

***THEMATIC EVALUATION OF
FOOD-AID POLICY AND FOOD-AID
MANAGEMENT AND SPECIAL OPERATIONS
IN SUPPORT OF FOOD SECURITY***

Synthesis report – Evaluative report
Final Version






Volume 1

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Evaluation for the European Commission



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The opinions expressed in this document represent the authors' points of view, which are not necessarily shared by the European Commission or by the authorities of the countries concerned.

Final Report

Volume 1	Evaluative Report
Volume 2	Descriptive Report
Volume 3	Annexes
Volume 4	Country reports

Table of contents Volume 2

- 1. EXECUTIVE SUMMARY DESCRIPTIVE REPORT**
- 2. INTRODUCTION**
- 3. OVERALL CONTEXT OF FOOD INSECURITY**
 - 3.1. The global food security situation**
 - 3.2. The three pillars of food security**
 - 3.2.1. Improving food availability
 - 3.2.2. Improving access to food
 - 3.2.3. Improving food utilisation
 - 3.3. Strategies for achieving food security**
 - 3.4. Food Security and Trade**
- 4. BRIEF PRESENTATION OF FOOD SECURITY WITHIN THE EC**
 - 4.1. Community development policy**
 - 4.1.1. Introduction
 - 4.1.2. The Country Strategy Paper: a more consistent framework of intervention
 - 4.1.3. PRSP's: aiming at development aid ownership and getting involved in a coherent framework
 - 4.2. EC policy on Food aid and food security**
 - 4.2.1. The Food-aid Convention (The London Convention)
 - 4.3. The Regulation 1292/96**
 - 4.3.1. The objectives
 - 4.3.2. The Titles under Regulation 1292/96
 - 4.3.2.1. Food-aid operations (Title I)
 - 4.3.2.2. Operations in Support of Food Security (Title II)
 - 4.3.2.3. Early-warning systems, storage and support to agricultural research programs (Title III)
 - 4.3.3. The operations under the Council Regulation 1292/96
 - 4.3.3.1. Food aid in kind
 - 4.3.3.2. Foreign currency Facility
 - 4.3.3.3. Operations in support of Food security
 - 4.3.3.4. Others
 - 4.3.4. The channels used by the Regulation 1292/96

- 4.3.4.1. Direct aid
- 4.3.4.2. Indirect aid via partner organisations
 - 4.3.4.2.1. The World Food Programme (WFP)
 - 4.3.4.2.2. UNRWA
 - 4.3.4.2.3. Non-governmental organizations (NGO's)
 - 4.3.4.2.4. CGIAR
 - 4.3.4.2.5. FAO
 - 4.3.4.2.6. Information and Monitoring System on Food Security

5. MAIN INSTRUMENTS RELATED TO FOOD SECURITY

- 5.1. EDF - ACP countries – from Lomé to Cotonou**
- 5.2. MEDA I (Council Regulation 1488/96) and II (Council Regulation 2698/2000)**
- 5.3. ALA (Council Regulation 443/92) and the new proposed regulation**
- 5.4. TACIS (Council Regulation 99/2000 of 29 December 1999)**
- 5.5. CARDS (Council Regulation 2666/2000)**
- 5.6. ECHO (Council Regulation 1257/96)**
- 5.7. NGO Cofinancing budget line**
- 5.8. Rehabilitation budget lines**

6. MAIN RELEVANT TRENDS IN EC COOPERATION

- 6.1. Importance of LRRD process**
 - 6.1.1. Communication 2001 / 153 on LRRD
 - 6.1.2. Linking Relief, Rehabilitation and Development (LRRD) and Disaster Preparedness and Prevention (DPP)
- 6.2. Increasing participation of non state actors in EC-Development**
- 6.3. Focus on poverty reduction, rural development and food security**
 - 6.3.1. Poverty reduction and rural poverty
 - 6.3.2. Rural development and food security
- 6.4. The deconcentration process**
 - 6.4.1. Deconcentration on the FSBL
- 6.5. Increasing importance of budgetary support**

Table of contents Volume 3

Annex 1 :	Terms of Reference
Annex 2 :	Methodology for the evaluation
Annex 3 :	Impact diagram: Presentation and sources
Annex 4 :	Evaluative questions, Judgement criteria and indicators
Annex 5 :	Selection process for the field visits
Annex 6 :	Programme of the briefing seminar
Annex 7 :	Statistical analysis : EC budget commitments and payments analysis
Annex 8 :	Selection process for the CSP and PRSP analysis
Annex 9 :	FS in CSP and PRSP
Annex 10 :	FS in main instruments
Annex 11:	Summary of FA-FS Questionnaires for Delegations –
Annex 12:	Questionnaires for Delegations: management and main results
Annex 13:	Persons met
Annex 14:	List of documents – sources

Table of contents Volume 4

Report 1 :	Country Report for Bangladesh
Report 2 :	Country Report for Burkina-Faso
Report 3 :	Country Report for Ethiopia
Report 4 :	Country Report for Kyrgyzstan
Report 5 :	Country Report for Malawi
Report 6 :	Country Report for Mozambique
Report 7 :	Country Report for Central America - Nicaragua
Report 8 :	Country Report for Palestine
Report 9 :	Country Report for Peru
Report 10 :	Country Report for Zimbabwe

Volume 1 Table of Contents

1. EXECUTIVE SUMMARY	1
2. INTRODUCTION.....	10
3. METHODOLOGY FOR THE EVALUATION.....	12
3.1. Approach to the structuring phase.....	12
3.2. Approach to the completion phase	12
3.3. Constraints	13
4. THE INTERVENTION LOGIC OF EC FOOD AID AND FOOD SECURITY STRATEGY	14
5. CONCLUSIONS FROM THE ANALYSIS OF FA/FS RELATED EC BUDGET COMMITMENTS AND PAYMENTS	16
6. MAIN FINDINGS ON EVALUATIVE QUESTIONS.....	19
6.1. Evaluative Question 1	19
6.1.1. The Food Security Budget Line	19
6.1.2. EDF.....	19
6.1.3. MEDA	20
6.1.4. ALA	21
6.1.5. CARDS	21
6.1.6. TACIS	22
6.1.7. ECHO	22
6.1.8. NGO Co-financing Budget Line (B7-6000)	23
6.1.9. Rehabilitation budget lines.....	25
6.2. Evaluative Question 2	26
6.3. Evaluative Question 3	29
6.4. Evaluative Question 4	32
6.5. Evaluative Question 5	37
6.6. Evaluative Question 6	41
6.7. Evaluative Question 7	45
6.8. Evaluative Question 8	49
6.9. Evaluative Question 9	53
6.10. Evaluative Question 10	57
6.11. Evaluative Question 11	60
6.12. Evaluative Question 12	64
7. OVERALL ASSESSMENT COUNTRY STUDIES	68

8. CONCLUSIONS	70
8.1. Coherence and complementarity of the Regulation 1292/96 FA/FS policy.....	70
8.2. Added value of the instruments available under Regulation No. 1292/96	71
8.3. Project cycle management	73
8.4. Impact and sustainability	74
8.5. LRRD	74
8.6. Overall assessment.....	75
9. RECOMMENDATIONS	77
9.1. Coherence and complementarity of the Reg/96 FA/FS policy	77
9.2. Added value of the instruments available under Regulation No. 1292/96	78
9.3. Project cycle management	79
9.4. Impact and sustainability	80
9.5. LRRD	80

Figures

Figure 1: Commitments of the geographic budget lines and estimated relevance for food security (low and high estimate) per analysed sector	16
Figure 2: Overall commitments and food security relevant commitments by geographical instruments.....	17
Figure 3: Total of the food security estimated commitments of the investigated budget lines and overall food security estimated commitments.....	17
Figure 4: Quotation of the estimated commitments (average between high and low estimate) in relation to the total commitments.....	18
Figure 5: Quotation of the estimated food security relevant commitments (average between high and low estimate) in relation to the total commitments of all included budget lines.	18

Tables

Table 1: Evaluation criteria by country	68
Table 2: Overview of country findings	69

List of Acronyms

AIDS	Acquired Immunodeficiency Syndrome
ALA	EC Development Assistance for Asia and Latin America (Council Regulation 443/92)
BWI	Bretton Woods Institutions
CAP	Common Agricultural Policy
CARDS	EC Development Assistance for Southern Balkan countries (Council Regulation 2666/2000)
CGIAR	Consultative Group on International Agricultural Research
CIS	Commonwealth of Independent States
CoA	Court of Auditors
CRIS	Common Relex Information System
CSP	Country Strategy Paper
CTP	Country Technical Paper
DFID	Department for International Development (UK)
DIPECHO	ECHO Programme for Disaster Prevention, Mitigation and Preparedness
DPP	Disaster Preparedness and Prevention
EC	European Commission
ECFIN	Exceptional Financial Assistance
ECHO	European Commission Humanitarian Office (Council Regulation 1257/1996)
ECIP	European Community Investment Partners
EDF	EC European Development Fund (Cotonou Agreement)
EFRS	Emergency Food Security Reserve
EMOP	Emergency Operations
ENGO	European Non Governmental Organizations
ESAF	Enhanced Structural Adjustment Facility
EQ	Evaluation Question
FA	Food Aid
FAO	Food and Agricultural Organisation
FS	Food Security
FSBL	Food Security Budget Line
FSP	Food Security Programme
FSU	Food Security Unit
GIEWS	Global Information and Early Warning System
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (Germany)
HIV	Human Immunodeficiency Virus
HQ	Headquarters
ICRC	International Committee of the Red Cross

IDA	International Development Association
IEFR	International Emergency Food Reserve
ISFS	Information System on Food Security
LDC	Least Developed Country
LRRD	Linking Relief, Rehabilitation and Development
MDG	Millennium Development Goals
MEDA	EC Mediterranean Development Assistance (Council Regulation 1488/96 and 2698/2000)
MoU	Memorandum of Understanding
NARS	National Agricultural Research Systems
NFSS	National Food Security Strategy
NGO	Non Governmental Organisation
OJ	Official Journal
PCM	Project Cycle Management
PRRO	Protracted Relief and Recovery Operations
PRSP	Poverty Reduction Strategy Paper
RELEX	Relation Extérieures (External Relations)
RESAL	Réseau Européen de Sécurité Alimentaire
SISA	Système d'Information de Sécurité Alimentaire
SNGO	Southern Non Governmental Organisation
TA	Technical Assistance
TACIS	EC Technical Assistance for Newly Independent States (Council Regulation 99/2000)
ToR	Terms of Reference
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children Fund
UNRWA	United Nations Relief and Works Agency
USAID	United States Agency for International Development
WB	World Bank
WFP	World Food Programme
WFS	World Food Summit

1. EXECUTIVE SUMMARY

INTRODUCTION

The annual work programme 2003 that the Board of the EuropeAid Co-operation Office established for the Evaluation Unit includes an evaluation of *Food Aid Policy and Food Aid Management and Special Operations in Support of Food Security.*"

In addition to the 2000 evaluation report and the subsequent Communication of the Commission and Conclusions of the Council of Ministers on the future of Regulation No.1292/96, the Court of Auditors produced a special report¹ in 2003. The Commission and the Council had concluded that, although progress still remained to be achieved, there was no need to alter the content of Regulation No.1292/96. The Court of Auditors, however, proposed to discontinue the Regulation in its present form and to integrate all food-aid and food-security development activities in a limited number of comprehensive Regulations.

These findings have led to the launching of the Evaluation of Food Aid Policy and Food Aid Management and Special Operations in Support of Food Security in September 2003. The main aims of this evaluation are:

- **“(i) to identify key lessons from the Commission’s past co-operation in Food-aid and Food-security policy,** focusing on procedures and implementation issues and the way they affected the impact of specific actions against their objectives;
- **(ii) to assess and judge the current programming of food-aid actions and operations in support of food-security** at the light of the new policy framework and in the new administrative context, in particular with regard to lessons learned from the 2000 evaluation report and the integration of food-security in the overall EC development co-operation framework.
- **(iii) to make recommendations.** At the time of the previous evaluation, the implementation of Regulation No.1292/96 had not progressed sufficiently for its impact to be assessed. The assessment and judgement of the current EC approach should also take account of the extent to which lessons have been learned from the past (the 2000 evaluation report and diverse monitoring reports), the effect of the reform of the RELEX services and the emergence of a truly integrated approach of Food-aid and Food-security into the EC development co-operation framework.”²

METHODOLOGY

This evaluation commenced with a structuring phase running from September to December 2003. This phase consisted of an analysis of EC policy documents on food security, interviews with EC staff in Brussels, the preparation of an overview of the EC FA and FS strategy, an analysis of EC budget commitments to food security based on the CRIS database, the drafting of evaluation questions, the selection of a list of countries for the field visits and the finalisation of the evaluation approach.

The completion phase was launched in January 2004 and ended in July of the same year. The proposed evaluation approach consisted of the following components: Briefing seminar in Brussels for international and national consultants; field visits in 10 countries (Bangladesh, Burkina Faso, Ethiopia, Gaza, Kyrgyzstan, Malawi, Mozambique, Nicaragua, Peru and Zimbabwe); deepening of the analysis of the food aid and food security budget commitment and payment database; document review and interviews with relevant resource persons in

¹ Special report No 2/2003 *the implementation of the food security policy in developing countries financed by the general budget of the European Union, together with the Commission’s replies.* OJ C 93 of 17 April 2003.

² ToR for the Evaluation of Food Aid Policy and Food Aid Management and Special Operations in Support of Food Security; Evaluation Unit August 2003.

Brussels; comparative analysis of EC national strategy documents; analysis of the importance of food security in the various relevant EC instruments (geographical instruments -EDF, MEDA, ALA, TACIS, CARDS and other important budget lines -ECHO, Rehabilitation, NGO-Cofinancing) ; questionnaire survey of a sample of 28 Delegations; and drafting of ten country reports and the synthesis reports.

All these information sources have been cross-checked before being integrated in the synthesis reports (evaluative and descriptive reports). Evaluation results are therefore not relying on only one information source.

Logic of intervention

The impact diagram that was developed for this evaluation presents a stylised overview of EC objectives and intended impacts, outcomes, outputs and actions in relation to food aid and food security operations. It details the intervention logic as perceived by the evaluators based on the most relevant official strategy documents of the EC on food aid and food security.

Based on the impact diagram, 12 evaluation questions were drafted. A first set of questions (EQ 1, 2, 3) analyses the overall food aid and food security strategy and policy of the EC. These questions address the issues of coherence, co-ordination and complementarity (3 Cs) of the various operations and instruments dealing with food security. A second set of questions ((EQ 4 up to EQ 7) focuses on the added value of the various operations / components of the regulation when compared to the food aid and food security relevance of other EC instruments and budget lines. A third set of questions (EQ 8 up to EQ 10) deals with the analysis of the FA/FS strategies and actions within the different phases of the Project Cycle. A fourth set of questions (EQ 11 and EQ 12) focuses on the specific issues of impact and sustainability and on LRRD.

MAIN FINDINGS

European Commission Food Security Strategy

The concept of food security is typically applied at three levels of aggregation: national / regional, household and individual. In addition, food security is broken down into three core elements that are used to judge the degree of food security or insecurity in a given country, region, community or household: **food availability, food access, and food utilisation**. Good performance in all three categories is considered to be a prerequisite for achieving food security at the given level.

The EC believes that the best way to bring about food security is to pursue a broad based policy for sustainable development and poverty reduction at the national level. The policy assumes that promoting broad based growth and poverty reduction will in fact address the root causes of the food security problem by bringing the issues of food availability, access to food, responses to food shortages and nutritional problems to the centre of poverty reduction strategies. In addition, the EC believes that the political dimensions of food insecurity need to be tackled head on by giving greater attention to promoting good governance, preventing conflict and building peace.

European food-aid started in 1967 in the framework of the Wheat Trade Agreement and the Food Aid Convention, which laid down annual minimum commitments for industrialised countries³. The main rationale was the disposal of European Community food surpluses rather than the promotion of development objectives. The concept of food aid has changed over time transforming it into an independent policy aimed at promoting development. In fact, food security has become a priority of poverty reduction initiatives. The Council of Ministers adopted a resolution on food security in 1994, underlining the importance of a long-term food security policy.

³ For more information, please refer to the deconcentration guideline for food security, 2003.

In 1996, a new Regulation on Food Aid and Food Security (1292/96) replaced five former separate Regulations. The new Regulation integrated food aid into a broader food security strategy and broadened the range of instruments at the disposal of the Commission. It increased the flexibility with which funds could be directed towards operations in support of food security. While former Regulations focused on food aid, the EC programme could now finance almost any type of support for those sectors that were considered to be relevant for achieving food security. Following an external evaluation of the implementation of Council Regulation (EC) No 1292/96 the Commission adopted a communication in September 2001 to be submitted to the European Parliament and to the Council. This communication (COM(2001) 473) and the relevant Council conclusions (15390/ 01) were further steps to fully integrate food aid and food security objectives and instruments into the Commission's development policy and development cooperation.

Food Security Budget Line (FSBL)

The main objectives of the Regulation and the corresponding Food Security Budget Line can be summarised as follows:

- (a) enhancing food security geared to alleviating poverty in the recipient countries;
- (b) reducing the recipient countries' dependence on food aid;
- (c) contributing to the countries' balanced economic and social development.

In order to focus its interventions on the most vulnerable countries, the Commission has selected 21 priority countries for structural interventions. An additional 11 countries and the territory of Palestine were selected for support based on their status as countries / territories in a crisis or post-crisis situation. The number of countries supported through the budget line may change if the situation in one of the targeted countries no longer justifies the continued support. As an example, the Commission is currently phasing out its support to Peru.

Regulation 1292/96 distinguishes three types of operations:

- Food-aid Operations (Title I);
- Operations in Support of Food Security (Title II);
- Early Warning Systems and Storage Programs (Title III).

These operations can be executed by the public sector or by international, regional or non-governmental organizations. The operations have been translated into a number of instruments according to four categories:

1. Food aid-in-kind;
2. Foreign currency;
3. Operations to support food security;
4. Others- technical assistance and capacity building.

Regulation 1292/96 can be implemented by a number of agents including the government of the recipient country, the Commission, international organizations (such as UN agencies, etc.) and international and national non-governmental organizations. Aid managed by both the recipient country and the Commission is characterised as direct aid, while aid delivered through intermediaries such as UN agencies or NGOs is categorised as indirect aid.

Food Security relevant instruments

The analysis of various instruments (geographical instruments (EDF, MEDA, ALA, TACIS, CARDS)) or other important budget lines (ECHO, Rehabilitation, NGO-Cofinancing) has shown that most of them are financing Food Security relevant actions. Given the variety of instruments dealing with food aid and food security, a core issue of this evaluation was the analysis of the added value of each instrument and its specific role for achieving food security.

The statistical analysis confirms the importance of food security in the various EC-instruments. The estimated sum of all food security relevant commitments under the described budget lines (Food Aid/Food Security, ECHO, NGO Co-Financing, Rehabilitation and the Geographical Instruments) amounts to **13.13 Billion Euro** for the period 1997 - 2002. The geographical budget lines provide the highest level of support with approximately 8.84 Billion Euro for the same period. This results from the high amount of commitments aiming at poverty reduction and similar food security relevant measures under these instruments.

Main relevant trends in EC cooperation

Some current trends and changes in the nature and focus of EC development cooperation are relevant for the EC food security operations. The EC focus on LRRD and DPP underlines the potential role for the FSBL. The increasing participation of non-state actors in EC development aid stresses the need for strengthening the partnership with these actors. The focus on poverty reduction, rural development and food security is placing food security practically at the heart of EC development policy. The deconcentration process is creating a new context for implementing projects and programmes under the FSBL. Finally, the increasing importance of budgetary support suggests that the use of the currency facility foreseen in Regulation 1292/96 will also increase in the future.

MAIN CONCLUSIONS

The various instruments offered by the EC Regulation 1292/96 are appropriate in principle to respond to the **entire range of assistance needs** of FSBL recipient countries and to promote a continuous transition from emergency relief to development. The added value of the Food Security Regulation encompasses its strong focus on poverty reduction, the high flexibility between its components, its acknowledged role in the LRRD approach, the fact that it creates opportunities for multi-actor partnerships and allows for interventions at various administrative and societal levels. The results achieved so far are positive and may be reinforced by the deconcentration process and the increased focus put on the 3 Cs, especially at the country level.

Coherence and complementarity of the Food Aid / Food Security policy under the Regulation

Coherence with EC development aid

Although the coordination of interventions is a very sensitive issue in all documents, the various agreements and regulations give no specific information on how coordination could be achieved. The increasing importance of national strategy papers in EC cooperation is certainly a positive phenomenon that might aid in achieving the 3 Cs. However, experience shows that Coordination is particularly difficult to promote. The Regulation 1292/96 is the only regulation that specifically stresses the importance of Coordination and that names the institutions that are important for achieving it.

Coherence with Country Strategy Papers (CSPs)

The coherence of the FSBL programmes with the broader EC development aid and poverty alleviation framework is rather good. In most CSP, FS is mainly dealt with indirectly in terms of poverty alleviation, rural development or humanitarian assistance. All CSPs put a particular focus on the 3 Cs but often lack their translation into concrete operational suggestions.

Coherence with national strategies of recipient countries

Evaluation results confirm that the programmes covered by Regulation No. 1292/96 are coherent with national strategies of most of the recipient countries covered by this evaluation and have contributed to the elaboration of NFSS.

Added value of the instruments available under Regulation No. 1292/96

Food aid in-kind

In countries in emergency where the FSBL provides large amounts of food aid, the built-in flexibility of the FSBL is rated as very positive, as it allows the delivery of a combination of food aid and food security operations. Delegations confirm this comparative advantage of the FA-FS regulation, especially with regard to its role in the LRRD process.

In some countries (Zimbabwe, Ethiopia), the large emergency food aid programmes are insufficiently well targeted, which leads to negative effects including market disturbances and a perpetuated dependence on food aid. The focus on food aid in these countries appears to block a shift towards more fundamental and sustainable approaches for achieving food security.

The food aid component of the FA-FS regulation complements the other instruments that are used to deliver this type of aid, especially ECHO and EDF. ECHO is seen as an effective instrument for delivering food aid, but is not relevant for achieving efficiency (lack of coordination) and sustainability (lack of dialogue with governments).

Currency facility (Budget support)

The budget support instrument effectively serves as leverage for policy dialogue on food security, but the operational efficiency of the instrument is not always very good because of the cumbersome specifications of the instrument. In many cases, the use of the instrument was restricted by the limited absorption capacity of the government.

Food Security operations

The support actions effectively link food aid with other (EC) development aid instruments, and reinforce the integration of food aid and food security under a general development policy. The projects tend to focus on food production and income generation, at various levels from national down to household level, and not so much on nutrition and social safety nets. The Delegations emphasised the very high added value of this component and listed a wide range of advantages, especially the flexibility and coherence of this instrument and its specific focus on food security.

Technical Assistance

The integration of the RESAL activities into the EC Delegations and recipient government bodies in mid-2001 led to improved financial efficiency, and a better institutional embeddedness. Because of the deconcentration to Delegations, the amount of time spent on administrative issues is increasing, thus leading to less capacity for the training of partners, for working on FS strategies at the national level, and for capitalisation of collected experiences and information.

Although Delegations underline the advantage of "in-country" TA, they also stress the need for methodological support and information exchange.

Project cycle management

Design phase

The FSBL targets a justifiable selection of countries. The targeted 'Group I' countries are all low-income, food-deficient and in need of structural food security programmes. The 'Group II' countries are countries in crisis or post-crisis in need of food aid programmes.

This evaluation confirms the lack of baseline and feasibility studies during the project identification phase. The positive role of RESAL in this field has not been sufficiently taken over by the experts within F-5 and the Delegations.

Implementation phase

This evaluation confirms the unclear allocation of responsibilities and a mismatch between aid volumes and administrative resources (staffing) for the FSBL, the considerable scope for streamlining of the rules and procedures of the various EC programmes, the need for better accounting and management information systems, and the need to improve monitoring and evaluation systems for the FSBL.

The evaluators have encountered major difficulties in collecting relevant and credible information on commitments and payments. The quality of the data in CRIS Consultation is limited, in terms of completeness and accuracy.

Phasing out

The phasing-out of direct aid is usually limited to the 'project' interventions and the one-time restocking of strategic grain reserves. Budget support is usually maintained at more or less fixed levels. Despite their time-bound nature, the NGO food security operations very often lack clear phasing-out strategies. Explicit exit-strategies for the long-term components of the multi-annual packages are generally lacking. In some of the countries, the TA's were found to contribute significantly to institutional strengthening, capacity building and policy development as a precondition for a phase-out.

Impact and sustainability

The impact of the FA and FS interventions was generally positive, especially in terms of avoiding massive humanitarian crises. Positive impacts of NGO interventions were made at local level, especially due to the good targeting of programmes. Positive impacts at national level are the enhancement of national ownership, the improvements in public finance management and the reforms in the agricultural and social sector. Reasons for negative impact are insufficient monitoring during project implementation, weak Government engagement, delays in the approval process, lack of commitment and poor public finance management.

LRRD

The FSBL has been used a lot to address LRRD processes in all of the 'Group I' country studies, but that limited LRRD processes were found to take place in the two 'Group II' country studies.

The budget line appears to be suitable for supporting LRRD processes, although it is true that it cannot respond very quickly. The LRRD suitability is mainly attributed to the built-in flexibility to combine food aid with food security interventions. In practice, the FSBL often serves as a link between ECHO and EC development programmes.

