



Report to the Subcommittee on
Agriculture, Rural Development, Food
and Drug Administration, and Related
Agencies, Committee on Appropriations,
House of Representatives

September 2015

INTERNATIONAL FOOD ASSISTANCE

USAID Should Systematically Assess the Effectiveness of Key Conditional Food Aid Activities

Accessible Version

GAO Highlights

Highlights of [GAO-15-732](#), a report to the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, Committee on Appropriations, House of Representatives

Why GAO Did This Study

In fiscal year 2014, USAID awarded about \$1.3 billion for emergency and development food aid under Title II of the Food for Peace Act. USAID's implementing partners may provide what is known as conditional food aid—that is, food in exchange for beneficiaries' participation in activities intended to support development. For example, food-for-assets activities are intended to address beneficiaries' immediate food needs while building assets to improve longer-term food security. Questions have arisen about whether the dual goals of addressing both immediate and long-term needs may compromise the ability to achieve either goal, underscoring the need to understand conditional food aid.

This report examines, among other things, (1) USAID's use of conditional food aid through Title II development and emergency awards in fiscal years 2013 and 2014 and (2) the extent to which USAID has assessed the effectiveness of food-for-assets activities in development projects. GAO analyzed agency and partner documents and interviewed agency and partner officials in Washington, D.C., and in three countries selected on the basis of project type and representing a variety of partners.

What GAO Recommends

GAO recommends that USAID (1) establish a mechanism to readily identify all Title II programs that include conditional food aid activities and (2) systematically assess the effectiveness of food-for-assets activities in development projects. USAID concurred with the recommendations but disagreed with some aspects of GAO's findings. GAO continues to believe its findings are valid, as discussed in the report.

View [GAO-15-732](#). For more information, contact Thomas Melito at (202) 512-9601 or Melitot@gao.gov.

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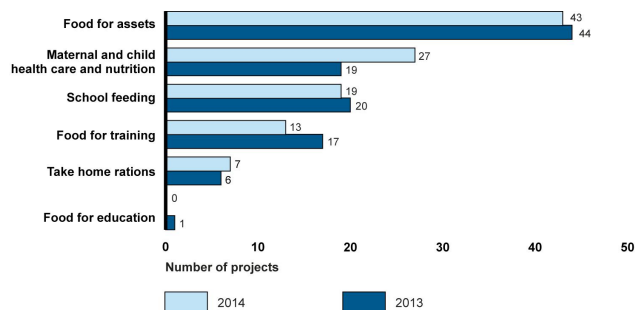
INTERNATIONAL FOOD ASSISTANCE

USAID Should Systematically Assess the Effectiveness of Key Conditional Food Aid Activities

What GAO Found

The U.S. Agency for International Development (USAID) does not track the use of conditional food aid in projects funded under Title II of the Food for Peace Act. However, GAO's comprehensive review of USAID data found that most Title II projects included conditional food aid in fiscal years 2013 and 2014. Despite the prevalence of conditional food aid activities, USAID does not regularly collect data on conditional food aid provided through Title II projects and, as a result, could not readily provide data on the use of these activities in USAID's projects. Without the ability to identify all conditional food aid activities, USAID cannot systematically oversee the projects that include them. According to USAID's operational policy, USAID operating units must strive to continuously learn and improve their approach to achieving results in order to meet development goals. GAO's review of available USAID data for fiscal years 2013 and 2014 found that 111 of 119 Title II development and emergency projects included conditional food aid activities and that funding for these projects totaled \$2.1 billion—87 percent of all USAID funding for Title II projects during this period. USAID and its implementing partners implemented various conditional food aid activities, most commonly a type known as food for assets, through these projects (see fig.). Beneficiaries of food-for-assets activities typically must work at constructing community assets, such as roads or irrigation systems, in exchange for food.

Types of Conditional Food Aid in USAID Title II Programs, Fiscal Years 2013 and 2014



Source: GAO analysis of U.S. Agency for International Development (USAID) and World Food Program (WFP) data. | GAO-15-732

USAID cannot systematically measure the performance of food-for-assets activities across all Title II development projects and therefore cannot determine the effectiveness of food-for-assets activities in achieving short-term or longer-term development goals. According to USAID's operational policy, measures of program effectiveness should be matched to meaningful outputs under the agency's control. While USAID uses indicators to assess the effectiveness of Title II projects, USAID cannot use these indicators to systematically assess the specific effectiveness of food for assets across its Title II projects. However, during GAO's interviews with 10 implementing partners that implemented 14 projects, partners identified several benefits specific to food-for-assets activities, such as developing needed infrastructure, teaching skills to beneficiaries, and achieving short-term increases in food security. Partners also cited challenges in implementing these activities, such as difficulty in ensuring the sustainability of created assets as well as interruptions resulting from weather and civil conflict.

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Abbreviations

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| ADS | <i>Automated Directives System</i> |
| FFPMIS | Food for Peace Management and Information System |
| McGovern-Dole | McGovern-Dole International Food for Education and Child Nutrition Program |
| NGO | nongovernmental organization |
| PM2A | Preventing Malnutrition in Children under 2 Years of Age |
| SPR | standard project report |
| USAID | U.S. Agency for International Development |
| WFP | World Food Program |

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September 10, 2015

The Honorable Robert B. Aderholt
Chairman
The Honorable Sam Farr
Ranking Member
Subcommittee on Agriculture, Rural Development, Food and
Drug Administration, and Related Agencies
Committee on Appropriations
House of Representatives

Under Title II of the Food for Peace Act, the United States supplied more than 6 million metric tons of food aid to help 151 million beneficiaries around the world in fiscal years 2010 through 2013.¹ The U.S. Agency for International Development (USAID) provided about a quarter of this food aid through development assistance projects meant to address long-term chronic hunger. USAID provided the remainder of the food aid through emergency projects intended to address the food needs of vulnerable populations affected by conflicts or natural disasters, such as droughts and floods. To implement Title II projects, USAID enters into cooperative agreements with implementing partners that design and implement food aid activities and distribute the food aid. Title II development projects are implemented by nongovernmental organizations (NGO) such as Catholic Relief Services, Mercy Corps, Save the Children, and World Vision. Most Title II emergency projects are implemented by the World Food Program (WFP), a United Nations agency and the largest humanitarian organization combating hunger.²

¹Title II is reauthorized through the Farm Bill approximately every 5 years and is funded through a U.S. Department of Agriculture appropriation. Section 3001 of Pub. L. No. 110-246, the Food, Conservation, and Energy Act of 2008, changed the title of the underlying legislation from the Agriculture Trade Development Assistance Act of 1954, also known as P.L. 480, to the Food for Peace Act. Title II of the Food for Peace Act, administered by the U.S. Agency for International Development, addresses donation of agricultural commodities for humanitarian purposes. (Other U.S. food assistance programs under Title II are administered through the U.S. Department of Agriculture, including Food for Peace Title I and the McGovern-Dole International Food for Education and Child Nutrition programs.)

²In this report, we use the term “implementing partners” to refer to NGOs and WFP.

Beneficiaries of certain development and emergency projects may receive food aid on the condition that they participate in activities designed to address underlying causes of their food insecurity—a type of assistance known as conditional food aid.³ Conditional food aid activities can include a range of projects, such as agricultural or nutritional education or—in one of the most common types of conditional food aid, called food for assets⁴—the building or rehabilitating of community assets such as irrigation canals, bridges, schools, and rural roads.⁵ According to USAID, its partners, and others, conditional food aid meets immediate needs for food assistance while also contributing to local economies by, for instance, teaching skills or constructing assets that may help reduce food insecurity in the longer term. However, some experts have expressed concern that attempting to meet beneficiaries’ immediate food needs in the short term, while also trying to construct assets to help communities build resilience in the longer term, could make it more difficult to accomplish either goal.⁶ While conditional food aid activities have been part of food aid programs for decades, USAID’s annual reports to Congress do not specifically address conditional food aid in Title II emergency and development projects.⁷

³In this report, “beneficiaries” refers to those who benefit directly from goods and services provided through a Title II project. For example, beneficiaries of conditional food aid are individuals who directly participate in a conditional food aid activity (e.g., receiving training or constructing a community asset) in exchange for a food ration, as well as recipients in their households who collect the food at distribution points and other household members who receive the food.

⁴USAID and WFP use different terms to describe similar activities. USAID refers to activities requiring beneficiaries to work at constructing community assets, such as roads or irrigations systems, in exchange for food as “food for work” or “food for assets.” WFP includes such activities in its description of “food assistance for assets,” which refers to food, cash, and voucher transfers. In this report, “food for assets” includes food-for-assets, food-for-work, and food-assistance-for-assets activities.

⁵WFP and international NGOs also provide food aid to beneficiaries without conditioning it on evaluation of beneficiaries’ food security, nutrition status, or vulnerability. Such unconditional food aid is often referred to as general food distribution.

⁶Christopher B. Barrett, Stein Holden, and Daniel C. Clay, “Can Food-for-Work Programmes Reduce Vulnerability?” in *Insurance against Poverty*, ed. Stefan Dercon (Oxford, England: Oxford University Press, 2004).

⁷According to USAID, USAID’s annual *International Food Assistance Report* sometimes provides anecdotes of how partners have implemented conditional food aid. However, the report does not provide systematic information about conditional food aid’s use.

You asked us to review the amount and use of conditional food aid provided under Title II. This report examines (1) USAID's use of conditional food aid through Title II development and emergency projects in fiscal years 2013 and 2014, (2) the factors that implementing partners considered and the challenges they faced when designing food-for-assets activities in development projects, and (3) the extent to which USAID assessed the effectiveness of food-for-assets activities in development projects.⁸

To address these objectives, we reviewed USAID documents, such as project design and implementation guidance and requests for applications, and partner award documentation, including annual reports and monitoring indicators from fiscal years 2013 and 2014, and correspondence with USAID. To examine USAID's use of conditional food aid in fiscal years 2013 and 2014, we reviewed USAID and implementing partner documents, such as annual results reports and WFP standard project reports. We analyzed these documents to determine the number of projects that included conditional food aid activities and the types of conditional food aid activities that were implemented and to estimate the award amounts, beneficiaries, and metric tons of commodities associated with these projects. To examine conditional food aid activities in greater detail, we focused our review on development projects and food-for-assets activities. To determine the factors that implementing partners considered when designing development food-for-assets activities and the extent to which USAID assessed the effectiveness of food-for-assets activities in development projects, we selected 14 of the 22 Title II development projects implemented in fiscal years 2013 and 2014. We selected these projects on the basis of whether they (1) contained food for assets, (2) were active in fiscal year 2014, and (3) were in at least the second year of implementation. We conducted semistructured interviews with the 10 implementing partners that implemented these 14 projects,

⁸We focused our second and third objectives on development projects rather than emergency projects, because available documentation for emergency projects did not allow us to distinguish design challenges from implementation challenges (which we address, respectively, in obj. 2 and 3 of this report). Moreover, USAID requires fewer performance metrics for emergency projects than for development projects, in part because emergency projects typically have a shorter duration than development projects (up to 1 year vs. 3 to 5 years, respectively). See app. I for information about factors that WFP considers in designing and implementing food-for-assets activities as well as benefits, risks, and challenges that WFP reported as affecting design and implementation of these activities.

each of which implemented at least 1 project that met these criteria.⁹ To address all three objectives, we interviewed officials from USAID and implementing partners. We interviewed USAID officials, as well as implementing partner officials from NGOs that received USAID Title II awards to carry out U.S. food assistance programs overseas, in Washington, D.C. In addition, we interviewed WFP headquarters officials in Italy and spoke with WFP country officials by telephone. We conducted fieldwork in three countries—Djibouti, Guatemala, and Ethiopia—where we observed development and emergency project implementation and met with officials from the U.S. missions, host governments, and implementing partners as well as with beneficiaries, among others. We selected these three countries for our fieldwork on the basis of the range of projects' size and type (i.e., development or emergency), the types of conditional food aid activities implemented in the countries, and the partners that implemented the activities.

We conducted this performance audit from March 2014 to September 2015 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. Appendix II provides a detailed discussion of our objectives, scope, and methodology.

Background

USAID and its partners implement a variety of conditional food aid activities through development and emergency projects, including maternal and child health care and nutrition, food-for-training, and food-for-assets activities, among others. Such activities are intended to achieve a variety of objectives. For example, maternal and child health care and nutrition activities associated with conditional food aid seek to address major health risks faced by mothers and children by providing special rations in exchange for their attendance at health-related sessions

⁹To facilitate the collection of uniform information, we provided four checklists to each implementing partner we interviewed and asked them to identify, respectively, (1) the factors they considered when designing food-for-assets activities within their Title II projects, (2) the challenges they experienced in designing food-for-assets activities, (3) the benefits of implementing food-for-assets activities rather than unconditional food aid, and (4) the challenges they faced in implementing food-for-assets activities in their Title II projects. For more information about our selection criteria, see app. II.

focusing on topics such as infant development. Food-for-training activities provide food in exchange for participation in, for example, agricultural training sessions intended to help recipients learn the skills necessary to increase food productivity. Food-for-assets activities provide food in exchange for participation in activities focused on constructing community assets, such as roads or irrigation systems. Table 1 lists and describes the types of conditional food aid activities implemented through Title II projects.¹⁰

Table 1: Types of Conditional Food Aid Activities in Title II Development and Emergency Projects

| Type of activity | Description |
|---|--|
| Food for assets [Note A] | Food assistance activities that provide food in exchange for participation in building community assets, such as roads or irrigation systems. |
| Food for training | Food assistance activities provide food in exchange for participation in training on subjects such as agricultural and nutritional practices. |
| Maternal and child health care and nutrition [Note B] | Food assistance activities, aimed at improving the health status of mothers and children by addressing the major health risks they face, that provide food in exchange for attending clinics and sessions, such as nutrition education or growth monitoring. Relevant activities include essential nutrition actions and 1,000 Days activities, such as Preventing Malnutrition in Children under 2 Years of Age (PM2A). [Note C] |
| School feeding | Food assistance activities that provide school meals to students in exchange for a required minimum monthly attendance. [Note D] School-feeding activities are intended to encourage school enrollment and attendance and to improve students' attentiveness, especially for those without breakfast at home. [Note E] |
| Food for education | Food assistance activities that provide school lunches to students in exchange for a required minimum monthly attendance. Food-for-education activities differ from school-feeding activities in that they are designed and implemented as an integral part of a country's effort to improve the quality of education, such as through teacher training, curriculum development, and infrastructural improvements. [Note E] |
| Take-home rations | Food assistance that may be provided through a conditional activity such as school feeding or food for education, normally in exchange for a required minimum monthly school attendance. [Notes D, F] Take-home rations—typically a standardized amount of food that a family takes home to prepare and consume—vary widely depending on context and are often used as an incentive for families to send their children—particularly girls—to school. [Note G] |

Source: U.S. Agency for International Development (USAID); International Food Policy Research Institute. | GAO-15-732

Note A: In this report, the definition of food for assets comprises the definitions of both food for work and the World Food Program's (WFP) "food assistance for assets."

Note B: WFP—which implements the majority of Title II emergency programs—frequently includes maternal and child health care and nutrition activities in its emergency programs. While USAID

¹⁰In addition to USAID, the U.S. Department of Agriculture has awarded funding for projects that include conditional food aid through its Food for Progress Program and Local and Regional Procurement Pilot project.

considers these to be conditional activities when implemented in Title II development projects, WFP does not consider all of these activities to be conditional when implemented in its emergency projects.

Note C: Examples of maternal and child health care and nutrition activities include 1,000 Days activities, which provide food, health care, and other assistance to pregnant women and their children for 1,000 days through the child's second birthday; Preventing Malnutrition in Children under 2 Years of Age (PM2A), a type of 1,000 Days activity that is being implemented in Burundi and Guatemala as part of a longitudinal study intended to identify ways to maximize this activity's impact and cost-effectiveness and facilitate its replication; and essential nutrition actions, which are activities aimed at improving nutritional behavior and decisions for mothers and young children from pregnancy to age 2.

Note D: In commenting on a draft of this report, WFP noted that students are not required to meet a minimum monthly school attendance target in order to receive school meals for U.S.-funded Title II emergency programs; however this requirement may be relevant when take-home rations are provided.

Note E: Food-for-education activities differ from the McGovern-Dole International Food for Education and Child Nutrition Program (McGovern-Dole)—implemented by the U.S. Department of Agriculture—in that McGovern-Dole provides financial and technical assistance in addition to commodities and these projects are designed and implemented as an integral part of a country's effort to improve the quality of education.

Note F: The required minimum monthly attendance is to be determined with the education authorities in the country during project design.

Note G: WFP considers take-home rations to be a conditional food aid activity; however, USAID does not consider take-home rations to be a conditional activity when implemented in Title II development projects. According to WFP, take-home rations are not by definition conditional food aid, and general food distributions can be provided as take-home rations.

Food for assets was one of the most prevalently used types of conditional food aid in Title II development and emergency projects in fiscal years 2013 and 2014. According to WFP, implementing partners, and subject matter experts in the field of international food aid, food-for-assets activities have both advantages and disadvantages. For example, according to some experts, a major advantage of these activities is that, by design, the individuals who can benefit the most are those most likely to participate, for instance, because they may lack other employment opportunities¹¹—that is, those who most need the food are generally the most willing to perform the required work, while those who do not need the food are less motivated. According to implementing partners, including WFP, food-for-assets activities also create community infrastructure, such as rural roads and irrigation canals, that provides benefits to the wider community. For instance, irrigation canals can help

¹¹Christopher B. Barrett and Daniel C. Clay, "How Accurate Is Food-for-Work Self-Targeting in the Presence of Imperfect Factor Markets? Evidence from Ethiopia," *Journal of Development Studies*, vol. 39 (2003); International Food Policy Research Institute, Ethiopian Development Research Institute, and IFPRI—Ethiopia Strategy Support Program II Addis Ababa, *Targeting Food Security Interventions: The Case of Ethiopia's Productive Safety Net Programme* (Washington, D.C: IFPRI, 2013); and Jamey Essex, "The Work of Hunger: Security, Development, and Food-for-Work in Post-crisis Jakarta," in *Studies in Social Justice*, vol. 3, no. 1 (2009): 99-116.

increase farm productivity, and rural roads can provide access to markets where farmers can sell produced goods. According to implementing partners, including WFP, beneficiaries participating in such activities can learn building and maintenance skills that can also be used to help their communities become more resilient when food shortages occur.

At the same time, some experts have expressed concern that food-for-assets activities can benefit those who are not among the neediest or can fail to include the neediest,¹² such as the elderly and those who are not able-bodied. In addition, a critique by WFP questions whether the dual goal of providing food to help meet beneficiaries' nutritional needs in the short term, while also building assets to help communities increase their resilience in the longer term, could make it difficult to accomplish either goal.¹³ According to experts and WFP officials, conditional food aid activities come with additional costs, such as the cost of purchasing concrete and other materials to build irrigation canals.¹⁴ These costs can reduce the partner's ability to supply food aid. Finally, expert, implementing partner, and WFP stakeholders expressed the concern that the assets created through these activities are not easily sustained over the long term. For example, in a 2014 synthesis of evaluations of food-for-assets activities in 2002 through 2011, WFP reported that ongoing operations and maintenance are required to ensure that assets remain functional and useful.¹⁵ Additionally, the WFP evaluators found that assets might not be properly constructed or maintained if the technical

¹²Barrett and Clay, "How Accurate Is Food-for-Work Self-Targeting in the Presence of Imperfect Factor Markets? Evidence from Ethiopia"; Essex, "The Work of Hunger: Security, Development, and Food-for-Work in Post-crisis Jakarta"; and Berhanu Gebremedhin and Scott M. Swinton, "Reconciling Food-For-Work Project Feasibility With Food Aid Targeting In Tigray, Ethiopia," in *Food Policy* 26 (2001): 85–95. In commenting on a draft of this report, USAID noted that conditional food aid activities such as food for assets are almost always implemented alongside unconditional food assistance to the most vulnerable members of the community.

