

## EVALUATION OF THE DG ECHO FOOD AID BUDGET LINE EVALUATION REPORT

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## EXECUTIVE SUMMARY

### i. INTRODUCTION TO THE EVALUATION

1. This evaluation of the DG ECHO Food Aid Budget Line (FABL) was undertaken in accordance with the requirement for DG ECHO to comply with Article 18 of the European Council's Regulation on Humanitarian Aid (1257/96) which reaffirms the importance of independent assessment and the requirements of the European Community's Financial Regulations, which state that evaluation is a part of sound financial management.

2. A number of changes made the evaluation process particularly challenging. Firstly, the Terms of Reference of the evaluation were significantly modified at the inception of the process in order to take into account other processes taking place in DG ECHO. Secondly, the evaluation took place at a strategic time when many changes were being made in terms of internal organisation and policy elaboration. And finally, the situation in Darfur meant that some changes had to be made to the programme and the list of countries to be visited (see annex 2).

3. The evaluation process took place between November 2008 and June 2009. After collecting information in Brussels (at DG ECHO and DG AIDCO), Washington, London and Paris, the team of three experts visited DG ECHO teams and programmes in India, Bangladesh, Kenya, Ethiopia, Niger, Burkina Faso and Senegal.

4. The evaluation was carried out using the Quality COMPAS method ([www.qualitycompas.org](http://www.qualitycompas.org)) and its 12 quality criteria, which cover two categories of criteria (impact and results criteria / structure and process criteria). The conclusion presents answers to the main evaluation questions raised in the Terms of Reference and subsequent modifications agreed in the inception report. To facilitate the comparison of the results of this evaluation with other humanitarian evaluations, the concluding statement also uses the OECD DAC criteria. A table comparing the two tools is presented in annex 6 of the full report.

### ii. KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5. The first key finding is that, in a relatively short time, DG ECHO has been able to effectively assume most of the responsibilities which have come with the sizeable increase in resources since the FABL was created and is making significant progress in many others areas, including policy. A special unit was created and tested and, on the basis of initial lessons learned, some changes were made to DG ECHO's organizational chart. Guidelines and mechanisms were also developed to facilitate quality-oriented project cycle management. A policy elaboration process was launched, which ended in mid June with a final phase of consultation with the main stakeholders (NGOs, UN agencies, EU Member States). This learning process was neither easy nor harmonious, but one of the things that has emerged from this evaluation is the fact that DG ECHO adapts and learns quickly.

6. The following tables present the key conclusions, the findings on which they are based and the related recommendations.

**ii.1. Strategic level**

Conclusions	Ref.	Recommendations	Ref.
Coherence:  The way DG ECHO uses the resources of the FABL is coherent with the European Consensus on Humanitarian Aid (needs based, coherent with humanitarian principles). After a period of experimentation, the process for allocating resources from the FABL has recently been clarified. The DG ECHO organisational chart has been adapted and its processes have been clarified. It has also recently drawn up a Humanitarian Food Assistance Policy, the first time DG ECHO has produced a sector-based policy document of this kind.	Par. 156 (p 43)	<i>Recommendation N°1</i> : As the structure of EU foreign policy is evolving rapidly, there is a need to restate, in the context of the European Commission’s Humanitarian food assistance, that the resources of the Food Aid Budget Line will be used only and exclusively within the framework set by the European Consensus on Humanitarian Aid and in line with the EC’s Humanitarian Regulation.	P 44
Coverage:  The FABL is used to fund activities in response to crises of all kinds (rapid onset, protracted and complex) in many different regions (with a particular focus on Africa). It is used to fund classic food aid activities, but also nutritional and agricultural /livelihoods activities, which are not included in the current FAC	Par. 149 (p 42)	<i>Recommendation N°2</i> : As most stakeholders seem to be in agreement that the current FAC is not appropriate to the current food assistance sector, the experience of the FABL in supporting innovations and broadening the concept of “food assistance” should be used in the renegotiation of the FAC.	p 44
DG ECHO and the food aid sector:  DG ECHO is now recognised as a major player by other food aid contributors, not only in terms of the weight of its financial contributions, but also in terms of its contribution to policy and coordination efforts. Its presence at field level, with its extensive network of technical experts, is widely recognised and praised. The creation of a Unit for Food Aid and Disaster Preparedness has helped to develop real expertise and increase the quality of DG ECHO’s involvement with its partners (improved project analysis, enhanced involvement in policy and information exchange).	Par. 129 to 138 (p 39)  Par. 136 (p 39)	<i>Recommendation N°3</i> : The EC Humanitarian Food Assistance Policy will clarify the transition from a food security policy to a humanitarian policy and from a food aid approach to a food assistance approach. However, it is important that the implications of this document are communicated and clarified both internally, within the Commission, and externally, with Member States and operational partners.  <i>Recommendation N°4</i> : DG ECHO’s position regarding principles 6 and 14 of the GHDI preserves its capacity not only to work with a wide range of actors, but also to be a demanding donor with a clear focus on quality. This should be preserved at all costs, especially with the perspective of organisational changes within the European Commission.  <i>Recommendation N°5</i> : DG ECHO has demonstrated that, by being actively involved in technical debates, donors can support innovations and work towards improving the quality of operations. This experience should be further disseminated both internally within the Commission and amongst other stakeholders. Adequate resources should be allocated for this purpose and the budget of the grant and capacity building facilities should be raised accordingly.	P 44  p 44  p 44

## ii.2. Operational level

	<b>Conclusions</b>	<b>Ref.</b>	<b>Recommendations</b>	<b>Ref.</b>
	In a world of high instability, recurring crises and increased tension on food accessibility, DG ECHO's FABL allows for highly relevant interventions which improve the nutritional status and strengthen the resilience of populations (support to agricultural and livestock activities; income generating activities, etc) and which respond to demonstrated needs. This is made possible by DG ECHO's efforts to clarify how needs are assessed (central to the Single form) and specific investments made by the FABL to support mechanisms to monitor needs.	Par. 148 (p 42)	<i>Recommendation N°7:</i> The new Humanitarian Food Assistance Policy clarifies how to deal with dilemmas about whether or not to engage in protracted crisis contexts where there is a risk of long-lasting food insecurity. The evaluation team would like to recommend that equal importance be given to the definition of disengagement strategies. Without doing so, DG ECHO will have to cover for the failures of development strategies for a long time to come.  <i>Recommendation N°8:</i> In contexts where there is a protracted crisis and forecasts of long-lasting food insecurity, it should be possible to use resources from contracts signed in year N in year N+1. This would allow partners to adopt longer operational frameworks. The domain of application of such contracts and the modus operandi for working in these conditions needs to be defined. This could be based on DIPECHO procedures for contracts of more than one year which are vetted by a group of three DG ECHO staff who validate whether the projects meet the necessary criteria.	p 45
Relevance:	The FABL allows resources to be rapidly injected into contexts which have been identified as "food insecure" as the result of a crisis. As the situation evolves, it allows the amount of funds available to be adjusted in response to adjustments in its partners' programmes. A wide variety of projects are implemented and different approaches are adopted from country to country (various entry points and exit strategies). These projects are generally of good quality thanks to close monitoring.	Par. 150 & 151 (p 42)	<i>Recommendation N°16:</i> The evaluation team recommends that DG ECHO's capacity as a "learning institution" should be consolidated and that adequate resources should be made available for innovations and learning mechanisms.	p 46
Effectiveness:	One critical point is that while DG ECHO's resources have dramatically increased to cover the food aid/food assistance sector more effectively, the level of Primary emergency decisions and Emergency decisions has not been raised. Overall effectiveness could be reduced if this leads to fewer resources being available for non-food-related sectors.		<i>Recommendation N°14:</i> As the FABL is a "dedicated" line supported by a "dedicated" technical Food Aid Unit, there is a risk that food assistance will become 'fenced in'. As many contexts require a multi-sector approach, it is critical to strengthen the articulation at all levels between the FABL and the General Humanitarian budget line.  <i>Recommendation N°17:</i> In order to provide both food and non-food assistance with greater room for manoeuvre, it is recommended that the maximum level of funds available for primary decisions should be raised significantly, and the maximum implementation period should be extended - from €5 million with an implementation period of 5 months to €15 million with an implementation period of 9 months for Emergency decisions without HAC consultation.	p 46







<b>MAIN REPORT</b>
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## 1 INTRODUCTION

7. This evaluation of the Directorate General for Humanitarian Aid (DG ECHO)'s Food Aid Budget Line (FABL) complies with Article 18 of the European Council Regulation on Humanitarian Aid (1257/96), which stipulates: *"The Commission shall regularly assess humanitarian aid operations financed by the Community in order to establish whether they have achieved their objectives and to produce guidelines for improving the effectiveness of subsequent operations"*. It also complies with the European Community's Financial Regulation (article 27) which promotes evaluation as part of sound financial management.

8. DG ECHO is an extremely important service with regard to the European Commission's external relations as it is responsible for putting the European Union's Humanitarian Aid commitments into practice. A new Food Aid budget line was created in 2007 to implement European Commission (EC) humanitarian food aid. This role was previously filled by the Directorate General EuropeAid (DG AIDCO) through the Food Aid and Food Security Budget line (FAFSBL). But in accordance with the Commission's objective to concentrate instruments under the most appropriate service as part of the EC's Financial Perspectives exercise for 2007 – 2013<sup>2</sup>, the role was transferred to DG ECHO.

9. This transfer has had both financial and organisational consequences:

- financially, there has been a significant increase in the DG ECHO budget. The Food Aid Budget Line represents about a third of the total humanitarian budget managed by DG ECHO. The Food Aid Budget Line has steadily grown due to an annual increase of around 3 % in accordance with the EC's Financial Perspectives. In 2008, there was a significant increase when DG ECHO requested funds from the EC's Emergency Aid Reserve to respond to the rise in food and commodity prices.

- organisationally, a new unit for Food Aid, ECHO A4, was created (subsequently renamed unit A5 in April 2009) in order to support the Geographic Units (A1, A2, A3 and recently A4) and to contribute to the development of Food Assistance policy and disaster preparedness (to complement ECHO Unit DG 0/1, which is responsible for humanitarian policy in the other sectors of intervention). Responsibility for disaster preparedness policy was transferred from the Food Aid Unit to DG 0/2 in April 2009. And finally, a number of Food Aid Technical Assistants (TA) was recruited to strengthen DG ECHO's regional support offices and a Sector Support Team (SST) based in Nairobi.

10. DG ECHO's increased involvement in Food Aid has coincided with two other important developments:

- the promulgation of the European Consensus on Humanitarian Aid, Lisbon, 2007, which represents a major step forward for the Commission and the Member States; and
- the creation of the new Single Form<sup>3</sup> and its objective-focused approach, which obliges partners of DG ECHO to adopt management methods close to those of Results Based Management.

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<sup>2</sup> *"The Humanitarian Aid instrument is proposed to maintain the present format of EU humanitarian assistance, which is regarded as sufficiently well defined in terms of scope and objectives and performing well in terms of delivery and efficiency. Nevertheless, as part of the simplification and rationalisation process, it is proposed to integrate other activities of a humanitarian nature in the humanitarian aid instrument. This concerns inter alia food aid activities and the humanitarian aspects of aid to uprooted people."*

<sup>3</sup> The Single Form is the form that is used in project-related contractual relations between DG ECHO and its partners. The same document is used for all funding requests and reports.

11. The main objective of this evaluation is to review how well this new situation has allowed DG ECHO to respond appropriately and fulfil its humanitarian mandate. The report is structured as follows:

- Chapter 2 presents the methodology used and the constraints encountered during the mission;
- Chapter 3 briefly reviews the global context in which DG ECHO provides food aid (food insecurity in the world, key actors involved, and current developments in the food aid sector);
- Chapter 4 describes the Food Aid budget line (history, quantitative analysis);
- Chapter 5 presents the evaluation of DG ECHO's Food Aid Budget Line according to the 12 criteria of the Quality COMPAS;
- Chapter 6 includes a set of concluding statements; and
- Chapter 7 presents a set of recommendations regarding how resources from the Food Aid budget line are used, and DG ECHO's Food Assistance in general.

## 2 METHODOLOGY

### 2.1 *The Evaluation team*

12. The evaluation team included a senior disaster management specialist, a nutritionist and an agro-economist specialised in food security, all of whom have operational research and evaluation experience. The fact that the team included two men and a woman made it possible to meet both male and female beneficiaries to ensure that all points of view were taken into account.

### 2.2 *“Evaluating a financial instrument”: specific method required*

13. Evaluating a financial instrument such as the Food Aid Budget Line involves analysing the mechanisms that are used to manage it, how its resources are used and what concrete effects it has.

14. The evaluation looked at the coherence between the Food Aid Budget Line and other instruments used by DG ECHO. It also examined DG ECHO's practices regarding Food Aid in relation to best practice in the sector and in relation to other commitments made by the Commission (Monterrey and Paris principles –OECD/DAC -, the 3 Cs – coordination, complementarity and coherence of the Maastricht Treaty).

15. It was also necessary to look at the way the Food Aid Budget Line is used in relation to specific mandates, principles and international conventions. The evaluation thus reviews the extent to which the FABL is in line with DG ECHO's humanitarian mandate and its commitment to the Good Humanitarian Donorship Initiative (GHDI) (see annex 7). The evaluation also looks at the extent to which the resources of the FABL help the EC to comply with the Food Aid Convention (FAC).

16. The scope of the evaluation is very broad due to the use of the 12 criteria of the Quality COMPAS ([www.qualitycompas.org](http://www.qualitycompas.org) and annex 4). These criteria, with their supporting key processes, are organized into two categories:

- Impact and result criteria: (criteria A, B, C, D); and
- Process and structure criteria (criteria E, F,G, H, I, J, L K)

17. In the concluding section, the 6 OECD DAC criteria are used in order to facilitate comparison with other evaluations (relevance, effectiveness, efficiency, coverage, impact, coherence and connectedness). A table comparing DAC/OECD and Quality COMPAS criteria is presented in annex 4.

### **2.3 Data collection and analysis**

18. Data collection took several forms:

- **Desk review:** The evaluation team collected information from different sources, including different services of the European Commission (DG ECHO: Food Aid Unit A5, the Sector Support Team in Nairobi, DG AIDCO, and research institutions). During the course of the field missions, additional documentation was gathered and taken into account. Annex 5 presents a list of the sources consulted.
- **Interviews in Europe and at field level:**
  - In Brussels: several key members of staff from DG ECHO and DG AIDCO;
  - In the field: the SST, Food Aid Technical Advisers in the Regional Support Office (RSO), field officers in DG ECHO offices, the EC delegation;
  - Member States: the United Kingdom and France;
  - US: Officials from 'Food for Peace' and from OFDA; and
  - DG ECHO Partners: UN agencies, ICRC, NGOs.
- **Field work:** The evaluation team visited three different contexts: South Asia (India and Bangladesh), the Horn of Africa (Kenya, Ethiopia) and the Sahel (Niger, Burkina Faso and Senegal). After each visit, an aide-mémoire was produced and submitted to DG ECHO.
- **Upon return from the field:**  
A first draft of the report was produced and circulated, revised and further reviewed. A few additional consultations took place with DG ECHO, other EC services and a few stakeholders. On the basis of all the comments collected, the evaluation team finalised the report.

### **2.4 Constraints and limits**

19. A first difficulty encountered during the evaluation was the fact that its focus was changed. The Terms of Reference were changed due to other parallel processes which were launched (DG ECHO reorganisation, an internal audit and definition of the Food Assistance Policy). This change to the terms of reference was probably not communicated enough within DG ECHO.

