ENOUGH FOOD FOR EVERYONE

THE NEED FOR UK ACTION ON GLOBAL HUNGER
Poors in the arid country caused widespread crop failure. Grazing land also dried up, which killed or weakened millions of animals that people depend on for their livelihoods. By 2010, more than half the population had no food reserves left, and high prices left many people unable to buy food. Some 200,000 children needed treatment for severe malnutrition.

Save the Children for the IF campaign.

A twice-weekly vegetable market in the town of Bara Gaon, India. The price of staple foods such as rice and vegetables have risen throughout India in recent months.
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**IMAGE RIGHT:** Beatrice Quayee, a cash-for-work participant, transplants rice in River Gee County, Liberia. Cash-for-work is available from Monday to Saturday, and all workers are paid US$3 per day. Work starts at 8am and ends at 4pm (or earlier if the tasks are finished). With an hour for lunch, the farmers tend to their own fields once the jobs are complete.
All around the world, a quiet and momentous change is happening – people are lifting themselves out of poverty. In the past 10 years more than 50 million children have started going to school in sub-Saharan Africa, while deaths from the great killer, measles, have fallen by almost 75 per cent. We are some way along one of the most important roads human beings have ever travelled – the road towards ending extreme poverty for everyone, everywhere. We are at a tipping point. We could be the generation to ensure every woman, child and man gets a fair chance at life.

There is still, however, a yawning gap. There is enough food in the world to feed everyone, yet one in eight women, men and children go to bed hungry every night. Each year, 2.3 million children die from malnutrition; women are more likely to go hungry compared to men. There is enough food to feed everyone, but the majority of those going hungry are small-scale farmers. Women, who represent 60-80 per cent of small scale farmers, often have their rights to land denied. There is enough food for everyone, but people cannot afford to buy it. Food prices have recently been at their highest in decades and are increasingly volatile; and in developing countries, poor people often spend as much as three quarters of their income on food.

Even in the UK, many hardworking people struggle to find the money to feed their families, with high food prices compounding the effects of the economic crisis. And our climate is changing, making our global future increasingly uncertain.

Some countries have made enormous strides towards reducing hunger. The proportion of hungry people in Ethiopia fell from nearly two thirds to under half, and in Malawi from 45 to 23 per cent, in just a decade. But the world as a whole is failing badly. We promised at the millennium that by 2015 we would halve hunger, but there is little prospect of keeping that promise.

By failing now, we are failing future generations: by 2025 nearly a billion young people will face poverty because of the damage done to them now through hunger and malnutrition.

Yet, no one need be hungry or malnourished. Getting enough of the right food gives people their future and builds the potential for all societies to prosper – and there are real opportunities to make progress towards eradicating hunger. If we act to ensure small-scale farmers – women and men – can keep hold of their land to grow food; if we crack down on tax dodgers depriving poor countries of resources to ensure the right to food; if we work for global agreement on new sources of climate finance; if all of this is underpinned by transparency, rule of law and strong institutions; and if we fulfil our existing commitments of aid to developing countries and invest enough of this in agriculture and nutrition – then the world has a chance to end the scandal of hunger.
The UK has a golden opportunity to play a leading role in making this happen. While one country cannot do this alone, in 2013 the UK holds a plethora of global leadership roles and can lead by example, by changing some of its own policies. The UK will be chairing the G8 meeting and a Food and Hunger Summit, setting the agenda and tone for global action. At the same time, the world will begin to debate a new set of development goals to set the ambition and vision for the fight against poverty over the next decade. The UK Prime Minister is playing a lead role as panel co-chair advising the Secretary-General of the United Nations on the successor framework to the Millennium Development Goals. The UK is also chair of a key forum on transparency, the Open Government Partnership (OGP). All these positions that the UK is holding on the global stage provide opportunities for action in 2013: an imperative that must be seized.

And the UK has the ability to lead, particularly as 2013 is the year the government will meet its commitment to fulfil a 43-year-old global promise on aid: the first G8 nation ever to do so.

Global hunger is a crisis. But crises present opportunities – and what opportunity for leadership could be more compelling than the chance to make real progress towards ending global hunger? We must seize it.

The prize of doing so would be huge – both in terms of the differences made to the lives of the hundreds of millions of people who will tonight go to bed hungry, and to the global economy. Tackling child malnutrition alone could add US$125bn to the global economy each year by 2030.

IF THERE IS ENOUGH FOOD FOR EVERYONE, WHAT CAN BE DONE TO REDUCE HUNGER?

... THE UK CAN LEAD THE WORLD IN MEETING OUR AID COMMITMENTS

AID SAVES THOUSANDS OF LIVES EACH DAY

The UK’s commitment to meeting its promise to spend 0.7 per cent of national income on aid is a crucial part of meeting a range of development goals, including tackling hunger and food insecurity. In addition to tackling the structural causes of hunger, it is estimated that achieving a world free from hunger would cost US$42.7bn a year in agricultural investment, while addressing the scourge of malnutrition would cost US$10bn. By honouring existing commitments to fund agriculture and providing half the funding required to tackle malnutrition, G8 countries could support economic growth through...
investing in small-scale farmers, particularly women, and in child and maternal nutrition. If all developed countries met the decades-old pledge to provide just 0.7 per cent of national income in aid, the above investment would easily be achievable. Significant progress should be made towards this target in 2013. The remaining financing needed to tackle hunger and malnutrition would be financed by developing countries, from their own tax revenues.

The UK government is, laudably, on track to meet its 0.7 per cent commitment in 2013 and it is crucial that part of this finance is invested in interventions that prevent hunger and malnutrition. However, to ensure that our national commitment to the world’s poorest people is sustained into the future, it is also important for the UK government to enshrine 0.7 per cent aid in law without delay.

**... INVEST IN SMALL-SCALE FARMERS**

**TARGETING INVESTMENT TOWARDS WOMEN FARMERS, TO PROVIDE THEM WITH AS EQUAL ACCESS TO RESOURCES AS MEN, COULD REDUCE THE NUMBER OF HUNGRY PEOPLE BY UP TO 150 MILLION**

Small farms provide food for a staggering one third of the human race; over half of the world’s undernourished people live on and work these farms. Instead of being supported, small-scale farmers – both men and women – are all too often being deprived of their livelihoods. This danger is compounded for women who already struggle for equal access to land and other resources. Supporting small-scale farmers is an incredible opportunity to reduce hunger, reduce poverty and increase productivity.

In addition to public policies, investment is also important. Countries that spend more public money on agriculture tend to reduce hunger more. Public funding provides small-scale farmers with technical advice, cheap credit for better-quality seeds or tools and access to markets, and allows them to get better prepared for when weather shocks strike. Simply targeting investment towards women farmers to provide them with as equal access to resources as men could reduce the number of hungry people by up to 150 million.

Yet aid to agriculture collapsed in recent decades, from 17 per cent of all aid in 1980 to under four per cent in 2006. Since then, there have been a number of G8 initiatives – for example, the 2009 L’Aquila Initiative and the 2012 New Alliance for Food Security and Nutrition – but these fall far short of what is required. To help reach the ambitious goal of ending hunger by 2025, established by the UN Secretary-General’s Zero Hunger challenge, we need to take steps towards closing the 51 per cent gap in country agriculture investment plans (US$27.43bn), for which donors would be responsible for half (US$14.65bn). The UK’s share for supporting this would be US$662m (£425m) per year, which could come out of the UK’s aid budget.

**... INVEST IN NUTRITION**

**THE EARNING POTENTIAL OF MALNOURISHED CHILDREN UNDER FIVE IS LIKELY TO BE REDUCED BY NEARLY ONE QUARTER**

Right now, children’s lives around the world are being blighted by malnutrition. By not getting the right nutrition, their development is irreversibly stunted. Yet we know what works to stop this: health workers promoting exclusive...
breastfeeding and handwashing; children and pregnant women taking micronutrient supplements; access to clean water and sanitation; schools providing nutritious food. But like agriculture, this is an area that has been overlooked in recent decades.

A relatively small amount of investment could make a huge difference in this area. It is estimated that some countries lose 2–3 per cent of their potential GDP because of under-nutrition. Recent research suggests that children under five who are malnourished today are likely to see their earning potential reduced by almost a quarter. Just US$10bn a year could provide a package of measures to improve nutrition that would reach all mothers and children who need help in the 36 countries that carry 90 per cent of the world’s undernourished children. The countries would pay half this cost, with donors investing US$5bn. The UK’s share would be under US$232m (£149m) a year.

...FINANCE THE ADAPTATION TO CLIMATE CHANGE THAT IS MAKING IT HARDER TO GROW FOOD

CLIMATE CHANGE COULD HALVE CROP YIELDS BY 2020 IN SOME AFRICAN COUNTRIES

Climate change is starting to increase the frequency of extreme weather events – from floods to droughts – spreading disease, undermining crop and livestock production, affecting water supplies, and in some cases causing irreversible damage. Crop yields from agriculture are likely to fall dramatically because of climate change – by up to half by 2020 in some African countries, and by up to nearly a third by 2050 in parts of Asia. Further to this, extreme weather events could cause unpredictable food price spikes, disastrous for the poorest people.

The global community has promised money to help poor countries deal with climate change, including to reduce greenhouse gas emissions and support people to deal with its impacts. Many governments including the UK have said they will contribute their share, and the global Green Climate Fund has been set up. But progress has been glacial: the fund was announced over three years ago but is still not up-and-running and has no finance. Even worse, it looks very likely that climate finance will decline from 2013. This is particularly foolhardy, as delay now will mean vastly more cost later.

Climate finance needs to be additional to aid, and therefore new ‘innovative’ sources of finance have a crucial role to play. A promising source for this purpose is carbon pricing of international shipping.

...ENSURE COMPANIES DO NOT DODGE THE TAX THEY OWE, SO THAT MONEY THAT IS CURRENTLY BEING SIPHONED OFF FROM POOR COUNTRIES IS INSTEAD INVESTED IN TACKLING HUNGER

TACKLING THE CORPORATE TAX GAP IN DEVELOPING COUNTRIES WOULD RAISE ENOUGH MONEY TO SAVE A CHILD’S LIFE EVERY SIX MINUTES.

Public finance is crucial to combatting hunger, and taxes are the most important, sustainable and predictable source of finance for all governments including in developing countries. African countries with broader tax bases have lower levels of undernourishment.

However, multinationals are able to avoid paying taxes due in developing countries, particularly by using tax havens, creating artificial corporate structures to shift profits away...
from the real locations of economic activity. The sums involved are large. The OECD estimates that developing countries lose three times more to tax havens than they receive in aid each year. This undermines the ability of poor country governments to lead their own fights against hunger, and reduces citizens’ confidence in their governments’ ability to provide for them.

Dealing with developing countries’ corporation tax gap alone could raise enough public revenues to save the lives of 230 children under the age of five every day.

Tax haven structures allow unscrupulous companies and individuals to hide the proceeds of corruption or evade tax while the beneficiary of this fraud is hidden from tax authorities and police. Shining a light on this secrecy, through a new transparency convention, would help developing countries to collect tax for investment in challenging hunger and to pursue corruption effectively.

Despite the rhetoric, existing initiatives to stem tax dodging in the UK and on the global stage, mediated through recent G8 and G20 meetings, have left the problem largely untouched. Developed and developing countries alike have become increasingly vocal on the need for root and branch reform of the international tax system. We need to reboot international action against tax haven secrecy at the 2013 G8, and ensure that the UK puts its own house in order first, making sure our own tax regime makes it harder for UK companies and individuals to dodge their due taxes in the developing world.

**... PREVENT FARMERS FROM BEING FORCED OFF THEIR LAND**

**AN AREA OF LAND THE SIZE OF LONDON IS BEING SOLD OR LEASED IN DEVELOPING COUNTRIES EVERY SIX DAYS**

Private investment in developing countries has major potential as an important driver of development, and some companies are doing the right thing in poor countries: such as creating jobs and training farmers to improve yields; getting produce to market; upholding workers’ rights; respecting rights to land and water; and avoiding overburdening small-scale farmers with risks. However, as foreign investors do deals on large amounts of land in poor countries – an area the size of London is being sold or leased every six days – these deals are all too often leading to harmful ‘land grabs’ that are forcing farmers and communities off their land. Land deals have boomed since 2008, when global commodity price rises made land more profitable. Around a fifth of farmland in Senegal and Sierra Leone, nearly a third in Liberia and over half in Cambodia has been acquired by companies. The speed and scale of growth in large-scale land acquisitions is outpacing the ability of governments to oversee this adequately, leading to poor people losing out in far too many cases.

The right kind of investment can benefit small-scale producers, but the current wave of land deals is ‘damaging the food security, incomes, livelihoods and environment for local people,’ according to a UN analysis. Women are particularly vulnerable, given their lack of rights to land, unequal voice and representation in decision making. Impacts on women are also likely to be more severe, being less educated and having fewer economic assets.

Shockingly, rather than supporting domestic food production, around two thirds of foreign land investors intend to export everything they produce on the land. Currently much land is being left idle as investors wait for the value to increase, planning to resell.

This issue needs to be tackled by global players. The World Bank has a particular role to play in preventing irresponsible ‘land grabs’, as it supports much investment in this area. The UK can use its G8 presidency to make progress. It
should also continue to actively support implementation of the existing, strong UN Voluntary Guidelines on Governance of Tenure. This is the result of targets set with the intention of combating climate change, such as the EU’s target to source 10 percent of transport fuels from renewable sources. But this target is mainly being fulfilled with land-based biofuels – crops burned as biofuels in the UK are enough to feed 10 million people every year.

One major reason for land grabbing that displaces men and women small-scale farmers is the recent expansion of biofuel production. As much as 58 percent of global land acquisitions in recent years are estimated to have been to produce crops that could be used to produce biofuels. This reduces land available for farming, pushing food prices higher and higher. Biofuel production globally has increased six-fold from 2000 to 2010, a trend set to continue. This is the result of targets set with the intention of combating climate change.

In recognition of these challenges, the EU has proposed to change its method of calculating the climate impact of biofuels. However, the EU’s method for calculating the climate impact of biofuels does not take into account the amount of food being burned in petrol tanks while poor families go hungry. Decisions that have an impact on the lives of millions of small-scale producers are usually taken behind closed doors, without the participation of those affected. Lack of transparency about contracts and revenues relating to land deals prevents local communities from knowing who is acquiring their land and for what purpose. If women and men farmers do not know about proposals to acquire their land, they stand little chance of organizing themselves in opposition or receiving proper compensation.

More broadly, if developing country governments do not publish their budgets and details of how they spend the taxes collected, then poor communities cannot make sure that promises are being kept. If companies do not report on the impact of their activities, they cannot be held to account for their impacts on the global food system. Without transparency, accountability is impossible.

