



OI Policy Compendium Note on Food Aid

Overview: Oxfam International's position on food aid

Oxfam calls for more appropriate responses to food crises. In-kind food aid is the dominant humanitarian response. It indisputably saves lives in many cases, but it is highly over-used – and is often used when other forms of aid could better address human needs. This over-reliance on food aid must be corrected by emphasising appropriate aid that empowers people, restores dignity, and directly addresses the assessed needs of people at risk.

Oxfam believes that more appropriate responses to food crises depend upon:

- More sophisticated assessment and analysis of needs in order to inform responses;
- Development, promotion, and application of a wider range of response options;
- Donor policies that ensure adequate, timely, and flexible resources are available to support appropriate aid; and
- A coherent global food security architecture to guide more effective global response.

1. Background

More and more people are facing food insecurity. Over a billion people live in poverty. Some 850 million people suffer from chronic hunger. Each year more than 300 million people are struck by acute disaster.¹ Altogether, as much as one-sixth of the global population are at risk of food insecurity.

Food crises are occurring more frequently than ever before, and in some cases are more predictable. But responses continue to be unreliable and, all too often, ineffective. Assistance is frequently too little, too late, and of the wrong kind.

Oxfam is particularly concerned about the *over-reliance* on in-kind food aid as the dominant form of humanitarian aid. It has become a default option that is often inappropriate because it is provided regardless of the context, livelihood group, or socio-economic status of the people at risk.

Oxfam believes that food aid is an important and life-saving tool in some cases. However, it is also used in cases when other forms of aid could provide better solutions. For example, it is often provided when people have too little money to get sufficient food – even when there is no shortage of food in the market. In such cases, direct cash assistance, or productive inputs (of seeds, tools, livestock etc.) could enable people to buy the food they require.

What is needed is *appropriate aid* that empowers people affected by crises, and responds directly to their priority needs in a dignified manner. In addition to food aid, other response options include direct cash transfers, productive inputs, infrastructure or market support, or any combination of these. They all aim to address the underlying factors that have contributed to causing the crisis, as well as addressing the immediate human suffering.

This note highlights some factors that perpetuate the current *food aid bias*, and makes recommendations to ensure more appropriate and effective responses to food crises.

¹ The UK Department for International Development (DFID), 2006; *Saving lives, relieving suffering, protecting dignity: DFID's Humanitarian Policy*.

2. Oxfam International's position on food aid – the critical changes required

2.1 Strong needs analysis must be the foundation of appropriate aid

A poor understanding of the needs of the people at risk inevitably results in a poor response. Strong assessment and analysis of the overall context and people's needs is the foundation of effective and appropriate aid.

Needs assessment and analysis is extremely challenging, and it is widely acknowledged that current approaches fall short. Assessments are regularly used to justify pre-determined programmes and the mobilisation of resources – usually food – rather than to design programmes that most effectively respond to the human needs.

A lack of standardised humanitarian needs-assessment tools contributes to contradictions, duplication, gaps in, and incompatibility of, information collected in a crisis. This not only inhibits accurate understanding of the scale and nature of people's needs. It can also lead to inconsistent messages about the severity of a crisis, fuelling donors' scepticism of the information they receive.

Beyond this, there is no consistent framework for reviewing the data that is collected. The data is often under-utilised, the depth of understanding of crises is limited, and comparison of crises is not feasible. As a result, there is no clear basis for informing decisions of impartial allocation of global resources.²

Finally, assessments can fail to distinguish between humanitarian crises and longer-term 'livelihood crises'.³ An increasing range of situations are classified as humanitarian crises, and food aid remains the dominant response to most. But a clearer assessment of 'livelihood crises', characterised by the loss of crops, livestock or cash, or escalating prices – but not spiralling mortality – should inform the most appropriate response that could help prevent these situations declining into acute humanitarian crises.

Oxfam recommends:

- Greater investment in needs assessment and analysis, including the development, testing, and promotion of standardised assessment tools and analysis methodologies
- A common framework of analysis to enable effective comparison between different crises.

2.2 Donors' policies must be adapted to support more appropriate aid better

Historically, donor-country humanitarian policies have been enmeshed in foreign and economic policies, and driven by domestic interests. In the 1950s, food aid was conceived as a means of disposing of surplus grain.

Since then, many donor countries have regularly both over-used and misused food aid as an alternative to more challenging, but more effective, solutions to long-term problems. Some governments have provided food aid to address under-development, conflict, foreign exchange shortfalls, and direct budget support – and less frequently to address actual food deficit.

Under heavy criticism since the 1990s, food aid policies are slowly beginning to shift. Some donors (especially in Europe) are demonstrating a greater commitment to the principle of impartiality – response according to need – and the need for the improved efficacy of aid in general. Various initiatives – including a group of donors committed to 'Good Humanitarian Donorship', and the Paris

² The FAO *Integrated Phase Classification* model is increasingly considered as a tool that may address this gap. Oxfam is participating in further testing of this tool.

