



The Future of Food Assistance

The world is facing unprecedented levels of humanitarian need. Globally, approximately 60 million people are displaced by conflict—the largest amount ever recorded. There are four ongoing Level 3 crises - the highest UN designation - in South Sudan, Iraq, Syria, and Yemen, even as El Nino threatens to impact millions of already food insecure populations from Central America to East Africa.

In the FY 2017 budget request, the President seeks additional flexibilities for the Food for Peace Title II account that will allow USAID to reach about two million more people in emergency crises each year with the requested resources. Building on past progress and USAID's proven track record of success in programming market-based food assistance interventions, this request will enable USAID to maximize the reach and impact of our assistance for vulnerable populations.

In the FY 2017 proposal:

- **\$1.35 billion is requested for Title II to provide emergency food assistance to save lives** and reduce suffering worldwide.
- **The Administration is proposing that additional flexibility of up to 25 percent of Title II resources** be available for market-based interventions such as local and regional procurement of commodities, food vouchers or cash transfers. This flexibility will be used when U.S. in-kind assistance is not appropriate due to market or security conditions, when a rapid response is required to save lives, and/or when a goal of the response is to directly enhance the nutritional value of the standard food basket/ration.
- **Agricultural commodities shipped from the U.S. will still make up a significant majority** of Title II resources and play a critical role in USAID responses. In the coming year, U.S. in-kind assistance will be essential to ensure a robust response in countries like South Sudan and Ethiopia, where food is desperately needed.
- **The request represents the Administration's effort to reach more people with humanitarian food assistance in a more effective manner:**
 - **Feeding More People:** Difference in cost per beneficiary between market-based and U.S.-commodity-based programs would likely lead to about two million additional people in crises being reached by U.S. assistance each year with the same resources.
 - **Saving Money:** Research shows commodities purchased locally and regionally can result in average savings of approximately 20 percent compared to commodities purchased in the United States. Our experience confirms this.
 - **Faster and More Effective Response:** U.S. food aid typically takes four to six months to reach beneficiaries. Studies show significant time savings for local and regional purchase versus purchase in the United States. Food can reach those in need as much as 11-14 weeks sooner with local and regional procurement. Prepositioning has been an effective tool in reducing initial response times; however, it can be



A vendor sells peppers at a local market in Margibi, Liberia. She grew them with seeds provided by USAID to Ebola-affected individuals.

logistically difficult and less timely than local responses, and adds to the cost of food aid, reducing the number of people in crises who can be helped.

- **Respond Flexibly and Appropriately to Meet Humanitarian Needs:** The President’s Budget proposal increases the proportion of market-based resources, including local and regional procurement of commodities, food vouchers and cash transfers, available for emergency food assistance purposes. This flexibility enables the U.S. Government to use the right tool at the right time to meet the needs of beneficiaries. Additionally, when beneficiaries are provided with a food voucher or a cash transfer they are often able to access fruits, vegetables, milk and other perishable foods they traditionally prepare. This offers the dignity of choice and supports a varied diet which can be important for nutrition.
- **Leverage local and regional economies:** When markets are functioning and other commercial infrastructure exists, local and regional procurement of food, food vouchers and cash transfers inject support for local farmers and merchants, facilitating recovery from disasters and establishing and strengthening functioning markets. Where markets flourish, so do trade and investment opportunities for American companies.

The President’s Budget proposal means USAID can reach more people in need with the most appropriate tools to serve emergency relief and recovery needs.

Building on Past Progress

The Agricultural Act of 2014 (the “Farm Bill”) provided important, but modest changes to the Title II program. For the past two years, these changes allowed for a decrease in the use monetization in Title II development programs and for the use of market-based tools in emergency and development settings. Though these changes did not represent the full scale of reforms sought by the Administration, they did represent an important step forward in improving the efficiency and flexibility of the Title II program.

The FY 2017 request aims to build on these successes and further expand the flexibility USAID has to use the most appropriate tool for each context. For example:



Cash transfers and food vouchers help beneficiaries purchase locally grown food, increasing choice and dietary diversity.

In FY 2015, USAID responded to food insecurity exacerbated by ongoing armed conflict in Central African Republic (CAR) utilizing \$6.5 million in Impact Funds (enhanced 202(e) funding) for regionally purchased commodities and vouchers to complement \$20 million in Title II in-kind food assistance. In a country of 4.7 million people, nearly 370,000 people were displaced and approximately 1.3 million people were estimated to require emergency food assistance.

Since prepositioned commodities were not readily available, USAID was able to purchase rice, red beans, vegetable oil and corn meal in the region, ensuring that much-needed food assistance reached affected populations quickly before Title II food was scheduled to arrive. The use of 202 (e) ensured that commodities arrived in time for the April-October lean season. Additionally, food vouchers enabled 70,000 IDPs, returnees, refugees, and severely food-insecure persons living in areas with functioning markets to purchase food from local vendors, thereby enabling beneficiaries to have some choice in their food selection as well as stimulating the local economy. Local and regionally procured commodities were 33 percent less expensive than a similar basket of U.S. in-kind food. This combining of Title II and local and regional procurement of commodities is increasingly common and is contributing to more cost-effective and timely responses.