

# World Food Programme Press Conference on the DPRK

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# World Food Programme Press Conference on the DPRK

Special Report: March 31st, 2005

By Tony Banbury

**CONTENTS** 

I. Introduction

II. Remarks by Tony Banbury

III. Nautilus Invites Your Responses

#### I. Introduction

Tony Banbury, WFP Regional Director for Asia, said: "There were three main themes that emerged in my mind from this trip. The first is that the people in the DPRK are still in great need of food aid? The second main theme I'd like to share with you is that the situation, in terms of the amount of WFP food aid going into the country these past several months, has been very good?. The last issue that is very important to touch upon is the issue of monitoring, and WFP's operating conditions?. they [the DPRK government] started putting more limits, as of September of last year, on our operating conditions, on our monitoring."

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views and opinions on contentious topics in order to identify common ground.

### **II. Remarks by Tony Banbury**

-"World Food Programme Press Conference on the DPRK" by Tony Banbury

**Tony Banbury**: I'm very happy to have a chance to meet you again, and pass on some reflections on the World Food Programme's operation in the DPRK, and some of the observations from this visit that I've just completed. It was the third visit I've made to the country. The purpose this time was, as always, to observe the WFP operation, see for myself first-hand what the situation is like, not just in Pyongyang but also on the ground among the 6.5 million WFP beneficiaries. And also to have discussions with the government on the WFP operation and how we might be able to improve it.

We met of course with government officials - senior government officials - donors, NGOs, UN agencies; then in the field with local officials, beneficiary institution leaders, beneficiaries themselves in their homes, etc. So in a relatively brief period we were able to meet with a wide cross-section of people, international and Korean, and see a lot. So I think we were able to get a pretty good impression about what the situation is like now.

We spent a couple of days in Pyongyang, but then also did a field trip to Chagang province - primarily Huichon city. This is a province that WFP had been working in for quite some time, but then access to the province was cut off by DPRK officials at the end of last year, and its just been reestablished. Its again open, we're again able to monitor our food aid there. When access was cut off we of course stopped delivering food aid - we have a consistent "no access, no food aid" policy. Now that access has been restored our food aid is again going back in. We ourselves brought a small amount of assistance with us, to a "baby home". We brought some Rice Milk Blend, which is a highly fortified blended food that, mixed into porridge, is primarily for young children. Much more assistance will be again flowing in the coming days.

While there, we were also able to visit a Public Distribution Centre, which is not something we're often able to do, and that was a positive thing. In fact, more and more frequently, we are able to visit PDCs now. And we visited a co-operative farm, and met with the vice-chairman of the farm. That also is a rather unusual event for WFP. Normally we are not able to visit co-operative farms. We had a very good visit there on this trip.

There were three main themes that emerged in my mind from this trip. The first is that the people in the DPRK are still in great need of food aid - particularly the most vulnerable people whom we're trying to help. We have a lot of statistical data to back that up, as a result of the hundreds and hundreds of monitoring visits we do, as well as a nutrition survey that was carried out by UNICEF and WFP in the DPRK last October. Perhaps you're familiar with those statistics - we can provide them for you if you want.

But my observation that people are still in need was based on much more sort of individualistic circumstances, on people that I saw. We met one woman who had a newborn baby and a four-year old daughter. We went to her home. And she had stopped sending her four-year to the nursery school because WFP assistance had been stopped. And now that WFP assistance was starting again, she said she would start sending her daughter back to school. In the meantime, though, the family was existing essentially on maize porridge and acorn meal. They find acorns in the forest and dry them and boil them into meal. It's a very sour, bitter taste that they don't particularly like. But its one of the few options they have at this time of year. This family had no access to meats of any kind, except on major holidays or special occasions. They had run out of vegetable oil, which is an

important source of fat - nutritious fat - especially for young children and nursing women. Occasionally they were able to get some beans from their in-laws. The husband's parents live in a rural area and occasionally send beans, but at the time we visited there was none in the household. So this one family was clearly in a very difficult circumstance.

We met with another family, another woman, and her food situation was more or less the same: no chicken, no meat, no eggs etc. And we asked: "do you raise any livestock - pigs, chickens, etc?" She replied that they could not afford to raise a pig, they were so poor. They had no left-over food to give a pig. This is an indication of the condition of your average family in an average North Korean city now.