¹³World Food Program, Office of Evaluation, *Impact Evaluation Synthesis: Synthesis Report of the Evaluation Series on the Impact of Food for Assets (2002-2011) and Lessons for Building Livelihoods Resilience*, OEVI/2014/11 (May 2014). WFP's report synthesized the main findings from six country evaluations of food-for-asset activities that WFP conducted in Bangladesh, Ethiopia, Guatemala, Nepal, Senegal, and Uganda.

¹⁴WFP officials noted that investing in these additional costs could decrease food insecurity and therefore reduce food aid-related costs in the long run.

¹⁵World Food Program, Office of Evaluation, *Impact Evaluation Synthesis*.

expertise and specialized equipment needed for the assets were too complicated for the community.

USAID Does Not Track Use of Conditional Food Aid, although Most Title II Projects Included It in Fiscal Years 2013-2014

USAID does not track the use of conditional food aid in Title II projects, although our comprehensive review of USAID data found that most Title II projects included conditional food aid in fiscal years 2013 and 2014. Despite the prevalence of conditional food aid activities, USAID does not systematically collect or use data on conditional food aid provided through Title II projects and, as a result, could not readily provide data on the use of these activities in USAID's projects. Our review of available USAID data for fiscal years 2013 and 2014 found that 111 of 119 Title II development and emergency projects included conditional, as well as unconditional, food aid activities and that funding for these projects totaled \$2.1 billion—87 percent of all USAID funding for Title II projects during this period.¹⁶ USAID and its implementing partners implemented various conditional food aid activities through these projects, including food for assets, food for training, and maternal and child health care and nutrition. However, without the ability to identify all conditional food aid activities, USAID cannot reliably oversee the projects that use it.

USAID Does Not Systematically Collect or Use Data on Conditional Food Aid to Manage Title II Projects

USAID does not systematically collect data specific to conditional food aid activities in Title II development and emergency projects. As a result, it took USAID several months to identify, and provide information about, the projects that included conditional food aid activities. For example, USAID could not readily identify the types of activities that the projects included and could not provide data on the resources used for these activities. USAID lacks data specific to these activities because it does not require development projects partners to report them and does not track information about these activities that WFP submits.

- **Development projects.** USAID does not require implementing partners to report on activities, beneficiaries, or financial resources applied to conditional food aid activities. Instead, partners are required

¹⁶According to agency officials, USAID funding for Title II awards is the amount awarded by USAID and is specified in various assistance agreements (which are subject to change on an annual basis). To derive the percentage of USAID's total funding for Title II awards that supported projects with conditional food aid activities, we analyzed USAID funding data for all Title II development projects as well as for Title II emergency projects.

to report data based on program elements—common categories used throughout foreign assistance projects to aggregate information for reporting purposes—such as civic participation, maternal and child health, natural resources and biodiversity, and agricultural activity.¹⁷ According to USAID officials, these program elements often include multiple conditional food aid activities in addition to general food distribution, training, and other activities unrelated to conditional transfers.¹⁸

- **Emergency projects.** USAID does not systematically track data about the types of conditional food aid activities that WFP implements through USAID-funded Title II emergency projects, although WFP’s annual standard project reports contain this information.¹⁹ However, the WFP reports do not provide, and USAID does not have access to, data specific to WFP’s conditional food aid activities supported by U.S. contributions. Since the United States may be one of multiple donors for WFP’s emergency projects, USAID cannot determine the percentages of its contributions that support particular aspects of these projects.²⁰

Because information about conditional food aid in Title II projects was not readily available, USAID officials spent several months gathering and revising the data we requested to determine (1) which Title II

¹⁷In commenting on a draft of this report, USAID noted that implementing partners provide information about conditional food aid activities in their report narratives, in implementation plans, and for custom performance indicators designed for unique operational contexts.

¹⁸Through USAID’s Food for Peace Management Information System, implementing partners report the annual results of food assistance projects, including Title II food aid projects and cash-based food assistance projects. We observed that for cash-based assistance projects, implementing partners are instructed to identify whether the assistance was provided through one of the various types of conditional activities; using a drop-down menu, the partners can identify the types of conditional activities they implemented for each program element.

¹⁹To monitor its projects, WFP develops a number of reports, including annual standard project reports, which provide information about the use of resources for a given project and the results obtained during the reporting year. Standard project reports summarize WFP’s assistance for the project and include information on donor funding amounts, budget, metric tons of commodities provided, number of planned and actual beneficiaries, partnerships, and lessons learned, among other things. In commenting on a draft of this report, USAID noted that WFP compiles standard project report data based on the calendar year, while USAID is required to track and report data based on the fiscal year.

²⁰Because WFP is responsible for reporting project results to many donors, USAID cannot require WFP to provide data specific to U.S. contributions. See app. II for more details.

development and emergency projects contained conditional food aid activities in fiscal years 2013 and 2014, (2) how much money USAID contributed to these projects, (3) how many beneficiaries participated in each project, and (4) what quantities of commodities USAID provided for these projects. Despite these limitations, we were able to estimate the beneficiaries and metric tonnage associated with Title II development awards that included conditional food aid. We gathered project-level data on beneficiaries since USAID lacked data on the beneficiaries of U.S. conditional food aid activities. In addition, we collected data on food used for general emergency food distribution, as USAID did not have data about the number of metric tons of food donated by the United States that was distributed specifically through conditional food aid activities. Finally, we gathered data on food that was shipped from the United States, purchased locally, or otherwise purchased, since USAID lacked information about the metric tons of food distributed by emergency programs for conditional food aid.

According to chapter 203 of USAID's *Automated Directives System* (ADS), USAID operating units must strive to continuously learn and improve their approach to achieving results in order to meet development goals. The ADS states that evaluation is the systematic collection and analysis of information as a basis for judgments to improve programs' effectiveness, to inform decisions about current and future programming, or both. The ADS also states that the purpose of strong evaluation and performance monitoring practices is to apply learning gained from evidence and analysis.²¹

Without tracking the use of conditional food aid, USAID cannot identify the scope of conditional food aid activities implemented under Title II. Moreover, USAID cannot readily identify Title II projects that include conditional food aid activities or report the dollars awarded for these activities, the number of beneficiaries served, or the metric tons of commodities used. Additionally, without the ability to collect information about the resources being used to implement conditional food aid activities, USAID cannot reliably monitor or evaluate these activities to learn systematically from their use.

²¹According to USAID officials, USAID has focused on improving the outcome indicators required of implementing partners, such as measuring reduction in stunting, improved health status, and improved agricultural yields, rather than requiring partners to disaggregate data by activity.

Almost All Title II Projects Included Conditional Food Aid Activities, Predominantly Food for Assets

Although USAID was unable to provide data about the amounts of Title II funding that were used for conditional food aid activities, our comprehensive review of available USAID data found that in fiscal years 2013 and 2014, 98 percent of USAID-funded Title II development projects and 88 percent of Title II emergency projects included these activities. USAID awarded a total of \$2.4 billion in Title II funds, including \$2.1 billion for projects that included conditional food aid activities. Table 2 shows the countries where USAID-funded development and emergency projects included conditional food aid activities in fiscal years 2013 and 2014.²²

Table 2: Countries with U.S.-Funded Title II Activities, by Development and World Food Program Emergency Projects, Fiscal Years 2013 and 2014

| Country | 2013 | | 2014 | |
|----------------------------------|----------------------|-------------------------------|----------------------|----------------------|
| | Development | Emergency | Development | Emergency |
| Afghanistan | No aid implemented | Implemented with aid | No aid implemented | Implemented with aid |
| Algeria | No aid implemented | Implemented with aid | No aid implemented | Implemented with aid |
| Bangladesh | Implemented with aid | No aid implemented | Implemented with aid | No aid implemented |
| Burkina Faso | Implemented with aid | Implemented with aid [Note A] | Implemented with aid | Implemented with aid |
| Burundi | Implemented with aid | Implemented with aid | Implemented with aid | Implemented with aid |
| Central African Republic | No aid implemented | Implemented with aid | No aid implemented | Implemented with aid |
| Chad | Implemented with aid | Implemented with aid | No aid implemented | Implemented with aid |
| Colombia | No aid implemented | Implemented with aid | No aid implemented | No aid implemented |
| Côte d'Ivoire | No aid implemented | Implemented with aid | No aid implemented | Implemented with aid |
| Democratic Republic of the Congo | Implemented with aid | Implemented with aid | Implemented with aid | Implemented with aid |
| Djibouti | No aid implemented | Implemented with aid | No aid implemented | Implemented with aid |
| Ethiopia | Implemented with aid | Implemented with aid | Implemented with aid | Implemented with aid |
| Guatemala | Implemented with aid | No aid implemented | Implemented with aid | No aid implemented |
| Guinea | No aid implemented | No aid implemented | No aid implemented | Implemented, no aid |
| Haiti | Implemented with aid | Implemented with aid | Implemented with aid | No aid implemented |
| Kenya | No aid implemented | Implemented with aid | No aid implemented | Implemented with aid |

²²Our review focused on the amounts of funding awarded, the numbers of beneficiaries served, and amounts of food aid commodities provided for projects that include conditional food aid activities, rather than for the conditional food aid activities themselves (see table 1). For more information about award amounts, beneficiaries, and metric tonnage, see app. III.

| Country | 2013 | | 2014 | |
|----------------|----------------------|-------------------------------|----------------------|-------------------------------|
| | Development | Emergency | Development | Emergency |
| Liberia | Implemented with aid | Implemented with aid | Implemented with aid | Implemented with aid |
| Madagascar | Implemented with aid | No aid implemented | Implemented with aid | No aid implemented |
| Malawi | Implemented with aid | Implemented, no aid | Implemented with aid | Implemented, no aid |
| Mali | No aid implemented | Implemented with aid | No aid implemented | Implemented with aid |
| Mauritania | No aid implemented | Implemented with aid [Note A] | No aid implemented | Implemented with aid [Note A] |
| Mozambique | No aid implemented | No aid implemented | No aid implemented | No aid implemented |
| Nepal | No aid implemented | Implemented, no aid | No aid implemented | No aid implemented |
| Niger | Implemented with aid | Implemented with aid | Implemented with aid | Implemented with aid |
| Pakistan | No aid implemented | Implemented with aid | No aid implemented | Implemented with aid |
| Philippines | No aid implemented | Implemented with aid | No aid implemented | Implemented with aid |
| Rwanda | No aid implemented | Implemented, no aid | No aid implemented | No aid implemented |
| Senegal | No aid implemented | No aid implemented | No aid implemented | Implemented with aid |
| Sierra Leone | Implemented with aid | No aid implemented | Implemented with aid | No aid implemented |
| Somalia | No aid implemented | Implemented with aid | No aid implemented | Implemented with aid |
| South Sudan | Implemented with aid | Implemented with aid | No aid implemented | Implemented with aid |
| Sri Lanka | No aid implemented | No aid implemented | No aid implemented | No aid implemented |
| Sudan | No aid implemented | Implemented with aid | No aid implemented | Implemented with aid |
| Syria | No aid implemented | Implemented, no aid | No aid implemented | No aid implemented |
| Tanzania | No aid implemented | Implemented with aid | No aid implemented | Implemented, no aid |
| Uganda | Implemented with aid | Implemented, no aid | Implemented with aid | No aid implemented |
| West Bank/Gaza | No aid implemented | Implemented, no aid | No aid implemented | Implemented with aid |
| Yemen | No aid implemented | Implemented, no aid | No aid implemented | Implemented with aid |
| Zimbabwe | Implemented with aid | Implemented with aid | Implemented with aid | Implemented with aid |

Legend:

USAID = U.S. Agency for International Development.

Implemented with aid = Title II project with conditional food aid was implemented;

Implemented, no aid = Title II project was implemented but did not include conditional food aid activities;

No aid implemented = No Title II food aid was implemented.

Source: GAO analysis of USAID data. | GAO-15-732

Notes: For this report, we focused on USAID projects funded under Title II of the Food for Peace Act through which USAID implements development and emergency projects. In reviewing emergency projects, we focused on projects implemented by the World Food Program, which received the majority of USAID's Title II emergency funding. Other implementing partners, including Catholic Relief Services and the International Organization for Migration, also received some Title II emergency funding.

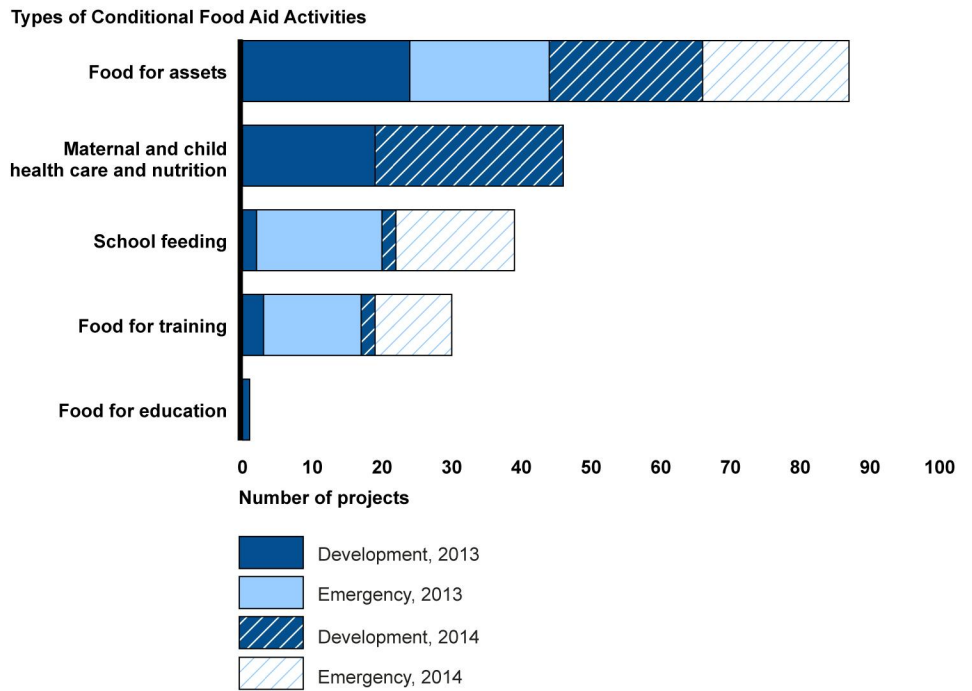
Note A: WFP implemented U.S.-funded Title II emergency projects as part of a multicountry effort in the Sahel Region in fiscal years 2013 and 2014. In fiscal year 2013, this was the sole U.S.-funded Title II WFP emergency project in Burkina Faso and Mauritania; in fiscal year 2014, this was the sole emergency project implemented in Mauritania.

Our analysis showed that the conditional food aid activities implemented in fiscal years 2013 and 2014 included six types of activities—food for assets, maternal and child health care and nutrition, school feeding, food for training, take-home rations, and food for education. Of these activity types, food for assets was the most prevalent for development and emergency projects in aggregate, implemented in 87 of 119 (73.1 percent) of projects (see fig. 1). In development projects, food for assets and maternal and child health care and nutrition activities were equally prevalent, followed by food for training.²³ In emergency projects, food-for-assets activities were most prevalent, followed by school feeding and food for training, respectively. Moreover, partners implemented some food-for-assets activities in conjunction with other conditional food aid activity types, such as maternal and child health care and nutrition activities, to improve a community’s food security.²⁴ For example, during our fieldwork in Guatemala, we observed the implementation of a Preventing Malnutrition in Children under 2 Years of Age activity that provided fortified rations to participants and assisted the community in developing gardens and learning animal husbandry techniques to promote egg production. The implementing partner also provided cooking demonstrations to teach mothers how to prepare food for their young children using the fortified rations, vegetables from the garden, and eggs. In the same community, another partner was implementing a food-for-assets activity that provided food in exchange for beneficiaries’ participation in community councils and other community-building activities.

²³As of July 24, 2015, USAID was commissioning two studies on maternal and child health care and nutrition. We focused our review on food for assets—the other most prevalent type of conditional food aid in Title II development projects—in part because USAID had not yet made plans to study it.

²⁴WFP officials noted that for emergency projects, they integrate these activities to achieve a greater and more sustainable impact as well as cost efficiency and effectiveness.

Figure 1: Types of Conditional Food Aid Activities in U.S.-Funded Title II Development and World Food Program Emergency Projects, Fiscal Years 2013 and 2014



Source: GAO analysis of U.S. Agency for International Development (USAID) data. | GAO-15-732

Note: WFP—which implements the majority of Title II emergency programs—frequently includes maternal and child health care and nutrition activities in its emergency programs. While the U.S. Agency for International Development considers maternal and child health care and nutrition activities to be conditional activities when implemented in Title II development projects, WFP does not consider such activities to be conditional activities when implemented in its emergency projects. For this reason, we did not include them in our review.

Implementing partners used food-for-assets activities to construct a variety of communal assets. During our fieldwork in Ethiopia and Djibouti, we observed examples of such assets, including small-scale dams and irrigation canals, rural access roads, and a school facility, constructed through food-for-assets activities (see fig. 2). For more information about award amounts, beneficiaries, and metric tonnage, see app. III.

Figure 2: Examples of Assets Created through U.S.-Funded Title II World Food Program Food-for-Assets Activities in Ethiopia and Djibouti

Small-scale dam in Ethiopia



Small-scale dam in Djibouti



Irrigation canal and dam in Ethiopia



Water catchment in Djibouti



Beneficiaries performing maintenance on a rural access road in Ethiopia



School building in Ethiopia, with rain-water collection cistern



Source: GAO. | GAO-15-732

Implementing Partners Cited Multiple Factors and Challenges Affecting Design of Food-for-Assets Activities

Implementing partners of Title II development projects reported considering a number of factors, as well as experiencing challenges, in designing food-for-assets activities. For example, partners reported considering stakeholder input and the availability of technical expertise in designing their food-for-assets activities.²⁵ Partners also identified a number of challenges to designing these activities, such as an inability to serve all of the most food-insecure people in a region and determining a plan for community maintenance and use of the assets after the project has ended.