The work by the LRRD/DPP Interservice Group has already produced a good analysis of main issues regarding the future of LRRD, including the clarification of the role of the various stakeholders.

MAIN RECOMMENDATIONS

Given the high flexibility between its components, the role it can play in the LRRD approach, the specific poverty orientation of its interventions, the multi actors-partnership, as well as the various levels of interventions (policy and project levels), the FSBL should continue to exist as a flexible funding source for integrated food aid and food security interventions. This means the continuation of the budget line with all of its instruments.

Coherence and complementarity of the Reg 1292/96 FA/FS policy

Coherence with EC development aid

- In order to improve horizontal coherence between the various EC instruments, new EC-regulations or implementation guidelines should translate the need for coherence into concrete terms. The added value of the various budget lines should be stated and cross-references between the instruments should be made.

Coherence with CSP's

- In order to improve internal coherence within overall EC development aid packages for recipient countries, the FSU and the TA's placed in the Delegation should advocate the integration of the funded and/or planned food aid and food security strategies of the FSBL in the regional and country-level EC strategy papers. The contributions of all EC-instruments and existing cross-links should be clearly described.

Coherence with national strategies of recipient countries

- The EC (Delegation level or the Food Security Unit in Brussels) should provide thematic policy development support for drafting National Food Security strategies. The wide-ranging experiences of the FSBL in this field should be capitalised on and drawn from. The Food Security Unit in Brussels should initiate the capitalisation ('lessons learned' and inventory of successful and unsuccessful experiences), possibly with the help of external expertise provided by specialised consultants. The elaboration of national FS strategies thus can be reinforced.

Added value of the instruments available under Regulation No. 1292/96

Food aid in-kind

- It is recommended to continue to group food aid and food security together under the food security budget line. By combining food aid and food security in one flexible budget line, it is possible to provide tailor-made and continuously evolving support programmes to countries in and after emergencies.
- In countries where the FSBL funds large emergency food aid programmes, the responsible Delegation staff should actively advocate clear and specific targeting procedures, and should promote an early shift to more comprehensive and sustainable approaches for achieving food security. In this respect, the coordination of the FSBL with ECHO should be continued and reinforced.

Currency facility (Budget support)

- The currency facility should be maintained as it forms an effective and efficient instrument of the FSBL to allocate funds and to address food security and poverty alleviation issues through a synergistic package of interventions. It is recommended to further study if and how the cumbersome specifications of budget support can be reduced in order to improve the operational efficiency of the instrument.
- The Delegation staff should carefully assess and monitor the absorptive capacity of the government structures that are targeted by currency facility countervalue programmes. Where needed, the FSBL should fund institutional support and capacity building.

Food security operations

- The FSBL food security operations should be continued and reinforced, as they effectively link food aid with other (EC) humanitarian and development aid instruments.
- In addition to focusing on food production and income generation, programme planners at the FSU and the Delegations should also consider support to social safety nets and to

programs for nutrition education, micronutrient supplementation/fortification, primary health care and water and sanitation.

- The operational efficiency of the operations should be improved. This especially refers to a need for a quicker project selection process within the NGO Call for Proposals.

Technical assistance

- TAs should be more involved in capacity building and institutional support, and they should spend less time on administrative work. The Food Security Unit should establish a working group to develop general support materials for this function of the TA's.
- Although Delegations underline the advantage of "in-country" TA, methodological support and the exchange of information should be reinforced. This could become a key responsibility for the FSU in Brussels and staff should be allocated to this task. The assigned staff members could also analyse the level of coherence between the different instruments.

Project cycle management

Design phase

- More baseline studies and feasibility studies need to be carried out during the project identification phase, either by implementing partners, the TAs, or specifically contracted consultants.
- Phasing in strategies should be developed in collaboration with the main partners, especially ECHO, thus making the phasing out of projects and programmes easier.

Implementation phase

- The administrative resources for the FSBL (staffing levels) should be brought more in line with the FSBL aid volumes. This especially applies to the Food Security Unit in Brussels. The FSU should arrive at the same ratio between staffing and budget turnover as ECHO.
- The accounting and management information systems for the FSBL should be further improved. The responsibility for the elaboration of new systems lies with the Food Security Unit in Brussels.
- The EC database (CRIS) should be further improved, in order to obtain an integrated view of all EC interventions through the various EC instruments.

Phasing out

- All planning documents for FSBL programmes should include a description of explicit exit-strategies for all of the instruments used.
- Explicit phasing in – phasing out strategies should also be developed in conjunction with ECHO

Impact and sustainability

- EC Delegations and staff in Brussels should continue to focus their attention on the coordination of aid. The 3-step strategy (short term, medium term and long term) should be developed further.
- The FSBL should focus on increasing the absorptive capacities of recipient governments. For optimal institutional sustainability of the funded operations, there should be a smart selection of partner organizations and interventions. Particular attention should be paid to government structures and local governments.

LRRD

- The budget line should continue to serve LRRD processes in 'Group I' countries, either through a take-over from ECHO or through close co-ordination with EDF-funds for rural development. For the 'Group II' countries, the budget line should aim at smoothing the LRRD processes, with early and gradual shifts to food security interventions in order to avoid to the continued reliance on food aid operations.
- The LRRD/DPP Interservice Group should continue its activities and focus on the linkages between instruments as well as the specific responsibilities of the various actors. Current trends in EC policy development should be integrated in the discussion.

2. INTRODUCTION

The annual work programme 2003 that the Board of the EuropeAid Co-operation Office established for the Evaluation Unit includes an evaluation of *Food Aid Policy and Food Aid Management and Special Operations in Support of Food Security*.⁴ This evaluation was originally scheduled to take place in 2005 for the implementation of the 1996 Regulation to have progressed significantly after the previous evaluation of 2000.⁵ However, it was decided to bring it forward at the request of the Commission's services since, in its Communication on the evaluation and future of Regulation No.1292/96, the Commission took on board the recommendation put forward by the 2000 evaluation report⁶ that a second overall evaluation should be carried out in 2003-2004.⁷ This recommendation was then endorsed by the Council of Ministers in December 2001.⁸

In addition to the 2000 evaluation report and the subsequent Communication of the Commission and Conclusions of the Council of Ministers on the future of Regulation No.1292/96, the Court of Auditors produced a special report⁹ in 2003. The Commission and the Council had concluded that, although progress still remained to be achieved, there was no need to alter the content of Regulation No.1292/96. The Court of Auditors, however, proposed to discontinue the Regulation in its present form and to integrate all food-aid and food-security development activities in a limited number of comprehensive Regulations.

These findings have led to the launching of the Evaluation of Food Aid Policy and Food Aid Management and Special Operations in Support of Food Security in September 2003. See Annex A for the full Terms of Reference. The main aims of the evaluation are:

- **“(i) to identify key lessons from the Commission’s past co-operation in Food-aid and Food-security policy, focusing on procedures and implementation issues and the way they affected the impact of specific actions against their objectives;**
- **(ii) to assess and judge the current programming of food-aid actions and operations in support of food-security at the light of the new policy framework (set out in particular by the Communication of September 2001) and in the new administrative context (reform of RELEX services and deconcentration), in particular with regard to lessons learned from the 2000 evaluation report and the integration of food-security in the overall EC development co-operation framework.**
- **(iii) to make recommendations.** At the time of the previous evaluation, the implementation of Regulation No.1292/96 had not progressed sufficiently for its impact to be assessed. As a result, the report should focus on the impact of those actions undertaken on the basis of the Regulation and that can now be measured. The assessment and judgement of the current EC approach should also take account of the extent to which lessons have been learned from the past (the 2000 evaluation report and diverse monitoring reports), the effect of the reform of the RELEX services and the emergence of a truly integrated

⁴ See *Evaluation Strategy (2002-2006) for the Relex Family* (p.3) as in annex to Commissioner Nielson's note of December 14, 2001, on www.europa.eu.int/comm/europeaid/evaluation/index.htm.

⁵ *Evaluation of EC Food-aid, Food- security, Food-aid management and programmes in support of Food-security (Regulation No. 1292/96 of 27 June 1996)*, on www.europa.eu.int/comm/europeaid/evaluation/reports/sector/951569_en.pdf

⁶ The 2000 evaluation on Evaluation of EC Food Aid, Food Security Policy, Food Aid Management and Programmes in support of Food Security, Regulation No 1292/96 of June 27th 1996 couldn't assess the impact of the Regulation due to its short period of implementation.

⁷ Communication from the Commission to the European Parliament and the Council, *Evaluation and future orientation of Council Regulation (EC) No. 1292/96 on Food Aid Policy and Food Aid Management and Special Operations in Support of Food Security*, COM(2001) 473 final/2, p.5.

⁸ 2402nd meeting of "Agriculture" Council. Brussels, 19/12/01 – Approval of the list of "A" Items: Draft Council conclusions on the evaluation and future orientation of 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*.

⁹ Special report No 2/2003 *the implementation of the food security policy in developing countries financed by the general budget of the European Union, together with the Commission's replies*. OJ C 93 of 17 April 2003.

approach of Food-aid and Food-security into the EC development co-operation framework.”¹⁰

Chapter 6.2 of the Terms of Reference presents the main expected results of this evaluation:

- “An *ex-post* evaluation of the impact of the EC strategy and actions over the period 1997-2002” (note: actions dealing with Regulation No. 1292/96).
- An *assessment* of the coherence and complementarity of the EC’s strategy for Food-aid/Food-security, particularly in the light of the EC’s Communication on the *Future of the Regulation*. For instance, the report should inform on: the level of integration of food security and objectives of Regulation No.1292/96 into the Commission’s Development Co-operation Framework both at the overall policy level (EDF, ALA, MEDA, CARDS) and at the specific Country Strategy level (CSP’s); the link between food-security instruments and the long-term regional development instruments; the added-value (if any) of this Regulation and associated budget line in a more food-security integrated context; the role of Regulation No.1292/96 in the on-going efforts to bridge the gap between relief, rehabilitation and development.
- An *assessment* of the steps being taken by the Commission to improve the efficiency and quality management with regard to programming, targeting and handling of its Food-aid actions and operations in support of Food-security (within Brussels headquarters, at country level)”

It was agreed by the Evaluation Steering Group that the present study is a thematic evaluation of EC Food Aid/Security policy and as such is broader than an evaluation of Regulation N°1292/96 *stricto sensus*. In particular, the crucial question on the future of this regulation requires an analysis of the added value of the Food Aid/Security budget line compared to other instruments and other budget lines. Such a comparative analysis must be conducted both at the level of the documentary phase as well at the level of the field phase.

Moreover, although it is understood that the period to be covered by this evaluation study will be as planned (1997-2002), the Steering group expressed the view that the consultants should concentrate their efforts on the more recent period while referring more substantially to the previous documents for the period already covered by the previous evaluation.

This evaluative report (volume 1) is composed as follows:

Chapter 1 is the executive summary.

Chapter 2 focuses on the Terms of Reference and presents an introduction to the main issues of the evaluation.

Chapter 3 describes the methodology for the structuring and completion phases, as well as the constraints and limits of the evaluation.

Chapter 4 gives an overview of intervention logic of the EC food aid and food security strategy. The modalities of elaborating the impact diagram of the EC FA-FS strategy are explained first, then the various elements of the impact diagram are presented. The impact diagram has served as a basis for the elaboration of the set of evaluative questions.

Chapter 5 presents the conclusions of the analysis of the CRIS database on EC budget commitments and payments.

Chapter 6 provides the main findings on the evaluative questions.

Chapter 7 gives an overall assessment of the FSBL according to the evaluation criteria.

Chapter 8 finally presents the conclusions, followed by the recommendations in Chapter 9.

¹⁰ ToR for the Evaluation of Food Aid Policy and Food Aid Management and Special Operations in Support of Food Security; Evaluation Unit August 2003.

3. METHODOLOGY FOR THE EVALUATION

3.1. Approach to the structuring phase

This evaluation commenced with a structuring phase running from September 2003 to December 2003. During this phase, the following activities were undertaken:

- A review of relevant EC policy documents and a round of interviews with relevant EC staff in Brussels. Annex 14 presents the main documents that have been analysed for this evaluation. Specific country documents are listed in the various country reports.
- Drafting of the EC intervention logic in FA/FS. The resulting impact diagram (see Annex 3) represents the overall strategy of EC food aid and food security.
- Based on this impact diagram, a set of twelve evaluative questions was drafted and discussed with the members of the Steering Group. A full overview is given in Annex 4.
- A preliminary list of FSBL-financed projects was compiled and analysed to determine the character and volume of EC assistance within the FA-FS regulation.
- Based on the budget payment overviews extracted from the CRIS Saisie database and on the information from interviews with EC staff, a list of countries to be visited during the completion phase was proposed and discussed. The various steps of the selection process for the field visits are presented in Annex 5.

3.2. Approach to the completion phase

The completion phase was launched in January 2004 and ended in early June 2004.

The proposed evaluation approach consisted of the following components:

- *Briefing seminar in Brussels.* A briefing seminar has been organised in Brussels Mid-January for all international and national experts. Aim of the seminar was to share main relevant information and documents, discuss all evaluative questions and prepare the field visits. Annex 6 presents the programme of the seminar.
- *Field visits (10 countries).* The following countries were included: Bangladesh, Burkina Faso, Ethiopia, Gaza, Kyrgyzstan, Malawi, Mozambique, Nicaragua, Peru and Zimbabwe. Field missions were carried out from January to March 2004. Each mission was carried out by a senior international consultant together with a national expert. Each country visit lasted 15 days. For every country, there were two days briefing seminar, one days mission preparation, and five days for report drafting. All final country reports are presented in Volume 4 of this report.
- *Deepen the analysis of the food aid and food security budget commitments and payments based on the CRIS database and other EC financial information sources.* During the desk phase, the analysis focused on the regulation 1292/96, during the completion phase, the financial analysis was extended to the other EC instruments as well: EDF, MEDA, ALA, TACIS, CARDS, ECHO, Rehabilitation, NGO-Cofinancing). Annex 7 presents the results of the statistical analysis.
- *Document review and interviews with relevant resource persons in Brussels.* During the completion phase, various new documents were included, especially those concerning the other EC instruments and the national strategies. The interviews with resource persons served to deepen specific issues or questions in relation to the country field visits.
- *Comparative analysis of national strategy documents.* The aim of this comparative analysis of national strategies documents (CSP's, PRSP's, sectoral strategies relevant to food security, etc.) was to assess the interrelations between the various processes (role of the regulation in the CSP; role of EC in the elaboration of PRSP, etc.). This analysis

has been carried out for 20 important recipient countries. Annex 8 presents the selection process and Annex 9 the results of this analysis.

- *Analysis of the importance of food security in the various relevant EC instruments.* The aim of this analysis was to assess the potential and existing linkages between the FA-FS regulation and other instruments such as the geographical instruments (EDF, MEDA, ALA, TACIS, CARDS) and other relevant EC budget lines (ECHO, Rehabilitation, NGO-Cofinancing). Annex 10 presents the results of this analysis.
- *A questionnaire survey of a sample of 28 Delegations.* A sample of 28 countries was drawn with a wide geographical representation and including national and regional FA-FS programmes of various sizes. The questionnaires were sent to the Delegations. Annex 11 presents a summary of the questionnaire results while Annex 12 presents the various steps for the selection of countries and detailed questionnaire results.
- *Synthesis report.* A draft synthesis report was produced for discussion with the Evaluation Steering Group. The report synthesises the main results from the country reports as well as from the document analysis, former evaluation reports, delegation responses to the questionnaire and the comparative analysis between instruments. Based on this evidence, the report draws overall conclusions and formulates recommendations. After discussions with the Steering Group, it was decided to split the evaluation report into four volumes. Volume 1 is the main analytical/evaluative report. Volume 2 is a descriptive report that provides an overview of EC food security policies and operations, and the main relevant trends in EC cooperation. Volume 3 contains the annexes. Volume 4 consists of the ten country reports.
- All these information sources have been cross-checked before being integrated in the synthesis reports (evaluative and descriptive reports). Evaluation results are therefore not relying on only one information source.

Annex 2 presents in detail the methodology used for this evaluation, especially the various activities that have been carried out as well as the methodological answers that have been given so as to fulfil the quality criteria used by the evaluation unit to assess the evaluation reports.

3.3. Constraints

The main problem confronted by the evaluation team was the breadth of the subject being evaluated. The focus on the comparative analysis of various budget lines and geographical instruments, which was added towards the end of the structuring phase, widened the subject of the evaluation study considerably and led to a very tight work plan. One of the main challenges for the evaluators was to adhere to this revised and tightened work plan, while maintaining a high level of quality. The lack of an integrated and consistent database was also a major difficulty to be overcome.

The impossibility of postponing the final delivery of this report to a later date also put high pressure on the evaluation team¹¹. All activities mentioned in the above section on the evaluation methodology for the completion phase were carried out within four months only, which is a very short period for an evaluation with such a scope.

¹¹ The evaluation had to be finished in the foreseen timetable for contractual reasons.

4. THE INTERVENTION LOGIC OF EC FOOD AID AND FOOD SECURITY STRATEGY

The impact diagram that was developed for this evaluation presents a stylised overview of EC objectives and intended impacts, outcomes, outputs and actions in relation to food aid and food security operations. It details the intervention logic as perceived by the evaluators based on the most relevant official strategy documents of the EC on food aid and food security. The impact diagram is therefore a representation of EC strategy, based on official documents. The role of the evaluators was to structure the various elements and to bring them together in one diagram.

The impact diagram presented in Annex 3 is based on the following documents:

- The Council Regulation (EC) 1292/96 of 27th of June 1996 on food aid policy and food aid management and special operations in support of Food Security;
- The Communication from the Commission to the European Parliament and the Council: Evaluation and future orientation of Council Regulation (EC) No. 1292/96 on food aid policy and food aid management and special operations in support of Food Security [COM (2001) 473 final/2];
- The Special Report N°2/2003 from the Court of Auditors on the Implementation of the Food Security Policy in developing countries financed by the general budget of the European Union;
- The Commission's replies to the Special report n° 2/2003 from the Court of Auditors;
- The Draft Council Conclusions on the Special report n° 2/2003 from the Court of Auditors; and
- The conclusions of the 2000 Evaluation of EC Food Aid, Food Security Policy, Food Aid Management and Programmes in support of Food Security, Regulation No 1292/96.

The results of discussions with officials from various units in the Commission services also have been integrated into this diagram. This led to a focus on:

- The range of instruments playing a role in food security. Apart from the regulation N° 1292/96, the geographical instruments and budget lines should be also analysed. The added value of the regulation compared to the other instruments should be assessed.
- The range of operations / components of the regulation. The regulation is composed of four components with specific programming and implementing modalities. Each of these components should be analysed.
- The range of issues influencing EC FA and FS policies and actions (now and in the future). In order to ensure the relevance of recommendations, actual changes and trends (such as the deconcentration process, the focus on budgetary support, the new financial regulation, the LRRD process) and especially their impact on FA and FS policies and actions should be integrated into the analysis.

Annex 3 presents the structure resulting from the impact diagram that has led to the elaboration of the 12 evaluative questions as well as all specific issues listed in the impact diagram, mentioning the referring original text of the official documents, and the place where it can be found in the document.

Four sub-sets of evaluation questions (EQ) were drafted: A first set of questions analyses the strategy and policy level of food aid and food security. A second set of questions focuses on the added value of the various components of the EC Regulation 1292/96 as compared to the EC other instruments. A third set of questions deals with the analysis of FA/FS strategies and actions within the different phases of the Project Cycle Management. A fourth set of questions is focussing on specific issues mentioned in the COM 473 (impact and LRRD)

In line with the ToR for this evaluation study, in the country studies, the 'regular' evaluative quality criteria have been assessed (relevance, effectiveness, efficiency, impact and sustainability) in addition to the evaluative questions.

Together, the analyses should give an answer to the question on the need to maintain a stand-alone regulation or the necessity to merge the regulation with existing instruments. In any cases, the recommendation will be issued from main conclusions and will take into

consideration the impact of a change of the institutional set up on the other instrument (absorption capacity of taking over the tasks from the regulations).

5. CONCLUSIONS FROM THE ANALYSIS OF FA/FS RELATED EC BUDGET COMMITMENTS AND PAYMENTS

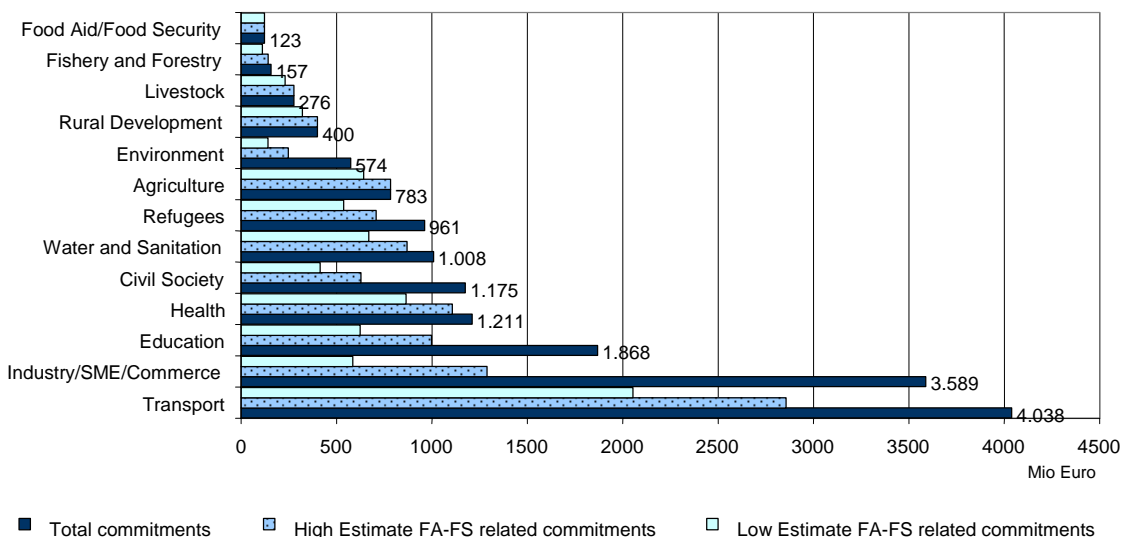
Given the variety of instruments dealing with food aid and food security, a core issue of this evaluation has been to analyse the added value of each instrument and its specific role for achieving food security.

The analysis of FA-FS related EC budget commitments and payments confirms the importance of food security in the various EC-instruments. This analysis focused on food security relevant activities of the FA/FS Budget Line, the geographical instruments, ECHO, the NGO Co-Financing Budget Line, and the Rehabilitation Budget Line.

See Annex 7 for a presentation of the methodology used for the collection and analysis of the data, the findings and the limitations of the undertaken analyses.

Figure 1 breaks down the overall commitments under the EC geographical instruments to the different sectors that have been supported between 1997 and 2002. The graph shows the actual distribution of funds to the different sectors, as well as the estimated amounts committed to food aid - food security.

Figure 1: Commitments of the geographic budget lines and estimated relevance for food security (low and high estimate) per analysed sector



Source: CRIS Mai 2004; synthesis of figures from the various geographical instruments (EDF, MEDA ALA, TACIS, CARDS)

The FA/FS sector appears to represent a relatively small amount of 123 Mio € of commitments. This is explained by the fact that most of the Food Aid programmes are financed under the thematic FA-FS budget line, and because a lot of food security oriented projects are integrated in agricultural or rural development programmes and are classified under the respective sectors¹².

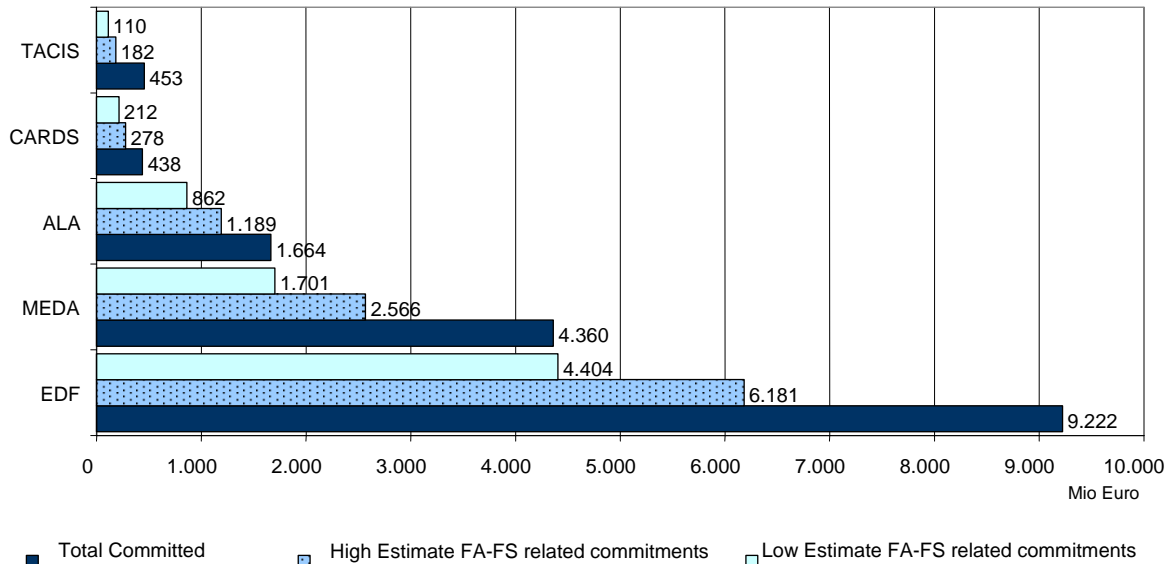
Figure 2 breaks down the overall commitments and food security relevant commitments by the different geographical financing instruments of the EC.

