Food and Foreign Policy: Options for the UAE and Other Import-Dependent Countries

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Abstract

Food and foreign policy have important interlinkages for highly import-dependent countries. Foreign policy and diplomacy can serve as central tools for supporting national food security in these countries, in particular in the long term. Multilateral governance frameworks, regional cooperation and bilateral relations between countries all offer opportunities for this.

Conversely, the international ‘dimensions’ of food – trade, investments and aid – should be understood as part of broader foreign relations of a country. They can also be employed to support a country’s foreign policy and national development goals.

With its focus on the international dimensions of food, this EDA Working Paper seeks to move away from a security discourse-dominated approach and broaden the discussion around food in import-dependent countries. It examines different ways in which food and foreign policy interact, and highlights important issue linkages and lessons learned from past and present experience, with a particular emphasis on the United Arab Emirates.

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1. Introduction

In the 21st century, the scope of foreign policy is broader than ever before, involving an increasing number of issue areas and actors. Food is a case in point, with its scope having expanded considerably beyond the domain of domestic agricultural policy. While just a couple of decades ago the issue barely featured in foreign policy discussions of most countries, over the past ten years it has become a mainstream feature on the agendas of foreign ministries worldwide.

Food as an issue of international development, and hence foreign affairs, was consolidated in 2015 by the UN 2030 Agenda for Sustainable Development. The agenda includes a Sustainable Development Goal aiming to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture in all countries worldwide. International food commodity markets are another area that attracts increasing global attention and concern in many importing countries.

In the highly food import-dependent Gulf Cooperation Council (GCC) countries, the most obvious dimension of food as a foreign policy issue is the goal of securing sustainable food supplies for the countries’ populations. This issue, however, only began featuring in discussions about the region’s foreign policy in the late 2000s, when their overseas land investments started attracting global attention. The GCC states’ populations had seen fast growth over the previous decade and the global price shock of 2007–2008 presented itself as a reminder of potential future risks to a sustainable food supply for the region. These prospects, and the lessons learned from the initial land investments, have prompted the GCC states to examine more carefully their food security strategies, taking increasingly systematic approaches to the issue.

In many GCC countries, food security discussions have for long been dominated by debates around how to promote sustainable domestic agriculture. In parallel, however, there is a recognition that import dependence is a structural feature of the region’s countries, which will persist long into the future. At the same time, a number of global trends, including population growth, land availability, a concentration of food exports in a small number of countries and climate change, are pushing food into the sphere of foreign relations worldwide.

For the GCC countries, in the 21st century, food will remain a core foreign relations topic, pervading multi- and bilateral affairs in the areas of trade, development cooperation and foreign policy at large. This Working Paper, which focuses on the perspective of import-dependent countries, in particular the UAE, examines how food and foreign relations intersect in the following levels and areas:

- global and regional food governance;
- foreign relations between food exporters and importers;
- food trade and investment strategies; and
- food aid and food security development cooperation strategies.
The paper starts with an overview of the main drivers that will affect the availability and price of food on global markets going forward. The paper then examines the UAE’s current food security situation, including external risks and related policy responses. It then turns to an analysis of the areas in which food and foreign policy intersect, providing examples of policy tools available for countries, exploring success stories and suggesting policy responses for import-dependent countries like the UAE. The first two sections in this part focus on the different dimensions of foreign policy as they relate to food: the multilateral, regional and bilateral. The final section identifies ways in which foreign policy could be better aligned with food trade and investments, on the one hand, and development assistance and food aid, on the other, and also explores some of the core features of successful national food governance models.
2. Global Food Market Drivers

In recent years, global food markets have seen turbulent times. Until 2016, predictions of a sustained rise in food prices had been the norm. That year, however, the Organisation for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization of the UN (FAO) concluded that the economic recession and lower oil prices, coupled with institutional learning and improved policy responses, now provide a lower and more stable global environment for food prices.

According to the OECD’s and FAO’s latest Agricultural Outlook, released in July 2016, ‘an era of high world food prices is over, but the next surprise could be around the corner.’ From a high of 230 in 2011, FAO’s food price index (weighted for 2002–2004) had declined to 162 in mid-2016. If historical trends continue, there is likely to be at least one severe price shock within the next decade. However, the FAO and OECD expect real agricultural prices to remain 'relatively flat' over this period.

This may seem relatively good news for food-importing countries. However, a number of fundamental drivers and factors will continue to create pressures and uncertainties for the global food production system, including:

- Population growth and rising living standards;
- Extent of land availability and pace of efficiency improvements;
- Concentration of main commodity exporters; and
- Environmental change.

