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Towards Goal-Oriented, Evidence-Based U.S. Food Aid Policy

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Goals

Save lives (humanitarian response):

Americans are a generous people with a heart for the poor.

Need has increased sharply: # of food emergencies has doubled and # people affected tripled in past 20 years.

Must follow the *Golden Hour principle*: quick, appropriate, cost-effective response ... no more Katrinas!

Build livelihoods (development assistance):

Especially in today's world, must foster hope and progress.

Roughly 3 billion live on \$2/day or less and an equal number suffer (macro- or micro-nutrient) undernutrition.

To end this, must protect the poor's assets and foster market-based solutions to poverty and hunger.



Key implications:

- (1) Do no harm!** Do not disrupt markets and do not limit emergency response options. There are serious risks associated with (i) untargeted (monetized) food aid, (ii) hard earmarks (the “risky box”) and (iii) lack of local/regional purchase option for emergency aid.

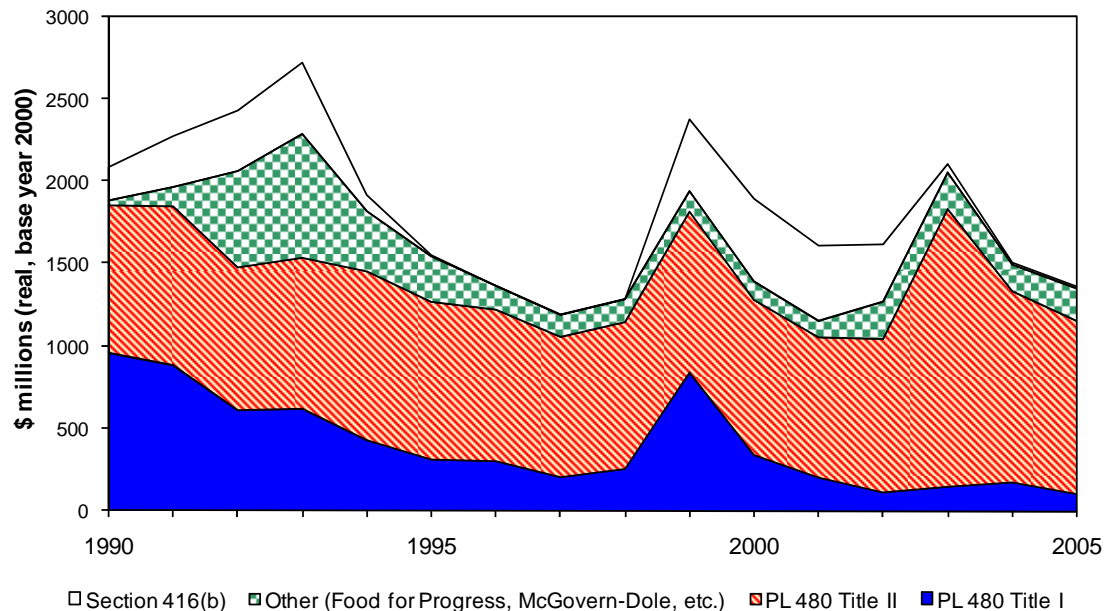
- (2) Improved focus of food aid:** Applaud retitling of act and elimination of trade promotion objective ... long overdue: ineffective, even counter-productive.

- (3) Need flexibility:** Each emergency is different and each development context has unique features. Top-down diktats are unhelpful, even harmful.



Resources down sharply

Real food aid dollars down 49.8% since 1993 and share received by poor people eroding even faster due to rising food prices and freight costs. US food aid will soon become an empty gesture (except to “Iron triangle” beneficiaries) if real reforms not enacted to improve efficiency and effectiveness.





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Emergency Response

Increased demand for emergency assistance

Title II was 51% non-emergency in 2001; only 21% non-emergency in 2005 ... for a good reason. Limiting emergency response so as to restore non-emergency is unconscionable.

Indeed, USAID has needed supplemental emergency food aid funds in 5 of last 6 years ... \$350 mn new request. And Bill Emerson Humanitarian Trust in shambles: used only 3 times each decade (80s/90s) ... but used 6 times since June 2002 ... increasing, under-appropriated emergency food aid needs.

Median time to delivery remains nearly five months. Pre-positioning is good, but helps at margin only. And being slow is expensive and deadly! Niger 2004-5 example.



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Emergency Response

So need to make better use of increasingly scarce resources to address humanitarian emergencies where and when they emerge: more efficient, more timely, more appropriate.

A better way:

- (1) **BEHT reforms** (replenishment, authority, holding cash) and real resources for non-emergency, not gimmicks.
- (2) Authorize **local and regional purchase** as an option where it allows quicker, more efficient response.
- (3) Explore **financial contracts** as market-based means to leverage private capital and improve timeliness.
- (4) **Improve nutritional quality** by using more locally appropriate ready-to-use therapeutic foods.



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Non-Emergency

Need to improve efficiency and flexibility

Huge waste still on freight costs due to poor practices, procurement bunching and cargo preference.

Monetization has skyrocketed (10% 1990-1 to 60% 2001-5), but remains hugely inefficient and risks real damage to markets and trade ... untargeted food aid has real commercial market displacement and price volatility effects. By contrast, targeted food aid has few if any such effects but yields significant health and nutritional gains.

Applaud USAID initiative to better link emergency and non-emergency programs ... can't be mile wide, inch deep.



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Non-Emergency

Desirable reforms

- 1) **Reform cargo preference** (only US-*owned* and flagged vessels certified as militarily useful eligible; end double-dipping with Maritime Subsidy Program).
- 2) Need for cash as complement to food in programming: put all current monetized food aid dollars into **expanded 202e and ITSH** (for emergency and non-emergency food aid). **End untargeted monetization.**
- 3) **Consolidate programs** to save administrative costs.
- 4) **Reform Bellmon certification** requirements: serious conflict of interest and quality control issues.



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Conclusions

US Remains the Global Leader in Food Aid

... but only by scale of contribution (55-60% most years).

Our programs are shrinking, and relative to other donors are becoming less efficient and less effective. Other donors have adapted better to evolving best practices.

By failing to adapt a 50 year old model to current needs and lessons learned/best practices, the United States is losing our leadership role in global food aid, humanitarian response and development assistance.

We do good, but we can do a lot better.



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Thank you for your time, comments and interest!