³ Particularly in the case of slowly evolving crises (such as drought), the difficult periods – often referred to as *livelihood crises* – typically bordering humanitarian crises are increasingly included within the humanitarian scope. *Livelihood crises* are characterised by the distinct elements of weak productive capacity (such as loss of crops or livestock) and reduced purchasing power (such as loss of cash, escalating prices). People affected by a *livelihood crisis* have distinctly different needs than those affected by a *humanitarian crisis*, characterised by increased malnutrition, morbidity and mortality.

Declaration of Effective Aid – go beyond food aid, but have influenced the debate on it as well as other humanitarian responses.

The European Union (the second largest food aid donor, providing some 20 per cent of global resources⁴) and most of its Member States⁵ have adopted untied cash-based food-aid policies. They promote the local and regional purchase of food aid, rather than providing food in-kind. Canada, Japan, and Australia together account for some 13–15 per cent of global food aid resources, and are moving in the same direction.

The USA provides more than half of global food aid resources. More than 90 per cent of this is provided as food in-kind (sourced from US suppliers), and tied to conditionalities (such as US packaging and delivery) that directly benefit US companies. US food aid is consequently expensive – as much as 50 per cent more than locally purchased food.

Oxfam recommends that all donors:

- Reduce the emphasis on food aid – and particularly in-kind and tied food aid – so that it is used only when it is the most appropriate response to assessed human needs;
- Fund and support the local and regional purchase of food whenever appropriate;
- Provide cash-based and other flexible responses to different forms of crisis, driven by the objective assessment of needs and analysis of their causes, to respond to both immediate needs and long-term causes;
- Establish flexible funding mechanisms to support different forms of aid in response to changing circumstances;
- Build into their long-term programming the ability to rapidly scale-up their aid to relevant countries to ensure timely, reliable, and adequate aid in acute periods;
- Provide predictable multi-annual funding for cyclical and predictable crises;
- Provide their ‘fair share’ of humanitarian aid based on each donor country’s national economic capacity.

2.3 Developing, supporting, and promoting alternatives to food aid

Oxfam has been active in developing, demonstrating, and promoting a range of innovative approaches to food crises including:

- *Employment assistance* such as food for work, cash for work, direct cash grants and/or micro-credit assistance – all of which provide income support to meet essential needs;
- *Market support* interventions such as livestock de-stocking, provision of commodity/cash vouchers, or market infrastructure support (such as transport or road repair);
- *Production support* such as agricultural, livestock, or fishing interventions (inputs, technical support, etc.) to support and promote people’s independent productive capacity;
- *Social safety net* programming to provide reliable assistance to people suffering the impact of predictable and often cyclic crises.

Beyond this, recent crises such as the Asian tsunami underline the need for more explicit disaster risk reduction (DRR). Increasing resources and capacity to prepare for a crisis before it strikes has proven to be effective. Better preparation can help some people avoid crises, and save lives when disasters do strike. Even in the worst crises, it can help those affected cope better, and minimise disasters’ long-term impact.

Oxfam recommends that:

- Humanitarian agencies develop and demonstrate a wider ‘tool kit’ of humanitarian aid – including the types of interventions mentioned above – to ensure that the aid is made increasingly appropriate for each different crisis;
- Donor governments should support and expect such *appropriate aid*;

⁴ Resources here include both food provided in-kind, and funds for the purchase of food.

⁵ With the exception of Italy and Denmark.

- The lessons from innovative 'pilot' projects must be more widely applied. The impact of every part of this wider 'tool kit' should be comprehensively assessed, with wider dissemination and application of the lessons learned;
- National and donor governments, and humanitarian agencies, should increase investment in disaster risk reduction (DRR) in crisis-prone areas, to reduce people's vulnerability to future disasters, and increase their ability to cope.

2.4 A coherent global food security architecture to guide global response

The global response to food crises is *ad hoc* and incoherent. Despite the fact that its mandate suggests that the UN Food and Agriculture Organisation (FAO) should lead in global food-security issues, it currently fails to do so. A technical oversight body is required to provide guidance, monitor global needs, raise the alarm for emerging crises, or recommend appropriate responses and monitor their impact on global food security.

The role of the UN World Food Program (WFP), as a critical actor within the global food-security framework is currently in flux. Some propose that it should be transformed into a 'World Relief Agency', while others say it should focus on its food-aid expertise. The implications of each option need to be carefully analysed.

The Food Aid Convention is the international treaty intended to ensure the availability of global resources to respond to food crises. It must be made more needs-based and transparent, as one of a range of global food-security initiatives that, together, can guide a more appropriate global response.

Oxfam recommends that:

- The FAO leads a new food security technical oversight body composed of a range of stakeholders;
- The role of the WFP in helping to address global food insecurity is transparently analysed and clearly redefined;
- The Food Aid Convention becomes needs-based, more inclusive and transparent.