**Population and per capita income growth:** Prompted by rising global population and living standards, and changing eating habits, the demand for food from the global market will keep growing. By 2050, developing countries’ net imports of cereals are expected to more than double from 2008–09 levels, according to the FAO. Global meat consumption is similarly expected to nearly double by 2050.

At present, largely due to population growth and rising living standards, there are several dozen ‘food dependent’ countries whose agricultural imports exceed their exports. (This is in stark contrast to the 1970s when, according to policy expert Paarlberg, 80% of people in the world were estimated to live in countries that were at least 95% food self-sufficient.) The highest ‘food deficit’ countries are located in Africa, Asia and the Middle East, and many of these are becoming increasingly dependent on food imports.

**Land availability and yields:** Going forward, there are constraints to the capacity to increase agricultural production. Efficiency improvements through conventional technologies are becoming increasingly difficult. At the same time, competing land uses and crop failures may translate into lower levels of supply for the international markets. While the FAO expects biofuel production to stagnate in the medium term due to low oil prices, this trend could arguably be reversed either if oil prices go up or as countries enact stricter climate policies.
Growth in global agricultural production will be largely driven by yield improvements, in addition to enhanced efficiency along the value chain. The FAO expects some expansion of agricultural land to take place in parts of South America (soybeans) and Sub-Saharan Africa (cereals). However, most areas adept for agricultural conversion are currently either used for pasture or degraded.

**Concentration of main commodity exporters:** A further challenge is the concentration of export capacity in a limited number of countries: over the next decade, at least 70% of all exports of 25 key agricultural products will come from five countries (for each commodity), according to the FAO. The situation is not expected to change significantly over the next decade, implying a continued risk for importers, should the main exporters suffer from crop failures or impose trade-related restrictions.

Global food imports are more diversified, with a few exceptions, such as soybeans where China accounts for more than 60% of global imports.

**Environmental change:** In many regions, the FAO expects land and water availability to decline over the next decade. This will in part be driven by climate change, which is expected to affect crop productivity and variability, and potentially production patterns. Increased occurrence of extreme weather events are another risk factor related to climate change. The heat and wildfires in Russia in 2010, which reduced the country’s wheat production by a third and prompted the country to impose an export ban, are an example of the scale of the impacts such events can have.
3. The UAE’s Food Security – Profile and Risks

The UAE imports approximately nine tenths of its food from other countries. This leaves the country vulnerable to potential supply disruptions or price hikes. In recent years, the Government has taken a number of measures to support national food security, including in the areas of fiscal policy, strategic reserves, overseas agro-investments and contingency planning.

According to the Economist Intelligence Unit’s Food Security Index, which ranks the food security status of countries based on food affordability, availability and quality, the UAE (at rank 30/113), similarly to its GCC neighbours, is classified as a ‘good performance’ country. Despite high income disparities, the UAE’s undernourishment levels are on par with industrialised countries. With a third of food estimated to be wasted, reducing food loss and wastage arguably constitute more acute a challenge than availability or price.

Beyond domestic supply and demand, the UAE’s main external dilemma is that a number of key components of its food security are beyond its control: the UAE’s food security ultimately relies on a functioning, undisrupted global food market.

Food import profile: Most of the food consumed in the UAE is imported: according to the latest publicly available data from the FAO, the UAE’s net imports amounted to 87% of its total food supply. Given its harsh climate, limited arable land area and dwindling natural water resources, there is little scope for domestic agricultural expansion – especially in the case of large-scale or water-intensive crops. According to the FAO, in 2011 the UAE’s net imports of cereals, vegetables and meat were 95%, 81% and 75%, respectively.

On the international scale, the UAE is a medium-size importer: in 2014, it ranked as the 15th largest agricultural importer in the world, based on value (US$18 billion), according to the World Trade Organization (WTO). Population growth, primarily through immigration, has been the main driver of growth in UAE food imports, which have been growing at double digit rates in recent years.

At the same time, the UAE is a major regional re-export hub: in 2014, according to the UAE’s statistics authority, the country exported agricultural commodities worth US$3.4 billion. (Data from the WTO indicates a much higher volume: US$8 billion – largely consisting of re-exports –, equating to 2.2% of the country’s merchandise exports in value.) Exports are destined mainly to East Africa and other GCC countries.

