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GLOBAL FOOD SECURITY

Progress toward a U.S. Governmentwide Strategy Is Under Way, but Approach Has Several Vulnerabilities

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International Affairs and Trade Team

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Highlights

Highlights of GAO-10-494T, a testimony to the Chairwoman, Subcommittee on Agriculture, Committee on Appropriations, House of Representatives

GLOBAL FOOD SECURITY

Progress toward a U.S. Governmentwide Strategy Is Under Way, but Approach Has Several Vulnerabilities

Why GAO Did This Study

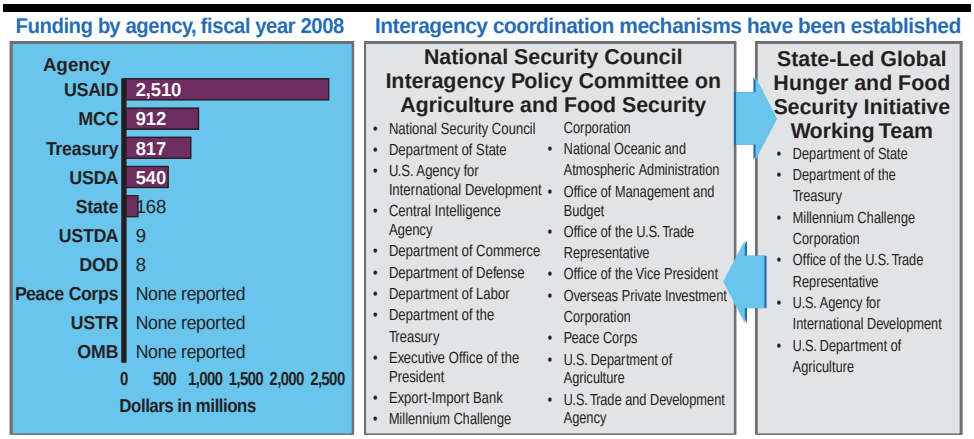
Global hunger continues to worsen despite world leaders' 1996 pledge—reaffirmed in 2000 and 2009—to halve hunger by 2015. To reverse this trend, in 2009 major donor countries pledged about $22.7 billion in a 3-year commitment to agriculture and food security in developing countries, of which $3.5 billion is the U.S. share. This testimony addresses (1) the types and funding of food security programs and activities of relevant U.S. government agencies and (2) progress in developing an integrated U.S. governmentwide strategy to address global food insecurity and the strategy's potential vulnerabilities. This is based on a new GAO report being released at today's hearing (GAO-10-352).

What GAO Recommends

The related GAO report recommends that the Secretary of State (1) develop an operational definition of food security that is accepted by all U.S. agencies and establish a methodology for reporting comprehensive data across agencies; and (2) collaborate with other agency heads to finalize a governmentwide strategy that delineates measures to mitigate the risks associated with the host country-led approach. The Departments of State, the Treasury, and Agriculture (USDA), and the U.S. Agency for International Development (USAID) generally concurred with the recommendations.

What GAO Found

The U.S. government supports a wide variety of programs and activities for global food security, but lacks readily available comprehensive data on funding. In response to GAO's data collection instrument to 10 agencies, 7 agencies reported such funding for global food security in fiscal year 2008 (see figure below) based on the working definition GAO developed for this exercise with agency input. USAID and USDA reported the broadest array of programs and activities, while USAID, the Millennium Challenge Corporation, Treasury, USDA, and State reported providing the highest levels of funding for global food security. The 7 agencies together directed at least $5 billion in fiscal year 2008 to global food security, with food aid accounting for about half of that funding. However, the actual total is likely greater. GAO's estimate does not account for all U.S. government funds targeting global food insecurity because the agencies lack (1) a commonly accepted governmentwide operational definition of global food security programs and activities as well as reporting requirements to routinely capture data on all relevant funds, and (2) data management systems to track and report food security funding comprehensively and consistently.



Source: GAO analysis of the agencies' responses to the data collection instrument and program documents.