Implementing Partners Cited Stakeholder Input, Food Security Assessment, and Availability of Technical Expertise as Important Design Factors

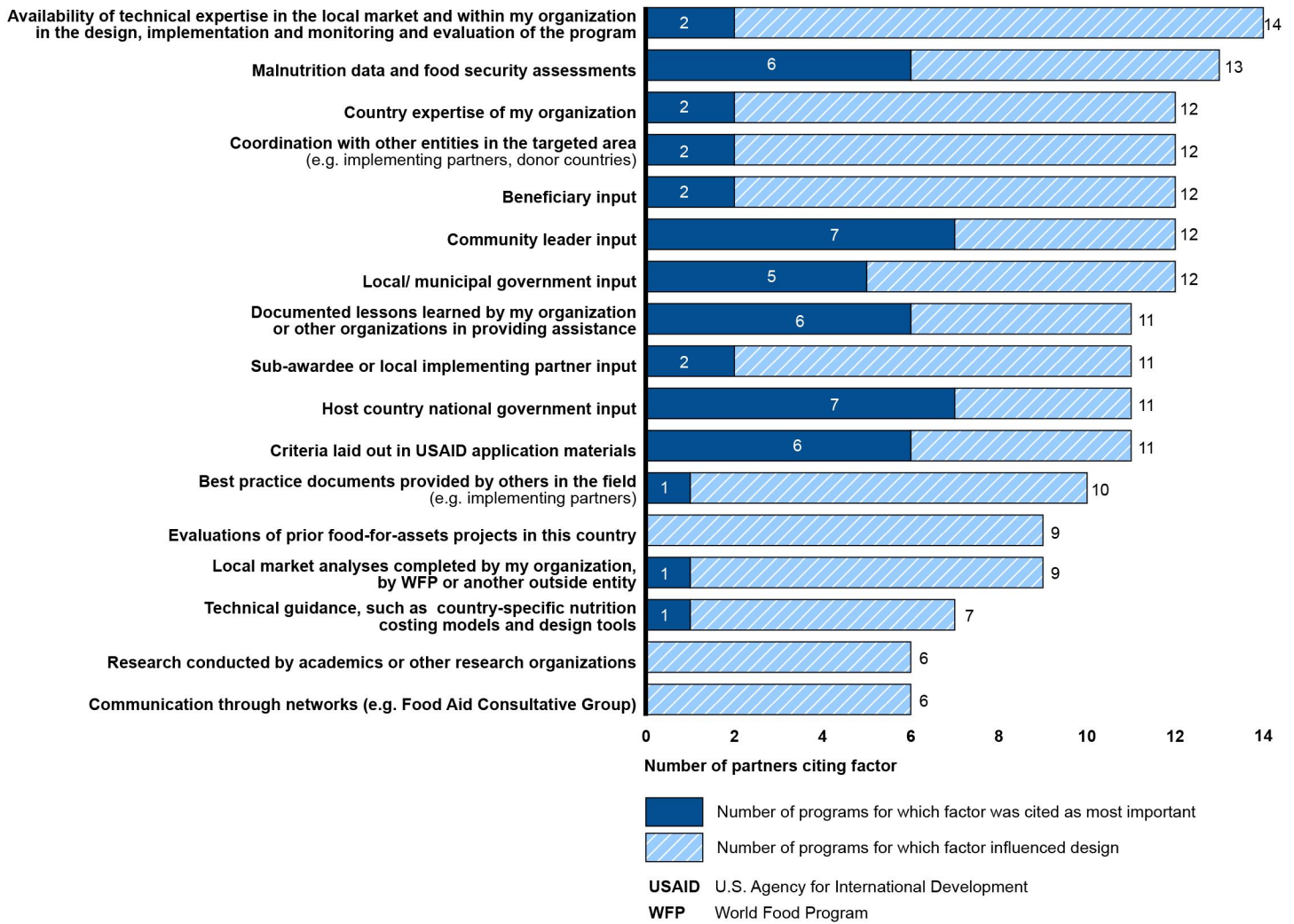
Implementing partners reported considering multiple factors when designing food-for-assets activities for Title II development projects.²⁶ To identify these factors, we asked 10 partners that implemented 14 projects with food-for-assets activities in fiscal year 2014 to respond to a checklist of potential factors; we also asked the partners to identify during interviews the factors they considered most important (see fig. 3).²⁷

²⁵Stakeholders include beneficiaries; community leaders; and local, municipal, or host country government officials.

²⁶According to USAID, after receiving funding, implementing partners should finalize the selection of their target populations, including those that will participate in conditional food aid activities, as well as their approach, or a combination of approaches, to implement these activities. Partners work with USAID, communities, and host governments in selecting the conditional food aid activities to implement, decide on work norms for each of the food-for-assets activities, and decide when and how often to implement these activities. Partners make preliminary decisions about some of these project components during the application phase but finalize them before implementation. According to USAID officials, food-for-assets activities and design decisions may change, with USAID's approval, during the activities' implementation if security conditions or other difficulties arise. USAID and the implementing partner agree on overall project goals and objectives, and USAID approves the activities the partners choose to undertake to achieve the goals.

²⁷To collect information about the design and implementation of development projects with food-for-assets activities, we conducted semistructured interviews with 10 implementing partners regarding 14 projects. Before the interviews, we asked partners to complete four checklists of, respectively, (1) factors with the potential to influence the design of food-for-assets activities, (2) challenges in designing the food-for-assets activities, (3) challenges in implementing food-for-assets activities, and (4) benefits of food-for-assets activities. We developed these lists of factors through our review of relevant documents, discussions with knowledgeable stakeholders, and pretests of our questions. When interviewing the partners, we used a semi-structured interview protocol to collect similar information about each project. During the interviews, we discussed partners' checklist responses. For more information about our data collection and analysis, see app. II.

Figure 3: Factors That USAID Implementing Partners Reported Considering in Designing Title II Development Food-for Assets Activities



Source: GAO analysis of implementing partner interviews and checklist responses. | GAO-15-732

Notes: For our analysis, we selected 14 of the 22 total Title II development projects containing food-for-assets activities and active in fiscal year 2014.

In addition to the factors that implementing partners noted, USAID requires that potential partners' application materials include the following: (1) a "theory of change," describing the hypothesized series of changes that are expected to occur as a result of specific activities; (2) a logical framework summarizing the theory of change and presenting the project design; (3) a description of how gender will be addressed in all areas of the proposed activities; (4) a description of how the project will adapt to climate change that would otherwise adversely affect the performance of climate-sensitive projects activities; and (5) an environmental safeguards plan.

All of the implementing partners indicated that they had considered some form of stakeholder input. As shown in figure 3, all of the partners also identified the availability of technical expertise as a factor that they considered when designing food-for-assets activities for the 14 projects we reviewed. Two of these partners explained that the availability of expertise in the local market and in their organizations to oversee the technical design and implementation of assets are among the most important factors that they consider when designing food-for-assets activities. Specifically, in Ethiopia, a partner and its subawardee told us that they had developed a construction plan to secure cement, sand, and stone for a dam and irrigation canal to be constructed through a food-for-assets activity. The partner spent 4 months training beneficiaries in construction, irrigation maintenance, and water management and employed a full-time foreman at the construction site to oversee construction. As a result, according to the partner, an engineer estimated that the structure would last 15 to 25 years. In contrast, a partner implementing a project in Zimbabwe told us that it had tried to recruit skilled laborers for food-for-assets activities by providing double food rations but, when this effort proved unsuccessful, had to adjust its budget and project design to reflect skilled labor as an additional cost.

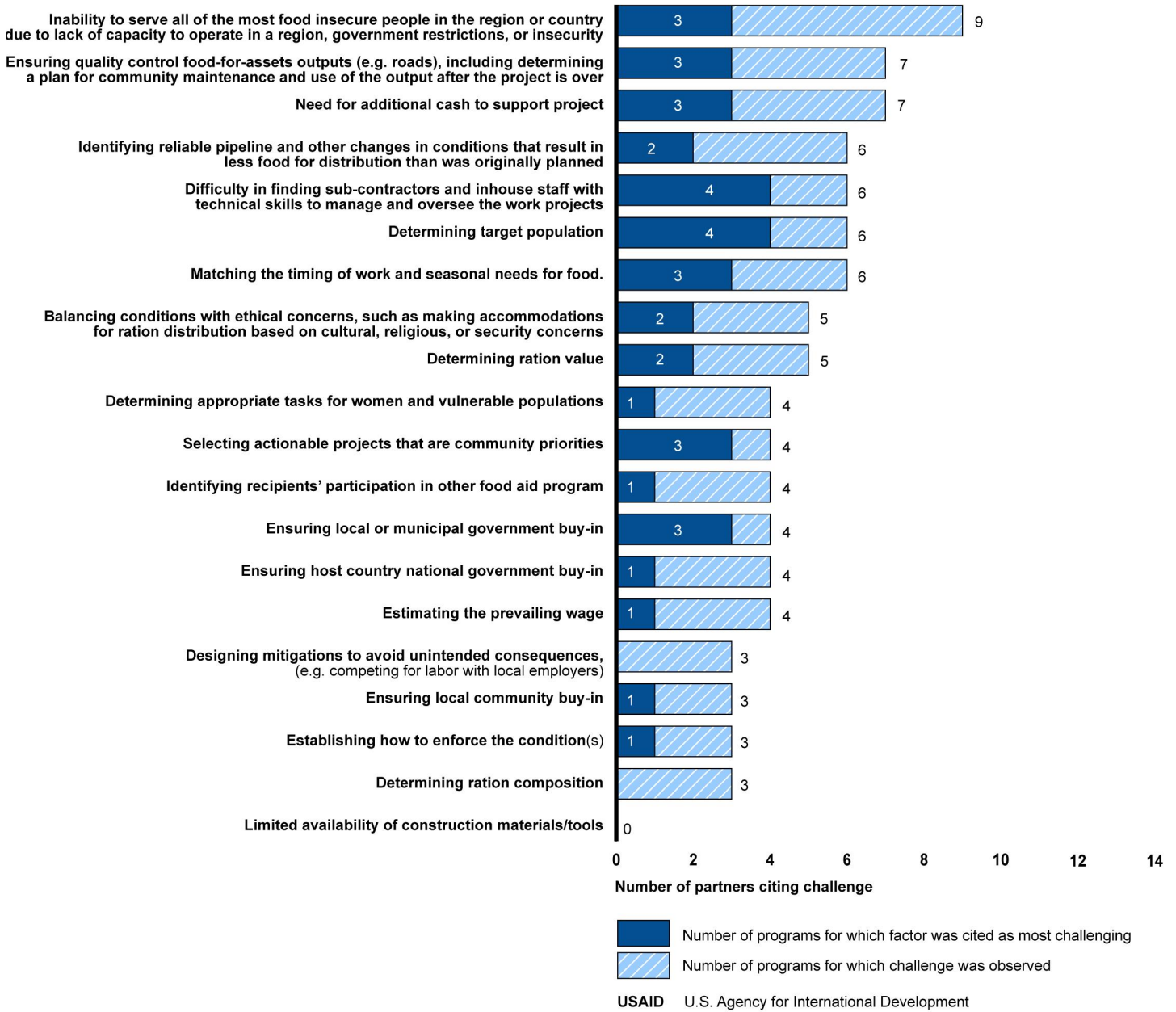
In 12 of the 14 development projects we reviewed, partners reported working with the local community by incorporating beneficiary and community leader input when designing food-for-assets activities. While the type of stakeholder input varied across the projects we reviewed, 7 partners noted that community buy-in is one of the most important factors in the success of food-for-assets activities; some also noted that communities selected the communal assets that they viewed as high priority. For example, partner officials implementing a project in Ethiopia stated that community needs are one of the factors that they consider most important when selecting food-for-assets activities. According to partner officials, after their project was approved, they began working directly with villages to identify potential food-for-assets activities. Officials from another implementing partner explained that seeking community input when designing food-for-assets activities is important, because community members are more likely to maintain assets that the community sees as priorities.²⁸

²⁸WFP considers similar factors in the design of food-for-assets activities for emergency projects. See app. I for a description of these factors.

**Implementing Partners
Reported Many
Challenges Affecting
Design of Food-for-
Assets Activities**

Implementing partners reported that various challenges affected the design of food-for-assets activities in their Title II development projects. We asked 10 partners that implemented 14 development projects to respond to a checklist of potential challenges, as well as to identify the challenges they considered most important during interviews. Figure 4 shows the challenges that partners identified as affecting food-for-assets activity design.

Figure 4: Challenges That USAID Implementing Partners Most Frequently Cited as Affecting Design of Title II Development Food-for-Assets Activities



Source: GAO analysis of implementing partner interviews and checklist responses. | GAO-15-732

Note: For our analysis, we selected 14 of 22 Title II development projects containing food-for-assets activities and active in fiscal year 2014.

The challenge that the partners most frequently cited as affecting the design of food-for-assets activities was the inability to serve all of the most food-insecure people in a region because of a lack of capacity to operate in the region, government restrictions, or insecurity. Partners citing this challenge reported varying effects on their projects. For example, according to a partner implementing a project in the Democratic Republic of the Congo, ongoing armed conflict affected the design of food-for-assets activities in that, because of security concerns, beneficiaries could not travel away from their homes or at night to work on assets. Officials of this implementing partner cited this as one of the most challenging factors they experienced in designing food-for-assets activities. According to officials implementing a program in Ethiopia, the inability to serve all of the region's most food-insecure population because of government restrictions was one of the most challenging factors they experienced. These officials noted that the Ethiopian government had determined the number of beneficiaries in each district almost 10 years ago, resulting in the exclusion of many people who are newly eligible to participate and also limiting ration size, because there was no mechanism to increase rations when children were born and family size increased.

Ensuring the quality of the assets created through food-for-assets activities, including determining a plan for community maintenance and use was cited as a challenge affecting design for 7 of the projects we reviewed. According to implementing partner officials in Zimbabwe, community preference and capacity to manage the maintenance of the asset are essential to achieving the goals of their activities, and the community must identify and prioritize the assets if they are to be maintained. Additionally, according to USAID officials, if the community is engaged in the design process, it is more likely to maintain assets after the implementing partners' projects end and the partners leave the area. One partner also noted that a lack of host country involvement was a barrier to determining a plan for community maintenance and use of roads constructed with food-for-assets labor after the project was over. This partner reported that there were no entities to fund the maintenance of these roads in the Democratic Republic of the Congo, even though the

partner was seeking to transfer the roads' maintenance to the local government.²⁹

USAID Cannot Systematically Assess Food-for-Assets Activities, but Implementing Partners Highlighted Both Benefits and Challenges

USAID cannot systematically measure the performance of food-for-assets activities across all Title II development projects and therefore cannot determine the effectiveness of food-for-assets activities in achieving short-term or longer-term development goals. While USAID uses indicators to assess the overall effectiveness of these development projects, the agency cannot use these indicators to systematically assess the specific effectiveness of food-for-assets activities across all Title II development projects. During our interviews with 10 implementing partners that implemented 14 projects, partners identified several benefits specific to food-for-assets activities, such as developing needed infrastructure, teaching skills to beneficiaries, and achieving short-term increases in food security. They also cited challenges in implementing these activities, such as difficulty in ensuring the sustainability of the assets created as well as weak technical capacity and inadequate resources in host governments and communities.

USAID Cannot Systematically Assess the Effectiveness of Food for Assets across Title II Development Projects

USAID requires implementing partners to report indicators about food-for-assets activities as part of their monitoring process, but USAID cannot systematically use this information to assess the effectiveness of food-for-assets activities separately from that of other activities across Title II development projects. USAID requires partners to monitor project performance and track progress in achieving project results through its standard performance indicators, such as the number of beneficiaries who have participated in a project, as well as project-specific custom performance indicators, such as the number of hectares of land a farmer was able to irrigate as a result of a food-for-assets activity. USAID requires partners to share this information by submitting annual results and other reports.³⁰ As part of this monitoring, USAID requires partners to collect data through standard indicators, which provide project-wide

²⁹WFP reported facing similar challenges in designing and implementing its emergency projects. See app. I for more information.

³⁰According to USAID officials, partners are required to submit indicator performance tracking tables, which contain USAID standard required indicators, standard indicators applicable to specific projects, and custom indicators, developed in coordination with USAID. Partners are required to submit these tables to USAID as part of their annual pipeline resource and estimate proposals and annual results reports.

results and are common across multiple projects. Partners implementing food-for-assets activities report annually, through a standard indicator, on the number of project-wide beneficiaries who have participated in such activities.³¹ However, this indicator and USAID's other standard indicators do not measure the performance of food-for-assets activities, or the effect of these activities on the community, separately from other project activities in a way that allows USAID to compare results for and across projects. For instance, the standard indicators do not address immediate outcomes, such as whether targets for assets constructed were met or the extent to which food-for-assets activities have improved assets in the communities served.

According to USAID officials, USAID also requires partners to collect data through custom indicators, which measure results of specific activities within projects. USAID officials stated that USAID works with each implementing partner to identify appropriate custom indicators to measure the effects of specific activities, including food-for-assets activities, on achieving project goals.³² USAID officials noted that implementing partners' activity-level reporting on custom indicators, as well as partners' narrative reports and implementation plans, provide information that allows for oversight of individual projects but make compilation of some data across the Title II portfolio challenging. Since these indicators, narratives, and plans vary among projects, USAID cannot use them to systematically assess the effectiveness of food-for-assets activities across its Title II projects.³³

³¹ Additionally, for all USAID projects seeking to improve or construct roads, including through the use of food-for-assets activities, partners are required to track and report on a standard indicator measuring the number of kilometers of roads improved or constructed.

³² As part of its fiscal year 2015 request for applications, USAID also requires all applicants to submit a theory of change, which describes the hypothesized series of changes that are expected to occur as a result of food for assets and other activities within a project for which they track custom indicators. For example, a partner we met with used custom indicators to measure the number of villages connected to markets and the amount of farm land irrigated, as a result of food-for-assets activities. According to USAID officials, midway through the life of these fiscal year 2015 awards, partner officials will evaluate the outcomes of their food-for-assets activities on achieving the desired changes described in its application, using standard and custom indicators.

³³ Although some partners have provided anecdotal information on the impact of food-for-assets activities in their final evaluation reports, USAID does not require or specifically request this information.

In contrast to the standard indicators used for food-for-assets activities, standard indicators specific to other types of conditional food aid activities are used to measure the performance of these activities. For example, for interventions to promote maternal and child health and nutrition, USAID uses a set of standard indicators to assess the extent to which various interventions, such as increasing access to improved drinking water and providing antenatal care, are effective in achieving project goals. In addition, WFP uses a community asset score, at the beginning and end of a project, to measure the number of functioning assets created in a community through a food-for-assets activity. Moreover, documents for 10 of 13 WFP projects we reviewed noted performance indicators specific to food-for-assets activities, such as the number of assets completed.

According to USAID's operational policy documented in the *Automated Directives System (ADS)* chapter 203, performance monitoring should be an ongoing process that indicates whether desired results are occurring and whether development objectives and project outcomes are on track. Additionally, chapter 203 of the ADS states that to ensure accountability, metrics should be matched to meaningful outputs and outcomes that are under the control of the agency.

USAID officials told us that a lack of data demonstrating the effectiveness of food-for-assets activities in improving long-term food security represents a significant challenge in development projects involving food for assets. Because USAID has not developed standard performance indicators specific to food for assets, and cannot use its custom indicators to aggregate performance data for food-for-assets activities across projects, the agency cannot systematically assess the results of these activities for all Title II projects that include them. Lacking this information, USAID is unable to determine whether food-for-assets activities are an effective mechanism for decreasing dependence on food aid and increasing food security.