Within the global food system, a small number of multinational companies controlling food production, trading, processing, retail and more. Transparency and accountability are vital. More broadly, if developing country governments do not publish their budgets and details of how they spend the taxes collected, then poor communities cannot make sure that promises are being kept. If companies do not report on the impact of their activities, they cannot be held to account for their impacts on the global food system. Without transparency, accountability is impossible.

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The UK burns enough food as fuel to feed 10 million people every year. Put an end to land being used to grow fuel for cars, driving up the price of food.
THE UNIQUE OPPORTUNITY TO ACT ON HUNGER

All this adds up to a global food system of rigged rules and deep inequalities that allows a few to make billions while leaving hardworking poor farmers – especially women and their children – and vulnerable and ordinary people everywhere to face the highest food prices in a generation.

Markets are part of the solution, but as UK Prime Minister David Cameron has said, this does not mean ‘a naïve belief that all government has to do is to step back and let capitalism rip’. Making the market work well for all requires effective government action.

Tackling hunger from its very roots cannot be done through a silver bullet. But 2013 provides an important opportunity for the UK to take the lead in making changes in four areas – aid, land, tax and transparency – that would start to make real inroads into the problem. 2013 will not be the end of hunger, but it could be the beginning of the end.

As the UK Prime Minister has said: ‘It is only when people can get a job and a voice that they can take control of their own destiny and build a future free from poverty.’ However, a person cannot get to this point if she is weakened by constant gnawing hunger, if she falls ill because her body does not have the nutrients it needs, if she is spending all she has on healthcare for her undernourished children, if she cannot access the resources she needs to earn more money on her land, or if her land is taken away from her. It doesn’t have to be like this – there is enough food in the world for everyone. The UK must act, while the global stage is ours – it is the right thing to do, and it is possible. 2013 can be the year we change the future.

THE UK CAN LEAD THE WORLD TO START ENDING HUNGER DURING 2013...

... IF THE UK LEADS THE WORLD TO INVEST IN SMALL-SCALE FARMERS, NUTRITION AND CLIMATE

The UK government should:

a) Ensure the G8 makes strides towards a world free from hunger, by:

- Mobilising Development Assistance Committee (DAC) donors to commit to funding the 51 per cent gap in country agriculture plans, including the Comprehensive Africa Agriculture Development Programme (CAADP), as detailed in the 2012 G8 accountability report (US$27.43bn). Donors are responsible for half of the total (US$14.65bn). Donors should also undertake to help support the development of new country plans for those countries yet to get involved, and that no good plan should not be implemented for want of resources.
- Making commitments to support country plans submitted by Scaling Up Nutrition countries (for a package of direct nutrition interventions) on the scale of US$5bn per year until 2015.

The UK contribution to achieving this should be to:

- Fulfil existing commitments to spend 0.7 per cent of national income on aid by 2013 and bring forward legislation in or before the 2013 Queen’s Speech.
- Commit to spend at least an additional US$661.7m per year (£425m) in sustainable small-
scale agriculture to achieve food security for over 418,500 people annually.

- Commit to spend US$232.3m (£149m) per year to prevent child and maternal malnutrition in the 36 high burden countries.

b) Ensure finance is mobilised for climate adaptation

- Push for global agreement on mobilising new sources of climate finance, additional to aid, in particular by taking a lead on agreeing the delivery of an effective and fair international shipping mechanism.
- Demonstrate commitment to other innovative sources of finance for climate change, and encourage those who have committed to mobilising new sources of finance to invest these in tackling climate change.
- Agree that 50 per cent of global climate finance will be allocated to adaptation, prioritising delivery through direct access – particularly through the Green Climate Fund on which the UK has a board seat.

... IF THE UK LEADS THE WORLD TO ENABLE COUNTRIES TO RAISE TAX REVENUE TO TACKLE HUNGER

The UK government should:

a) Change UK rules to help ensure developing countries receive the taxes they are due

- Introduce a requirement in the UK's Disclosure of Tax Avoidance Schemes regulations for companies and wealthy individuals to report their use of tax schemes that impact on developing countries.
- When such schemes are recognised under these or other mechanisms, notify developing countries' tax authorities, and assist in the recovery of that tax.

b) Take a lead on improving global tax transparency

- Launch a Convention on Tax Transparency at the G8, to reinvigorate the global challenge to tax havens. The Convention would prevent companies and individuals from hiding wealth, by initiating a global standard for public registration of ownership of companies and trusts.
- Push tax havens to sign the Convention on Tax Transparency and join the Convention that supports multilateral exchange of tax information. Commit to taking countermeasures against tax havens that fail to participate by the end of 2013.
- Introduce country-by-country reporting for all sectors within the G8's jurisdiction and push for country-by-country as a new global accounting standard.

... IF THE UK LEADS THE WORLD TO ENSURE FAIR AND SUSTAINABLE USE OF LAND

The UK government should:

a) Work to improve governance of large-scale land acquisitions

- Push for the World Bank to review the impact of its funding of land acquisitions on communities and the environment, and change its policies to make sure they prevent land grabs. World Bank lending involving large-scale land acquisitions should be frozen for six months to provide space to start this process.
- Put land grabbing on the agenda of the G8; promote G8 action to improve governance, transparency and accountability in land agreements; and press for G20 discussions on this issue.
• Push for implementation of all relevant aspects of the UN Voluntary Guidelines on land tenure, and ensure renegotiation of the principles on responsible agricultural investment at the UN Committee for Food Security reflects the fact that good investment must work for poor communities.

b) End support for damaging biofuels policies

• Scrap the UK target to have five per cent biofuel in transport fuel.
• Lobby for zero land-based biofuel to count towards the EU’s 10 per cent renewable energy in transport target, and for the true scale of carbon emissions from biofuels to be accounted for at the EU level, by including ‘indirect land use change’ in calculations.

• Contribute to the expected European Commission (EC) assessment of the social and environmental impact of the European biofuels mandate outside the EU, ensuring it recognises their impact on food security and land rights.

... IF THE UK LEADS THE WORLD TO BE MORE TRANSPARENT ABOUT TACKLING HUNGER

The UK government should:

a) Corporate accountability

• Strengthen the reporting requirements in the UK Companies Act to include a specific requirement for companies to report on the full range of their social and environmental impact, including their human rights impact. Back this up with robust guidance and enforcement mechanisms to ensure companies comply.
• Ensure that EU legislation on corporate reporting includes a specific requirement for the same reporting.

b) Use its G8 presidency to improve transparency in the use of land and other resources to benefit poor people and support sustainable, equitable growth

• Promote action to improve governance, transparency and accountability in land agreements.

c) Budget transparency

• Encourage all G8 countries to join the OGP, commit to providing ‘extensive’ budget information and the highest standards of citizen participation in budgeting and support, and encourage other countries to do the same, in particular working with the G20 Anti-Corruption Working Group.
• Work with other OGP members to include a commitment in the Open Government Declaration for countries to publish a full breakdown of all government revenues (including tax and development assistance) and expenditures in a way that is understandable and accessible to all citizens, and to improve on their fiscal transparency performance year on year.
INTRODUCTION
INTRODUCTION

‘THERE IS NOTHING IN THE POT. WE HAVE NO FOOD FOR A MEAL. OFTEN A POT IS PUT ON THE FIRE SO CHILDREN THINK A MEAL IS BEING PREPARED. IT GIVES THEM HOPE. IF WE TOLD THEM THERE WAS NO FOOD THEY WOULD START CRYING AND THERE WOULD BE NOTHING WE COULD DO. THIS WAY THEY JUST GO TO SLEEP QUIETLY.’

(ALIOU, MOTHER OF TWO CHILDREN, RURAL MAURITANIA, 2007)

All around the world, a quiet and momentous change is happening – people are lifting themselves out of poverty. In the past 10 years more than 50 million children have started going to school in sub-Saharan Africa, and deaths from the great killer, measles, have fallen by almost 75 per cent. We are a fair way along one of the most important roads human beings have ever travelled – the road towards ending extreme poverty forever, everywhere. We are at a tipping point. We could be the generation to ensure that everyone gets a fair chance at life.

There is still, though, a great yawning gap. There is enough food in the world to feed everyone, yet nearly 900 million women, men and children go to bed hungry every night. And gender inequality means that women are more likely to go hungry than men.

Some countries have made enormous strides towards reducing hunger. The proportion of hungry people in Ethiopia fell from nearly two thirds to under half, and in Malawi from 45 to 29 per cent, in the decade to 2005. Getting enough of the right food gives people their future and builds the potential for all societies to prosper. But the world as a whole is failing badly. We promised at the millennium that by 2015 we would halve hunger, but there is little prospect of keeping that promise.

By failing to act now we are failing future generations. By 2025 nearly 1 billion young people will face poverty because of the damage done to them now as children through hunger and malnutrition.

Yet no one need be hungry or malnourished. If we act to ensure small-scale farmers – women and men – can keep hold of their land to grow food; if we crack down on tax dodgers depriving poor countries of resources to ensure the right to food; if we work for global agreement on new sources of climate finance; if all of this is underpinned by transparency, rule of law and strong institutions; and if we fulfil our existing commitments of finance to developing countries – then the world has a chance to end the scandal of hunger.

One country cannot do this alone, but the UK has a golden opportunity to play a leading role to make this happen. In 2013 the UK holds a plethora of global leadership roles. Most importantly, the UK will be chairing the G8 meeting, which means setting the agenda and tone, and the Prime Minister has already committed to hold a Food and Hunger Summit in the days leading up to it. The world will also begin to debate a new set of development goals with ambition and vision for the next decade – and the UK Prime Minister will play a lead role as panel co-chair. The UK is also chair of a key forum on transparency, the Open Government Partnership. And the UK has a strong track record to lead from, being one of a handful of countries that in 2013 will meet the global pledge on aid.

Global hunger is a crisis. But with crises there are opportunities – and

IMG PREVIOUS PAGE: FAMILY MEMBERS MUNAJA KEDIRE, SELAMAWIT AREGAW AND HANNAH KEDIRE SHARE A MEAL IN ADDIS ABABA, ETHIOPIA.
what opportunity for leadership could be more compelling than the chance to make real progress towards ending global hunger?

THE EXTENT OF HUNGER

The world produces more than enough food for everyone. And yet the global system by which food is produced, distributed and consumed is failing to meet the needs of much of the world’s population. Almost 900 million people – some 868 million – are hungry. These people live mainly in sub-Saharan Africa and South Asia, and comprise one in eight of the human beings alive today. Women continue to be more likely to go hungry than men, because of deep gender inequalities.

Hunger is not just about how much you eat, but also receiving the essential nutrients to keep you healthy. Even more people – over 2 billion – suffer from lack of essential micronutrients. Undernutrition, coupled with illness, causes 2.3 million children to die unnecessarily every year. For many of those that survive, long-term undernutrition causes irreversible damage since the lack of nutritious food, coupled with infection, impairs their physical and cognitive development. Although the number of children under five affected by stunting (those too short for their age) has fallen in recent decades, the number still stands at more than a quarter of all children.

Hunger is endemic, and the trends are not positive. While change is in the right direction, it is glacially slow. Although the proportion of the world’s people that are hungry has gone down, the world is off track to meet the millennium promise to halve hunger by 2015. The absolute number of hungry people has also gone down, but very slowly.

Figure 1: Number of hungry people worldwide

UP TO 28% OF ALL CHILDREN IN DEVELOPING COUNTRIES ARE ESTIMATED TO BE UNDERWEIGHT OR STUNTED

ENOUGH FOOD FOR EVERYONE
The absolute number of hungry people living in Africa has increased in recent years, and research by Save the Children shows that in 2012, the absolute number of hungry children in the world recently rose for the first time in a decade.32

The hunger crisis is not only a human tragedy—it also exerts a massive brake on economic development. Hunger weakens the health, growth and productivity of people and countries. Around 2–3 per cent of the national income of a country can be lost to undernutrition,33 while undernourished adults earn on average almost 20 per cent less than others throughout their lives.34 Research conducted by the IF campaign suggests hunger is costing poor countries US$125bn a year to 2030.

IF THERE IS ENOUGH FOOD FOR EVERYONE, WHY SO MUCH HUNGER?

In order to take action to address the unacceptably high levels of hunger, we need to look at the causes of hunger.

The majority of the world’s hungry people are themselves food producers: small-scale farmers working plots of two hectares or less.35 Small-scale farmers, 60–80 per cent of them women,36 support a staggering one third of the human race.37 Eighty per cent of the world’s undernourished people live in rural areas, the majority of these on small farms.38 One third of Africa’s undernourished children live on small farms.39 And yet, small-scale farmers and particularly women are under supported and often their land is under attack.

The global land rush is pushing people off the land they relied on to grow food and make a living. Private investment in agriculture is crucial, but investment at any cost is not acceptable. In the past decade, global land sales have rapidly accelerated; in poor countries investors are buying up an area of land the size of London every six days, divesting small-scale farmers of their land in the process.

The land acquired in the last decade has the potential to feed a billion people.40 Most land deals happen in countries with the weakest protection of rural land rights;41 the deals are all too often land grabs, with inadequate consultation or compensation to those affected. And 60 per cent of foreign land investors intend to export everything they produce on the land, rather than make it available on local markets.42

Biofuel projects are a major driver of land grabs, with 58 per cent of land acquisitions in recent years intended for producing crops that could be
turned into biofuel. They are also a significant factor behind food price rises and volatility. An effective global push to end unsustainable land acquisitions and biofuels policies would contribute enormously to tackling hunger.

A lack of transparency means that people cannot see what is taking place within the affairs of government and corporations particularly, and of those who control the food system. Opacity prevents citizens from being able to hold to account those with power over their food security. If poor people were meaningfully involved in the negotiations of land deals and had the right to say no; if they could see where their governments were spending both tax and aid funds; if they could hold companies to account for all their impacts – then we would be well on the way to empowering people to feed themselves.

Denied access to their land, people are more dependent on volatile food markets. Rising food prices, caused in part by land being diverted to fuel, are pushing more people into poverty and hunger. Poor families may spend as much as three quarters of their income on food, which means that even small increases in the cost of food can force them to make agonising choices.

Since 2000, real food prices on international markets have doubled, even in the UK, many hardworking people struggle to find the money to feed their families. The countries most exposed to price volatility on international markets are those with the highest burden of undernutrition. International bodies predict that food prices are likely to remain high and volatile for the next decade, at the very least. Oxfam estimates that average export prices may double between 2010 and 2030. Climate change is contributing to hunger by increasing the frequency of extreme weather events, from floods to droughts, spreading disease, undermining crop and livestock production, and affecting water supplies – all of which affect smallholder farmers and women significantly. As a result of climate change, crop yields from agriculture are likely to fall by up to half by 2020 in some African countries, and by up to nearly a third by 2050 in parts of Asia. Declining food production as a result of climate change could lead to 11–24 million more children being undernourished by 2050.