The UAE’s five major source countries – India, Brazil, Argentina, Australia and Pakistan – accounted for close to half of its total food imports in 2002–08, measured in tonnes, according to a report by the Abu Dhabi Global Environmental Data Initiative (AGEDI) from 2015 titled ‘Food Security and Climate Change’. India alone accounted for a sixth of the imports.
An extensive modelling study prepared by AGEDI on the potential risks from climate change to the UAE’s long-term food security (which covered 29 main food items and around 30 main exporting countries) concluded that the imports of most food items would be constrained in the future, with rice and wheat representing particularly insecure items. The study also suggested that trade flows would be constrained from a number of the UAE’s current import partners, including for example Brazil, India, Iran and South Africa. For some items, such as beef, lamb and maize, as well as for some countries such as Germany, Pakistan and Thailand, the model predicted less insecure flows in a climate change-affected future.

External food security risks: Highly import-dependent countries like the UAE can enjoy a more stable food supply and price environment than countries depending more on domestic markets, given the impact of variation in annual crop yields on the latter. However, import-dependency still leaves the UAE permanently vulnerable to two types of trade-related risks:

- **Price risks:**
  - *Temporary price shocks*, stemming from policy shifts by exporters or production shocks, such as large-scale crop failures; and
  - *Longer-term price rises* due to the inability of the global food system to produce at levels sufficient to cater for global demand, in part due to climate change.

- **Supply risks:**
  - *Political and geostrategic risks*, such as food producer-imposed export restrictions, political conflict between the exporter and importer, or blockages of key trade routes; and
  - *Physical risks*, relating to disruption of trade due to natural disasters or extreme weather events, or low or lack of availability of food on the global market due to crop failure (short term) or declining yields (longer term).
4. The UAE’s Policy Responses

Affordability: For several years, the UAE has employed a number of policy measures aimed at stabilising domestic food prices. These include:

- import tariff exemptions;
- consumer subsidies for citizens;
- price controls for key staples;
- support to domestic agricultural expansion;
- encouragement of more sustainable domestic agricultural practices; and
- construction of strategic food reserves.

Some of these measures also act as safety nets for short-term supply disruptions.

The UAE has also sought to expand its domestic manufacturing capacity – both for local consumption and for strengthening the country’s position as a regional food trade hub. A re-export industry not only supports economic diversification but boosts the availability of food to the UAE through larger trade volumes.

In situations of price shocks, high-income countries are better off than low-income countries given their ability to purchase food at higher prices and protect consumers through fiscal measures. Furthermore, countries with large foreign exchange reserves, such as the UAE (the official reserves of which the International Monetary Fund projects at equivalent to 6.6 months of next year’s imports, net of re-exports), which also boasts substantive sovereign wealth fund reserves, are considered to be in a good position in terms of their ability to afford food imports. However, a crisis situation may of course reduce the duration of these reserves.

In addition, given that the UAE’s foreign exchange reserves are still mostly underpinned by oil exports, and given the uncertainty over future oil demand and prices, economic diversification will be a necessary precondition for ensuring the country’s ability to continue maintaining large foreign exchange reserves, which enable it to use physical food reserves as a buffer against high food prices.

Accessibility: Supply disruptions and the risk of unavailability of food over the long term can be more difficult to manage. According to US Department of Agriculture Foreign Agricultural Service estimates, the UAE currently consumes 1 million tonnes of wheat and 1.3 million tonnes of rice per year. As a strategy against potential disruptions of trade in the Strait of Hormuz, the Abu Dhabi Government has built 20 grain silos, with a total capacity of 275,000 tonnes, in the emirate of Fujairah. (The silos are currently operated by an Emirati-Greek joint venture, Etihad Mills.) Another food reserve is located in Port Zayed in Abu Dhabi.

In addition, local companies operate strategic reserves outside the UAE. For example, according to the local newspaper The National, the Al Ghurair Group is renting grain silos in Egypt that are intended for local consumption but would be made available to the UAE Government for up to a year in case of an emergency.
Contingency planning for disruption scenarios also enhances a country’s resilience to such risks. In Abu Dhabi, the Food Security Centre, established in 2010, has been mandated with this task.

Overseas agricultural investments are a tool employed by a number of food importers worldwide. In the autumn of 2016, the monitoring initiative Land Matrix listed a total of more than 44 million hectares in concluded transnational land acquisitions worldwide – an area equivalent to 61 million football fields or nearly seven times the territory of Sri Lanka.

According to the Land Matrix, the UAE has invested in ‘land banks’ in a number of countries on practically all continents. Based on local agribusiness companies’ reports these include several Arab countries, Cambodia, Pakistan, Viet Nam, Romania and countries in the Americas. The Land Matrix database also lists concluded agro-investments in Mozambique, Namibia and South Africa, with all concluded UAE agro-investment projects listed totalling approximately 320,000 hectares.¹

In recent years, the UAE appears to have shifted its strategy from less developed markets to more established agricultural producers and from land purchases to also investing along the value chain, including in production technologies. According to stakeholders interviewed for this study, the move may have been partly prompted by criticism directed at the GCC states in the wake of the late 2000s’ food price crisis, which portrayed these as grabbing land from poor, vulnerable countries.

