- Literature
- Key informants
- Field visits
  - WFP
  - CRS
  - Africare
  - Afrique Verte
  - UGCPA'BM

# Burkina Faso

- Landlocked, Sahelian
- More than 80% living in the rural areas
- 45% of the population has an income below the poverty line
- Human Development Index 2003: ranked nr. 175 out of 177
- Main staple foods: sorghum, millet, maize
- Rate of Mechanization very low
- Nowadays in most years self-sufficient in cereals

BURKINA FASO

# CARTE ADMINISTRATIVE

(13 régions, 45 provinces)



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Source: PROJET DE LOI MATD du 25/06/2001

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# Discussion points

- Effects on rural population of:
  - Sale of rice
  - Local purchase
  - Ongoing structural food aid projects
    - School feeding
    - Vulnerable groups
    - Agricultural projects



# Sales of rice

- Rice sold by USAID and Japan
- Rationale of sales
  - Rural development projects financed by its revenues
- “Bellmon analysis” and “Usual Marketing Requirements” test (will food donated under the Act not result in a substantial disincentive to or interference with domestic production or marketing in that country, and are normal commercial imports protected)



# Bellmon and Usual Marketing Requirements

- Not a serious study to all effects
- Analyses for one donor only, not for all donors together
- Do not take into account possible side-effects on producers secondary cereals

# Aid in kind or aid in cash

- Possible negative side-effects not analyzed
- Surplus of costs above revenues 7.7 – 25%
- Aid in kind:
  - Not without thorough studies
  - Cost ineffective

# Local purchase

- Potential: raising purchasing power in rural areas
  - Injection of foreign exchange
  - Can lead to:
    - Improved food-security at household level
    - more investments by the farmer
    - higher yields
    - more food for growing population
- Local population gets the food it is used to
- Organizations: WFP, SONAGESS

# What effects on the producers might be expected?

- Because of increase in demand, higher prices for the producers
- Because of these higher prices, better food security at household level and more investments
- Because of those higher investments, higher yields
- Improved national food security situation

# What did happen?

- Income of producers have not gone up
- No substantial increase in productivity in spite of improved seeds and improved agricultural techniques

# Positive effects on producers

- Monopoly position of traders has weakened
  - Result: slightly higher prices to producers
    - Result:
      - stimulation local economy
      - Higher food-security at household level

# Difficulties for producers

- Farmers cannot rely on WFP and SONAGESS
- Since traders can make use of distress sales, they can sell to WFP at lower price than producers can
- WFP buys from lowest bidder, irrespective of costing price to producer
- Delay in payment by institutions
- Administrative procedures
- Food quality
- Producers are not informed by WFP of reason rejection bid



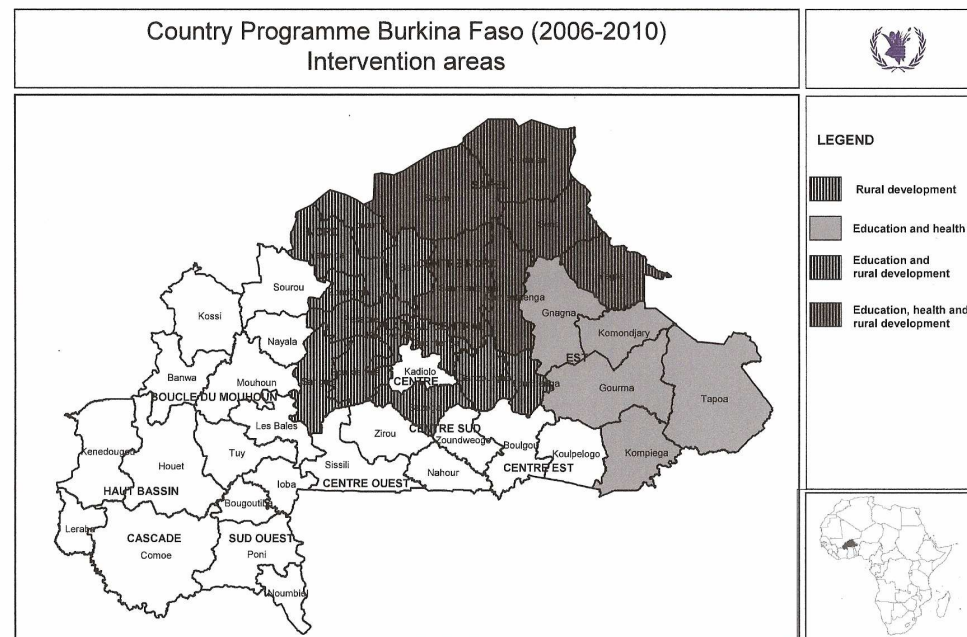
# Support to producers

- Training by Afrique Verte and UGCPA'BM
- Support by administrative procedures
- Mediation in loans and advances

# What can WFP do

- WFP should no longer take price as determining factor for awarding a contract
- Purchase directly from producers groups, even at a higher price (change of procedures)
- Cooperate with institutions that train producers
- Pay an advance payment to farmers organizations that are selected to deliver, or serve with a bank as guarantee

# Intervention area WFP



The designations employed and the presentation of material in this map do not imply the expression of any opinion whatsoever on the part of the World Food Programme (WFP) concerning the legal status of any country, territory, city or area or of its frontiers or boundaries.

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# Effects of projects

- Target group benefits
  - School attendance rises, chronically ill are supported
    - But: how to avoid families eating children's rations?
- Ffw: No food given instead of cash
  - Traditional habit to offer food
- Quantities too small to make a difference on local economy
- No change of food habits in case of local purchase

# Conclusions/Recommendations

- Continue projects
- Continue local purchase
- Local producers should benefit more
- Change WFP rules so that producers can benefit more
- Support to producers groups
- Independent studies on all effects of the sale of food are necessary

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