On the drive up to Huichon city, the river was still frozen over at a certain part, hard-frozen. People were walking across it, riding bicycles across it. Then, a few kilometres further on, the river was running freely, but obviously still very cold. And there were people in the river with their pant-legs rolled up, trying to catch fish. I promise you that water was very, very cold, and it would have been hard simply to walk in. And these people were working, barefoot, with their pant-legs rolled up, trying to catch fish. That's one small indication - nonetheless a very telling indication - of the lengths to which people in North Korea are going to try to get some food.

On top of this, the Public Distribution System has just recently cut its ration size for the average North Korean from 300 grams a day to 250 grams a day. This glass here [holds up small glass containing rice] has 250 grams of rice. That is what people are living on in North Korea, day after day. Without any meat, proteins, vegetables - except perhaps what they're able to hunt in the forests or get from relatives in the countryside.

They are obviously suffering from, in many cases, severe malnutrition. The statistics from the nutrition survey are quite clear in that respect. More than a third of the population is chronically malnourished. About a third of the mothers in North Korea are malnourished and anaemic. So there is a continuing, very serious food crisis in the country. That's clear from the statistics, and its very clear based on observations. And it's hard to imagine anyone visiting the country would conclude differently.

One last comment on the food situation: the economic reforms, which I imagine you're all familiar with, are having an impact - in fact a big impact. As a result, some people are doing very, very well. In Pyongyang you can see more and more cars - imported cars. And restaurants, and people eating in restaurants, where a meal may cost the equivalent of five to seven times an average monthly wage. Some Koreans are doing very well, and are able to afford that. But that is a very thin stratum of society, at the very top. The large numbers, the masses of the people in the country, are living on an average wage of 2,000-3,000 won per month, more or less one euro. So the people who have that wage, and are obliged to go into the markets to buy - or try to buy - commodities to supplement what they get from the PDCs [Public Distribution Centres], to supplement this bit of rice [holds up glass containing rice], are ill-able to afford, for instance, vegetable oil, which as I mentioned a moment ago is such an important part of a diet. A litre of oil is a month's wage, or two months wages - I'm sorry, but I forget the exact statistic now, but it's far beyond the affordability of the average working family. So they're highly dependent on either humanitarian assistance, or, if they have close relatives living in the countryside who are producing excess food in their kitchen gardens and are able to transfer it.

It was very clear talking to the local officials and the people in Chagang province that they were extremely pleased that WFP food was returning. They had obviously suffered. A local official spoke in very clear and direct terms about the difficulties experienced after the WFP assistance was cut off. And he was literally ecstatic that the assistance was being resumed. The families that we spoke

to were likewise very pleased. I mentioned the food aid is influencing the decisions of households, such as the woman's decision to take her daughter out of school and to send her back. So the food aid is highly appreciated by local officials and the population.

The second main theme I'd like to share with you is that the situation, in terms of the amount of WFP food aid going into the country these past several months, has been very good. We've been fortunate. We've been in a position to feed all 6.5 million intended beneficiaries - that's about a third of the population - as a result of generous donations from Japan, ROK [Republic of Korea], others; we have had a very good what we call "pipeline" - stocks of food. That's the good news.

The bad news is those stocks are close to running out. In fact, we have already had to make some cutbacks. We've stopped giving vegetable oil to 900,000 elderly people. As of next week we'll have to stop providing vegetable oil rations to kindergarten children, nurseries and pregnant and nursing women. This vegetable oil is enriched with vitamins; it's an extremely important part of the diet for people in the situation that they are in in North Korea. Withdrawing it doesn't just make cooking more difficult; it actually has a very significant nutritional impact on the recipients. And that's happening now.

In May, WFP will stop providing pulses to 1.2 million women and children; and in June, we'll stop providing cereals - our main commodity - to about one million primary school children, pregnant and nursing women, elderly people and particularly vulnerable urban households. This is assuming we don't get additional contributions very soon.