20. The selection of a new context to visit after the situation in Darfur deteriorated took some time. Once the new case study was selected, the evaluation team received full support from DG ECHO field teams in preparing the programmes for the visits and making logistical arrangements.

21. DG ECHO is a rapidly changing body and significant reorganization took place while the evaluation was being conducted. The evaluation team had to ensure that these changes were properly taken into consideration and reflected in its recommendations, so that the report remained relevant.

22. In addition, DG ECHO was drafting its Food Assistance Policy while the evaluation was being carried out. This was a fascinating opportunity, but it also meant that special effort needed to be made to ensure that the evaluation could contribute as much as possible to the policy elaboration process.

### 3 DG ECHO FABL AND FOOD INSECURITY IN THE WORLD

#### 3.1 *Food insecurity in the world*

23. Thirteen years after the World Food Summit of 1996, there is very little good news on the Food Security front and therefore little hope that millennium development goal (MDG) 1<sup>4</sup> will be met. The survival of large sections of the World's population is made precarious by factors such as the vagaries of climate (see box 1), poor governance, the deterioration of State-related functions in areas like health, education and economic services, conflicts and economic crises (including the last food price crisis and economic recession). This situation has also been aggravated in the last decade by the growing threat of the HIV-AIDS epidemic and the effects of climate change.

#### **Box 1. Bangladesh, a disaster-prone context**

In Bangladesh, disasters are a frequent occurrence and are part of everyday life for large parts of the rural population. The last few years have seen large floods caused by heavy rains or dam destruction. In 2007, Cyclone Sidr hit the country badly although it is a widely shared view that the Government's emergency evacuation process saved hundreds of thousands of lives. In addition, a very rare phenomenon - the flowering of bamboo plants and the following explosion of the rat population – has placed large parts of the Chittagong Hill Tracts in the East in an extremely worrying food security situation.

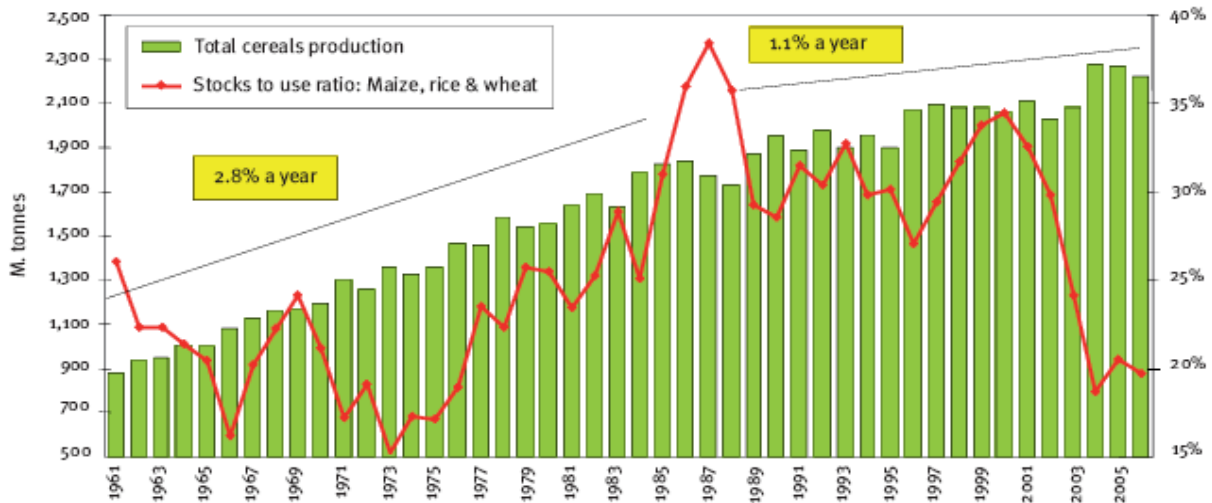
24. Another factor connected to rising food insecurity is urbanisation, which has accelerated over the last twenty years. The food production of the countryside has often been unable to keep up with the growing food requirements of the expanding urban population, which has become increasingly reliant on food imports or structural food aid, two sources of food which depend a great deal on commercial and political parameters.

25. Tensions have emerged in relation to world food production and food stocks. The first of these, which was already being predicted more than 15 years ago, is the change in consumption patterns in emerging countries. Growing urban populations with a rapidly developing middle class are indeed causing an increase in the consumption of foods which themselves require more cereals and vegetables to be grown. The increased flow of cereals and pulses to China has had a dramatic effect on both food prices and stocks. Prices have also fluctuated as a result of speculation.

26. Other critical factors which are having an impact on food security are diversion of food production to other uses and market policies. The use of sources of sugar (maize, sugar cane and beetroot) and oil crops to produce biofuels has meant that large areas of land have been diverted from food to industrial production. With stocks at historically low levels (figure 1), a simple incident, such as protracted drought in Australia, coupled with unhindered speculation, triggered a major food price crisis.

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<sup>4</sup> MDG 1 “Eradicate extreme poverty & hunger”: Target 3 - Halve, between 1990 and 2015, the proportion of people who suffer from hunger

**Figure 1. World cereal production and stocks since the early 1960s<sup>5</sup>**

27. This situation has catastrophic consequences<sup>6</sup>:

- 13 million children are born annually with intra-uterine growth restriction (low birth weight);
- Worldwide, 178 million children of the “under 5” category are stunted and 55 million are wasted (10%);
- 3.5 million child deaths per year (35 % of child deaths);
- 20 % of maternal mortality (115,000 deaths/year) due to iron anaemia deficiency; and
- 2 to 3% of Gross Domestic Product (GDP) and 10% of lifetime earnings are lost due to reduced physical and cognitive development which lowers economic potential.

### 3.2 Aid agencies

28. A wide variety of agencies are involved in the food aid, nutrition and food security sectors:

- National agencies in charge of food aid and food security which are attached to high level disaster committees or integrated within line ministries
- UN agencies, especially the World Food Programme (WFP), the Food and Agriculture Organisation (FAO) and the United Nations Fund for Children (UNICEF)
- Red Cross and Red Crescent movement institutions: the International Committee of the Red Cross (ICRC), the International Federation of the Red Cross and Red Crescent Societies (IFRC) and many individual National Red Cross and Red Crescent Societies
- Non Governmental Organisations (NGOs): International NGOs, their national branches and national NGOs
- Research institutions specialised in food aid and food security (universities, think tanks, consultancy groups, etc.)

These different stakeholders are presented in more detail in annex 7 and those which use the resources of the FABL are dealt with in chapter 4.

Coordination between all these actors at the field and global levels is of critical importance, the most recent development being the Cluster System which was part of the UN Humanitarian reform. Several clusters are relevant to the activities supported by the FABL: Nutrition (lead agency UNICEF), Food Aid (lead agency WFP), Agriculture (lead agency FAO) and Early Recovery (lead agency UNDP). Different formats exist depending on the countries considered. These clusters are also supposed to coordinate with other clusters on relevant issues: Health, Water and Sanitation, etc.

<sup>5</sup> Source: cereal production from FAOSTAT; stocks of the three main grains from USDA data.

<sup>6</sup> Source: Enhancing EC's contribution to address Maternal and Child under nutrition and its causes. Concept note, 2008.

### 3.3 The donors

#### 3.3.1 The European Commission

29. The European Commission faces new challenges in relation to its role regarding food security. It must try to establish coherence between its position as a major global player in the agricultural product market (EC agricultural policy and the Uruguay and Doha rounds of negotiations with the World Trade Organization) and its position as an inter-state body involved in the provision of aid<sup>7</sup>.

30. Since the creation of the Food Aid budget line and the related transfer of responsibility from DG AIDCO to DG ECHO in 2006, the European Commission's tools for addressing food insecurity and post-crisis rehabilitation have evolved. The other key instruments are:

- *The European Development Fund*<sup>8</sup> (EDF): The EDF (currently on the 10<sup>th</sup> EDF): is the main joint cooperation instrument used by the European Community and its African, Caribbean and Pacific (ACP) partners. ACP countries and the EC allocate EDF resources on the basis of "focal areas" – if food security, nutrition or health are not designated as focal areas, they do not qualify for resources. In most countries, these issues are seen as being of lesser importance in relation to infrastructure, governance, rule of law and other macro-level issues.
- The *Development Cooperation Instrument* (DCI) which includes:
  - The *Food Security Thematic programme (FSTP)*. Not all countries affected by food crises are eligible for this programme. Among the countries visited by the Evaluation team, for instance, Kenya and Ethiopia were not on the list of eligible countries despite their regular high levels of food insecurity. This is because other EC instruments are being used to address the problems in these countries (e.g. massive EC support to the national safety nets in Ethiopia)
  - The *Non State Actors thematic programme* offers NGOs the opportunity to run food security programmes via calls for proposals.
- The *Instrument for Stability* (IFS)<sup>9</sup>, a new funding instrument which, among other things, can be used to support short term post-crisis programmes. In Bangladesh, the IFS was used following cyclone Sidr. The EC provided a grant of €13 million to the Bangladesh Rural Advancement Committee (BRAC) in support of sustainable recovery and rehabilitation of agriculture-based and non-agriculture-based livelihoods in cyclone Sidr-affected coastal areas.
- The *Food Facility* was recently launched "to respond to soaring prices in developing countries". Worth €1 billion, with resources from different parts of the EC including Title 2, Title IV and the EC emergency reserve, it was created to stimulate agricultural production. Even though the guideline for using this instrument was drawn up at headquarters to support a global call for proposals, the EC delegations are expected to play a role in project appraisal, a situation which creates opportunities to identify innovative Linking Relief Rehabilitation and Development (LRRD) approaches between DG ECHO's instrument and the Food Facility. For example, in the Sahel, the Food Facility should allow a number of DG ECHO-initiated projects to be funded, such as the FAO project to multiply seeds in Burkina Faso, a project by Save the Children for the implementation of a safety net for the most vulnerable people, and projects by UNICEF.

<sup>7</sup> EU *Non Paper* on Food Aid, 2005

<sup>8</sup> The EDF is not an EC funded instrument, but an intergovernmental fund set up by the EU Member States, for the period 2008-2013. An amount of €22,682 billion has been agreed upon for the 10th EDF.

<sup>9</sup> [http://www.relex.ec.europa.eu/archives/funding\\_ex\\_assist/index.htm](http://www.relex.ec.europa.eu/archives/funding_ex_assist/index.htm)

### 3.3.2 European Union Member States

31. European Union (EU) Member States have a wide variety of mechanisms for managing food aid. In some countries food aid is part of the humanitarian system. In others, like France, there is a very complicated set up involving an inter-ministerial body managed by the Ministry of Agriculture. Some donors direct their food aid contributions exclusively through multilateral institutions (mainly WFP or ICRC) with varying degrees of earmarking. Others continue to finance food aid NGOs and continue to earmark contributions (at the country or the programme level).

32. The EU Member States consulted during the evaluation are in favour of DG ECHO's increased involvement in the food aid sector since it took over the FABL. There are a number of reasons for this:

- the quality of the staff in the Food Aid Unit in Brussels, who are able to respond to queries rapidly and professionally;
- the fact that they can receive information about DG ECHO Food aid operations, if and when required, from the Humanitarian Aid Committee (HAC), and now also from the EU Committee on Humanitarian Aid and Food Aid (COHAFA). This is a significant improvement in relation to what existed before at DG AIDCO; and
- the views of the different Member States on the Food Aid Convention and the degree to which it needs to be renegotiated vary a great deal. While the basic issue is whether or not the FAC can be adapted to make it more relevant, most of the debates so far have addressed two very technical issues: the types of commodities and services which qualify and calculation methods.

### 3.3.3 US Government instruments

33. Food for Peace (FFP) is USAID's direct food aid programme and one of the largest food aid providers in the world.

34. In contrast to DG ECHO, FFP covers both emergency needs and chronic developmental needs. It has two types of funding mechanism: Single-Year Assistance Programs and Multi-Year Assistance Programs, subject to budgetary approval each year. These are presented in "Program Policies and Proposal Guidelines" documents.

35. FFP is based on an in-kind commodity donation system, largely taken from United States food stocks. FFP only finances food aid distribution activities. All other humanitarian food aid activities in the broadest sense (nutrition programmes, supply of therapeutic feeding products, cash-based operations, food security programmes, etc.) are the responsibility of the Office of U.S. Foreign Disaster Assistance (OFDA).

36. The most recent breakthrough concerns local procurements. Until recently FFP did not provide cash for local procurement, as DG ECHO does. However, there has been a significant change in the US's position on in-kind food aid. OFDA has recently begun managing Local and Regional Purchase funds. These funds can be used in food crises linked to rising prices or natural disasters. For example, WFP received funds from the Local and Regional Purchase funds for the crisis following the rise in prices in Somalia and Ethiopia. In addition, the recent statement by the USG Accountability Office<sup>10</sup> opens new opportunities for FFP to engage in local procurement.

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<sup>10</sup> International food assistance, local and regional procurements to enhance US food aid, GAO, June 4 2009



### 3.3.4 The World Bank<sup>11</sup>

37. The World Bank (WB) identified the negative impact of malnutrition on a country's development decades ago. It has developed a set of instruments, including the World Bank's Nutrition Toolkit which aims to help its staff design and supervise effective and feasible nutrition projects and project components and to carry out comprehensive analysis of sector and policy issues affecting nutrition.

38. In addition to its “developmental involvement in nutrition issues, the World Bank Group set up the Global Food Crisis Response Program (GFRP) in May 2008 to help the hardest hit countries respond to the severity of the food price crisis. Its budget increased to \$2 billion in April 2009 to support programmes targeting poor children and other vulnerable groups. An additional \$279.4 million is being earmarked for programs in 10 countries. The Bank has also created a new Multi-Donor Trust Fund to facilitate the involvement of partners to support the GFRP. Two other areas of activity are particularly relevant to the management of food insecurity:

- The tripling of investments in safety nets and other social protection programs in health and education to \$12 billion over the next two years, as announced in April 2009.
- The involvement of the Bank in the development of financial market insurance products and risk management strategies to improve the capacity to respond to future price increases, such as weather derivatives, crop insurance and larger monetary reserves to procure food rapidly from world or regional markets (virtual stocks).

### 3.3.5 Donor Coordination

39. Donor coordination is considered by all actors to be an essential factor in humanitarian aid. Different coordination mechanisms exist at global and country levels as well as bilateral and multilateral levels:

#### Global mechanisms:

40. The Food aid Convention (FAC): Created at a time when food surpluses were abundant, the FAC is the main international agreement governing food aid. Under the convention, donors commit to a minimum level of food aid. Food aid donors first negotiated the FAC in 1967, but have since renewed the convention several times – most recently in 1999. The current FAC contribution of the EU and its Member States is 1,320,000 wheat equivalent tonnes and € 130 million (total indicative value of €422,000,000) (FAC, 1999). Several Member States report in cash, others in Wheat Equivalent. The current FAC was supposed to come to an end in 2008, but an additional period up to June 2009 was agreed to facilitate the renegotiation. In view of how the food aid sector is evolving and the disappearance of most food surpluses, there is currently a great deal of debate about the future of the FAC.

41. The Good Humanitarian Donorship Initiative (GHDI): Launched in Stockholm in 2003, the Good Humanitarian Donorship initiative involves the world's main humanitarian donors. It aims to reinforce the ethical positioning of donors by promoting their compliance to 23 key principles (see annex 9).