Implementing Partners
Reported Food-for-Assets
Benefits Such as Building
Infrastructure and
Teaching Skills

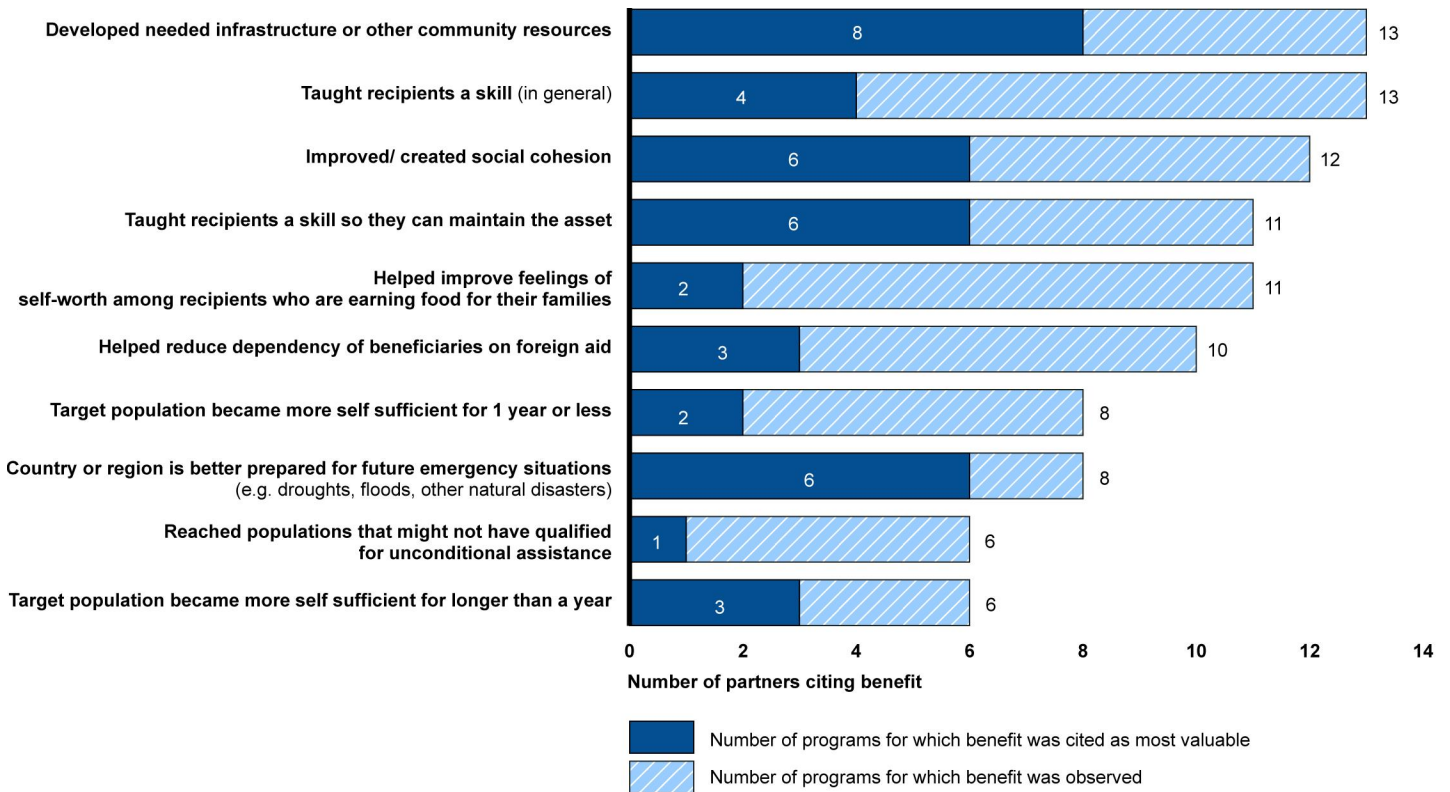
Although USAID does not have standardized performance indicators to collect and report performance data specific to food-for-assets activities, implementing partners for the 14 Title II development projects we reviewed cited benefits from these activities. During our interviews with the 10 partners that implemented these 14 projects, partners most frequently cited building infrastructure, teaching skills to beneficiaries, and improving social cohesion³⁴ among community members as benefits of food-for-assets activities³⁵ (see fig. 5).³⁶

³⁴According to the Organisation for Economic Cooperation and Development, a cohesive society works towards the well-being of all its members, fights exclusion and marginalization, creates a sense of belonging, promotes trust, and offers its members the opportunity of upward social mobility.

³⁵WFP reported observing similar benefits in implementing its emergency projects. See app. I for more information.

³⁶Implementing partner officials provided information about these benefits in their interview and checklist responses; however, we did not collect documentation to confirm the presence of the cited project benefits.

Figure 5: Benefits of Title II Development Food-for-Assets Activities Reported by Implementing Partners



Source: GAO analysis of implementing partner interviews and checklist responses. | GAO-15-732

Note: For our analysis, we selected 14 of 22 Title II development projects that included food-for-assets activities and were active in fiscal year 2014.

As figure 5 shows, implementing partners generally reported that food-for-assets activities led to the creation of infrastructure or physical assets that benefited target communities. During fieldwork in Ethiopia, we also observed benefits of infrastructure created with food for assets. Of the 6 partners that cited increased self-sufficiency of beneficiaries for more than a year as a benefit of food for assets, all reported that their projects also developed needed infrastructure, which may contribute to greater food security. For example, according to a partner implementing a project in Bangladesh, roads constructed through food-for-assets activities help people reach markets to buy and sell food but also allow for increased access to health clinics.

Benefits of Infrastructure Constructed through Food-for-Assets Activities in Ethiopia

During fieldwork in Ethiopia, we observed small-scale farms that were irrigated with water supplied by dams and irrigation canals constructed through food-for-assets activities. Implementing partner officials highlighted the importance of sequencing the projects to ensure that assets constructed early in the project help support assets planned for the future. For example, in 2005, under a previous U.S. Agency for International Development (USAID) project, this partner began a food-for-assets activity that terraced the upper slopes of the watershed to reduce runoff and recharge the water table. In 2013 and 2014, the partner constructed small-scale dams and irrigation canals to irrigate farmland and increase the variety and production of crops. According to implementing partner officials, when the original project began in 2005, all 2,500 people living in the community were dependent on food aid; as of December 2014, partner officials stated that 75 percent of the community members had graduated out of the program and were no longer dependent on food aid.

Source: GAO | GAO-15-732

Teaching beneficiaries skills was commonly cited as a benefit of food-for-assets activities. For example, according to a partner implementing a project in the Democratic Republic of the Congo, working on food-for-assets activities taught beneficiaries the skills needed to maintain the rural access roads that had been constructed after the partner's project ends. Specifically, the beneficiaries learned how to develop a plan to maintain the roads as well as community-organizing skills needed to keep the community engaged in communal projects.

Implementing Partners Cited Numerous Challenges to Implementing Food-for-Assets Activities

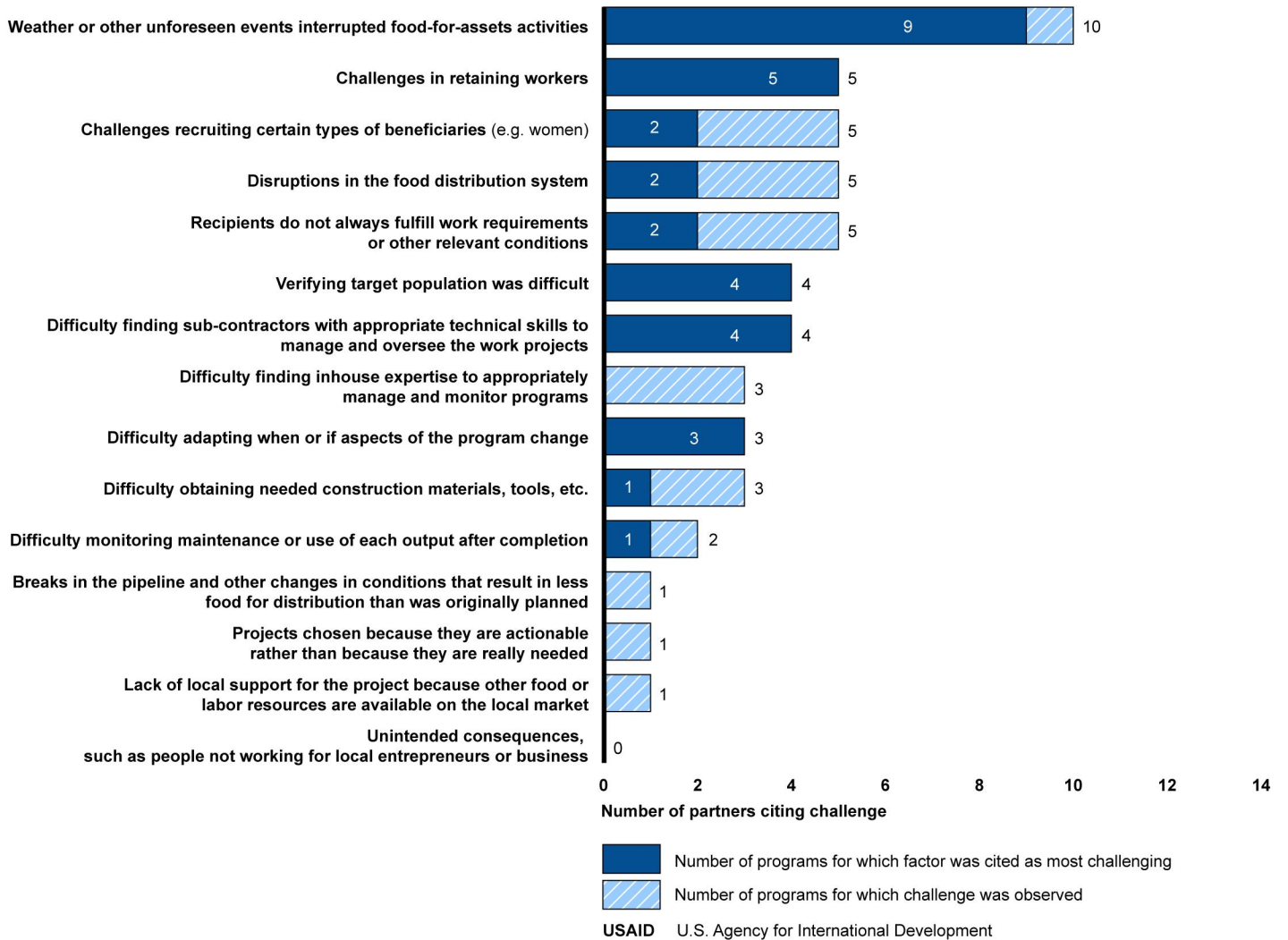
While implementing partners identified benefits of food-for-assets activities, they also noted challenges to implementing these activities. These challenges include weather or other unforeseen events interrupting activities, as well as difficulties in ensuring that assets are maintained and used after projects end.³⁷ USAID officials noted that achieving long-term benefits of food-for-assets activities often requires maintenance to ensure that the assets remain functional and useful. While ensuring quality control of assets and determining a plan for maintenance were cited as design challenges for 7 projects we reviewed, these challenges may affect implementing partners' ability to ensure that the assets will function as planned after the food-for-assets activities end. For example, officials implementing a project in the Democratic Republic of the Congo noted

³⁷WFP also reported challenges in implementing food-for-assets activities in emergency projects, including challenges similar to those reported by implementing partners, such as difficulty finding in house expertise to appropriately manage and monitor projects. See app. I for information challenges that WFP reported as affecting implementation of these activities.

that, although the project is using food-for-assets activities to construct feeder roads to improve market access, no local authorities or other entities are available to take responsibility for maintaining the roads after the project ends.

As figure 6 shows, partners most frequently cited interruption of food-for-assets activities by weather or other unforeseen events, such as civil conflict, as negatively affecting implementation. For example, because inclement weather can delay or interrupt the construction of assets, partners must take into consideration the seasonal timing of food-for-assets activities. As one implementing partner official explained, conducting such activities in the dry season mitigates the challenge of inclement weather; however, beneficiaries may not need as much food assistance during this season. In areas with armed conflict, partners reported experiencing disruptions because of security concerns. For example, a partner implementing a project in the Democratic Republic of the Congo stated that it had to stop working in certain areas because of the presence of rebel forces.

Figure 6: Challenges That USAID Implementing Partners Most Frequently Cited as Affecting Implementation of Title II Development Food-for-Assets Activities



Source: GAO analysis of implementing partner interviews and checklist responses. | GAO-15-732

Note: For our analysis, we selected 14 of 22 Title II development projects that included food-for-assets activities and were active in fiscal year 2014.

Conclusions

Conditional food aid activities confer benefits, such as creating communal infrastructure, that serve the wider community, and they have the potential to make significant contributions to meeting long-term food security goals. Given that we found most Title II development and emergency projects include conditional food aid activities, an

understanding of whether and under what circumstances the use of conditional food aid activities has been effective and appropriate is essential to USAID's oversight of Title II projects. However, without the ability to identify, and systematically collect information about, the conditional food aid activities being implemented in its Title II program—particularly food-for-assets activities, which our analysis found to be most prevalent—USAID is unable to make effective management decisions about conditional food aid. For example, USAID is not able to determine whether conditional food aid's effect on food insecurity warrants the additional costs of, for instance, providing building materials for asset construction projects, nor is it able to effectively assess the benefits of these activities separately from other project activities. Moreover, without the ability to systematically assess the effectiveness of these activities across Title II projects, USAID is unable to benefit from lessons learned to improve these activities in the future and to further reduce dependence on food aid and increase food security.

Recommendations for Executive Action

To strengthen USAID's ability to monitor Title II conditional food aid and evaluate food-for-assets activities' impact on reducing food insecurity, we recommend that the USAID Administrator take the following two actions:

- establish a mechanism to readily identify all Title II projects that include conditional food aid activities and systematically collect information about the type of conditional activity included in each project and
- systematically assess the effectiveness of food-for-assets activities in development projects in achieving project goals and objectives.

Agency Comments and Our Evaluation

We provided a draft of this report to USAID and WFP for their review. Both provided written comments, which we have reprinted in appendixes IV and V, respectively. USAID also provided technical comments, which we incorporated as appropriate throughout our report.

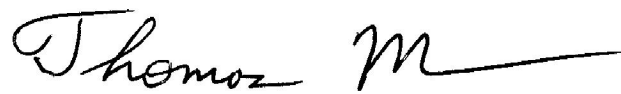
In its written comments, USAID concurred with our recommendations. USAID signaled its intention to establish a mechanism to readily identify all Title II projects that include conditional food aid activities and to collect information about the type of conditional activity in each project. USAID stated that it is already collecting such information for another food assistance program. In addition, USAID agreed that it should assess the effectiveness of food-for-assets activities in development projects in

achieving project goals and objectives. USAID added that it has undertaken relevant reviews of the effectiveness and sustainability of Title II development projects and that it is considering expanding evaluations of completed Title II development projects to assess sustainability of results over time. USAID disagreed with statements in our draft report that, because it has not collected data on conditional food aid activities systematically, the agency has limited ability to reliably oversee or monitor programs that use these activities and is not following operation policy that calls for systematic collection of data for monitoring and evaluating program performance. USAID noted that its operational policy also states that collecting more information increases the management burden and cost to collect and analyze this information. Chapter 203 of USAID's *Automated Directives System* lists efficiency as a key principle for effective performance monitoring and does not prescribe a specific level of data collection. We revised our draft accordingly. However, our observations and analysis do not support USAID's position that it is able to reliably oversee or monitor conditional food aid programs. For example, USAID was unable to provide data on the numbers of beneficiaries, funds, or commodities associated with conditional food activities. Moreover, by agreeing to systematically collect data about, and assess the effectiveness of, conditional food aid activities in Title II development projects, USAID acknowledges the importance of this information as well as the feasibility of the recommended actions.

In its written comments, WFP noted, among other things, that it found encouraging our findings regarding its capacity to design and implement food for assets, monitor and report results, and achieve both short- and longer-term goals. WFP also commented that food-for-assets activities serve distinct purposes in the two types of emergency operations where WFP uses these activities; we added language to our report to address this comment. WFP did not comment on our recommendations, since they were not directed to WFP.

We are sending copies of this report to the appropriate congressional committees; the Secretary of State; the Administrator of USAID; and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me 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 report. GAO staff who made key contributions to this report are listed in appendix VI.

A handwritten signature in black ink that reads "Thomas M" followed by a long horizontal flourish.

Thomas Melito
Director, International Affairs and Trade

Appendix I: WFP's Use of Food for Assets in Emergency Projects

Factors WFP Considers in Designing and Implementing Food-for-Assets Activities for Emergency Projects

The U.S. Agency for International Development (USAID) makes most of its Title II emergency awards to the World Food Program (WFP) and bases these awards on WFP funding appeal documents as well as USAID's analysis of current and emerging crises worldwide.¹ When designing its emergency projects, WFP considers projects addressing long-term crises, chronic poverty, or recurring national disasters to be well suited for food-for-assets activities, according to WFP officials. If food-for-assets activities are to be part of the project, WFP also meets with stakeholders at the village level to identify the assets that are most needed in the community as well as limitations to constructing and maintaining these assets. At the end of this process, WFP country offices develop project proposals—either a protracted relief and recovery operation or an emergency operations project document—outlining the action that is required and also serving as a funding appeal.² After WFP releases an appeal, donors, including the United States, determine whether they will provide funding, in-kind commodities, or other resources for the project. According to WFP officials, once WFP has commitments from the donors, it further refines the design of the project to reflect the resources that the donors committed to provide and begins implementation.

WFP considers several factors in the design and implementation of food-for-assets activities for emergency projects. WFP officials cited the importance of considering stakeholder and community input and the availability and level of technical expertise, and reported factoring gender considerations into the design and implementation of their food-for-assets

¹Because WFP implements most of USAID's Title II emergency projects, we focus on WFP's process for designing awards. In fiscal years 2013 and 2014, USAID also made emergency awards to several other partners. USAID outlines the competitive process for reviewing and deciding to fund proposals for its food assistance projects in the Annual Program Statement for International Emergency Food Assistance.

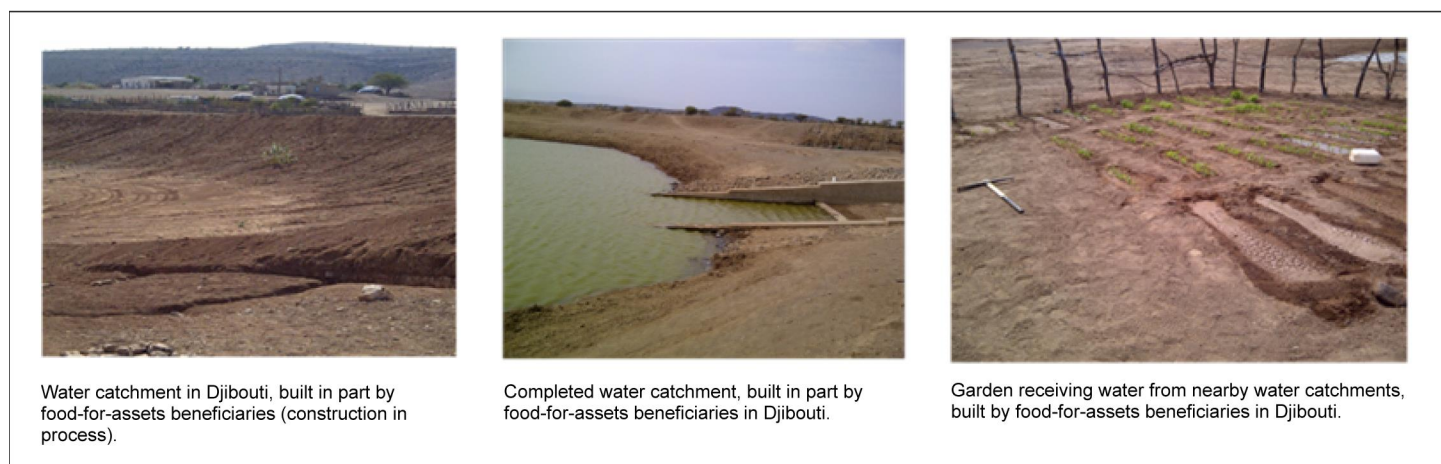
²Emergency operations are implemented in urgent situations and typically include food distribution or projects such as food aid in exchange for reconstruction work. Protracted relief and recovery operations are intended to help sustain disaster-hit communities as they reestablish livelihoods and stabilize food security. In commenting on a draft of this report, WFP noted that food-for-assets activities should be reviewed against the strategic objectives they were designed to address. For example, during emergency operations, the use of food for assets is intended to meet the immediate food needs of affected households and to quickly restore access to food through the rehabilitation of key community assets. However, during protracted relief and recovery operations, the assets built and training provided through food for assets contribute to building longer-term resilience.

activities.³ In addition, WFP considers input from a variety of stakeholders at the national, regional, and local levels to help it assess food security, and appropriately plan and implement food-for-assets activities. Our review of documents for 13 WFP emergency operations and protracted relief and recovery operations projects with food-for-assets activities found that documents for 10 of the projects noted partnerships with host governments. Documents for 7 of the projects noted partnerships with other implementing partners, such as the Food and Agriculture Organization of the United Nations.⁴ During our fieldwork in Djibouti, we visited a newly constructed water catchment where WFP worked with an international development agency that provided technical expertise and machinery and where WFP food-for-assets beneficiaries collected the rocks that were used to build the dam (see fig. 7). In addition, WFP beneficiaries later planted a garden close to the catchment to make use of the collected water, with the Food and Agriculture Organization providing seeds and WFP providing tools and food rations.