Enabling women and men smallholder farmers around the world to adapt to climate change and continue producing food is fundamental in the fight against hunger. It is also vital to reduce the vulnerability of women to environmental shocks, for example, by increasing their access to education and employment in other sectors.
Finance is needed in several areas, notably investment in small-scale agriculture and nutrition: supporting the world’s small-scale farmers – men and women – is a huge opportunity to boost food security and tackle hunger. At the same time, simple things such as promotion of breastfeeding and micronutrient supplements can make a significant difference to nutrition levels.

But finance does not all have to come from donor countries; much of the necessary investment will come from developing countries themselves through mobilisation of resources at a domestic level: taxes. African countries that have broader tax bases tend to have lower levels of hunger. However some companies are dodging the taxes they owe, which siphons money from poor countries that could be invested in tackling hunger. This undermines the ability of developing country governments to lead their own fights against hunger, and reduces citizens’ confidence in their governments’ ability to address the issues that most concern them. Tackling the corporate tax gap in developing countries would raise enough public revenues to save a child’s life every six minutes. All governments need to crack down on tax dodging.
ENOUGH FOOD FOR EVERYONE

1. A COST-EFFECTIVE INVESTMENT
1. A COST-EFFECTIVE INVESTMENT:
SMALL-SCALE AGRICULTURE AND NUTRITION

‘SEVENTY PER CENT OF THE WORLD’S FARMERS ARE WOMEN, BUT MOST PROGRAMMES THAT OFFER FARMERS CREDIT AND TRAINING TARGET MEN. THIS IS UNFAIR AND IMPrACTICAL.’
(HILLARY CLINTON, US SECRETARY OF STATE, 2009)

Having the money to do things does not guarantee success, but little can be achieved without it. Certainly strong institutions, governance and transparency are crucial for development, but in discussion of this we sometimes seem to forget just how little money developing countries have to work with: by definition, less than about US$1,000 per person per year in low-income countries, as compared to more than 30 times that in most high-income countries.

If we want to see hunger eradicated, finance – both domestic and international – is essential. Almost all countries already raise far more public funding themselves through taxation than they receive in aid. Supporting domestic revenue raising is both a short- and long- term complement to aid. We look at this in more detail in Section 2; here we address the need for more investment in agriculture and nutrition, and climate finance.

1.1 THE IMPORTANCE OF SUPPORTING SUSTAINABLE AND SMALL-SCALE AGRICULTURE

Countries spending more on agriculture tend to reduce hunger more. For example, all seven African countries that spent more than 10 per cent of their national budgets on agriculture in 2004-07 achieved reductions in the proportion of hungry people over the past decade. GDP growth originating in agriculture is five times more effective in reducing poverty in low-income countries than growth in other sectors; in sub-Saharan Africa, it is 11 times more effective. Policies that support sustainable, small-scale agriculture can increase agricultural growth and raise farm productivity.

Critically, there is an urgent need for much larger investments in small-scale agricultural producers. The two countries that have reduced rural poverty the most in recent decades – China and Vietnam – did so by empowering small-scale farmers with tiny plots of land. Appropriate private investment has a role to play, but public funding is vital to increasing the productivity and incomes of small-scale farmers: for example, through access to advisory (‘extension’) and credit services and to markets, and through developing agricultural research relevant to their needs. Investing so that communities are prepared to cope with disasters (such as drought), including through building food reserves, and social protection schemes, are also essential.

Women farmers need to be targeted explicitly for support. Currently, women own only one per cent of the land in Africa, and receive only seven per cent of extension services and one per cent of all agricultural credit.

Simply targeting investment towards women farmers to provide them with as equal access to resources as men could reduce the number of hungry people by up to 150 million.

Agricultural policies should promote sustainable agriculture, so that
farming becomes less input-intensive and environmentally damaging, and small-scale producers can reduce input costs.\textsuperscript{55} Growing evidence suggests that sustainable agriculture increases yields and builds resilience. The most comprehensive study of such projects found an average yield increase of 79 per cent.\textsuperscript{56}

Also vital – given that most hungry people are farmers – is making nutrition an explicit objective of agriculture policies. Enabling farmers to grow local staples, fruit and vegetables can increase incomes and make it possible for parents to provide their children with healthy, nutritious meals.\textsuperscript{57}

1.2 THE COLLAPSE AND RECOVERY OF AID TO AGRICULTURE

In 2010, the share of DAC bilateral aid going to agriculture, forestry and fisheries was 5.7 per cent, compared to 8.9 per cent for education;\textsuperscript{58} just US$11 a year for every undernourished person in the world. It is unknown how much of this aid benefits small-scale producers, women or men, since aid donors including the UK do not disaggregate their agricultural aid spending in this way.

International aid to agriculture has still not fully recovered from massive declines in recent decades, which saw the level collapse from 17 per cent of aid in 1980 to just 3.4 per cent by 2006.\textsuperscript{59} After the 2008 food price crisis, G8 countries pledged at their 2009 summit in L'Aquila, Italy to work ‘towards a goal of mobilising’ US$22bn for agriculture and food security within three years.\textsuperscript{60} This was an important and very welcome commitment. The UK committed and spent its £1.1bn L'Aquila share during 2009–12.\textsuperscript{61} Overall, however, only one fifth of the promised funding had been disbursed by mid-2011.\textsuperscript{62}

A further G8 initiative was made at the 2012 summit at Camp David in the US, the New Alliance for Food and Nutrition Security, focused mainly on the private sector. It was accompanied by pledges to provide only US$1.3bn of new public money over 10 years – just US$130m a year. We recognise the important role that private sector investment plays in agriculture, and applaud the G8 goal to lift 50 million people out of poverty. But we believe the New Alliance, as currently structured, is the wrong global framework to achieve food and nutrition security through sustainable, equitable and resilient small-scale food production. Therefore we would not encourage the G8 to pursue development of the New Alliance beyond the six Vanguard countries without significant structural reforms.

However, we recognise that the G8 and country governments are committed to implementing the New Alliance in those Vanguard countries, and that in order to achieve its stated aims and improve livelihoods for small-scale farmers, particularly women, significant reforms are necessary – including improving accountability mechanisms and ensuring small-scale farmers are involved in, and benefit from, the initiative. Further, the New Alliance must be recognised as a complement to, not replacement for, core public investments in the agriculture sector that are focused on supporting small-scale food producers.

It has been calculated that an additional US$42.7bn per year globally is needed\textsuperscript{64} in agricultural investment to help achieve the ambitious goal of zero hunger by 2025. This proposal, published by the UN Food and Agriculture Organization (FAO), is wide-ranging, covering agriculture, forestry, fishing and rural development. The major investments are needed in: rural infrastructure; agricultural research; extension services; storage, marketing and processing; conservation of natural resources; and expanding rural institutions to promote concessional finance and land tenure security.\textsuperscript{65} Investments must be targeted at women in particular. The US$42.7bn goal was welcomed by the UK and other governments when the FAO launched the Zero Hunger
HOW SUPPORT FOR WOMEN SMALL-SCALE FARMERS CAN MAKE A DIFFERENCE

Mambo Shazambura, 28, and her husband Maybin Kalenda, 32, live with their two children, three-year-old Richard and five-year-old Marise, in Ntambo village, Mumbwa District, central Zambia. Last year the family experienced a particularly bad harvest, which was a huge loss since the majority of their crop was maize, used both as a staple for household consumption and as an important cash crop.

In previous years, the couple dug their entire plot with a hand hoe. They are extremely poor and simply cannot afford to hire the oxen or plough needed to prepare their fields. But digging the land by hand was arduous work that both Mambo and her husband undertook for months at a time, often delaying the crop and reducing its potential by denying it essential rainfall early in its growth, and robbing it of the time it needed to mature properly. The yield from their farm of 2.25 hectares was usually poor and rarely got them through the ‘hunger gap’ period between planting and harvest.

Last year, the family ran out of food altogether and bought extra maize at the local market to get by. Maybin would go there when he could afford to, maybe once every two months. The family’s ongoing poor diet had its greatest impact on their young daughter. ‘Marise was in bad health and thin – much, much worse than now. She was very wasted,’ her father said.

Mambo was selected to join a Concern farming advice project as a ‘smallholder model farmer’ last year; she now teaches 11 others on a weekly basis, advising them on how to grow more nutrient dense crops like beans and cowpeas. Her husband says he is proud of her, and has learned a lot from his wife about the best ways to grow these crops. ‘Other people are coming, even some that are not part of the programme, when they see what we are doing here,’ he says, pointing to the thriving plants in his home garden that surround their mud house on every side. This gives her an important role in the community.

However, far more important, says Mambo, is the fact that their daughter’s health has improved. ‘She is doing far better than before,’ she says. ‘Now when we take her to the health centre, we can see that her weight is slowly going up and up. She is healthier because she is eating all of the new foods that we are growing. We are not selling these, only keeping for ourselves so that we won’t need to go and buy food at the market.’ Her husband concludes: ‘A lot of people in our community are changing their lifestyle and eating a better diet. We have learned that is important for the children and the whole family to have vitamins and protein.’
initiative at the Rio+20 Summit in June 2012. A first step towards meeting this commitment would be to fulfil existing G8 commitments by closing the 51 per cent gap in country agriculture investment plans (US$27.43bn). If donors were responsible for half of the total, they would deliver US$14.65bn in addition to existing contributions, over the timescale of these plans.

The UK government can meet its fair share of the global resources needed for agriculture by spending just under a sixth of the additional funds that will be available when aid is increased to 0.7 per cent of UK national income. It should provide an additional US$661.7m [£425m] a year.66 Current UK aid to agriculture and rural development is low, at around US$737m [£462m] in 2010.67

1.3 AID FOR NUTRITION – NEGLLECTED POTENTIAL, NEGLCETED RESULTS

Malnutrition is not only a consequence of poverty, but also a root cause. When children do not get the right nutrients at the start of life, it causes irreversible damage to their bodies and brains, to the extent that is can undermine future earning potential by as much as 20 per cent. In Nigeria, the poorest 20 per cent are twice as likely to be malnourished as the richest 20 per cent. Not addressing this problem inhibits the ability of those countries to challenge inequality.68

Simple, direct interventions delivered to children and their families at risk of undernutrition are well known and supported by nutrition experts. Yet only around a third of current basic nutrition spending currently goes towards the 13 key nutrition interventions that The Lancet medical journal has identified as beneficial to the nutrition and health of children and mothers.

The Copenhagen Consensus has highlighted these direct nutrition interventions as delivering greater returns on investment than any other intervention. Yet, as DFID’s 2011 Nutrition Strategy notes, ‘undernutrition has been systematically overlooked in setting priorities for development’.69 In recent years, however, political momentum has grown, via processes like the Scaling Up Nutrition movement.70 It is unclear precisely how much donors are spending on nutrition because of the way that spending is, or is not, reported, but it is clear that it is not enough, at between US$300–400m annually.71 72 The World Bank has highlighted that ‘current investments in nutrition are minuscule given the magnitude of the problem’.73

The cost of scaling up the ‘Lancet package’ of 13 interventions (plus ‘fortification’ – the process of adding vitamins and minerals to food) in the 36 countries that are home to 90 per cent of stunted children is estimated to be US$10bn a year by 2015 and US$9.8bn a year by 2020.74 Shared between developing and donor governments, this sum is easily affordable. It could save 2 million lives if it was delivered to children in these 36 countries.75

Not only is ending hunger a moral imperative, but such investments also make good economic sense. Stunting, caused by malnutrition, can reduce future earning potential by as much as 23.8 per cent.76

The UK government supports the Scaling Up Nutrition movement and has played a key role in pushing the related area of health up the international agenda and building a constituency for action.77 The UK’s Nutrition Strategy commits it to reach 20 million children under five during 2011–2015. DFID states that ‘since 2010, the UK has more than doubled resources for tackling undernutrition’.78 Given the scale of this problem, this should be increased.

The UK’s share of the donor US$5bn for nutrition would be US$232m [£149m] a year, easily affordable within our existing aid commitment.
Developed countries have a long-standing global commitment to aid levels: to provide 0.7 per cent of their national income in aid to the poorest countries.

Aid from rich countries stood at US$133bn in 2011, or just 0.32 per cent of the income of the donor countries. This represented a fall of US$3.4bn over 2010. Only five countries have met the 0.7 per cent target: Sweden, Luxembourg, Norway, Denmark and the Netherlands. The UK is due to meet it during 2013, which will make the UK the first G8 country to hit 0.7 per cent, putting it in a unique position to encourage other G8 members to follow suit. In contrast, on average G8 countries gave only 0.33 per cent of their GNI in aid in 2011.

Aid spent well cannot only help end global hunger, it can also save lives, create the conditions for economic growth, help secure peace and promote good governance. A recent DFID-funded Tearfund project in Malawi found that for every US$1 invested, communities received at least US$24 in net benefits to help them overcome food insecurity while building their resilience to drought and erratic weather. Countries in sub-Saharan Africa that received the most aid in the last decade made the most progress in child well-being. Countries receiving large amounts of aid typically reduced childhood undernutrition by an additional two percentage points over 10 years, and infant mortality by an additional four deaths per 1,000, compared to countries receiving little aid. Replicating this progress across sub-Saharan Africa could prevent 2.7 million children from becoming undernourished and save 63,000 children’s lives each year.

**AID AND THE UK: HIT THE TARGET AND ENSHRINE IT IN LAW**

To its credit, the UK government has consistently increased its aid spending in recent years, even at a time of financial crisis and budget cuts, and is committed to reaching the 0.7 per cent target in 2013. In volume terms, the UK has the world’s third largest aid programme. Spending £8.6bn on aid in 2011, amounting to 0.56 per cent of GNI, the UK allocates a higher proportion of its GNI to aid than any other G8 state, and is the fifth highest in the EU.

Research by Christian Aid shows that in the UK, 0.7 per cent amounts to 1.6 pence for every pound of government spending. If the UK reached the target, it could provide better nutrition for nearly 10 million people, put 15.9 million more children in school, provide more than 80 million children with vaccines, and ensure 5.8 million births take place in a safe environment, saving the lives of over 50,000 mothers.

The UK government has one more step to take on aid: it should ensure that life-saving aid is protected and distributed in a consistent, sustainable way by legislating for 0.7 per cent GNI to be spent on aid in future parliaments, as all main parties committed to do in their manifestos. Legislation is important since it would help protect the aid budget from political jockeying and increase accountability to Parliament and the public, as well as making a strong statement to international partners about the UK’s commitment to aid.
Forty-seven year old Fololina Fombe, a small-scale farmer with two adult children and three grandchildren in southern Malawi, says: ‘The climate has changed drastically. In the 70s, my parents would plant their maize crop on October 15. And surely, on the same day or the next day, the rain would fall. The rains would continue falling throughout the farming season without dry spells or droughts.’ She continues: ‘Some people used to have three granaries of maize because there was so much harvest in those old days. These days some of our children do not even know what a maize granary looks like.’