42. The United Nations' High-Level Task Force (HLTF) on food security. The members of the HLTF are directors of specialised agencies, UN funds and programmes, Bretton Woods institutions and the relevant services of the UN Secretariat. They work towards improving the coordination of policies and programmes, particularly at the national level.

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<sup>11</sup> Source : <http://www.worldbank.org>

## **Bilateral and multilateral coordination**

43. Multi-donor coordination in the financing of UN agencies and WFP for food aid. Several global mechanisms exist. One of these is OCHA's Consolidated Appeals Process and its Financial Tracking System (where contributions, including DG ECHO's contributions, can be recorded and tracked). Coordination also takes place via agency governance bodies, such as the WFP Executive Board.

44. Bilateral exchanges between Food for Peace and DG ECHO: Between them, Food for Peace and DG ECHO provide the majority of food assistance in the world. Before DG ECHO became responsible for the EC Food Aid budget, coordination took place at the following levels:

- between headquarters: frequent phone conferences and regular meetings/visits
- at WFP executive board meetings and in the context of the Food Aid Convention
- at the field level: coordination and donor meetings.

45. Since DG ECHO has become responsible for the FABL, coordination has increased. As it is restricted to food distribution, USAID/FFP particularly appreciates the dialogue it has with ECHO's Food Aid Unit on policy issues and the complementarity which is made possible by the larger scope of activities available under the FABL. For instance, in Ethiopia, depending on food availability, the country can benefit from a combination of food aid interventions funded by FFP and/or cash interventions funded by DG ECHO.

46. Even if there is regular communication, Food for Peace stated that they still have some difficulty understanding who is responsible for the food security strategy between DG DEV, DG AIDCO and DG ECHO.

**Country level coordination mechanisms:** These vary a great deal from one context to another. In many contexts, humanitarian coordination is limited to "like-minded" donors working together. For example, DG ECHO is one of the few humanitarian donors to fund programmes in the Sahel along with OFDA/FFP and the Swedish International Development Cooperation Agency (SIDA). At the regional level, coordination between DG ECHO and OFDA is limited to regular communication about specific issues. In certain cases, this informal coordination has proved insufficient. In other countries, donor coordination is managed by development agencies and overseen by the national Government with donors having little say on the matter. This is the case in Ethiopia, for example (see box below).

### **Box 2. Donor coordination in Ethiopia**

Donor food security/food aid coordination takes place under the Development Assistance Group (DAG), which is a high level (ambassador and development counsellor level), development-oriented mechanism. The main donors engaged in the rural sector meet regularly within the Rural Economic Development and Food Security (REDEFES) working group, a sub-group of the DAG. In addition, in the specific food security sector in relation to the Productive Safety Net Programme (PNSP), there are several mechanisms in place for donor coordination: donors meet each other twice a month, meet with the government once a month and there is a large scale donor/government meeting once a year. Humanitarian issues are tackled in a sub-working group which is marginal within the DAG mechanism. In view of the need to discuss specific humanitarian issues, a small informal donor group brings together the main players, i.e. DG ECHO, USAID/OFDA and sometimes FFP, DFID and the Humanitarian Response Fund (HRF)<sup>12</sup>. Most donors feel that there is room for improvement in humanitarian donor coordination. With this aim in mind, UNOCHA/HRF, USAID/OFDA and DG ECHO have developed draft terms of reference for donor coordination in Ethiopia. There is currently no special mechanism to brief EU Member States on humanitarian issues, as exists in other countries.

<sup>12</sup> The Humanitarian Response Fund (HRF) is a local pool fund managed by OCHA, steered by an inter-agency (UN and NGOs) steering committee. In Ethiopia, DFID is one of the main donors of this pool fund.

### 3.4 Changes in Food aid practices

47. The humanitarian food and nutrition sector, to which DG ECHO allocates resources from both its general humanitarian and food aid budget lines, is responding innovatively to current challenges.

#### 3.4.1 From food aid to food assistance

48. Analysis of the potentially negative effects of food aid led to the development of new types of programme in the early 90s: seed and tool programmes, livestock revival programmes and, most recently, cash transfer and voucher programmes. These types of intervention have a two-fold objective. On the one hand, they aim to reduce liabilities and enhance assets and, equally important, they provide an important vector for re-establishing a degree of lost dignity. Indeed, the importance of the latter is such that it can sometimes outweigh the purely economic benefits of such programmes. Covering nutrition, food aid, cash transfers and agricultural recovery, food assistance is recognised as both a useful analytical framework and a powerful operational strategy.

#### 3.4.2 Changes in the nutrition sector

49. There have been many developments in the nutrition sector in the last decade which represent strategic challenges for the preparation of DG ECHO's Humanitarian Food Assistance Policy. Below are some of the main developments that have taken place:

- The WHO Growth standards: a new reference to diagnose acute malnutrition for children aged 6-59 months. There are a series of challenges linked to the adoption of this new reference. In particular, the new threshold given by the WHO growth reference creates additional patient load for therapeutic feeding programmes compared to the previous one. This means that a substantial increase in funding will be required in most situations.
- The development of Community-Based Management of Acute Malnutrition (CMAM). Ready to Use Therapeutic Foods (RUTFs) have opened new opportunities for the treatment of severe acute malnutrition at community level. However, industrially prepared, like the *Plumpy'nut*' product in France, this kind of food raises the question of aid efficiency, due to its relatively high price and the dependency that it creates vis-à-vis the (usually western) companies that produce it.
- Management of micronutrient deficiency. In recent years solutions for dealing with and preventing nutritional deficiencies in emergency situations have been developed in the form of a multiple micronutrient powder to be added to food rations called 'Sprinkles'. These products are currently being evaluated.
- The ongoing debate about Supplementary Feeding Programs. There is much debate about the effectiveness and appropriateness of Supplementary Feeding Programmes and whether they respond to beneficiaries' needs. In terms of reducing the prevalence of moderate malnutrition and preventing severe acute malnutrition and the mortality that it causes, their impact has either been limited or has not been fully reported<sup>13</sup>.
- Prevention of acute malnutrition. A number of developments have taken place in recent years in relation to the prevention of malnutrition. Programmes which involve the distribution of "Plumpy doz" or safety net approaches are currently being tested.

#### 3.4.3 The rise of cash-based approaches

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<sup>13</sup> Navarro-Colorado, C., Mason, F. and Shoham J., 2008. Measuring the effectiveness of Supplementary feeding programmes in emergencies. Humanitarian Practice Network n°63. London: ODI

50. Cash-based interventions can take different forms. The main ones used in emergency situations are<sup>14</sup>:

- Cash grants – the provision of cash, with all the advantages, and potential risks that come with the injection of a fungible resource (e.g. used for social or leisure activities rather than productive ones, etc.);
- Vouchers – used to purchase or “redeem” a specified and predetermined range of goods and services;
- Cash for Work (CFW) – cash provided as payment for labour on a particular project, usually public works;
- Microfinance – a range of small-scale financial services, such as credit, savings, insurance, and small business training.

#### 3.4.4 The development of Safety Net Programmes

51. Safety Net Programmes are a type of development-focused social welfare programme. They are often national programmes implemented with the support of development actors. However, in the humanitarian field, safety net programmes are increasingly seen as prevention or post-crisis tools.

#### 3.4.5 The development of diagnosis tools

52. *Advances in analytical methodology and the understanding of needs*: The Livelihood concept is now used by most key Humanitarian Agencies and Donors. It is a reference tool for the planning and implementation of relief and rehabilitation programmes (e.g. Save the Children, CARE International, DFID and USAID). Livelihoods are the sum of the means by which households / communities obtain and maintain access to the resources (or assets) necessary to ensure their immediate and long-term survival<sup>15</sup>.

53. The *Household Economic Approach (HEA)*: the HEA is a method of analysing how household income and access to food evolves. Developed by Save the Children, this approach allows aid workers to build up a picture of the economy of a defined population using rapid appraisal methods and to analyse the ability of households to obtain food and other essential items. Though the HEA is being promoted among aid practitioners and governments (i.e. in the Sahel, training about HEA indicators was provided to the CILSS staff), other approaches continue to be developed and used.

54. *Vulnerability mapping and needs assessments: WFP- VAM and the SENAC project*: To monitor the food security situation in countries where it is running programmes, WFP has developed the Vulnerability Analysis and Mapping Unit (VAM). Present in about 50 countries in the world, the VAM undertakes a range of activities including in-depth assessments, production of maps, etc. In addition to its VAM activities, WFP has been running the “Strengthening Emergency Needs Assessment Capacity” (SENAC) project since 2005 (with significant donor support, including the EC), which aims to reinforce WFP’s capacity to assess food needs during emergencies and their immediate aftermath.

55. *Integrated Phase Classification (IPC)*: The IPC analyzes the severity, scale and causes of food insecurity. It is rooted in the work done by the Food Security Analysis Unit (FSAU) in Somalia which, for years, has been the main source of data on food security, nutrition and vulnerability in that country. Supported by several donors, including the EC, the FSAU produces high quality maps, reports, etc. which are of great use to the aid community and donors. In 2006, after an FAO evaluation, it was decided to test the utilisation of the IPC concept outside the Horn of Africa.

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<sup>14</sup> Good practice review - Emergency food security interventions, 2008

<sup>15</sup>[http://www.usaid.gov/our\\_work/crosscutting\\_programs/conflict/publications/docs/CMM\\_Livelihoods\\_and\\_Conflict\\_Dec\\_2005.pdf](http://www.usaid.gov/our_work/crosscutting_programs/conflict/publications/docs/CMM_Livelihoods_and_Conflict_Dec_2005.pdf)

## 4 DG ECHO FOOD AID BUDGET LINE

### 4.1 History and background of the Food Aid and Food Security budget lines

56. The food aid and food security budget lines (BL 2101 and 2102) were created by Council Regulation (EC) No 1292/96 of 27 June 1996 on food-aid policy and food-aid management and special operations in support of food security<sup>16</sup>. Until the end of 2006, food aid and food security operations were managed by the Directorate General EuropeAid (DG AIDCO), with implementation by DG RELEX and DG DEV, in geographical areas covered by the EC's services. The Food Aid and Food Security Budget Lines (FAFSBL) were used to provide annual contributions to WFP, ICRC<sup>17</sup> and United Nations Relief and Works Agency (UNRWA) operations, and to support national food security plans in developing countries in the form of food or money. The FAFSBL also contributed to fulfilling the European Commission's commitment vis-à-vis the Food Aid Convention, i.e. to provide 990,000 wheat-equivalent tons of food aid<sup>18</sup>.

57. In 2006, as a part of the process for setting the EC's Financial Perspectives for 2007-2013, it was decided to transfer responsibility for all humanitarian food aid to DG ECHO. Under the Financial Perspectives certain activities were grouped, matching tools and instruments in the most appropriate EC service. A new budget line for humanitarian food aid was created. The initial budget allocated to this line for food assistance activities was €220 M compared to the €407 M previously managed by DG AIDCO for food aid and food security activities. Budgetary resources were also allocated to other instruments, such as the Food Security Thematic Programme, under the Financial Perspectives for 2007-2013.

### 4.2 Food Aid support mechanisms in DG ECHO

#### 4.2.1 The Food Aid Unit, the regional food experts and the Panis Group

58. Following its creation in 1992, DG ECHO funded numerous food aid programmes run by its NGO partners, using its main humanitarian budget line. The creation of the Food aid budget line has brought significant qualitative and quantitative progress.

59. A new Food Aid Unit was created in May, 2006 to deal with the challenges presented by the FABL. The role of the new unit was to prepare for the transfer by reinforcing technical expertise at the headquarters level. Up until then, experts had only been present in the field. The role of the Food Aid Unit was also to provide geographic units with support on technical aspects of food aid projects. Another change came with the appointment of technical food experts to strengthen Regional Support Offices (RSO)<sup>19</sup> at the field level, review all food-related proposals and to support the country technical experts. NGOs often did not know much about the Food Aid Unit, especially at the field level where they are mainly in contact with Technical Assistants. WFP, ICRC and UNRWA, on the other hand, have closer contact with the Food Aid Unit.

<sup>16</sup> [http://eur-lex.europa.eu/budget/data/D2006\\_VOL4/EN/nmc-titleN19A00/nmc-chapterN19E33/index.html#N19E33](http://eur-lex.europa.eu/budget/data/D2006_VOL4/EN/nmc-titleN19A00/nmc-chapterN19E33/index.html#N19E33)

<sup>17</sup> Allocations to WFP and ICRC were negotiated by a contract signed on an annual basis. The funds were disbursed on request, by country, after discussions between DG AIDCO, the EC Delegations and partners. The operating mode was simplified again before the creation of the FAFA. In this way, the funding allocation mechanism was very "light" and permitted a high level of predictability concerning the funds granted as well as a high level of flexibility in their disbursement.

<sup>18</sup> [http://eur-lex.europa.eu/budget/data/D2006\\_VOL4/EN/nmc-titleN19A00/nmc-chapterN19E33/index.html#N19E33](http://eur-lex.europa.eu/budget/data/D2006_VOL4/EN/nmc-titleN19A00/nmc-chapterN19E33/index.html#N19E33)

<sup>19</sup> To strengthen its presence in the field, DG ECHO has established Regional Support Offices (RSOs) in six capitals around the world: Nairobi (Kenya), Amman (Jordan), Dakar (Senegal), New Delhi (India), Bangkok, (Thailand) and Managua (Nicaragua).

Additional changes took place in April 2009. The responsibility for Disaster Preparedness policy was removed from Unit A4 when it became Unit A5, which is involved in establishing policy in relation to food assistance issues (in other sectors, policy development is the responsibility of ECHO Unit 01). In order to reinforce the link between food assistance operations and policy, an internal technical group, the PANIS group, was created in 2007. Like the other Technical Working groups<sup>20</sup>, PANIS's role is to identify and disseminate best practices and lessons learned, collect and share information between members, discuss humanitarian issues related to the sector, respond to technical questions, draft internal technical issue papers and provide input for the development of sector-focused documents and approaches/policies, upon request from headquarters (01 or A5). It is made up of staff from Unit A5, Unit 01 and the Nairobi-based Sector Support Team (SST), technical food experts from the various RSOs and one focal point for each geographical unit. It meets periodically to get the opinion of food aid specialists on a wide range of issues, from the review of the Framework for Partnership Agreement (FPA) to the terms of reference of specific evaluations, reviews and studies. This allows debates to take place within DG ECHO's sectors of intervention and facilitates the exchange of sector-focused information between geographical units, technical staff and general staff.

#### **4.2.2 Management of Funding Decisions for Food Assistance**

60. In 2007, two main funding decisions were made for FABL resources (the first, for €135 M, was made in March, and the second, for the smaller amount of €85 M, was made in August). In 2008 a first decision for €160 M was made in February to which a further €60 M was added in July through a modification process. A second decision was made in June for € 57.3 M. However, it became evident that this approach was not appropriate with regard to seasonal / agricultural cycles that vary across areas of intervention, despite the availability of different fund-raising options<sup>21</sup>. Furthermore, it was difficult for geographic units to manage operations from the two budget lines with different decisions' timeframes. For this reason DG ECHO decided in 2008 to move decision-making from the food aid unit to the geographical units.

