

## Food aid and food assistance in emergency and transitional contexts

### A review of current thinking

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This HPG Synthesis Paper is based on the findings of a review of changes in food aid and food assistance policies and strategies carried out between January and May 2010 for the German Federal Ministry for Economic Cooperation and Development (BMZ). The full report is available from the HPG website at [www.odi.org.uk/hpg](http://www.odi.org.uk/hpg).

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Patterns of global food insecurity have changed dramatically over the last decade, with a rise in the number of extreme natural disasters, the persistence of conflict in some countries and overall growth in the number of major humanitarian emergencies. Large-scale emergencies occurred every year, from the Darfur conflict which started in 2003 to the earthquakes in Haiti, Chile and China in 2010. Many countries are now suffering protracted food emergencies; ten countries in Sub-Saharan Africa have declared a food emergency every year for the past ten years. At the same time the nature of the response has changed, as key donors move from in-kind food aid to local and regional procurement. Cash transfers have increased, and social protection and hunger safety nets, such as the Ethiopia Productive Safety Net Programme (PSNP) and the Hunger Safety Net Programme (HSNP) in Kenya, are playing an increasingly important role. Efforts to reform the humanitarian system and to develop a new food security architecture, including debate around the future of the Food Aid Convention (FAC), are additional areas of change. For all of these reasons, now is an opportune moment to review food aid and food assistance policy and practice.

#### From food aid to food assistance

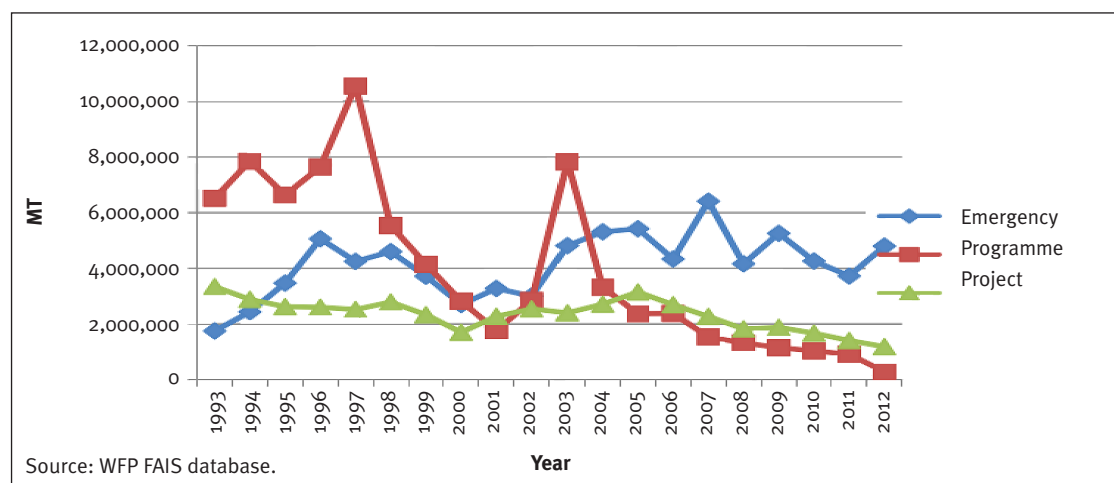
Donors and aid agencies are increasingly using the term food *assistance* as an alternative to food *aid*. A major reason for the shift in terminology is to include the provision of cash for food-related purposes within definitions of food assistance. However, different stakeholders define food assistance in very different ways. Some definitions embrace all interventions that address food insecurity and nutrition (including in-kind food aid, cash transfers and some forms

of production and market support), while others limit food assistance to *direct* food and cash-based transfers. This definitional confusion raises important conceptual and practical issues, particularly for donors with separate food assistance budget lines, or where food assistance is part of humanitarian budgets and food security part of development budgets. Whether food assistance should be purely humanitarian or whether it should also be used as part of development assistance is another area of debate.