The administration is making progress toward finalizing a governmentwide global food security strategy—expected to be released shortly—but its efforts are vulnerable to data weaknesses and risks associated with the strategy's host country-led approach. The administration has established interagency coordination mechanisms at headquarters (see figure above) and is finalizing an implementation document and a results framework. However, the lack of comprehensive data on programs and funding levels may deprive decision makers of information on available resources and a firm baseline against which to plan. Furthermore, the host country-led approach, although promising, is vulnerable to (1) the weak capacity of host governments, which can limit their ability to sustain donor-funded efforts; (2) a shortage of expertise in agriculture and food security at U.S. agencies that could constrain efforts to help strengthen host government capacity; and (3) policy differences between host governments and donors, including the United States, may complicate efforts to align donor interventions with host government strategies.

View GAO-10-494T or key components.
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Madam Chairwoman and Members of the Subcommittee:

Thank you for the opportunity to discuss our work on U.S. agencies' progress toward the development of a governmentwide strategy to address global food security. Global hunger continues to worsen despite world leaders' 1996 pledge—reaffirmed in 2000 and 2009—to halve hunger by 2015.[1] In 2009, the Food and Agriculture Organization (FAO) reported that more than 1 billion people were undernourished worldwide. The food and fuel crisis of 2006 through 2008, and the current global economic downturn, exacerbated food insecurity in many developing countries and sparked food protests and riots in dozens of them. However, official development assistance for agriculture declined from the 1980s to 2005. To reverse this trend, in 2009, major donor countries pledged about $22.7 billion, in a 3-year commitment, for agriculture and food security in developing countries, of which the U.S. share is at least $3.5 billion. Various legislative proposals introduced in 2009[2] call for action to improve global food security.[3]

Since assuming office in January 2009, the President and the Secretary of State have each stated that improving global food security is a priority for

[1]At the 1996 World Food Summit, world leaders set a goal to halve the *total number* of undernourished people worldwide by 2015 from the 1990 level. However, in 2000, the first of eight UN Millennium Development Goals (MDG), referred to as MDG-1, was defined as a commitment to halve the *proportion* of undernourished people. Both goals apply globally as well as at the country and regional levels. MDG-1 has two targets: first, between 1990 and 2015, to halve the proportion of people whose income is less than $1 a day and second, between 1990 and 2015, to halve the proportion of people who suffer from hunger. The second target is measured by two progress indicators: (1) the prevalence of underweight children under 5 years of age on the basis of United Nations Children's Fund and World Health Organization data and (2) the proportion of the population below the minimum level of dietary energy consumption. In this report we focus on the latter indicator, which is based on FAO's World Food Summit goal estimates.

[2]These include S. 384, *Global Food Security Act*, introduced on February 5, 2009; HR 2795, *Roadmap to End Global Hunger and Promote Food Security Act of 2009*, introduced on June 10, 2009; and HR 3077, *Global Food Security Act of 2009*, introduced on June 26, 2009.

[3]FAO defines food security as a condition that exists when all people, at all times, have physical, social, and economic access to sufficient, safe, and nutritious food to meet their dietary needs and food preferences for an active and healthy life. Specifically, food security includes three elements: (1) food availability, (2) access, and (3) utilization. The declaration approved at the World Summit on Food Security in November 2009 expanded FAO's definition to include stability as a fourth element. This fourth element was added after we completed our data collection and analysis. However, the FAO's definition does not include an operational definition that would indicate which programs and activities it covers.

this administration. Consistent with one of our recommendations in our 2008 review of food insecurity,[4] U.S. agencies have launched a global hunger and food security initiative, and in April 2009 the administration renewed efforts to develop a governmentwide strategy. The National Security Council (NSC) Interagency Policy Committee on Agriculture and Food Security and a Department of State-led Global Hunger and Food Security Initiative (GHFSI) working team are responsible for these efforts. In September 2009, the Department of State (State) issued a consultation document that delineated a comprehensive approach to food security based on host country- and community-led planning whereby recipient countries decide on their own needs, solutions, and development strategies on the assumption that the most effective food security strategies come from those closest to the problems.

My statement is based on our report—issued today—on U.S. governmentwide efforts to date to address global food security.[5] I will focus on two topics. First, I will discuss the types and funding levels of global food security programs and activities of relevant U.S. government agencies. Second, I will discuss progress in developing an integrated U.S. governmentwide strategy to address global food insecurity, as well as potential vulnerabilities of that strategy.