61. Even though there is a consensus at the management level about the newly adopted approach to managing decisions, opinions vary at other levels within DG ECHO. Geographic experts in Brussels and country TAs expressed concern about the risk of additional workload but hoped that the current reorganisation and the new process of funding decisions for both the General Humanitarian and the Food Aid budget lines would limit this risk. This was applied for the first time in Bangladesh for the response to cyclone Sidr. Furthermore, though it is clear that increased resources provide greater room for manoeuvre, there is some debate about whether or not the various changes have added flexibility in accessing resources.

62. Many questions that were on hold regarding the most appropriate financial management system for the FABL have been addressed in the recent series of internal reforms. While DG ECHO's management have decided to keep the General Humanitarian budget line and the Food Aid budget line clearly separated for the time being, the "merging issue" remains the subject of debate within DG ECHO.

#### **4.2.3 Humanitarian Food Assistance Policy**

There was a clear need for DG ECHO to clarify policy vis-à-vis its partners and to support the TA and Geographical desks in their daily work. Due to the high expectations and complex challenges that came with its new role, DG ECHO decided to formalise its Food Assistance Policy. The Food Assistance Policy represents a milestone as it is the first time it has formalised a sector strategy.

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<sup>20</sup> Technical Group Terms of Reference, August 2007

<sup>21</sup> New funds can be raised by drawing on the reserve or by reallocating funds within a funding decision between objectives up to €2 M.

63. The formalisation process, which was held up by the additional workload created in 2008 by the food price crisis, has included:

- the preparation of a Policy Paper on humanitarian food assistance due to be ready for discussion by June 2009<sup>22</sup>;
- the creation of an internal working group, the Food Aid Policy Development Group (FAPDG);
- broad consultation of DG ECHO'S partners (NGOs, donors, Member States, research groups) using a questionnaire (distributed via the NGO network, VOICE);
- a retreat in Bruges for the FAPDG to review feedback from different consultative processes; and
- preparation of the draft Food Assistance Policy which was presented and discussed in a multi-stakeholder seminar in Brussels on 16<sup>th</sup> June, 2009.

64. This Food Assistance policy has clarified a certain number of critical points, particularly concerning entry and exit strategies, and explicitly defines the scope and limits of the ways DG ECHO's food assistance can be utilised.

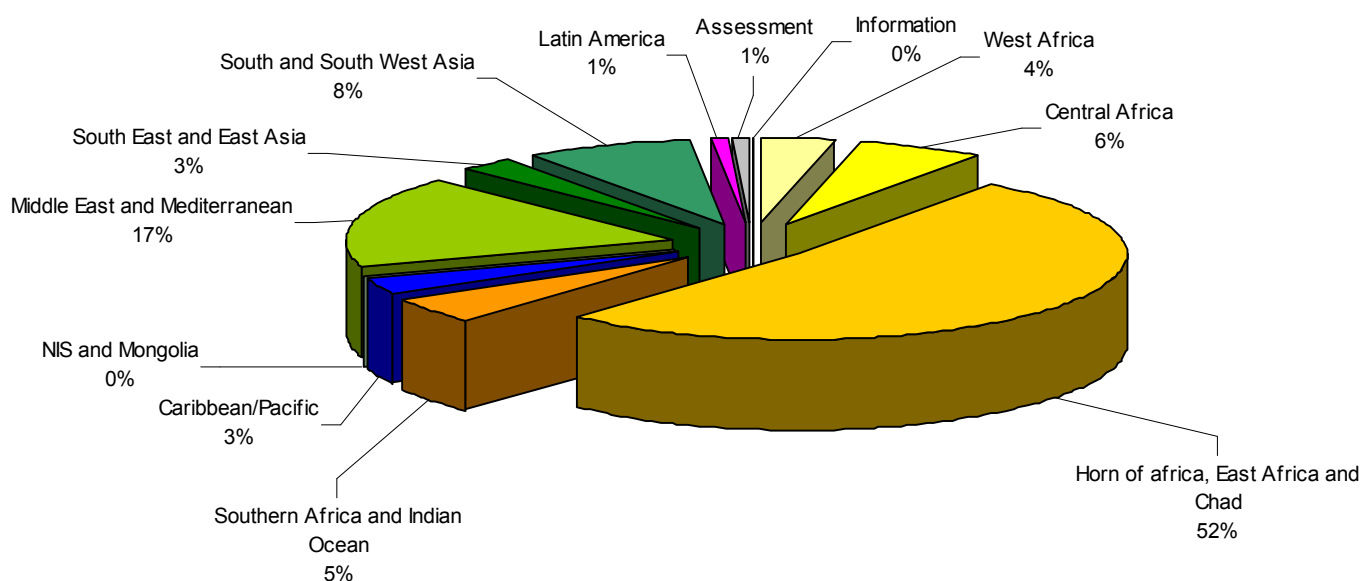
### 4.3 How are the resources available in the FABL used?

65. In 2007, the food aid budget line was €220,000,000, or approximately 30% of the total DG ECHO budget. This amount significantly increased in 2008 to €363,251,000, of which €140,000,000 of additional funds were secured, primarily as a consequence of the food price crisis.

#### 4.3.1 Analysis by Country

66. Since 2007, the African continent has become the principle beneficiary of the FABL (more than 65% of the allocated funds). Within Africa, the region comprising the Horn of Africa, East Africa, and Chad received 48% and 52% of FABL funds in 2007 and 2008 respectively.

**Figure 2. Distribution of the Food Aid Budget Line per region in 2008<sup>23</sup>**



67. At the country level, the two main recipients were:

- Sudan ( in particular the Darfur region) with 30% of the funds in 2007 and 24% in 2008; and
- the Occupied Palestinian Territories (West Bank and Gaza) with 11% of the funds in 2007 and 15% in 2008.

In these two crises, the primary activity funded was food aid distribution through WFP (Darfur) and UNRWA (OPT).

<sup>22</sup> The Evaluation team was asked to contribute to this process.

<sup>23</sup> Source: DG ECHO Food Assistance by country - 2007/2008

68. A second group of countries/regions regularly receive more than €10,000,000 per year from the Food aid budget line: Afghanistan, the Sahel region, DRC, Chad, Ethiopia and Zimbabwe. The type of crisis targeted in this group of countries varies: conflict (Afghanistan, RDC, Chad and part of Ethiopia), chronic nutritional crisis (the Sahel region and Ethiopia) and political instability (Zimbabwe).

69. Finally, a third group of countries can be identified that have been affected by unexpected or rapid onset crises including natural disasters, food price crises and political crises linked to elections. Bangladesh received €10,000,000 in 2008<sup>24</sup> for the emergency response to the Sidr cyclone and the rodent crisis and Kenya saw its funds increase in 2008 to respond to the crisis following post-election violence.

#### 4.3.2 Analysis by sector of intervention and type of programme

##### 4.3.2.1 Sector of intervention

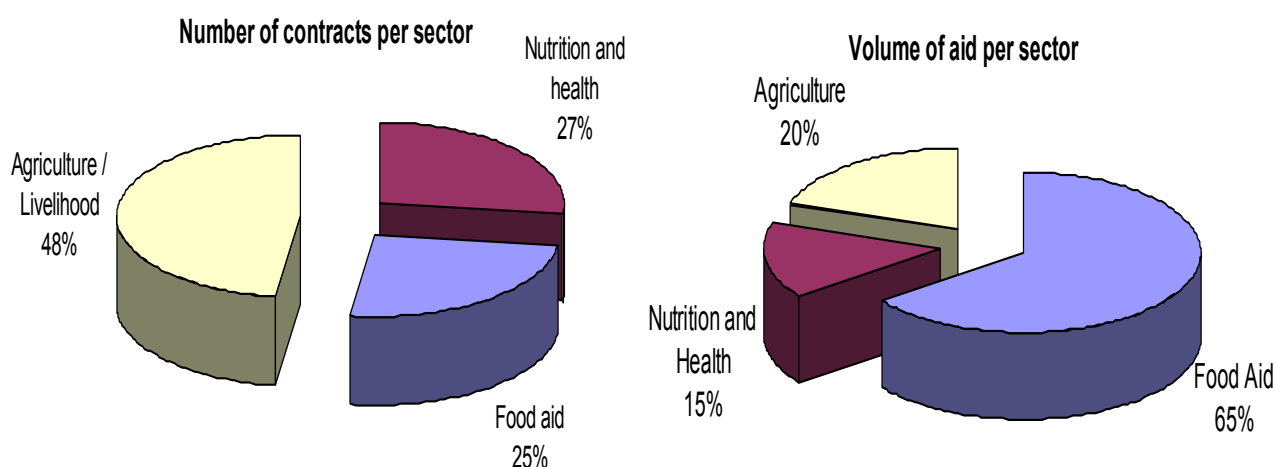
70. The types of activities financed with the FABL can be classified into three major categories:

- “Classic” food aid activities: transportation and distribution of food rations;
- Nutritional activities: better mitigation and treatment of malnutrition, nutritional surveys, supply of nutritional products, programmes which address the causes of malnutrition, etc; and
- Agriculture and livelihood activities (distribution of seeds and tools, distribution of small livestock, veterinary services, etc. and income generating activities which support population resiliency). Vouchers are included in this category.

71. Classic food aid activities receive the highest proportion of funds from the budget line, with more than 50% of the total budget. In a sample of 63 contracts signed in 2008 (from the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> funding decisions) analyzed by the evaluation team and covering the whole of Eastern Africa (from Sudan to Madagascar) with a collective value of €157,163,103 (43% of the total budget line for 2008), food aid represents 65% of the volume of aid but only 25% of the number of contracts. Classic food distribution is thus financed through a small number of very big contracts. For example, in 2008, a WFP food aid programme in Darfur was given a contract for €46,000,000 and UNRWA was allocated €15,000,000 for food aid programmes in the OPC.

Cash-based operations (vouchers, cash transfers, cash for work) have been used in more than 10 contracts (16%) (including Kenya, Darfur, Somalia, Madagascar), but represent only 5.4% of the resources of the budget line. On average, the nutrition and agriculture/livelihoods sectors each account for a little less than one quarter of the total funds from the budget line (see figure 3).

**Figure 3. Number of contracts and volume of aid per sector in 2008 for East Africa** (\*)



For 63 contracts in the Eastern part of Africa equivalent to €157,163,103

<sup>24</sup> This was the first decision for DG ECHO involving the two budget lines.



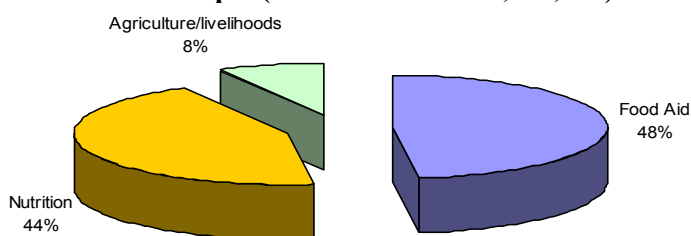
72. Some variation exists between different countries/regions in terms of the proportion of funding allocated to different sectors of activity, as shown in figure 4:

- In Ethiopia, few agriculture/livelihood activities are financed and nutrition activities represent nearly half of the funds allocated.
- In the Sahel, in agreement with the Sahel Plan, the Food Aid Budget Line was principally used to finance nutrition projects (70% of the allocated funds) in 2008. The remaining 30% concerned livelihood projects and very little direct food aid was delivered.
- In Bangladesh, food aid represents more than 75% of allocated funds. Only a few nutritional programmes and agriculture/livelihood programmes were financed to support populations affected by cyclone Sidr during the early recovery phase.

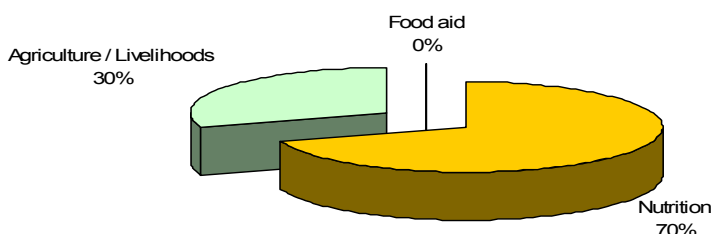
73. In DG ECHO, strategies are clearly based on situation and needs analyses. Food aid is used in response to food emergencies linked to natural catastrophes (Bangladesh), conflicts (Ethiopia), or refugee camp situations (Darfur, OPT). Nutrition programmes are used to respond to peaks in malnutrition in contexts where there are chronic nutritional problems (Ethiopia, the Sahel region). Agriculture/livelihoods programmes are used either in post-emergency situations to support the rebuilding of livelihoods (Bangladesh), or to prevent/mitigate food and nutritional crises (Sahel).

**Figure 4. Distribution of the FABL per sector in Ethiopia, Sahel and Bangladesh for 2008**

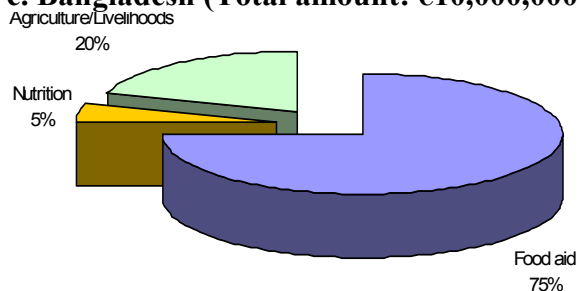
**a. Ethiopia (Total amount: €37,700,000)**



**b. Sahel (Total amount: €12,000,000)**



### c. Bangladesh (Total amount: €10,000,000)



#### 4.3.2.2 Other types of programme

74. Cash transfers: Different types of operation have been implemented to complement traditional food-based operations. Cash-based operations (vouchers, cash transfer and cash for work programmes) have been used in the Horn of Africa, the Sahel and South-East Asia. Implementing this type of programme, particularly direct transfer programmes, on a large scale involves a certain number of constraints<sup>25</sup>. In 2007, the revision of the European Communities Financial Regulation permitted the creation of grants for monetary donations to third parties. However, these donations are limited to €100,000 per contract for NGOs. DG ECHO generally does not have a comparative advantage in social protection/safety net schemes so does not engage in such support. DG ECHO's support to the use of cash as a tool to respond to humanitarian food assistance needs may create confusion in areas where EC Delegations are themselves involved in large scale social safety net programmes (as was the case with the EC Delegation in Ethiopia).

75. The distribution of productive assets (seeds, tools and livestock) is a major component of agriculture/livestock programmes. FABL-funded programmes also include NFI (non-food items) distribution, training, health and hygiene education, animal care, etc... Some contracts with NGOs have a water and sanitation component to address the underlying causes of malnutrition. This is the case in Kenya where DG ECHO supports ACF's country strategy. However, the main objective of these programmes remains nutrition.

76. Disaster risk reduction and emergency preparedness are regularly included in contracts with DG ECHO (as a result of the logical framework and mainstreaming).

77. Several contracts with UN agencies include a coordination component: with UNICEF for nutrition coordination (the Horn of Africa and Sahel), with FAO on agricultural recovery, etc.

78. Finally, FABL resources contribute to the food sector by funding the following activities:

- Anticipation / diagnosis

Several programmes at national or regional levels aim to improve the collection and analysis of data in the food security and nutrition domains (e.g. IPC, SENAC) and promote the use of quality surveys (e.g. SMART surveys and HEA studies).

- Lesson learning / policy elaboration

In addition to the massive investment in elaborating a food assistance policy, DG ECHO supports a number of projects between partners that aim to improve collective knowledge, such as meetings or guidelines, as well as the sector-based cluster methodology.