More importantly, stakeholders have pointed out that risks in investing in countries that have large areas of undeveloped land due to limited availability of investment can outweigh the potentially larger returns due to issues such as land ownership disputes, bureaucracy and a perceived risk of export bans. Also, as pointed out by one UAE stakeholder, foreign investments do not automatically translate into socioeconomic development benefits for the host country, such as transfer of technology or know-how.

Other strategies for enhancing accessibility include diversification of source countries and preferential trade agreements. At the moment, the UAE’s imports of key items are fairly concentrated among a small number of exporters: according to AGEDI, the same few top food exporters to the UAE, measured in quantity, dominate imports across all major food items. India, for example, figured among the top-three sources of 19 different food items in the 2000s.

As noted above, while the UAE is a relatively food secure country, its high import dependence creates a number of short- and long-term risks related to price and supply, which in turn have prompted a number of government policy responses. Many of these responses have important foreign policy dimensions. These will be discussed below.

¹ The Land Matrix, an independent land monitoring initiative, notes on its website that, given that ‘land deals are notoriously un-transparent’, its dataset relies extensively on unofficial sources. These figures therefore cannot be verified as an accurate record.
5. Global and Regional Frameworks

In 2015, member states of the United Nations adopted the 2030 Agenda and its 17 Sustainable Development Goals (SDGs). The Agenda and the SDGs together comprise the international action plan for sustainable development for the next decade and a half. Goal number two sets the aim to ‘end hunger, achieve food security and improved nutrition and promote sustainable agriculture.’ The goal includes eight targets that focus on hunger eradication, agricultural productivity, sustainable and resilient food production, seed genetic diversity, research and development, and open and functioning markets.

From a foreign policy perspective, two SDG 2 targets are of particular interest for high-income food import-dependent countries:

‘Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round.’

In December 2015, the WTO’s Ministerial Conference agreed to eliminate agricultural export subsidies, with immediate effect for developed countries and a grace period of three years for developing countries. While agricultural export subsidies may suppress the costs for importers, they can have detrimental effects on the development of local agriculture in food-producing developing countries.

‘Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility.’

Some analysts suggest that food market speculation has, in recent years, had substantial short-term impacts on global food prices. As pointed out in a report by UNCTAD, the financialisation of commodity futures trading also creates ‘uncertainty about the reliability of signals emanating from the commodity exchanges with respect to making storage decisions and managing the price risk of market positions.’ In addition to countries providing transparent market data, improved commodity market regulation is therefore considered as essential for ensuring more stable food markets.

There are a number of international and regional institutions through which food import-dependent countries like the UAE can promote their interests regarding a stable, unconstrained global food market. Key intergovernmental institutions include the FAO, the World Food Programme and the Committee on World Food Security.
At least two GCC countries, the UAE and Qatar, have a track record of actively promoting joint international efforts around sustainable food security – the former through its annual industry event, the World Food Security Summit in Dubai. In May 2016, the two countries’ chambers of commerce were reported to be in talks on a committee that would discuss joint investments in food security, tourism and information technology.

Food security expert Paul Teng has advocated binding regional agreements on transparent data sharing and food security. The EU is perhaps the best example of regional agricultural integration, but the Association of Southeast Asian Nations (ASEAN) has also made efforts in this direction, including through the establishment of the ASEAN Integrated Food Security Framework, the ASEAN Food Security Information System and the ASEAN Plus Three Emergency Rice Reserve.

In the Middle East and North Africa region, enhancing cooperation frameworks around food trade and aid would be a logical step, given the complementarities between the different countries’ economic and food production profiles. For the GCC, policy coordination and collaboration in research and development, and in best technological and policy practices could prove beneficial, given the largely similar food security profiles of the six countries.
6. Exporters, Importers and Transit Route Countries – Roles and Tools

Similarly to energy security, exporters, importers and transit countries view the external dimensions of food security in different ways. Below, these different external dimensions of food security policy from exporter, transit country and importer perspectives are discussed. The main conclusion is that there are limitations to how far food can be used as leverage for achieving political goals in foreign relations.

While all countries seek to secure their own domestic food security, exporters have an additional interest in securing demand for their exports, at the best possible price. They may also regard food as a tool to achieve other foreign policy goals. Transit route countries, or re-exporters, in turn, may benefit economically from trade flowing across their territories. Alternatively, they may consider their location along trade routes as a geostrategic asset. Food importers generally are more concerned about foreign policy as a means to achieving food security than using food as a foreign policy tool.