³USAID also requires its implementing partners to incorporate the role of gender into its development awards. As part of its application process for Title II food aid awards, USAID requires potential awardees to include in their applications a description of how gender will be addressed in all areas of the proposed activities. Additionally, USAID requires its partners to complete a gender analysis plan, within the first year of the life of the award, outlining how the partner will address gender issues at the community and household levels that would affect implementation, project participation, and outcomes.

⁴We reviewed a judgmental sample of 13 WFP emergency projects that included food-for-assets activities. For additional details of our methodology, see app. II.

Figure 7: Title II World Food Program Food-for-Assets Activities in Djibouti



Source: GAO | GAO-15-732

In addition to considering stakeholder input, WFP considers the availability and level of technical expertise and capacity when designing and implementing food-for-assets activities. In 2014, WFP evaluators found that assets might not be properly constructed or maintained if the needed technical expertise and specialized equipment for the asset exceeded the technical capacity of the community.⁵ According to WFP officials, when neither the host government nor the community has the technical expertise or resources to maintain high-technology assets, WFP will either recommend against building the assets or recommend a focus on low-technology assets.

Further, WFP integrates gender considerations throughout the planning process for food-for-assets activities, according to WFP officials. According to WFP, this includes acknowledging the different roles, community status, and hardships that men and women have experienced and assessing the potential for exacerbating or addressing these differences through food-for-assets activities. In WFP's evaluation of

⁵World Food Program, Office of Evaluation, *Impact Evaluation Synthesis: Synthesis Report of the Evaluation Series on the Impact of Food for Assets (2002-2011) and Lessons for Building Livelihoods Resilience*, OEVI/2014/11 (May 2014). This report synthesized the main findings from six country evaluations that the World Food Program had conducted of food-for-asset activities conducted in Bangladesh, Ethiopia, Guatemala, Nepal, Senegal, and Uganda.

projects from 2002 to 2011 in six countries, evaluators found that strategic targeting of assets to women's needs, creation of gender-sensitive worksites, and consideration for women's competing demands all affected women's participation in, and the benefits they derived from, food-for-assets' activities.⁶ Our review of documents for 13 WFP emergency operations projects from fiscal years 2013 and 2014 found that 11 of these projects included targets for women's participation and that 6 of the 11 projects had targets giving special consideration to gender issues, such as targets for women in leadership roles.⁷

WFP-Identified Benefits of Food-for- Assets Activities as Well as Risks and Challenges in Designing and Implementing Its Activities

WFP identified many benefits to its food-for-assets activities implemented in emergency projects, including benefits similar to those observed by development implementing partners. Additionally, WFP reported a number of risks affecting the design of projects containing food for assets, such as a lack of adequate and timely funding and insecure and unpredictable environments. WFP also reported challenges in implementing food-for-assets activities, including challenges similar to those facing development implementing partners, such as limited technical capacity within communities. WFP found that its food-for-assets activities had helped to develop infrastructure and that food-for-assets activities had built useful assets with both short- and long-term benefits, which in turn improved the beneficiaries' food security.⁸ In its 2014 synthesis of evaluations, WFP evaluators noted that its projects had created assets that helped protect communities from floods and also provided longer term benefits. For example, in Bangladesh, dikes that provided protection from floods were built, and, building these dikes increased the productivity of the land. In addition, WFP evaluators found

⁶World Food Program, Office of Evaluation, *Impact Evaluation Synthesis*.

⁷USAID's Annual Program Statement for International Emergency Food Assistance requires applicants for emergency food assistance funding to integrate gender considerations throughout their emergency programming and to describe these efforts in their project justifications, project design, and management and logistics plans.

⁸WFP *Impact Evaluation Synthesis* notes that overall impacts from food for assets are expected to occur over different timeframes—short-term, medium-term, and long-term. Short-term benefits could include increased cash/food availability and food access, and the immediate effects of the asset, such as flood protection, which could result in an immediate reduction in vulnerability. Medium-term benefits may include increased land productivity and agricultural production, greater income-generating opportunities, and better physical access to markets and social services. Long-term benefits could include reduced vulnerability, improved livelihoods, and increased resilience.

that in the medium term, assets built in Bangladesh, Ethiopia, Nepal, Senegal, and Uganda had increased land productivity and agricultural production, which in turn enhanced communities' ability to generate income. Additionally, WFP reported that food-for-assets activities had had a long-term positive impact in creating cohesion among varying populations in Bangladesh, Guatemala, Nepal, and Uganda, some of which had experienced prolonged conflict.

WFP reported in its operational documents and *Impact Evaluation Synthesis* that a number of risks could affect projects containing food for assets, such as a lack of adequate and timely funding, insecure and unpredictable environments, and limited technical expertise. WFP reported for all but 1 of the 13 projects we reviewed that reduced, inadequate, and delayed funding was a key risk to designing and implementing the projects' activities. For its projects in the Democratic Republic of the Congo, Somalia, and Sudan, WFP noted that life-saving emergency assistance would be prioritized over food for assets when funding was insufficient. In addition, WFP officials in Djibouti told us that in 2014 only 15 percent of planned food-for-assets activities were completed because of a lack of funding.

WFP also identified numerous challenges when implementing its food-for-work activities in emergency projects. Some of these challenges were similar to those identified by implementing partners, such as finding humanitarian workers with appropriate technical skills, maintaining assets in the long term, and determining appropriate target populations. WFP evaluators reported on the importance of community and government technical capacity for the proper maintenance of assets, and WFP cited a lack of institutional capacity among host country governments, communities, and other institutions as a risk for 8 of the projects we reviewed. Additionally, WFP evaluators found that limited technical capacity can affect whether an asset functions as intended, because assets are more likely to be maintained when communities and governments have the capacity to appropriately maintain them than when they lack the capacity.

WFP evaluators noted that achieving long-term benefits for food-for-assets activities often requires ongoing operations and maintenance to ensure that the asset remains functional and useful. WFP's 2014 synthesis of evaluations of food-for-assets activities in 2002 through 2011 reported that there was confusion about who would be responsible for

maintaining the assets and that plans for maintaining the assets were in place for only a few of the activities. WFP reported that without clarity about maintenance responsibilities, there is a risk that assets will fall into disrepair.

Appendix II: Objectives, Scope, and Methodology

Our objectives were to examine (1) the U.S. Agency for International Development's (USAID) use of conditional food aid through Title II development and emergency projects in fiscal years 2013 and 2014, (2) the factors that implementing partners considered and the challenges they faced when designing food-for-assets activities in development projects, and (3) the extent to which USAID assessed the effectiveness of food-for-assets activities in development projects.¹

To address all three of our objectives, we reviewed Title II project documents and information from fiscal years 2013 and 2014. We focused our review of conditional food aid in Title II emergency projects on the World Food Program (WFP), because it is the largest recipient of USAID's emergency Title II funding. We met with officials of USAID's Food for Peace program in Washington, D.C.; officials at the WFP headquarters in Italy and via teleconference; officials at U.S.-based implementing partners' headquarters in Washington, D.C., or via teleconference; and WFP officials in Chad, Sudan, and Pakistan via teleconference. In addition, we conducted fieldwork in Djibouti, Guatemala, and Ethiopia, meeting with USAID and WFP officials, implementing partner country program staff, and host country government officials, among others. In selecting countries for fieldwork, we considered various factors, including the range of project sizes and types of project (i.e., development or emergency) implemented in the country, the nature of food-for-assets activities in the country, and coverage of multiple implementing partners.

For background and context, we obtained information on the advantages and disadvantages of food for assets. We obtained this information by conducting interviews with three subject matter experts in the field of international food aid, selected based on their extensive field research and firsthand knowledge of the topic, as well as a literature review of academic articles related to the design and implementation of food for assets that we selected based on recommendations from the experts we interviewed, searches for articles covering food-for-assets design and

¹This report examines conditional food aid that involves the exchange of commodities for participation in development activities. A March 2015 report examined cash-based food assistance implemented under USAID's Emergency Food Security Program; see GAO, *International Cash-Based Food Assistance: USAID Has Developed Processes for Initial Project Approval but Should Strengthen Financial Oversight*, [GAO-15-328](#) (Washington, D.C.: Mar. 26, 2015).

implementation, and searches of the bibliographies for those articles we reviewed.

In addition, to examine USAID's use of conditional food aid through Title II development and emergency projects in fiscal years 2013 and 2014—our first objective—we took the following steps. For development projects, we reviewed data from USAID's Food for Peace Management and Information System (FFPMIS)—USAID's official program, proposal, and financial management system—from implementing partners' annual results reports for the 2 fiscal years.² We used these data to determine the number of beneficiaries and metric tons of commodities associated with Title II development projects with conditional food aid activities. To assess the reliability of these data, we interviewed Food for Peace and contractor officials who are responsible for maintaining and using the FFPMIS system. To identify any obvious inconsistencies or gaps in the data, we performed basic checks of the data's reasonableness, checking the FFPMIS data against data provided by agency officials. When we found discrepancies or missing data fields, we brought them to the attention of relevant agency officials and worked with the officials to correct the discrepancies and missing fields. In conducting our reliability assessment, we found two limitations associated with the annual results reports data.

- The reports do not contain beneficiary or metric tonnage data specific to conditional food aid activities; the most specific data available are by program element. For example, the data we reviewed did not include information about food-for-assets activities but included data for activities that were completed under the agricultural sector capacity program element. USAID officials could not provide data specific to food-for-assets activities through other means.
- USAID officials do not thoroughly check all of the data reported by implementing partners to ensure accuracy, although they conduct a quality check to assess whether the data are reasonable.

²Each November, implementing partners manually enter annual results from their Title II projects for the previous fiscal year into FFPMIS. The relevant data fields in the system are included in the beneficiary and resource tracking tables. Specifically, we obtained the data from the beneficiary data section (i.e., 2013 data for beneficiaries reached) and from the 2013 resources section (i.e., metric tons).

These limitations affected our ability to identify the award amounts, beneficiaries, and metric tonnage associated with conditional food aid activities implemented within Title II projects. Instead of gathering beneficiary and metric tonnage information specific to conditional food aid activities, we gathered higher-level data for program elements. On the basis of our interviews with relevant Food for Peace and contractor officials, our review of FFPMIS documentation, and our review and testing of the annual results report data that we received, we determined that the beneficiary and metric tonnage data at the program element level were sufficiently reliable for the purposes of our review.

For emergency projects, we used WFP's standard project report (SPR) data for each Title II emergency project that contained conditional food aid activities in fiscal years 2013 and 2014.³ These data showed (1) total numbers of beneficiaries for each project, (2) numbers of beneficiaries for each type of conditional food aid activities (i.e., food for assets, school feeding, food for training, and take-home rations), (3) metric tons of commodities and quantities donated in-kind and purchased by WFP with cash donations, and (4) metric tons of U.S. in-kind donations shipped or purchased.⁴ We used these data to determine the numbers of beneficiaries and metric tons of U.S. commodities associated with Title II emergency projects with conditional food aid activities. To assess the reliability of the SPR data, we interviewed the WFP officials who gathered the award data for us as well as WFP officials who oversee country program offices' programmatic and financial reporting. To identify any obvious inconsistencies and gaps in the Title II award data and SPR data, we also performed basic checks of the data's reasonableness, checking the Title II award data against data provided by USAID officials. When we found discrepancies or missing data fields, we brought them to the attention of relevant agency officials and worked with the officials to

³In commenting on a draft of this report, USAID noted that WFP compiles standard project report data based on the calendar year, while USAID is required to track and report data based on the fiscal year.

⁴WFP issues SPRs for each emergency project at the end of March of every year to report on operational and financial aspects of the projects. The relevant data fields in these reports are (1) beneficiary category—total number of beneficiaries in 2013 and 2014, (2) beneficiary category—actual—total for conditional food aid activities (i.e., food for assets, school feeding, food for training, and take-home rations), (3) resource inputs—resourced in 2013 and 2014 (metric tons) in-kind total, and (4) resource inputs—shipped/purchased in 2013 and 2014 (metric tons) total.

correct them. In conducting our reliability assessment, we found three limitations with the SPR data.

- The SPRs do not contain beneficiary data specific to U.S. donations. For example, the data we reviewed show total numbers of beneficiaries served by WFP—which obtains donations from multiple countries and other entities—rather than by individual country donations. Neither WFP nor USAID officials could provide data specific to WFP’s conditional food aid activities through other means. Additionally, we cannot determine how much of this funding went to the conditional food aid activities as opposed to unconditional food distribution, supplemental distributions, or food or support for the elderly, disabled, or seriously ill.
- While SPRs contain in-kind metric tonnage data provided by the United States, these data are not specific to conditional food aid activities; they also include general food distribution. Similarly, the project totals for commodities shipped or purchased include general food distribution, locally procured food, and food obtained with cash from the United States and other donors by other means. Additionally, WFP data on U.S. donations of commodities may include commodities for conditional or unconditional assistance. Accordingly, it is not possible to distinguish, on the basis of these data, the metric tonnage of commodities that were distributed strictly for conditional food aid activities.
- Because WFP beneficiary data may be collected both at the individual level and through estimates based on household rations, the SPR data on beneficiaries may not have been collected consistently.

Despite these limitations, we were able to estimate the beneficiaries and metric tonnage associated with Title II emergency projects that included conditional food aid. Lacking data about beneficiaries of U.S. conditional food aid activities, we gathered project-level data.⁵ In addition, lacking data about the number of metric tons of food donated by the United States specific to conditional food aid activities, we collected data on food

⁵To determine the percentage of beneficiaries served by conditional food aid activities in U.S.-funded Title II WFP emergency projects, we summed the number of beneficiaries served by each individual conditional food aid activity across all relevant grants and divided these numbers by the total number of beneficiaries served through relevant Title II programs. We used a similar calculation to determine the percentage of beneficiaries that were served through general food distribution in these projects.

used for general emergency food distribution. Finally, lacking information about the metric tons of food distributed by emergency projects for conditional food aid, we gathered data on food that was shipped from the United States, purchased locally, or otherwise purchased. On the basis of our interviews with relevant Food for Peace and WFP officials, and our review and testing of the award and SPR report data that we received, we determined that the beneficiary and metric tonnage data were sufficiently reliable for the purposes of this report.

To examine the factors that partners considered and the challenges they faced when designing food-for-assets activities in Title II development projects, and to determine the extent to which USAID assessed the effectiveness of these food-for-assets activities—our second and third objectives, respectively—we focused on food-for-assets activities as the most prevalent type of conditional food aid activity for both development and emergency projects.

For our analysis of development projects, we analyzed USAID data for the 22 Title II projects that were active between fiscal years 2013 and 2014, and that included conditional food aid activities. We analyzed these projects to select the 14 that fit the following criteria: (1) contained food-for-assets activities, (2) were active in fiscal year 2014, and (3) were at least in their second year of implementation. We selected a subset of these 22 projects in the following manner: (1) 2 projects for each of the 4 partners that had multiple active projects, and (2) 1 project each for the remaining 6 partners that had only 1 active project. We conducted semistructured interviews with officials of the 10 partners that implemented these 14 projects (see table 3).⁶ For partners implementing multiple projects captured in our analysis, we conducted separate interviews with implementing partner staff to discuss each project. The information we obtained through these interviews is not generalizable to all Title II development projects or all USAID development awards. To encourage open and honest discussion, we offered these implementing partners confidentiality and therefore are not naming the partners whose staff we interviewed.

⁶We interviewed all 10 implementing partners that had at least 1 project that fit these criteria.

Table 3: Selected Title II Development Projects

| Country | Number of projects |
|----------------------------------|--------------------|
| Bangladesh | 2 |
| Chad | 1 |
| Democratic Republic of the Congo | 3 |
| Ethiopia | 4 |
| Madagascar | 1 |
| Niger | 1 |
| Zimbabwe | 2 |
| Total | 14 |

Source: GAO analysis of U.S. Agency for International Development (USAID) information. | GAO-15-732

During our semistructured interviews covering these 14 projects, we asked the officials from each partner a similar set of questions that focused on the design, implementation, and evaluation of each project. We also provided each partner with four checklists to facilitate collection of uniform information about, respectively, (1) the factors they considered when designing food-for-assets activities in their Title II projects, (2) the challenges they experienced in designing these activities, (3) the benefits of implementing food-for-assets activities as opposed to unconditional food aid, and (4) the challenges they faced in implementing food-for-assets activities in their Title II projects. We asked the partners to complete these checklists prior to being interviewed. In interviews with partner officials, we discussed their responses to the checklists and elicited information about the benefits, factors, and challenges they considered most important to their projects. We analyzed the implementing partners' responses to both the checklists and the semistructured interviews to determine the prevalence of various factors in designing food-for-assets activities as well as the benefits and challenges that the partners experienced in designing and implementing these activities. We then conducted a content analysis of the semistructured interview responses to determine which factors, challenges, and benefits the partners considered most valuable or important. In addition, we conducted interviews with officials of USAID's Office of Food for Peace and reviewed USAID documents, including project design and implementation guidance; requests for applications; and partner award documentation, such as annual reports, monitoring indicators, and correspondence with USAID. We compared these data and documents with criteria for data collection and monitoring from USAID's operational policy, to assess the extent to which USAID can report on the benefits of its food-for-assets activities.

To examine the factors that WFP considered when designing and implementing Title II emergency activities, as well as the reported benefits of such activities (see app. I), we reviewed WFP’s emergency operations and protracted relief and recovery operations documents and interviewed WFP country program officials. We selected a judgmental sample of 13 of 60 emergency projects on the basis of the fiscal year of implementation, the presence of a food-for-assets activity, the existence of a reported dollar amount, the availability of project documentation, the project type, and variety in the projects’ geographical location. Table 4 shows the countries and source documents for the 13 Title II emergency projects that we selected for our review.