79. Annex 10 presents some examples of the rich variety of initiatives that have been funded under the Food Aid Budget Line in the Horn of Africa and Sahel regions.

80. **Innovative approaches**: Another important feature of the programmes funded under the FABL is their level of innovation. As previously mentioned, new methods of intervention are often tested

<sup>25</sup> This limit, which concerns only NGOs, does not apply to large scale programmes involving the return of refugees to their countries of origin or voucher-based programmes.

such as cash-based interventions, the distribution of new nutritional products, the development of innovative protocols to prevent and also to treat severe acute malnutrition and linking agriculture and/or water and sanitation programmes with nutrition programmes. In the Sahel, innovation is an integral component of the DG ECHO strategy because it allows new responses to the region's malnutrition problems to be tested. These are then presented to development actors through advocacy activities.

81. ***Capacity building programmes:*** Resources from the FABL can be used for capacity building within UN agencies and can be further complemented with resources from the General humanitarian budget line. Thus, the FABL was used to fund the SENAC (see chapter 3.4.5) and the Enhanced Capacity in food security and response analysis (ENCAP) project. The FAO also received funding to develop the IPC.

### 4.3.3 Analysis by Partner

82. The FABL is used to fund projects by several different kinds of partner: UN agencies, the Red Cross movement (ICRC and national Red Cross societies) and NGOs. Annex 11 gives details about the allocations by partner in 2008 and annex 12 presents some examples of the distribution of the budget line by country/region and by partner in 2007 and 2008.

#### 4.3.3.1 UN Agencies

83. A large share of FABL resources go to UN agencies, especially the WFP. Partnership contracts between EC instruments and UN agencies are drawn up using the FAFA (Financial and Administrative Framework Agreement). To analyse what the FABL has brought to UN agencies compared to what existed before, three issues should be considered. Has the FABL provided:

- additional funds that can be used for food aid/food security programming or not?
- processes which are appropriate for large-scale multi-donor programmes?
- user-friendly procedures?

- World Food Programme (WFP)

84. WFP is the main beneficiary of the budget line since its transfer to DG ECHO and receives more than half of all FABL funds (Emergency Operations and Protracted Relief and Rehabilitation Operations). Though WFP expected its allocations to increase with the creation of the FABL, overall funding from the EC decreased from €210-215 million in 2006 to €163 million in 2007 and then increased in 2008 to €228.3 million, due, in part, to the rise in food prices (see table 1).

**Table 1. Number of contracts and amount allocated to WFP in 2008 and 2007 from the Humanitarian budget line and the Food aid budget line (in €)**

	Humanitarian Aid budget line		Food Aid budget line			TOTAL	
	Amount	Number	Amount	Number		Amount	Number
<b>2007</b>	24.459.327	24	138.561.983	37		163.021.310	61
<b>2008</b>	40.749.195	27	188.544.000	38		229.293.195	65
<b>TOTAL</b>	<b>65.208.522</b>	<b>51</b>	<b>327.105.983</b>	<b>75</b>		<b>392.314.505</b>	<b>126</b>

85. WFP's share of the FABL decreased<sup>26</sup> in proportion to that of other agencies such as UNRWA and ICRC (from 62% in 2007 to 53% in 2008). The proportion of FABL funds allocated to WFP varies from country to country. In 2008, it was the major partner in Sudan (86% of funds), a minor partner in the Sahel and did not receive any funds in Somalia.

86. For WFP, the transfer of the responsibility for humanitarian food aid from AIDCO to DG ECHO has meant going from a single transaction to 38 contracts in one year. It has also resulted in a move towards a much more demanding level of monitoring in order to improve quality. This has created a significant amount of extra work and means that a much bigger team is needed at the WFP office in Brussels.

87. While DG ECHO staff recognise the effort made by WFP in adopting a new accounting system and achieving greater transparency in its use of funds mobilised through multi-donor funding processes, tension between the WFP country office and DG ECHO representatives was systematically reported in all the countries visited by the evaluation team. The points raised were always similar:

- DG ECHO's staff consider that, considering the huge sums involved, the proposals submitted by WFP, and in particular the needs assessments and logical framework indicators, are sometimes

<sup>26</sup> but shows a net increase in 2008 over 2007 for both budget lines.

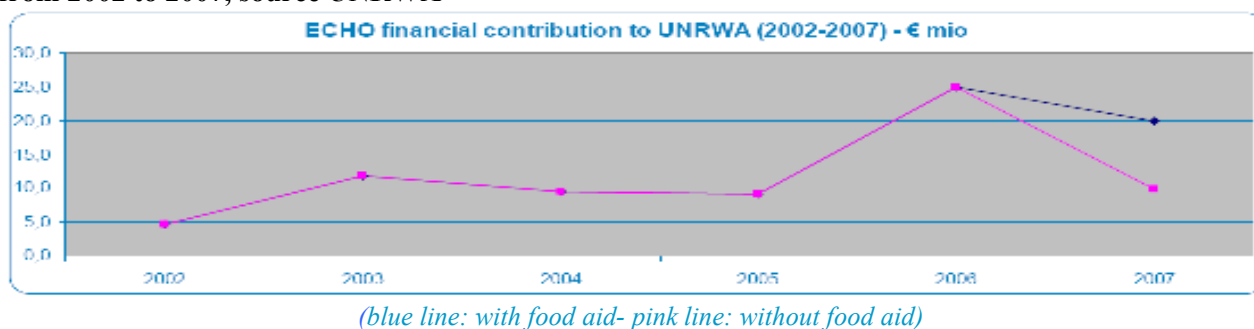
not of sufficiently high quality despite the efforts DG ECHO has made to strengthen WFP's capacity in this area;

- WFP staff complain about the administrative demands made by DG ECHO, and in particular their reporting obligations and the formats they impose, despite the fact that these are in line with the principles of Results Based Management, which has been adopted by WFP;
- WFP staff appreciate the technical expertise of DG ECHO TAs, but do not really recognise the added value created by DG ECHO's programming demands; and

- UNRWA

88. UNRWA was the third-largest recipient of funds from the FABL in 2007 and the second-largest in 2008 - €32,500,000 for food distribution in the OPT. A large proportion of this was used to support the emergency food aid programme.

**Figure 5. Financial Contributions from DG ECHO to the United Nations Works and Relief Agency from 2002 to 2007, source UNRWA**



“With the transfer of the food aid budget line from DG AIDCO to DG ECHO, DG ECHO had to allocate funds to the Special Hardship Cases (SHC) programme. (...) The Special Hardship Cases programme (recently renamed “Social Safety Net”) is a useful and relevant programme, covering the needs of highly vulnerable Palestinian refugees through the distribution of food and cash. This is a social welfare programme which establishes a form of safety net. However, as it requires a certain level of predictability and a long term commitment in terms of funding, it cannot be part of the DG ECHO portfolio.”<sup>27</sup> This programme was transferred back to DG AIDCO in January 2009.

- Food and Agriculture Organization (FAO) – Emergency Operations and Rehabilitation Unit

89. Before 2007, the FAO Emergency Operations and Rehabilitation Unit had already received limited funds from AIDCO. The transfer of the responsibility for humanitarian food aid from DG AIDCO to DG ECHO has been beneficial for FAO emergency programmes. The fact that the concept of food aid has been made broader by DG ECHO corresponds better to FAO's mandate in emergency contexts. As a result, funding from DG ECHO to FAO has increased. FAO's emergency agricultural rehabilitation programmes have received significant support, as has its coordination capacity in the field. It was the second-biggest recipient of FABL funds in 2007 and the fourth-biggest in 2008 (see Annex 11). DG ECHO has also provided funding for the Integrated Food Security Phase Classification (IPC) to be implemented globally, some of which has come from the FABL.

- UNICEF

90. UNICEF has become a regular beneficiary of the FABL, receiving about 2% of its funds in 2007 and 2008. The FABL is used to fund UNICEF in its roles as cluster lead for nutrition and as a supplier of therapeutic feeding products. This funding goes towards UNICEF programmes in many areas in East and West Africa affected by nutritional crises. UNICEF's role as the lead agency of the Global Nutrition Cluster is seen by the evaluation team as particularly important in moving the sector forwards.

<sup>27</sup> Abstracts of the evaluation of the DG ECHO partnership with the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), Groupe URD, January 2009.

#### **4.3.3.2 *The International Red Cross and Red Crescent movement***

91. The main institution of the International Red Cross and Red Crescent movement to benefit from the FABL's funds to a significant extent is the ICRC. The ICRC was already an important user of the DG AIDCO Food aid instrument (5 contracts amounting to € 8 million each, covering the period from 1<sup>st</sup> January 2003 to 31<sup>st</sup> December 2008), and has now become another large user of the DG ECHO Food Aid Budget Line. ICRC appreciates the larger "resource base" that the transfer of the FABL from DG AIDCO to DG ECHO has created for humanitarian aid. This has allowed a substantial increase in DG ECHO funding to ICRC (2007: €4.7 million, 2008: €25.9 million). However, there is more consultation between the dedicated ICRC staff from the External Resource Division who regularly visit DG ECHO's headquarters in Brussels and the Geographic Desks than with the Food Aid Unit, even in the context of negotiating food aid contracts. The perceived added value of the Food Assistance unit for the ICRC is therefore limited. As many ICRC programmes are multi-sector by nature, the Geneva-based institution would be in favour of merging the food aid and main humanitarian budget lines.

#### **4.3.3.3 *Non Governmental Organizations (NGOs)***

92. NGOs received funding from the FAFSBLs managed by DG AIDCO through two mechanisms: Euronaïd and a yearly call for proposals. They have also been receiving financial support from DG ECHO's General Humanitarian budget line for nutritional interventions and early recovery projects for many years.

93. Since the creation of the FABL within DG ECHO, NGOs have received 23% of the funds. The FABL funded 38 NGOs in 2007 and 55 in 2008. Among them, Action Contre la Faim France (ACF) is by far the biggest recipient with €5.9 million in 2007 and €12.7 million in 2008 (ACF is thus a bigger recipient of the FABL than UNICEF). Save the Children, ACTED, OXFAM, Solidarités, COOPI, Care, World Vision and Danish Refugee Council have also received significant sums since 2007. DG ECHO chooses to fund these agencies due to their capacity to demonstrate needs, and also because of their many comparative advantages such as flexibility and closeness to local populations.

94. DG ECHO has begun to provide more funding to support food security analysis and other types of analytical work that could contribute to the development of collective and knowledge-based sector management. This is widely appreciated, and could be further developed.

95. As is the case for all DG ECHO funding, to ensure that resources are used in the most efficient and accountable manner, NGOs must follow strict rules to gain access to the FABL. In addition to the partner appraisal process to be eligible to sign the FPA, there is regular monitoring (regular TA and Desk visits to the field) and regular evaluations and audits carried out by DG ECHO. There is close interaction at headquarters level between DG ECHO and NGO geographic desks. There is also very close dialogue in the field between NGO staff and DG ECHO TAs and careful analysis of project documents at each phase of the project (single form, interim report, final report). The interaction between NGOs and the Food Aid unit is still "work in progress" as NGOs interact mainly with the geographic desks.

96. The main problems NGOs have had so far with the FABL are linked to:

- unclear guidance on when and how to use FABL resources; and
- difficulty in articulating their funding requests between the FABL and the main Humanitarian budget line when food assistance is part of a multi-sector operation.

## 5 EVALUATION ANALYSIS

### 5.1 Field case studies

97. As a great deal of the analysis is based on the field visits, it is important to present certain features<sup>28</sup> of the three contexts.

	BANGLADESH	ETHIOPIA	SAHEL (Burkina Faso and Niger)
<b>CONTEXT</b>			
<b>Type of crisis</b>	High prevalence of GAM (13-15%) → chronic nutritional crisis Recurrent natural disasters (cyclones, water-logging, floods, etc.) Political tensions in certain areas (Chittagong Hills) or the result of conflict (influx of refugees from Myanmar)	High prevalence of GAM Conflict Climatic events (droughts, etc.) Uneven and fragile development, uneven population distribution with high population density in certain zones Food price crisis	High prevalence of GAM → chronic nutritional crisis Recurrent natural disasters (droughts, floods, locust attacks)
<b>Demographic data</b>	147 million	83 million	Burkina Faso: 15 million Niger: 13 million
<b>Political willingness to tackle nutrition problems</b>	Limited. No dedicated policy or strategy	Variable (depending on political strategies)	Low but growing
<b>Involvement of development actors in nutrition</b>	LOW	YES	NO
<b>Existence of national safety net programmes</b>	YES (food aid and cash)	YES (food aid and cash)	NO
<b>FABL</b>			
<b>FABL funding in 2008</b>	<b>€ 10,000,000</b>	<b>€ 35,700,000</b>	<b>€ 9,171,000</b>
<b>Entry points</b>	Specific events (natural disasters) Forgotten crisis (rodent crisis)	Conflict High malnutrition rate	High malnutrition rate (>10%) for more than 10 years
<b>Exit points</b>	Population has begun to recover due to livelihood recovery programmes	End of conflicts Otherwise, no clear exit strategy	Development actors have begun to tackle the issue of malnutrition
<b>FABL partners in 2008</b>	WFP (79%) NGOs (21%)	WFP (56%) NGOs (22%) UNICEF (8%); RED CROSS (8%); FAO (6%)	NGOs (56%) FAO (32%) WFP (11%)
<b>Sectors of intervention for the FABL in 2008</b>	75 % Food aid 20 % Agriculture/Livelihoods 5 % Nutrition	48% Food aid 44% Nutrition 8% Agriculture/Livelihoods	70% Nutrition 30% Agriculture/Livelihoods 0% Food aid

<sup>28</sup> Detailed presentations of these case studies are included in Annex N°8

## 5.2 Analysis using the Quality COMPAS

98. As mentioned in the methodology, the evaluation analysis is carried out on the basis of a quality reference framework derived from the Quality COMPAS which has 12 criteria (see annex 4).

### 5.2.1 Result and impact

#### 5.2.1.1 Criterion A. Are FABL funds used to respond to demonstrated needs?

99. In line with DG ECHO's humanitarian mandate and operational methods, resources from the Food Aid Budget Line are used to respond to food needs which can be identified in various crisis affected contexts: acute emergencies, protracted crises, fragile post crisis situations, etc.

100. "Food needs" can take many different forms and can include things such as information networks, improved methods of analysing and responding to needs and different ways of responding to needs. FABL resources are used creatively to respond to this wide range of needs.

101. Needs are systematically assessed by DG ECHO partners on the basis of a wide range of primary and secondary data. The quality of the secondary data used in many needs assessments varies widely depending on the information available at national level. In Ethiopia, the Government coordinates/controls surveys and protocols. Information about the conflict affected areas in the Somali region is irregular and often unreliable. In dangerous areas like Somalia, part of Eastern Congo, data collection is extremely hazardous. In the Sahel, the early warning system managed by CILSS has been widely criticised. It failed to properly raise the alarm about the coming crisis in Niger in 2005. Other tools, such as USAID - FEWS or FAO - GIEWS are used extensively by DG ECHO staff and their partners.