The confusion over definitions complicates the tracking of food aid and food assistance. There is no satisfactory statistical data on food assistance broadly defined, although funding of cash-based transfers has apparently increased. Food aid more narrowly defined – as internationally funded, concessional food commodities – is tracked by the World Food Programme (WFP) through the International Food Aid Information System (INTERFAIS), a database showing the interactions of donor governments, international organisations, NGOs, recipient countries and WFP field offices.

#### Key trends

Three main trends can be observed in terms of food aid. First, emergency relief is accounting for an increasingly large percentage of overall food aid, with a decline in its use for development purposes. Second, support for local and regional procurement of food aid is growing. Third, non-OECD-DAC governments are becoming increasingly important funders of food aid. Between 1996/98 and 2006/08, the share of emergency aid rose from 38% to 66% of all food aid, whilst programme aid shrank from 33% to 12%. Project aid also

**Figure 1: Changes in emergency, programme and project food aid, 1989–2008**

declined over the decade, from 28% to 22%, as did monetisation (Figure 1).

Food has traditionally formed a large part of humanitarian sectoral requirements inside the Consolidated Appeal Process (CAP).<sup>1</sup> Humanitarian assistance levels have increased since 2000, especially from 2005 onwards, coinciding with the inception of pooled funding mechanisms for humanitarian aid contributions (the Central Emergency Response Fund (CERF)). Overall, even though food aid levels have declined, food aid remains the largest component (25–30%) of humanitarian assistance.

Local and regional procurement has dramatically increased, both in absolute terms and as a share of food aid. The commodity composition of food aid is also changing, from predominantly wheat towards maize and other coarse grains. A growing number of donors have made their funding more flexible to allow for local and regional purchase (LRP) and other triangular transactions. The major exception is the US; the US Congress only approved a small trial programme of local purchasing with food aid funds from the US Department of Agriculture in 2007. However, the US has been a significant funder of local procurement under non-food aid budget lines.

Local purchases and other untied (triangular) procurement practices have been found in almost all cases to be cheaper and faster than tied in-kind aid. Concerns raised about local procurement, usually by those who least support this development, are no different from concerns around importing tied food aid, including the potential disruption of local markets, quality control and competitive bidding. Local and regional procurement is also considered to have the potential to deliver development benefits to local markets and farmers. Initiatives such as

<sup>1</sup> Development Initiatives, *GHA Report 2009* (London: Global Humanitarian Assistance, 2009).

WFP's Purchase for Progress specifically attempt to maximise positive impacts for smallholders.

The major food aid donors remain largely unchanged. The US provides around half of all food aid. Other major donors are the European Union (EU), its member states, Canada and Japan. Non-DAC donors are emerging as significant but less predictable funders: in 2008, for example, Saudi Arabia was a major donor, and non-DAC funding accounted for 20% of all food aid. An increasing number of governments (for example South Sudan, India and Kenya) provide contributions to WFP operations in their own countries.

The top five recipient countries in 2008 were Ethiopia, Sudan, Somalia, Zimbabwe and Afghanistan – receiving a total of 2.6 million tonnes of emergency food aid and representing 54% of the total delivered. Countries experiencing protracted crises and which have already been receiving food aid for extended periods tend to dominate the food aid recipient list.

### Food security architecture

The global spike in food prices, the financial crisis and the economic recession have all given impetus to efforts to re-examine food security at an international level, and there have been a number of important recent developments. In response to high food prices, the United Nations has established a High-Level Task Force (HLTF) and a Comprehensive Framework of Action (CFA), and a reformed Committee on World Food Security (CFS) was endorsed at the World Summit on Food Security in November 2009. At the L'Aquila G8 summit in July 2009, governments pledged a total of \$20 billion, including a significant proportion of new financial commitments. A new food security cluster, part of the sectoral coordination mechanism for humanitarian crises and jointly led by WFP and FAO, was agreed in early 2010. The World Bank Group

set up the Global Food Crisis Response Program (GFRP) in May 2008 to provide immediate relief to countries hit by high food prices, and in early 2010 established the Global Agriculture and Food Security Program (GAFSP) trust fund. The UN secretary general identified the right to food as a third track of the Comprehensive Framework for Action at the Madrid High Level Conference on Food Security in January 2009, and the UN High-Level Task Force has emphasised the need to address all aspects of food systems from a human rights perspective; in line with this aim, the Office of the UN High Commissioner for Human Rights (OHCHR) has joined the High Level Task Force.<sup>2</sup>