Crop yields are falling primarily because of changing weather patterns and reduced rainfall. In 2011, the first rains came on 25 November. But there was no more rain and almost all the maize planted withered during the long dry spell.

When rains finally came again farmers sourced more seed and replanted their maize, hoping that this time the rain would continue. But more crops withered this time than when they had originally planted. No maize crop survived at all.

‘Farming is extremely difficult these days because of climate change. Maize is not yielding the expected results. Even cotton is not faring well as before. We are in a dire situation,’ says Fololina.

One of Tearfund’s partner organisations, Eagles, is working with communities in Malawi to help people to plant drought-resistant alternatives to maize and to diversify their livelihoods. They are also helping people adapt to the changing climate by supporting irrigation farming for those close enough to a water source, and by promoting afforestation.
1.5 SURVIVING THE STORMS – FUNDING FOR CLIMATE CHANGE

‘WITHOUT ACTION AT THE GLOBAL LEVEL TO ADDRESS CLIMATE CHANGE, WE WILL SEE FARMERS ACROSS AFRICA – AND IN MANY OTHER PARTS OF THE WORLD, INCLUDING IN AMERICA – FORCED TO LEAVE THEIR LAND. THE RESULT WILL BE MASS MIGRATION, GROWING FOOD SHORTAGES, LOSS OF SOCIAL COHESION AND EVEN POLITICAL INSTABILITY.’

(KOFI ANNAN, FORMER UN SECRETARY-GENERAL, 2011)\(^86\)

Mobilising sufficient resources to combat climate change is an essential part of any strategy to promote food and nutrition security. The interface between agriculture and climate change is also important in a wider sense, in that farming itself generates perhaps a quarter of the emissions that contribute to climate change.

At climate summits in 2009, 2010 and 2011, world leaders committed to provide US$30bn of ‘fast-start’ finance for 2010–2012, and US$100bn a year by 2020, to help developing countries adapt to and mitigate climate change. Large-scale financing is urgently needed from developed countries, based on responsibility for emissions and capacity to pay, and also from new, innovative sources.\(^37\) Since climate change needs to be dealt with alongside poverty eradication, climate finance should be additional to aid budgets, not taken from them.

Little progress has so far been made towards the US$100bn commitment. Three years after it was first made in Copenhagen in 2009, developed countries have yet to indicate where any of the money will come from. The European Commission (EC) has said the EU will provide around a third of this amount,\(^86\) but at their most recent meeting, EU finance ministers failed to agree increased support for developing countries after the end of 2012. The UK government has said that it will contribute its ‘fair share’ of the US$100bn commitment\(^89\) and was among the first developed countries to commit to providing climate finance beyond 2012.\(^90\) But there is a need for clarity on how the government will work with others to help mobilise the full amount.\(^91\)

Only three EU countries – the UK, Denmark and Germany – have so far agreed to contribute to the running costs of the new Green Climate Fund, the body established in December 2010 as the key channel for developed countries’ climate finance.\(^92\) Progress in making the fund operational has also been slow. The UK, one of five G8 countries to sit on the fund’s board, has earmarked 50 per cent of its climate finance for adaptation,\(^93\) reflecting a global commitment to ‘balance’ financing between adaptation and mitigation.\(^94\) However, globally, financing of adaptation is receiving less than 20 per cent of overall climate finance – an imbalance that needs to be redressed.

The source of climate financing is also of concern, particularly the fact that most donors, including the UK, are taking their climate finance from aid budgets in blatant contradiction to their promises – made in the UN Framework Convention on Climate Change (UNFCCC), the Bali Action Plan and the Copenhagen Accord – to provide ‘new and additional’ resources.\(^95\) Much climate finance is in the form of loans not grants, which adds to developing countries’ debts and fails to reflect developed countries’ historical responsibility for climate change. For example, in 2011 loans constituted 34 per cent of the €2.34bn disbursed by the EU’s Fast Start financing.\(^96\)
In the current economic climate the sums needed for climate finance may appear daunting, but the short-term cost is heavily outweighed by the long-term savings.\(^97\) According to Lord Stern's estimates, investing 1–2 per cent of global GDP to tackle climate change could save us the 5–20 per cent of GDP that climate change could cost if the investment is not made.\(^98\)

Since climate finance cannot be taken from aid budgets, government pledges of the full amount required are unlikely; some of the funding will need to come from new, innovative sources. There are a range of proposals for these, including domestic proposals for carbon taxes, re-direction of subsidies currently spent on fossil fuel extraction, the use of Special Drawing Rights (a form of international reserve currency) and a Financial Transaction Tax.\(^99\)

One promising innovative financing source that could raise significant climate finance is carbon pricing for international shipping; a major — and rapidly growing — source of greenhouse gas emissions.\(^100\) The UK government has already welcomed progress towards establishing a global regime for reducing emissions from shipping, suggesting that carbon pricing could be part of the solution.\(^101\) A World Bank report for the G20 states that a globally implemented charge of US$25 per tonne of CO\(_2\) on fuel used for maritime transport could raise around US$25bn a year by 2020. At the same time, it would reduce the industry’s carbon emissions by five per cent, mainly due to falling fuel demand, while only increasing the cost of shipping by 0.2 per cent.\(^102\)

### 1.6 A COST-EFFECTIVE INVESTMENT — POLICY RECOMMENDATIONS

Donors must give more and better support to sustainable small-scale agriculture and child and maternal nutrition.

In addition to tackling the structural causes of hunger, the level of investment in agricultural and rural development needed to achieve a world free from hunger by 2025 is estimated to cost an additional US$42.7bn per year. Providing life-saving treatments to 100 per cent of target populations in 36 countries that carry 90 per cent of the burden of undernutrition may cost US$10bn.

a) The G8 can make great strides towards a world free from hunger by mobilising funds for investment in sustainable small-scale agriculture and child nutrition. This should include:

i) Mobilising DAC donors to commit to funding the 51 per cent gap in country agriculture plans, including CAADP, as detailed in the 2012 G8 accountability report (US$27.43bn). Donors are responsible for half of the total ($14.65bn). Donors should also undertake to help support the development of new country plans for those countries yet to get involved, and that no good plan should not be implemented for want of resources.
ii) Making commitments to support costed country plans submitted by Scaling Up Nutrition countries (for a package of direct nutrition interventions) on the scale of US$5bn per year until 2015.

In so doing, governments should abide by the Rome Principles for Global Food Security, in particular the guidance and recommendations of the Committee on World Food Security. Governments must remain transparent and accountable in relation to all G8 promises. Private sector commitments should contribute to the goal of improving food security and undernutrition by supporting sustainable small-scale production in a transparent manner. These investments must be additional to the public sector commitments identified above.

The UK contribution to achieving this should be to:

iii) Fulfil the existing commitment to spend 0.7 per cent of national income on aid by 2013 and bring forward legislation in or before the 2013 Queen’s Speech.

iv) Commit to spend at least an additional US$661.7m [£425m] per year on sustainable small-scale agriculture to help achieve food security for over 418,500 people annually. This represents just 16.5 per cent of the gap to hit 0.7 per cent.

v) Commit to spend US$232.3m [£149m] per year to prevent undernutrition for children in the 36 high burden countries.

b) Support and promote agreement on innovative sources of climate finance

Long-term climate finance promises cannot be met from aid budgets, so other sources must be agreed to help developing countries adapt to climate change and develop in a low carbon way. The UK should use its G8 presidency, along with its participation in the G20 and the UNFCCC Summit at the end of 2013 (COP19), to:

vi) Push for global agreement on mobilising new sources of climate finance, additional to aid, in particular by taking a lead (within EU, G20, IMO and other relevant fora) on agreeing the delivery of an effective and fair international shipping mechanism to raise additional climate finance in a way that does not burden developing countries with any net costs.

vii) Demonstrate commitment to mobilising other innovative sources of finance for climate change, as outlined in the report to the UN and G20 on climate finance, and encourage those who have committed to mobilising new sources of finance to invest these in tackling climate change.

viii) Agree that 50 per cent of global climate finance will be allocated for adaptation, prioritising delivery through direct access, with substantive new and additional public finance being disbursed – particularly through the Green Climate Fund, on which the UK has a Board seat.
2. REVEALING TAX DODGERS
2. REVEALING TAX DODGERS: ENABLING DEVELOPING COUNTRIES TO RAISE REVENUE TO INVEST IN TACKLING HUNGER AND FOOD INSECURITY

‘THERE ARE TOO MANY TAX HAVENS, TOO MANY PLACES WHERE PEOPLE AND BUSINESSES MANAGE TO AVOID PAYING TAXES.’

(DAVID CAMERON, UK PRIME MINISTER, NOVEMBER 2012)103

‘JUST AS THE DEVELOPED COUNTRIES HAVE BEEN INTERESTED IN TAX HAVENS AND STOPPING TAX EVASION, WE ARE SAYING THAT MANY OF THE TAX HAVENS... ALSO HAVE MONIES OF DEVELOPING COUNTRIES.’

(NGOZI OKONJO-IWEALA, NIGERIAN FINANCE MINISTER, 2009.)104

In addition to tackling the underlying causes of poverty, public and private finance is needed to end hunger and undernutrition. The international community is one source. In addition, developing countries need to be able to raise more tax revenues, which already finance the lion’s share of public spending in virtually all countries, including most developing countries.

Taxes are the most important, sustainable and predictable source of finance for developing country governments. Moreover, as the UK government says, ‘Governance appears to be better where governments have to earn their incomes by taxing a wide range of citizens and economic activities... well-managed taxation systems can play a major role in state building.’105 Effective tax systems are thus one of the key essential institutions underlying successful development. But low-income countries currently collect an average of only 13 per cent of their GDP in tax revenues, compared to 35 per cent in OECD countries.106

The UN estimates that if the world’s Least Developed Countries raised at least 20 per cent of their GDP from taxes, they could achieve the Millennium Development Goals.107 Indeed, evidence suggests that African countries with higher tax collections generally have lower levels of undernourishment: countries collecting more than 20 per cent of their GDP in tax had an average level of undernourishment of 15 per cent during 2005–08, while those collecting less than 10 per cent had an average rate of undernourishment of 32 per cent.108

However, one serious barrier globally to countries being able to raise the required resources is that businesses and individuals are able to hide money in tax havens and thus dodge paying taxes. Sometimes this is clearly due to illegal tax evasion; however there is also a grey area (tax avoidance) where the intention of tax laws is sidestepped.
‘PEOPLE RIGHTLY GET ANGRY WHEN THEY WORK HARD AND PAY THEIR TAXES BUT SEE OTHERS NOT PAYING THEIR FAIR SHARE. SO THIS G8 WILL SEEK TO MAINTAIN THE MOMENTUM GENERATED BY THE G20 ON INFORMATION EXCHANGE AND THE STRENGTHENING OF INTERNATIONAL TAX STANDARDS... AND WE WILL WORK WITH DEVELOPING COUNTRIES TO HELP THEM IMPROVE THEIR ABILITY TO COLLECT TAX TOO.’
(DAVID CAMERON, UK PRIME MINISTER, NOVEMBER 2012)

Far-reaching action is needed globally to break open the financial secrecy of tax havens, and make it possible for tax authorities to scrutinise the schemes used by transnational corporations and others to evade and avoid paying tax in developing countries.

Stopping this huge drain on developing countries' public finances will help make it possible, eventually, for countries to tackle hunger and undernutrition with their own resources.

2.1 HOW TAX HAVENS FACILITATE TAX DODGING

Over half of world trade is now conducted through tax havens, half of all banking assets are held in offshore accounts and one third of foreign direct investment is channelled through these accounts. This secret world allows vast amounts of money to be hidden from public scrutiny, facilitating tax dodging and massively reducing revenues that could promote development. The OECD estimates that developing countries lose three times more to tax havens than they receive in aid each year. Research by the Tax Justice Network estimates that US$21–32tn in financial wealth is being hidden by rich individuals in tax havens. If the capital gains on this wealth were taxed at 30 per cent (a typical rate for developing countries), it would generate revenues of US$190–280bn a year. This overshadows the US$42.7bn estimate required to achieve zero hunger and the US$10bn required to address malnutrition.

Dealing with the ‘corporation tax gap’ in developing countries could, according to research by the IF campaign, raise enough public revenues to save the lives of 230 children under five every day; one child every six minutes.
Many transnational corporations have complex corporate structures involving many subsidiaries registered in tax havens. A survey by NGO Tax Justice Network of 95 of the largest quoted companies in the UK, Netherlands and France found that all but one had subsidiaries in tax havens, the most popular being the Cayman Islands. However, the tide is now turning, and this kind of behaviour is increasingly being seen as unacceptable.

Tax havens mainly attract businesses for reasons of low tax rates and financial secrecy. Low, or even zero, tax rates provide an obvious incentive for companies to shift profits out of the jurisdictions in which they do business into tax havens. Secrecy helps to undermine the regulations of other jurisdictions while providing an effective shield against investigations into tax avoidance and evasion.

A high proportion of world trade takes place between companies that are part of the same multinational group113 and carry out ‘transfer pricing’ transactions. These play an important role not just in distributing goods and services between group companies, but also in distributing profits and tax liabilities.114 ActionAid’s investigation into the brewing giant SABMiller showed how one FTSE100 company, acting perfectly legally, uses inter-company payments to shift an estimated annual £100m of taxable profit from developing country subsidiaries, where economic activity is taking place, into its tax haven subsidiaries, where it incurs much lower tax rates.115

Tax havens increase the possibility of legal (but often still ethically questionable) tax avoidance. They also facilitate ‘illicit capital flight’, which refers to money leaving countries to evade tax, from corruption, from other criminal activities such as the drugs trade, or from illegal pricing mechanisms used by transnational companies.

Illicit capital flight, often facilitated by tax havens, siphons money from countries, reducing revenues for financing public services. Just over half the money illicitly leaving developing countries every year is the result of ‘mis-pricing’ by companies.116 Christian Aid has calculated that revenue losses to developing countries from transfer mis-pricing and false invoicing amount to around US$160bn a year.117 Again, these resources are far greater than those needed to achieve zero hunger, as outlined in Section 1.

### 2.2 SHINING A LIGHT ON TAX HAVENS

Tax dodging thrives when it is hidden. Ending financial secrecy, and ensuring transparency, would make a great contribution to help developing countries raise more tax revenues that could be invested in fighting hunger. Consequently, two big issues need to be addressed.