102. Due to the constraints linked to the quality of the information available, DG ECHO has developed its own mechanism to identify, understand and monitor needs. This mechanism is based on:

- **The presence of DG ECHO technical assistants (country and sector) in the field:** DG ECHO's regional and country offices allow it to carry out its own needs analyses. Recently, these offices have taken on food experts to deal with the increase in activities linked to the FABL (see chapter 4.2.1). During the evaluation mission, DG ECHO partners often mentioned how much they appreciate being able to talk to these TAs, who regularly visit programmes and are well-informed about the situation and needs on the ground.
- **Specific tools for needs assessments connected to the FABL:** The Food Aid Unit has developed its own tool for food-insecurity analysis: the *Food-Insecurity and Nutrition in humanitarian crises needs assessment template (FINAT)*. Filled in by the TA at the country level, the FINAT is used to gather and transfer food insecurity-related information in a structured way to the Food Aid Unit. This produces a better overview of the different kinds of food needs to be covered by DG ECHO. However, the evaluation team identified some gaps in the template which could be covered better in a revised FINAT: political and legal descriptions of the country, maps of the areas where operations are taking place, agricultural calendars and any significant cultural characteristics, analysis of the actors present in the field (who they are, what their capacity is, etc.). An important adjustment which is currently being made is the introduction of mid-term revisions of the FINAT to improve its capacity to incorporate seasonality and rapid onset crises.
- **A reporting form which emphasizes needs assessment:** Chapter 2 of the Single form (the template which has to be used by any partners who submit a proposal) is dedicated to needs assessment (dates and methodology of the assessment, problem statement, stakeholder analysis and findings). DG ECHO's partners therefore have to demonstrate that needs exist and analyse them.



103. DG ECHO also encourages the use of other kinds of needs assessment mechanisms. It provides humanitarian agencies with funding for studies (baseline studies, nutritional monitoring and food security studies), for the development of information systems and for analysis capacity building: The FABL is used to fund United Nations thematic funding programmes (IPC with the FAO, SENAC and ENCAP with WFP). Some of the projects that are funded include the collection and analysis of information and promote new methods of analysis such as SMART and HEA (see chapter 3.4.5). However, many NGOs, even those with significant private funds, feel that DG ECHO still does not support the needs assessment process enough. The initial needs assessment carried out at the onset of an emergency, which is often seen as the most important step in designing a quality programme, is rarely funded by funding agencies.

104. DG ECHO supports collective annual planning. It encourages collective situation analyses to be carried out with its partners in order to establish a collective strategy. For example, in the Sahel, to schedule the programme for the year 2009, the Dakar regional office engaged in a broad process of consultation with its partners.

#### **5.2.1.2 Criterion B. Are FABL resources being used in a way that allows DG ECHO to achieve its objectives?**

105. The main objective of the Food aid budget line is **saving lives and protecting livelihoods**: The FABL allows a wide variety of projects to be funded under the title “food assistance”, which makes it possible to cover different types of needs depending on the context (food aid, nutrition and food security). In addition to the field visits undertaken by the evaluation team, a series of country specific evaluation reports and the analysis of various interim and final reports from different DG ECHO partners indicate that, in most instances, objectives are met. These can be split into two categories - outputs and processes.

- Outputs - food aid, nutritional products, seeds, tools, and veterinary inputs have been delivered.
- Processes - nutritional surveys and other means of identifying problems and implementing solutions have been carried out successfully in most instances.

106. The extent to which this objective is being met needs to be measured and reported. Consequently, DG ECHO pushes its partners to use precise and specific indicators for their proposed projects. The revision of the Single form to incorporate Results Based Management, financial budgeting and reporting by objectives has taken this approach even further. Though NGOs comply easily with these new rules, it is more difficult for multilateral agencies involved in large scale multi-donor projects, where DG ECHO is sometimes only one of several donors. For multi-sector projects with a dominant food component, other components are eligible on the condition that there is an explicit link to a nutritional objective and a clear set of indicators to measure it.

107. Another key objective is **for DG ECHO to be constructively involved in the way the food aid sector evolves and to contribute to EC-wide objectives under the Food Aid Convention**. The contribution of DG ECHO’s FABL to policy development in the sector is widely recognized (see para 4.3). With regards to the FAC, DG ECHO’s needs-based approach is not compatible with the predefined yearly commitments that the EC makes to the FAC. However, as many activities funded under the FABL (and possibly also activities under the main budget line) are eligible for reporting under the FAC, it was decided in May 2009 that “the role of chef de file regarding the FAC will be transferred by mutual agreement from DG AGRI to DG ECHO”<sup>29</sup>. The resources of the FABL have been used by DG ECHO to support a broader range of activities than what, strictly speaking, is eligible for reporting under the FAC. Even if the latter has evolved (a wide range of food commodities is now eligible), it is still far from being in line with the latest developments in humanitarian food assistance. It is unlikely that the EC will fulfil its commitment to provide 990,000 wheat equivalent tonnes in 2008.

<sup>29</sup> Source: EC internal note: Food Aid Convention - transfer of the lead role from DG AGRI to DG ECHO

### 5.2.1.3 Criterion C. Does the DG ECHO FABL avoid or reduce negative impacts?

108. A certain number of measures are taken to avoid or limit negative impacts:

**Food aid dependency and disincentive effects on production and markets** - By attempting to limit its involvement in long-term food distribution programmes and by funding programmes which support coping mechanisms and resiliency whenever possible, the FABL tries to limit a certain number of well-known negative effects of food aid. Furthermore, in contrast to the US food aid instrument managed by FFP, the FABL is monetised. This means that it can buy local foodstuffs, whether this is through WFP or the local population (vouchers or cash transfer operations). This makes it possible to ensure that rations are more in keeping with local eating habits.

**The loss in value** when food aid beneficiaries sell their food to buy other indispensable goods that are not in the aid package (e.g. sugar, tea, school books, fruit, medicine, petrol for lamps, etc.) - This may be limited by funding cash transfer programmes, an innovative approach which is increasingly recognised as efficient and effective.

**Health and nutrition problems** which could be caused by the use of insufficiently tested new products - These are avoided by adopting a clear and cautious approach and strict requirements in terms of the quality of research and monitoring mechanisms for pilot programmes of any kind, especially in the field of nutrition.

**Deforestation around camps and beyond** - this can be avoided by promoting the use of alternative cooking instruments like wood saving stoves and other devices of this kind.

### 5.2.1.4 Criterion D. Does the DG ECHO FABL aim for positive impacts beyond the implementation of projects?

109. The impact of FABL-funded projects is directly linked to the definition of exit strategies. In theory, the exit point is when immediate survival is ensured and the food crisis is no longer life threatening. However, in practice, situations are often more complicated than this and it is rare to have sustained access to food in the immediate post-crisis situation. This is the origin of many “LRRD” programmes in the food assistance sector. LRRD processes can take several forms:

- DG ECHO’s FABL supports its partners to carry out programmes to help the transition from acute emergency to early recovery;

#### Box 3. Example of DG ECHO’s response to cyclone Sidr in Bangladesh

The response to cyclone Sidr was organised very quickly with a first primary emergency decision (for food distributions) followed by 4 consecutive emergency decisions (with the focus progressively evolving towards livelihood support) and one non-emergency decision (i.e. for transitional activities, including shelters). It is obvious that the livelihood recovery activities (e.g. distribution of vegetable seed, goats, ducks, etc.) included in the relief operations funded by DG ECHO helped the population to at least partially recover their livelihoods, but the recovery process will take at least 2 years and the definition of the appropriate phasing out period in this situation is very important.

- Other actors or donors, notably from the development sector have taken over in a logical way;

#### Box 4. Example of an FSTP programme implemented in Afghanistan by the EC Delegation

During 2006, the Afghan conflict entered a new phase, with increased military operations in the South and the East, suicide bombing and roadside mines being laid everywhere. Transportation of goods became expensive, if not impossible. In combination with the coming drought, the price of food staples and fuel skyrocketed and the situation of many Afghan families deteriorated. It was in this context that the EC Delegation in Kabul launched the call for proposals for a new project “Linking relief to rehabilitation and development Food security interventions in areas affected by natural disasters and prolonged insecurity in Afghanistan” (project FSTP (EC) No. 21 02 01 – 2008). This LRRD programme launched by the EC delegation in Afghanistan proposed funding for activities with a rationale that could have been written by DG ECHO, thus indicating very interesting options for complementarity.

- With the emergency phase over, the remaining needs are structural and large-scale. These should be taken up by the development sector (the government and development agencies) but they are not. This should lead to a two-pronged approach:
  - better coordination within EC services (at HQ and delegation levels); and
  - increased advocacy vis-à-vis National Authorities, other donors, etc.

110. To implement these exit strategies, a great deal of effort is made by DG ECHO to work together with the instruments managed by the EC Delegations.

111. Interaction between DG ECHO and EC Delegations: Though DG ECHO has to remain independent from the political commitments of the EC, DG ECHO country TAs try to coordinate their activities with the EC Delegations as much as possible, by:

- participating in regular meetings held at the Delegation (e.g. Bangladesh, Ethiopia);
- writing joint country strategy documents and preparing common analysis frameworks (e.g. Mali, Somalia); and
- exchanging information about existing project proposals, partners and programmes (e.g. Bangladesh, Ethiopia, etc.) and organising joint visits to projects (e.g. Niger, Burkina Faso).

112. Opportunities exist for continuity between the FABL and DCIs, as well as with the new Instrument for Stability (IFS-see chapter 3.3.1.) and the Food Facility, but are not always used optimally. For instance, in Bangladesh, the NGOs that were already involved with DG ECHO in the response to Hurricane Sidr did not benefit from the IFS. Due to the need to reduce transaction costs, the Delegation in Dhaka chose to allocate the resources from the IFS to one large National NGO, BRAC, and not to EU NGOs funded by DG ECHO. Therefore the IFS did not support the DG ECHO exit strategy.

113. A certain number of strategies are also applied at the country level to improve the impact of projects beyond their implementation:

- Implementing projects through national NGOs. In many situations, partners of DG ECHO work with national NGOs as implementing partners. Some national NGOs have been established in their countries for a long time and some have considerable resources (experienced staff, access to a diversity of funds, etc.). They are usually involved in the development sector and run long-term programmes which can provide opportunities to follow up projects after the completion of the FABL funded intervention, or for easy inclusion of DRR components in the projects;
- Engaging constructively with national institutions. As it is not part of DG ECHO's doctrine to deal with governments on programmatic issues, there is a need to identify "bridges" to establish the required dialogue, when necessary. This role could be played by EC delegations, UN agencies or NGOs.

#### **Box 5. Example of positive impact created by the involvement of local NGOs in DG ECHO's response to cyclone Sidr in Bangladesh**

The national NGO, DSK, which implemented Dan Church Aid programmes in cyclone-affected areas, has developed a savings mechanism alongside the DG ECHO project. There is also support for the creation of co-operatives and DSK plans to follow up this initiative after the DG ECHO-funded projects have ended.

- Fitting in with (rather than substituting) local activities: In the Sahel and through its partners, DG ECHO supports the integration of malnutrition programmes into national health systems and the adoption of national protocols for dealing with malnutrition.
- Supporting innovation: The FABL is used to support a broad range of innovative approaches (see chapter 4.3.2.2.),
- Supporting DRR activities: Certain DG ECHO funded programmes include a DRR component (Sahel, Bangladesh). In the Horn of Africa, a regional drought prevention project is also being funded. However, the number of projects of this kind remains limited. More needs to be done with regard to DRR mainstreaming.

## 5.2.2 Structure and process

### 5.2.2.1 Criterion E. Are FABL resources used to fund projects which respect humanitarian principles and DG ECHO's mandate?

114. To check whether the actions funded by the FABL are in keeping with DG ECHO's mandate, two texts were taken into consideration: Council Regulation (EC) No 1257/96 of 20 June 1996 concerning Humanitarian Aid and the European Consensus on Humanitarian Aid, agreed by the European Commission, the European Parliament and the EC Member States.

#### **Box 6. Extracts from Council Regulation (EC) No 1257/96 of 20 June 1996 concerning Humanitarian Aid and from the European Consensus on Humanitarian Aid**

“The Community's humanitarian aid shall comprise assistance, relief and protection operations on a non-discriminatory basis to help people in third countries, particularly the most vulnerable among them, and as a priority those in developing countries, **victims of natural disasters, man-made crises, such as wars and outbreaks of fighting, or exceptional situations or circumstances comparable to natural or man-made disasters.** It shall do so for the time needed to meet the humanitarian requirements resulting from these different situations. Such aid shall also comprise operations to prepare for risks or prevent disasters or comparable exceptional circumstances.”<sup>30</sup>

“The objective of EU humanitarian aid is to provide a needs-based emergency response aimed at preserving life, preventing and alleviating human suffering and maintaining human dignity wherever the need arises if governments and local actors are overwhelmed, unable or unwilling to act. EU humanitarian aid encompasses assistance, relief and protection operations to save and preserve life in humanitarian crises or their immediate aftermath, but also actions aimed at facilitating or obtaining access to people in need and the free flow of assistance. EU humanitarian assistance is provided in response to man-made crises (including complex emergencies) and to natural disasters as needed.”<sup>31</sup>

115. Both of these texts reaffirm the idea that the humanitarian aid provided by the European Commission is implemented in response to crises or exceptional situations. It is also stipulated that humanitarian action can include risk prevention actions.

116. The “entry points” used by DG ECHO to justify the use of FABL resources show whether or not DG ECHO's humanitarian mandate has been respected:

- In some countries where there is a clearly identifiable discrete disaster, like in Bangladesh, the entry points are obvious and directly in line with DG ECHO's mandate.
- Things are much more difficult in the absence of specific large-scale events and where the appalling nutritional status of the population is linked to repeated low or middle magnitude phenomena or total development failure.

117. Since the creation of the FABL within DG ECHO, there has been a certain lack of clarity about what it can be used for. Can it be used to address chronic food insecurity (Ethiopia), development failure (North East Kenya), degraded nutritional situations in urban contexts (Kenya, Burkina Faso), the absence of development (Somalia) or chronic malnutrition crises (Sahel)? DG ECHO's new Food Assistance Policy, which is currently being discussed, will clarify critical definitions and offer a creative approach to “nutritional risk reduction” as part of the humanitarian agenda.

118. However, exit strategies must also be defined. These can be very uncertain and costly, so the decision to engage in situations of this kind should only be taken after careful consideration and not only on the basis of anthropometric criteria. Other agro-economic criteria, such as the ability to regain access to agricultural land and markets, should be given proper attention.

<sup>30</sup> Council Regulation (EC) No 1257/96 of 20 June 1996 concerning Humanitarian Aid

<sup>31</sup> The European Consensus on Humanitarian Aid.

#### Box 4. Experience from the Sahel Plan

The Sahel Plan shows that innovative interpretations of the mandate can lead to an opening of the range of strategy choices available to DG ECHO, with new entry points and exit strategies. Rather than a specific event, the entry point in the countries of the Sahel (except Niger) is a severe malnutrition rate amongst children under the age of 5 (GAM) that has been over 10% for more than 10 years. One of the key elements of the Sahel Plan has been to clearly identify an exit strategy (mobilisation of development actors and support to the elaboration of national policies through DG ECHO partners). The Sahel Plan underlines the dilemmas created by the failure of development, the appalling situations that result from them and the capacity of humanitarian instruments to respond to these chronic crises. While the concrete results obtained by the Sahel Plan are highly commendable, it also highlights the limits of DG ECHO's role as a public sector donor with a clear specific legal status<sup>32</sup> (unable to make a legally binding commitment for funding in the mid to long term and limited in the type of partners it can engage with and the length of projects it can fund).

119. As DG ECHO is currently in the process of developing its Food Assistance Policy, it is essential that there is coherence between this and other policy and legal texts which frame DG ECHO's work.