The future of the Food Aid Convention (FAC) is of significant importance.<sup>3</sup> The FAC became the subject of informal discussions in December 2009. There are contrasting views amongst signatories and other stakeholders about the future of the FAC, which is the only legal instrument for ensuring minimum levels of food aid. Some governments consider it an irrelevance linked to a past era of surplus food disposal and food aid in-kind. Nevertheless, those taking the view that it can and should be revitalised as a key component of a new food security architecture have been given an opportunity to find a widely acceptable formula when the G8 development ministers in April affirmed their belief 'in a FAC for the 21st century that focuses on providing appropriate and effective food assistance to vulnerable populations'. Key unresolved issues include:

- The basic purpose of the FAC.
- Should the FAC continue to be concerned with trade issues through a link to the Agreement on Agriculture of the WTO?
- If not, where should the agreement be based, at the IGC, within the Rome-based FAO food security structure or conceivably as an aid funders' agreement within the OECD aid architecture?
- What should be included as contributions: all forms of food assistance (when there is an agreed definition), or only humanitarian assistance?
- How should these commitments be expressed: wholly as cash, physically in tonnage terms or in some combination, as previously?
- FAC membership would open to new funders

<sup>2</sup> United Nations, *Progress Report, April 2008–October 2009*, UN High-Level Task Force on the Global Food Security Crisis, 2009.

<sup>3</sup> The FAC is a stand-alone agreement housed under the International Grains Council, with links to the WTO Agreement on Agriculture. FAC signatories (Argentina, Australia, Canada, the EU (on behalf of member states), Japan, Norway, Switzerland and the US) pledge to provide annual minimum amounts of food aid. Under the current (1999) arrangements, the overall commitment is some 5.4m tonnes of commodities and €130m in cash to buy and ship food by the EU.

willing to make minimum annual commitments, but should membership also be extended to include representatives of recipient partner countries or even civil society?

- Monitoring and reporting are weak, so how can these be made more effective?
- Overall, is there going to be a collective interest, sufficient ingenuity amongst the negotiators and the political will to overcome differences?

The possible outcomes appear to include two broad options.<sup>4</sup> First there is a minimalist option, perhaps involving relabelling the FAC as a Food Assistance (as opposed to Food Aid) Convention, bringing in more funders and allowing cash funding of a wider range of assistance. The more radical option would be to redefine the FAC's role, focusing more explicitly on assuring humanitarian assistance against global market and donor financial pressures and severing the trade connection, relocation to Paris or Rome and introducing genuine monitoring and peer review of performance (both of which are currently lacking).

### The food assistance 'toolbox'

The debate around definitions of 'food assistance' means that clarity is lacking with regard to what instruments are to be included within the food assistance 'toolbox', and what should be seen as broader food security, social protection or poverty interventions.

Food assistance instruments might include direct food-based transfers (such as general rations, food-for-work, supplementary feeding or vulnerable group feeding and school feeding), food subsidies, cash transfers and vouchers (including school or user fee waivers) and agricultural and livestock support. Food subsidies, fee waivers and livestock support are rarely considered to be part of food assistance, but do fit some definitions. Further ambiguity remains over when cash transfers should be counted as food assistance, and what forms of support to agricultural production (seed provision, fertiliser subsidies and extension services) and what aspects of nutritional interventions should count as food assistance.