6.1. Food Exporters

Food exporters evidently have more tools at their disposal than food importers for promoting their national interest through food. They can use food exports to support domestic economic policy goals: food exports support economic growth and help accumulate foreign exchange reserves, sometimes with distortionary effects. At least in theory, exporters can also use food for political purposes, as an ‘incentive’ (for example through preferential trade deals) or a ‘disincentive’ (for example by trade restrictions). Despite the existence of historical examples, however, there are arguably significant limitations to using trade-related restrictions for achieving foreign policy goals (see Box 1).
Box 1: Food as Foreign Policy – Exporters’ Limited Toolkit

Exporters can, to some extent, use food to further political goals, either through incentives or disincentives. The use by the US of preferential food trade deals with its Cold War allies is an example of the former. US food aid started in the 1940s with Marshall Aid to Europe and Japan, and was followed in the 1950s by the Agricultural Development and Assistance Act (Public Law 480), which was aimed at boosting US foreign trade while simultaneously supporting its allies in the developing world through preferential food trade arrangements. Since the 1990s, the focus has shifted towards the more ‘ethical’ goal of ‘eradicating hunger, malnutrition and food insecurity and reducing poverty,’ as expressed on the US Food Aid and Security website.

Disincentives, it is argued here, are limited in scope, often ineffective, and can have negative consequences for the exporting country itself. Firstly, the use of trade restrictions (depriving countries of food) for political purposes is greatly restricted due to ethical considerations. Secondly, there is a potential reputational risk for a country using food exports as a political ‘weapon’ that might harm its overall economic relations with other countries in the longer term.

Thirdly, exporters’ room for manoeuvre in the contemporary market situation is also limited because of the lack of a monopoly for any single main agricultural commodity. Even for staple crops with a large market share held by just three or four main producers (such as wheat, rice, sugar or soybean), it is difficult to conceive a situation in which the producers would engage in a cartel-like behaviour, given the diversity of their interests: take for example wheat where the US and Russia are among the top-five exporters.

History illustrates the limits of the exporters’ leverage: the United States’ rhetoric around using a ‘food weapon’ against the Arab ‘oil weapon’ in the 1970s never materialised due to the realisation that a number of Gulf oil producers would be able to source their food from elsewhere.

Following the Iran hostage crisis of 1979–81, Iran was quickly able to replace imports from the United States (at 80% of its wheat and rice imports) with supplies from Australia, Europe and elsewhere. Also in 1980, a US embargo on grain exports to the Soviet Union after the Soviet invasion of Afghanistan was stymied by Argentina’s willingness to step in and use the opportunity to expand its agricultural export sector.

Also, cases from the 1960s and 1990s exist in which the US used food aid (to Egypt) as a lever to persuade the country to either disengage from a conflict or engage in peace talks, there are few from the post-Cold War era. Of the recent economic sanctions imposed by the international community against countries in the Middle East and North Africa region (Iran, Syria and Libya), none have been directly aimed at food trade, even if there have been unintended negative consequences from broader financing restrictions.

6.2. Transit Route Countries

Countries located across important trade routes may be in a position to restrict the flow of agricultural products, for example by blocking waterways. So may pirate groups. According to Chatham House researchers, 81% of total imports of wheat and coarse grains by the GCC countries pass through the Suez Canal, and 35% pass through the Strait of Hormuz.

For other countries (both exporters and importers), transit route diversification may mitigate related risks, with the UAE silos in Fujairah being a case in point. However, many countries have fewer options, such as Bahrain, Kuwait and Qatar in the case of the GCC. Here, a GCC-wide food security arrangement that could include for example joint silos or common contingency planning could support these countries.

Re-exporters along the food value chain also have a certain leverage over the flow of goods, even if this is arguably of limited use: while using food destined for re-exports might serve for securing domestic supply in a short-term crisis situation in an import-dependent country like the UAE, limiting re-exports could also result in irreparable loss of confidence among its trade partners.

6.3. Food Importers

For food importers, food in bilateral relations is potentially a source of asymmetry or even dependence. Importers are therefore generally more concerned about securing their food supply than anything else. In terms of foreign relations with other countries, importers have at least two broad options in this regard:

- **Balancing existing bilateral relationships** that involve food imports with exports in other areas or through other types of interdependencies, such as investments in agricultural land or companies;
- **Diversifying sources of imports** or, if not possible, **ensuring good diplomatic relations** with alternative sources of imports as a backup option.

For the GCC states, oil and natural gas exports have been an obvious area for balancing their relations with their food import partners. There have been media reports that the UAE has been exploring this option: according to a Reuters, there have been preliminary discussions on India selling food (mainly rice and wheat) to the UAE and the UAE, in turn, selling oil to India, for its strategic reserves.