The first is the lack of information on assets, income and corporate structures held in other countries, and particularly in tax havens. If the tax authorities of a developing country want to investigate possible international tax evasion, they need to be able to get international financial information about the relevant citizen or company. This can be very difficult, particularly where tax havens are involved. There is a multilateral treaty for this purpose, the Convention on Mutual Administrative Assistance in Tax Matters, which facilitates the exchange of this kind of information. But it will only be really effective if tax havens, as well as developed and developing countries, join it. In the longer term, more countries may wish to proceed to automatic exchange of financial information, as happens already in some circumstances in the US and in the EU. This could be done either bilaterally or under the Multilateral Convention.
A second issue relates to the problem of even knowing who is the ultimate owner of a company or trust, called the ‘beneficial owner’. Obscure company ownership structures that disguise the identity of the beneficial owner, usually related to tax havens, can facilitate tax dodging and also other illicit activities. Even law enforcement authorities often have problems identifying the beneficial owners of assets held by anonymous companies and trusts in tax havens.121 A World Bank review of 213 big corruption cases during 1980–2010 found that more than 70 per cent relied on anonymous shell entities. Firms registered in the UK and its crown dependencies and overseas territories were second on the list behind the US in providing these anonymous companies.122 Currently, EU states are not required under Europe-wide anti-money laundering rules to collect and publish beneficial ownership information on the companies and trusts in their jurisdiction.123 Even the rules that do exist are being ignored: recent research shows that 48 per cent of company service providers are willing to ignore rules on setting up shell companies.124 The Financial Action Task Force, a consortium of NGOs and governments (including those of France, Germany, Italy, Japan and the UK), has recommended that all jurisdictions should rectify this basic transparency point.125

2.3 A GLOBAL REBOOT ON TAX HAVEN ACTION

Since the global financial crisis, there has been much greater scrutiny of tax havens and the tax affairs of transnational companies. The G20 has declared that ‘we are committed to protect our public finances and the global financial system from the risks posed by tax havens and non-cooperative jurisdictions’.126 It has called on ‘non-cooperative jurisdictions’ (tax havens) to share more tax information, leading to a proliferation of bilateral tax information exchange agreements.127

THE BENEFITS OF INTERNATIONAL TAX COOPERATION: TAX JUSTICE FOR TIMOR LESTE

The new nation of Timor Leste, one of South-east Asia’s poorest but also most rapidly developing countries, has been engaged for almost a decade in a struggle to access the books of some Australian companies that have profited from Timor Leste’s offshore oil and gas deposits since 2004. In the absence of a legal framework to access the companies’ financial records – which are held in Australia – the Timorese government was unable to audit the expenditures and deductions that the companies were claiming to reduce their taxable profits in Timor Leste.118

It took until 2010 for an arrangement with Australia’s Taxation Office to enable Timor Leste’s forensic auditors to get information on these arrangements. In a single year of auditing alone, the Timorese government has reportedly recovered US$362m in taxes due from Australian companies, equivalent to nearly four times the country’s annual health spending.119 On the basis of their findings, the government says it is now reviewing expenditure deductions in other oil companies that may net a further US$3bn in revenue.

International tax avoidance arrangements often involve more than one country, and so international cooperation often benefits developed countries too. Since the Timor Leste investigation began, the Australian National Audit Office has been looking into the accuracy of petroleum taxes and royalties declared by companies operating in the Timor Sea, and is requesting information from the Timor Leste government.120

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The G20 has also worked to open up the Multilateral Convention for global signature, and to consider making information available on an automatic basis.128

These moves are welcome, but do not go far enough in practice. Governments and tax havens who seek the economic benefits of global trade should be required to exchange full information about tax affairs, to enable states to generate greater revenues for development.

Meanwhile, the rest of the world is increasingly demanding that wealthier countries stop dragging their feet and tackle tax havens and tax dodging. Indian President Pranab Mukherjee has called for the obligatory, global automatic exchange of tax information, describing it as ‘one of the most effective ways to reduce tax evasion’.129 India has also called on the G20 to ensure that tax havens join this regime.130 With insufficient action by the wealthiest countries, others are starting their own initiatives: 21 African countries recently agreed the text of an African multilateral tax cooperation agreement, providing the legal tools to pursue tax avoidance and evasion across borders.131

The UK should use its G8 chair to give new impetus to action on tax havens at international level, through a new Convention on Tax Transparency, providing a framework for all countries to cooperate in tackling tax haven secrecy.

2.4 THE UK’S COMMITMENT TO CLAMP DOWN ON TAX DODGING

The UK government is in a key position to promote broad international action on tax havens and financial secrecy. Indeed, there is a particular onus on the UK to do so since three British Crown Dependencies and 14 Overseas Territories, notably the Cayman Islands and Jersey, are among the world’s leading tax havens.

The UK government recognises that ‘tax avoidance in developing countries deprives governments of the vital income needed to build and maintain their public services’, and DFID supports projects in developing countries to improve tax collection and administration.132 David Cameron has publicly criticised the way that companies ‘use the complexity of the tax and legal system to try and endlessly reduce their tax payments’.133 As recently as November 2012, in a joint statement with the German finance minister at the G20, George Osborne called for ‘concerted international cooperation to strengthen international tax standards that at the minute may mean international companies can pay less tax than they would otherwise owe’.134 Treasury minister David Gauke has promised more international cooperation against tax havens.135 In particular, the government has championed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters as a platform for such cooperation.136

However, these positive words now need to be followed by effective action to address the problem of tax havens and tax secrecy, and their impacts both at home and in developing countries. David Cameron has said that the G8’s approach to global injustice cannot be about ‘rich countries doing things to poor countries’. It must be about ‘us putting our own house in order and helping developing countries to prosper’.137 A recent enquiry by the all-party International Development Committee called on the government to give more consideration to the development impact of UK tax policy.138
The British public’s view of tax avoidance

Clamping down on tax havens and tax avoidance is certainly popular. A 2012 YouGov poll found that 79 per cent of the British public believes the government is not doing enough to tackle tax avoidance by large companies.139

Another 2012 poll revealed that 56 per cent believe that tax avoidance by multinational companies, while legal, is morally wrong, and half of people think it should be made illegal. Some 79 per cent of people polled say it is too easy for multinational corporations in the UK to avoid paying tax. Meanwhile 75 per cent believe that David Cameron should demand international action to tackle tax evasion and avoidance, with only 38 per cent saying the government is genuine in its desire to do so.140

The Confederation of British Industry has said that it supports ‘the end of secrecy jurisdictions’.141 UK businesses like John Lewis and Morrisons have also called for a crackdown on tax avoidance by multinational corporations, to allow domestic businesses to compete on a level playing field with multinationals booking profits in tax havens. As John Lewis’ managing director says, ‘they will out-invest and ultimately out-trade us and that means there will not be the tax base in the UK’.142

The 2013 Budget would be a good place to start. UK tax rules – particularly those governing the taxation of UK taxpayers’ overseas operations and income – should make it harder, not easier, for multinationals to shift profits out of developing countries and dodge taxes in other ways.

UK tax rules could also help end the blockages preventing developing countries from obtaining information about the tax practices of UK-headquartered multinationals, for example by expanding the UK’s tax disclosure rules to force companies and wealthy individuals to disclose their participation in a much broader range of international tax avoidance schemes, rather than the very narrow scope of the current rules. These disclosure rules may have helped to close down £12.5bn worth of sophisticated UK tax avoidance schemes since 2004, including two £500m tax avoidance schemes used by just one high street bank in early 2012.143 Yet the National Audit Office has said that these rules have not yet tackled most of the tax schemes and arrangements currently being used.144

It is time, therefore, that the UK’s anti-tax-avoidance toolbox was strengthened, both to protect the UK tax base and to shine a light on international tax dodging. This could make international tax cooperation – a game-changer for developing countries’ finances – a reality.
‘NOW I AM NOT THINKING ABOUT THE FOOD TO FILL MY PEOPLE.’

With a mischievous smile, Samson Napatia, from Ghana, describes himself as ‘a happy farmer’. Even though Ghana has made significant progress on tackling hunger since 1990, and is rated one of the Global Hunger Index’s 10 best performing countries, his claim is surprising. Many small-scale Ghanaian farmers struggle to increase pitiful yields against a background of under-investment in agriculture, but visiting Samson’s grain store, which is filled with an enormous pile of dried maize kernels, it’s easy to see why he makes it.

Life wasn’t always like this for Samson. ‘We used to farm plenty but we didn’t know how to apply fertiliser,’ he recalls. ‘We only knew how to weed and wait for the rain to come. It wasn’t enough food. We ate three times – morning, afternoon and evening – but they were very small meals.’

Samson’s community of Fooshegu is one that has received support from Northern Presbytery Agricultural Support. ‘[Previously], we didn’t know the good season for planting. We only waited for the rain to come but after the training we knew the exact time we must farm,’ he says. ‘And then we found out about fertiliser too and organic manure. It is easier than before because you can farm small but harvest more.’

This support has removed Samson’s constant worry that his children would go hungry: ‘Now I am not thinking about the food to fill my people.’

The government has ambitious policies and goals to support smallholder farmers to increase their yields in a sustainable manner. However, so far, their interventions do not match these ambitions. More tax revenue could help them improve advice services for women and men farmers, supply small-scale irrigation and improve soil quality.

‘Tax is vital in helping government meet its responsibilities to its citizenry. For example, if you take the agriculture sector improvement plan, these are great plans but it will need financial resources,’ says John Nkaw of Christian Aid partner SEND-Ghana.

Unfortunately Ghana currently loses vast sums through tax dodging. Indeed, Ghana’s government estimates that it loses around US$36m every year through tax dodging in the mining sector alone.

If Ghana had the means to raise more in taxes by ensuring companies and wealthy individuals paid what they should, it would be less dependent on foreign donors, and in better control of its finances and how it spends them. This would include ensuring that its plans for the agricultural sector are delivered and even scaled up. But if tax dodging is not tackled, this will remain something of which Ghana can only dream. As Edward Gyamerah of the Ghana Revenue Authority says, ‘Revenue is fuel that propels the engine. So if you don’t have fuel, if you are short of fuel, how can you run your engine?’
2.5 REVEALING TAX DODGERS - POLICY RECOMMENDATIONS

The revenue lost from global tax avoidance and evasion could pay many times over the sums needed to achieve zero hunger. The UK must act to ensure that UK taxpayers are not able to avoid paying their due taxes. Tax avoidance and evasion must also be tackled through stepped-up global action to address financial secrecy in tax havens, a process which the UK can lead. Two areas in particular require action:

a) Changing UK rules to help ensure developing countries receive the taxes they are due

i) Introduce a requirement in the UK’s Disclosure of Tax Avoidance Schemes (DOTAS) rules in the Finance Bill for UK companies and wealthy individuals to report their use of tax schemes with an impact on developing countries.

ii) Require that when such schemes are identified under these rules, or under other mechanisms (such as the General Anti Abuse Rule), the UK will use its existing powers under bilateral and multilateral treaties to notify developing countries’ tax authorities, and to assist in the recovery of that tax.

b) Take steps to gain meaningful progress in achieving global tax transparency, by:

iii) Ending tax haven secrecy by 2016: tackle global tax haven secrecy once and for all by launching a Convention on Tax Transparency at the 2013 G8. G8 governments should be the first signatories, acknowledging that as some of the world’s biggest economies, they should lead in instituting transparency measures to prevent companies and individuals from hiding wealth – such as a global standard for registration of ownership of companies and trusts – and should report on their progress by 2014.

The G8 should also commit to pushing tax havens to sign this Convention and the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, committing them to sharing critical information on hidden wealth and assets at all levels of information exchange permitted under the Multilateral Convention; and should take robust and binding counter-measures against tax havens that fail to participate in these initiatives by the end of 2013.

iv) Ending corporate taxpayer secrecy by 2016: introduce country-by-country reporting for all sectors within the G8’s own jurisdictions, and push the International Accounting Standards Board (IASB) to have country-by-country reporting as a global accounting standard.
ENOUGH FOOD FOR EVERYONE

3. LAND TO GROW FOOD
3. LAND TO GROW FOOD:
ENSURING FAIR AND SUSTAINABLE USE OF LAND SO IT CONTRIBUTES TO FOOD SECURITY, GROWTH AND DEVELOPMENT THAT BENEFITS POOR PEOPLE

‘LAND ACQUISITIONS ARE A REALITY. WE CAN’T WISH THEM AWAY, BUT WE HAVE TO FIND A PROPER WAY OF LIMITING THEM. IT APPEARS TO BE LIKE THE WILD WEST AND WE NEED A SHERIFF AND LAW IN PLACE.’
(JOSÉ GRAZIANO DA SILVA, DIRECTOR GENERAL OF THE FAO, 2012)

Agricultural investment in developing countries is vital and the right kind of investment can play a positive role in reducing hunger, increasing farm productivity and providing jobs in a more prosperous rural economy. However, if investment is not well regulated and conducted transparently, it can have the opposite effect. The last few years have seen a massive rise in land purchases in developing countries. As the acquisition of large tracts of land gathers pace, evidence is mounting that communities are paying an unacceptably high price for such investment: they lose their land and therefore their ability to grow food; they may also be forced to pay higher prices for local food. Each of these impacts can exacerbate hunger. Land acquisitions for biofuels are particularly to blame here; and with a certain irony, in these cases crops that could have been eaten by hungry people are burned in petrol tanks instead.

If companies ignore or undermine rights to land of small-scale producers, they reinforce the power relations that keep people poor. Land investments need to be much better regulated and governed.

3.1 ACQUIRING LAND, GRABBING LAND

Small-scale producers clearly need land to produce food. According to the FAO, access to resources, especially land, influenced the degree to which households with comparable incomes coped with the 2008 food price spike, with higher food prices hitting landless households hardest. For example, Oxfam research shows that access to land and gardens has been a key source of resilience for Pacific Island households in the wake of the global economic crisis.

However, ownership of land is changing fast. Between 2001 and 2010, 203 million hectares of land around the world have been under consideration or negotiation in large-scale land acquisitions. Oxfam estimates that the land area sold off in the past decade amounts to eight times the size of the UK – this is enough to feed a billion people, more than the number who go to bed hungry every night. Around one fifth of farmland in Senegal and Sierra Leone, more than 30 per cent in Liberia and over half in Cambodia has been acquired by companies.

All too often, large-scale land acquisitions constitute land grabs (see box overleaf). Whether or not a land acquisition is a ‘land grab’ depends on the facts of the case, specifically whether or not it was concluded with the participation or consent of affected communities, and so it is difficult to get a sense of the scale of land acquisitions gone bad beyond counting up existing disputes. Lack of systemic data does not mean that land grabs are not happening: communities may not speak up out of fear, because they don’t understand the process, or because they can’t afford representation, among other reasons. However, it is clear that the poorer the recognition of rural
land rights is in a country, the more likely it is to host land deals, which suggests that many land deals are actually land grabs. The current wave of land grabs is often displacing farmers from their land with little compensation, or else violating their human rights. Private investment in land can sometimes benefit small-scale producers—but all too often, investors fail to deliver on promised compensation and job creation, and skewed power relations in negotiations over access to land often lead to a bad deal for the local communities. A recent expert report for the UN finds that ‘large scale investment is damaging the food security, incomes, livelihoods and environment for local people’. It continues by saying that the rights of women, minority ethnic communities and indigenous people are particularly at risk. A DFID report notes that ‘new research on the global rush for agricultural land shows how small-scale farmer livelihoods and rights are increasingly at risk as land deals ignore local tenure rights and marginalise poor farmers and pastoralists’. And a World Bank report has said that ‘Many investments... failed to live up to expectations and, instead of generating sustainable benefits, contributed to asset loss and left local people worse off than they would have been without the investment. In fact, even though an effort was made to cover a wide spectrum of situations, case studies confirm that in many cases benefits were lower than anticipated or did not materialize at all’. Two-thirds of land deals by foreign investors are in countries with a serious hunger problem. Yet, precious little of this land is being used to feed people in those countries or going into local markets. Rather, around two thirds of foreign land investors in developing countries intend to export everything they produce on the land. At the moment much of the land acquired is being left idle; research suggests that 80 per cent of land projects are undeveloped, and only 20 per cent have begun actual farming.