So, as good as things have been these past few months, they're about to get much, much worse. The supplies from the crops that come in at the end of the year last a bit, but the lean season - the hardest season for people in North Korea in terms of food supply, when they have very little left over from the previous year's crops - is just about to start. So it's a very bad confluence of events where we're about to run out of food, and they're about to run out of their own food. Unless we get on a very urgent basis new contributions in the coming weeks, we're going to face these very serious cuts that I was just mentioning. And in my view the impact of those cuts could be extremely tragic, truly tragic, for the families, the children, the elderly, the very vulnerable people who WFP is trying to reach.

The last issue that is very important to touch upon is the issue of monitoring, and WFP's operating conditions. WFP has struggled with this issue from the first day we started working in the country in the mid-90s. It is a perpetual quest of ours to improve the monitoring conditions. In the course of 2003 and 2004 we had, in fact, made some great progress. We steadily increased the number of monitoring visits we were able to conduct. On average, over the years, it went from the low 200s to more than 500 visits per month. We were able to access much different kinds of information, a much wider variety of information. Not just how much food you need, but what your sources of income are, your sources of food - where else do you get food - what you are consuming, what you go forage for in the forest.

This gave us a much better understanding of household-level food security. WFP used to look at the food security issue from a national perspective: what's the total national requirement, what's the total national production, and then we'd look at helping to fill the gap. Now we are much more focused on household-level food security. What are individual households' experiences, who are the most vulnerable - is it the elderly, is it the urban poor, is it the children, is it the pregnant women? And as a result of the improvements in our monitoring in 2003-2004, we have developed a much better understanding of that. So we are better able to target our assistance to the people who need it the most.

It seems, though, that as a result of the improvements in our monitoring, there were certain segments of the North Korean authorities that were uncomfortable with WFP activities: the very large number of visits we were making, the intrusiveness of those visits - our visits into households, the very detailed questions we were asking. We were told by the North Korean authorities that this was making the people uncomfortable, and some parts of the government itself uncomfortable. So they decided to change our operating conditions. And they started putting more limits, as of September of last year, on our operating conditions, on our monitoring. And, for instance, reduced the number of visits we're able to make from more than 500 a month to down to around 300 a month. They also closed off some counties, although as I said our access to most has been reestablished. They also told us we should not ask certain types of questions which were not directly related to food aid.

We understand their concerns. I understand if I was living in my country and some foreigner decided to come up unannounced to my front door and say "let me into your kitchen, I want to ask you a half-an-hour's worth of detailed questions about you and your family and your family's practices", I'd have some doubts. So I understand that.

But we have also worked very hard to try to explain to the North Korean authorities the importance of having confidence that our food is reaching the people who need it. There are different ways to have that confidence. One way is to follow the type of practices we had in 2003-2004. But there are other ways. And in the past few months we have been having very intensive discussions with the North Korean authorities about different ways to develop the same or even greater confidence about how food aid is being used, where its going, instead of the past practice of these rather intrusive visits.

So, for instance, we are looking at having much more frequent visits to Public Distribution Centres. I indicated a few moments ago that those have been very limited. Now if we can go and observe people receiving assistance directly, and talk to them at the PDCs about their situation - similar types of questions but in a more public setting - that's one way we can get information.

Another way we can get the required information is to have focus group discussions, where, instead of one person in her living room with three government officials and three WFP people there - a rather intimidating setting - we can gather a larger number of beneficiaries and talk to them in a group setting and allow them to talk among themselves, where they might be more confident in sharing common experiences.

Another important way that we expect to have this greater confidence in where food aid is going is through baseline surveys. Where, instead of doing household visits on a regular basis across the entire year, we would do three surveys a year. We would have household visits, but a rather intensive number over a short period.

The fourth and perhaps most important element of this new system that we are discussing with the government is a commodity tracking system, where we would use an internal technical logistics commodity tracking system that includes software - in WFP we call it COMPAS and use it around the world - that helps us track a bag of food aid from the point it enters the country to the point its distributed to the beneficiary. Technical logisticians can explain how this system works using computer tracking methods, where we know where the food is the whole way through the system.

We have discussed all of this with the North Korean authorities. They agree in principle on the need for us to have the confidence we demand on how the food aid is being used. They agree in principle to develop this new system, where we would have improved quality of monitoring, even if the quantity of visits is reduced. And they agree in principle with the elements that I have just

mentioned. We are now in the process - our country team there, the country director Richard Ragan who I think some of you have met - are in the process now of trying to roll this out at the provincial level. Starting in April, officials from all the 158 counties where we deliver our assistance, where we have access, will be getting training from WFP on this new approach.