Following the inventory of food aid and food security relevant commitments of the various instruments, the following figure gives an overview of the total estimated FA-FS support by the EC in the period 1997 - 2002. The sum of all EC food security estimated commitments amounts to **13.13 Billion Euro** for the period from 1997 - 2002, which predominantly is funded by the geographical instruments (see Figure 3 below). This results from the high

¹² That means in practice for example: a project aiming at increasing results in rice production, although aiming at food security, might well be categorised under the Agricultural sector.

amount of geographical instruments' commitments aimed at poverty reduction through food security relevant measures.

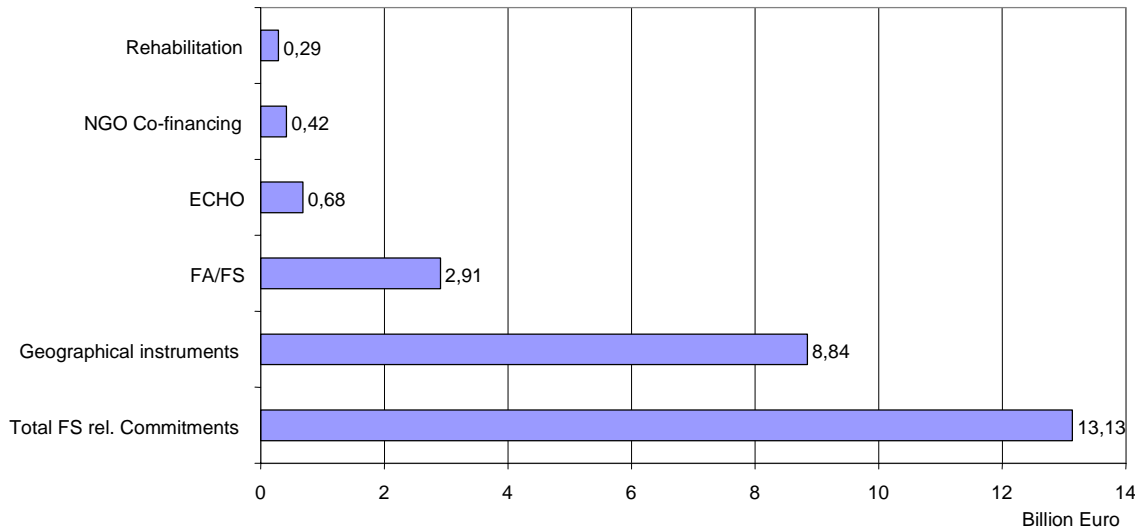
Figure 2: Overall commitments and food security relevant commitments by geographical instruments



Source: CRIS Mai 2004; synthesis of figures from the various geographical instruments (EDF, MEDA, ALA, TACIS, CARDS)

It has to be kept in mind here that the commitment figures were estimated based on fairly far-reaching assumptions about the significance of individual sectors to support the achievement of food security objectives in EC partner countries. This applies in particular to the figures for Rehabilitation, NGO co-financing and the geographical instruments.

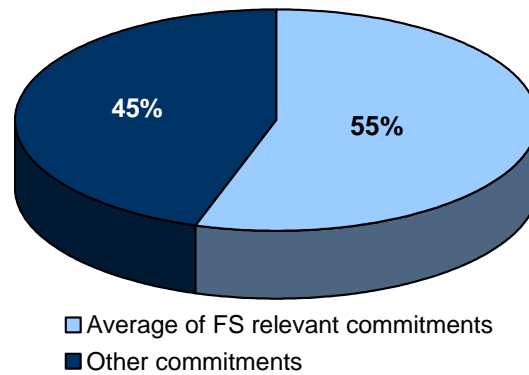
Figure 3: Total of the food security estimated commitments of the investigated budget lines and overall food security estimated commitments.



Source: CRIS May 2004; synthesis of figures from the described budget lines

To obtain an impression of the distribution of food aid and food security relevant commitments as part of the overall funding under the geographical instruments, the graphic below shows the average of low and high estimated amounts for FA-FS related interventions (8,843 Billion Euro) as a **percentage** of the overall commitments. It appears that FS relevant commitments amount to 55% of overall commitments under the geographical instruments.

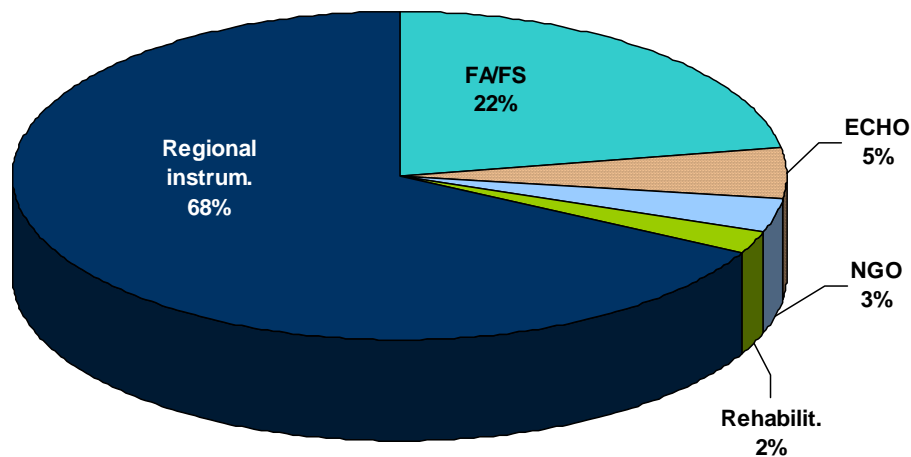
Figure 4: Quotation of the estimated commitments (average between high and low estimate) in relation to the total commitments.



Source: CRIS Mai 2004; synthesis of figures from the various geographical instruments (EDF, MEDA, ALA, TACIS, CARDS)

In order to illustrate the share of every instrument in commitments towards food security interventions, the figure below shows the percentage distribution of the overall commitments aiming at food security related measures.

Figure 5: Quotation of the estimated food security relevant commitments (average between high and low estimate) in relation to the total commitments of all included budget lines.



Source: CRIS May 2004; synthesis of figures from the described budget lines

6. MAIN FINDINGS ON EVALUATIVE QUESTIONS

The information presented in the EQs was compiled from various sources, as mentioned in Chapter 3. Most of this information is presented in detail in the descriptive report (Volume 2) as well as in specific Annexes (Annex 2 in Volume 3). Relevant, cross-checked information has been used for building the answer to each EQ. The conclusions and recommendations are presented in the same general order as the overall answers to the questions, thus making clear the linkages between them.

6.1. Evaluative Question 1

What is the level of coherence between the food security policies, strategies and objectives of Regulation No.1292/96 and those from other geographical instruments (EDF, ALA, MEDA, TACIS, CARDS) and budget lines (ECHO, Rehabilitation, NGO Cofinancing)?

For a short presentation of the various EC instruments, please refer to Volume 2. The following analysis focuses on the integration of FS, the coherence with EC strategies and the complementarity between instruments. It was found that no consolidated overview exists of the links between, and the complementarity of respective (EC) instruments and budget lines.

6.1.1. The Food Security Budget Line

The features of the FSBL are presented in detail in Volume 2. The EC Food Security deconcentration guidelines describe how complementarity between the FSBL and other instruments is to be achieved. The advantages of the FSBL are presented as follows: *“the critical mass in terms of finances (approximately 450 Million Euro per year), its capacity to work in a LRRD situation, its experience, its technical expertise, the diversity of its instruments, its innovative character, its flexibility, its transitional nature, the diversity of its partners (governors, international organizations, civil society), the fact that there are no pre-defined geographic coverage. This broad geographic coverage and the wide diversity of instruments mean that there is an adequate reaction capacity in LRRD situation.”*

In the FS Deconcentration Guidelines, the issue of complementarity with other Commission instruments is presented at three levels:

- Complementarities with ECHO (LRRD approach).
- Complementarities with the Community's geographic programmes, through the focus being put on Strategic Country Papers.
- Complementarities with Member States and other donors through the focus being put the Food security and Food Aid Steering Committee, the focus on joint donor support, and on PRSP's.

The answers to the Delegation-questionnaires (see Annexes 11 and 12 in Volume 3) show that the FA and FS Regulation is mainly used for WFP operations and for budgetary support to a range of Food Security Programmes. The main advantage is its flexibility, its capacity to influence the policy level, its possibility to work with NGO's (not through the NAO), and the opportunity to develop policy and programmes at the national level. Further mentioned is the coherence of interventions, the management of programmes through the Government, the possibility of partner diversity and the very competent and supportive colleagues in Brussels (Eritrea). Main disadvantages are considered to be centralised planning (poor dialogue with Delegations), sometimes lengthy procedures, high costs for food aid, lack of control of WFP activities, not enough flexibility in implementing/contracting options programmes (limited in time) and a lack of integration with the EC geographical instrument.

6.1.2. EDF

Although, the Cotonou Agreement calls for improving the coherence of EC development aid, it presents very little detail on how to achieve it. The most important issue is the set up of

Country Support Strategies that may help increase the coherence of the various instruments within the EC and with interventions of other donors and those of recipient governments. The same applies to the regional level.

The overall EDF approach could be called a multi-sector “food security” approach, linking various issues in order to reduce poverty and to promote sustainable integrated development.

It should be noted that food security is not mentioned as an essential or fundamental element, nor is it mentioned as an issue for regional cooperation or a national strategy. The “Food Security” chapter in the Cotonou Agreement discusses export refunds and trade modalities, and is far from the “standard” definition of food security. The other EC budget lines relevant for food security are not mentioned in the Agreement.

Answers to the delegation questionnaire indicated that the EDF was generally used to ensure long term support to agricultural and rural development programmes, structural adjustment programmes and technical capacity building. One of the stated advantages of EDF was its good integration with other EC funded programmes, the consideration of different sectors, the contribution to an enabling environment for FS interventions, the long term nature of the support, the centralised management by the Delegations, the complementary role with the FS Budget Line in terms of funding and intervention and the contribution to LRRD. The most important disadvantage of the EDF was considered to be its low flexibility, and the burdensome and lengthy administrative procedures. Furthermore, the interventions concerning rural development or the agricultural sector were felt to only have an indirect impact on increased FS because they were not focused on the poorest segments of the population. Without FS-focused programme planning, it is difficult to measure the impact on FS (no direct FS objectives, indicators etc.).

6.1.3. MEDA

Food security issues are not specifically mentioned but they are taken into consideration through the “support for sustainable economic and social development” as well as through the “support to small and medium enterprises”.

In MEDA II, particular attention is given to the establishment of national strategies, thus reinforcing the coherence between instruments and reinforcing the role of the state actors in the planning process.

The EU Development Aid to the MEDA Region has been evaluated in 1998¹³. The main issues that were raised were:

- The cooperation framework, both the policies and the actual funding arrangements have changed during 1986-98 as a result of increasing dialogue between the parties.
- The political, institutional and geographic parameters constitute a complex setting for EU-MED aid. Aid has over time become an important part of a comprehensive political and economic relationship, which has many different dimensions.
- The partnership with EU creates expectations and hopes among MED countries concerning reduction of regional tensions, security problems, threat of terrorism and facilitation of the Middle East Peace Process. If ambitions in these areas are not met, there may be negative consequences in terms of implementing aid in other areas. At least one example has been identified: planning and implementation of regional aid is deferred partly because of political issues related to the Middle East Peace Process.
- EU aid to the MED region is characterised by having a range of instruments and programmes available. It includes intra- and inter-regional cooperation (ECIP, since 1988), structural adjustment (since 1991), assistance to NGO's, humanitarian aid,

¹³ COWI; Evaluation of Aspects of EU Development Aid to the MED Region; Final Synthesis report; November 1998

loans, risk capital, grants, private sector development, trade provisions and removal of tariff barriers, etc. On the one hand it potentially enables the establishment of comprehensive aid and trade packages that can potentially be adapted to specific country needs. On the other hand, EU-MED aid is characterised by proliferation of instruments and programmes. For instance, under the impetus of the European Parliament, several new budget lines have been established without due recognition of their consistency with already existing budget lines and programmes being implemented.

The evaluation of MEDA Global Allocation¹⁴ in 2001 also points out a couple of interesting issue concerning the coordination of instruments:

- Each GA action in its individuality is coherent vis-à-vis the objectives of MEDA and the Barcelona Process. GA actions are also coherent with the development objectives and strategies of the countries concerned and of the EC (numerous actions carried out in preparation for projects financed under GA have led to the launching of a project contained in the National Indicative Programme).
- Nonetheless, coherence of the entirety of actions in an overall strategy is not always evident, e.g., dispersed actions (micro-actions, some colloquia, etc.) and the juxtaposition of national and regional programmes without any real co-ordination. This impression is partially due to the diversity of financed actions and GA categories, as well as to the fragmented follow-up of actions between various Commission services.
- Areas of competence need also be clarified between the various services in Brussels and Delegations, whereas deconcentration of project management to Delegations needs to become effective, as is generally required (Mediterranean, Latin America, Asia, etc.).
- Delegations need to be better informed on regional actions, to participate in these and to raise the level of visibility and overall coherence of these actions.

6.1.4. ALA

The 443/92 Regulation pays specific attention to food aid and food security issues. The financial and technical assistance is to be targeted primarily on the *poorest sections of the population* and the poorest countries of the two regions. A long list of specific actions that can be financed is provided. The concept of food security is broad and similar to the definition of food security used in this evaluation study. Attention is given to coordination of interventions, but no specific details are given.

The main issue in the new (proposed) Regulation, besides the flexibility in financing different activities, is the focus on coherent national and regional strategies. Complementarity of the various existing instruments is foreseen to be established within these strategy papers. Although no mention is made of food security, the integrated approach is similar to that of food security.

In the questionnaire survey to the Delegations, ALA was found to focus on programmes with relatively high budgets, and on political support. The disadvantages of ALA are seen to be similar to those of the EDF, i.e. the lack of flexibility, the substantial delays due to the contracting rules, and the weak institutional support.

6.1.5. CARDS

The Community assistance should be governed by a strategy framework and by annual and multi-annual programming. Food security is not mentioned as an issue, as priority is being given to economic and political objectives. Little information is given on instrument complementarity and coordination of actors.

¹⁴ COTA-GRET; Evaluation of MEDA Global Allocation; Synthesis report; Feb. 2001

6.1.6. TACIS

The regulation presents a wide range of activities to be financed within the framework of an indicative programme. Food security is not mentioned as such, but some aspects linked to FS could be dealt with through the potential priority areas of cooperation mentioned in Annex 2 to the regulation. It should be noted that TACIS only finances technical assistance. FS interventions therefore have to be financed by other budget lines. Little information is given on instrument complementarity and the coordination of actors.

In the Delegation survey, support under TACIS is seen to be less FS-oriented than the other geographical instruments. Specific foci of TACIS are technical assistance, capacity building, support for institutional, legal and administrative reform, addressing the social impact of transition, economy and also poverty alleviation. Advantages of TACIS are felt to be the provision of long term TA that complements the FSP interventions (e.g., strengthening of institutional reforms in FSP line ministries). The fact that the programming cycle of TACIS is not harmonized with the FSP is stated as a disadvantage.

6.1.7. ECHO

The mandate of ECHO focuses on humanitarian issues, although the disaster preparedness mandate goes far beyond it. A good number of activities financed by ECHO are dealing with rural development, water and sanitation, training or food security. ECHO in this respect is fully in line with the LRRD approach of the EC. In its operation, ECHO is limited to partnering with NGOs and international organizations, which excludes partnerships with national governments. This is important considering the independence needed in case of many humanitarian operations, but in the longer-term this limitation leads to weak institutional ownership. Phasing-out strategies are a strong component of ECHO's strategy, although no details are given in official documents¹⁵ how to go about it. The issue is taken up in the LRRD document that was produced in 2004. Similarly, coordination is also an important issue for ECHO, although no information is given in ECHO's strategy documents on the added value of the other instruments concerning LRRD activities.

The 2003 Aid Strategy of ECHO does not make any specific reference to food security, despite its focus on LRRD processes and its attention to coordination and dialogue. Food is only being linked to food crises. Neither does the aid strategy consider food security as a cross-cutting issue, nor does the document suggest how ECHO should coordinate with the FSBL. Concerning other horizontal priorities, attention is given to continuing a constructive dialogue with ECHO's main partners and to improving coordination with EC Delegations at country level.

The evaluation of the first DIPECHO Action Plan for South Asia¹⁶ provides a reflection on ECHO's work in the field of disaster preparedness. The evaluation points out the good results achieved at the local level by almost all disaster preparedness projects, but also presents some limitations that are of importance in this evaluation:

- "The role of the European NGO's in project management varied, but in overall terms the evaluation team considers that the success of projects was largely determined by the calibre of the local partner. In a number of cases the European NGO's have merely served as an administrative mechanism for the transfer of funds and provided little added value.
- The long-term sustainability of these projects at local level is uncertain. In some cases, especially where a livelihoods component has been integrated into the DP activities, there is a greater likelihood that community management structures will be maintained. However, even the best performing communities will require a minimum level of follow-up support and guidance if they are to continue to function effectively.

¹⁵ ECHO's Aid Strategy 2003; DIPECHO's Programme 2003.

¹⁶ AguaConsult: Evaluation of the First DIPECHO Action Plan for South Asia ; 2003

- The coherence of activities and coordination with external stakeholders, both national and international organisations, has been poor and there has been only limited dialogue with EC Delegations and Member States regarding complementary approaches to DP.”

Main recommendations from this report are as follows: “In order to achieve a more coherent approach to DP within the development context, ECHO should engage much more closely with other European Commission Services prior to making any new funding decisions, especially for India and Bangladesh. In order to allow for long-term support to operational partners, ECHO should investigate alternative mechanisms that allow for funding continuity regardless of individual donor constraints; examples of these are the UNDP framework of support to disaster management in India, Bangladesh and Nepal, and the IFRC regional DP programme. Wherever possible, future DIPECHO activities should seek to co-ordinate more closely with existing national frameworks of support for DP and establish better linkages with key international stakeholders active in the sector. In order to improve the status and likely impact of any future activities there should be a greater level of engagement from DIPECHO in Brussels, more clearly defined management targets for the ECHO regional office and improved technical capacity for back-stopping on DP issues at both levels.”

The quantitative data on ECHO budget commitments and payments¹⁷ that were available for this evaluation offer some basis for an assessment of the coherence with the B7-20 Budget Line:

- ECHO is committing resources in all geographical regions that are also the focus of the FSBL funds.
- However, the commitments to the different regions and countries show relatively high fluctuations. Usually, ECHO assistance is only provided for a limited number of years, which is consistent with the primary purpose of ECHO as a humanitarian relief instrument.
- ECHO is funding food aid operations in various countries that are also supported with food aid through the FA/FS Budget Line. However, among the main recipients of ECHO food aid, only a few are also receiving food aid through the FSBL.

The results of the questionnaire survey suggest that the Delegations consider ECHO to be the EC instrument for responding to humanitarian crises, particularly to drought and flood situations or other natural disasters, for care and maintenance and repatriation of refugees, as well as short-term HIV/AIDS programmes. Some Delegations stated that they see an additional role in disaster prevention, which has an impact on food security. Nearly all Delegations emphasised the advantage of the speed and flexibility of ECHO in responding to crises. Aid through ECHO is seen to focus on the most vulnerable population in emergency situations, and is seen as complementary to the FS Budget Line. However, several Delegations considered it a disadvantage that ECHO-programmes mainly focus on relief/rehabilitation to overcome a current crisis, which was too short-termed to bridge the gap between relief/rehabilitation and development. Somalia stated that ECHO is not able to address chronic food insecurity.

6.1.8. NGO Co-financing Budget Line (B7-6000)

The general conditions of this budget line specify that development project proposals in LDC's should aim broadly at poverty alleviation and – as was added later by the Council Regulation – at the strengthening of democracy and human rights. The general conditions also emphasise the strengthening of local institutional capacity in LDC's as another major objective. The link to national strategies seems to be poor. As a striking example of this, the NGO Cofinancing guidelines list “the lack of incompatibility” of the project proposal with

¹⁷ For the period 1997 - 2002

national strategies as a selection criterion instead of stressing the need for compatibility with national strategies.

An evaluation of the NGO Co-financing budget line¹⁸ was carried out in 2000, the first overall evaluation of this budget line in its 24-year history. Besides the main conclusion of the “unmanageability” of the budget line, even with the new general conditions, the evaluation underlined several interesting issues:

- Most SNGO's were ill informed on the nature and conditions of project funding under B7-6000 and of the purpose of the budget line in general. This is an unfortunate situation given that SNGO's are major stakeholders in B7-6000. Essentially ENGO's control the process and the finances while the SNGO's takes responsibility for implementation.
- Weak correlation between B7-6000 and the promotion of effective 'partnership' between Southern and Northern NGO's.
- Since 1976, development thinking and practice have moved on, but the B7-6000 budget line has largely remained unchanged (no documents were encountered on the strategic role of the budget line either in terms of 'world poverty' or internally in terms of EU aid).
- Essentially it seems that in 24 years the budget line has not really moved on from its general purpose of **building links** between the **EC** and the **ENGO** community. Access to the budget line has been exclusively reserved for ENGO's.
- It would be appropriate to examine ways in which this access could be targeted also at other potential stakeholders who could make good use of B7-6000, in terms of boosting their own resources, the countries in which they work and the issues that they promote.
- The greater part of B7-6000 funds is not targeted at the poorest countries in the world. B7-6000 needs to be opened up to a wider body of stakeholders and on a different basis if it is to maintain any credibility.

The results of the questionnaire to the Delegations suggest that the NGO Cofinancing Budget Line is used to enhance the capacities of local NGO's working in different areas like agriculture, training and micro-enterprises. Advantages of this budget line are the opportunity for long-term interventions, the strengthening of NGO capacities and the complementarity to FS funded NGO projects. Armenia and Georgia mentioned that the support of NGO projects could be complementary to the FSP, which deals exclusively with governmental institutions. Disadvantages that were mentioned include centralised planning, too broad a range of actions, difficulties to co-ordinate this instrument with other EC instruments, and a lack of strategic orientation. Korea claimed that B7-6000 projects were followed-up less intensively than NGO projects financed by the FS Budget Line. Further mentioned are the limited sustainability of impacts and the marginal influence of NGO projects on the policy level.

¹⁸ South Research; Evaluation of co-financing operations with European non-governmental development organizations (NGO's) – Budget line B7-6000; Synthesis Report ; 2000

6.1.9. Rehabilitation budget lines

The 1998 evaluation of rehabilitation actions in ACP countries underlined some weaknesses of this instrument:

- Long delays in the decision-making process compared to the urgency of the response to crisis situations
- Lack of information from EC Delegations and project staff on the financing opportunities
- The restrictive definition used by the budget lines, excluding specific projects and becoming more and more similar to what could be financed with other instruments.

The 2003 evaluation¹⁹ of EC actions in the fields of rehabilitation and reconstruction came to similar conclusions, underlining the lack of specificity and participation of local partners (personality) of the budget line compared to the needs of the partner countries, especially those being in fragile situations and concerning the phasing- in, phasing- out as well as the prevention of future crises.

Principal conclusions:

- At local level: Rehabilitation actions have been delayed, and there has been limited participation of local partners in planning, and hence in ownership. Impact has been good in terms of local development, but not in terms of the specific aims of rehabilitation, which are to rebuild and mitigate.
- At Commission level: The reform process as well as the absence of a comprehensive strategy as regards conflict and disaster have slowed down decision-making and reduced the complementarity of rehabilitation in relation to other instruments. This has been compensated by the increased devolution of aid management to the Delegations, as well as project cycles, which can cover many years, allowing good projects to emerge. Yet throughout the countries visited and in previous evaluations, there are recurring patterns of poor access to expertise to deal with crisis countries, and of an excessive focus on financial accountability to the detriment of a proper evaluation and attention to impact.
- At international level: The Commission has fitted well into international (as opposed to European) strategy frameworks. However it has not been possible to elaborate a true Commission approach to crises, as the focus has been on instruments, which tend to be driven by spending. Some opportunities have been taken for a proactive attitude towards risks (natural in India, and political in Georgia for example), pointing in the direction of rehabilitation as a risk management instrument.

The main recommendations are as follows: Gather all crisis related intervention instruments in the Commission around a single pole of expertise: current instability in the world calls for rapid and expert delivery of civilian crisis management, in complementarity with humanitarian aid. This core should be built around a unit in which initiative and risk taking for enhanced effectiveness is valued over detailed planning and lengthy procedures. Such units already exist in DG Relex, and possibly other parts of the Commission. Strengthen the culture of management by objectives over that of management by conformity to ex ante and financial control. There must be a re-establishing of the balance, currently too much in favour of formal conformity to procedures, by giving greater attention to good financial management as explained in the Financial Regulation: economy of means, speed, effectiveness, and sustainability. Evaluation should be better integrated into project cycle management as an integral form of quality assurance. Define a Community policy toward the reduction of natural and political risk: Rehabilitation must cease to be considered a phase in the chain between emergency and development assistance, but instead be considered as a prime instrument for a policy of risk reduction. This can be deployed alongside other types of programmes to

¹⁹ PARTICIP : Evaluation des actions de réhabilitation et de reconstruction financées par la Communauté Européenne dans les pays ACP/ALA/MED/TACIS ; 2003.

provide for an environment of stability. This recommendation is of particular importance in the context of evaluating the FSBL.