To address these objectives in our report, we administered a data collection instrument to the 10 U.S. agencies that are engaged in global food security activities[6] and participated in the Food Security Sub-Policy Coordinating Committee on Food Price Increases and Global Food Security (Food Security Sub-PCC) of the NSC in 2008. The 10 agencies are the U.S. Agency for International Development (USAID), Millennium Challenge Corporation (MCC), Department of the Treasury (Treasury), U.S. Department of Agriculture (USDA), State, Department of Defense

[4]GAO, *International Food Security: Insufficient Efforts by Host Governments and Donors Threaten Progress to Halve Hunger in Sub-Saharan Africa by 2015*, GAO-08-680 (Washington, D.C.: May 29, 2008).

[5]GAO, *Global Food Security: U.S. Agencies Progressing on Governmentwide Strategy, but Approach Faces Several Vulnerabilities*, GAO-10-352 (Washington, D.C.: Mar. 11, 2010).

[6]In the absence of a commonly accepted governmentwide operational definition of food security, we developed a working definition for our data collection instrument based on a broad framework we established in an earlier report (GAO-08-680), prior GAO work on international food security, and our interactions with the agencies. This working definition is based on existing definitions used by FAO, World Food Program, and some U.S. agencies.

(DOD), U.S. Trade and Development Agency (USTDA), Peace Corps, Office of the U.S. Trade Representative (USTR), and Office of Management and Budget (OMB). In addition, we conducted fieldwork in Bangladesh, Ethiopia, Ghana, Haiti, and Malawi on the basis of multiple ongoing programs addressing food insecurity, the proportion of the chronically hungry in these countries, and geographic coverage of U.S. efforts in Africa, the Western Hemisphere, and Asia. In these countries, we met with U.S. mission staff and host government, donor, and nongovernmental organization (NGO) representatives. We also visited numerous project sites funded by the U.S. government and other donors. In addition, we attended the 2009 World Food Summit as an observer and met with Rome-based United Nations (UN) food and agriculture agencies—namely FAO, the World Food Program (WFP), and the International Fund for Agricultural Development (IFAD)—as well as the U.S. Mission to the United Nations and representatives of other donor countries. We conducted this performance audit from February 2009 to March 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The U.S. Government Supports a Broad Array of Programs and Activities for Global Food Security, but Lacks Comprehensive Funding Data

While the U.S. government supports a wide variety of programs and activities for global food security, it lacks comprehensive data on funding. We found that it is difficult to readily determine the full extent of such programs and activities and to estimate precisely the total amount of funding that the U.S. government as a whole allocates to global food security.

In response to our data collection instrument to the 10 agencies, 7 agencies reported providing monetary assistance for global food security programs and activities in fiscal year 2008, based on the working definition we developed for this purpose with agency input. Figure 1 summarizes the agencies' responses on the types of global food security programs and activities and table 1 summarizes the funding levels. (The agencies are listed in order from highest to lowest amount of funding provided.)

Figure 1: Summary of the 10 Agencies' Responses on the Types of Programs and Activities for Global Food Security, Fiscal Year 2008

Types of activities	USAID	MCC	Treasury[a]	USDA	State	USTDA	DOD	Peace Corps	USTR	OMB[b]
A. Food aid										
Emergency food aid	●			●	●		●			
Nonemergency food aid	●			●	●					
B. Nutrition										
Supplementary feeding and micronutrient supplementation	●									
Nutritional education, counseling, and assessment	●			●				●		
Assistance focusing on especially vulnerable groups	●			●				●		
C. Agricultural development										
Agricultural technologies	●	●		●		●				
Farming techniques and agricultural inputs	●	●		●	●	●		●		
Agricultural value chains, including investments in food processing and storage	●	●		●		●				
Agricultural market development	●	●		●		●				
Agricultural risk management	●	●		●	●	●				
Agricultural research and development, education, and training	●	●		●	●		●	●		
Irrigation and watershed management	●	●		●		●	●	●		
Maintaining the natural resource base	●	●		●	●	●		●		
D. Rural development										
Land tenure reform	●	●								
Rural infrastructure	●	●		●		●	●			
Microlending and access to other credit	●	●		●		●		●		
E. Safety nets	●				●					
F. Policy reform										
Government food security-oriented policy reform	●		●	●	●	●				
Encouraging private sector investment	●		●	●	●				●	
Strengthening national and regional trade and transport corridors	●		●	●	●	●			●	
G. Information and monitoring	●			●			●			
H. Other types of food security assistance	●			●	●	●				
I. Future challenges to food security	●	●		●	●		●			

Source: GAO analysis of the agencies' responses to the data collection instrument.