So it's not a done deal yet. We have still to implement the agreement in principle. But I'm very pleased that the government has extended its agreement in principle, has shown its understanding of our need to have confidence in the use of the food aid. It's a point that we have stressed in very explicit terms. And we have likewise stressed that if we do not have that confidence, WFP and our donors will perhaps not be in a position to provide the type of assistance we have been providing. But there is a high level of understanding, I would say, in the government on WFP's position, and I'm cautiously confident, cautiously optimistic, that in the coming weeks and months we will have successful implementation of this new monitoring system.

I am also equally sure that there will be some adjustments and changes to it on the ground as we go into implementation. That's to be expected, even desirable, if we can make some improvements on the ground. The key point, though, is whether WFP will in the end be able to say with confidence "we know how the food aid is being used". If we are successful in implementing the agreement in principle, we will have a better understanding of the use of this food aid than before, as a result primarily of this commodity tracking system. We'll have a better picture of the food aid from its entry into the country to its final consumption. What appeared to us to be a big problem in the latter part of last year has in fact turned into a very good opportunity for WFP. And I think we'll emerge in a stronger position as a result of the changes.

I'd like to make two final comments and then open it up to you all for questions. In my conversations with the government we discussed the issue of OCHA, the [UN] Office for the Coordination of Humanitarian Affairs. It was reported in the press a few weeks back that the government had decided to close the OCHA office in Pyongyang. I was assured categorically and repeatedly by authoritative officials from the foreign ministry that there has been no decision to close the OCHA office in the DPRK. They made that very clear to me and asked me to pass that on to our colleagues at the UN in New York, Geneva and Rome, and also to all of you. The OCHA office in the DPRK is not being closed.

The DPRK government had said that they didn't see a need for the OCHA official in Pyongyang, whose contract ends in August, to continue, because they thought that his role was just tied to the CAP [Consolidated Appeals Process], which the DPRK government has said they no longer want. When the acting Humanitarian Coordinator, Mr. Ragan, explained in greater detail to the government that the role of OCHA went beyond the CAP, they expressed understanding, and an openness and a willingness to allow an OCHA presence to continue in the country. This is an issue that will be discussed when a new UN Resident Coordinator/Humanitarian Coordinator arrives in the country in April. But as of now there is an OCHA official and there is no decision to close the OCHA office.

The last point I'd like to make is on issue which I'm frankly surprised continues to appear again and again in the press: reports of WFP food aid in the markets, and pictures of WFP food aid bags in the markets. This is nonsense. The economy in North Korea is so bad that they re-use everything. And the bags that WFP uses for food aid are very sturdy, heavy-duty bags that are designed to last a long time so they won't burst open and have the food aid spill out and get wasted. These bags can last years and years. They are being used for all kinds of things in the DPRK. They are being used for tablecloths. Does this mean that WFP is providing tablecloths to the people of North Korea? No.

We saw in a warehouse a WFP bag that said "Wheat - Gift of Russia to the people of North Korea",

and it was filled with locally produced beans. They re-use these bags, and the fact that a WFP bag shows up in a market in North Korea or any other country does not in any way suggest WFP food aid is being diverted to the markets. And it is frankly irresponsible for people to suggest it does. Because it is ignoring completely the reality and the facts of how the economy works and the habits of people - which are to use every last item of value in the country they can. And these bags are, frankly, valuable items and do get re-used. I'm pleased they get re-used. It would be nonsensical to think that as soon as the food is consumed they're somehow throwing these bags out. It's simply not the case. So, for NGOs who constantly repeat this, I encourage you to ask any of them to go to North Korea and see for themselves - or you to see for yourselves - that this is just utter nonsense. And if any of you have a report and think this is happening, or are tempted to report it, please contact Mr [Gerald] Bourke [WFP Public Information Officer in Beijing] or myself and we'll be happy to repeat that this is just not happening.

I'd be happy to answer any questions anyone might have. Thanks.

**Morgenavisen Jyllands-Posten (Denmark)**: I noted you said that people in the cities have to rely either on food aid or relatives in the countryside. Does this mean that people in the countryside are better off than those in the cities?