In the Delegations questionnaire, the Rehabilitation budget line was found to support reintegration programmes and rehabilitation projects focusing on the health sector, water and sanitation, and local community development. Few Delegations answered the rehabilitation questions. Advantages of this budget line were considered to be the ability to react quickly to meet humanitarian needs (Liberia), the financial complementarity (Somalia), and the concrete direct aid to refugees (Azerbaijan). Disadvantages were the lack of flexibility due to the management by HQ, the lack of orientation to structural reforms, and the limited geographical spread.

Overall answer to Evaluative Question 1

Apart from the FSBL, food security is not a main element in the EC geographical instruments²⁰ and the other budget lines. When it is mentioned, it is often in a very restrictive sense, such as export funding. This statement however should be balanced with the fact that all EC development cooperation instruments aim at poverty reduction. As food security is a very important issue for reduction of poverty, food security de facto is included in the various instruments. In that sense, there is overall coherence of EC strategies, objectives and instruments. Food security is tackled through broader programmes promoting public health, education, rural development, sustainable use of natural resources, and environmental protection.

Although the coordination of interventions is a very sensitive issue in all documents, the various agreements and regulations give no specific information on how coordination could be achieved. This can be explained by two elements. First, guidelines are supposed to be produced in order to specify how the regulations will be implemented. Sometimes, these guidelines give more information but generally they focus more on procedural management. The second reason is the focus on setting-up national strategies, which is a basic element of all geographical instruments. These national strategy papers (CSPs) are supposed to ensure coordination, complementarity and coherence, so that there is no more need to specify these issues in the regulations.

The increasing importance of country strategy papers (CSPs) in EC cooperation is certainly a positive phenomenon that might aid in achieving the 3 Cs. However, the evaluations in the past years of the various EC instruments show poor results concerning the complementarity of instruments, the coordination of actors, as well as the need to find a good balance between short-term responses through NGO's and long term strategies that need to be backed by national governments.

For the ECHO, rehabilitation and co-financing budget lines, which are not bound within national frameworks of recipient countries, the issue of coherence requires continuous attention. The Regulation 1292/96 is the only EC regulation that specifically stresses the importance of coordination with specific EC institutions and contains various specific instruments to be used according to the situation in the recipient country.

6.2. Evaluative Question 2

'What is the level of integration of the food security policy within the Commission's development strategy with the partner country concerned as laid down in the Country Strategy Paper (CSP)?'

As the report of the 2000 evaluation mentions, *"the Council Regulation 1292/96 has placed food aid and food security policies within the broader framework of development aid and poverty alleviation. [...] This has led from the nearly exclusive use of food aid in-kind as the*

²⁰ See Annex 10 for a detailed presentation of the various instruments

dominant instrument to the varied use of available instruments". The evaluation calls *"the existence of stand-alone food security programmes into question"*²¹.

The audit in 2002/2003 on the implementation of the food security policy states that *"the Council Regulation (EC) No 1292/96 laid down a policy on food security and food aid but does not govern development actions financed by the general budget chapters for Asia, Latin America and the Mediterranean countries and by the EDF's for the African, Caribbean and Pacific (ACP) States. The current situation leads to development programmes not well integrated in the mainstream programmes financed by general budget chapters for Asia, Latin America and the Mediterranean countries and by the EDF's with the same objectives of poverty alleviation, improving living conditions and food security"*²². It was concluded that *"food security programmes are executed as development programmes separately from the mainstream development programmes. The result is that a substantial coordination effort is required by the various Commission services and other parties to ensure coherence between the different programmes"*²³.

This evaluation has reviewed the level of integration of the food security policy within the Commission's development strategy in ten selected partner countries for the FSBL. Eight countries belong to 'Group I' (list of priority low-income countries with structural food deficits included as annex to Regulation 1292/96), and two to 'Group II' (countries in crisis or post-crisis). The level of integration of FSBL programmes in the Country Strategy Paper (CSP) was used as indicator for policy coherence.

In Peru, Mozambique, Malawi, Ethiopia, Burkina Faso, Bangladesh and Kyrgyzstan, the food aid and food security programmes appeared well integrated in EC Country Strategy Papers. In all cases, food security is seen as important for poverty reduction. It was observed in several countries that the FSBL programmes are mainly linked to agriculture and rural development. In Malawi, the recent food crisis underscored the importance of good coordination of the package of EC interventions, and the coordination of all EC interventions in the area of agriculture, food security and natural resources was brought together in a 'rural development section'. In the country study in Kyrgyzstan, it was noted that *"the role of the Regulation in the Regional Strategy Paper seems unclear owing to a lack of conceptual clarity of food security's causes, their relative importance and identification of the linkages between them"*.

In Central America²⁴, the general objective is to achieve poverty reduction, but food security is not taken up by the EC as a focal sector. The regional EC interventions focus on regional integration and good governance. Within the country-level EC strategy papers, rural-local development is taken as a priority. However, despite the fact that the indicators for food insecurity in the region are alarming, these country strategies do not focus on food security matters like access, availability and food use.

The conditions in Palestine do not allow the elaboration of a valid and official Country Strategy Paper. In Palestine, a draft CSP was prepared in 1999, but this never reached official status, as *"its basic underlying assumption of a continued progress of the peace process has proved utterly wrong and rendered the draft CSP document obsolete for its main purposes, i.e. as the central tool for mid-term, multi-annual country programming and budgeting, assistance co-ordination, consistency and complementary aspects"*. It has to be noted that *"food security objectives were not included in the draft CSP"* and that *"neither the Regional Strategy Paper (MEDA) makes any explicit reference to food security issues"*.

In Zimbabwe, drafting an EC Country Strategy Paper for the 9th EDF has not been possible due to the current political limitations. The EC aid portfolio based on remaining 8th EDF

²¹ 2000 Evaluation, all par. 5.2.

²² Court of Auditors, par. 20

²³ Court of Auditors, par. 89

²⁴ The EC FS programmes in CA mean: i) a regional programme whose beginning did not yet take place; ii) a programme of direct + direct aid project in Nicaragua; iii) ibidem for Honduras; iv) NGOs projects in Guatemala; v) NGOS projects in El Salvador. This high variety of situations in various countries makes an overall statement difficult. For more detailed information and assessment, refer to the country report.

funds concentrates on direct population support only, including some small-scale food security interventions. Funds from the FA/FS Budget Line up to now have mainly been used for emergency food aid through WFP and Euronaid.

The questionnaire survey shows that the drafting of the CSPs was usually based on existing reports and studies²⁵, and few new assessment were carried out. One Delegation underlined the need for new support to have a systematic data collection on food security to prevent crisis.

Around 80% of the Delegations state that they are in a continuous dialogue with concerned Ministries (Agriculture, Economics and Finance, Social Protection and Labour). The Delegations without an active cooperation with the respective Government mentioned a lack of human resources and a lack of commitment from the side of the government as limitations for the dialogue. A large part of the Delegations (ca 75%) reported active consultation with other actors²⁶ during the elaboration of the CSP. Other Delegations conceded that there was no special dialogue during the CSP elaboration but considered the overall context and exchange as important and fruitful, also as regards to the definition of food aid and food security strategies. Some delegations mention also a continuous communication in the framework of FSP, which is not limited to CSP preparation, as well as discussions relating to the agricultural sector or NGO development, both issues being closely linked to food security.

In most of the CSPs, FA and FS seem to be a priority area for EC intervention, although some Delegations underline the marginal role of FS. FS is mainly dealt with in indirect ways through poverty alleviation, rural development or humanitarian assistance. In these cases, FS is seen as important, but mainly confined to the “output” level of other programmes, and not included in the expected outcomes and impact.

Overall, the analysis of the importance of food security in the CSP's of twenty countries (see Annex 8 and 9 in Volume 3), confirms the results obtained from field surveys and questionnaires. Main conclusions are as follows:

- All CSPs are in line with the overall EC strategy
- All CSPs put a particular focus on the 3 Cs (coherence, complementarity and coordination)
- The role of food security very much depends on the country. Some countries are concentrating on food security (FS as key area for the CSP), other do not mention FS at all.
- As already mentioned concerning the instruments, FS is rarely mentioned as such, but is integrated in the broader framework of poverty reduction. FA and FS are thus an indirect priority area.
- Although coordination is a key issue, CSPs miss an operational translation of these issues in concrete terms.
- The complementarity between instruments is a key issue, but seem to remain “a policy issue” with insufficient operational translation.

²⁵ Joint Crop / Food Needs assessment missions, WB studies, PRSP preparation documents, EC regional strategy papers, etc.

²⁶ Most repeatedly mentioned are the UN/FAO, WFP, Member States representatives, World Bank, USAID, DFID, GTZ as well as other NGO's and international organizations.

Overall answer to Evaluative Question 2:

Overall, the FSBL programmes are found to be coherent with the broader EC development aid and poverty alleviation framework. In seven out of ten country studies, the FSBL programmes appeared to be well integrated in the EC Country Strategy Paper. This was not the case for the Regional Strategy Paper and country-level strategy papers in Central America. In Zimbabwe and Palestine, both 'Group II' countries that are marked by political instability, an EC Country Strategy Paper does not exist or, as is the case with Palestine, has not been officially adopted yet²⁷, and the FSBL mainly funds emergency food aid.

The questionnaire survey showed that for most countries, FA and FS are a priority area for EC intervention, although FS is mainly dealt with through programmes for poverty alleviation, rural development or humanitarian assistance, and therein is seen as 'output' rather 'outcome' or 'impact'.

All CSPs put a particular focus on the 3 C's but often lack their operational translation into concrete actionable suggestions. The complementarity between instruments is a key issue, but seems to remain "a policy issue" with insufficient operational translation.

6.3. Evaluative Question 3

What is the coherence between EC food aid and food security policy and national strategies of beneficiary countries, especially the PRSP?

In the last years, EC policies have underlined the importance of contributing to the elaboration of PRSP's²⁸. The EC PRSP guidance note produced in 2000²⁹ provides information on the role of the EC Delegations in the design of the PRSP's (to ensure the quality of the process, to assist in prioritisation of government policies and activities, to aim at policy coherence, and to assist in institutional capacity building).

A focus is being put on government ownership of PRSP's as well as on Non State Actors participation in its elaboration. *"PRSP's are intended to be more comprehensive than the Policy Framework Papers that they replace and, importantly, will not be negotiated or imposed by the Bretton Woods Institutions (BWI's), but developed in a participatory process by all stakeholders, including civil society and donors"*. The PRSP guidance note underlines that the content and quality of PRSP's have crucial implications for 9th EDF programming.

The coherence of Regulation 1292/96 programmes with national strategies of recipient countries has been an issue of study in the earlier evaluations. It was found by the evaluation in 2000 that *"all Group I priority countries visited in this study have a long-term policy on food security"*³⁰. Although all policies appeared to have a clear emphasis on the supply side and included agricultural production and rural development, the evaluation report also states, that *"the relation between food security and poverty, unemployment and lack of income generating activities is generally recognised"*. National food security programmes also were found to have included various social components to reach the poorest and most vulnerable who are often not reached by structural solutions to combat food insecurity.

²⁷ A draft CSP exists in Palestine.

²⁸ The initial focus of the WB PRSP framework was on countries eligible for support under the Enhanced Highly Indebted Poor Countries (HIPC) Initiative. Beyond countries eligible for HIPC, PRSP's have been also developed in all countries seeking access to the IMF's new Poverty Reduction and Growth Facility (PRGF), which has replaced the Enhanced Structural Adjustment Facility (ESAF). The World Bank has indicated that the requirement for PRSP's will be extended in due course to all IDA eligible countries.

²⁹ PRSP Guidance note; DEV 2000

³⁰ 2000 Evaluation, par. 4.1.

The 2002/2003 audit report of the use of the FSBL reminds that *“the Regulation states that EC interventions must be integrated into the development policies and food strategies of the recipient countries”*. However, in contrast with the 2000 evaluation findings, the Court of Auditors felt that *“the aim of integrating food security into the development policies and food strategies of the developing countries was only achieved in two of the countries visited (Madagascar, Bolivia) whereas in the others the food security programmes were implemented as separate development programmes”*³¹.

This evaluation has reviewed the coherence of the EC food aid and food security policy and national strategies in ten selected country case studies. Where possible, the Poverty Reduction Strategy Paper (PRSP) was taken as the national strategy.

In all countries, the national strategies were found to focus on poverty alleviation. In the majority of the countries, poverty reduction was linked with improvement of the food security conditions. For instance, within the well-established monitoring system in Peru, the nutritional status of under-fives has been taken as the main overarching indicator for the success of poverty reduction programmes. In several countries it indeed appeared that the FSBL had a production focus and macro-economic focus. In Mozambique it was found that *“the Government policy is clear: the food security approach and strategies are macro and production-commerce-infrastructure oriented. [...] This concept finds its roots in the large-scale socialist agriculture production ideology”*. In the PRSP for Malawi, agriculture is identified as the main sectoral source of growth. In Kyrgyzstan, food security is important in the National Poverty Reduction Strategy but it is not used as an overarching objective. The food security programme is generally considered to be in line with the national strategy, but *“many of the agriculturally food insecure are not targeted by it”* and it is not clear how food security data feeds into inter-sectoral and intra-sectoral priority setting. In Burkina Faso, it was found that the macro-level and production focus needs to be complemented with more attention to food security at the household level, and to nutrition and a balanced diet. In Bangladesh, food security was found to be important in the PRSP; a national food security policy is under preparation.

In Central America, food security is not taken up in the PRSP's, and apparently is not seen as a strategic priority. This is mirrored by the EC Country Strategy Papers for the Central American countries, which also do not concentrate on the food security theme. This is seen as a lack of coherence, because both the EC and the national policy frameworks leave out a central theme to reduce poverty. The new politics of decentralisation to *‘municipalidad’* level could lead to a new focus on food security as part of the local responsibility for natural resources management.

In Zimbabwe, there is no PRSP, and the Government is currently updating its national Poverty Alleviation Plan. The Regulation 1292/96 here is found to support the Government's efforts to provide a safety net for vulnerable population groups. However, *“although the Government prefers cash-for-work interventions like the Public Works Programme, the FSBL and other donors like DFID and USAID up to now have primarily been involved in programmes for free food aid plus some agricultural inputs”*. With remaining 8th EDF funds, the EC focuses on direct population support outside of Government structures. This includes some small-scale food security interventions.

In Palestine, there is no PRSP but there are *“quite a few though short-termed and short-lived national planning documents. Neither of them makes any explicit reference to poverty or food security or to defined objectives of the FS Regulation”*. The EC assistance over the past years has focused on emergency response with the aim to de-escalate and to preserve assets.

The main conclusions from the questionnaire survey (see Annex 12 in volume 3) differ slightly but not substantially from the case studies findings. In the field of FS, governments were generally found to dedicate more importance to short-term interventions like free food distribution or production-oriented approaches than to longer-term FS strategies. This is even

³¹ Court of Auditors, both par. 21.

more the case in politically unstable countries (Somalia, Mauritania, Haiti and Liberia), where the government's involvement depends mainly on electoral issues. In Angola, FA is a main sector of support, but suffers from a lack of experience and human capital. Kenya states that FS issues figure high on the political agenda, but that it suffers from certain contradictions regarding its strategy. Some governments have developed a national Food Security Strategy, which is expected to move the focus from free food aid to long-term food security. Several countries (Niger, Zambia and Rwanda) have included FS in an overall rural development strategy. The Afghan government stands out, as it follows a very comprehensive approach towards FA, aiming at its integration into broader strategies. In some countries, the PRSP is mentioned as an instrument, which has increased the importance of FS strategies in the country compared to the government's previous approach.

In general, the Delegations state an important role of FS in the PRSP, as a part of a multi dimensional view on poverty, both in the agriculture / rural development sector and poverty and within vulnerability alleviation. In Kenya's PRSP food insecurity is more seen as a result of prolonged droughts and low agricultural productivity. There is no reference to the problem of access to food, to structural food insecurity and suitable answers to these problems. In Eritrea there is a National Food Security Strategy (NFSS) and the Government states a perfect coherence between PRSP and NFSS. The PRSP of Zambia sees the agricultural sector as a key factor for economic growth and focus on export to obtain foreign exchange. For that reason it can mainly rely on commercial farmers. The Yemen Government decided to "mainstream" the FS strategy into the Poverty Reduction Strategy.

Some delegations argue also that PRSP show weaknesses as regard to policy prioritisation and strategy implementation.

The analysis of the importance of food security in PRSP's in twenty countries (see Annex 9 in Volume 3) balances the results obtained from field surveys and questionnaires. Main conclusions are as follows:

- PRSP's are in line with the overall EC strategy, in the sense that poverty reduction is at the heart of the development process
- PRSP's put a particular focus on the 3 C's (coherence, complementarity and coordination), , and are in line with CSP's
- The role of food security very much depends on the country. Some countries are concentrating on food security (FS as key issue in the PRSP), other don't mention FS at all.
- The definition of FS also varies from country to country. FS is often mentioned in the broad sense and linked to other issues such as poverty reduction, rural development, or sectoral issues.
- The role of EC in the PRSP is rarely mentioned.
- Although coordination is an important issue, there is rarely a presentation of what could be achieved by the various donors / actors and how it could be monitored.

Overall answer to Evaluative Question 3:

In line with the findings of the 2000 evaluation, the Regulation 1292/96 programmes are found to be coherent with national strategies of most of the recipient countries covered by this evaluation. Nearly all national strategies are aimed at poverty alleviation, often including improvement of the food security conditions. In several countries, it indeed appeared that the FSBL had a production focus and macro-economic focus, which should be complemented with more attention to food security at the household level, and to nutrition and a balanced diet. Generally, it was found that governments dedicate more importance to short-term interventions like free food distribution or production-oriented approach than to long-term FS strategies. The definition of FS also varies from country to country.

Some governments have developed a national Food Security Strategy, which is expected to move discussions from free food aid to long-term food security, but it never has been provided with sufficient resources and therefore did not work properly.

In both case studies of countries in crisis no PRSP existed. Although the Poverty Alleviation Plan of the Government of Zimbabwe prefers cash-for-work interventions, the FSBL provides emergency food aid as a safety net in-kind for vulnerable population groups. In Palestine, the EC has mainly focused on emergency food aid; there is no PRSP and other planning documents do not explicitly refer to poverty or food security.

The role of the EC in the PRSP is rarely mentioned. Although coordination is an important issue, there rarely is a presentation of what could be achieved by the various donors / actors and how it could be monitored.

6.4. Evaluative Question 4

What is the added value of the Food Aid in-kind (FA) for achieving the overall food security objectives set in the Regulation?

Since the establishment of Regulation 1292/96, the volume of the food aid in-kind instrument within the FSBL has declined considerably. Up to 1995, it was by far the largest category of EC food aid and food security. The 2000 evaluation report mentions that the food aid in-kind has declined from 87% of the FSBL in 1995 to less than 40% in 1999³². According to the CoA report, the share of food aid (and thus the relative importance within the FSBL) has declined over the years. Expenditure figures for 2000, 2001 and 2002 show that the proportion of food aid in-kind has stabilised around 40%³³. The analysis of budget expenditures³⁴ as part of this evaluation study however found that, in comparison with operations in support of food security, food aid between 1997 - 2002 has consumed a larger and increasing share of resources. This finding may be caused by cross-financing, where funds from food aid budget titles (B7-200/202, which includes the currency facility, see EQ 5) were used for operations in support of food security, and vice versa³⁵.

EC food aid in-kind through the FSBL has increasingly been limited to emergencies, protracted emergencies (e.g. caused by the HIV/AIDS crisis in Southern and East Africa), post-crisis and rehabilitation situations³⁶. Since the adoption of the Regulation 1292/96, the Commission's thinking and practices have changed towards the objective of promoting sustainable access to food, for which food aid is just one toll among many. Food aid is still

³² 2000 Evaluation, par. 4.3.3.1.

³³ European Commission, 'Food Security at the Heart of Poverty Reduction, EC Food Aid and Food Security Programme, Bi-annual Report 2000-20001', Brussels, 2002.

European Commission, 'The main evolution of the food security budgetline', F-5 PowerPoint Presentation, January 2004.

³⁴ Analysis based on the EC CRIS Saisie database.

³⁵ Refer to annex 7 for detailed information on methodology, results and limits of the statistical analysis

³⁶ European Commission, 'Food Security at the Heart of Poverty Reduction, EC Food Aid and Food Security Programme, Bi-annual Report 2000-20001', Brussels, 2002.

seen as an appropriate response in emergency situations. Through the FSBL, these emergency responses are linked with post-crisis rehabilitation and sustainable development in the field of food security. Most FSBL food aid is distributed freely to vulnerable groups, or is used to reconstitute national security stocks, which serve national crisis prevention systems. The larger part of the targeted food aid in-kind is channelled through WFP (50% (€ 90 million) of all food aid-in kind in 2000, 54% (€ 98 million) in 2001 and 60% (€ 132.6 million) in 2002). Other partnership organisations for indirect food aid in-kind are UNRWA (UN Relief and Works Agency for Refugees in the Near East), ICRC and the NGO collective Euronaid. The products (to be selected from a positive list of eligible items) can be mobilised on the European Community market, in the recipient country or in one of the developing countries if possible belonging to the same geographical region as the recipient country³⁷. Besides food products, the FSBL also finances related costs, of which transportation is by far the most important.

The 2000 evaluation's selection of countries for field studies purposely included several countries with huge amounts of food aid, so as to achieve a good coverage of all instruments. Nevertheless, five of the selected countries belonged to 'Group I', and only one country (Liberia) to 'Group II' of countries in crisis or post-crisis. The evaluation found that food aid in-kind is an expensive instrument that is justified in emergency situations or in cases where aid in-kind has comparative advantages in targeting special vulnerable groups. It is recommended that every food aid project should have an economic appraisal including all costs of provision and transport of the estimated full delivered cost of each food commodity per unit weight or volume. The evaluation report states that the relation between WFP and the EC was found to be determined by reciprocal questioning and criticism of each other's programmes, certain controversies on EC's financial budgeting and auditing requirements, and a lack of medium or long-term commitments by EC to the WFP programmes³⁸. In this 2000 evaluation, Euronaid was seen as an interesting channel with extensive know-how and experience. However, the large number of actors involved appeared to make the synchronisation of activities in Euronaid operations very complicated. The irregular and unpredictable rhythm of supplies through Euronaid (with an increasing trend towards European purchases³⁹) was found to regularly cause budgetary constraints for the NGO's⁴⁰.

In the Court of Auditors' report, no specific analysis was made of the various instruments available within Regulation 1292/96. Two tables are presented on the use of the FSBL budget sub-chapters which represent food aid and food aid transport cost on one hand, and food security related operations on the other⁴¹. The report of the Court of Auditors does not provide any details on the use of funds for food aid in-kind operations versus currency facilities. Apparently, the Court did not focus a lot on food aid in-kind operations, as no remarks on this instrument are made in the report. It is noted by this 2004 evaluation that the six selected countries in the audit all belonged to the 'Group I' list, and no 'Group II' countries in crisis or post-crisis were visited. Nevertheless, the report comes up with the conclusion that the food aid provided under Regulation No 1292/96 has a strong relief / humanitarian component, which is followed by an unsubstantiated recommendation to integrate all food aid in-kind into the Regulation on Humanitarian Aid⁴².

This evaluation aimed at visiting the most important recipients of FSBL funds during the field phase, in order to balance the food security and food aid components, and in order to have enough geographical diversity. Within the ten selected countries, there are eight countries belonging to 'Group I' (priority countries for the budget line), while two countries (Palestine and Zimbabwe) belong to 'Group II' (countries in crisis or post-crisis). It appears that the food

³⁷ EC Council Regulation No 1292/96, article 11.

³⁸ 2000 Evaluation, par. 2.3.2.1.

³⁹ 2000 Evaluation, par. 4.3.5.

⁴⁰ 2000 Evaluation, par. 3.2.5.1.

⁴¹ From 2003 onwards, the three FSBL sub-chapters related to food aid have been grouped together and the sub-chapter on food security has been maintained.

⁴² Court of Auditors, par. 92.

aid in-kind instrument has not been used in four of the eight included Group I countries in the past three years (Peru, Central America, Mozambique, Kyrgyzstan). In one country, Burkina Faso, the FSBL provided only a limited amount of food aid to the government in response to the 2000/2001 food crisis. In the case of the other five countries that had received food aid in-kind, food aid appeared to have been a substantial component within the FSBL programmes.

In Palestine, the FSBL has funded very relevant UNRWA and WFP food aid operations since 2000, with satisfactory beneficiary selection and distribution of food commodities. UNRWA operates free food distribution programmes for selected 'poor' households, while WFP executes food-for-work and food-for-training programmes. Because of the severely limited domestic production, all food aid is imported. Paradoxically, the food aid programme is more cost effective than the distribution of cash, due to the very high import tariffs⁴³ (about 200% for cereals) and the exemption from tax of food aid. The FSBL food aid instrument (about € 22 million per year; 75% of the total FSBL support to Palestine) is used alongside considerable funding by ECHO for food aid (about € 16 million per year). The two EC budget lines make use of the same implementing partners and do not have a conceptually different approach to food aid operations. The country report states that *"the major justification for the approach to provide food aid through different budget lines is to increase the total amount of EC resources for the provision of food aid, to better match the needs"*. It should be noted that the FSBL also funds NGO and bilateral food security operations in Palestine (each channel about € 5 million per year), which are aimed at the agricultural and livestock sectors and at employment and income generation.