[a]Treasury reported that its direct involvement in food security is in the area of policy reform and its indirect involvement is through its participation as the U.S. representative at the multilateral development institutions, which support a range of global food security activities, such as agricultural and rural development.

[b]OMB is not an implementing agency for global food security activities and, as such, does not have programs and activities to report.

Table 1: Summary of Global Food Security Funding by Agency, Fiscal Year 2008

(In millions)

Agency	Reported funding
USAID	$2,510
MCC	912
Treasury	817
USDA	540
State	168
USTDA	9
DOD	8
Peace Corps	None reported
USTR	None reported
OMB	None reported
Approximate total[a]	**$5 billion**

Source: GAO analysis of the agencies' responses to the data collection instrument.

[a]We present a rounded total of $5 billion because the data cannot be precisely summed as USAID reported on planned appropriations; State provided appropriations, obligations, and expenditures data; DOD, MCC, USDA, and USTDA reported obligations data; and the Treasury funding is a GAO estimate based on Treasury data for agricultural development funding of the multilateral development institutions and U.S. participation in these institutions.

USAID and USDA reported providing the broadest array of global food security programs and activities. USAID, MCC, Treasury (through its participation in the multilateral development institutions), USDA, and State provide the highest levels of funding to address food insecurity in developing countries. In addition, USTDA and DOD provide some food security-related assistance. These seven agencies reported allocating at least $5 billion in fiscal year 2008 for global food security, with food aid accounting for about half of this funding. However, the actual total level of funding is likely greater.

The agencies did not provide us with comprehensive funding data due to two key factors. First, a commonly accepted governmentwide operational definition of what constitutes global food security programs and activities has not been developed. An operational definition accepted by all U.S. agencies would enable them to apply it at the program level for planning and budgeting purposes. The agencies also lack reporting requirements to routinely capture data on all relevant funds. Second, some agencies' management systems are inadequate for tracking and reporting food security funding data comprehensively and consistently. Most notably, USAID and State—which both use the Foreign Assistance Coordination

and Tracking System (FACTS) database for tracking foreign assistance—failed to include a very large amount of food aid funding data in that database. In its initial response to our instrument, USAID, using FACTS, reported that in fiscal year 2008 the agency's planned appropriations for global food security included about $860 million for Food for Peace Title II emergency food aid. However, we noticed a very large discrepancy between the FACTS-generated $860 million and two other sources of information on emergency food aid funding: (1) the $1.7 billion that USAID allocated to emergency food aid from the congressional appropriations for Title II food aid for fiscal year 2008,[7] and (2) about $2 billion in emergency food aid funding reported by USAID in its *International Food Assistance Report* for fiscal year 2008. While USAID officials reported that the agency has checks in place to ensure the accuracy of the data entered by its overseas missions and most headquarters bureaus, the magnitude of the discrepancy for emergency food aid, which is USAID's global food security program with the highest funding level, raises questions about the data management and verification procedures in FACTS, particularly with regard to the Food for Peace program.