**Banbury**: It's a multi-tiered economy in North Korea. There is this thin stratum of elite that I referred to who are doing quite well. There then are the workers, basically, who were employed in factories and live in urban environments. Many of these factories are no longer producing anything. And these workers used to be able to rely upon a guaranteed state salary. That state salary is often no longer coming - they have to rely on the production of the factory to pay their salaries. If the factory is not producing, the salary's not there. Many of these factories are sitting idle and the workers are in fact no longer even employed. These people are indeed very vulnerable. They're a new category of vulnerable people that WFP started paying close attention to about a year ago, or 18 months ago, after these economic reforms.

In the countryside, it's a real mixed story. The farmers tend to be better off, at least in terms of their food situation. We do not generally provide food assistance to farmers. Their daily ration from the government is 600 grams, compared to the 250 grams, or in some cases 200 grams, that other people get. 600 grams a day is probably still much less than any of us in this room consume, particularly if you consider all the commodities we consume - not just grain. But relative to other people in North Korea, the farmers tend to be better off. However, there's an interesting dynamic occurring now, and this became apparent to us during our visit to the co-operative farm and talking to others: there is such a thing as a cash crop in North Korea now. That never existed in the past. Farmers can get more money producing vegetables, fruits, and selling those in the market, than in producing the staple grains such as maize or rice or potatoes.

There are people who are not in a good situation. This is particularly true of children, or elderly people. When we visit hospitals or "baby homes" [orphanages] and identify the particularly malnourished and ask where they're from, it surprises us to find that sometimes they come from cooperative farms, farming families. And it's a little unclear to me what is the explanation for that. Oftentimes malnutrition is as much a result of care practices as food availability. Its hygiene, its the diet itself - what is fed, not just the total quantity - but also are you trying to ensure that the children get some protein, some animal fat. So, as a general matter, farmers are the best off in terms of food. But it's a mixed picture.

**Public Radio International**: The areas where WFP was cut off from monitoring: any idea why those particular areas were chosen? Do you think it was arbitrary, that the government was trying to make a point that it didn't want you doing as much visiting as you had done? Or was there some

reason why those particular areas were chosen?

**Banbury**: The short answer is we don't know. We heard all kinds of speculation. None of it was based on reality as far as I could tell. It was a brief period of cut-off, and one of the interesting points that I should have mentioned earlier is that when WFP assistance was no longer being provided to those counties, the assistance was not made up by state authorities. We asked about that: How did you get by? Did you reduce the ration? Did you get more food? And, in fact, they just had to do with less. Which also tells you something. This area where we were is known for its production of tools. They don't produce much food. It's a very hilly, mountainous area, it's a very food insecure area, and they trade tools with other provinces in exchange for grains. But they were not able to make up the difference at all, and they really suffered as a result. Which raises real concerns for us - they're longstanding concerns - about the food security situation in the counties to which we don't have access.

**Public Radio International**: Are you at all concerned that food aid is going to become a political tool as the United States and other countries start putting more pressure on North Korea to come back to negotiating table? You're running out of stocks at the moment. How confident are you that the US and other major donors are going to continue to give the way they have been?

**Banbury**: WFP is of course always concerned if food aid is used in any way in a political manner. We believe strongly that decisions on food aid should be made on purely humanitarian grounds. The US has consistently said - the President of the United States has said, the Secretary of State has consistently said - they will not use food aid as a weapon. And I believe that is the United States policy. In our discussions with the US, they have repeatedly, repeatedly stressed the monitoring issue. As there have been problems, the US contributions have reflected those problems. I'm quite hopeful that, as we're able to implement this new monitoring system I was talking about, the US will have the confidence that we have that its improved and they'll give more than they have been giving. That's certainly our hope and expectation.

**Asahi Shimbun**: North Korea cut the PDS ration from 300 to 250 grams. Why? Did North Korean officials give you an explanation?

**Banbury**: Its simply because they do not have enough food. Its lack of availability of food - food supply.

Asahi Shimbun: But according to WFP reports, harvests are better, no?