There are several key areas of debate and innovation in how food assistance is assessed, targeted and delivered. The Sphere minimum standards for disaster response are currently being revised; there is growing use of cash transfers, a renewed focus on the nutritional aspects of food aid and continued debates around the effectiveness of school feeding. The Sphere Handbook includes a chapter devoted to food security and nutrition, which now includes minimum standards on cash and voucher transfers. In a separate initiative,<sup>4</sup> Ed Clay, *A Future Food Aid or Food Assistance Convention?*, ODI Background Paper 6, 2010.

livestock emergency standards have recently been developed.<sup>5</sup>

Advances have also been made in assessment, including the Integrated Phase Classification for classifying populations according to severity of food insecurity, and the incorporation of protection into food security and livelihoods assessments in complex emergencies. However, links between assessments and analyses of response options remain generally weak. For example, studies of food aid targeting over the past decade have repeatedly shown that food is redistributed or shared, but this has not led to changes in programming.

Providing people with money can prove an appropriate alternative or complement to food aid and other forms of in-kind assistance.<sup>6</sup> Policy positions, for example of most European agencies, have been revised to include cash transfers within broader definitions of food assistance, and in practice the use of cash in responding to disasters is growing. Cash transfers, however, still only constitute a small proportion of overall humanitarian assistance.

There has also been an increased emphasis on improving nutrition, in particular the treatment of malnutrition and the nutritional impact of food aid. Approaches for treating severe acute malnutrition have shifted from centre-based therapeutic feeding to the widespread adoption of community-based management of acute malnutrition (CMAM). Approaches to address moderate acute malnutrition are also under review, given the generally low impact of supplementary feeding. Debates on school feeding continue: there are widely diverging views and a lack of conclusive evidence that it is effectively meeting its objectives of improving the nutrition of the most vulnerable groups, encouraging school attendance among the poorest or providing a safety net. School feeding in emergencies in particular has been questioned.

### Challenges for the future

Food aid continues to make up a large component of humanitarian appeals and remains an important tool in responding to crises. The continuing move away from tied in-kind to untied food aid, growing levels of local and regional procurement and the increasing use of cash-based transfers have led to greater flexibility in responding to food crises. A number of challenges remain, however, if food assistance is to become a more effective tool in emergency and transitional contexts.

<sup>5</sup> C. Watson and A. Catley, *Livelihoods, Livestock and Humanitarian Response: The Livestock Emergency Guidelines and Standards*, HPN Network Paper 64 (London: ODI, 2008).

<sup>6</sup> Paul Harvey, *Cash-based Responses in Emergencies*, HPG Report 24 (London: ODI, 2007).

The broader concept of food assistance is gradually replacing the narrower notion of food aid. However, there is no common understanding within the international community about terms and definitions, and it is becoming increasingly unclear what fits within the food assistance toolbox. Funders and operational agencies need to decide whether to adopt a separate food aid or food assistance policy, or simply regard food aid, cash and agricultural inputs as part of the wider range of instruments available to tackle food insecurity.

There are also broader questions to do with the food security architecture. Exactly how should the CFS, the food security cluster and a possible new FAC relate to each other? The revision of the FAC will need to answer key questions on the purpose of the agreement, the nature of commitments, how to express these commitments, its location, membership and monitoring and reporting requirements. In addition, the nature and shape of non-DAC funding for food assistance needs further examination.

There are five priority areas for action:

- developing a new food security architecture which incorporates food assistance;
- working towards greater clarity of terms and definitions;
- where appropriate, continuing to expand beyond food aid to the use of cash and a broader food assistance toolbox;
- linking food assistance more clearly to the expansion of social assistance within national social protection strategies; and
- linking food assistance more clearly to overall nutrition strategies that address treatment as well as underlying causes.

These areas of action should be addressed in a number of contexts, from the highest levels of the UN to the G20/G8 to agencies implementing food assistance programmes on the ground. This needs to be done in a consistent and joined-up manner. These are genuine challenges, which will require serious thought and careful negotiations amongst stakeholders. We should be clear that the default policy option is to allow food aid to continue its decline into near irrelevance and put nothing else robust in its place. In a context where problems of food insecurity as a result of disasters are likely to increase as a result of climate change, and where large numbers of people experience protracted crisis, the need for a flexible, coherent and accountable system to meet the needs of food insecure and malnourished people should be an urgent priority for the international aid system.