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Bush in food aid fight with Congress

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Congress, backed by agriculture interests and some development agencies, is seeking to restrict emergency overseas food aid over vocal protests from the Bush administration and some large international relief organizations.

In the struggle, which has split the anti-poverty community, Congress has included provisions in the House and Senate farm bills, now headed for reconciliation in a joint conference committee, to reserve as much as half of the \$1.2 billion Food for Peace foreign aid budget for long-term projects.

Supporters say the administration has dipped too frequently into these funds to pay for emergency feeding programs, at the cost of development programs designed to lift people out of poverty.

But the administration, several large relief agencies and a variety of development experts contend that limiting access to the funds would maintain a wasteful and inefficient system and hamper the country's ability to respond to global catastrophes.

The change could cut off U.S. assistance to as many as 8 million people, according to the administration, which will seek waiver authority to access the development funds.

Industry has blocked previous attempts by the administration to reform the program, but President Bush is still pushing for change.

He urged Congress in his State of the Union address last month "to support an innovative proposal to provide food assistance by purchasing crops directly from farmers in the developing world, so we can build up local agriculture and help break the cycle of famine."

"If the president really wanted to do this, he would increase the budget," said Tonya Kemp, a lobbyist representing the American Soybean Association and the USA Dry Pea and Lentil Council, which, along with companies that grow corn and other crops, successfully lobbied to block administration attempts to open the feeding program to local purchase.

At the core of the debate is a scramble for limited funds at a time of great need.

An estimated 850 million people are hungry in the world, but only about 10 percent receive assistance.

The United States is by far the largest global donor of food. But sharp rises in emergency feeding costs — more than 70 percent over the past six years — have begun to cripple relief programs.

Meanwhile, humanitarian crises have more than doubled since the 1980s.

The United Nations World Food Program, CARE, Oxfam and other relief agencies contend that a drop in current U.S. funding levels would be disastrous for emergency feeding programs.

“It is terribly risky. It cuts down on the administration’s flexibility, so that in times of crisis they will be unable to draw down funds from the nonemergency account,” said David Kauck, a senior adviser with CARE.

Congress regularly passes supplemental appropriations to fund unforeseen emergencies.

But the legislative timeline is often too slow, Kauck said, adding: “Time is really important in these situations. If the money doesn’t come quickly enough, people can die.”

By statute, 75 percent of U.S. food aid is set aside for development.

But with the rise in global crises, most of that money ends up going to emergency relief.

The administration should stop dipping into development funds and instead raise the overall food assistance budget, said an aide to Sen. Tom Harkin (D-Iowa), chairman of the Senate Agriculture Committee. “It’s short-sighted.”

But officials at the World Food Program, which feeds more than 90 million worldwide, said the proposed changes could backfire.

“It is a bad mistake to make this a zero-sum game” between development groups and the World Food Program, said Nancy Roman, the agency’s director of public policy.

At the crux of the issue is the quirky manner in which the United States delivers its aid. Unlike other nations, the United States has for decades bought food directly from American farmers and then transported it on domestically registered ships.

Much of the food pegged for long-term development is then sold by aid agencies in local markets to raise money for long-term education, health and agriculture programs.

This method of assistance, according to a recent report by the Government Accountability Office, is expensive, slow and inefficient.

Up to 65 percent of aid funds are spent on transportation and business expenses, according to the report.

Meanwhile, rising costs over the past five years have meant that the actual amount of food that the U.S. delivers is less than half of what it was six years ago.

The Bush administration has been trying for several years to transfer some of the funds directly to relief agencies.

But the administration has continually run up against powerful farm-state lawmakers and domestic shipping and agricultural companies, which benefit from the status quo.

It has been almost impossible to circumvent the “iron triangle” of the shippers, growers and private development organizations that depend on those funds, said Kimberly Ann Elliott, a senior fellow at the Center for Global Development. “We are already short of where we need to be, and this only makes it worse.”

Catholic Relief Services is one of the aid agencies that have supported protecting the development funds.

“I don’t believe that it’s a trade-off. It means that there is going to be less need in the long run,” said Lisa Kuennen-Asfaw, who manages financial resources and food for the relief agency.

The slow pace of the current system — which can take more than five months, critics say — costs both lives and precious aid dollars.

For instance, in Niger, which suffered a famine in 2005, the cost of relief went from \$7 per beneficiary in February to \$23 in August, when the food finally arrived.

But defenders say the current system is successful. It makes little sense to move to a system of local purchase, which is “unproven,” said Charlie Papavizas, a lobbyist with Winston & Strawn who represents Liberty Maritime, a U.S.-flagged shipping company that he said does “significant” business delivering food aid.

Supporters also note that if the aid funds were converted to a standard budget item, they could well fall victim to cost cutting, and as long as they remain tied to vested interests, they are somewhat insulate.

But this has been threatened lately, which is what prompted the new legislation.

The recent spate of emergencies meant that USAID recently halved, from 30 to 15, the number of countries in which it would sponsor nonemergency programs.

“For development programs, where you need a presence for several years in a row, you can’t do that fly-by-night, not knowing year to year if you’ll have programming,” said Ellen Levinson, who represents a coalition of groups, including World Vision and Africare, that use development funds.

Levinson said there is already plenty of money, among supplemental appropriations and other State Department foreign assistance funds, to deal with unforeseen emergencies.

The real problem, she said, is that the administration does not fund the overall foreign feeding program.

Others disagree. The argument that the relief funds can come from another government source is fallacious, because those funds are already used for natural disasters, war and disease, said Christopher B. Barrett, a professor of development economics at Cornell University who studies food aid.

“It’s a shell game,” he said. “Why, if you don’t have an increased budget, do you put the back of this on the most vulnerable people when they are most the distressed?”