**Banbury**: There were also cuts last year. There are cuts basically every year, depending on the time of the year. It's no surprise that they've cut it to 250. I think that's something we more or less expected. It was just a question of when. And as I mentioned, in some cases the ration has been cut to 200 grams a day. That's a very clear indication of the continued food shortages in the country. If they had the food - particularly now during the winter months, and its very cold there - they would be giving the food, I believe.

**Asahi Shimbun**: We can see this ration cut transferred to the army?

**Banbury**: WFP did not see that. I believe that the army is being well fed. It's only natural to assume that the North Korean authorities are providing adequate food to their army. There's a standing policy to put the needs of the army first. That's the North Korean policy. So it only makes sense to assume that the army is being well fed.

One thing that's very important for all of us to keep in mind is that food is needed in the country

right now very badly. But it's the people who need the food, not the government, and not the army. The government's going to be okay; the army is going to be okay. I'm not worried about them. I am very worried about the people in North Korea, these very poor people in rural areas, in urban areas. Imagine eating maize porridge and dried acorn meal every day, day after day, and not having anything else to feed your child. Imagine not having fat or protein to feed your child. They're in a very difficult situation.

**EFE (Spanish news agency)**: You mention that North Korea is running out of food. Is WFP preparing any campaign to get more food from private donors? Are you going to call for more donations from the West - Europe, America - or other main donors like China, Japan, South Korea. My second question is: do you think the nuclear crisis is directly affecting the lives of the North Koreans?

**Banbury**: WFP will be appealing to a very wide cross-section of donors and potential donors to urgently provide new donations to our operation in North Korea. We particularly need cash donations, because we need cash to buy food in the region in order to get it into the country in time to avoid the looming cuts that I was talking about. We will be appealing to traditional donors. Though you mentioned China as a traditional donor, China has never provided any assistance through WFP to North Korea. But we will be talking to the main donors that we have traditionally relied upon. That's the United States, South Korea and Japan. We have also received important donations in the past from the European Union, from Australia, from Italy and a number of others. So we will be appealing to the big donors, the medium donors, the little donors, and those who have not donated in the past.

And we will be appealing to the private sector in South Korea. We have started a campaign in South Korea to raise resources for the programme in North Korea. We believe that there is a strong sense of solidarity between the people in South Korea and the people in North Korea, and a concern among the people in South Korea for the situation of the average person in North Korea. His Excellency President Kim Dae Jung, former president of South Korea, has agreed to serve as the honorary chairman of the World Food Programme's Senior Advisory Council in South Korea. This is a private sector grouping that will be working to raise funds from the private sector, and President Kim Dae Jung's role in that is obviously a very important one.

With respect to your second question, it would really be political speculation for me, and I prefer to avoid the realm of politics as well as speculation, so I don't feel comfortable answering your question. Just perhaps to make an appeal that, in making decisions on providing assistance to North Korea, humanitarian concerns take precedence, because as I said a moment ago, its not the government that needs the food, it's the people of North Korea who need the food.

**Associated Press**: Two questions. The first is: we've heard about these economic reforms, and you mentioned them again today. Can you tell us whether you see that they are having an effect on the average North Korean, say, in food terms, the bottom 90 per cent? Do they appear to be having an influence on food production, food availability to the general public? Second, on the new monitoring system: it sounds as if you're settling in for the very long term. Do you see this situation in North Korea just becoming a decades-long situation where the outside world is going to have to continue to feed ordinary North Koreans? Or do you see a time when North Korea can produce enough or buy enough from abroad to feed its people?

**Banbury**: With respect to your first question, there clearly is a very significant impact. In fact, there are many different kinds of impacts. The main one, though, is that salaries of workers, government officials etc. have risen, giving them more income. But prices of basic commodities - foodstuffs - have risen much more dramatically. So their purchasing power has decreased. They're less able to buy

things. That's very clear. The prices of foodstuffs have doubled, tripled, quadrupled. The prices of staples, vegetable oil, meat, the high-value items. For people who are able to benefit from the economy somehow - the winners - they're able to make money, whether its from working in a restaurant, or through trading, then they're doing okay. But for people who are relying upon traditional income sources, they're clearly in a worse position. And that's making us think that - and in fact this relates to your second question - maybe instead of 6.5 million people, WFP should be feeding 7.5 or 8.5 million people in North Korea. Because the number 6.5 million more or less is the same as we were providing assistance to when the reforms were implemented. And the number of winners compared to the number of losers in the economy as a result of these reforms is much smaller.