A key question for importing countries is how easily they can switch from one exporter to another, should there be a disruption of supply at any given time. As long as food is available on the international market, countries with purchasing power should be able to cover their needs. As noted by AGEDI, the import volumes of some staple items, such as cereals, show large annual variations. Even with the high concentration of exporters for key staples, a scenario in which all main exporters were to impose trade restrictions simultaneously seems unlikely, at least in the medium term.
The author is not aware of any publicly available overarching UAE strategy for diversifying its sources of food imports. However, in recent years, UAE companies’ investments in land and agro-businesses overseas have had this effect to some extent.

6.4. Sanctions, Trade Restrictions and Boycotts

In theory any country can make use of food sanctions or trade restrictions as foreign policy tools. However, their positive impacts are questionable. Mismanagement of the well-intended UN Oil-for-Food programme reportedly enabled wide-scale corruption between Saddam Hussein’s government and participating companies.

More recently, in response to EU economic sanctions on Russian banking, oil and defence sectors following its annexation of Crimea in 2014, Russia has responded by banning the imports of a number of EU food products. As a result, food prices in Russia have increased and EU farmers have lost an export market worth €5.5 billion, according to the European coalition of farming organisations, Copa-Cogeca.

Food boycotts can be orchestrated by either governments or non-governmental organisations or other interest groups, and can target either states or non-state actors. Recent examples include the American consumer boycott of French food after a refusal by the latter to support the 2003 invasion of Iraq, and the Middle Eastern consumer boycott over Danish foodstuffs and other goods following the 2006–2008 cartoon crisis. For food importing countries, boycotts generally pose a lesser threat than for exporters.
7. Towards a Strategic Approach

Import-dependent countries, such as the GCC states, could benefit from adopting a strategic approach to the external (foreign policy) side of food security. This could be applied in at least two areas: food trade and investments, and development cooperation relating to food security. This approach would incorporate these areas in a broader, strategic foreign policy framework, segmented by regions and countries.

The UAE’s diverse food trade and investment ties are part of its ever-expanding foreign relations with countries all around the world. Not only are these relations the basis for the country’s food security but they can also support economic growth and diversification efforts at home.

In the area of international development cooperation, the UAE is already playing an important role in strengthening other countries’ food security through development assistance and humanitarian aid. Such kinds of assistance can also support other foreign policy goals, including regional stability and prosperity.

Different models exist worldwide for governing food nationally. The UAE’s approach will be largely shaped by its federal structure and its high reliance on foreign markets and countries for its food security. In crafting a successful food governance system, ensuring consultation and coordination will be critical.

7.1. Food Trade and Investments

In terms of trade and investments, food-import dependent countries could consider adopting a holistic foreign relations approach to their main food trade and investment partners: where a significant reliance on food imports exists or where key agro-investments have been made, a diversified bilateral relationship that develops positive interdependencies across sectors could be pursued.

This should naturally follow a broader evaluation of the role of each key trade/investment partner in a longer-term perspective, and potential risks to agricultural exports from the country in the future. If a country is found to be insecure in terms of food imports going forward, for example from expected negative impacts of climate change, the importer country could respond by either exploring ways to support the resilience and productivity of the exporter country’s agricultural sector, or by seeking alternative sources of food imports.

Another way to conduct such an evaluation could be through a focus on key staple crops (such as rice, maize and wheat): mapping key global exporters (including future export projections), and then constructing a vulnerability profile for each crop by identifying the ease/difficulty of replacing existing source countries in a longer term. The 2015 study by AGEDI mentioned above has broken important ground for the UAE in providing tools for assessing potential risks to food imports both on a country and crop basis, if climate change is factored in. Other factors, however, also need to be taken into account.
As a parallel step, an analysis of potential new partners could be undertaken. This analysis should, again, be holistic in that it examines the country as a whole, and not only its agricultural export potential: what can the country offer in terms of trade, investment opportunities, technological expertise and know-how, and shared foreign policy interests. An example of how the UAE has applied this approach in the case of Serbia is discussed in Box 2.

**Box 2: The Case of UAE-Serbia Cooperation in Food Security**

Serbia is an example of a case in which the UAE government has led the push to expand food trade ties as part of a wider strengthening of bilateral relations. In 2012–13, as a result of high-level discussions, the two countries signed a number of investment and loan agreements, and memoranda of understanding in various sectors, including defence, aviation and agriculture.