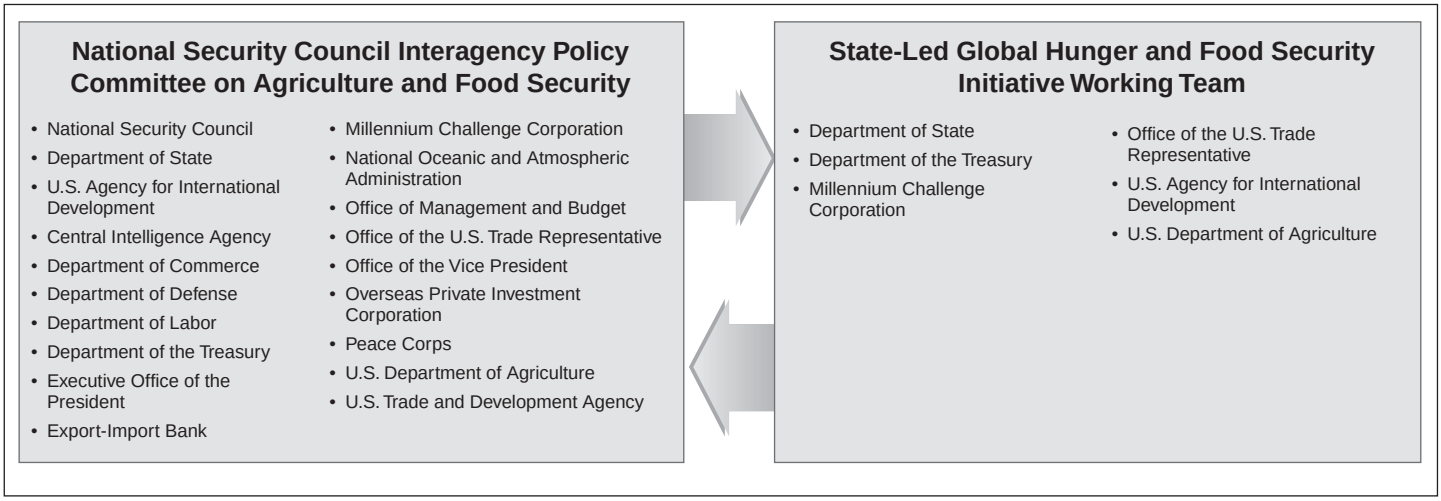
The Administration Is Developing a Governmentwide Global Food Security Strategy, but Efforts Are Vulnerable to Data Weaknesses and Risks Associated with the Host Country-Led Approach

While the administration is making progress toward finalizing a governmentwide global food security strategy through improved interagency coordination at the headquarters level, its efforts are vulnerable to weaknesses in data and risks associated with the host country-led approach called for in the strategy under development.

Two interagency processes established in April 2009—the NSC Interagency Policy Committee on Agriculture and Food Security and the GHFSI working team—are improving headquarters coordination among numerous agencies, as shown in figure 2.

[7]These include the regular appropriations (Pub. Law No. 110-161) of $1.2 billion and the supplemental appropriations (Pub. Law No. 110-252) of $850 million in Food for Peace Title II funding for fiscal year 2008.

Figure 2: Interagency Coordination Mechanisms for Addressing Global Hunger and Food Insecurity Have Been Established



Sources: GAO presentation based on State data; and GAO (photos).

The strategy under development is embodied in the Consultation Document issued in September 2009, which is being expanded and as of February 2010 was expected to be released shortly, along with an implementation document and a results framework that will include a plan for monitoring and evaluation. In the fiscal year 2011 Congressional Budget Justification for the GHFSI, the administration has identified a group of 20 countries around which to center GHFSI assistance, including 12 countries in sub-Saharan Africa, 4 in Asia, and 4 in the Western Hemisphere.

However, the administration's efforts are vulnerable to weaknesses in funding data, and the host country-led approach, although promising, poses some risks. Currently, no single information database compiles comprehensive data on the entire range of global food security programs and activities across the U.S. government. The lack of comprehensive data on current programs and funding levels may impair the success of the new strategy because it deprives decision makers of information on all available resources, actual cost data, and a firm baseline against which to plan. Furthermore, the host country-led approach has three key vulnerabilities, as follows:

- First, the weak capacity of host governments raises questions regarding their ability to absorb significant increases in donor funding for agriculture and food security and to sustain donor-funded projects on their own over

time. For example, the multilateral development banks reported relatively low ratings for sustainability of agriculture-related projects in the past. In a 2007 review of World Bank assistance to the agricultural sector in Africa, the World Bank Independent Evaluation Group reported that only 40 percent of the bank's agriculture-related projects in sub-Saharan Africa had been sustainable. Similarly, an annual report issued by the International Fund for Agricultural Development's independent Office of Evaluation on the results and impact of the fund's operations between 2002 and 2006 rated only 45 percent of its agricultural development projects satisfactory for sustainability.

- Second, the shortage of expertise in agriculture and food security at relevant U.S. agencies can constrain efforts to help strengthen host government capacity, as well as review host government efforts and guide in-country activities. For example, the Chicago Council on Global Affairs noted that whereas USAID previously had a significant in-house staff capacity in agriculture, it has lost that capacity over the years and is only now beginning to restore it.[8] The loss has been attributed to the overall declining trend in U.S. assistance for agriculture since the 1990s. In 2008 three former USAID administrators reported that "the agency now has only six engineers and 16 agriculture experts."[9] USAID noted that a recent analysis of direct hire staff shows the agency has since expanded its personnel with technical expertise in agriculture and food security to 79 staff. USAID officials told us that the agency's current workforce plan calls for adding 95 to 114 new Foreign Service officers with technical expertise in agriculture by the end of fiscal year 2012.