During the 2002/2003 food crisis in Ethiopia, *"the remarkable flexibility of the Regulation 1292/96 has facilitated a massive expansion of food aid"*. This has led to large FSBL food aid operations (for the period 2002 – 2004 € 105 million in total) that have absorbed more than 80% of the direct aid to the country, *'at the cost of the proclaimed 'paradigm shift' towards more fundamental, longer-term and sustainable approaches"*. The food aid was provided as direct aid to the Government (including donations for the Emergency Food Security Reserve), and as indirect aid to Euronaid, WFP and ICRC. The Ethiopia country report mentions that *"the EC has played a pioneering role in launching local purchase programmes"*. About 30% of the EC food aid is procured locally, next to some regional purchases (from Sudan). *"Targeting of beneficiaries is the most important and, at the same time, the weakest link in the chain of the Ethiopian food aid delivery system"*. The country report acknowledges negative effects of the massive food aid in Ethiopia on domestic food production, farm income, market development and self-reliance. Apart from some urgent food supplies for supplementary feeding programmes, ECHO in the past years has not been involved in food aid operations in Ethiopia.

In Zimbabwe, *"the budget line has functioned as a flexible funding instrument that was able to quickly mobilise large amounts of funding (for the period 2002 – 2004 in total € 123.3 million) for humanitarian programmes"* out of the global framework envelopes with WFP and Euronaid. Apart from some funds for technical assistance, the FSBL in Zimbabwe was nearly completely used for the food aid instrument, plus a limited provision for agricultural inputs through Euronaid⁴⁴. All products were regionally purchased. FSBL-funded food aid programmes include general food rations, school-feeding, supplementary feeding for under-fives⁴⁵, and therapeutic feeding. In Zimbabwe, ECHO in the past two years has provided substantial funds⁴⁶ for more or less similar food aid programmes (€ 5 million to WFP for logistical support costs and capacity building of the NGO implementing partners, and various

⁴³ The Particip Palestine Country Case Study report (2004) mentions that under the Israeli / WB/GS customs union, the protective Israeli tariffs for agricultural products also apply to the West Bank and Gaza Strip. Import tariffs for most agricultural products range from 100-350 %.

⁴⁴ In Zimbabwe the agricultural inputs distributions through Euronaid partners, despite their relatively small scale, were seen as important measures to reduce the dependence on food aid and to move to more full blown food security projects.

⁴⁵ These are blanket wetfeeding programmes that are not in line with the Sphere guidelines.

⁴⁶ In total, ECHO funds for Zimbabwe in the past two years have been considerably smaller than the total FSBL commitments to Zimbabwe out of the global framework contracts with WFP and Euronaid.

contracts with NGO's and UNICEF for school-feeding and supplementary feeding programmes for young children, and hospital-based therapeutic feeding programmes). It is noted in the Zimbabwe country report that the huge food aid programmes with very high coverage rates were found not to be in line with the Regulation's objective to reduce dependence on food aid, and that *"the relevance and specificity of targeting of the blanket wet-feeding programmes for under-fives and the school-feeding programmes is questionable"*.

During the crisis in 2002/2003 in Malawi, the FSBL has provided various food aid allocations. From 1997 up to now, the FSBL has provided 30,000 MT of maize grain in-kind (regional purchase) and € 22.3 million (for regional maize purchase to stock the Strategic Grain Reserve of the Government, as cash contribution to the Strategic Grain Reserve financial reserve, and for cash components of WFP food aid programmes). In the period 2002 – 2004, ECHO provided € 5.3 million in total for nutrition projects and some cholera preparedness operations in Malawi. ECHO will phase out from July 2004 onwards; a take-over of some of the not yet concluded nutrition projects by the FSBL is currently being discussed.

In Bangladesh, the budget line was used for emergency support to the government during the 1998 floods (175,000 MT of food aid). The EC food aid currently has been phased out for three reasons: some national food self-sufficiency, b) realisation that food aid is not a sustainable solution to food insecurity, and c) preference for cash instead of food.

The questionnaire to the Delegations provides an assessment of the role of the various EC instruments as regard food aid:

- FSBL: The FSBL is seen as a good emergency instrument complementary to other EC instruments, with focus on most vulnerable populations, and the capacity to quickly and flexibly respond to food crises (although sometimes with lengthy procedures). Food aid runs the risk of distortion of the local market. Delegations in countries with no food shortage crises (like Armenia, Georgia and Moldova) stated that food aid should be avoided in order to allow the development of market-oriented systems. The FSBL provides a framework for integrating food aid into a development perspective. Sometimes EC food aid is felt to be lacking in exit strategies, and is found to mainly depend on WFP strategies.
- Geographical instruments (EDF, ALA, MEDA, TACIS): Geographical instruments are not felt to have much advantages with regard to food aid. In general, geographical instruments are perceived as inadequate for food aid in emergency cases because of burdensome procedures and the long delays until programme implementation. Sierra Leone mentioned that the EDF allows an easier management of structural issues whereas Rwanda underlines the importance of an overall coherent development and dialogue with the government, that can only be reached within the regional instrument.
- ECHO budget line: ECHO is felt to have the capacity to respond quickly with cash allocations to partner agencies in a wide range of emergency situations and needs. ECHO funds can be complementary to EC food aid through the FSBL (for example in Korea where ECHO mainly focuses on water and sanitation and health projects). As disadvantages of the ECHO instrument are mentioned by various Delegations a lack of exit strategies and difficulties in co-ordinating with other strategies and EC instruments.
- Rehabilitation budget line: No relevant advantages or disadvantages with regard to food aid are mentioned under this budget line.
- NGO Co-financing budget line: In general NGO Co-financing is not seen as an adequate tool to provide food aid. Liberia mentioned the possibility to provide direct aid during the years of civil war and Korea sees co-financing as a complement to the FS programmes.

Overall answer to Evaluative Question 4:

Although the budget expenditure figures from the FSBL bi-annual reports are not fully matching the results of the analysis of the CRIS Saisie database that was executed as part of this evaluation study, it can safely be concluded that food aid continues to be a major component of the FSBL spending. In the country case studies, the food aid in-kind instrument was used in seven out of ten countries. In three cases (Zimbabwe, Palestine and Ethiopia), the food aid instrument used 75% or more of the total FSBL budget for the country.

In line with the recommendation of the 2000 evaluation, the FSBL food aid in-kind has increasingly been limited to emergencies, protracted emergencies (including the HIV/AIDS crisis in East and Southern Africa), post-crisis and rehabilitation situations. Regional and local purchases are preferred, and indeed have occurred a lot in recent years. However, the country studies revealed that large emergency food aid programmes funded by the FSBL in Ethiopia and Zimbabwe are insufficiently well targeted, which leads to negative effects including market disturbance and a perpetuated dependence on food aid. In these countries, the focus on food aid blocks a shift to more fundamental and sustainable approaches of food security.

Despite the slightly strained relations with the FSBL, WFP receives an increasing part of the total FSBL budget for food aid in-kind, up to about 60% in 2002. Euronaid was seen by the 2000 evaluation as an interesting but complex channel with synchronisation problems. This was confirmed by the country studies in Ethiopia and Zimbabwe in the current evaluation. In countries in emergency where the FSBL provides huge amounts of food aid, sometimes combined with food security oriented interventions, the built-in flexibility of the FSBL, enabling a combination of food aid and food security operations, is rated as very positive. The same applies to the possibility within the FSBL budget line to collaborate with national governments when food aid is provided to build up or restock national food security stocks, as part of a constructive dialogue on national food security policies and programmes.

The country case studies show that in countries in crisis like Palestine and Zimbabwe, the FSBL and ECHO are funding very similar food aid programmes, often through the same channels. In these cases, the two EC budget lines are used complementary, adding up total EC resources for emergency food aid programmes. The Delegations questionnaire confirms the comparative advantages of the FA-FS regulation compared to the other instruments as regard food aid, especially concerning the LRRD process. For the food aid in-kind provided by the FSBL, insufficient phasing-out strategies and dependence on WFP strategies were mentioned as weaknesses. Food aid in-kind through the FSBL was seen as complementary to other EC instruments, especially ECHO and EDF. For food aid, ECHO was also seen as an effective instrument. However, ECHO lacks exit strategies and coordination with other EC instruments.

6.5. Evaluative Question 5

What is the added value of the currency facility (CF) / Budgetary Support (BS) for achieving the overall food security objectives set in the Regulation?

The currency facility / budget support instrument within the FSBL is financial aid included in the budget of the recipient government for food security programmes that are jointly defined by the recipient government and the EC. Thus, a donor's intervention is incorporated within a national strategy, leveraging enhanced dialogue between the parties involved. The facility in principle is restricted to countries with economies that allow liberalised food imports. The currency facility is implemented in two stages: first a foreign exchange facility is paid to a bank account of the Treasury or Ministry of Finance of the recipient country. These funds then are used to acquire food products on regional and international markets through private operators. The products are resold on domestic markets, creating counterpart funds that need to be handed over to the government to be used as public spending⁴⁷. The volume of budget support within the FSBL had increased from € 58 million (10% of the total FSBL budget) in 1996 to € 116 million (23% of the total FSBL budget) in 1999⁴⁸. In the years 2000 and 2001, the size of the facility went down again (only 14% of the total FSBL budget in 2000 and 19% in 2001)⁴⁹. It is not known whether there are any intended policy changes behind these fluctuations.

The 2000 evaluation concluded that the currency facility / budget support is a relevant instrument within the FSBL: it improves food availability at import parity prices, has positive effects on small and medium size trading enterprises, and provides counterpart funds for the public sector⁵⁰. The instrument was found to be effective to improve the balance-of-payment, but not necessarily the trade balance (little evidence of increased food imports). The budget support appeared to have served as leverage to intensify policy dialogue on food security matters. In countries with liberalised markets, no effects were found of the facility on the involvement of small and medium size importers on the food market⁵¹. The operational efficiency of the instrument was found not to be very good, with serious delays of disbursement of allocated funds⁵².

As mentioned above under EQ 4, the report of the Court of Auditors does not provide any details on the use of funds for the various instruments available within Regulation 1292/96. Within the Regulation, the currency facility is included in Title I Food Aid operations (and thus counts as commitment to the Food Aid Convention). The audit does not provide a further breakdown into the food aid in-kind instrument on one hand and the currency facility on the other. Presumably based on the country studies, the Court of Auditors' report makes various remarks on the budget support instrument⁵³. It is felt to be an artificial construction in a situation of liberalised imports. The intervention de facto was seen to function as a general foreign currency facility that supports the balance of payments of the recipient country. The targeting of the counter value funds was found to be well defined but without a presentation of the considerations why a certain approach had been adopted⁵⁴. The conditions that were found to be attached to the budget support instrument usually related to macro-economic factors, budgetary indicators or the implementation of administrative reforms. However, the Court found that a general criterion should be that budget support should only be given when effective management and control of the national budgetary and accounting systems are in place⁵⁵.

⁴⁷ European Commission, 'Food Security at the Heart of Poverty Reduction, EC Food Aid and Food Security Programme, Bi-annual Report 2000-2001', Brussels, 2002.

⁴⁸ 2000 Evaluation, par. 2.3.1.1.

⁴⁹ European Commission, 'Food Security at the Heart of Poverty Reduction, EC Food Aid and Food Security Programme, Bi-annual Report 2000-2001', Brussels, 2002.

⁵⁰ 2000 Evaluation, par. 3.1.4.

⁵¹ 2000 Evaluation, par. 3.3.2.2.

⁵² 2000 Evaluation, par. 3.2.5.2.

⁵³ Court of Auditors, par. 65-69.

⁵⁴ Court of Auditors, par. 67.

⁵⁵ *ibid.*

In this 2003/2004 evaluation, the currency facility / budget support was found to be present in seven country studies except the 'Group II' countries with humanitarian programmes only (Zimbabwe and Palestine) and Bangladesh. In about half of the studied countries where the currency facility is present, the instrument plays an important and sometimes central role within the overall FSBL programme (Malawi, Peru, Mozambique and Kyrgyzstan). Overall, the currency facility is found to be effectively addressing food security and poverty alleviation issues. As a result of the lower transaction costs (direct aid, no overhead costs as for the indirect aid implementing partners), the allocative efficiency of the currency facility was also rated as good. Nevertheless, in the country studies, the instrument was found to have several strengths and weaknesses:

- Strengths

- A very positive characteristic of budget support (and other programme aid) is that it creates **ownership by the recipient government**, which leads to better performance and accountability. Because of the participation of the recipient governments and due to the fact that public expenditures (administered by the government) are complemented by the FSBL budget support, the financial sustainability of the funded interventions is seen as rather high.
- In nearly all countries, the FSBL currency facility was found to be **harmonised (or in the process of harmonisation) with regular EC development aid to the government**. This is being facilitated by the deconcentration process and the decision of some EC Delegations to place the management of the FSBL and that of regular rural development interventions within one unit.
- The currency facility as part of the FSBL is characterised by **greater flexibility** than other EC development support. EC Delegation personnel rated the budget line as more open to innovations (e.g., it was the driving force behind the decentralisation process in Peru). Also the usefulness of the budget line to fill funding gaps was mentioned several times. The currency facility is able to provide funds for outsourced programmes (e.g. to NGO's in Mozambique and to a commercial firm in Malawi). In Burkina Faso, the currency facility was found to streamline EC fund management, as it efficiently replaced a myriad of projects in ministries and NGO's, all with different procedures and funding agreements.
- The currency facility in many countries is used to fund a **synergistic package of interventions**. They address food security and poverty alleviation issues from various angles and thus complement each other. Components that were encountered in at least two countries were: drafting of a national food security policy, agricultural inputs programmes, rural credit systems, strategic grain reserves, social safety net programmes, and decentralisation programmes. Special reference is made to the budget support programme in Malawi where the interventions package was found to be very well-balanced between the government and beneficiary household level.
- The currency facility is evaluated highly positively for **its contribution to agricultural sector reforms** with attention to sustainable development of the agricultural sectors by means of government public funding (Malawi, Burkina Faso, Ethiopia, Mozambique, Kyrgyzstan). In line with the findings of the 2000 evaluation and the Court of Auditors, the budget support is found to lead to increased political leverage of the EC, with a guaranteed policy dialogue. The sector reform has both economic, institutional and policy aspects, all of which are usually being addressed in the FCF programmes funded by the FSBL. Specifically it should be mentioned here that the FSBL currently funds the drafting of food security and agricultural policies in Burkina Faso and Malawi. In Ethiopia (and presumably also in the other countries although the country reports do not provide specific details on this), the sector reform was found to link in with the food security components of PRSP processes. In Peru and Mozambique, the currency facility was found to support the decentralisation process towards the 'community' level, with intensive institutional strengthening at local and regional levels.

- Weaknesses

- The rate of success of the interventions funded by the currency facility ultimately depends on the **absorptive capacity of the recipient country**. This is mentioned in nearly all country studies where the currency facility is present. This relates to the presence of qualified (see also EQ 7) and motivated staff at national and sub-national levels, and the political willingness to address food security issues (Mozambique, Malawi). Absorptive capacity encompasses financial administration competencies, which were found to be problematic in e.g. Mozambique.
- Various country studies found that **the detailed and cumbersome specifications for the foreign currency facility** restrict its use, while the demanding administrative processes and the system with yearly tranches are leading to serious delays in the release of funds during the implementation phase (Ethiopia, Burkina Faso).
- The foreign currency facility of the FSBL is accompanied by a **list of eligible food items**. This list was found to be irrelevant in the Ethiopian context, and also does not seem to be used in the other countries, because no food imports were found to be undertaken in the studied countries. Instead, the currency facility is used to provide yearly tranches of local currency funds to recipient governments to implement a mutually agreed upon package of food security interventions.
- In the Kyrgyzstan country study, it is questioned whether the budget support is **sufficiently targeted towards the poorest section** of the society as most interventions are at government level. This is the only country case study in this evaluation where the FSBL only provides budget support. It was found that the effectiveness of the currency facility support would be higher if accompanied by project aid or support to NGO's.
- The currency facility programmes hardly ever avail of proper **monitoring systems** to assess the executed activities, the attained results and its impact.
- The **sustainability** of the currency facility is at stake when the government's financial participation is relatively low (financial sustainability), and when programmes do not lead to sufficient improvement of the absorptive capacity of the recipient government (sustainability at policy and institutional level). Fair enough, it is realised that this is a sturdy general problem in development aid. Limited sustainability was reported for currency facility programme components in Peru, Malawi and Kyrgyzstan.

The questionnaire sent to the Delegation provides an assessment of the role of the various EC instruments as regard the currency facility – budgetary support:

- FSBL

The Delegations pointed out various advantages related to the budgetary support, especially the influence at policy-making level (dialogue with recipient governments), the macro-economic impact (improved payment balances), the focus on institutional strengthening, and the long-term sustainable impact. Armenia, Georgia and Yemen emphasised the advantage of programme ownership by the Government using national administrative procedures (budget planning, tendering etc.). Yemen stated that budget support is more effective than project aid to fight poverty and/or to achieve good governance. Further mentioned is the in-built coherence with national strategies and the integration into PRSP's.

It was stated several times that budget programmes require a macroeconomic and risk analysis that cannot be achieved by the FSBL. Monitoring and evaluation of supported programmes may also be difficult. Yemen and Azerbaijan point out that improperly implemented budget programmes may lead to misappropriation, mismanagement and corruption. The Delegations in Bolivia and Eritrea state that the linking of the currency facility to food imports is irrelevant in countries with a liberalised exchange regime. The complementarity of the currency facility with EDF interventions was mentioned twice: once as not sufficient (Angola) and once as favourable (Niger).

- Geographical instruments (EDF, ALA, MEDA, TACIS)

Budgetary support doesn't exist in TACIS countries. Moldova emphasised that the FS regulation is more flexible in the delivery of limited TA and finance. Tajikistan mentioned the optimised food security programme (FSP) implementation based on FSBL funds, and the existence of another EC aid channel, the "ECFIN" (exceptional financial assistance) that has a micro-economic impact and that contributes to institutional reform. Angola points out that the FSBL programmes are well integrated with other CSP's focal sectors, but that the impact on FS is only indirect. As disadvantages of budget support through geographical instruments are mentioned: the difficulty to support specific sector policy, the lack of control over the use of the funds, and the inflexibility which makes it not adequate in a conflict context. Tajikistan is stating that the FSBL project cycle does not match the FSP implementation phases.

- ECHO, Rehabilitation and NGO Co-financing budget line (no comments were received).

Overall answer to Evaluative Question 5:

The currency facility instrument plays an important and in some countries central role within the FSBL programme. Overall, the instrument is found to effectively address food security and poverty alleviation issues with good allocative efficiency. The following strengths and weaknesses of the instrument were identified in the country case studies and in the questionnaires to the Delegations:

Strengths:

- Policy dialogue leverage, contributing to long-term sector reforms
- Coherence with national strategies, integration in the PRSP's
- Creating ownership by the recipient government, accompanied by support for institutional strengthening
- Balance of payment support harmonised with regular EC development aid to the government.
- Greater flexibility than other EC instruments development support
- Funding a synergistic package of interventions

Weaknesses:

- Dependent upon absorptive capacity of the recipient government
- Detailed and cumbersome specifications, leading to insufficient operational efficiency
- Artificial construction in situations with liberalised imports (countries to which the instrument in principle is restricted!)
- Irrelevant list of eligible food items
- FSBL cannot execute the necessary macro-economic and risk analyses
- Questionable targeting towards the poorest section of the society
- Absence of proper monitoring systems
- Sustainability not always ensured

Although Delegations underline the improved coherence with the national strategy and the better integration in PRSP through this instrument, they also stress the need for methodological support in order to ensure a macroeconomic and risk analysis that cannot be achieved by the FSBL, given actual staff constraints. Monitoring and evaluation of supported programmes may also be more difficult to ensure.

6.6. Evaluative Question 6

What is the added value of the operations to support food security (FS) for achieving the overall food security objectives set in the Regulation?

The bi-annual report 2000-2001 of the EC food aid and food security programme mentions a variety of 'Support Actions' (Title II) to promote food security: development and diversification of production, marketing support, household income support, rehabilitation, national crisis-prevention systems, and strengthening capacities. Since the inception of the Regulation in 1996, from year to year the volume of FSBL funds that are spent on the food security support actions instrument has shown high variation. Starting with € 124 million in 1996, it went down to € 84 million in 1997, up to € 154 million in 1998, and came down again to € 116 million in 1999 (varying from 16% to 27% of the total FSBL budget)⁵⁶. The volume of the Support Actions instrument within the FSBL then went up to € 142 million in 2000 and to € 160 million in 2001 (respectively 31% and 35% of the total FSBL budget)⁵⁷.

The 2000 evaluation states that the operations in support of food security *"should be consistent with, and complementary to, the objectives and operations financed by other Community development aid instruments. These operations link food aid with other development aid projects and programmes, and thus reinforce the integration of food aid and food security under a general development policy"*⁵⁸. The food-aid operations (Title I) and operations in support of food security (Title II) are seen to overlap in practice, as the same commodities and services can be supplied under both. This happens for instance with the supply of seed, fertiliser, tools, other inputs and financial assistance, and awareness and training schemes⁵⁹.

In the 2000 evaluation, the food security support actions were rated as relevant and effective⁶⁰. It was seen as positive that the operations can cover different levels, from national level to household and intra-household food security. The evaluation found that the focus was on structural solutions to food security and poverty, but hardly on social safety nets for vulnerable groups that might not be able to grasp the fruits of structural solutions. Sometimes, effectiveness was reduced by limited availability and presence of effective implementing partners (both government agencies and NGO's). Because of delays between allocation and implementation, both for direct aid to governmental food security operations and for indirect aid to NGO food security projects and programmes, the efficiency of the Support Actions instrument was found to be sub-optimal⁶¹. The main reason behind the delays for direct aid was found to be that the allocation are of a general nature and the laying down of the allocations in specific commitments through MoU's requires protracted negotiations. For indirect aid, considerable delays were found to occur in the proposal approval by F-5 in Brussels, and also during the contract execution phase with many retarded disbursements. Because of rather high overhead costs, the financial efficiency of the NGO support actions was questioned by the 2000 evaluation, and more in-depth analysis to compare NGO projects with traditional projects of commercial firms was recommended. In order to allow more time to the NGO projects to achieve tangible results and to more efficiently utilise the procured equipment etc., it was recommended to extend the allowed project period to more than the current maximum of three years⁶².

Again, the report of the Court of Auditors does not provide any details on the use of funds for the various instruments available within Regulation 1292/96. In the Court of Auditors' report, the two tables on FSBL commitments and cumulative payments discern food aid budget sub-chapters from the food security related operations sub-chapter. However, the inclusion of both Support Actions including training programmes (Title II) and Early Warning Systems and

⁵⁶ 2000 Evaluation, par. 2.3.3.2.

⁵⁷ European Commission, 'Food Security at the Heart of Poverty Reduction, EC Food Aid and Food Security Programme, Bi-annual Report 2000-2001', Brussels, 2002.

⁵⁸ 2000 Evaluation, par. 2.3.1.2.

⁵⁹ *ibid.*

⁶⁰ 2000 Evaluation, par. 3.1.4 and 3.3.2.3.

⁶¹ 2000 Evaluation, par. 3.2.5.3.

⁶² *ibid.*

Storage Programmes and support to agricultural research programmes ('Other', Title III) within one sub-chapter does not allow a further breakdown of the FSBL budget use per instrument. The audit report mentions that the absorptive capacity for food security projects was found to be much lower than for food aid⁶³. Also, it is stated that the new procedure for NGO project selection is complex and time-consuming⁶⁴.

According to the CoA report, commitments to food security have a significantly lower payment ratio than commitments to food aid, pointing to a lower absorption capacity of food security operations. However, the numbers generated for this report show a different picture, in that they yield average payment ratios for both aid types that are close to similar.

In this 2003/2004 evaluation, all country case studies except Kyrgyzstan and Zimbabwe appeared to avail of food security support actions funded by the FSBL. In Central America, the Support Actions instrument was not used a lot. In both Nicaragua, Honduras and El Salvador, a NGO Call for Proposals was issued in 2000, but the agreements with the NGO's were only signed in 2002, and no new Calls for Proposals are foreseen in the near future⁶⁵. In Guatemala, a yearly NGO Call for Proposals is issued, but this involves rather limited project budgets only. During the recent food crisis in Ethiopia, the drastic expansion of food aid operations severely reduced the amount of FSBL funds available for food security projects.