Table 4: Selected U.S.-Funded Title II World Food Program Emergency Projects, Fiscal Years 2013-2014

Fiscal year 2013

| Country | Document type |
|-------------|-----------------|
| Columbia | WFP PRRO 200148 |
| Djibouti | WFP PRRO 200293 |
| Pakistan | WFP PRRO 200250 |
| Philippines | WFP PRRO 200296 |
| Somalia | WFP PRRO 200443 |
| South Sudan | WFP EMOP 200338 |

Fiscal year 2014

| Country | Document type |
|----------------------------------|-----------------|
| Cameroon | WFP PRRO 200552 |
| Chad | WFP PRRO 200289 |
| Cote d'Ivoire | WFP PRRO 200464 |
| Democratic Republic of the Congo | WFP PRRO 200540 |
| Kenya | WFP PRRO 200174 |
| Sudan | WFP EMOP 200597 |
| Zimbabwe | WFP PRRO 200453 |

PRRO Protracted relief and recovery operation

EMOP Emergency operation

Source: GAO analysis of World Food Program (WFP) information. | GAO-15-732

In addition to analyzing operational documents for WFP protracted relief and recovery operations and emergency operations, we conducted telephone interviews with project officials in four WFP field offices: (1)

Chad, (2) Djibouti, (3) Pakistan, and (4) Sudan. We selected these projects on the basis of size, the availability of WFP in-country officials, whether active food-for-assets projects were being implemented, and whether we had conducted fieldwork in the country, among other factors.

To further analyze what is known about the results of food-for-assets activities, we reviewed WFP's May 2014 *Impact Evaluation Synthesis*—a synthesis report of six individual impact evaluations of food-for-assets activities implemented in Bangladesh, Ethiopia, Guatemala, Nepal, Senegal, and Uganda from 2002 to 2011, which we determined was reliable for the purposes of our review.⁷ We considered the research design, scope, and methodology of these evaluations and determined that they were reasonable for the purposes of these studies. For example, we considered whether the high-level findings in the summary report represented a fair summary of the individual studies and determined that they did. For example, we found that key challenges and problems with the programs were reported in the evaluation synthesis. We also found that the benefits in the studies were not overstated in the final evaluation synthesis. However, we noted that a table on the functionality of assets did not appear reliable on the basis of the individual evaluations, and we therefore we did not report on that table. We defined benefits as the positive outcomes resulting from food-for-assets activities, such as improved agricultural production. We defined challenges as difficulties or deficiencies—within or outside WFP's control—that hindered optimum project implementation and food-for-assets outcomes.

We conducted this performance audit from March 2014 to September 2015 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.

⁷World Food Program, Office of Evaluation, *Impact Evaluation Synthesis: Synthesis Report of the Evaluation Series on the Impact of Food for Assets (2002-2011) and Lessons for Building Livelihoods Resilience*, OEV/2014/11 (May 2014).

Appendix III: Award Amounts for Projects Including Conditional Food Aid in Fiscal Years 2013 and 2014

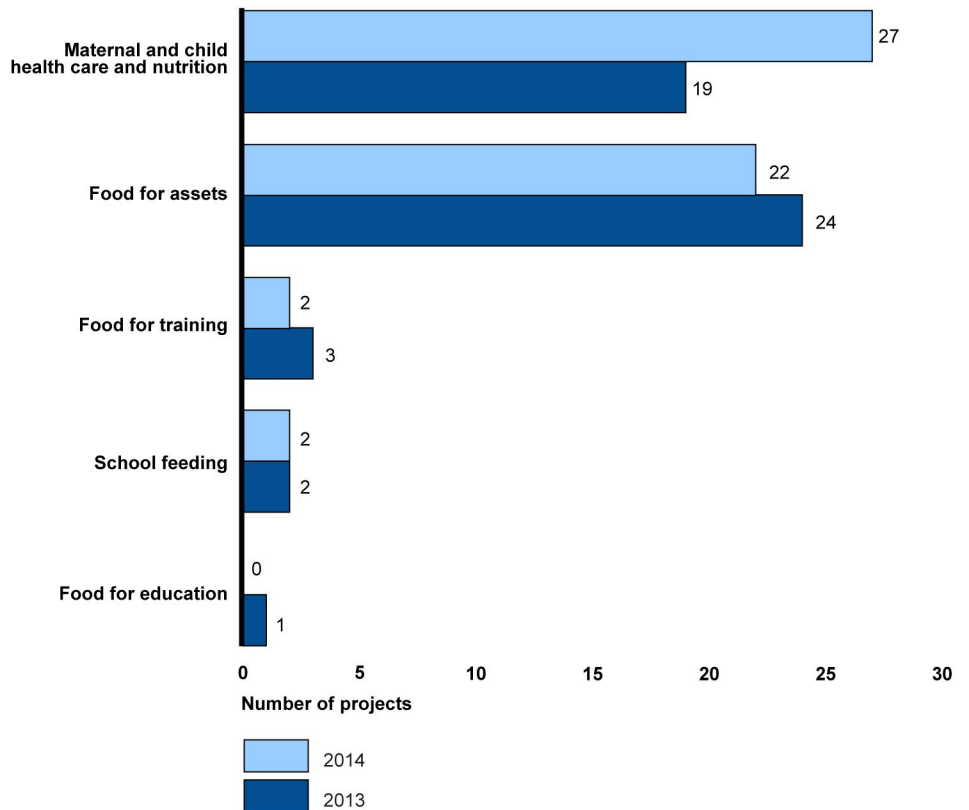
For this report, we focused on the amounts awarded, numbers of beneficiaries served, and amounts of food aid commodities provided for development and emergency projects that included conditional food aid activities rather than for the conditional food aid activities themselves. Almost all development projects, and most emergency projects, that the U.S. Agency for International Development (USAID) funded under Title II of the Food for Peace Act in fiscal years 2013 and 2014 included conditional food aid activities.

Development Projects

Of the 60 Title II development projects that USAID funded and implemented through its partners in fiscal years 2013 and 2014, 59 projects included conditional food aid activities.¹ Food for assets was the most prevalent activity in 2013, and maternal and child health care and nutrition was the most prevalent activity in 2014. Figure 8 shows the types and prevalence of conditional food aid activities implemented through Title II development projects during these 2 years.

¹USAID funding of Title II projects consists of the award amounts specified in various grant agreements, which are subject to change on an annual basis.

Figure 8: Types and Prevalence of Conditional Food Aid Activities in Title II Development Projects, Fiscal Years 2013 and 2014



Source: GAO analysis of U.S. Agency for International Development (USAID) information. | GAO-15-732

USAID awarded \$609.3 million to its implementing partners under Title II in fiscal years 2013 and 2014, most of which supported development projects with conditional food aid activities (see table 5). Awards per project ranged from \$60,500 (Niger) to \$40.4 million (Ethiopia) in fiscal year 2013 and from \$2.0 million (Malawi) to \$36.5 million (Ethiopia) in fiscal year 2014. Because most Title II development projects in fiscal years 2013 and 2014 included conditional food aid during this timeframe, the amounts awarded, beneficiaries served, and commodities provided through projects with conditional food aid activities were generally very

Appendix III: Award Amounts for Projects Including Conditional Food Aid in Fiscal Years 2013 and 2014

similar to those for all Title II development projects.² According to USAID officials, in fiscal year 2013, implementing partners monetized, or sold, food aid commodities in developing countries to fund development projects in 5 projects: 3 in Bangladesh, 1 in Madagascar, and 1 in Malawi.

Table 5: Award Amounts, Numbers of Beneficiaries, and Quantities of Commodities for Title II Development Projects That Included Conditional Food Aid Activities, Fiscal Years 2013 and 2014

| | Award amount (in millions) | | Beneficiaries (in millions) | | Commodities distributed (in metric tons) | |
|---|-------------------------------|----------------|--------------------------------|----------------|---|----------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| All development projects | \$307.88 | \$301.41 | 10.00 | 9.19 | 317,850 | 203,992 |
| Development projects with conditional food aid | 307.82 | 301.41 | 9.97 | 9.19 | 315,431 | 203,992 |
| Percentage of all development projects | 99.98% | 100.00% | 99.68% | 100.00% | 99.24% | 100.00% |

Source: U.S. Agency for International Development (data); GAO (analysis) | GAO-15-732

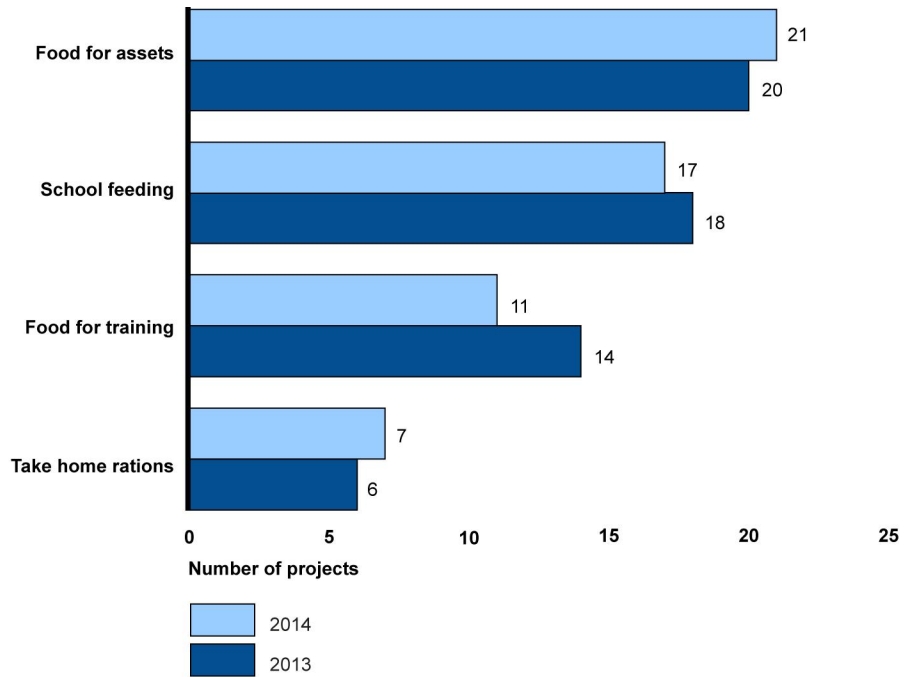
Note: According to U.S. Agency for International Development (USAID) officials, USAID generally reports the award amounts obligated and commodities awarded for each fiscal year. The data shown under "Award amount" and "Commodities distributed" reflect amounts funded and commodities distributed. These data may include commodities that were distributed or beneficiaries served with resources provided under a previous year's agreement. USAID officials noted that the fiscal year 2014 values are estimates and that as of July 31, 2015, USAID had not yet finalized Title II costs.

Emergency Projects

Of the 59 Title II emergency projects that USAID funded and implemented through the World Food Program (WFP) in fiscal years 2013 and 2014, 52 projects included conditional food aid activities. Food for assets was the most prevalent type of conditional food aid activity in emergency projects, followed by school feeding and food for training. Figure 9 shows the types and prevalence of conditional food aid activities implemented through emergency projects during these 2 years.

²According to USAID officials, the World Food Program's (WFP) standard project reports provide activities data for calendar years, while USAID reports provide data for fiscal years. As a result, USAID reports include additional awards for which WFP received U.S. commodities in the first quarter of the fiscal year (and the calendar year prior to the standard project reports). We found that these data had several limitations related to USAID's inability to isolate data for specific activities in Title II development food aid projects. See app. II for more details.

Figure 9: Types and Prevalence of Conditional Food Aid Activities in U.S.-Funded Title II World Food Program Emergency Projects, Fiscal Years 2013 and 2014



Source: GAO analysis of World Food Program (WFP) information. | GAO-15-732

Of the 52 emergency projects that included conditional food aid activities, 40 were protracted relief and recovery operations—emergency projects that include long-term relief efforts—and 12 were emergency operations—emergency projects that focus on short-term recovery efforts (see table 6).

Table 6: Numbers of U.S.-Funded Title II World Food Program Emergency Projects with Conditional Food Aid Activities, Fiscal Years 2013 and 2014

| | Protracted relief and recovery operations | Emergency operations | Total projects |
|--------------|---|----------------------|----------------|
| 2013 | 19 | 6 | 25 |
| 2014 | 21 | 6 | 27 |
| Total | 40 | 12 | 52 |

Source: U.S. Agency for International Development, World Food Program (data); GAO (analysis) | GAO-15-732

Note: Emergency operations are implemented in urgent situations and typically include food distribution or projects such as food aid in exchange for reconstruction work. Protracted relief and recovery operations are intended to help sustain disaster-hit communities as they reestablish livelihoods and stabilize food security.

Appendix III: Award Amounts for Projects Including Conditional Food Aid in Fiscal Years 2013 and 2014

In fiscal years 2013 and 2014, USAID awarded \$1.8 billion to WFP emergency projects under Title II, including \$1.5 billion to WFP emergency projects with conditional food aid activities (see table 7). Awards per emergency project ranged from \$2.5 million (Philippines) to \$92.8 million (Ethiopia) in fiscal year 2013 and from \$428,700 (Liberia) to \$209.8 million (South Sudan) in fiscal year 2014.³ USAID provided 1.2 million metric tons (50.3 percent) of 2.3 million metric tons of commodities for general food distribution and conditional food aid activities that WFP received directly from donors for its emergency projects during this time frame, including in-kind donations and WFP purchases with cash donations.⁴

Table 7: Award Amounts, Numbers of Beneficiaries, and Quantities of Commodities for U.S.-Funded Title II World Food Program Emergency Projects That Included Conditional Food Aid Activities, Fiscal Years 2013 and 2014

| | Award amount (in millions) | | Beneficiaries (in millions) | | Commodities distributed (in metric tons) | |
|---|-------------------------------|---------------|--------------------------------|---------------|---|---------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| All World Food Program (WFP) projects | \$810.13 | \$968.9 | 45.27 | 40.69 | 1,467,077 | 1,424,806 |
| WFP projects with conditional food aid | \$728.47 | \$739.7 | 36.53 | 37.03 | 1,037,022 | 1,258,202 |
| Percentage of all projects | 89.92% | 76.34% | 80.70% | 90.99% | 70.69% | 88.31% |

Source: U.S. Agency for International Development, World Food Program (data); GAO (analysis) | GAO-15-732

Note: According to U.S. Agency for International Development (USAID) officials, WFP’s standard project reports provide activity data for calendar years, while USAID reports provide activity data for fiscal years. As a result, USAID reports include additional awards for which WFP received U.S. commodities in the first quarter of the fiscal year (and the calendar year prior to the standard project reports). In commenting on a draft of this report, USAID noted that U.S.-funded WFP emergency projects in South Sudan also include Bill Emerson Trust Funds totaling about \$141.1 million in fiscal year 2014.

WFP emergency projects, including those with conditional food aid activities, served the majority of beneficiaries through general food distribution—that is, unconditional food aid that is traditionally provided in

³In commenting on a draft of this report, USAID noted that U.S.-funded WFP emergency projects in South Sudan also include Bill Emerson Trust Funds totaling about \$141.1 million in fiscal year 2014.

⁴We found several limitations in these data related to USAID’s and WFP’s inability to isolate data specific to the U.S. contribution to conditional food aid activities in Title II emergency food aid projects. Because WFP is responsible for reporting project results to many donors, USAID cannot require WFP to provide data specific to U.S. contributions. See app. I for more details.

emergency projects.⁵ As table 8 shows, WFP served 40 percent of beneficiaries in fiscal year 2013 and almost 60 percent of beneficiaries in fiscal year 2014 through general food distribution in these projects. WFP served a smaller percentage of beneficiaries through conditional food aid activities, primarily through school feeding projects, although food for assets was the most frequently used conditional food aid activity. WFP served more beneficiaries through school feeding in Afghanistan, the Democratic Republic of the Congo, and Sudan than in any other countries where it implemented this activity in fiscal year 2013, and in Pakistan, the Democratic Republic of the Congo, and Sudan in fiscal year 2014. After school feeding, WFP served the most beneficiaries through food-for-assets activities. WFP served more beneficiaries through food-for-assets activities in Ethiopia, Kenya, and the Philippines in fiscal year 2013, and in Ethiopia, Kenya, and Burkina Faso in fiscal year 2014, than in any other countries where it implemented this activity. In addition, some beneficiaries participated in multiple conditional and unconditional activities and may be counted in more than one category. For this reason, the sum of the percentages shown in table 8 is greater than 100.

⁵In contrast to the data available for development projects, WFP emergency project data enabled us to determine beneficiary numbers for particular conditional food aid activities. However, these data include beneficiaries served by funds provided by the United States as well as other donors. See app. II for more details.

**Appendix III: Award Amounts for Projects
Including Conditional Food Aid in Fiscal Years
2013 and 2014**

Table 8: Beneficiaries Served by Conditional Food Aid Activities and General Food Distribution in U.S.-Funded Title II World Food Program Emergency Projects, Fiscal Years 2013 and 2014, in Millions

| | Conditional food aid activities | | | | | | | | General food distribution [Note A] | |
|--|---------------------------------|-------------|-----------------|-------------|-------------------|-------------|-------------------|-------------|------------------------------------|--------------|
| | School feeding | | Food for assets | | Take-home rations | | Food for training | | 2013 | 2014 |
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | | |
| Number of beneficiaries (in millions) | 4.0 | 3.3 | 1.4 | 1.3 | 0.5 | 0.6 | 0.2 | 0.2 | 18.3 | 24.1 |
| Percentage of total | 8.8% | 8.1% | 3.2% | 3.3% | 1.2% | 1.5% | 0.4% | 0.5% | 40.5% | 59.2% |

Source: U.S. Agency for International Development, World Food Program (data); GAO (analysis). | GAO-15-732

Notes: General food distribution is food aid that the World Food Program (WFP) provides to beneficiaries without conditions on the basis of their hunger status.

Percentages shown represent the number of beneficiaries served through these activities as a percentage of all U.S.-funded WFP Title II projects. Some beneficiaries participated in multiple conditional and unconditional activities and may be counted in more than one category. For this reason, the sum of the percentages shown is greater than 100.

Note A: The numbers shown represent general food distribution associated with projects that also included conditional food aid activities.

Appendix IV: Comments from the U.S. Agency for International Development

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



Thomas Melito
Director
International Trades and Affairs
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Melito:

I am pleased to provide USAID's formal response to the Government Accountability Office (GAO) draft report entitled "*INTERNATIONAL FOOD ASSISTANCE: USAID Should Systematically Assess the Effectiveness of Key Conditional Food Aid Activities*" (GAO-15-732).

This letter, together with the enclosed USAID comments, are provided for incorporation as an appendix to the final report.

Thank you for the opportunity to respond to the GAO draft report and for the courtesies extended by your staff in the conduct of this audit review.

Sincerely,

A handwritten signature in blue ink, appearing to read "Angelique M. Crumbly".

Angelique M. Crumbly
Assistant Administrator
Bureau for Management
U.S. Agency for International Development

Enclosure: a/s

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USAID COMMENTS ON GAO DRAFT REPORT
No. GAO-15-732

Conditional transfers are an essential tool in USAID's efforts to create more resilient, food secure communities. Rigorous recent research reported in the May 2015 issue of the journal *Science* shows that multi-pronged poverty alleviation programs targeting extremely poor households – combining a mix of conditional and unconditional grants of productive assets, short-term cash or food consumption support, training, and other relevant services – can be cost effective and create lasting impacts on consumption, assets, food security, household financial inclusion, labor, income and revenue. USAID implementing partners described the benefits of various conditional food transfers throughout the GAO report, and their successes as well as challenges to effectively implement conditional transfers are also described in their annual results reporting and project evaluations.

See comment 1.

See comment 2.