120. DG ECHO's legal obligations and Financial Regulation shape its compliance to the GHDI principles. This means, amongst other things, that the programmes that are supported should respect humanitarian principles. In view of the current Financial Regulation, it is particularly difficult for DG ECHO to adhere to Principle 12 *“Recognising the necessity of dynamic and flexible response to changing needs in humanitarian crises, strive to ensure predictability and flexibility in funding to United Nations agencies, funds and programmes and to other key humanitarian organizations”* and to principle 14: *“Contribute responsibly, and on the basis of burden-sharing, to United Nations Consolidated Inter-Agency Appeals and to International Red Cross and Red Crescent Movement appeals, and actively support the formulation of Common Humanitarian Action Plans (CHAP) as the primary instrument for strategic planning, prioritisation and co-ordination in complex emergencies.”*

121. DG ECHO allocates resources on a project basis based on needs assessments, in line with its governing European Council Regulation and Principle 6 of the GHDI. It cannot easily contribute to a global appeal unless programmes have been clearly circumscribed, i.e. the activities are identifiable and correspond to DG ECHO's mandate, and costs and indicators are identifiable. Nor can DG ECHO contribute on a “burden sharing” basis as actual costs have to be known and allocated. The most it can do on this point is to participate in multi-donor funded projects, with the control and validation mechanisms this entails.

##### 5.2.2.2 Criterion F. Are FABL resources used in a way that respects local populations and DG ECHO partners?

There are several ways to demonstrate respect for affected populations and partners:

122. **Respecting local communities:** Though DG ECHO is not responsible for the way its partners<sup>33</sup> engage with local communities and other stakeholders, in theory and practice it encourages its partners to put crisis-affected populations at the centre of the programming cycle by requiring participatory needs assessment, in full compliance with Article 7 of the GHDI. However, there are limited incentives for aid agencies to do this<sup>34</sup>. An interesting development is the fact that DG ECHO supports the use of community approaches, especially in nutrition activities as well as in Disaster Preparedness programmes under DIPECHO.

123. **Engagement with local stakeholders:** To ensure that the humanitarian principles of independence, neutrality and impartiality are upheld and to facilitate proper accountability, the current EC Regulation does not allow DG ECHO to work directly with local entities. But, international NGOs who choose to work with national NGO partners are not prevented from doing

<sup>32</sup> EC humanitarian resolution

<sup>33</sup> Partners should also respect good practices in that direction, including the Red Cross Code of Conduct.

<sup>34</sup> This is a key debate in relation to Principle 7 of the GHDI

so<sup>35</sup>. This is the case for programmes in Bangladesh where European NGOs, which are partners of DG ECHO, work with national NGOs as implementing partners. Not working directly with local/national authorities is a constraint faced by DG ECHO in contexts where support to local elaboration of norms and policies and their ownership by local/national authorities would be key assets. In cases such as the Plan Sahel, DG ECHO and its partners are working on innovative approaches to overcome this difficulty.

124. **Respecting DG ECHO partners:** Though there are regular complaints about the interference of DG ECHO field TAs in project management, partners also appreciate the quality of the support that they provide. The inclusive process through which DG ECHO has involved its partners in the elaboration of its Food Assistance Policy has been widely praised.

125. **Respect and visibility:** The agencies receiving resources from the FABL work under the FPA or the FAFA and use the Single Form. Article 9 raises the question of how the visibility of DG ECHO will be ensured in the programmes. DG ECHO visibility was very strong during the field visits carried out by the evaluation team, but there is some concern about the impact that all the caps, T shirts, stickers and posters will have on the affected population's perception of DG ECHO. The debate on donor visibility is never-ending whether it is taken from a philosophical, political or security point of view. Visibility should inform but it should not be perceived as something humiliating: The dignity of communities or individuals who receive aid may be somewhat affected if the name of the generous donor helping them is everywhere all the time.

#### 5.2.2.3 Criterion G. Is use of the FABL flexible and does it allow flexibility in operations?

126. The FABL offers flexibility at different levels:

- Flexibility in the definition of the activities it covers: food aid/assistance operations are not exclusively focused on food distribution but can cover a wide range of activities (cash transfer, vouchers, food distribution, livelihood recovery, etc.)
- Financial flexibility: The existence of both the Humanitarian Budget line and the Food Aid budget line is useful in a context that requires a multi-sector intervention. In addition, as explained in chapter 4.2.2., since 2008, decisions may now use the two budget lines to better reflect the seasonality of food and better match food assistance activities with other sectors. As funds are committed throughout the year DG ECHO can reallocate funds when necessary.

127. Even though the FABL is centred on the food and nutrition sector, in some cases it also allows NGOs to implement activities from other sectors (e.g. Water and sanitation in Kenya) and to create synergy between different sectors. However, this is only done to a limited extent. If a multi-sector intervention is needed, agencies are obliged to submit 2 projects that lead to 2 contracts with DG ECHO. This creates additional work for DG ECHO staff and for the partners.

128. DG ECHO is seen by its partners as a flexible donor due to the presence of the TAs in the field who can monitor the context so that partners do not need to go through complex procedures to adjust their project. This applies equally to the FABL. It was reported that, in some cases, a simple email sent to DG ECHO was all that was needed to adjust the project to changes in the context. However, the projects funded through the FABL cannot address new needs which appear if they concern sectors that are not covered by the FABL.

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<sup>35</sup> In the Single Form, collaboration with local organisations are covered in chapter 7. - Partners involved in the implementation - which only tackles generic issues (7.1. Name and address of the implementing partner/partners; 7.2. Statute of the implementing partners (for instance NGOs, local authorities, etc.) and what role will they play; 7.3. Type of relation with the implementing partner/partners and expected reports).

#### 5.2.2.4 Criterion H. Is the FABL used in a way that is well integrated in its institutional environment?

129. Coordination of food aid activities is essential to avoid overlapping, limit gaps and ensure coherence (if one humanitarian sector has been widely criticized for its potential capacity to “do harm”, it is the food aid sector). Coordination takes place at a variety of levels:

- with donors during donor meetings and through DG ECHO’s involvement in the GHDI
- with the other EC instruments and with the EC Member States
- in the field with clusters and working groups on food security/livelihoods and nutrition
- in the context of bilateral relations between key stakeholders

130. **Coordination with donors:** DG ECHO is active in donor coordination. Not only is DG ECHO co-chairing the GHDI for one year from mid 2008 to mid 2009, it is also seen by all stakeholders as a key player in multi-donor coordination at the field level.

131. **The FABL and other EC instruments:** The relations between DG ECHO and the rest of the EU mechanisms are guided by the Maastricht Treaty precepts of coordination, complementarity and coherence (the 3Cs) and the recently approved European Consensus on Humanitarian Aid.

132. In recent years there has been growing recognition throughout the EC of the importance of risk reduction and of linking relief, rehabilitation and development. Despite this significant progress, coordination between the different EC instruments is still uneven. There are so many different procedures for the different instruments (centralised/decentralised, calls for proposals or agency initiatives, etc.) that it is difficult to find common ground and to define joint “phase out-phase in” strategies, without even going into implementation. Furthermore, the political involvement of the Delegations and their ways of working with state institutions make it difficult for humanitarian donors to find their place in the institutional set up. In the Sahel, where there has been great progress in terms of LRRD between DG ECHO and the EC Delegation, the actors met by the evaluation team insisted that this progress is still very fragile because there is no genuine LRRD-dedicated instrument, the institutional position is still unclear and there is still insufficient expertise in nutrition issues within the European Commission.

133. **Relations between DG ECHO and its partners:** DG ECHO is very active in coordinating its food assistance partners in the field: in Bangladesh, it is trying to harmonise the distributed food ration; in the Sahel, it is involved in collective reflection and strategy definition with its partners, etc. At the Brussels level, NGOs often have limited or no direct contact with the Food Aid Unit when negotiating their contracts, even for food aid. Within many NGOs, the geographical desks are not very well informed about the activities of the Food Aid Unit and the kind of dialogue they can establish with it. When funding is being allocated via the Food aid budget line, negotiations normally take place between the technical assistant or Food expert at field level and the geographical units at headquarters rather than with the Food Aid Unit. DG ECHO regularly participates in the Global nutrition cluster in Geneva and the UN sub-working group on nutrition and is actively involved in all the debates in the fields of food aid and nutrition. However, this is done, in part, by health experts. The fact the nutrition focal point of DG ECHO is not located in the Food Aid Unit raises some questions about the links between food assistance and nutrition.

134. **Difficulties in the partnership with WFP:** A number of specific measures have been adopted within DG ECHO to manage the partnership with WFP (including the allocation of one member of the Food Aid Unit to the management of the partnership at the Brussels level). Discussions take place through the Strategic Partner Dialogue<sup>36</sup> and through the involvement of DG ECHO in policy discussions at the WFP board level. At country or regional level, the RSO or the country office

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<sup>36</sup> Strategic Partner Dialogue - SPD allows DG ECHO to interact with its main partners on strategic issues. It brings together the highest decision-making levels to discuss the current state of strategic thinking in both organisations and to discuss issues that hinder the swift implementation of programmes and affect the flow of resources.

maintains regular contact with WFP. For example, the RSO in Nairobi organized a series of meetings in Kampala (regional WFP representation) and in Nairobi to improve the relations between DG ECHO and WFP at country and regional levels. However, despite these initiatives, relationship issues remain. This was reported at Brussels level as well as in the countries visited during the evaluation. As mentioned in chapter 4.3.3.1, WFP staff feel that DG ECHO does not have confidence in their abilities. In particular, WFP is concerned about the following aspects of their partnership with DG ECHO, which are related to the use of the Food Aid Budget Line:

- DG ECHO strategy can change from country to country depending on the vision of the TA in charge. As the TA in the field plays a very important role in the decision-making process, the balance of power between the field and headquarters within DG ECHO is still not very clear for WFP. It seems difficult to negotiate a global approach for all WFP programmes.
- DG ECHO requires a list of indicators for food aid/nutrition programmes, which are not perceived as appropriate for large programmes by WFP but more suited for smaller programmes targeting more specific groups.
- While donor coordination in the field is improving, the inclusion of DG ECHO's requests in the design of a multi-donor programme remains difficult.
- WFP questions DG ECHO's principle of only supporting operations in areas where it is possible to monitor the operation. In Somalia, for instance, this rule prevents WFP from gaining access to DG ECHO resources, despite the needs which have existed in this country in the last two years.
- WFP feels that DG ECHO staff need to be better informed about how WFP operates. One option would be to design an e-learning tool on WFP procedures to help new DG ECHO staff.

135. **Relations with local authorities and local actors.** Information is given to national actors through the UN, NGOs and EC Delegations. However, in general, there is no direct contact or prior discussion with national actors to design the project. This could cause problems for DG ECHO in a context such as the Sahel where the involvement of national actors is necessary to achieve the objectives of advocacy activities.

#### **5.2.2.5 Criterion I. Does DG ECHO have the appropriate level of resources and expertise to manage the FABL?**

136. **Human resources and expertise for managing the FABL:** One of the strengths of DG ECHO is its technical presence at field level with the RSO and sector TAs (health, water and sanitation, etc.). However, in order to manage the FABL, DG ECHO has considerably reinforced its human resources, with the creation of the Food Aid Unit at the Brussels level and new Food Technical Assistant positions at the regional level. Sector-based working groups such as the PANIS group help to further cultivate this level of expertise (see chapter 4.2) and the Sector Support Team in Nairobi contributes to elaborating FABL policy. This multiplication of structures increases the risk of overlapping, in particular, between the roles of the SST, the PANIS Group and the Food Aid Unit. A number of internal notes have clarified the roles of each structure, but this is an ongoing process as DG ECHO continues to evolve.

137. **Financial Resources** Though the FABL receives a sizeable resource allocation of about 220 million every year following a vote by the European Parliament, there is always the possibility of mobilizing either the DG ECHO reserve or the Commission's emergency aid reserve, as was done during the food price crisis. The FABL can therefore be increased if necessary in response to needs created by new and unexpected large-scale crises.

138. It is important to point out that while DG ECHO's resources have dramatically increased to cover the food aid/food assistance sector more effectively, the level of Primary emergency decisions (ceiling of €3 million for a 3-month operation) and Emergency decisions (without HAC consultation: ceiling of €10 million for a 6-month operation) has not been raised. As emergency



food aid operations can be very costly, the current situation may mean that there will be less funding available for non-food operational sectors.

#### 5.2.2.6 Criterion J. Does DG ECHO have the appropriate management capacity to manage the FABL?

139. A certain amount of time was required before the information flow and approval process was put in place. The role of the Food Aid Unit and its relations with the geographic units were not very clear when it was set up, but this has improved significantly and particularly since the internal reorganisation of DG ECHO. How the Food Aid Unit should work with the geographical Units has been defined and communicated. The Food Aid Unit does not directly manage decisions or contracts and most operational tasks (preparation of funding decisions, management of proposals and contracts and management of relations with partners) remain the responsibility of the geographic units whose workload has increased since the transfer of the responsibility for humanitarian food aid to DG ECHO.

140. Managing the funds available under the FABL is challenging. Clarification and reorganisation will continue to be necessary to address this challenge.

#### 5.2.2.7 Criterion K. Are the resources mobilized through the DG ECHO FABL used in an optimal manner (efficiency)?

##### 141. Using the comparative advantages of different partners, depending on the context:

DG ECHO selects its partners and allocates resources from the FABL based on the following analysis of their strengths and weaknesses:

- NGOs have the capacity to fine tune their approach, to work in difficult environments and to provide regular information on project achievements. In most instances, they do not have the capacity to deal with large-scale food aid delivery.
- WFP has a logistical capacity to absorb large quantities of resources, to deliver food aid on a large scale and scale-up its programmes rapidly. However, multi-donor arrangements and FAFA rules make monitoring more difficult.
- The ICRC can carry out operations in contexts where other actors face access problems. Its capacity to mobilise and work with its Red Cross and Red Crescent society partners increases its reach. In addition, it has a relatively large delivery capacity.

142. However, the identification of the different partners and their specific capacities in a given context is not often well documented. In particular, the FINAT is not currently used for this purpose.

143. **Ensuring that there is no duplication:** Regular discussions take place between the ICRC and WFP to ensure good coverage, appropriate complementarity and to facilitate the establishment of a “plan B” when there are dysfunctional food pipelines or uncovered needs. Mechanisms of this kind were observed in Chad. While the capacity of its two main food aid partners to find solutions to common problems is of great value, DG ECHO should request a clear delineation of responsibilities (the Memorandum of Understanding between ICRC and WFP is an excellent format for this) in order to limit the risk of duplication.

144. In addition, DG ECHO tries to optimize the impact of the FABL by adopting a comprehensive approach to food aid crisis management which includes proactivity, reactivity, delivery of quality and lesson learning. This is confirmed by the fact that the activities financed by DG ECHO in all the areas visited fit into the following matrix.

<b>Anticipation / Diagnosis</b> (i.e.: Improve anticipation, proactive planning and coordination ...)	<b>Programming</b> (i.e.: Improve project-related diagnosis, stimulate diversified design, enable programme flexibility, enhance proactive mitigation)	<b>Lesson learning / Policy</b> (i.e.: Facilitate collective, sector-specific learning, production of guidelines ...)