- Third, policy differences between host governments and donors, including the United States, with regard to agricultural development and food security may further complicate efforts to align donor interventions with host government strategies. Malawi provides an instructive example of policy differences between the host government and donors and the difficulties of aligning donor interventions with host government strategies. To increase agricultural production and reduce poverty among smallholder farmers, the government of Malawi has chosen to provide subsidies to offset the costs of major agricultural inputs, such as fertilizer, seeds, and pesticides. Since 2005 and 2006, the government of Malawi has

[8]The Chicago Council on Global Affairs, *Renewing American Leadership in the Fight Against Global Hunger and Poverty: The Chicago Initiative on Global Agricultural Development* (Chicago, IL: 2009).

[9]J. Brian Atwood, M. Peter McPherson, and Andrew Natsios. "Arrested Development: Making Foreign Aid a More Effective Tool." *Foreign Affairs*, vol. 87, No. 6, p. 127 (2008).

implemented a large-scale national program that distributes vouchers to about 50 percent of the country's farmers so that they can purchase agricultural inputs at highly discounted prices. Although USAID has supported operations that use targeted vouchers to accelerate short-term relief operations following conflicts or disasters, the U.S. food security strategy in sub-Saharan Africa has focused on linking farmers to the market so that they can increase their incomes by relying on the market rather than by receiving subsidized agricultural inputs. According to a USAID official, the provision of cheaper fertilizer and seeds does not address the fundamental problem—that poor farmers cannot afford fertilizer on their own.

Conclusions

In the face of growing malnutrition worldwide, the international community has established ambitious goals toward halving global hunger, including significant financial commitments to increase aid for agriculture and food security. Given the size of the problem and how difficult it has historically been to address it, this effort will require a long-term, sustained commitment on the part of the international donor community, including the United States. As part of this initiative, and consistent with a prior GAO recommendation, the United States has committed to harnessing the efforts of all relevant U.S. agencies in a coordinated and integrated governmentwide approach. The administration has made important progress toward realizing this commitment, including providing high-level support across multiple government agencies. However, the administration's efforts to develop an integrated U.S. governmentwide strategy for global food security have two key vulnerabilities: (1) the lack of readily available comprehensive data across agencies and (2) the risks associated with the host country-led approach. Given the complexity and long-standing nature of these concerns, there should be no expectation of quick and easy solutions. Only long-term, sustained efforts by countries, institutions, and all relevant entities to mitigate these concerns will greatly enhance the prospects of fulfilling the international commitment to halve global hunger.

GAO Recommends That Agencies Address Data Weaknesses and Mitigate Risks Associated with Host Country-Led Approach

In the report issued today, we recommended that the Secretary of State (1) work with the existing NSC Interagency Policy Committee to develop an operational definition of food security that is accepted by all U.S. agencies; establish a methodology for consistently reporting comprehensive data across agencies; and periodically inventory the food security-related programs and associated costs for each of these agencies; and (2) work in collaboration with relevant agency heads to delineate measures to mitigate the risks associated with the host country-led approach on the successful implementation of the forthcoming governmentwide global food security strategy.

State concurred with our recommendations. Our report reflects written comments we received from State as well as Treasury, USAID, and USDA. In general, these agencies noted two things. First, the importance of developing a common definition for food security including other key agencies, such as USAID and USDA. We recognize the expertise that various agencies can contribute toward the effort and encourage fully leveraging their expertise. Second, the four agencies emphasized the importance of a country-led approach, while acknowledging the risks associated with such an approach, and noted actions being taken to mitigate these risks, such as the implementation strategy for the GHFSI.

Madam Chairwoman, this concludes my statement. I would be pleased to respond to any questions that you or other Members of the Subcommittee may have.

GAO Contact and Staff Acknowledgments

Should you have any questions about this testimony, please contact Thomas Melito at (202) 512-9601, or melitot@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals who made key contributions to this statement include Phillip J. Thomas (Assistant Director), Joy Labez, Sada Aksartova, Carol Bray, Ming Chen, Debbie Chung, Martin De Alteriis, Brian Egger, Etana Finkler, Amanda Hinkle, and Ulyana Panchishin.

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