THE TIRANA DECLARATION ON LAND GRABS

The International Land Coalition (ILC) consists of 116 organisations, from community groups to NGOs to the World Bank. At its Assembly in Tirana, Albania in May 2011, the ILC denounced and defined land grabbing:

We denounce all forms of land grabbing, whether international or national. We denounce local-level land grabs, particularly by powerful local elites, within communities or among family members. We denounce large-scale land grabbing, which has accelerated hugely over the past three years, and which we define as acquisitions or concessions that are one or more of the following:

(i) in violation of human rights, particularly the equal rights of women;
(ii) not based on free, prior, and informed consent of the affected land users;
(iii) not based on a thorough assessment, or are in disregard of, social, economic and environmental impacts, including the way they are gendered;
(iv) not based on transparent contracts that specify clear and binding commitments about activities, employment, and benefits-sharing;
(v) not based on effective democratic planning, independent oversight, and meaningful participation.
The international community has failed to act on this wave of land grabs. This conflicts strongly with the spirit of intergovernmental commitments made in the G8’s L’Aquila Food Security Initiative and the Comprehensive Africa Agriculture Development Programme (CAADP), which support the role of small-scale women and men producers in tackling hunger. The UK government has said very little about the dangers posed by land grabs, though it has started to acknowledge the need to address the issue, including through its G8 Presidency. The level of risk associated with large-scale land acquisitions is unacceptable, and the potential consequences for people’s livelihoods irreversible. And yet the international community’s responses to the global land rush have been largely weak and uncoordinated, with the exception of the important step taken in May 2012, when governments, in consultation with civil society and private sector representatives, agreed on a set of Voluntary Guidelines on the Responsible Governance of Tenure of Land (see box, right).

The Voluntary Guidelines pave the way for much-needed reforms to land governance: for example promoting equal rights for women in securing land title and encouraging states to ensure that poor people get legal help during land disputes. The key now is to ensure that governments implement them in a process involving all relevant stakeholders, especially the most marginalised. If they do, many of the problems associated with land grabs will be avoided. But efforts to implement the Voluntary Guidelines should not be undermined by fast-tracking principles related to responsible investment in land. The World Bank principles for responsible agricultural investment are grossly inadequate, and it is crucial that participatory renegotiation of the principles on responsible agricultural investment (RAI) at the UN Committee on World Food Security (CFS) reflect the fact that good investment must work for poor communities.

The World Bank’s private sector arm, the IFC, is the world’s key standard setter for investors, and the advice and support that the World Bank and other donors give to a country can be fundamental in equipping that country to ensure that investment in land benefits communities. However, to date, efforts to cut red tape for business have been privileged over efforts to protect the rights of small-scale farmers. Since 2008 alone, 21 formal complaints have been brought to the Bank by communities affected

VOLUNTARY GUIDELINES ON THE GOVERNANCE OF TENURE: KEY PRINCIPLES

States should:
- recognise and respect all legitimate tenure rights and the people who hold them
- safeguard legitimate tenure rights against threats
- promote and facilitate the enjoyment of legitimate tenure rights
- provide access to justice when tenure rights are infringed upon
- prevent tenure disputes, violent conflicts and opportunities for corruption.

- Non-state actors (including business enterprises) have a responsibility to respect human rights and legitimate tenure rights. The principles of implementation include: human dignity, non-discrimination, equity and justice, gender equality, holistic and sustainable approaches, consultation and participation, rule of law, transparency, accountability, and continuous improvement.

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by Bank investments, which they say have violated their land rights. In the past the World Bank has chosen to freeze lending when poor standards have caused dispossession and suffering. It needs to do so again, to provide the space to implement reforms and to send a clear signal to investors and governments that the risks associated with large-scale land deals are unacceptable.

3.2 Food should be for eating: The demand for biofuels

‘Most first generation biofuels are neither environmentally efficient nor cost-effective ways to reduce greenhouse gas emissions, and the demand they place on land is destabilising world food supply and increasing prices.’ (Paul Polman, Chief Executive of Unilever and Chairman of the B20 Taskforce on Food Security, 2012)164

Almost all biofuels are fuels made on an industrial scale from agricultural crops: for example, maize, wheat, sugar cane and oil seeds. They have been put forward as a solution to climate change, energy security and rural development – but this view is disastrously mistaken.

The increasing production of biofuels, driven by government mandates and market distorting subsidies, is depriving small-scale producers of access to land by fuelling land grabs and contributing to rising world food prices. It is happening rapidly and on a massive scale. Urgent attention must be given to ending damaging biofuel policies.

Crops that could be used for biofuels are estimated to be responsible for around 58 per cent of global land acquisitions in recent years and for two-thirds of the land acquired in Africa.165 The land used to produce EU biofuels in 2008 was enough to feed 127 million people.166 Crops burned as biofuels in the UK are enough to feed 10 million people every year.167

But small-scale producers have been displaced from their land as a result of biofuel projects in countries such as Tanzania, Guatemala, Indonesia, Brazil and Colombia, as documented by NGOs.168 Scarce water resources are also being diverted from other uses to biofuels production in countries like Mozambique and Kenya.169 Women are often first affected, especially when they do not have legal titles to the land they farm – land often identified by governments and investors as ‘available’ for biofuel production.170

Moreover, the commercial stimulus to meeting EU biofuel targets by 2020 means the land needed to grow biofuel crops is being acquired quickly. Doing land deals properly takes time, often more time than biofuel companies have, which makes land deals for biofuels inherently risky.

The increasing global demand for biofuels is pushing food prices higher and higher,171 by reducing the amount of land available for growing food and by diverting crops to biofuel use.

The FAO estimates that the 2007-08 food price spike contributed to an eight per cent rise in the number of undernourished people in Africa.172 Demand for biofuels was estimated to account for around 30 per cent of this price spike.173

In 2009, a study suggested that achieving a 10 per cent biofuels share in transport fuel globally by 2020 could raise world food prices so much that an extra 140 million people could be at risk of hunger.174 Evidence of the contribution of biofuel policies to rising and increasingly volatile food prices on international markets is so compelling that it led 10 international bodies – including the International Monetary Fund, the World Bank, the FAO and UNCTAD – to recommend in 2011 that G20 governments abolish biofuel mandates and subsidies.175

This pattern of increasing food prices is set to continue. Research commissioned by the EC shows that by 2020 the use of EU biodiesel (fuel made from palm or rapeseed oil) could push oil seed prices up by as
much as 20 per cent, vegetable oils by as much as 36 per cent, and maize and wheat by as much as 22 per cent and 13 per cent respectively. Oil and cereals are key foods for poor people. And as biofuel production displaces local, national and regional food production, it has an impact on prices that is not captured in the modelling of effects on international prices. The force of these price rises will hit at a time when local food markets will be affected by large tracts of land themselves being taken over for biofuel production.

Despite fuelling land grabs and food price rises, biofuel production has massively increased. Between 2000 and 2010, global biofuel production rose from 16 billion to 100 billion litres; it is heavily concentrated in the US, Brazil and the EU. By 2021, the FAO and OECD estimate that 14 per cent of world maize production, 16 per cent of vegetable oil and 34 per cent of sugar will be used to produce biofuels.

The biofuels boom is being driven by government subsidies and mandates (targets) aimed, laudably but mistakenly, at mitigating climate change. Global subsidies for biofuel programmes amounted to around US$22bn in 2010 – more than those to wind power (US$18bn) or solar power (US$12bn). The amount is more than twice the level of agricultural aid to developing countries. Such subsidies are set to more than double by 2020.

The EU’s biofuels mandate, established in 2009, commits EU governments to source 10 per cent of their transport energy from renewable sources by 2020; they are set to meet this target almost exclusively using biofuels made from food crops. As a result of this target, all 27 EU governments have introduced biofuel mandates, which by 2011 ranged from 2.5 per cent in Cyprus to seven per cent in France.

Another piece of EU legislation – the Fuel Quality Directive – requires fuel suppliers to reduce their carbon ‘intensity’ by six per cent by 2020, and thus also encourages the use of crop-based biofuels. In October 2012, however, the EC proposed a change in policy to the effect that food crop-based biofuels could count for only five per cent of the transport fuel target.

In the UK, concerns regarding the sustainability of biofuels have prompted the government to restrict its biofuels target. The Renewable Transport Fuels Obligation (RTFO) requires fuel suppliers to ensure that road transport fuel includes four and a half per cent biofuels in 2012 and five per cent in 2013 and beyond.

The principal rationale for promoting biofuels is that they reduce greenhouse gas emissions compared to using fossil fuels. Yet there is little evidence that the majority of current policies associated with first generation biofuels contribute to
climate change mitigation’, in the words of the UN’s High Level Panel of Experts. Indeed, biofuels can result in more greenhouse gas emissions than conventional petrol and diesel, as suggested in studies by the EU’s Joint Research Centre, the UK Government’s advisory Committee on Climate Change and the Institute for European Environmental Policy.

The problem at the root of the EU’s biofuels mandate is that when greenhouse gas emissions from biofuel production are calculated, they do not take into account the extent to which this displaces agricultural production onto forests, peat lands and grasslands, all of which are high carbon stores – known as Indirect Land Use Change (ILUC). Studies suggest that ILUC driven by the EU’s biofuel mandate could convert up to 69,000km² of natural ecosystems into cropland by 2020, releasing 27–56 million tonnes of extra CO2 per year; this is equivalent to putting 12–26 million extra cars on European roads. Yet, in October 2012, the EC specifically rejected calls to include ILUC in emission calculations and as part of the EU’s sustainability criteria for biofuels.

Some ‘second generation’ biofuels (that is, those manufactured from energy crops, agricultural residues or waste) could provide significant greenhouse gas reductions compared to fossil fuels. However, this is far from guaranteed since second generation feedstocks might still be produced on land that could be used for growing food or else remove, for example, straw that protects soil from erosion and keeps carbon and nutrients in the ground. Moreover, many second generation biofuels technologies are a long way from becoming commercially available: International Energy Association projections show conventional biofuels to be predominant up to 2050. More research and political will needs to be applied to promote alternatives to biofuels. Analysis by ActionAid suggests that the UK, for example, could meet its renewable transport energy commitments without using current land-based biofuels, or indeed any land-based crops or trees, by using small quantities of sustainable advanced generation biofuels from wastes and residues, other wastes such as cooking oil and tallow, and electric vehicles from renewable sources.

The EU’s Renewable Energy Directive, which contains the 10 per cent transport fuel target, requires the Commission to prepare a biennial report on the social impacts of its biofuels policy. The first of these reports was due by the end of 2012. When the Renewable Energy Directive comes up for review in 2014, EU governments have the opportunity to press for the abolition of the 10 per cent renewable energy in transport fuel target that drives biofuels demand, which they must seize.

Meanwhile, on 17 October 2012, the European Commission published a proposal to cap, at five per cent, the amount of food crops that can be used to meet the European targets for renewable energy in transport. While the Commission’s acknowledgement of the negative social and environmental impacts of EU biofuels mandates is welcome, the current cap does not go far enough. In fact, at that level it would still be incentivising burning enough food to feed tens of millions of people. It now falls on the European Parliament and the Council of Ministers to ensure that the cap is brought down to zero per cent and covers all land-based biofuels. It is completely unacceptable that we are burning food in our petrol tanks while poor families go hungry and millions are being pushed off their land.
'THIS JATROPHA PROJECT HAS RUINED MY LIFE. I HAVE NOTHING NOW.'

This is the story of 34-year-old Yaya Diallo*, who agreed to plant the biofuel crop jatropha on her farm in Senegal. The foreign company has since left the area but she is still suffering from the consequences of the jatropha project.

‘When the jatropha project came here... men, women and the young were involved in the project and we were paid three dollars a day. We were asked to grow jatropha on our farms. I planted jatropha on my farm where I used to grow groundnuts. In previous years my harvests were good; I used to have 1,100kg of groundnuts. With these groundnuts, I cooked for my family and sold the rest to be able to buy school supplies for my children. But when I grew jatropha, my groundnut production decreased to 300kg. Now, I am facing a lot of difficulties, My children and I are hungry and I don't have money to buy them school supplies. Even the small grocery shop that I opened is closed now; I sold all the groceries and used the money to buy food, but this was not enough for me to survive. I am still supported by my brothers and sisters.

‘This project has ruined my life. I have nothing now, and [food] prices are so high, I cannot afford to buy rice or maize to eat with my children.’

Since Yaya gave this testimony to ActionAid, Yaya’s son did not enrol in school in October 2012 because she did not have the money to support his education.