The added value of the Support Actions funded by the FSBL is seen as significant, and the objectives of Regulation 1292/96 are evidently addressed by the funded projects:

- In Peru, the FSBL funds very useful food security improvement programmes of the government in zones with difficult access, promoting new appropriate agricultural technologies that are not covered by other co-financing budget lines. Several projects focused on rehabilitation activities as a follow-up to earlier emergency projects. The projects contributed to the development of the governance of Peru through the close interaction between European NGO's and regional governments.
- In Palestine, the NGO food security projects provide much-needed income and employment generation opportunities, and the projects form a valuable supplement to the limited capacities of the Palestine National Authority.
- In Mozambique, the NGO programmes are seen as a form of 'outsourcing' by the government. *"NGO's have played an important role in Mozambique with respect to humanitarian assistance during and after the war and during the disasters. In Mozambique, NGO's are generally perceived to be institutions with money that can work where they want."*
- In Malawi, nearly all funded NGO projects involve diversification of rural production and income generation, and improved management of natural resources.
- In Ethiopia, the projects are executed by the government and NGO's. They include employment and income generation, natural resources conservation and increased smallholder production. Recently, a new programme on pastoralist development was started as a follow-up to the emergency aid to these notorious victims of droughts. Cash-for-work arrangements allow a shift away from food aid.
- In Bangladesh, it was reported that direct aid leads to more government ownership but less flexibility and EC control (although still more than in the ALA programme), while this is the opposite for the NGO channel characterised by less government ownership but more flexibility and EC control. It was concluded that the direct and the indirect channels of the FSBL are complementary rather than contradictory.

The following needed improvements were mentioned in the country reports:

⁶³ Court of Auditors, par 36.

⁶⁴ Court of Auditors, par. 40.

⁶⁵ The execution of NGO Call for Proposals was seen by the EC Delegation in Nicaragua as rather time-consuming, and more suitable for countries in Africa Sub-Sahara.

- Better targeting to food insecure households (Palestine, Burkina Faso)
- More flexibility to adjust interventions to changes in the situation, higher operational efficiency and less delays in funds commitments and disbursements (Palestine, Central America, Mozambique, Malawi, Ethiopia, Burkina Faso)
- Reduced food aid support to geographical areas where food security projects are being implemented (Ethiopia)
- Better monitoring system to assess the impact at household level (Mozambique, Burkina Faso)
- Need for the 'household approach' and need for more focus on nutrition and balanced diets (Burkina Faso).
- More integrated approaches (Bangladesh), and need for better linking and coordination of the NGO projects to existing structures (Malawi, Ethiopia)
- More impact at national level (Malawi, Central America)
- Improved sustainability through selection of interventions with lower establishment and recurrent costs (Malawi, Central America)

The questionnaire sent to the Delegation provides an assessment of the role of the various EC instruments as regard actions in support of food security:

- FSBL

The Delegations emphasised the very high added value of this component and listed a wide range of advantages, especially the flexibility and coherence of this instrument and its specific focus on food security. The FS regulation is seen as a multi purpose instrument in line with the LRRD approach, that can be used for emergency, rehabilitation or for longer-term response (complementarity). Yemen proposes to "promote" this concept, which ensures complementarity within a broader framework of poverty reduction. Other mentioned advantages are the possibility of funding of FS operations implemented by governmental institutions, and the possibility to focus on most vulnerable population groups. The FA/FS regulation allows quick reacting, and can be tailored to a specific situation such as food aid distribution, support of NGO cash projects etc.

- Disadvantages are seen in the selection of priority countries. Some Delegations mentioned a lack of flexibility in choosing priority countries and others claimed the unclear allocation of funds to selected priority countries. Somalia misses exit strategies, and states a lack of flexibility regarding the Call for Proposals. Afghanistan describes a lack of flexibility concerning procurement rules.

- Geographical instruments (EDF, ALA, MEDA, TACIS)

On few answers were given. Angola stated as advantage the certainty of EDF funding that allows long-term planning, commitment and relationship. Further mentioned is the more global approach, and the contribution in creating an enabling environment that is favourable to food security.

- ECHO budget line

Delegations emphasised the flexibility and possibility to respond quickly in case of humanitarian crises. A special advantage is seen in the complementarity of the FS budget line with ECHO contributing to LRRD. ECHO is focusing on the most vulnerable and has better access to insecure areas.

Disadvantages of using this instrument are seen in the urgency-oriented implementation that does not take into consideration longer-term interventions. Tajikistan misses a clear articulation and the linking up to overarching goals of the FSP.

- Rehabilitation budget lines

Some rehabilitation projects are seen as complementary with other EC instruments, and consistent with the LRRD concept. Armenia/Georgia mentioned the rehabilitation of water systems in post conflict zones, and Tajikistan underlined the rehabilitation of infrastructure that adds to the successfulness of the operations in support of food security. Somalia mentioned the contribution for creating an environment favourable to food security.

On the more negative side, a lack of flexibility of the Rehabilitation budget line was stated, as well as the limitation to post-conflict or natural disaster rehabilitation needs. Moreover, there is no clear articulation and linking-up to overarching FSP goals, and no sustainable strategy.

- NGO Co-financing budget line

Advantages of the NGO Co-financing budget line are seen in the possibility to fund pilot projects, and the potential involvement of local partners. The NGO's are working at grass root level and are in a position to adapt their concepts to the needs of the target group. Korea mentioned co-financing as a complementary source of funding.

The main disadvantages are referring to the centralised planning in Brussels, and the time consuming administrative procedures for relatively small projects. Korea mentioned an insufficient follow up (in contrary to the projects funded by the FSBL) and Tajikistan stated a certain overlap, as the same commodities and approach can be supplied under both.

Overall answer to Evaluative Question 6:

Since 1997, the volume of overall FSBL spending on the food security support actions instrument has shown high variation, with 2001 and 2002 commitments centring around one-third of the total FSBL budget.

The FS Support Actions are found to have a high added value, especially because of its flexibility (to work with both governments and NGO's, and to adapt to context changes if needed), its specific focus on food security, and its coherence with other EC instruments. The operations in support of food security instrument effectively links food aid with other (EC) development aid instruments (LRRD approach), and reinforces the integration of food aid and food security under a general development policy. Both in the 2000 and in this 2003/2004 evaluation, the programmes and projects are found to have a significant added value to reach the Regulation 1292/96 objectives. Similar to what was remarked in the 2000 evaluation, the projects tend to focus on food production and income generation, at various levels from national down to household level, and not so much on nutrition and social safety nets.

There certainly is still room for improvement, e.g. to make the selection of priority countries more transparent, to increase the operational efficiency of the Call for Proposals system, to improve the absorptive capacity of both the instrument and the implementing partners, to establish (better) monitoring systems, and to achieve higher sustainability of the projects' results.

The financial efficiency of the NGO channel is a valid issue raised in the 2000 evaluation but it has not been addressed in-depth in the country studies of the current evaluation.

6.7. Evaluative Question 7

What is the added value of the 'other / technical assistance and capacity building' component for achieving the overall food security objectives set in the Regulation?

The category 'other' is presented as the fourth instrument of the FSBL, and includes expenditures for technical assistance and capacity building, and for miscellaneous costs like exchange losses, monitoring and evaluation missions etc. The main focus here is on technical assistance, but it is recognised that the budget line also funds some awareness raising and field training activities. The technical assistance within the FSBL in principle can be funded as part of the funding under all three Titles as mentioned in the Regulation 1292/96. Technical assistance can be included under Title I alongside food aid and financial assistance, under Title II as part of an operation in support of food security, and under Title III as technical assistance for early warning, storage programmes and support to agricultural research programmes.

In the first few years of the FSBL, the 'others' budget category showed a substantial yearly variation, ranging between € 30 million (6% of the total FSBL budget) in 1997 to € 64 million (13% of the total FSBL budget) in 1999⁶⁶. In the bi-annual report for the FSBL budget line⁶⁷, it is stated that € 71 million (15% of the total FSBL budget) was spent on the 'other' budget category in 2000. The internalisation of the activities of RESAL (see underneath) within the EC Delegation mid 2001, sharply reduced the cost for TA and capacity building: in 2001 the 'other' costs went down to € 23 million (5% of the total FSBL budget), with a further decrease to € 15 million (3%) in 2002.

From 1998 to mid 2001, most of the technical assistance was provided by RESAL. This European Food Security Network of various consulting companies was created by the EC with the aim to reinforce analytical capacities within FSBL 'priority I' countries, and to assist the Food Security Unit in Brussels in decision-making. The RESAL system with nine field offices and one co-ordinating office in Brussels functioned alongside the local Food Security Units and F-5. At field level, the respective roles vis-à-vis each other were not very clear as there were no clear demarcation lines of competence⁶⁸. It was remarked by the 2000 evaluation that the training of local staff and institutions had received little attention from RESAL⁶⁹. A final conclusion on RESAL was not given by the 2000 evaluation. It was seen as a useful tool to increase diagnostic and analytical capacities of the Commission, which had greatly supported the policy shift from food aid to food security. However, it was felt that RESAL should become more practical and therefore might be integrated within the EC Delegations. There appeared to be a gap *"between conceptualisation of policy in Brussels and the practicality of the ideas given the implementation and absorptive capacity of the Commission and beneficiary countries"*⁷⁰. As a result of the EC policy to close its technical assistance offices, the Commission's contract with RESAL was discontinued in September 2001, and twenty experts were recruited to perform similar analytical tasks at fifteen Delegations in priority I countries, and another five to function within F-5 in Brussels⁷¹. As mentioned in the bi-annual report 2000-2001, *"technical assistants are the cornerstone of food security programmes in intervention countries"*. These TA's work in the field, either within the Local Food Security Unit (which at 2000 was mostly placed outside the EC Delegations in an institutional vacuum⁷²), or in a technical ministry in the recipient government. They are the interface with NGO and civil society partners in the food security programme.

In the 2000 evaluation, the regular visits of the TA's to projects and programmes were felt to have enhanced their profile among local organisations and implementing partners. However,

⁶⁶ 2000 Evaluation, par. 2.3.3.2.

⁶⁷ European Commission, 'Food Security at the Heart of Poverty Reduction, EC Food Aid and Food Security Programme, Bi-annual Report 2000-2001', Brussels, 2002.

⁶⁸ 2000 Evaluation, par. 3.1.4 and par. 3.2.5.4.

⁶⁹ 2000 Evaluation, par. 3.4.4.

⁷⁰ 2000 Evaluation, par. 5.7.

⁷¹ Court of Auditors, par. 45.

⁷² 2000 Evaluation, par. 3.3.2.4.

a proper monitoring format and follow-up procedures was seen to be missing. The 2000 evaluation found that the local Food Security Units spend a lot of time on administration of project funds⁷³.

The Court of Auditors' report basically underlines the 2000 evaluation comments on the Technical Assistance provided by the local Food Security Units and RESAL. The main issues that are raised are the lack of a clear mandate for the local Food Security Units⁷⁴, and that RESAL generally functioned well⁷⁵. The audit report further mentions that project identification generally was very unstructured and that feasibility studies were nearly always lacking⁷⁶. The Court commented upon the practice that monitoring is carried out by the local Food Security Unit, where it primarily should be done by the central or local administration of the recipient country together with the Delegation⁷⁷. It was found that very few independent evaluations of FSBL operations had been carried out, and that hardly any verifiable performance indicators were used for monitoring of project execution⁷⁸. The audit report recommended, among others, that *"the Commission should continue to focus on capacity-building and institutional support"* and that *"particular attention should be given to the processes of identifying, planning and monitoring actions"*⁷⁹.

Technical assistance was found present in all country case studies in this 2003/2004 evaluation. Most of the issues pertaining to the 'others' instrument that were mentioned in the 2000 evaluation and the Court of Auditors' report, show up again in this new evaluation. As a result of the deconcentration, the change in EC organisational policies, the dismantling of RESAL mid 2001 was followed by a dismantling of the local Food Security Units by the end of 2002. The technical assistants were partly integrated within the EC Delegation and partly placed in ministries of the recipient government. This was in line with the recommendations of the earlier evaluations: now the TAs are more focused on practical issues and more aware of the absorptive capacity of the Commission and beneficiary countries. The function of the TA's to serve as interface with the implementing partners has been maintained, while several administrative tasks have been added. However, there is still insufficient focus on training of local staff and institutions, and a mechanism of independent evaluations still has to be established. Despite the organizational changes, the central issue of the exact role and responsibilities of the TA's remains to be clarified. The issue can be summarised in the following questions: What is the mandate for the technical assistance? How to improve project identification (including the use of feasibility studies)? What sort of monitoring is expected from the TAs? Which format and which indicators should be used for this monitoring?

Some illustrations of the country case studies results are given here:

➤ Institutional and liaison role

- TA has added value to support EC deconcentration, the new EC policy of sectoral support, and the decentralisation of the recipient governments (Central America).
- The TAs have a strong presence within the Delegation and are in good contact with field reality, government institutions and civil society (Mozambique).
- TAs are used by the recipient government and other implementing partners to complain about the administrative delays (Burkina Faso).
- TAs are best received by the recipient government when they are highly qualified, filling obvious critical gaps and when they are well integrated in local organisational structures (Ethiopia).

⁷³ 2000 Evaluation, par. 3.2.5.4.

⁷⁴ Court of Auditors, par. 39.

⁷⁵ Court of Auditors, par. 43.

⁷⁶ Court of Auditors, par. 52-53.

⁷⁷ Court of Auditors, par. 70.

⁷⁸ Court of Auditors, par. 73.

⁷⁹ Court of Auditors, par. 102.

- TAs provide good internal co-ordination (of various EC budget lines and instruments) and good external co-ordination with implementing partners (Bangladesh).
- Role in planning and implementation
 - Substantial TA input has contributed to the formulation of a national food security strategy and to build planning and implementation capacities (Palestine, Malawi, Burkina Faso).
 - In some countries, TAs play a major and positive role in planning and supporting the implementation of FSBL programmes (Peru, Ethiopia). In other countries however it is an issue of debate how much the TAs should be involved in operational management and planning issues (Malawi).
 - TAs are mainly focusing on general internal monitoring, although monitoring systems are only now being established and regular reporting to Brussels is missing (Zimbabwe, Malawi, Central America). TA's should be more involved in development of monitoring indicators (Burkina Faso).
 - Effectiveness of the TAs has been limited through over-occupation with the administration of closed projects, the deconcentration process, understaffing, bureaucracy and poor management (Bangladesh).
- Role in capacity building
 - TA has no or very little focus on capacity building (Zimbabwe, Kyrgyzstan, Ethiopia).
 - TAs are providing institutional support but no beneficiary capacity building (Central America).

The questionnaire sent to the Delegation provides an assessment of the role of the various EC instruments as regard technical assistance and capacity building:

- FSBL

The most frequently mentioned advantages are "on site" availability of qualified expert(s), ensuring active involvement of the EC in FA/FS related policies and programmes in the field, and leading to improved political dialogue and to capacity building within the ministries. Further emphasised is the monitoring of the food security situation in the country/region as well as of the complex mechanism for budget aid, the capacity building within local groups and the independence from national authorities. Rwanda underlined the necessity to be complementary with EDF activities, and Somalia stressed the advantages in representing the EC in national and regional fora.

As possible obstacles were mentioned the centralised procedures, and a lack of national ownership of the TA efforts. Some Delegations mention a lack of staff.

- Geographical instruments (EDF, ALA, MEDA, TACIS)

Main advantages are a better integration of capacity building activities in the CSP's, and an improved expertise at country level. TACIS is providing technical assistance and policy advice in the transition process which can be complementary to the FSP (Georgia/Armenia).

Mentioned disadvantages refer to the long delays for contracting technical assistants, a lack of expertise of TACIS TA on food security issues, and TACIS TA support that sometimes is more project than government oriented.

- ECHO budget line

From within the Delegations included in the questionnaire, there are only a few countries with technical assistance through ECHO. Kenya has a concentration of TA regarding relief and rehabilitation, and in Somalia TA works on capacity building (prevention and preparedness). The ECHO TA is restricted to emergency interventions with no specific on sustainable FS.

- Rehabilitation budget lines

No relevant assessments to this instrument, rehabilitation budget lines being seen as inadequate for capacity building.

- NGO Co-financing budget line

Few response have been given to this question. In Kenya, a TA is providing expertise to target groups, but this is limited to a single programme. NGO budget line could be a complementary source of funding, but monitoring is better realised within FS budget line supported projects (Korea).

Overall answer to Evaluative Question 7:

The internalisation mid-2001 of the RESAL activities within the EC Delegations and in recipient government bodies has led to a sharp reduction of the cost for TA and capacity building from about 15% in 1999 to only 3% of the total FSBL budget in 2002. The restructuring has led to a better institutional embeddedness, which facilitates the provision of sound and practical support to strategy formulation and project planning and implementation. However, the issue of the exact role and responsibilities of the TA's remains to be clarified, also in the light of the on-going deconcentration process. Within this evaluation, the added value of the TA was assessed through his/her a) institutional and liaison role, b) role in planning and implementation of FSBL programmes, and c) role in capacity building.

The assessment of EC technical assistance (in the country case studies and the questionnaire to the Delegations) has led to the following observations, basically underlining issues that already were identified in the 2000 evaluation and the Court of Auditors report:

- Institutional and liaison role:

TA's play an important role as an intermediary between EC Brussels, the Delegation, government institutions and other FSBL partners, other donors involved in food security, and civil society. However, the staffing levels are generally low, and the TA's are too heavily burdened with administrative tasks.

- Role in planning and implementation:

In various countries, the TA input has greatly facilitated the formulation of a national food security strategy. Remarks were made on the importance of the role of the TA to independently monitor the food security situation in the country. There is a need to improve project identification mechanisms (including feasibility studies), and to establish proper monitoring systems (independent from those of partner organizations) including clear formats and well-chosen indicators. This should be supported by methodological advice and information exchange from F-5 in Brussels. Also there is a need for more independent evaluations.

- Role in capacity building:

In many countries supported by the FSBL, the TAs need to focus more on capacity building, both to the Government, to local groups and to international NGOs.

6.8. Evaluative Question 8

To what extent has the design of supported action (phasing in) facilitated progress towards the achievement of food aid and food security objectives? This includes the identification of priorities, the selection of countries, the targeting of beneficiaries / vulnerable groups, the funding operations – components, the identification and appraisal process, the multi-annual programming, etc.?

The Regulation 1292/96 is targeted on a limited number of countries. There are priority countries with structural FSBL programmes with a large component of direct aid ('Group I', countries where a long-term food policy either exists or is being negotiated), and some countries in crisis or post-crisis ('Group II') where the FSBL is involved in more short-term activities to prevent famine and in socio-economic rehabilitation, mainly in the form of indirect aid through WFP and the NGO's. Except for Peru (Group I), Palestine and Zimbabwe (Group II), all countries where the FSBL is active are listed by FAO as low-income food-deficit countries (LIFDC's), and almost all are on the World Bank's list of low-income countries⁸⁰.

The bi-annual report 1998-1999⁸¹ provides a good overview of the procedures for granting subsidies from the FSBL. For programmes exceeding € 2 million, a standard written procedure exists following the stages of programme formulation, decision and implementation. This fits within an annual programming cycle. On a yearly basis, the European Parliament and the Council of Ministers vote for the FSBL budget size. The Food Aid Group assists the Council. This group, composed of representatives of Member States, is involved in normative and policy-making issues⁸². The FSBL originally had three budget chapters: B7-200 for products that fall under the Food Aid Convention⁸³, B7-201 for other aid that is covered by Regulation 1292/96, and B7-202 for transport, distribution and implementation flanking measures. As of 2003, the budget chapter B7-202 has been dissolved and integrated in the B7-200 budget chapter for Food Aid.

Based on the EU food security strategy, programmes are formulated by country and region in extensive dialogue with beneficiary governments and other partners. After approval by the Member States on the Food Security and Food Aid Committee (a 'management committee'), a Commission decision officially confirms the grant of subsidies from the budget line. Then, an official letter (financing convention) is signed by the European Commission and sent to the beneficiary government, international organisation or other body, followed by programme implementation and monitoring through the Food Security Unit in Brussels and the EC Delegations in the recipient countries.

The 2000 evaluation report⁸⁴ describes the four stages in the decision-making process at country level: a) elaboration of a strategy document, b) elaboration of a programme document, c) identification of specific projects, d) issuing of an Official Letter. All projects in principle should be using the method of the Logical Framework. With the introduction in 2000 of the vade-mecum on Grant Management (introduction of the NGO Call for Proposals system), the active participation of the local Food Security Unit staff in the design of projects came to an end. The 2000 evaluation found that the FSBL funded programmes and projects usually focus on structural improvement of the agricultural production within a broader framework of macro-economic growth, plus some social safety net interventions to reach the poor. Making effective use of the in-built flexibility of the FSBL, the chosen instruments appeared to differ from country to country in answer to specific requirements⁸⁵. In order to improve the project identification and appraisal practices, it was recommended to increase

⁸⁰ European Commission, 'Towards Recipient Country Ownership of Food Security, EU Food Aid and Food Security Programme, Bi-annual Report 1998-1999', Brussels, 2000.

⁸¹ Ibid.

⁸² 2000 Evaluation, par. 2.4.1.3 mentions that there is no written mission statement for the Food Aid Group.

⁸³ From 1996 to 2002, the budget chapter B7-200 was fixed at a total of € 151 million (EC Food Aid Convention commitment).

⁸⁴ 2000 Evaluation, par. 2.4.1.

⁸⁵ 2000 Evaluation, par. 4.1.

the number of baseline and feasibility studies⁸⁶. Also, it was recommended to increase the maximum project length from three to five years⁸⁷.

The 2000 evaluation further commented upon the complex nature of the decision-making and related operational practices for the FSBL⁸⁸. Although the Official Letter is signed in advance, it was found that the negotiation of yearly agreements upon the programme and project details of specific commitments (laid down in Memoranda of Understanding) tends to be very time-consuming. A main finding of the 2000 evaluation was that the disbursement of committed funds is severely delayed by the limited implementation and absorptive capacity of the Commission and beneficiary countries⁸⁹. The carry-over of outstanding commitment has become restricted by recently introduced EC budgetary rules. Every commitment now has an expiry date after which unspent funds will lapse.

The Court of Auditors' report comments upon the lack of food security information, especially at household level, which constrains the formulation of targets and the definition of the most appropriate action to be undertaken, and the assessment of impact of funded operations⁹⁰. Despite the general EC intention to decentralise the implementation of development aid, the NGO Call for Proposals system introduced in 2000⁹¹, was found to be complex and time-consuming⁹². The audit report mentions that RESAL contributed a lot to the formulation of food security policies and strategies, and to the formulation of proposals for food security operations. The Court does not comment upon the functioning in this respect of the experts that replaced RESAL from September 2001 onwards⁹³. In line with the findings of the 2000 evaluation, the Court found that the preparation of individual projects and actions is a "*cumbersome and lengthy process*" because of the lack of clear priorities in the food security strategy papers and because of complicated administrative procedures. Another factor mentioned by the Court is the particular efforts required to define specific contents of food security programmes because of the large variety of actions that are carried out under the FSBL⁹⁴. The audit report further states that multi-annual programming only started from 2001 onwards, that project identification was generally unstructured and hampered by a lack of feasibility studies, and that in most countries food security programmes are not well integrated in the mainstream programmes⁹⁵.

In this 2003/2004 evaluation, the country studies provided good examples of the processes during the design of actions:

➤ Overall process aspects during phasing in

- In Peru, the planning of the yearly Budget Support actions was found to be flexible and with relatively large discretion for the government.
- Because of the difficult political and humanitarian circumstances in Palestine, it was found essential to speed up decision and preparation procedures.
- In Mozambique, it appeared that the logic behind the Commission decision-making and administrative procedures was not always understood. Although the procedures in principle are transparent, the delays result in the perception of not very transparent decision making.
- In the Central American countries, clear national food security policies and strategies are still lacking, which also is reflected in the lack of attention for food security issues in the EC Country Strategy Paper. Most of the programming of FSBL interventions

⁸⁶ 2000 Evaluation, par. 4.2.1.

⁸⁷ 2000 Evaluation, par. 4.3.4.

⁸⁸ 2000 Evaluation, par. 3.2.2.

⁸⁹ 2000 Evaluation, par. 3.2.4.

⁹⁰ Court of Auditors, par. 29.

⁹¹ For the NGO Call for Proposals, the legal and administrative status of NGO's is examined at Brussels level, and the technical and financial examination of proposed operations is done at the Delegations.

⁹² Court of Auditors, par. 40.

⁹³ Court of Auditors, par. 41-45.

⁹⁴ Court of Auditors, par. 49.

⁹⁵ Court of Auditors, par. 50-53.

- was found to be done at a Central America regional level, which resulted in a lack of co-ordination with the interventions in the Central American countries of other EC budget lines.
- In Kyrgyzstan, there appeared to be a clear division of responsibilities in the programming-to-financing phases.
 - In Burkina Faso, it was found that the problem of delays is primarily caused by the complicated administrative procedures. The food security staff in F-5 in Brussels and the Rural Development Section at the Delegation were found to be very competent. The FSBL multi-annual programmes were found to be well described and of high quality. However, baselines studies were found to be missing.
 - In Bangladesh, the country-level programming quality was rated as sub-optimal because the Delegation feels they are not adequately consulted by Brussels. A clear description of the division of responsibilities over the Delegation and Brussels level is felt to be lacking. The deconcentration process is expected to lead to improvements in this respect.
- Identification of specific projects and programmes
- In Zimbabwe, the food aid operations are executed by WFP and Euronaid, with transparent and participatory targeting procedures involving District Drought Relief Committees, but in 2003/04 the targeting criteria were found to be very broad.
 - In Peru, the FSBL funds two types of direct aid actions: a vertical and rather centralised component of capacity building with wide coverage, and a horizontal and decentralised component of agricultural production improvement that is more localised. The indirect aid was found to be complementary and coherent with the direct aid.
 - The continuously aggravating crisis is the main constraint for programme planning in Palestine, which asks for clear priorities and flexible approaches. However, in the absence of an EC Country Strategy Paper, clear priorities for the food security operations have been lacking. Most of the funds are channelled to UNRWA and WFP, which appears to be a routine business with well-established working relationships. It was commented that the NGO's will benefit a lot from the deconcentration to the Delegation, as to them the internal EC procedures are not very clear, and huge delays have occurred.
 - In Mozambique, all interventions are jointly elaborated together with the government and field partners according to the PCM phases, including proper project identification.
 - In Malawi, the continuous stream of direct aid together with the flexibility of the FSBL have enabled a swift response to food aid and food security needs of vulnerable population groups, combining a focus on agricultural production and social safety nets. Good governance issues gradually have become included as well.
 - In Ethiopia, the planning of food aid interventions appeared to be very structured and well established, whereas the planning of food security interventions was found to have several shortcomings. It is hoped that the 'paradigm shift' to food security will lead to a change of focus and emphasis, also from the side of the Ethiopian government.
 - In Kyrgyzstan, the quality of the planning of FSBL interventions was found to be below potential. The main selection criteria for the budget support actions are related to the financial and political leverage facilitating food security-related institutional and policy reform. This should be seen within the context of a long-term process of transition towards a market economy.