### 5.2.2.8 Criterion L. Do DG ECHO and its partners use lessons learned in the food aid and nutrition sector?

145. A large number of institutional learning activities are carried out within DG ECHO so that good practice and lessons can be taken into account in the management of the budget line. These activities are either carried out by external consultants or internally (by the Food Aid Unit, Sectoral Support Team, the PANIS group or other thematic groups). They include:

- Thematic reviews:

DG ECHO supports thematic reviews in different sectors, often carried out by external consultants. A review of the Cash transfer sector was recently carried out.

- Technical issue papers:

The Sectoral Support Team, with the help of the members of the PANIS working group, is expected to produce issue papers on different subjects. As nutrition is considered a cross cutting issue with a strong health component, it is currently managed by the ANOPHELES working group, which recently produced a compendium of “nutritional products” currently on the market with an analysis of their domain of validity.

- The Humanitarian Food Assistance Policy:

As presented in chapter 4.2.3, DG ECHO has been working on a Humanitarian Food Assistance Policy. A very broad consultation process took place during the preparation of this policy paper so that it could draw on the experience and good practices of the sector as much as possible.

146. The resources of the FABL are used to support the lesson learning and knowledge management activities of DG ECHO’s partners. One example is the Integrated Food Security Phase Classification (IPC) project, which has organised several regional knowledge management meetings as well as producing a user’s guideline. Another is the Cassava Initiative financed by the FABL in the Great Lakes area, which includes several lesson learning and information sharing exercises on Cassava Mosaic management. For the FABL as much as for the general humanitarian budget line, DG ECHO’s partners are encouraged to include evaluation processes in their proposals.

147. When the FABL is used to fund innovative experiences, DG ECHO insists that the project includes a research and evaluation (lesson learning) and dissemination protocol. For instance, the ANOPHELES Technical Issue paper on nutritional products<sup>37</sup> states that any innovation in nutritional treatment will be supported by DG ECHO only if the following three conditions are met:

- the innovation is implemented by a competent partner and monitored by a scientifically recognised agency;
- the experimentation takes place in contexts where access and proper monitoring are possible in a sustained manner; and
- a clear strategy for the dissemination of the innovation can be elaborated.

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<sup>37</sup> Anopheles technical issue paper “Nutritional products and strategy for their use in curative and preventive treatment of moderate acute malnutrition”

## 6 CONCLUSIONS

In order to make it easier to compare this evaluation with other evaluation reports on DG ECHO's website and in other evaluation libraries, the OECD/DAC criteria have been used to frame the main conclusions (links between the OECD/DAC and the Quality COMPAS criteria are indicated for each criterion).

### 6.1 Relevance (*linked to criterion A*)

148. In a world of high instability, recurring crises and increased tension on food accessibility, DG ECHO's FABL allows for highly relevant interventions which improve the nutritional status and strengthen the resilience of populations (support to agricultural and livestock activities; income generating activities, etc) and which respond to demonstrated needs. This is made possible by DG ECHO's efforts to clarify how needs are assessed (central to the Single form) and specific investments made by the FABL to support mechanisms to monitor needs.

### 6.2 Coverage (*linked to criteria B*)

149. The FABL is used to fund activities in response to crises of all kinds (rapid onset, protracted and complex) in many different regions (with a particular focus on Africa). It is used to fund classic food aid activities, but also nutritional and agricultural /livelihoods activities, which are not included in the current FAC.

### 6.3 Effectiveness (*linked to criteria B and G*)

150. The FABL allows resources to be rapidly injected into contexts which have been identified as "food insecure" as the result of a crisis. As the situation evolves, it allows the amount of funds available to be adjusted in response to adjustments in its partners' programmes. A wide variety of projects are implemented and different approaches are adopted from country to country (various entry points and exit strategies). These projects are generally of good quality thanks to close monitoring.

151. One critical point is that while DG ECHO's resources have dramatically increased to cover the food aid/food assistance sector more effectively, the level of Primary emergency decisions and Emergency decisions has not been raised. Overall effectiveness could be reduced if this leads to fewer resources being available for non-food-related sectors.

### 6.4 Efficiency (*linked to criterion K*)

152. DG ECHO increases the efficiency of the FABL due to its field presence (which allows it to limit duplication), its involvement in coordination and its detailed programming tools. In keeping with the European Consensus on Humanitarian Aid, which calls for DG ECHO's wide diversity of partners to be preserved, the FABL is used to fund projects with UN agencies, the Red Cross and Red Crescent Movement and NGOs. However, there are limited options available in terms of partners for large scale food aid programmes. DG ECHO is often confronted with a trade off between effectiveness and efficiency, in which case effectiveness is prioritised.

153. While often desirable, the systematic implementation of time-consuming fine-tuned targeting can lead to less efficiency. It is common for aid to be shared or redistributed among family and community members. This contributes to preserving traditional social safety nets<sup>38</sup>. DG ECHO's approach on this subject is that it should be approached in a flexible and appropriate manner.

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<sup>38</sup> Tufts University report on targeting in Darfur, May 2009

### **6.5 Impact (linked to criteria C and D)**

154. With relatively rapid resource allocation to effective partners or with significant and repeated food aid contributions to programmes targeting affected populations (refugees, IDPs, etc.) in protracted crises, DG ECHO FABL may have an impact on the nutritional status of the affected populations or on the recovery of the populations after a disaster. However, it is always difficult to attribute impact to a specific activity as changes in a given situation are often the result of multiple factors and the use of control groups would be unethical.

155. A critical limit to nutritional impact is the fact that social norms may mean that resources are shared within families and communities, which will then affect the nutritional impact of the distributed ration. Several strategies are effectively implemented to maximise the impact of food assistance interventions: integrating them into local structures, supporting innovation and mainstreaming DRR activities. However, strategies such as the involvement of local NGOs remain too limited due, in particular, to the current EC regulation that does not allow DG ECHO to work directly with local entities.

### **6.6 Coherence (linked to criterion E)**

156. The way DG ECHO uses the resources of the FABL is coherent with the European Consensus on Humanitarian Aid (needs based, coherent with humanitarian principles). After a period of experimentation, the process for allocating resources from the FABL has recently been clarified. The DG chart has been adapted and its processes have been clarified. It has also recently drawn up a Humanitarian Food Assistance Policy, the first time DG ECHO has produced a sector-based policy document of this kind.

### **6.7 Connectedness /coordination (linked to criterion H)**

157. DG ECHO's efforts to coordinate its food assistance activities with other stakeholders are widely recognised. In order to avoid duplication, limit gaps and ensure coherence, coordination takes place through different mechanisms: a) with donors during donor meetings, within the FAC management mechanisms, through the participation of DG ECHO in several agency boards (WFP executive board, for instance) and through DG ECHO's engagement in the GHDI; b) with the other EC instruments and with the EU Member States through the COHAFA, the HAC and in connection with the European Consensus on Humanitarian Aid; c) in the field with the "Food Cluster" and its different forms (food security, nutrition, etc.); and d) in the context of bilateral relations between key stakeholders. DG ECHO's engagement in the different clusters that have a stake in food aid, nutrition and food security is widely appreciated at the global and country levels.

### **6.8 Connectedness/ Sustainability (linked to criterion D)**

158. DG ECHO's FABL plays a key role in linking emergency response, rehabilitation/recovery and development activities. A great deal of effort is made to coordinate with the other EC instruments at the Brussels and Delegations levels. However, the differences in approaches and administrative procedures between the EC instruments and with the Member States (time frame, type of partners to be supported) means that there is a gap between DG ECHO's decision to withdraw and the point when funds become available from AIDCO and RELEX.

159. Several aspects of DG ECHO's operational methods and the terms of the EC Humanitarian Regulation hamper its capacity to support activities that require more than a short-term commitment. It is considered that other EC instruments should manage activities of a longer term nature. However, the Financial Regulation does allow resources linked to a decision made or a contract signed in year N to be used in year N and year N+1. This would allow operations of a longer duration to be run.

160. DG ECHO also promotes the mainstreaming of disaster risk reduction in all its programmes, both during events related to crises and during responses to chronic situations which have reached the crisis intervention threshold.

## **7 RECOMMENDATIONS**

### **7.1 Political & Institutional level**

#### **7.1.1 The FABL and the Maastricht Treaty 3Cs**

*Recommendation N°1:* As the structure of EU foreign policy is evolving rapidly, there is a need to restate, in the context of the European Commission's Humanitarian food assistance, that the resources of the Food Aid Budget Line will be used only and exclusively within the framework set by the European Consensus on Humanitarian Aid and in line with the EC's Humanitarian Regulation.

#### **7.1.2 The FABL and the FAC**

*Recommendation N°2:* As most stakeholders seem to be in agreement that the current FAC is not appropriate to the current food assistance sector, the experience of the FABL in supporting innovations and broadening the concept of "food assistance" should be used in the renegotiation of the FAC.

#### **7.1.3 The FABL and the Food aid sector**

*Recommendation N°3:* The EC Humanitarian Food Assistance Policy will clarify the transition from a food security policy to a humanitarian policy and from a food aid approach to a food assistance approach. However, it is important that the implications of this document are communicated and clarified both internally, within the Commission, and externally, with Member States and operational partners.

*Recommendation N°4:* DG ECHO's position regarding principles 6 and 14 of the GHDI preserves its capacity not only to work with a wide range of actors, but also to be a demanding donor with a clear focus on quality. This should be preserved at all costs, especially with the perspective of organisational changes within the European Commission.

*Recommendation N°5:* DG ECHO has demonstrated that, by being actively involved in technical debates, donors can support innovations and work towards improving the quality of operations. This experience should be further disseminated both internally within the Commission and amongst other stakeholders. Adequate resources should be allocated for this purpose and the budget of the grant and capacity building facilities should be raised accordingly.

#### **7.1.4 DG ECHO's FABL and EU Member States' food assistance programming**

*Recommendation N°6:* At the field level, contact and coordination with Member States on food assistance issues could be further nurtured as there is significant potential for synergy. Food assistance meetings at the country level between DG ECHO, other EC instruments, and Member States could be made more systematic. This would go a long way towards improving the articulation between EC and EU Member State operations and improving country and crisis response strategies.

## **7.2 Operational level**

### **7.2.1 Entry points**

*Recommendation N° 7:* The new Humanitarian Food Assistance Policy clarifies how to deal with dilemmas about whether or not to engage in protracted crisis contexts where there is a risk of long-lasting food insecurity. The evaluation team would like to recommend that equal importance be given to the definition of disengagement strategies. Without doing so, DG ECHO will have to cover for the failures of development strategies for a long time to come.

*Recommendation N°8:* In contexts where there is a protracted crisis and forecasts of long-lasting food insecurity, it should be possible to use resources from contracts signed in year N in year N+1. This would allow partners to adopt longer operational frameworks. The domain of application of such contracts and the modus operandi for working in these conditions needs to be defined. This could be based on DIPECHO procedures for contracts of more than one year which are vetted by a group of three DG ECHO staff who validate whether the projects meet the necessary criteria.

### **7.2.2 Exit Strategies: FABL, DRR and LRRD**

*Recommendation N°9:* More effort should be made to ensure that activities funded through the FABL and through other EC instruments complement each other. More inter-EC information exchange should take place concerning areas at risk, partner capacities and emerging opportunities.

*Recommendation N° 10:* Exit strategies for food assistance interventions should not be defined only as a “phase-out/phase-in process” between EC instruments. They should also encompass the distribution of responsibilities between donors and a clear transfer of operations from humanitarian to development actors and the authorities in charge in the recipient countries.

*Recommendation N°11:* With its scope of interventions ranging from emergency food aid and nutrition to recovery and resilience-building projects, the food assistance sector is at the heart of LRRD strategies. DG ECHO could further contribute to the development of EC policy on LRRD by ensuring that lessons learnt in the food assistance sector are shared more broadly throughout the relevant EC institutions. To undertake this task, it may be necessary to reinforce the LRRD capacity of the Food Aid Unit or the Policy Unit.

### **7.2.3 The choice of partners**

*Recommendation N° 12:* Context-specific comparative advantage should be the basis on which FABL resources are allocated: cost effectiveness, capacity to reach the affected populations, demonstrated logistical and technical know-how and proven capacity to respect the spirit and the letter of humanitarian principles as enshrined in the European Consensus on Humanitarian Aid. In order to do this, more information needs to be made available about the comparative advantage of partners per country. This could be done, for instance, through the FINAT.

### **7.2.4 DG ECHO’s involvement in coordination efforts**

*Recommendation N° 13:* DG ECHO has demonstrated its commitment to the different coordination mechanisms which exist, including those which concern the food assistance sector. With regard to the Cluster system, the allocation of responsibilities between Food Aid Unit staff and Policy Unit staff may need to be revised. This is particularly the case for nutrition, as 02 Policy Unit staff resources are more devoted to the Health working group ANOPHELES than to PANIS. In addition, DG ECHO could support the creation of a “Global Food assistance cluster” in order to stimulate sector-wide debate.

## 7.2.5 Technical choices

*Recommendation N°14:* As the FABL is a “dedicated” line supported by a “dedicated” technical Food Aid Unit, there is a risk that food assistance will become ‘fenced in’. As many contexts require a multi-sector approach, it is critical to strengthen the articulation at all levels between the FABL and the General Humanitarian budget line.

*Recommendation N°15:* One important issue with regard to how FABL resources are used is the question of coverage versus targeting. Though, in theory, targeting is seen as the better option, it is not always feasible or desirable as it can weaken existing traditional safety nets. DG ECHO should therefore continue to approach this question in a flexible manner.

*Recommendation N°16:* The evaluation team recommends that DG ECHO’s capacity as a “learning institution” should be consolidated and that adequate resources should be made available for innovations and learning mechanisms.

## 7.3 Management level

*Recommendation N°17:* In order to provide both food and non-food assistance with greater room for manoeuvre, it is recommended that the maximum level of funds available for primary decisions should be raised significantly, and the maximum implementation period should be extended - from €5 million with an implementation period of 5 months to €15 million with an implementation period of 9 months for Emergency decisions without HAC consultation.

*Recommendation 18:* The creation of the FABL and the Food Aid Unit within DG ECHO has brought changes, new administrative procedures and additional workload for the geographic units. Two options were discussed: keeping the two lines separated (the status quo) or merging them (see table below). At this stage, and taking into account the new organizational chart of DG ECHO, the evaluation team suggests that the current set up should be left as it is for the time being in order to test it properly.

**Table 2. Advantages and disadvantages of combining the two budget lines or of keeping them separate**

	Advantages	Disadvantages
<b>Two budget lines (FABL and General Budget Line)</b>	<ul style="list-style-type: none"> <li>Facilitates reporting to the FAC</li> <li>Maintains a focus on food security and nutrition</li> <li>Has a dedicated line for food assistance and so preserves the General budget line for financing other sectors.</li> <li>Provides financial flexibility (the possibility of using two pots) if the mechanism for granting funds only makes a few decisions each year.</li> </ul>	<ul style="list-style-type: none"> <li>Danger of creating a sector-based approach rather than a needs-based approach in selecting aid projects</li> <li>Limited flexibility for multi-sector approaches</li> <li>Increases the administrative burden, especially for the geographic units and country TAs</li> </ul>
<b>One unique budget line (merging FABL and GBL)</b>	<ul style="list-style-type: none"> <li>Encourages a needs-based approach</li> <li>Enables multi-sector approaches</li> <li>Limited additional administrative workload for the geographic units</li> </ul>	<ul style="list-style-type: none"> <li>Involves a heavier workload to report to the FAC</li> <li>Not having a limit to the amount that can be allocated for food-related programmes might mean that funding for non-food related programmes would suffer</li> </ul>