*This is not her real name
3.3 LAND TO GROW FOOD – POLICY RECOMMENDATIONS

a) Improve governance of large-scale land acquisitions

The UK should use its financial and political influence, including in the G8 and G20, to improve governance of large-scale land acquisitions in developing countries, including ensuring both men and women’s rights to land and to participate in decision-making that affects them. It should:

i) Push for the World Bank to review the impact of its funding (direct or indirect) of land acquisitions on communities and the environment; and to change Bank policies to make sure that they prevent land grabs, including through social and environmental safeguards and investment-climate policy advice. World Bank lending involving large-scale land acquisitions should be frozen for six months to provide the space to start this process.

ii) Put land grabbing on the agenda of the G8, and promote G8 action to improve governance, transparency and accountability in land agreements. Given the potential for increased pressures on natural resources to seriously undermine sustainable and inclusive growth, it should also press for G20 discussions to address this.

iii) Push for implementation of all relevant aspects of the voluntary guidelines on land tenure and ensure that the renegotiation of the principles on responsible agricultural investment (RAI) at the Committee on World Food Security (CFS) reflect the fact that good investment must work for poor communities.

b) End support for damaging biofuels policies

The UK should also take steps towards abolishing the UK and EU’s distorting biofuel mandates, which represent one of the most significant drivers of food price increases and large-scale land acquisitions. Concretely, the UK should in 2013:

iv) End its use of land based biofuels, *scrapping the renewable transport fuel obligation* and instead promoting only genuinely sustainable renewable transport energy sources such as: domestic biofuels from wastes, residues and by-products, and electric vehicles powered by decarbonised and renewable electricity (not biomass).

v) In the context of the existing EC proposal on biofuels policy, ensure zero land-based biofuels can be counted towards EU fuel quality and renewable energy targets and lobby for the true scale of carbon emissions to be accounted for by including ‘Indirect Land Use Change’ (ILUC) in emission savings calculations.

vi) Contribute to the EC assessment of the social and environmental impact of the EU biofuels mandate outside the EU, ensuring the EC recognises the full impact of biofuels on food security and land rights.
4. SEEING CLEARLY
4. SEEING CLEARLY
IMPROVING TRANSPARENCY AND CITIZEN PARTICIPATION IN DECISION-MAKING TO ENSURE THAT PUBLIC AND PRIVATE INVESTMENTS PROMOTE FOOD SECURITY

‘DIFFERENT ACTORS – INVESTORS, GOVERNMENT, LOCAL PEOPLE – ENTER THE NEGOTIATIONS WITH HIGHLY ASYMMETRIC INFORMATION AND POWER. CONSEQUENTLY, LOCAL PEOPLE USUALLY LOSE OUT, AND GOVERNMENTS LOSE BOTH REVENUES AND OPPORTUNITIES TO ACHIEVE LONG-TERM BENEFITS FOR THEIR POPULATIONS.’ (HIGH LEVEL PANEL OF EXPERTS ON FOOD SECURITY AND NUTRITION, COMMITTEE ON WORLD FOOD SECURITY, 2011)196

Policy decisions and investment deals impacting on the livelihoods of millions of small-scale producers are regularly taken behind closed doors, without their participation or even their being informed on how they will be affected. A new international drive to end hunger requires greater transparency in key areas of government and corporate activity. It needs these powerful actors to be held more accountable for their operations, and for citizens to participate more in the design and implementation of policies or projects that affect them.

Citizens, both men and women, must have greater access to information on land and natural resources investments in ways they can make use of. And government budgets need to be opened up to greater public input and scrutiny. Increased transparency, accountability and participation will help make governments more accountable to people locally, nationally and internationally.

Ensuring that companies are held to account for their activities – by affected communities and by their investors – is equally vital, given their major role in the global food system, in current land investments and as sources of public revenue. Companies have more information about citizens than ever, but citizens have little reliable information about the impact of company operations on their communities and rights. Greater transparency in companies’ financial reporting, and on their social and environmental impacts, should help investors, consumers and citizens to challenge or engage with food companies to help address problems. Improved corporate reporting is also important for businesses themselves to evaluate the impact of their decisions more effectively and take a long-term view of the financial, social and environmental sustainability of their business models.

4.1 SEEING CLEARLY WHAT IS HAPPENING TO LAND

As we saw in Section 3, current land investments often amount to ‘land grabs’, displacing small-scale producers from their land and deepening hunger. Transparency is not an end in itself, but the secrecy that cloaks many land deals is one of the most disturbing characteristics of the global land rush.

Lack of transparency and consultation is a fundamental problem in many large-scale land acquisitions. Negotiations between company and government, and often local leaders, can take place behind closed doors and provide little or no information even on who is actually financing or managing a land investment or on the contracts signed, even after projects begin.197 Neither do legal regimes in the home states of transnational corporations require full transparency with respect to land investments in developing countries.198 Governments often fail to ensure that affected rights-holders are even at the

negotiating table, never mind empowering them to be strong players. Where local communities are consulted, the process tends to bypass women, even in cases where their (primary and secondary) land use rights are affected, often since women have no formal land ownership rights.¹⁹⁹

Lack of transparency prevents local communities from knowing who is acquiring their land and for what purpose. It makes it harder for people to assess the impacts on their lives and food security, gain fair compensation for their losses, and find out to whom they can appeal. It can also foster corruption. Furthermore, the benefits of the investment—which could include new jobs, spin-off businesses and tax revenues—are difficult to assess and guarantee when there is no contract or revenue disclosure.²⁰⁰

Affected communities need support to know what information they are entitled to, and how to access and use it without fear of reprisal.²⁰¹

Greater transparency and citizen participation in land acquisitions will help maximise the benefits for small-scale producers and minimise the costs.

4.2 SEEING COMPANIES’ ACTIONS CLEARLY

Within the global food system, considerable power is concentrated in a small number of multinational corporations controlling food production, trading, processing, retail and more. Such firms can play an important role in contributing to food security, but the concentration of power makes transparency and accountability all the more important. These companies should be required to provide public reports on the full range of their impacts, positive and negative, on social, environmental and human rights issues. Greater transparency in this area would enable investors and citizens to engage with companies to address any shortcomings, and allow them greater choice in supporting companies that are performing well.

In the UK, the 2006 Companies Act does require directors of most medium and large UK companies to ‘have regard’ to their impacts on employees, relationships with suppliers, customers and the environment. Companies have to provide information to shareholders on these areas ‘to the extent necessary for an understanding of the development, performance or position of the company’s business’.²⁰²

The Act was an important step-change in reporting, in that it expects companies to provide information on a wide range of social and environmental matters.²⁰³ However, it is not working well as a mechanism of accountability, either for investors or for producers and consumers. As the Corporate Responsibility Coalition (CORE) has shown, the company reporting requirements are too vague, while a lack of good guidance and weak enforcement also mean that the Act is not yet delivering high-quality analysis of companies’ environmental and social policies.²⁰⁴

One critical gap in the Act is that it does not explicitly require companies to report on their human rights impacts. Human rights (including the right to food) can be conceived as being covered by the Act’s reference to ‘social and community issues’, but human rights deserve a specific mention since the impacts can be great, and clarity is needed on what is expected of companies in their reporting. Citing human rights impacts in the reformed legislation would provide that clarity and would make company reporting more consistent and reliable. An increasing number of international initiatives, such as the Guiding Principles developed by Professor John Ruggie, the UN Special Representative on human rights and business, regard human rights reporting as a key part of corporate due diligence.

UK investors have recognised this and in 2011 launched the Corporate Sustainability Reporting Coalition, calling on governments globally to develop an international policy framework on corporate sustainability reporting, involving ‘national
regulations mandating the integration of material sustainability issues (that is, their economic and social impacts) in companies’ financial and narrative reporting in annual report and accounts’.205

At the time of writing, the UK government has taken encouraging steps. A commitment to amend reporting requirements of the Companies Act led first to a national consultation, then in late October 2012 to a set of draft legislative proposals that would enshrine the need for companies to report on human rights issues. The Act is on schedule to be updated in April 2013, with the legislation fully operational by October of the same year. It is vital that the Department for Business, Innovation and Skills sees this through, with final legislation that requires companies to report on human rights impacts, and robust guidance and enforcement mechanisms to ensure companies then comply. Action in the UK would cover not only major food retail and producer groups but also the full range of companies that have an impact on the food system.

At the same time, the European Union is beginning to look at companies’ social and environmental reporting, highlighting the need to address company transparency on social and environmental issues from the point of view of all stakeholders. As the world’s largest single market and key trading bloc for developing countries, similar action at EU level would potentially cover some of the world’s most significant food groups and biotech firms, and make possible a long-term approach to ensuring that companies’ impact on the food system is positive. The EU’s own draft proposals on corporate reporting are expected shortly. The UK can play a vital role in shaping the final EU reforms so that they require companies to report on their social, environmental and human rights impacts and they are enforced effectively, with clear guidance for companies.

Citizens in most countries have very limited ability to scrutinise individual companies effectively, and therefore to hold them to account. Even basic company information, such as rudimentary accounts or ownership structures, is often lacking in many developing countries, and many companies refuse to disclose this information. The International Development Select Committee of the UK Parliament recently called on DFID to stress to developing countries’ revenue authorities the importance of making corporate accounts available to the public and to encourage the OECD and other standard-setting fora to require the filing of public statutory accounts in all jurisdictions. It also called on the Treasury to press Crown Dependencies to meet these standards.206
4.3 SEEING YOUR GOVERNMENT’S ACTIONS CLEARLY

Citizens in developing countries often have little information on what governments are spending their money on. Detailed agriculture budgets, for example, are often not available, especially at regional or district level, meaning that small-scale producers do not know what support they can expect or are entitled to, and have no way to hold the government to account if the finance does not arrive.

Transparency in government budgets enables citizens to see where money is being spent and helps to ensure that the best investments are made to promote food and nutrition security. Budget transparency also promotes development by reducing corruption and holding the government to account for its spending. According to the IMF, fiscal transparency – as part of good governance – is key to sustaining macroeconomic stability and growth. Yet few governments have transparent budgets: according to the Open Budget Index, 74 out of 94 countries surveyed fail to meet basic standards of transparency and accountability; 40 countries fail to provide any meaningful budget information at all; and only seven provide extensive information.

In order for budget transparency to provide benefits, countries need to publish all key budget documents, consult with citizens and parliament at key points in the budget cycle, and provide a comprehensive breakdown of all government expenditures and revenues, including tax and aid. This budget information needs to be accessible and comprehensible to the public through initiatives such as a citizens’ budget (a non-technical and simplified version of the budget in everyday language) and open data portals.

Budget transparency should also include not just the revenues collected and spent, but also revenues forgone by governments through, for example, the provision of tax incentives and exemptions to large companies or individuals. Many developing countries forgo significant sums in tax revenues every year by offering large tax concessions to companies, including foreign investors, often with little or no debate or information provided to the public. Countries in east Africa, for example, are losing up to US$2.8bn a year from such tax incentives.

Through the Global Initiative for Fiscal Transparency, the IMF and other international actors are seeking to develop principles and guidelines for fiscal transparency that improve the status quo. Progress is also currently being made through the Open Government Partnership (OGP) and the G20 Anti-Corruption Working Group. Through the OGP, established in 2011, the UK and more than 50 other developed and developing country governments have signed up to the Open Government Declaration, which commits them to: ‘Increasing our efforts to systematically collect and publish data on government spending and performance for essential public services and activities.’

Progress has already been made in transparency related to citizens’ budgets and open data portals with national and local budgets. But the Open Government Declaration focuses only on some aspects of expenditure transparency and does not include revenue transparency, which is needed to follow the money all the way.

The UK government has been chair of the OGP since September 2012 and has an opportunity to set an ambitious agenda for deepening fiscal transparency and its contribution to development. The government has shown leadership in the OGP, being one of the eight founding governments, but the current UK vision for its role as co-chair in 2012–13 lacks ambition, and risks missing an important opportunity to move the transparency agenda forward. The government should fulfil David Cameron’s assertion that transparency is an essential part of a golden thread of successful development.
HOW IMPROVED TRANSPARENCY CAN HELP TO END HUNGER AND UNDERNUTRITION.

The Mexican Subsidios al Campo (‘Farm Subsidies’) project illustrates how improved transparency in government budgets and public spending can help to end hunger and undernutrition by contributing to improved public services, reducing corruption and re-directing resources to poor communities.

In Mexico, agricultural subsidies were the central part of a policy programme the government put into place to alleviate the adverse effects of trade liberalisation on poor farmers. However, low-income farmers were not benefiting from the subsidy programme. But in the absence of hard evidence and engagement from the media and other opinion-formers, there was little incentive for the government to make changes to the way it implemented its policies.

Within the Subsidios al Campo project, citizens work with academics and technical experts to use Mexico’s Freedom of Information laws to obtain official data on the recipients of agricultural subsidies. The project discloses data, analyses the subsidy information and uses it to advocate for changes in rural policy in Mexico.

Subsidios al Campo’s public database details the amount of money received by individual recipients, as well as aggregate information by municipality, state or region. It showed a concentration of subsidy recipients in the wealthiest 10 per cent of farmers. It also found that the top 10 per cent of beneficiaries received, on average, 16,000 pesos per year; the bottom 80 per cent, 964 pesos per year.

The project helped to establish maximum and minimum limits for farm subsidies and reinforced calls from Congress for cleaning up the recipient list, introducing a single identification number for producers and enforcing the operating rules more forcefully. Congress also called on the two Ministers of Agriculture to testify before committees following revelations of the Subsidios al Campo information.
At the 2011 G20 meeting in Cannes, the G20’s Anti-Corruption Working Group, which has been chaired by the UK, committed itself to ‘publish their budgets in a timely, comprehensive and reliable way, ensuring that the content is accessible and understandable to the general public’. Limited progress has been made and countries have reaffirmed their commitment for the 2013–14 work plan. Much more needs to be done.

Not all G20 or G8 countries have joined the OGP or shown their commitment to budget transparency or accountability to their citizens for the use of revenues. By joining the OGP, and providing ‘extensive information’, publishing all relevant budget documents, producing citizens’ budgets and establishing better ways for civil society to participate in budget processes, G8 governments would show leadership on anti-corruption and transparency and support developing countries in strengthening the rule of law.

4.4 SEEING CLEARLY – POLICY RECOMMENDATIONS

The UK should use its G8 presidency to show leadership on good governance, transparency and accountability. To achieve this it should:

a) Improve transparency so that companies can be held to account for their actions in the food system. The UK should:

i) Strengthen the reporting requirements in the 2006 UK Companies Act to include a specific requirement for companies to report on the full range of their social and environmental impact, including their human rights impacts. This needs to be backed up with robust guidance and enforcement mechanisms to ensure companies comply.

ii) Take a strong position in EU discussions to ensure that European legislation on corporate reporting includes a specific requirement for companies to report on the full range of their social and environmental impact, including their human rights impacts. Again this needs to be backed up with robust guidance and a system for enforcement.

b) Use its G8 presidency to improve transparency to ensure the use of land and natural resources benefits poor people and supports sustainable, equitable growth.

iii) Promote action to improve governance, transparency and accountability in land agreements.

c) Help ensure citizens in developing countries can hold their governments to account for use of revenues. The UK should:

iv) Encourage all G8 countries to join the OGP, commit to providing ‘extensive’ budget information and the highest standards of citizen participation in budgeting and support, and encourage other countries to do the same, in particular working with the G20 Anti-Corruption Working Group.

v) Work with other OGP members to include a commitment in the Open Government Declaration for countries to publish a full breakdown of all government revenues (including tax and development assistance) and expenditures in a way that is understandable and accessible to all citizens, and to improve on their fiscal transparency performance year on year.
OF COURSE I FEEL HUNGRY. I FEEL HUNGRY UNTIL I BECOME WEAK. WHEN I’M HUNGRY, IF POSSIBLE, I PREPARE A BROTH FOR MYSELF AND MY KIDS – OTHERWISE WE DRINK SOME WATER AND WE SLEEP.’

(ADJITTI MAHAMAT, 40, CHAD, DURING THE 2012 DROUGHT AND FOOD CRISIS)223

Development is working. More children are in school, fewer children die young and fewer families are in absolute poverty. But the international community has not made enough impact on hunger. Hunger is unnecessary and unacceptable in the modern world, and the extent of it – the fact that one in eight human beings go hungry – is nothing short of shocking.