- In Burkina Faso, the project identification is done together with the government as part of a negotiation process. The NGO Call for Proposals does not require a baseline study.

For a review of the phasing in, the questionnaire focused on the most important elements taken into account by the Delegations when designing a Food Aid and Food Security strategy or programme. The FS strategies are generally found to be developed in accordance with the EC FS and poverty reduction policy approach and guidelines, and in principle are designed to bridge the gap between relief, rehabilitation and development. Above all, the Delegations stressed the importance of coherence with the national framework and priorities of other donors. Complementarity with EDF and other ongoing EC-interventions is seen as a key issue in the design of FS interventions.

Further issues that are taken into account by the Delegations during the phasing of new actions are:

- The political, economic and social situation of the country
- Good understanding of the public finance system and civil administration
- Analysis of the food insecurity – needs assessment
- The identification of target groups, possible partners and indicators
- A balance of former activities in the FS sector
- Availability and capacity of implementing partners and
- The institutional context.

Overall answer to Evaluative Question 8:

The Regulation 1292/96 is targeted on a limited number of 'Group I' countries with structural food security oriented programmes, and on 'Group II' countries with more short-term food aid related programmes. As nearly all covered countries are low-income food-deficit, the selection of included countries appears justifiable.

The 2000 evaluation, the Court of Auditors and this evaluation all conclude that the granting of subsidies from the FSBL follows a well-established annual programming cycle, but with administratively heavy, time-consuming and rather centralised procedures (including the NGO Call for Proposals). Also, it is univocally agreed that a limited absorptive capacity of beneficiary countries often leads to severe delays in the disbursement of committed funds. On the other hand, it is found that the budget line is flexible and sufficiently allows for country-specific selection of instruments. According to the Court of Auditors, national food security strategy papers tend to lack clear priority setting, and food security programmes in most cases are not well integrated into the mainstream EC development programme. This evaluation illustrates that this indeed is still the case in some but certainly not in all countries.

The 2000 evaluation and the Court of Auditors commented upon the lack of baseline and feasibility studies during the project identification phase. This is confirmed in the current evaluation. It is questionable whether the positive role of RESAL in this field has been sufficiently taken over by the experts within F-5 and the Delegation that replaced RESAL.

6.9. Evaluative Question 9

To what extent have implementation set-ups (i.e. suitable structures for planning, implementation, monitoring and evaluation), management mechanisms / tools and processes (i.e. division of work and responsibilities, coordination of actions) facilitated the achievement of food aid and food security objectives?

The 2000 evaluation touches upon a range of aspects pertaining to the implementation phase: the mobilisation of food aid, the role of the 'Service Commun Relex' (SCR), FSBL disbursement performance (see under EQ 8), FSBL operational and management practices in comparison with other EC programmes and budget lines (including the understaffing of the local Food Security Units), monitoring and evaluation systems, and the institutional and management capacities of implementing partners. It is concluded that the Delegations play an important but from country to country varying role in the co-ordination of EC aid. However, there are fundamental problems of unclear allocation of responsibilities, and a mismatch between aid volumes and administrative resources⁹⁶, and there is considerable scope for streamlining of the rules and procedures of the various EC programmes⁹⁷. Monitoring and evaluation systems are found to be inadequate. Monitoring focuses on activities rather than outputs, and objectively verifiable indicators are often lacking in content. Baseline studies are rare, appraisals are generally of a qualitative character, and few comprehensive external evaluations are executed⁹⁸.

The Court of Auditors' report provides a short description of the management structures for the FSBL (Commission, local Food Security Units, NGO's RESAL)⁹⁹. Because of the EC decision to internalise technical assistance together with the current deconcentration process, the picture is not fully up-to-date anymore. However, the problem of the lack of clear and written mandates for the technical assistants (formerly the local Food Security Unit) is still existing. The Court found that at F-5 Brussels level reliable information on the allocation, commitment and release of funds was lacking, and that there is an urgent need to modify accounting and management information systems¹⁰⁰. A specific issue here is the lack of information on the use of counterpart funds. The participation in the project cycle of food security operations of both recipient governments and local communities was found to be limited¹⁰¹. Next to the administrative issues mentioned under EQ 8, the Court also links the delays in project execution with EC staffing problems, the short-term effect of the EC reorganisation, and reasons inside recipient governments¹⁰². According to the Court, project and programme monitoring should primarily be done by recipient governments together with the Delegation¹⁰³. With regards to evaluation, the Court makes the same remarks as the 2000 evaluation report.

The new FS deconcentration guidelines constitute a very important document in assessing FSBL management capacity. This document presents in detail the various activities and division of responsibilities along the PCM. The guideline focuses however on EC actors and does not provide information on the responsibilities to be taken by other actors.

In this 2003/2004 evaluation, the country studies have led to the following findings:

➤ FSBL operational and management practices

- In Zimbabwe, it was found that the multi-level implementation set-up of the framework contractual agreements with WFP and Euronaid is complicated, with insufficient

⁹⁶ 2000 Evaluation, par. 5.5.

⁹⁷ 2000 Evaluation, par. 4.3.1.

⁹⁸ 2000 Evaluation, par. 4.3.6.

⁹⁹ Court of Auditors, par. 37-45.

¹⁰⁰ Court of Auditors, par. 46 and 100.

¹⁰¹ Court of Auditors, par. 55-61.

¹⁰² Court of Auditors, par. 62-64.

¹⁰³ Court of Auditors, par. 70.

- information sharing between the different levels and insufficient clarity about the chain of authorisation.
- In both Peru and Central America, the direct aid component of the FSBL programme has gradually become more and more integrated within government structures that as a result of the programme have become more decentralised. NGO projects nowadays are managed by the Delegation (formerly in the local Food Security Unit). The TA's are increasingly burdened by administrative tasks.
 - In Palestine, it was found that the FSBL technical assistance is concentrated within the Delegation, while placement within the Palestine National Authority would be desirable. They are mainly focused on administrative issues, with limited attention to capacity building.
 - In Malawi, the new 'rural development' section within the Delegation puts all programmes together that focus on agriculture, food security and natural resources, while also several TA have been seconded to various department within the Ministry of Agriculture.
 - In Ethiopia, it was found that the management structures for food security programmes were still in the process of being set up.
 - In Kyrgyzstan, the division of responsibilities in the various phases from implementation to evaluation is clear, but adequate human resources at EC level and country level is lacking.
 - In Burkina Faso, the division of responsibilities during the different phases of the project cycle was found to be clear. Given the administrative workload, the TA staffing level at the Delegation is too low to properly monitor project execution.
 - In Bangladesh, there are no specific procedures for FSBL programme management, although an in-built logframe is being revised regularly to analyse and adapt project implementation.
- Institutional and management capacities of implementing partners
- In Palestine, the UNRWA and WFP food aid programmes are well established and effective. Local NGO's were found to have received very limited technical backstopping from the international partner NGO's.
 - In Malawi, the actors' participation was generally found to be good.
 - In Kyrgyzstan, the participation in programme management was considered to be fair.
- Monitoring and evaluation systems
- In Zimbabwe, the EC Delegation does not avail of any monitoring system to follow-up the large funding for emergency food aid operations.
 - In Mozambique, a clear monitoring system based on the FSBL objectives was found to be missing.
 - In Malawi, the FSBL plans to support a Ministry of Health nutritional surveillance system which will provide impact data as a complement to other data systems for early warning and vulnerability assessments. Also, the Delegation is planning for a structured FSBL monitoring and evaluation system.
 - In Ethiopia, monitoring systems are well established for the food aid programmes but only starting for the food security programmes (includes impact monitoring).
 - In Burkina Faso, it appeared that many NGO projects are only receiving funding once, and that the FSBL does not require impact monitoring nor a final evaluation. The seconded TA ('extra muros') are currently involved in the establishment of a structured food security monitoring system.

- In Bangladesh, there is little or no internal monitoring and evaluation (including a lack of impact assessments) due to time and human resources constraints. External evaluations took place in 2000 and 2004.

The questionnaire to the Delegations focused on the availability of expertise and the role that the EC Delegation plays during the implementation of FSBL projects and programmes. This relates to the above-mentioned FSBL operational and management practices:

In all EC Delegations, there appears to **at least one staff member** who is responsible for FA and FS. Where the deconcentration process of the FS programme is still in its initial stages, e.g. in Yemen, the involvement of the Delegation in FS issues tends to be more limited. Once the deconcentration process is started, the Delegations are planning to devote more attention to FS in the near future, e.g. in Eritrea and Niger, and also in the Southern Caucasus, where a Regional Coordinator for FS has recently been appointed. Countries like Liberia and North Korea don't avail of an EC Delegation, but nevertheless through the FSBL dispose of technical assistance for FS. In the TACIS countries Azerbaijan and Moldova, a civil servant for FS issues will be appointed soon.

All Delegations see their **role regarding the FSBL** at least as an important one, even if in some cases it is not a key role compared to other areas (Liberia and Yemen). Some Delegations perceive their role more as a backup, providing in-country information for fact-finding and reporting and demonstrating EC presence (Sierra Leone, Zambia), partly due to the fact that the CSP excludes FS or that deconcentration has not yet taken place. Most Delegations define it as their role to analyse governments' FS policies and to participate in the ongoing policy discussions among donors etc. Several Delegations (Niger, Armenia/Georgia, Ecuador) complain about inadequate communication between the Commission, the local government and themselves, as well as an unclear definition of responsibilities (in Armenia and Georgia the FSP is the only budgetary program). Here, there are high expectations for positive results from deconcentration.

In countries where the CSP defines FS as a focal area (e.g. Angola), delegations support the Government **in the preparation of a national food strategy** and in the formulation, implementation and monitoring of related programs. Nearly all Delegations stated an active **exchange of information at country level** through workshops, committees, working groups, etc. The most relevant partners in these fora are the various Ministries related to FS, (Agriculture, Social Reinsertion, National Development, Health etc), the United Nations, the WFP and the World Bank. There are also general meetings at national and/or regional level including EC member states, disaster management units, aid coordination bodies and NGO's. The frequency of meetings/ workshops varies from once a week to two to three times per year. In general, there are several working groups/fora per country dealing with FA and FS issues. Some Delegations support FS related committees through the taking up of a coordination role, through financing and/or technical assistance. **Regional sharing of information** also plays an important role, for example in the CILSS region (*'Comité Inter-Etats de Lutte contre la Sécheresse au Sahel'*). Some Delegations mentioned a good information flow between key stakeholders about emergency and recovery needs.

Some delegations (Kenya and Somalia) only state in their answers how they would expect their role to be, not how it is actually, regarding AIDCO, e.g. responsible for the definition of strategies and programs and the monitoring of FS and FA activities in the country, while AIDCO provides the general framework for EC FA strategies and interventions.

A second set of questions dealt with the main issues for a successful implementation of the Food Aid and Food Security strategy or programmes and the capacity of Delegations to address these. Principally the Delegations described the **commitment of national authorities/government**, an open, effective and continuous dialogue and coordination among all stakeholders/donors as important (pre-) conditions for a successful implementation. Other key-issues to ensure ownership and sustainability of the programme are local stakeholder capacity building, participative approaches involving institutions, beneficiaries and NGO's (also in the identification process), integration of FS objectives into long-term poverty reduction policies (PRSP), and a staged approach to policy reform with

identification of immediate, mid-term and long-term measures. Liberia mentioned the disarmament, demobilisation, reinsertion and reintegration of former soldiers as a key condition for FA and FS. Considering the ongoing emergency situation, Somalia pointed out that the FSP should be flexible enough to allow interventions from emergency to rehabilitation and development. The obligation for grant contracts to be allotted through a Call for Proposals procedures was seen to restrict the flexibility creating funding gaps and discontinuity. Delegations also mentioned the importance of good availability and access of relevant data, among others through early warning systems.

Overall answer to Evaluative Question 9:

The 2000 evaluation concluded that the FSBL has fundamental problems of unclear allocation of responsibilities and a mismatch between aid volumes and administrative resources, next to a considerable scope for streamlining of the rules and procedures of the various EC programmes. Monitoring and evaluation systems for the budget line were found to be inadequate.

The Court of Auditors' report attributes the implementation delays to the heavy administrative requirements, EC staffing problems, short-term effect of the deconcentration process, and some reasons inside recipient governments. The accounting and management information systems were found to be in urgent need of modification. The participation in the project cycle of food security operations of both recipient governments and local communities was perceived as limited.

Nearly all of these issues were encountered again during this evaluation, especially the staffing problems in relation to the high administrative burden, the unclear allocation of responsibilities, and the lack of proper monitoring and evaluation systems. On the other hand, the new FS deconcentration guidelines present a detailed division of responsibilities along the PCM, and some country case studies provided examples of good integration within recipient government structures (Peru, Central America, Malawi), and/or a move to the establishment of a combined sections within the Delegation where various EC programmes and budget lines are co-ordinated jointly (Malawi, Central America, Burkina Faso).

The Delegations mentioned the following important (pre-) conditions for successful implementation: commitment of national authorities, effective and continuous dialogue with the Government, integration of FS objectives into long-term poverty reduction policies (PRSP), a staged approach to policy reform with identification of immediate, mid-term and long-term measures, coordination among all stakeholders/donors, participative approaches, and local stakeholder capacity building.

6.10. Evaluative Question 10

To what extent has a phasing-out of the supported actions been planned and what contribution did it have on the achievement of food aid and food security objectives?

As can be learned from the two bi-annual reports covering the period 1998 to 2001, the FSBL combines funds for emergency food aid with support for long-term food security operations, and uses both direct and indirect channels. As the type of aid and the specific channel used has direct bearing on the phasing-out of the supported actions, for this EQ they will be separately discussed.

The direct aid component of the budget line usually takes the form of multi-year programmes to build partnerships with recipient governments in the food security arena¹⁰⁴. For these programmes, which generally were started only a few years ago, it is logical that overall phasing-out is not (yet) at the forefront of planning. The 2000-2001 report mentions that the direct aid was found to be incorporated into the national policies of the recipient government, *“either by means of financial support for the national budget (budget support), or by financing individual sector development programmes”*¹⁰⁵.

The indirect aid of the FSBL is channelled to various partnership organisations: WFP, FAO, CGIAR, UNRWA, ICRC, Euronaid and NGO's¹⁰⁶:

- After the Regulation 1292/96 came into being, the EC changed its focus in the framework contracts with WFP away from food aid for development towards relief-oriented food aid operations. Contracts are signed on an annual basis, with yearly negotiation how the funds will be used. FSBL funds are used for the International Emergency Food Reserve (IEFR), emergency operations (EMOP's) and longer-term relief and recovery operations (PRRO's). The budget line only provides funds to WFP for a limited number of mutually agreed intervention countries.
- Following a period of FSBL support to FAO on a contract-by-contract basis, a three-year contract was signed in 1999 providing funding for a) the global information and early warning system (GIEWS), b) the development of early warning and food security policy development (concentrated in Africa and Central Asia), and c) for training developing countries in WTO agricultural negotiations. The contract was renewed in 2002 for a FAO service package (information system, training, consultation activities) and national projects.
- The FSBL funding to CGIAR (Consultative Group on International Agricultural Research) started in 2002.
- According to the protocol between the FSBL and UNRWA, the food aid for the Palestinian occupied territories and to Palestinian refugees is provided for three areas of action: targeted free food aid, supplementary feeding of pregnant and lactating women and TB patients, and food-for-education. Currently, a change is being made from food aid support to cash support to beneficiaries.
- From 1999 onwards, the FSBL supports the ICRC with a focus on agricultural rehabilitation programmes and a shift away from food aid.
- With the NGO collective Euronaid, the FSBL concludes yearly official agreements for its indirect food aid in-kind to NGO projects. The type of projects ranges from general or supplementary feeding programmes in crisis situations, food-for-work in crisis and post-crisis situations, and agricultural inputs. The Euronaid channel also benefits countries that are not included in 'Group I' or 'Group II'.
- Since 1997, the FSBL includes support to NGO projects (generally of several years) that address the structural aspects of food insecurity. Since 2000, this has been executed through annual NGO Calls for Proposals for selected sector and geographical areas, consistent with national food security strategies.

¹⁰⁴ European Commission, 'Towards Recipient Country Ownership of Food Security, EU Food Aid and Food Security Programme, Bi-annual Report 1998-1999', Brussels, 2000.

¹⁰⁵ European Commission, 'Food Security at the Heart of Poverty Reduction, EC Food Aid and Food Security Programme, Bi-annual Report 2000-2001', Brussels, 2002.

¹⁰⁶ Taken from the bi-annual reports 1998-1999 and 2000-2001.

The 2000 evaluation and the Court of Auditors' review of the FSBL did not specifically focus on the phasing out of funded projects and programmes.

In this evaluation, the point is taken that, to have any lasting effect, direct aid impossibly can be phased out after a few years only. The focus thus is mainly on scaling-down or phasing over of individual programme components. For indirect aid channels, a logical distinction has been made between food aid and food security operations:

➤ Phasing-out direct aid to recipient government

- In Peru, it was experienced that the social change projects are temporary assistance for which the phasing out is planned beforehand, while the budget support to health and education programmes can not easily be phased out without disrupting the level of services provided. Explicit mechanisms to increase the sustainability were found to be missing.
- In Mozambique, the phasing-out strategy consists of an integration of the programmes in governmental budgeting system. Although there is no phasing-out strategy so far for the provided budget support, the provision of TA's contributes to institutional strengthening and capacity building.
- In Malawi, the FSBL has provided a continuous stream of funding for consecutive three-year food security programmes that contain a mixture of short-term, medium-term and long-term interventions. Contributions to the Strategic Grain Reserve were phased out recently. In the coming years, some operational programmes like the Public Works and the APIP programme will need to be phased out or phased over to EDF-funding or the Government of Malawi. Other components are directed at institutional strengthening and policy development, and need more time to achieve sustainable results.
- In Central America, the design of the government projects usually does not take into account how to continue after the funding stops. Also, there is a lack of attention for the management capacities of supported institutions.
- In Ethiopia, a gradual phasing down of food aid and phasing over towards food security projects is the explicit EC strategy. However, in practice the 'paradigm shift' is difficult to achieve, and depends to a large extent on the EC and other donors. The support to the Emergency Food Security Reserve (EFRS) was phased out.
- In Kyrgyzstan, although there is no explicit EC strategy to reduce the budget support assistance, and the TA has little focus on capacity building, the government is gradually introducing mechanisms to reduce the dependence on external donors.
- In Burkina Faso, there is no clear strategy to phase out EC assistance.
- In Bangladesh, there is a clear strategy to phase out food aid, but phasing out direct aid and indirect food security interventions is not being envisaged.

➤ Phasing-out food aid through indirect channels

- In Zimbabwe, phasing out of the food aid through WFP and Euronaid is not yet being considered, and planning up to now has been done on an ad-hoc and annual basis only. For the Euronaid component, some phasing over into food security operations is currently being discussed.
- In Palestine, the food aid programmes through UNRWA and WFP are routinely planned and continue year after year. Given the current political situation, phasing out of this humanitarian support is not an option.
- In Malawi, some food aid programmes were started during the recent food crisis which currently have been phased out.

➤ Phasing-out food security operations through indirect channels

- The NGO projects in Peru have official procedures for handing over of the projects during phase-out.

- In Palestine, NGO food security projects are found to lack phasing-out strategies, although these would be relevant for individual projects.
- In Mozambique, the existence of an exit strategy is one of the selection criteria for the NGO-projects. It is expected that the supported credit institutions will reach financial autonomy.
- A recent evaluation of the NGO food security projects in Malawi identified a lack of proper phasing-out strategies, which is currently being improved through the establishment of links with more permanent service providers.
- In Central America, it was found that the NGO's usually do not phase out at the end of a project. They will look for other donors to continue with the activities.
- In Burkina Faso, the NGO projects are not sure that they will receive FSBL funding more than once, and in principle all have to phase out at the end of the project period. However, regularly, they are taken over by another EC budget line or another donor.

There are only few questionnaires describing phasing out strategies, and no common approach seems to exist. Angola mentioned long-running FA interventions, which should gradually be replaced by a FS recovery programme as basis for a broader multi-annual FS programme. Main emphasise will be given on strengthening the capacity of local institutions. Georgia has no direct phasing-out strategy but sees the support to government programmes as a contribution to sustainability. Honduras plans to develop a phasing-out strategy. Moldova's exit strategy is based on three issues: a) Improved poverty and Food Security indicators (assessment of the poverty and FS situation based on strengthened monitoring), b) improved public expenditure management so increasing the effectiveness and efficiency of public expenditure and c) improved balance of payments situation. Zimbabwe mentioned three subsequent ECHO Missions focusing on planning the phase-out of ECHO funds towards FS interventions. These missions provided the opportunity to facilitate coordination and close dialogue among ECHO and other services.

Overall answer to Evaluative Question 10:

A phasing-out strategy depends on the type of aid (short-term food aid or longer-term food security) and the type of FSBL channel (direct to the recipient government, or indirect through a range of FSBL partner organisations). In the case of direct aid, sometimes there is a package of activities combining food aid and food security components. The indirect aid of the FSBL is channelled to food aid partners (WFP, Euronaid, UNRWA) on one hand and food security partners (FAO, CGIAR and NGO's) on the other.

The 2000 evaluation and the Court of Auditors' review of the FSBL did not specifically focus on the phasing out of funded projects and programmes. This 2003/2004 evaluation found that:

- The phasing-out of direct aid is usually limited to the time-bound 'project' interventions and one-off restocking of strategic grain reserves, while the budget support is maintained at more or less fixed levels. Explicit exit-strategies for the long-term components of the multi-annual packages are generally lacking. In some of the countries, the TA's were found to contribute significantly to institutional strengthening, capacity building and policy development as a precondition for a phase-out.
- The phasing out of FSBL support to large emergency food aid programmes through indirect channels has taken place in Malawi (WFP), but not in Zimbabwe (WFP and Euronaid) and Palestine (UNRWA and WFP).
- Despite their time-bound nature, the NGO food security operations very often lack clear phasing-out strategies. Sometimes, a project is taken over by another EC budget line or another donor.

6.11. Evaluative Question 11

How sustainable are the effects and impacts of EC-supported policies and programmes in the field of food security, both at the level of target populations and at institutional and policy level in the partner countries?

The objectives mentioned in the Regulation 1292/96 reflect a focus on achievement of long-term, sustainable results. The budget line wants *“to promote food security geared to alleviating poverty”, “to help the recipient population to obtain a balanced diet”, “to contribute to balanced economic and social development”, “to improve food production of recipient countries at regional, national, local and family level”, and “to reduce the dependence on food aid”*¹⁰⁷. The Regulation mentions that in the design of the operations (Title, I, II and III), the Commission has to give particular attention to *“the pursuit of sustainable impact and economic viability”*¹⁰⁸. In article 30 on evaluations, the Regulation stresses the need for regular assessment of the effectiveness and efficiency of the funded operations.

The 2000 evaluation briefly addresses the economic and financial sustainability of the FSBL¹⁰⁹. It is felt that the sustainability of the budget support instrument can only be assessed at the level of the whole budget of the recipient government, as the provided aid is very fungible and actually ends up being incorporated within the overall government resources. Budget support is *“closely linked to general structural adjustment programmes to secure future financing needs of government”*¹¹⁰. The sustainability of institutional strengthening is seen to depend on the way the results are embedded within the organisational structure and procedures. The financial sustainability of equipment purchases and operational costs were found not to have been considered a lot, and economic and financial feasibility studies for investment projects were not systematically carried out. The report does not give any reflection on the sustainability of food aid.

The Court of Auditors' report also comments upon the lack of feasibility studies, and the absence of viability and sustainability assessments before implementation¹¹¹. It is felt that insufficient evaluations have been executed to assess the impact and efficiency of food security operations¹¹². The Court concludes that the sustainability of actions is not ensured because the national administrative infrastructure at central and local levels is inadequate. Therefore, it is recommended to increase the absorptive capacities and to enhance ownership of food security projects in the recipient countries through a continued focus on capacity building and institutional support¹¹³. There should be particular attention for the processes of identifying, planning and monitoring, with active involvement of the local population.