As a result, the UAE company Al Dahra has reportedly invested in agricultural infrastructure and irrigation system upgrades in eight Serbian companies, and has been cultivating various crops on a total land area of 14,000 hectares that it either owns or leases. Part of the crops are reported to be destined to the UAE.

In 2012, Al Dahra was reported to be aiming at a mix of land and infrastructure investments in Eastern Europe, Southern Africa and South America that would enable it to have year-round crops and, thereby, control the availability of supply, including for the UAE.

While the land area in Serbia equates to only a little over half of that of the Emirate of Sharjah, it nevertheless represents an example of a holistic approach to enhancing foreign relations between two countries. It also demonstrates how the UAE’s private sector is working closely with the government on food security. It further shows how UAE agro-investors’ strategies are becoming increasingly sophisticated.

In a further example of interagency and public-private sector coordination around food security, in December 2015, four UAE government entities and eight agro-businesses launched the Abu Dhabi Food Security Alliance, which according to the Abu Dhabi Farmers’ Service Centre will aim to ‘take care of agreements between the local partners from one side and states and regional and foreign companies on the other side, to maintain the interests and coordinate activities and foreign efforts.’

Sources: Malek 2012; Vasovic and Doherty 2013; Zghoul 2016.
7.2. Food and Development Assistance

A number of countries supply food as part of their international humanitarian assistance programmes, and provide development assistance to enhance food security in developing countries. Food aid actors include both food exporters and importers, and emerging economies, such as the GCC countries, are playing an increasingly active role.

In 2015, there were still close to 800 million undernourished people worldwide. According to the FAO, by the mid-2020s, under a business-as-usual scenario, this would only be reduced to 640 million. The long-term solution to eradicating hunger is well-known, namely increased access to food through reduced income inequality. Globally, 50% more calories are available than what is required to meet the global population’s minimum requirements. What this means for development assistance, arguably, is that the emphasis should be on building the conditions for improved access.

Unlike other regions, over the past 15 years, the MENA region has seen an increase in the prevalence of hunger and currently has 33 million hungry people, according to the FAO. The main reason for this is the prevalence of conflict in the region. In this region, food aid will therefore need to go hand in hand with, and in many cases, precede, broader agricultural development assistance.

For MENA donors, support to sustainable local agricultural production in their regional partner countries is good foreign policy at least for two reasons. Firstly, this supports stability in the partner countries through increased food security and economic development. Secondly, should countries with further food export potential export to the MENA region, increased agricultural trade could have a positive impact on regional stability, as this would advance economic integration and, consequently, interdependency.

A point should be made on ‘tied aid’, or restricting procurement to companies in the donor country, which is considered bad practice as it tends to weaken aid effectiveness. The OECD’s Development Assistance Committee (DAC), of which the UAE is a participant, has long recommended that donors untie their Official Development Assistance (ODA) to the Least Developed Countries (LDCs). As pointed out by a local stakeholder, tying food sector assistance into guaranteed exports into the donor country would also be considered tied aid and therefore something to be avoided.

Consequently, when designing their food aid and development assistance food security strategies, donors in conflict-prone regions could benefit from a broader examination of how food aid and food security cooperation can further their broader foreign policy goals relating to regional development and stability. Donors should be asking, for example, how food aid can help in preventing or stabilising a crisis in the longer term, and how support to a country’s agricultural sector can help in boosting socioeconomic development and well-being in a sustainable manner. Plans in the UAE in this regard are illustrative (see Box 3).
Box 3: Integrating Food Assistance and Foreign Policy in the UAE

The UAE is a leading donor in terms of official development assistance (ODA) as a proportion of gross national income (1.26% in 2014 and 1.09% in 2015, as noted in the UAE’s Foreign Aid Report from 2015). At the same time, the UAE has risen as a major regional actor in food aid and security. Classified according to the UN Millennium Development Goals (which were replaced in 2016 by the SDGs), AED13.3 billion (or US$3.6 billion) of the UAE’s foreign assistance in 2014 went to MDG 1, ‘Eradicate Extreme Poverty and Hunger’.

In 2014, the UAE provided AED570 million (US$155 million) in food aid, mainly to refugees and internally displaced people in Jordan (61%) and Syria (16%). In addition, the same year, the UAE provided AED1.48 billion (US$403 million) in agricultural sector assistance. The major projects in this area included the construction of 25 wheat silos with a total capacity of 1.5 million tonnes in Egypt, support to wheat production in Sudan, the purchase of 100,000 cattle for Egypt, and irrigation-related projects in Jordan, Morocco and Yemen.