There is enough food in the world for everyone, yet not everyone has enough food. Our food system allows a few to make billions whilst leaving hardworking small-scale farmers vulnerable and ordinary people facing the highest food prices in history.

Acting to end hunger is the responsibility of people everywhere. The G8 group of rich countries, to its credit, clearly shares this ambition and accepts its share of responsibility, having created two hunger initiatives in recent years, and having said as recently as 2011 that ‘the solutions to end hunger must be found in the immediate time frame’.

The G20 – the slightly larger grouping of powerful countries, which includes all the G8 countries – has also proactively supported many of our proposed solutions to hunger. For example, a 2012 G20 report said: ‘G20 governments should commit to invest in sustainable approaches to productivity growth in their domestic agriculture sectors with particular attention to smallholder farmers.’ Other governments also agree. For example, Irish Taoiseach Enda Kenny has said: ‘Our shared humanity means we live in a continuous present. It is vital that through remembering and honouring the victims of our own Great Hunger that we strive to ensure food, dignity, opportunity... humanity itself... for all peoples in all parts of the world where starvation and undernutrition exist.’

Hunger is complicated. But the good news is that action to ensure poor people can eat is within our grasp. 2013 provides a unique opportunity for the UK to lead the world in making changes in four areas that would start to make inroads into the problem: investment, land, tax and transparency. 2013 will not be the end of hunger, but it could be the beginning of the end.

The Food and Hunger Summit hosted by the UK Prime Minister and the G8 Lough Erne summit both provide unique opportunities for the UK to make historic progress towards challenging the hunger that is crippling whole communities and societies. By showing global leadership, it is a unique opportunity to reshape the development agenda to one that not only addresses the causes of poverty but also ensures an enabling environment for growth and prosperity.

As the UK Prime Minister has said: ‘It is only when people can get a job and a voice that they can take control of their own destiny and build a future free from poverty.’ A person cannot, though, get to this point if she is weakened by constant gnawing hunger; if she falls ill because her body does not have the nutrients it needs; if she is spending all she has on healthcare for her undernourished children.

It doesn’t have to be like this – there is enough food in the world for everyone. The UK has an opportunity to act to end global hunger: an opportunity that will not be repeated until the lives of millions more women, men and children have been ruined by hunger. We must act, while the global stage is ours: it is the right thing to do, and it is possible. 2013 can be the year we change the future.
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10 See note 9.

11 One estimate is that less than 10 per cent of all agricultural aid from donors has an explicit gender focus (J Ashby et al, Investing in Women as Drivers of Agricultural Growth, World Bank, IFAD and FAO, 2009, p1). OECD figures say that in 2008–09, three per cent of aid to agricultural and rural development had gender equality as a ‘principal objective’, with 38 per cent as a ‘significant’ objective. Source: OECD, DAC, Aid to Agriculture and Rural Development, December 2011.

12 For calculations see M Curtis, The Crisis in Agricultural Aid, September 2008; based on OECD, Creditor Reporting System [accessed 16 May 2008].

13 See note 6.


19 This estimate has been made by combining available tax revenue data from all developing countries and the smallest (most conservative) of the tax gap estimates compiled by four revenue authorities. This suggests that a typical corporation tax gap is some 20 per cent of corporation tax take, which is also consistent with, firstly, the proportion of profit-shifting in specific multinational groups whose developing world tax avoidance we have investigated; and, secondly, the corporation tax loss from transfer pricing abuses in developing countries estimated by PwC for the EC. This ‘tax gap’ figure has been combined with coefficients derived from a regression analysis of the relationship between government revenues (including tax and aid) and under-five
mortality, to determine the likely impact of increased tax revenues on under-five mortality across all developing countries, assuming that current spending patterns continue. Full details of this calculation are available on request.


24 Based on the Department for Transport’s official figures on progress towards the RTFO in 2010–11, Office for National Statistics population figures. Also based on WHO recommended average calorie intake of 2,240 and an assumption that one can extract the same amount of energy from a crop when using it as food as when using it for energy.


27 See note 2, p9.


29 See note 3.


31 See note 27.


35 We refer to small-scale producers in this report as meaning smallholder farmers, pastoralists and fisherfolk. Smallholder farmers are understood to be those with two hectares or less.

36 See note 8, p2.

37 International Fund for Agricultural Development, ‘Food prices: smallholder farmers can be part of the solution’, ifad.org/operations/food/farmer.htm


42 See note 21.


46 D Willenbockel, *Exploring Food Price Scenarios Towards 2030 with a Global Multi-Region Model*, 2011, oxfam.org/sites/www.oxfam.org/files/rr-exploring-food-price-scenarios-010611-en.pdf. These food price scenarios are based on trend prices projected by a model, rather than on actual observed prices. The model projects long-term food price trends, insulated from the impact of volatility, such as the food price spikes of 2007–08 and 2010–11. It takes the most comprehensive dataset available from 2004 and combines this with a series of assumptions about population growth and agricultural productivity; it then models what could happen to food prices between 2010 and 2030 if data changes in line with our assumptions. The reason modelled rather than observed prices are used is that food prices can fluctuate within a given year. Comparing long-run projections for 2030 with temporary observed price peaks in 2010 would result in misleading conclusions about the direction of the long-term crop price trends.

47 See note 16.


49 See note 17, p13.


51 See note 27, p28.


54 See note 7.


59 For calculations see M Curtis, *The Crisis in Agricultural Aid*, September 2008; based on OECD, Creditor Reporting System [accessed 16 May 2008].


61 See note 57, p25.

62 Twenty-two per cent, according to the G8 Deauville Declaration of May 2011, para 60; Save the Children, *A Life Free From Hunger*, 2012, p73. The UK government said it had already disbursed 80 per cent and expected to meet its commitment. Canada had disbursed nearly 90 per cent of the US$1bn it pledged. The USA has appropriated 90 per cent of its US$3.5bn pledge and disbursement is ongoing.

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65 Ibid.
Calculation from OECD CRS database for UK aid to agriculture, forestry and fishing, and rural development, gross disbursements in constant 2010 prices.


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David Gauke, House of Commons, Hansard, 3 November 2011, c733W; Development Minister Stephen O’Brien has said: ‘The Government strongly support improvements in international tax information exchange to help all countries, including developing countries, tackle tax evasion and avoidance. The work of the Global Forum on Tax Transparency and Exchange of Information, which the UK fully supports and which developing countries are being encouraged to join, is particularly important in this respect. In addition, one of the Government’s first acts on coming into office was to sign up to a new international protocol strengthening the Organisation for Economic Co-operation and Development (OECD)/Council of Europe Convention on Mutual Administrative Assistance in Tax Matters.’ House of Commons, Hansard, 18 October 2011, c910W.

David Cameron, ‘A G8 meeting that goes back to first principles’, EUobserver, 21 November 2012.

See note 106.


‘CBI backs end to financial secrecy, as MPs investigate tax dodging’, Christian Aid, 27 February 2012, christianaid.org.uk/pressoffice/pressreleases/February-2012/cbi-backs-end-financial-secrecy-mps-investigate-tax-dodging.aspx

‘John Lewis seeks multinationals tax probe’, Reuters, 14 November 2012, uk.reuters.com/article/2012/11/14/uk-britain-tax-johnlewis-idUKBRE8AD1VH20121114


A comparable legal instrument has been mooted by, for example, the Norwegian government. Norwegian Ministry of Foreign Affairs, Tax Havens and Development: Report from the government commission on capital flight from poor countries, 2009, p107.


See, for example, Oxfam, Our Land, Our Lives: Time out on the global land rush, 4 October 2012; Oxfam, Land and Power: The growing scandal surrounding the new wave of investments in land, September 2011; ActionAid, Fuel for Thought: Addressing the social impacts of EU biofuels policies, April 2012; various reports by the Oakland Institute and GRAIN and farmlandgrab.org

Ibid.


International Land Coalition, Tirana Declaration: Securing land access for the poor in times of intensified natural resources competition, 2011, landcoalition.org/about-us/aom2011/tirana-declaration

‘Check the fine print on land deals, conference participants urge’, DFID, 6 May 2011.

See note 151, p45.

See note 21.

See note 151.

Oxfam, Land and Power: The growing scandal surrounding the new wave of investments in land, September 2011, p12.

No mentions of large-scale land acquisitions or land grabs could be found in a review of DFID ministers’ speeches [conducted on 10 October 2012].

At the same time, the guidelines need to be improved, since they are only voluntary, do not oppose as a matter of principle land grabbing, and fail to recognise the principle of free, prior and informed consent for those affected, except for indigenous poor communities. ActionAid, A Brief Introduction to the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, June 2012; ActionAid, The Final Adoption of the Voluntary Guidelines on Tenure of Land, Forest and Fisheries, 21 May 2012; GRAIN, Responsible Farmland Investing?: Current efforts to regulate land grabs will make things worse, August 2012, p2, p5.


ft.com/cms/s/0/6cd499bc-2cbc-11e2-a95d-00144feabdc0.html#axzz2FQoFoSV8

See note 22.


See note 24.

169 ActionAid, Fuel for Thought: Addressing the social impacts of EU biofuels policies, April 2012.


173 IFPRI estimates that increased biofuel demand has contributed 30 per cent of the increase in cereal prices; some other estimates are even higher. A study for the World Bank notes that the increase in biofuels production from grains and oilseeds in the US and the EU was ‘the most important’ factor in contributing to high food prices. See: IFPRI, ‘High Food Prices: The what, who, and how of proposed policy actions’, Policy Brief, May 2008, p3. The World Bank has estimated 65 per cent: see D Mitchell, A Note on Rising Food Prices, Policy Research Working Paper, World Bank, July 2008, p16, cited in FAO, Soaring Food Prices: Facts, perspectives, impacts and actions required, June 2008; Oxfam, Another Inconvenient Truth, 2008.


180 Oxfam, Growing a Better Future: Food justice in a resource-constrained world, July 2011, p47, citing IEA, World Energy Outlook 2010, which estimates that support for biofuels in 2009 was US$20bn, the bulk of it in the US and EU. This figure is projected to rise to US$45bn by 2020 and US$65bn by 2035.

181 In 2010, member states submitted action plans outlining how they would meet this 10 per cent target. It became clear that over 88 per cent of the 10 per cent target is to be met through so-called first generation biofuels. ActionAid, Fuel for Thought: Addressing the social impacts of EU biofuels policies, April 2012, p1.

182 See note 166, p5.


184 Friends of the Earth and ActionAid, The Bad Business of Biofuels, February 2012, p1. In November 2005, the UK announced the introduction of the Renewable Transport Fuel Obligation (RTFO), stating that, together with fuel duty incentives, it would be the country’s primary mechanism to deliver the objectives set forth in the EC’s Biofuels Directive. The two principal EU Directives for increasing biofuel usage that UK policy attempts to take into account are: the Renewable Energy Directive (RED) and the Fuel Quality Directive (FQD). The RTFO obliges suppliers of fossil fuels (if they supply over 450,000 litres of petroleum per annum) to certify that a specified percentage of the road fuels they supply in the UK market include renewable fuels. As well as requiring fuel suppliers to meet targets relating to the volumes of biofuels supplied, the RTFO requires companies to provide reports on the carbon and sustainability (CBS) of the biofuels. C Charles and P Wooders, Biofuels – At What Cost: Mandating ethanol and biodiesel consumption in the United Kingdom, IIISD, January 2012, p15.


The number of additional cars on the road is calculated by dividing the additional GHG emissions from ILUC on an annualised basis by the estimated level of emissions per car in 2020. The latter is calculated based on the assumption that on average, cars will produce 170gCO2e/km in 2020 and travel 13,000km per year. This equates to 2.21tCO2e per car per year. These calculations are based on established scenarios for future car use in Europe. See ActionAid, *Fuel for Thought: Addressing the social impacts of EU biofuels policies*, April 2012, p31. See also *Anticipated Indirect Land Use Change Associated with Expanded Use of Biofuels and Bioliquids in the EU: An Analysis of the National Renewable Energy Action Plans*, IEPP; Oxfam, *The Hunger Grains*, September 2012, p7; Friends of the Earth and ActionAid, *The Bad Business of Biofuels*, February 2012, p2.

*See note 183.*

George Monbiot, ‘Must the poor go hungry just so the rich can drive?’, *The Guardian*, 13 August 2012.


The Government watchdog, the Committee on Climate Change, has suggested that a 15 per cent reduction in transport CO2 could be made by 2020 through such measures as greater fuel efficiency in vehicles and campaigns to get people walking, cycling and using public transport more: Committee on Climate Change, *Meeting the Carbon Budgets – 2012 progress report to Parliament*, Chapter 5, pp176–187; ActionAid’s analysis is that to meet the government’s RTFO target, 25 per cent of the renewable energy in transport fuel could come from the use of existing domestic wastes, such as used cooking oil and tallow, 35 per cent from electric vehicles powered by renewable electricity, and the balance from sustainable (and domestic) advanced biofuels such as other wastes and residues. ActionAid, *Alternatives to Biofuels: Renewable energy in transport without crop based biofuels*, October 2012.


See note 166, p7.


See note 160, pp31–32.

See note 160, p23.

Recommendations for how to provide support to communities in this process include Global Witness, International Land Coalition and The Oakland Institute, *Dealing with Disclosure: Improving transparency in decision-making over large-scale land acquisitions, allocations and investments*, April 2012, www.globalwitness.org/library/dealing-disclosure

legislation.gov.uk/ukpga/2006/46/contents, sections 172 and 417.


206 See note 106, p12.

207 Budget transparency relates to the timely and regular release of detailed, reliable information on the country’s budget by the government, throughout the different phases of the budget cycle, so that the public can hold government accountable for how it handles public resources.


211 fiscaltransparency.net

212 opengovpartnership.org

213 http://www.g20.org/index.php/en/anticorruption


217 number10.gov.uk/news/prime-ministers-speech-on-family-planning

218 This case study is drawn directly from G M Cezudo, Evidence for Change: The case of Subsidios al Campo in Mexico, IBP Study No. 6, July 2012.

219 dfid.gov.uk/R4D/PDF/Outputs/Mis_SPC/60827_DPRGaventaMcGee_Preprint.pdf


221 g20mexico.org/images/stories/docs/canalsherpas/anticorrup/01actionplan1.pdf

222 According to the Open Budget Index scores, which would be a score of 81–100.


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[Logos of various organizations]
ACKNOWLEDGEMENTS

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Concern: Ana Ramirez.
Oxfam: Ruth Kelly, Max Lawson, Monique Mikhail, Kathleen Spencer Chapman.
Save the Children: Brendan Cox, Liam Crosby, Leah Kreitzman, David McNair.
Tearfund: Sam Barker, Graham Cox, Richard Weaver.
UNICEF UK: Gavin Crowden.

With special thanks to other individuals from several agencies who provided support, feedback and other input.
HUNGER: THE SHOCKING TRUTH
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