USAID strongly disagrees with the report's assertion that it does not reliably oversee or monitor programs that use conditional food transfers, or that it is not following operational policy (highlights page, pages 9-10, 22-23, 34). USAID's operational policy as outlined in Automated Directives System 203 describes "*the ongoing and routine collection of performance indicator data to reveal whether desired results are being achieved and whether implementation is on track.*" It also states that "*more information is not necessarily better because it markedly increases the management burden and cost to collect and analyze.*" USAID's Bureau for Democracy, Conflict, and Humanitarian Assistance, Office of Food for Peace (DCHA/FFP)'s automated information system has been organized to enable the office to track program outputs and results and report these as part of the U.S. Government's foreign assistance framework through indicators that have been refined over the past several years. This system was not designed to track distribution modalities, which are strategically determined by the specific food security context of the target population. The manual compilation of an inventory of conditional activities across all food assistance programming simply does not equate to a lack of monitoring, assessment or understanding of conditional food transfers. DCHA/FFP Officers understand the expected goals, objectives, outcomes, and impacts of programs as well as the modalities selected to achieve those results and perform their monitoring and oversight responsibilities accordingly. Activity and modality level-data for all programs is addressed narratively in awardee reporting, in implementation plans, and in data on custom performance indicators designed for unique operational contexts – forms that allow for robust oversight of individual projects, but make compilation of some data across the Food for Peace portfolio challenging.

See comment 3.

As noted in GAO's report, DCHA/FFP funded 111 awards that included conditional transfers. The conditional transfer is one modality in multi-pronged food assistance programs that include many activities designed to work in tandem to improve conditions across a variety of sectors (nutrition, agricultural production, water, infrastructure etc.). Multiple types of both conditional and unconditional resource transfers usually occur within a single project. GAO notes that 87 percent of all USAID Title II funding went towards projects that included conditional food transfers, with award values totaling \$2.1 billion. This statement is misleading and lacks related data points to put that number in perspective. As stated in the report (Table 8, page 42), beneficiaries of food-for-assets activities, which was the focus of this GAO report, comprised only 3.3 percent of beneficiaries served by U.S.-funded emergency food assistance programs –

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meaning that a small fraction of the resources contributed to these operations was used for conditional activities.

It is equally important to note that in emergency and development food assistance interventions, conditional transfers such as food-for-assets activities are almost always programmed alongside unconditional food assistance to the most vulnerable members of a community. This mitigates the concerns noted on page 6 “that food-for-assets projects can benefit those who are not among the neediest or fail to include those that are among the neediest, such as the elderly and those who are not able bodied.” Even in vulnerable communities targeted for food-for-asset activities, general food distributions (when and where needed) are maintained for those who are not able to work, including the infirm, elderly, disabled, etc.

To strengthen USAID’s ability to provide reliable oversight of Title II conditional food aid, evaluate food-for-assets activities’ impact on reducing food insecurity, and carry out its operational policy, the GAO issued two recommendations to USAID:

Recommendation 1: We recommend that the USAID Administrator establish a mechanism to readily identify all Title II projects that include conditional food aid activities and collect information on the type of conditional activity in each project.

Response: USAID concurs with this recommendation. This functionality already exists and data is already systematically collected on conditional transfers in projects funded through the Emergency Food Security Program (as noted on p.8, footnote 15 of the GAO report); similar functionality will be added for Title II activities. While section 207(f) of the Food for Peace Act of 2014 decreased Title II resources that can be used to modify and maintain its information technology systems, USAID continues to add increased data collection functionality to the Food for Peace Management Information System (FFPMIS) and will collect information on different types of conditional transfer activities in food assistance programs. This will complement existing project review, approval, and monitoring practices used by Food for Peace Officers to oversee projects that include conditional transfer activities.

Recommendation 2: We recommend that the USAID Administrator assess the effectiveness of food-for-assets activities in development projects in achieving project goals and objectives.

Response: USAID concurs with this recommendation. As observed in the report, food-for-assets activities are designed to contribute to food security outcomes specific to the programming environment in a country. USAID assessed the effectiveness of food-for-work activities in improving community assets and small-scale infrastructure in the comprehensive 2013 Food Aid and Food Security Assessment ([FAFSA-II](#)), which looked at all Title II development programs from the period 2003-2009, and is using the recommendations of that report in program design and review. It likewise has undertaken a review of the sustainability of Title II development food assistance program impacts, including health and agricultural gains achieved in part through conditional transfers; the synthesis report for this study is expected to be released within the year. In addition, USAID is supporting a multi-donor funded evaluation of food-for-asset work in Kenya as part of its larger resilience agenda. Funds permitting, it is also considering expanding its ex post evaluations of Title II development programs to assess the sustainability of results

See comment 4.

- 4 -

over time. However, the \$5 million reduction in section 207(f) of the Food for Peace Act, which is used for program monitoring and oversight, impedes efforts to expand monitoring and evaluation of these programs.

GAO's Comments

1. Page numbers cited in USAID's letter refer to a draft version of our report and may not correspond to page numbers in the published report.
2. USAID notes that data on conditional food aid activities currently collected through implementing partners' narrative reporting, from implementation plans, and for custom indicators allow for robust oversight of individual projects. USAID also notes that its operational policy states that "more information is not necessarily better because it markedly increases the management burden and cost to collect and analyze." It further notes that the manual compilation of conditional activities across all food assistance programming does not equate to a lack of monitoring, assessment or understanding of conditional food transfers. USAID's *Automated Directives System (ADS) 203.3.2.2* lists efficiency as a key principle for effective performance monitoring and does not prescribe a specific level of data collection.


We have revised our draft to ensure that we do not state that the agency has failed to adhere to its operational policy. However, our observations and analysis do not support USAID's position that its current data collection practices allow for robust oversight of conditional food aid activities. In particular, we found a lack of systematic data that could be used to oversee and learn about these projects across Title II programs. First, although we were ultimately able to determine that almost all of USAID's Title II projects implemented conditional food aid activities, USAID could not readily identify these projects or the types of activities they included and could not provide data on the resources used for these activities. As a result, USAID officials spent several months manually gathering and revising the data we requested and did not provide finalized data until 8 weeks before our report's publication. Second, our initial analysis of these data, when they became available, showed them to be incomplete and flawed (for example, including projects that did not have conditional food aid and excluding projects that did) and therefore not useful for systematically monitoring conditional food aid activities in Title II development projects. We were eventually able to estimate these data for projects that included conditional food aid activities. However, USAID was not able to provide us with any data on the numbers of beneficiaries, funds, or commodities associated with conditional food activities. Finally, in its letter, USAID concurs with—and indicates its intent to implement—our recommendation to establish a mechanism to readily identify all Title II development projects that include conditional food aid activities and to collect information about the types of conditional activity included. In addition, USAID notes in its response to this recommendation that it already

systematically collects data on conditional activities in food assistance projects funded through the Emergency Food Security Program, suggesting that the agency considers this information important and that taking these actions does not substantially increase management burden or cost. By agreeing to systematically collect data on, and assess the effectiveness of, conditional food aid activities in Title II development projects, USAID acknowledges both the importance and the feasibility of taking these actions to enhance its monitoring and oversight of conditional food aid in its Title II programs. We have added information to clarify USAID's position on project oversight, such as information that is available in implementing partners' narrative reporting.

3. We agree that the \$2.1 billion in Title II awards in fiscal years 2013 and 2014 funded both conditional and unconditional food aid activities. However, we were not able to identify the amount of funding that went toward conditional activities, because USAID lacks data that would allow us to distinguish these activities from unconditional activities. We agree that the number of beneficiaries served through U.S.-funded Title II emergency projects, including food-for-assets activities, represents a small percentage of these projects' total beneficiaries. However, this percentage represents emergency projects and does not reflect beneficiary numbers for development projects. We were unable to report similar data on the beneficiaries served through conditional food aid activities in Title II development projects, because USAID did not provide these data. Therefore we reported, as the closest reliable proxy, that 87 percent of USAID Title II funding went toward projects that included conditional food aid activities and that 111 of 119 USAID-funded Title II development and emergency projects included these activities.
4. We acknowledge that general food distributions are often provided to those not able to work in communities and have modified our report accordingly. However, to make effective management decisions about food-for-assets activities, including targeting the appropriate beneficiaries, it is necessary to systematically track these activities' use and assess their effectiveness across Title II projects.

Appendix V: Comments from the World Food Program

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



World Food Programme

Programme Alimentaire Mondial

Programa Mundial de Alimentos

برنامج الأغذية العالمي

The Assistant Executive Director for Operations Services

Fighting Hunger Worldwide

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27 August 2015

Mr. Thomas Melito
Director, International Affairs and Trade
Government Accountability Office
Washington, DC
USA

Dear Mr. Melito,

Thank you for the opportunity to review the draft U.S. Government Accountability Office (GAO) report on the amount and use of conditional food aid provided under Title II of the Food for Peace Act. The World Food Programme (WFP) welcomes this chance to provide comments on the draft prior to its publication.

As the world's largest humanitarian organization fighting hunger, WFP's beneficiaries have long benefited from the generous and ongoing assistance provided by the U.S. Agency for International Development (USAID). Furthermore, the report's findings in the main narrative and Appendix III regarding WFP's capacity to design and implement Food Assistance for Assets (FFA), monitor and report results, and tackle both short- and long-term goals are encouraging. It is also reassuring that the draft acknowledges WFP's monitoring of output and outcome level indicators data and accepts WFP Standard Project Reports (SPRs) as sufficiently reliable.

From an effectiveness and evidence-based results perspective, the encouraging progress noted by the GAO of WFP's conditional food assistance through FFA in a number of countries demonstrates that our development of new guidance for FFA planning, quality design and implementation is moving in the right direction, thereby allowing us to generate better results. In this regard, WFP's FFA Programme Guidance Manual serves as corporate guidance and indicates all the factors that are required to plan, design and implement quality FFA activities. It is in great measure due to USAID's prior and ongoing support that we are able to strengthen the guidance and expand its rollout throughout all our country offices.

While these and other more promising aspects of conditional food aid are clearly articulated throughout the draft, they are less so in the report's executive summary (i.e., the What GAO Found section). As an introduction to the report, the summary could leave the casual reader with a less than proportional view of this important intervention. As such, a redraft of the summary should be considered with an eye towards creating greater harmony with the positive findings identified in the body and appendix of the report.

See comment 1.



See comment 2.

Towards increasing transparency and clarity, and in acknowledgement of the good works of the full range of USAID implementing partners in conditional food aid activities, we would encourage the GAO to explicitly name all of the implementing partners surveyed under this performance audit of USAID and indicate the conditional food aid activities they carry out. In this vein, the report could also benefit from a discussion of the different approaches employed by USAID's various implementing partners. This is important because the report does not distinguish among the various approaches employed by the partners, which undoubtedly impact programmatic outcomes and could prove instructive for future program design and implementation.

See comment 3.

The draft report presents findings from WFP's Synthesis of the Evaluation of the Impact of Food for Assets 2002-2011 Lessons for Building Livelihoods Resilience. While this 2014 synthesis is illuminating, it should be qualified and contextualized within the report. Specifically, the findings the GAO ascribes to the Synthesis are in reference to an older program design approach. The current WFP practice is based on a community participatory approach involving strengthened community engagement in targeting, planning, implementation and monitoring and including arrangements for the maintenance of assets and enhancing ownership and sustainability, among other factors.

See comment 4.

Similarly, the report states that using food aid to meet both short-term food needs and to build sustainable community assets for resilience can make it difficult to achieve both goals. As it relates to WFP, FFA activities should be reviewed against the strategic objectives they were designed to address. For example, the use of FFA during emergencies is intended to provide the immediate food needed to affected food insecure households and to quickly restore access to food through the rehabilitation of key assets (e.g., opening access roads, clearing drainage lines of debris, etc.). However, during protracted crisis, the assets built and training provided through FFA contribute to building longer-term resilience. This is an important distinction as it relates directly to the findings of the report.

See comment 5.

Finally, with reference to Table 1, we recommend that the description of school feeding be amended to reflect the reality that students are not required to meet a minimum monthly school attendance target in order to receive meals. This specific requirement may be applied when take-home rations are part of the programme. Furthermore, the descriptive terminology should be changed from "school lunches" to "school meals" to reflect the fact that it could also involve breakfast, lunch and/or a snack.



WFP is thankful for the opportunity this report presents in highlighting conditional food aid as an additional tool in our ongoing efforts to eradicate hunger and poverty. We appreciate the efforts and professionalism of the GAO team leading this review and look forward to continuing our engagement on all efforts to achieve Zero Hunger.

Sincerely,

A handwritten signature in blue ink, which appears to read "Ramiro Lopes da Silva", is positioned above the printed name. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Ramiro Lopes da Silva

cc: Ambassador David Lane, U.S. Representative to the United Nations Food and Agriculture Agencies in Rome

GAO's Comments

1. The focus of our performance audit was USAID's oversight of conditional food aid, and our highlights page (i.e., executive summary) reflects our findings in this regard. Nevertheless, we found both benefits and challenges associated with conditional food aid activities, which we note in our report.
2. To encourage open and honest discussions, we offered to treat as confidential the responses of USAID implementing partner representatives for Title II development projects to our interview questions, and our report therefore does not name these partners. Appendix II lists the criteria we used to select these implementing partners as well as the countries in which the projects we discuss were implemented.
3. We determined that WFP's 2014 *Synthesis of the Evaluation of the Impact of Food for Assets 2002-2011, Lessons for Building Livelihoods Resilience*, was sufficiently reliable for our purpose—that is, to analyze benefits and challenges of food-for-assets activities that the document cites. Additionally, throughout our report, we discuss the role of community participation in the design and implementation of food-for-assets activities.
4. We have modified our report to clarify the distinction between the respective roles of food-for-assets activities in WFP's protracted relief and recovery operations and in its emergency operations.
5. We have added a note to the table to clarify WFP's definition of school feeding.

Appendix VI: GAO Contact and Staff Acknowledgments

GAO Contact

Thomas Melito, (202) 512-9601 or melitot@gao.gov

Staff Acknowledgments

In addition to the contact named above, Valérie Nowak (Assistant Director), Jaime Allentuck, (Analyst-in-Charge), Ming Chen, Teresa Abruzzo Heger, Nicholas Jepson, Kalinda Glenn-Haley, Martin de Alteriis, Mark Dowling, Kirsten Lauber, Reid Lowe, Katya Rodriguez, Rachel Dunsmoor, and Tina Cheng made key contributions to this report.

Appendix VII: Accessible Data

Data Tables

Data Table for Highlights Figure: Types of Conditional Food Aid in USAID Title II Programs, Fiscal Years 2013 and 2014

Number of projects

| Type of food aid | Fiscal year 2013 | Fiscal year 2014 |
|--|------------------|------------------|
| Food for assets | 44 | 43 |
| Maternal and child health care and nutrition | 19 | 27 |
| School feeding | 20 | 19 |
| Food for training | 17 | 13 |
| Take home rations | 6 | 7 |
| Food for education | 1 | 0 |

Source: GAO analysis of U.S. Agency for International Development (USAID) and World Food Program (WFP) data. | GAO-15-732

Data Table for Figure 1: Types of Conditional Food Aid Activities in U.S.-Funded Title II Development and World Food Program Emergency Projects, Fiscal Years 2013 and 2014

Number of projects

| Type of food aid | Development, 2013 | Emergency, 2013 | Development, 2014 | Emergency, 2014 |
|--|-------------------|-----------------|-------------------|-----------------|
| Food for education | 1 | 0 | 0 | 0 |
| Food for training | 3 | 14 | 2 | 11 |
| School feeding | 2 | 18 | 2 | 17 |
| Maternal and child health care and nutrition | 19 | 0 | 27 | 0 |
| Food for assets | 24 | 20 | 22 | 21 |

Source: GAO analysis of U.S. Agency for International Development (USAID) data. | GAO-15-732

Note: WFP—which implements the majority of Title II emergency programs—frequently includes maternal and child health care and nutrition activities in its emergency programs. While the U.S. Agency for International Development considers maternal and child health care and nutrition activities to be conditional activities when implemented in Title II development projects, WFP does not consider such activities to be conditional activities when implemented in its emergency projects. For this reason, we did not include them in our review.

Data Table for Figure 3: Factors That USAID Implementing Partners Reported Considering in Designing Title II Development Food-for Assets Activities

| Factors considered when designing FFW/FFA activities in program | Number of programs for which factor was cited as most important | Number of programs for which factor influenced design |
|---|--|--|
| Availability of technical expertise in the local market and within my organization in the design, implementation and monitoring and evaluation of the program | 2 | 12 |
| Malnutrition data and food security assessments | 6 | 7 |
| Country expertise of my organization | 2 | 10 |
| Coordination with other entities in the targeted area (e.g. implementing partners, donor countries) | 2 | 10 |
| Beneficiary input | 2 | 10 |
| Community leader input | 7 | 5 |
| Local/ municipal government input | 5 | 7 |
| Documented lessons learned by my organization or other organizations in providing assistance | 6 | 5 |
| Sub-awardee or local implementing partner input | 2 | 9 |
| Host country national government input | 7 | 4 |
| Criteria laid out in USAID application materials | 6 | 5 |
| Best practice documents provided by others in the field (e.g. implementing partners) | 1 | 9 |
| Evaluations of prior food-for-assets projects in this country | 0 | 9 |
| Local market analyses completed by my organization, by WFP or another outside entity | 1 | 8 |
| Technical guidance, such as country-specific nutrition costing models and design tools | 1 | 6 |
| Research conducted by academics or other research organizations | 0 | 6 |
| Communication through networks (e.g. Food Aid Consultative Group) | 0 | 6 |

Source: GAO analysis of implementing partner interviews and checklist responses. | GAO-15-732

Abbreviations: USAID = U.S. Agency for International Development; WFP = World Food Program.

Notes: For our analysis, we selected 14 of the 22 total Title II development projects containing food-for-assets activities and active in fiscal year 2014.

In addition to the factors that implementing partners noted, USAID requires that potential partners' application materials include the following: (1) a "theory of change," describing the hypothesized series of changes that are expected to occur as a result of specific activities; (2) a logical framework summarizing the theory of change and presenting the project design; (3) a description of how gender will be addressed in all areas of the proposed activities; (4) a description of how the project will adapt to climate change that would otherwise adversely affect the performance of climate-sensitive projects activities; and (5) an environmental safeguards plan.

Data Table for Figure 4: Challenges That USAID Implementing Partners Most Frequently Cited as Affecting Design of Title II Development Food-for-Assets Activities

| Challenges experienced in designing FFW/FFA activities in program | Number of programs for which factor was cited as most challenging | Number of programs for which challenge was observed |
|---|--|--|
| Inability to serve all of the most food insecure people in the region or country due to lack of capacity to operate in a region, government restrictions, or insecurity | 3 | 6 |
| Ensuring quality control food-for-assets outputs (e.g. roads), including determining a plan for community maintenance and use of the output after the project is over | 3 | 4 |
| Need for additional cash to support project | 3 | 4 |
| Identifying reliable pipeline and other changes in conditions that result in less food for distribution than was originally planned | 2 | 4 |
| Difficulty in finding sub-contractors and inhouse staff with technical skills to manage and oversee the work projects | 4 | 2 |
| Determining target population | 4 | 2 |
| Matching the timing of work and seasonal needs for food. | 3 | 3 |
| Balancing conditions with ethical concerns, such as making accommodations for ration distribution based on cultural, religious, or security concerns | 2 | 3 |
| Determining ration value | 2 | 3 |
| Determining appropriate tasks for women and vulnerable populations | 1 | 3 |
| Selecting actionable projects that are community priorities | 3 | 1 |
| Identifying recipients' participation in other food aid program | 1 | 3 |
| Ensuring local or municipal government buy-in | 3 | 1 |
| Ensuring host country national government buy-in | 1 | 3 |
| Estimating the prevailing wage | 1 | 3 |
| Designing mitigations to avoid unintended consequences, (e.g. competing for labor with local employers) | 0 | 3 |
| Ensuring local community buy-in | 1 | 2 |
| Establishing how to enforce the condition(s) | 1 | 2 |
| Determining ration composition | 0 | 3 |
| Limited availability of construction materials/tools | 0 | 0 |

Source: GAO analysis of implementing partner interviews and checklist responses. | GAO-15-732

Abbreviations: USAID = U.S. Agency for International Development.