Three main UAE donors provide food aid: the government, the Abu Dhabi Fund for Development (ADFD) and the Khalifa bin Zayed Al Nahyan Foundation. The government provides agricultural assistance. The UAE provides food aid both in humanitarian emergencies and as a ‘development response’ (ranging from agricultural subsidies to iftar meals). In humanitarian emergencies, the UAE is seeking to move away from the direct provision of food towards cash-based models, as the latter support the local economy and communities.

Humanitarian aid in the UAE is coordinated by the Committee for the Coordination of Foreign Humanitarian Aid, established in 2014, which also coordinates with UN and other international organisations.

In 2015, the UAE’s Ministry of International Cooperation and Development (MICAD) expected the growth of UAE aid to stabilise, with aid focused around ‘programmes, based on the identification of priority countries and sectors in line with regional stabilization and UAE comparative advantages.’ A priority for UAE aid will be improving effectiveness and, with this goal in mind, the government prepared the UAE Policy for Foreign Assistance for 2017–2021, which was launched in December 2016. In 2016, MICAD was integrated in the country’s Ministry of Foreign Affairs, boding well for increased coordination and coherence between UAE food assistance and foreign policy.

Source: MICAD 2015; MoFAIC 2016; stakeholder inputs.
In addition to considering development cooperation as an integrated area of a country’s foreign policy, countries may also benefit from treating food aid and food security cooperation as integral parts of a country’s food security strategy.

In this sense, the recent unification of the UAE’s Ministries of Foreign Affairs and of International Cooperation and Development, and the establishment of the multi-stakeholder Abu Dhabi Food Security Alliance (which includes the Abu Dhabi Fund for Development and the Emirates Red Crescent as partners) are steps in the right direction.

7.3. Governance and Policy Considerations

Worldwide, a number of broad trends are shaping the domestic policies and governance of food. A recent European Consortium for Political Research conference identified the following:

- **Broadening scope**: Growing interconnections between policy areas, going beyond the agricultural sector and including global food security, food safety, energy security, bio-technology, development cooperation, environmental issues and trade;
- **Globalisation**: Internationalisation of policy debates and their influence on domestic ones, as well as growing global connectedness of policy areas;
- **Proliferation of actors**: Increasing engagement of non-state actors, in particular agri-businesses, but also non-governmental organisations; and
- **Emergence of environmental limits**: Intensification of environmental risks, in particular climate change, and the growing recognition of the need for sustainable agriculture and food consumption.

Given the rapidly transforming policy environment, most countries are still struggling to develop functional multi-stakeholder models and, consequently, a ‘gold standard’ for sustainable food governance and policymaking has yet to emerge. Also, each country’s approach will depend on its existing institutional set-up and policies, as well as its agricultural production and import profiles. But experiences from other countries can provide valuable lessons.

In an attempt to adapt to the changing global food landscape, different countries have adopted different governance and policy-making approaches. Many are based on a model of coordination and consultation with relevant state and non-state actors. These have included:

- **Brazil’s model for national food and nutrition governance** (focused on the goal of ‘the human right to sufficient nutrition’), originally proposed by civil society organisations, under which policy is formulated and coordinated jointly by a ‘chamber’ composed by relevant ministries and a council composed by a mixed representation of civil society and governmental organisations;
- **The establishment of a public-private partnership initiative in Saudi Arabia** to coordinate the country’s agricultural investments abroad;
• Development of a national food security plan for Qatar, based on a combination of enhancing sustainable domestic production and strengthening the security of imports, which was led by a dedicated governmental programme that coordinated its work with relevant governmental and non-governmental stakeholders; and
• Ongoing work in Canada to draft the country’s first national food policy, which will be led by a committee chaired by the country’s Department of Agriculture and Agri-Food and which will build on existing (and often contrasting) policy proposals by numerous non-governmental stakeholder coalitions, and focus on food security, the environment, sustainable growth in the food and agriculture sector, and health.

When developing a national model for sustainable food governance, it is important to keep in mind the deep interconnections between the domestic and the international. This is the case in particular in food import-dependent countries like the UAE. In the UAE, the Ministry of Foreign Affairs and International Cooperation arguably has a key stake in national food security, alongside a number of other ministries, perhaps most prominently the Ministry of Climate Change and the Environment.

In the UAE, an additional factor to take into account is the need for close coordination between different levels (emirate and federal), on the one hand, and actors (government agencies, companies and funds), on the other. The development of a federal-level ‘sustainable food diversification strategy’ by the Ministry of Climate Change and Environment, which is currently under way, as well as initiatives, such as Abu Dhabi’s multi-stakeholder Food Security Alliance (see also Box 2), could well be the first building blocks of a comprehensive, clear and unified national approach to food governance that would also integrate foreign policy as a key area, and tool, for sustainable food security in the country.
Bibliography


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