With respect to your second question, it's always the happiest day of WFP's involvement in a country when it's no longer needed there. In the case of China - we have been providing assistance in China for 25 years - assistance will end this year. WFP will no longer provide humanitarian assistance in China after 2005. And that's a great thing. In the case of DPRK, one day we will stop providing assistance there. In some countries - Ethiopia, for example - it's gone on for decades and decades. I hope that won't be the case in the DPRK. But until there are significant changes in the economy that allow people to earn a living wage and provide for their families, I think our assistance will be required. And its absence would be a very serious hardship on literally millions and millions of people. I hope its not long, I hope its next year that we can leave. My guess is it'll be a little more than that.

**Danish Radio**: You said maybe you should be feeding 7.5 million, or 8.5 million. Why is the number still 6.5 million?

**Banbury**: The number this year is in fact larger than last year. The number is based on our best assessment of the economic conditions in the country and the most vulnerable people. We are providing assistance now to especially vulnerable urban households, which is a new category of beneficiaries for WFP. Two years ago we were not providing assistance to them because they had this guaranteed state salary, and prices were flat. So our numbers do change according to circumstances. Each year we come up with a new programme for the next year on how many people we think need our assistance. Depending on developments this year, and on our assessment that will be done in September-October, we may well change that.

But it will also depend to a very large degree on the government. And as I repeatedly stressed to the officials there, they need to help us help them - help their people. They have to create the necessary conditions to allow us to operate with confidence. And if they do not do so, then it would be harder to justify continued increases in the numbers of people. It would be easy to justify in terms of their need. It would be harder to justify to our donors why we would want to continue to expand if the North Korean authorities are trying to constrict our operating conditions. But, based on my cautious optimism that we will have a better monitoring system in place in the coming weeks and months, and the changing economic conditions, next year we may well try to provide assistance to more.

Danish Radio: How many more?

**Banbury**: It's too early to tell. It's a very technical assessment. It's based on visits to all the provinces, it's based on a crop assessment, its based on analysis of all the household visits we do. We don't just whistle it up - it's a scientific assessment.

**Deutsche Presse-Agentur (German news agency)**: Two questions: Do you have any numbers now for the inflation rate? And what about the exchange rate - black market and official rate, the difference? And the second question: last year Japan gave a very generous donation to the WFP

programme, I think because of the Koizumi visit at that time. So at that time I think somehow political considerations influenced WFP in a very positive way. But that also means that maybe political considerations can influence WFP's programme this year in a negative way.

**Banbury**: We have some pretty good statistics on inflation that we can share with you after the meeting. I don't have them in front of me. And it varies very much according to the commodity. Some commodities have seen very steep rises; some have seen more moderate rises. But we can give you the specifics.

In terms of the [market] exchange rate, I think it's about 3,000 won per euro, and the official rate is 180 won to the euro.

The average salary for a worker or mid-level government official is about 2,000 won per month - less than a euro at the market rate. Think about getting by on a euro a month. Okay, prices are lower there, but they're not that much lower. A euro a month, and that rice a day [points to glass of rice] - these people are suffering. People have talked about how the situation is improving, they're producing more food - but the people we saw, their situation is not improving.

With respect to your second question: the government of Japan announced a very generous donation last year - 250,000 tonnes, which is equal to basically half our annual requirement. They have so far provided 125,000 tonnes, half of what they promised. We hope very much that they will soon be in a position to provide the other half. Obviously we're having discussions with them about that, the second half of the contribution.

Different governments decide to provide assistance for different reasons. For WFP - a humanitarian organisation, with only humanitarian considerations - we are very grateful for Japan's contribution. We understand that the Japanese government and the Japanese people have certain concerns and sensitivities with respect to their bilateral relations and the issue of Japanese people who are missing, who have been abducted. Those are very understandable, legitimate concerns, and it's not for WFP to question them. We respect whatever decision the government will take. But we hope they will provide the second half of the contribution.

**Agence France Presse**: I'm wondering why the market-driven reforms for the agricultural sector don't lead to an increase in production, since now they're also allowed to raise cash crops and sell in the markets. It's a little bit the same thing that happened in China 20 years ago. But then, at the same time, why is production of food in general not increasing?