Note: For our analysis, we selected 14 of 22 Title II development projects containing food-for-assets activities and active in fiscal year 2014.

Data Table for Figure 5: Benefits of Title II Development Food-for-Assets Activities Reported by Implementing Partners

| Benefits of implementing FFW/FFA activities in this program, as opposed to unconditional food aid | Number of programs for which benefit was cited as most valuable | Number of programs for which benefit was observed |
|---|--|--|
| Developed needed infrastructure or other community resources | 8 | 5 |
| Taught recipients a skill (in general) | 4 | 9 |
| Improved/ created social cohesion | 6 | 6 |
| Taught recipients a skill so they can maintain the asset | 6 | 5 |
| Helped improve feelings of self-worth among recipients who are earning food for their families | 2 | 9 |
| Helped reduce dependency of beneficiaries on foreign aid | 3 | 7 |
| Target population became more self sufficient for 1 year or less | 2 | 6 |
| Country or region is better prepared for future emergency situations (e.g. droughts, floods, other natural disasters) | 6 | 2 |
| Reached populations that might not have qualified for unconditional assistance | 1 | 5 |
| Target population became more self sufficient for longer than a year | 3 | 3 |

Source: GAO analysis of implementing partner interviews and checklist responses. | GAO-15-732

Note: For our analysis, we selected 14 of 22 Title II development projects that included food-for-assets activities and were active in fiscal year 2014.

Data Table for Figure 6: Challenges That USAID Implementing Partners Most Frequently Cited as Affecting Implementation of Title II Development Food-for-Assets Activities

| Challenges faced in implementing FFW/FFA activities in program | Number of programs for which factor was cited as most challenging | Number of programs for which challenge was observed |
|--|--|--|
| Weather or other unforeseen events interrupted food-for-assets activities | 9 | 1 |
| Challenges in retaining workers | 5 | 0 |
| Challenges recruiting certain types of beneficiaries (e.g. women) | 2 | 3 |
| Disruptions in the food distribution system | 2 | 3 |
| Recipients do not always fulfill work requirements or other relevant conditions | 2 | 3 |
| Verifying target population was difficult | 4 | 0 |
| Difficulty finding sub-contractors with appropriate technical skills to manage and oversee the work projects | 4 | 0 |
| Difficulty finding inhouse expertise to appropriately manage and monitor programs | 0 | 3 |
| Difficulty adapting when or if aspects of the program change | 3 | 0 |
| Difficulty obtaining needed construction materials, tools, etc. | 1 | 2 |
| Difficulty monitoring maintenance or use of each output after completion | 1 | 1 |
| Breaks in the pipeline and other changes in conditions that result in less food for distribution than was originally planned | 0 | 1 |

| Challenges faced in implementing FFW/FFA activities in program | Number of programs for which factor was cited as most challenging | Number of programs for which challenge was observed |
|---|---|---|
| Projects chosen because they are actionable rather than because they are really needed | 0 | 1 |
| Lack of local support for the project because other food or labor resources are available on the local market | 0 | 1 |
| Unintended consequences, such as people not working for local entrepreneurs or business | 0 | 0 |

Source: GAO analysis of implementing partner interviews and checklist responses. | GAO-15-732

Abbreviations: USAID = U.S. Agency for International Development.

Note: For our analysis, we selected 14 of 22 Title II development projects that included food-for-assets activities and were active in fiscal year 2014.

Data Table for Figure 8: Types and Prevalence of Conditional Food Aid Activities in Title II Development Projects, Fiscal Years 2013 and 2014

Number of projects

| Type of food aid | Fiscal year 2013 | Fiscal year 2014 |
|--|------------------|------------------|
| Maternal and child health care and nutrition | 19 | 27 |
| Food for assets | 24 | 22 |
| Food for training | 3 | 2 |
| School feeding | 2 | 2 |
| Food for education | 1 | 0 |

Source: GAO analysis of U.S. Agency for International Development (USAID) information. | GAO-15-732

Data Table for Figure 9: Types and Prevalence of Conditional Food Aid Activities in U.S.-Funded Title II World Food Program Emergency Projects, Fiscal Years 2013 and 2014

Number of projects

| Type of food aid | Fiscal year 2013 | Fiscal year 2014 |
|-------------------|------------------|------------------|
| Food for assets | 20 | 21 |
| School feeding | 18 | 17 |
| Food for training | 14 | 11 |
| Take home rations | 6 | 7 |

Source: GAO analysis of World Food Program (WFP) information. | GAO-15-732

Agency Comments

U.S. Agency for
International Development

Accessible Text for Appendix IV: Comments from the U.S. Agency for International Development

Refer to Appendix IV for GAO comments

Page 1

**USAID
United States Agency for International Development**

Thomas Melito
Director
International Trades and Affairs
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Melito:

I am pleased to provide USAID's formal response to the Government Accountability Office (GAO) draft report entitled "*INTERNATIONAL FOOD ASSISTANCE: USAID Should Systematically Assess the Effectiveness of Key Conditional Food Aid Activities*" (GAO-15-732).

This letter, together with the enclosed USAID comments, are provided for incorporation as an appendix to the final report.

Thank you for the opportunity to respond to the GAO draft report and for the courtesies extended by your staff in the conduct of this audit review.

Sincerely,

Signed by
Angelique M. Crumbly
Assistant Administrator
Bureau for Management
U.S. Agency for International Development

Enclosure: a/s

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**USAID COMMENTS ON GAO DRAFT REPORT
No. GAO-15-732**

Conditional transfers are an essential tool in USAID's efforts to create more resilient, food secure communities. Rigorous recent research reported in the May 2015 issue of the journal *Science* shows that multi-pronged poverty alleviation programs targeting extremely poor households - combining a mix of conditional and unconditional grants of productive assets, short-term cash or food consumption support, training, and other relevant services - can be cost effective and create lasting impacts on consumption, assets, food security, household financial inclusion, labor, income and revenue. USAID implementing partners described the benefits of various conditional food transfers throughout the GAO report, and their successes as well as challenges to effectively implement conditional transfers are also described in their annual results reporting and project evaluations.

USAID strongly disagrees with the report's assertion that it does not reliably oversee or monitor programs that use conditional food transfers, or that it is not following operational policy (highlights page, pages 9-10, 22-23, 34) [GAO Comment 1]. USAID's operational policy as outlined in Automated Directives System 203 describes *"the ongoing and routine collection of performance indicator data to reveal whether desired results are being achieved and whether implementation is on track."* [GAO Comment 2] It also states that *"more information is not necessarily better because it markedly increases the management burden and cost to collect and analyze."* USAID's Bureau for Democracy, Conflict, and Humanitarian Assistance, Office of Food for Peace (DCHA/FFP)'s automated information system has been organized to enable the office to track program outputs and results and report these as part of the U.S. Government's foreign assistance framework through indicators that have been refined over the past several years. This system was not designed to track distribution modalities, which are strategically determined by the specific food security context of the target population. The manual compilation of an inventory of conditional activities across all food assistance programming simply does not equate to a lack of monitoring, assessment or understanding of conditional food transfers. DCHA/FFP Officers understand the expected goals, objectives, outcomes, and impacts of programs as well as the modalities selected to achieve those results and perform their monitoring and oversight responsibilities accordingly. Activity and modality level-data for all programs is addressed narratively in awardee reporting, in implementation plans, and in data on custom performance indicators designed for unique operational contexts - forms that allow for robust oversight of individual projects, but make compilation of some data across the Food for Peace portfolio challenging.

As noted in GAO's report, DCHA/FFP funded 111 awards that included conditional transfers. The conditional transfer is one modality in multi-pronged food assistance programs that include many activities designed to work in tandem to improve conditions across a variety of sectors (nutrition, agricultural production, water, infrastructure etc.). Multiple types of both conditional and unconditional resource transfers usually occur within a single project. GAO notes that 87 percent of all USAID Title II funding went towards projects that included conditional food transfers, with award values totaling \$2.1 billion. [GAO Comment 3] This statement is misleading and lacks related data points to put that number in perspective. As stated in the report (Table 8, page 42), beneficiaries of food-for-assets activities, which was the focus of this GAO report, comprised only 3.3 percent of beneficiaries served by U.S.-funded emergency food assistance programs -

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meaning that a small fraction of the resources contributed to these operations was used for conditional activities.

It is equally important to note that in emergency and development food assistance interventions, conditional transfers such as food-for-assets activities are almost always programmed alongside unconditional food assistance to the most vulnerable members of a community. This mitigates the concerns noted on page 6 "that food-for-assets projects can benefit those who are not among the neediest or fail to include those that are among the neediest, such as the elderly and those who are not able bodied." [GAO Comment 4] Even in vulnerable communities targeted for food-for-asset activities, general food distributions (when and where needed) are maintained for those who are not able to work, including the infirm, elderly, disabled, etc.

To strengthen USAID's ability to provide reliable oversight of Title II conditional food aid, evaluate food-for-assets activities' impact on reducing food insecurity, and carry out its operational policy, the GAO issued two recommendations to USAID:

Recommendation 1: We recommend that the USAID Administrator establish a mechanism to readily identify all Title II projects that include conditional food aid activities and collect information on the type of conditional activity in each project.

Response: USAID concurs with this recommendation. This functionality already exists and data is already systematically collected on conditional transfers in projects funded through the Emergency Food Security

Program (as noted on p.8, footnote 15 of the GAO report); similar functionality will be added for Title II activities. While section 207(f) of the Food for Peace Act of 2014 decreased Title II resources that can be used to modify and maintain its information technology systems, USAID continues to add increased data collection functionality to the Food for Peace Management Information System (FFPMIS) and will collect information on different types of conditional transfer activities in food assistance programs. This will complement existing project review, approval, and monitoring practices used by Food for Peace Officers to oversee projects that include conditional transfer activities.

Recommendation 2: We recommend that the USAID Administrator assess the effectiveness of food-for-assets activities in development projects in achieving project goals and objectives.

Response: USAID concurs with this recommendation. As observed in the report, food-for-assets activities are designed to contribute to food security outcomes specific to the programming environment in a country. USAID assessed the effectiveness of food-for-work activities in improving community assets and small-scale infrastructure in the comprehensive 2013 Food Aid and Food Security Assessment (FAFSA-II), which looked at all Title II development programs from the period 2003-2009, and is using the recommendations of that report in program design and review. It likewise has undertaken a review of the sustainability of Title II development food assistance program impacts, including health and agricultural gains achieved in part through conditional transfers; the synthesis report for this study is expected to be released within the year. In addition, USAID is supporting a multi-donor funded evaluation of food-for-asset work in Kenya as part of its larger resilience agenda. Funds permitting, it is also considering expanding its ex post evaluations of Title II development programs to assess the sustainability of results

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over time. However, the \$5 million reduction in section 207(f) of the Food for Peace Act, which is used for program monitoring and oversight, impedes efforts to expand monitoring and evaluation of these programs.

World Food Program

Accessible Text for Appendix V: Comments from the World Food Program

Refer to Appendix V for GAO comments

Page 1

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The Assistant Executive Director for Operations Services

27 August 2015

Mr. Thomas Melito
Director, International Affairs and Trade
Government Accountability Office
Washington, DC
USA

Dear Mr. Melito,

Thank you for the opportunity to review the draft U.S. Government Accountability Office (GAO) report on the amount and use of conditional food aid provided under Title II of the Food for Peace Act. The World Food Programme (WFP) welcomes this chance to provide comments on the draft prior to its publication.

As the world's largest humanitarian organization fighting hunger, WFP's beneficiaries have long benefited from the generous and ongoing assistance provided by the U.S. Agency for International Development (USAID). Furthermore, the report's findings in the main narrative and Appendix III regarding WFP's capacity to design and implement Food Assistance for Assets (FFA), monitor and report results, and tackle both short- and long-term goals are encouraging. It is also reassuring that the draft acknowledges WFP's monitoring of output and outcome level indicators data and accepts WFP Standard Project Reports (SPRs) as sufficiently reliable.

From an effectiveness and evidence-based results perspective, the encouraging progress noted by the GAO of WFP's conditional food assistance through FFA in a number of countries demonstrates that our development of new guidance for FFA planning, quality design and implementation is moving in the right direction, thereby allowing us to generate better results. In this regard, WFP's FFA Programme Guidance Manual serves as corporate guidance and indicates all the factors that

are required to plan, design and implement quality FFA activities. It is in great measure due to USAID's prior and ongoing support that we are able to strengthen the guidance and expand its rollout throughout all our country offices.

While these and other more promising aspects of conditional food aid are clearly articulated throughout the draft, they are less so in the report's executive summary (i.e., the What GAO Found section). [GAO Comment 1] As an introduction to the report, the summary could leave the casual reader with a less than proportional view of this important intervention. As such, a redraft of the summary should be considered with an eye towards creating greater harmony with the positive findings identified in the body and appendix of the report.

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Towards increasing transparency and clarity, and in acknowledgement of the good works of the full range of USAID implementing partners in conditional food aid activities, we would encourage the GAO to explicitly name all of the implementing partners surveyed under this performance audit of USAID and indicate the conditional food aid activities they carry out. [GAO Comments 2] In this vein, the report could also benefit from a discussion of the different approaches employed by USAID's various implementing partners. This is important because the report does not distinguish among the various approaches employed by the partners, which undoubtedly impact programmatic outcomes and could prove instructive for future program design and implementation.

The draft report presents findings from WFP's Synthesis of the Evaluation of the Impact of Food for Assets 2002-2011 Lessons for Building Livelihoods Resilience. [GAO Comment 3] While this 2014 synthesis is illuminating, it should be qualified and contextualized within the report. Specifically, the findings the GAO ascribes to the Synthesis are in reference to an older program design approach. The current WFP practice is based on a community participatory approach involving strengthened community engagement in targeting, planning, implementation and monitoring and including arrangements for the maintenance of assets and enhancing ownership and sustainability, among other factors.

[GAO Comment 4] Similarly, the report states that using food aid to meet both short-term food needs and to build sustainable community assets for resilience can make it difficult to achieve both goals. As it relates to WFP, FFA activities should be reviewed against the strategic objectives they were designed to address. For example, the use of FFA during

emergencies is intended to provide the immediate food needed to affected food insecure households and to quickly restore access to food through the rehabilitation of key assets (e.g., opening access roads, clearing drainage lines of debris, etc.). However, during protracted crisis, the assets built and training provided through FFA contribute to building longer-term resilience. This is an important distinction as it relates directly to the findings of the report.

[GAO Comment 5] Finally, with reference to Table 1, we recommend that the description of school feeding be amended to reflect the reality that students are not required to meet a minimum monthly school attendance target in order to receive meals. This specific requirement may be applied when take-home rations are part of the programme. Furthermore, the descriptive terminology should be changed from "school lunches" to "school meals" to reflect the fact that it could also involve breakfast, lunch and/or a snack.

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WFP is thankful for the opportunity this report presents in highlighting conditional food aid as an additional tool in our ongoing efforts to eradicate hunger and poverty. We appreciate the efforts and professionalism of the GAO team leading this review and look forward to continuing our engagement on all efforts to achieve Zero Hunger.

Sincerely,

Signed by
Ramiro Lopes da Silva

cc: Ambassador David Lane, U.S. Representative to the United Nations Food and Agriculture Agencies in Rome

Related GAO Products

International Cash-Based Food Assistance: USAID Has Processes for Initial Project Approval but Needs to Strengthen Award Modification and Financial Oversight. [GAO-15-760T](#). Washington, D.C.: July 9, 2015.

USAID Farmer-to-Farmer Program: Volunteers Provide Technical Assistance, but Actions Needed to Improve Screening and Monitoring. [GAO-15-478](#). Washington, D.C.: April 30, 2015.

International Cash-Based Food Assistance: USAID Has Developed Processes for Initial Project Approval but Should Strengthen Financial Oversight. [GAO-15-328](#). Washington, D.C.: March 26, 2015.

International Food Aid: Better Agency Collaboration Needed to Assess and Improve Emergency Food Aid Procurement System. [GAO-14-22](#). Washington, D.C.: March 26, 2014.

International Food Aid: Prepositioning Speeds Delivery of Emergency Aid, but Additional Monitoring of Time Frames and Costs Is Needed. [GAO-14-277](#). Washington, D.C.: March 5, 2014.

Global Food Security: USAID Is Improving Coordination but Needs to Require Systematic Assessments of Country-Level Risks. [GAO-13-809](#). Washington, D.C.: September 17, 2013. E-supplement [GAO-13-815SP](#).

International Food Assistance: Improved Targeting Would Help Enable USAID to Reach Vulnerable Groups. [GAO-12-862](#). Washington, D.C.: September 24, 2012.

World Food Program: Stronger Controls Needed in High-Risk Areas. [GAO-12-790](#). Washington, D.C.: September 13, 2012.

Farm Bill: Issues to Consider for Reauthorization. [GAO-12-338SP](#). Washington, D.C.: April 24, 2012.

International Food Assistance: Funding Development Projects through the Purchase, Shipment, and Sale of U.S. Commodities Is Inefficient and Can Cause Adverse Market Impacts. [GAO-11-636](#). Washington, D.C.: June 23, 2011.

International School Feeding: USDA's Oversight of the McGovern-Dole Food for Education Program Needs Improvement. [GAO-11-544](#). Washington, D.C.: May 19, 2011.

International Food Assistance: Better Nutrition and Quality Control Can Further Improve U.S. Food Aid. [GAO-11-491](#). Washington, D.C.: May 12, 2011.

International Food Assistance: A U.S. Governmentwide Strategy Could Accelerate Progress toward Global Food Security. [GAO-10-212T](#). Washington, D.C.: October 29, 2009.

International Food Assistance: Key Issues for Congressional Oversight. [GAO-09-977SP](#). Washington, D.C.: September 30, 2009.

International Food Assistance: USAID Is Taking Actions to Improve Monitoring and Evaluation of Nonemergency Food Aid, but Weaknesses in Planning Could Impede Efforts. [GAO-09-980](#). Washington, D.C.: September 28, 2009.

International Food Assistance: Local and Regional Procurement Provides Opportunities to Enhance U.S. Food Aid, but Challenges May Constrain Its Implementation. [GAO-09-757T](#). Washington, D.C.: June 4, 2009.

International Food Assistance: Local and Regional Procurement Can Enhance the Efficiency of U.S. Food Aid, but Challenges May Constrain Its Implementation. [GAO-09-570](#). Washington, D.C.: May 29, 2009.

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.

Somalia: Several Challenges Limit U.S. International Stabilization, Humanitarian, and Development Efforts. [GAO-08-351](#). Washington, D.C.: February 19, 2008.

Foreign Assistance: Various Challenges Limit the Efficiency and Effectiveness of U.S. Food Aid. [GAO-07-905T](#). Washington, D.C.: May 24, 2007.

Foreign Assistance: Various Challenges Impede the Efficiency and Effectiveness of U.S. Food Aid. [GAO-07-560](#). Washington, D.C.: April 13, 2007.

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