Banbury: I can guess, and give you my best sense. I may be wrong, though. It's my impression that there's not necessarily increased production, but a diversified production. The grain supply may be more or less stable, but where there is an ability to produce more, farmers are increasingly interested in producing cash crops - something they can go sell in the market and don't need to turn over to the state at a lower price. I think farmers are also, if they're able to meet their quota - this is just sort of common sense, based on human nature - rather than put in more effort to produce additional stocks for the government that they'll get little benefit from, they'll diversify and produce cash crops either on the co-operative farm, that keeps some of it, or on their own family plots. There are a lot more family gardens now than there used to be, where families, anyone who has a little land, are growing something. For their own consumption, or to sell in the market if they have enough. The production is being diversified and channeled into the private markets. As I said earlier, the total grain supply, I don't think, is growing. I don't know if it'll shrink, but there's more attention into these other areas.

In addition, there are still very severe shortages of inputs into the farming sector. Fertiliser is a big

problem this year. Fuel for tractors: big, big problem. Tractors themselves certainly a big problem, for lack of spare parts. And even when they produce, their post-harvest losses tend to be very high because of lack of equipment to move the crops from the field into the storage facilities, and lack of adequate storage facilities. So, to produce more and more grain, they might have a point of diminishing returns because they're frankly not able to get it into storage facilities, and store it. That's my impression. I'm not an expert. I may be wrong, as I said. But I think that's what's happening.

**Kyodo News**: My question is regarding North Korea's attitude towards international aid. I've heard that from September they began calling for longer- term development aid, and that may be why you have problems with monitoring. Did you notice any changes in their attitude, or is that still what they're saying?

**Banbury**: The North Korean authorities still say that they would like to transition to more long-term development assistance. However, at the same time, they reaffirm their commitment to humanitarian assistance - certainly WFP humanitarian assistance. They want us to meet the entire target that we have for the year; they want us to bring in all the food that we've said we will try to bring in. They are trying to improve our operating conditions. So they remain quite committed to the WFP programme, even though I think it would be their preference to transition to more development assistance. But to achieve that, they're going to have to convince some donors that that's the way to go. I think they're going to continue receiving humanitarian assistance - and wanting to receive it - until they successfully make that transition. And so far, the development assistance isn't there.

**Deutsche Presse-Agentur**: Do you think that in the next couple of months the Public Distribution System will maybe run out of stocks?

**Banbury**: I don't think the Public Distribution System will entirely run out. I think it's entirely possible that the ration will be reduced further: 250 grams down to 200, or whatever; fewer commodities. But I think its unlikely, in my experience, to my knowledge of the past, they've never totally stopped. So that's probably unlikely. But WFP assistance, that could completely run out. So much of that assistance is going to really vulnerable populations. Kids who should not be eating only maize; kids who really need protein. You go to these "baby homes", these orphanages and schools, and you know?Someone once said "a hungry child knows no politics", and its clear that those kids need assistance. And the elderly too. I mean, my goodness, these elderly people?it breaks your heart to see them...eating maize and acorn meal.

**Deutsche Presse-Agentur**: One more question, on the nuclear issue. There's been a kind of hardening of the political attitude of the North Korean government. In your talks with the North Korean side, did you discover a similar hardening? Is the political climate different now than before?

Banbury: The climate for WFP, I think, is better now than it was eight months ago, or seven months ago. There was a period in the latter third of last year, where, as a result I think of several factors, the overall climate became more difficult. And WFP was impacted by that. But as a result of very determined efforts on the part of WFP and our team in Pyongyang, the government understands that we are not a political actor; we are a humanitarian actor with a humanitarian agenda, who is really trying to help needy North Korean people. And they appreciate that, I believe. As a result, we enjoy quite good support from our interlocutors in the government. Of course, we do not meet with all segments of the government. There are different parts of the government with different responsibilities. But with the part that we're working with, I think, the relationship is better. They were a bit caught, perhaps, in the past. The fact that they're now able to work in a more constructive manner with us on technical matters suggests that perhaps there's a generally improved climate.

Thank you very much.

### **III. Nautilus Invites Your Responses**

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: <a href="mailto:bscott@nautilus.org">bscott@nautilus.org</a>. Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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