In this 2003/2004 evaluation, the country case studies have assessed the sustainability of the FSBL interventions at three levels: policy level, institutional level, and population level. Some country-level findings are presented here:

➤ Sustainability at policy level

- In Mozambique, various donors including the FSBL have collaborated with the government to develop sound food security strategies that are shared by all stakeholders.
- In Malawi, the FSBL funds various activities which directly address food security policy issues, e.g. the formulation of a new national Food Security and Nutrition Policy, and the technical and financial support to the Strategic Grain Reserve. Currently, a project is being prepared to support the nutrition programmes of the Ministry of Health (taking over from ECHO after its departure from Malawi in June 2004).

¹⁰⁷ EC Council Regulation No 1292/96, article 1.

¹⁰⁸ EC Council Regulation No 1292/96, article 10.

¹⁰⁹ 2000 Evaluation, par. 3.5.1.

¹¹⁰ *ibid.*

¹¹¹ Court of Auditors, par. 53.

¹¹² Court of Auditors, par. 73.

¹¹³ Court of Auditors, par. 101-102.

- In Central America, the FSBL regional programme is supporting the formulation of national regional food security policies, which up to now do not exist yet. For instance, in Nicaragua, there are various policies on rural development, and on the opening up of the agricultural market, but an integrated approach to food security, which includes the needs of the urban and rural poor is missing. The process of the formulation of a clear food security policy and strategy is a major step to improve sustainability at policy level.
 - In Ethiopia, there are various new initiatives to propagate a 'paradigm shift' from food aid to development oriented food security programmes (this includes the FSBL programmes), but because of recurrent emergencies and general policy inertia this has proved to be a rather slow process.
 - In Bangladesh, the government and the donors are currently formulating a national food security policy. The policy will make nutrition one of the intervention priorities, and will improve the chances of success for food security interventions.
- Sustainability at institutional level
- The FSBL-supported government programme PASA in Peru is well integrated within the decentralised government structures. The programme has actually played a major role to stimulate and facilitate a decentralisation down to 'municipalidad' level. PASA has a mechanism of active participation of the beneficiaries (workshops) to identify activities which respond to local needs.
 - The institutional sustainability of the food security programmes in Palestine is highly affected by the unfavourable political and socio-economic conditions.
 - Although various lessons have been learned from experiences in Mozambique in the past ten years, there are still certain institutional weaknesses within the government.
 - In Malawi, the FSBL support to the Strategic Grain Reserve has both policy and institutional strengthening aspects. The impact could be long-lasting if the government is capable to adhere to the new management systems. Also the new support to nutrition activities of the Ministry of Health will aim at policy formulation and institutional strengthening. The useful APiP programme for provision of agricultural inputs is still heavily donor-dependent and currently not financially sustainable. Most of the NGO-projects have established strategic links with more permanent service providers to increase the institutional sustainability.
 - In Central America, the institutional support has limited sustainability because of the weakness of the institutions involved.
 - In Kyrgyzstan, some institutional and financial mechanisms are being put in place as part of the budget support programme, which will increase the sustainability of the actions.
 - In Bangladesh, the government's ability to elaborate strategies and to implement programmes after FSBL assistance would cease is limited, but it is gradually improved, among others by the FSBL capacity building efforts.
- Sustainability at the level of the target population
- The food aid programmes in Zimbabwe are short-term and not sustainable. *"Although the impact of the food aid might be sustainable within favourable context conditions, these currently are not present in Zimbabwe".*
 - In Palestine, the results of the food security programmes are rated as sustainable, but the food aid, however necessary as long as occupation and border closures continue, is not.
 - In Mozambique, the sustainability at beneficiary level on short term is not felt to be a problem, but is less sure on long-term as funding will not continue forever.

- In Malawi, the food aid programmes during the past food crisis and the current targeted nutritional support are short-term in nature to help vulnerable population groups to overcome lean years. The Public Works Programmes might have lasting effects for the beneficiaries, especially the micro-irrigation and forestry components.

The Delegations questionnaires provide information on the kind of impact the various EC instruments may have:

- Food Aid and Food Security Regulation

On average the results of the EC (Co-) financed FA and FS strategy are highly rated. Several positive effects at national level are mentioned, e.g. enhancement of national ownership, improvements in public finance management, implementation of reforms in the agriculture and social sectors, or prize stabilisation of bread (Azerbaijan). NGO interventions are usually having a positive impact at local level, especially when well-targeted. Reasons for negative ratings of impact are insufficient monitoring during project implementation, weak Government engagement, approval delays for the MoU and the budget commitments, and poor public finance management.

Countries that experienced a crisis situation stated a substantial contribution to emergency alleviation. The impact to avoid massive humanitarian crises is rated highly positively. However, it was remarked that continuing food distribution after the crisis situation, like in Kenya, leads to distortions of the cereal markets. There are still tendencies to focus on short-term relief programmes instead of programmes to tackle the underlying causes of food insecurity. Somalia received considerable FSBL support to “strengthen the FS through decentralised cooperation” focusing on improving the access of vulnerable groups to food and to minimise the needs for free food distribution. This programme plays a key role in linking emergency and development, and successfully led towards food self-sufficiency of poorer households.

- Geographical instruments

There are just a few Delegations that provided information on the impact of geographical instruments. Somalia stated an important contribution to creation of an enabling environment at local level (increased agricultural production, strengthened capacities, emergency preparedness, etc.). Zimbabwe mentioned that the EC fund provides the opportunity to gain greater leverage on the promotion of CF by linking it to input supply, sustained by a revolving fund, which also has the advantage of addressing both food security and the destructive culture of non-repayment of input credit that has gained prominence in Zambia. The Government of Armenia has been very co-operative in implementing structural reforms.

- ECHO budget line

In focusing mostly on emergency situations, ECHO interventions are not seen by the Delegations to be directly linked to FS. The impact of relief actions is rated as good but limited in time and coverage. Positive examples are mentioned for FA in care and maintenance and in rehabilitation projects in crisis situations. Somalia pointed out that addressing the core emergency aid through ECHO requires having humanitarian partners in place. In order to ensure the presence of these partners, ECHO will contribute to the continuing activities of these partners. In Zambia, ECHO funded interventions focus on care of refugees from Angola.

- Rehabilitation budget lines

Two positive examples of impact are mentioned: improved living conditions through interventions in water, sanitation, electricity and the health sector, and positive effects through infrastructure rehabilitation.

- NGO Co-financing budget line

Zambia stressed that NGO Co-Financing is part of the general framework of EU commitment in favour of social and economic development. It points out the focus to the

poorest sections of the population but also the lack of general coordination resulting in limited relevance and impact. Georgia/Armenia mentioned a limited impact of NGO projects at national level.

Overall answer to Evaluative Question 11:

The Regulation 1292/96 aims at long-term, sustainable results. Nevertheless, the sustainability of FSBL funded interventions is not mentioned at all in the bi-annual reports and the 2000 evaluation only briefly addresses the lack of economic and financial feasibility studies for food security investment projects and the dependence of institutional strengthening on the way the results are embedded within organisational structures and procedures. No reflection is given on the sustainability of food aid. The Court of Auditors came to more or less the same conclusions, and recommended to increase the absorptive capacities and to enhance ownership of food security projects in the recipient countries through a continued focus on capacity building and institutional support.

This evaluation found that the impact of the FA and FS interventions were generally positive. Food aid, although generally not seen as a sustainable intervention, has helped to avoid massive humanitarian crises. Positive impacts at national level are the enhancement of national ownership, the improvements in public finance management, implemented reforms in the agriculture and social sector. Reasons for negative impact are insufficient monitoring during project implementation, weak Government engagement, approval delays, and poor public finance management. Negative impacts of food aid are the potential distortion of the cereals market, and reduced attention for long-term FS strategy. Positive impacts through NGO intervention exist at local level, especially due to the good targeting of programmes.

The sustainability at policy level is rather good, as the FSBL has supported the development of a national food security policy in most of the countries. In various countries, the budget line furthermore provided effective technical and financial support to key government institutions involved in policymaking.

The sustainability at institutional level shows a more varied picture. In some countries, the FSBL provided useful support to food security related government institutions (PASA in Peru, the SGR in Malawi). In other countries however, the necessary political and socio-economic preconditions for sustainable effects are lacking (Palestine), government institutions are rather weak (Mozambique, Central America, Bangladesh), or interventions remain very donor dependent (APIP in Malawi, budget support in Kyrgyzstan). The NGO-projects have highest chances of sustainability if properly linked to local service providers.

The sustainability at target population level differs per type of instrument. Food aid programmes are found to have short term effects but no sustainable impact (Zimbabwe, Palestine), although sometimes the potential for long-term impact does exist (Malawi). Food security programmes tend to be sustainable in the short-term but this is less sure in the long term (Palestine, Mozambique). If well planned, Public Works Programmes might have lasting effects for beneficiaries (Malawi).

6.12. Evaluative Question 12

What is the role of the Regulation No. 1292/96 in the on-going efforts to bridge the gap between relief, rehabilitation and development?

The LRRD/DPP Interservice group has made a good presentation of the main issues for the future of LRRD, including the clarification on the role of the various actors in it¹¹⁴. By its very nature, the Regulation 1292/96 is a suitable vehicle to bridge between relief, rehabilitation and development programmes. The budget line ultimately is development oriented in nature. Although the budget line can fund both food aid and food security, the objectives clearly mention that the aim is “to reduce dependence on food aid”, “to promote food production”, “to promote food security” and “to contribute towards balanced economic and social development”¹¹⁵.

The functioning of the FSBL with regards to LRRD should be seen within the context of the reform of the management of EC aid. An in-depth restructuring of the different co-operation services was initiated on January 1st, 2001, and the EuropeAid Co-operation office (AIDCO) was created. This new office is responsible for all phases of the project cycle and for all of the Commission’s external aid instruments financed by the EC budget and the European Development Fund. Various initiatives have been taken to improve programming systems, like adoption of the subsidiarity principle leading to deconcentration of many tasks to EC Delegations, and a decentralisation of operations to recipient states¹¹⁶.

The deconcentration guidelines on EC Food Security Programme¹¹⁷ presents the FSBL responses in LRRD situations as follows:

- Prevention of **short-term** degradation of the vulnerable populations (distribution of food-aid via partner organisations (NGO, WFP, ICRC, UNRWA)).
- To help the populations in the **medium-term** to guarantee their own food security (seeds and tools projects to boost agricultural production, income generation projects)
- Providing **long-term** support to governments and civil society to prevent crises (establishment of emergency food stocks, information systems or emergency plans, reinforcement of safety nets, support to coping strategies, actions to fight poverty, build capacities and achieve good governance).

The 2000 evaluation mentions that “applying the concept of *Linking Relief, Rehabilitation and Development (LRRD) concept is harder than anticipated*”¹¹⁸. The presumed linear succession from emergency to rehabilitation to development does not always correspond with reality, as crises are often chronic and contain both development and emergency aspects. During the ‘crisis cycle’, various tools with different procedures are generally used alongside each other, which is bound to complicate the situation. Good co-ordination of the various Commission services (both at policy level and at programme implementation level) therefore is one of the preconditions for efficient and coherent Community food aid and food security operations. The Liberia country case study was cited to “highlight the possibilities for the Food Security Unit in playing an intermediate role between relief and development in the rehabilitation phase, due to its unique position with a ‘foot in both camps’”¹¹⁹. The 2000 evaluation sees a practical problem for the FSBL to become more involved in rehabilitation work, as this would

¹¹⁴ for more information on the LRRD process, see volume 2: Descriptive report

¹¹⁵ EC Council Regulation No 1292/96, article 1.

¹¹⁶ European Commission, ‘Food Security at the Heart of Poverty Reduction, EC Food Aid and Food Security Programme, Bi-annual Report 2000-2001’, Brussels, 2002.

¹¹⁷ Deconcentration guidelines EC Food Security Programme; October 2003

¹¹⁸ 2000 Evaluation, par. 3.6.3.

¹¹⁹ 2000 Evaluation, par. 3.6.3.2.

require decentralised decision making and quick procedures to be able to react swiftly after the immediate emergency phase is over.

The Court of Auditors stresses that one of the innovative aspects of Regulation 1292/96 has been the addition of *“a new demand-based approach of increasing purchasing power of the vulnerable groups of the population to the existing supply-based approach of increasing local food production (or imports)”*¹²⁰. The Court concludes that the FSBL actions are additional to various other EC strategies and programmes, all with the ultimate objective of poverty alleviation, food security, improvement of living conditions. Food security actions were seen as similar or identical to actions undertaken in the context of any development programme. Nevertheless, they were found to be executed as separate development programmes, requiring substantial co-ordination with other Commission services and other parties to ensure coherence¹²¹. The Court did not assess food aid programmes, and did not pay attention to LRRD issues. It was recommended to integrate food security within mainstream development programmes, and, in order to avoid stand-alone food aid programmes, to group food aid under the humanitarian aid budget heading¹²².

In this evaluation, the country studies provided several interesting case studies of the current role of the Regulation/96 in the efforts to bridge the gap between relief, rehabilitation and development:

- Countries where the FSBL has limited involvement in LRRD processes
 - In the two ‘Group II’ countries Zimbabwe and Palestine, the FSBL in principle is seen to have the right features to play a useful role to bridge the gap from relief food aid to rehabilitation and further development of the agricultural sector. However, in both countries, the prevailing political conditions up to now are seen to rule out such a process, and so far the main focus has been on relief food aid. In these countries, the FSBL is working alongside ECHO. Although each EC instrument funds a specific aid package, the two EC instruments are found to share in common the funding of big emergency food aid programmes.
- Countries where the FSBL is involved in LRRD processes
 - In Peru , the PASA programme only focuses on development issues, currently without links to emergency or rehabilitation actions, but with the in-built flexibility to respond to suddenly arising needs (e.g. after floods, droughts or earthquakes) if required. At the start of the programme, some NGO projects were taken over from ECHO, which shows the LRRD in practice was successful.
 - In the case of Mozambique, EC food aid was stopped already in 1995, and the main focus of the FSBL since has been on food security. The LRRD thus was very successful, with a smooth turnover to development, without any ‘gap’.
 - In Malawi, the FSBL programmes are marked by LRRD because of the integration of relief, rehabilitation and development efforts. The programmes are co-ordinated in one unit within the Delegation together with EDF programmes on rural development. During the recent food crisis, the EC was able to quickly respond to emergency needs because of its presence in the country and the possibility to use the available FSBL flexibly. Because of the presence of the FSBL in Malawi, ECHO support during the food crisis remained limited to nutrition projects only, and thus was complementary to the FSBL package of interventions. Some of the ECHO-funded projects are planned to be taken over by the FSBL after the phase-out of ECHO from Malawi in July 2004.
 - In Central America, during and after Mitch, there was smooth co-ordination between ECHO and the FSBL, with successful LRRD.

¹²⁰ Court of Auditors, par. 17.

¹²¹ Court of Auditors, par. 88-89.

¹²² Court of Auditors, par. 91-93.

- In Ethiopia, the Regulation 1292/96 provides both food aid and development oriented food security programmes. The experience of the past years however has shown that it is difficult to reduce food aid and to really turn to food security work, despite the so-called 'paradigm shift' in policy. In the past years, ECHO has not been involved in food aid programmes in Ethiopia.
- In Burkina Faso, the FSBL was flexibly used for food aid programmes to respond to the droughts in 1997/98 and 2000/01. The budget support was utilised by the governmental strategic grain reserve body (SONAGESS) and the national relief and rehabilitation committee (CONASUR) to buy, transport and distribute relief food aid. The NGO programmes have played a positive role in the rehabilitation phase with their programmes focusing on availability of and access to food.

Beside the role of FSBL in LRRD processes, the Delegations questionnaire focuses on recent reforms (deconcentration, new financial regulation) that may have an effect on the future use of the Regulation 1292/96:

- Somalia points out that the importance of regulation 1292/96 will increase since it is particularly suitable to LRRD. Zambia proposes an eventual integration of LRRD as a thematic priority into other thematic budget lines. In some countries (Angola, Eritrea), LRRD is already included in the CSP.
- Emphasis on LRRD should not only look at reforming the FS budget line but also to others that are more important channels for EC support.
- The deconcentration process is seen to have a range of potential positive impacts, such as the improvement of political dialogue with national authorities, higher coherence with NGO actions, reduction of administrative delays, faster project implementation, more effective coordination with the different instruments and better monitoring of the country situation. The situation is a bit different for "Regional Delegations", where the operational and financial project management depends on an external entity (e.g. Yemen collaborating with the Jordan Delegation. and Liberia managed by the Delegation in the Ivory Coast).
- Contrary to the majority of Delegations, Bolivia and Tajikistan do not expect big changes because of the deconcentration process. They feel that the main responsibility for bigger operations will remain at Brussels level.
- The perception of the new financial regulation is twofold: on one hand, there is the risk of more complicated procedures, on the other it could simplify procurement rules, which currently are a major constraint for project implementation.

Overall answer to Evaluative Question 12:

The Regulation 1292/96, because of the combination of food aid and food security programmes, by its very nature is a suitable vehicle to bridge between relief, rehabilitation and development programmes.

The functioning of the FSBL with regards to LRRD should be seen within the context of the current deconcentration to Delegations and decentralisation of operations to recipient states.

In the 2000 evaluation, it was mentioned that the application of the LRRD concept is not easy, because of the complicated and chronic nature of many crises, with concurrent relief and development programmes and a wide range of actors involved requiring good co-ordination. The FSBL was not seen to be suitable to become more involved in rehabilitation work, because it lacks decentralised decision making and quick procedures.

The Court of Auditors concluded that the FSBL food security actions are rather similar to actions undertaken in the context of any EC development programme, all with the objective of poverty alleviation and food security. The Court did not assess any FSBL food aid programmes, and did not pay attention to LRRD issues, and recommended to integrate food security within mainstream development programmes, and to group food aid and humanitarian aid together under one budget heading.

In this evaluation, it appears that the FSBL has been or is involved in LRRD processes in all studied 'Group I' countries. The suitability of the budget line for LRRD processes is related to the in-built flexibility (although it can not respond extremely quickly), a logical take-over of ECHO programmes (which happened in various of the country case studies), the new organisational set-up where the co-ordination of the FSBL and (EDF) rural development programmes is combined within one Delegation unit. The experience in Ethiopia shows that the combination of food aid with more difficult food security programmes also bears the risk to stick to food aid. In various countries, it was found that ECHO assistance during natural disasters (floods in Bangladesh, droughts in Burkina Faso, Ethiopia and Malawi) remained limited or stayed absent. The FSBL, already being present in the country, in these cases provided emergency food aid as part of its bigger food security aid package. Limited LRRD processes were found to take place in the two 'Group II' country studies. In Zimbabwe and Palestine the prevailing political conditions are seen to rule out a full-blown shift to development interventions, and the FSBL and ECHO are found to provide complementary funds for emergency food aid operations.

7. OVERALL ASSESSMENT COUNTRY STUDIES

In the country studies of the 2003/2004 evaluation, the quality of the FSBL programme was assessed with the classical evaluation criteria of relevance, effectiveness, efficiency, sustainability, impact and coherence. A division has been made between direct aid and indirect aid channels, with for indirect aid a further breakdown in food aid and food security operations. Table 1 presents the evaluation criteria by country. The aggregated overview of the country findings is presented in Table 2:

Table 1: Evaluation criteria by country

Country	Channel	Relevance	Effectiveness	Efficiency	Sustainability	Impact	Internal/external coherence
Bangladesh	Direct aid	+	+/-	+/-	-	+/-	+/-
	Indirect food security	+	+/-	-	-	+/-	+/-
Mozambique	Direct aid	+	+	+/-	+/-	+	+
	Indirect food security	+	+	+/-	+	+	+
Palestine	Direct aid	+/-	+/-	-	+/-	+/-	+/-
	Indirect food aid	++	+	+	-	+/-	+/-
	Indirect food security	+	+	+/-	+/-	+/-	+
Kyrgyzstan	Direct aid	+	+	+	+/-	+	+
Peru	Direct aid	++	+	+/-	+	++	+
	Indirect food security	++	+	+/-	+/-	++	+
Ethiopia	Direct aid	++	+/-	+	+/-	+/-	-
	Indirect food aid	++	+	+	--	+/-	-
	Indirect food security	++	+	-	+	+	-
Burkina Faso	Direct aid	+	+/-	+/-	+/-	+	+/-
	Indirect food security	+	+/-	+/-	+/-	+/-	+/-
Zimbabwe	Indirect food aid	+/-	+/-	+/-	-	+/-	+/-
Malawi	Direct aid	++	+	+/-	+/-	+	++
	Indirect food aid	+	+	+	-	+	++
	Indirect food security	+	+	+/-	-	+/-	++
Central America ¹²³	Direct aid	+	+/-	+/-	-	+/-	+/-
	Indirect food security	+	+	+/-	-	+/-	+

¹²³ For more information on the various countries in Central America, refer to the country report.

Table 2: Overview of country findings

	Relevance	Effectiveness	Efficiency	Sustainability	Impact	Internal/ external coherence
Direct aid to recipient governments	++ : 3 x + : 5 x +/- : 1 x	+ : 4 x +/- : 5 x	+ : 2 x +/- : 6 x - : 1 x	+ : 1 x +/- : 6 x - : 2 x	++ : 1 x + : 4 x +/- : 4 x	++ : 1 x + : 3 x +/- : 4 x - : 1 x
Indirect food aid (WFP, UNRWA, Euronaid)	++ : 2 x + : 1 x +/- : 1 x	+ : 3 x +/- : 1 x	+ : 3 x +/- : 1 x	- : 3 x -- : 1 x	+ : 1 x +/- : 3 x	++ : 1 x +/- : 2 x - : 1 x
Indirect food security (NGO's, FAO, CGIAR)	++ : 2 x + : 6 x	+ : 6 x +/- : 2 x	+/- : 6 x - : 2 x	+ : 2 x +/- : 3 x - : 3 x	++ : 1 x + : 2 x +/- : 5 x	++ : 1 x + : 4 x +/- : 2 x

- As can be seen from the matrix, for all three categories, the **relevance** of all channels for FSBL operations is rated positively, in most cases as satisfactory or very satisfactory. For none of the channels in none of the countries, the relevance is seen to be poor or very poor.
- The **effectiveness** also shows a rather positive picture, although less good than for relevance. For the direct aid channel, the effectiveness was satisfactory for about half of the countries; for the indirect aid the proportion of countries with satisfactory effectiveness was higher than that.
- The overall **efficiency** is rated as fair. There is a slight tendency to satisfactory efficiency for direct aid, while for the indirect food aid channels a fair level of efficiency is predominant. Efficiency is slightly below average for the indirect food security operations, which has to do with the time-consuming NGO Call for Proposals procedure and rather high transaction costs related to the use of the NGO channel.
- The picture of the **sustainability** of the FSBL operations of the direct aid and the indirect food security operations is neither very positive nor very negative. On average, sustainability is seen as fair. For the indirect food aid channel on the other hand, sustainability was rated as poor or even very poor. However, as is well known, longer-term sustainability of food aid operations hardly can be expected.
- The overall **impact** of the FSBL operations appears to be rather satisfactory. For about half of the countries, direct aid and indirect food security operations have a satisfactory or very satisfactory impact. For the indirect food aid, most countries have a fair impact level.
- The **internal and external coherence** on average is rated as fair to satisfactory, being poor for only one case of direct aid and one case of indirect food aid and for none of the indirect food security operations. Coherence is seen as satisfactory or very satisfactory in about half of the countries with direct aid, and in two-third of the countries with indirect food security operations.

8. CONCLUSIONS

The various instruments offered by the EC Regulation 1292/96 are appropriate in principle to respond to the **entire range of assistance needs** of FSBL recipient countries and to promote a continuous transition from emergency relief to development. The Food Security Regulation adds value to the EC development portfolio in several ways:

- Strong focus on poverty reduction. The EC Regulation specifically targets vulnerable countries (group I and group II) and vulnerable populations (the poorest and the most vulnerable groups).
- High flexibility between its components. The EC Regulation offers a wide selection of instruments that allows addressing virtually the entire range of assistance needs of recipient countries. Programme managers are able to obtain financial approval for their respective programmes / projects and ad-hoc financial applications with relative ease. This flexibility has also been expressively acknowledged as an advantage by the EC Delegations from an aid management point of view ("nearly everything is possible").
- Acknowledged role in the LRRD approach. The Regulation has an important role in the LRRD process. The deconcentration process and the shift of attention from food aid to food security provide the context for the role the Regulation could play in the future.
- Multi actors-partnership. The regulation makes it possible to work with a wide range of actors (state and non state actors), depending on the specific situation of a country, allowing the EC to take advantage of the comparative advantage of each actor during individual phases of the project cycle. This is of particular importance in bridging the phasing-in, implementation and phasing-out of interventions, as the relevant key actors are not the same for these phases.
- Various levels of interventions. The Regulation has an impact at national level, especially through the support given to the elaboration of National Food Security Strategies (NFSS) and the capacity building measures, as well as at local level, through the implementation of projects and programmes.

The results achieved so far are positive and may be reinforced by the deconcentration process as well as the increased focus put on the 3 Cs, especially at the country level. The necessity to integrate the FSBL in the CSP and the need for ongoing improvement of programming and monitoring procedures are key issues.

8.1. Coherence and complementarity of the Regulation 1292/96 FA/FS policy

Coherence with EC development aid

The policy defined by Regulation 1292/96 is coherent with the other major EC strategies, objectives and instruments that affect issues of food aid and food security. Programs in public health, education, rural development, sustainable use of natural resources and environmental protection, although broader in their focus, also contribute to reducing the risks of food security crises.

Although the coordination of interventions is a very sensitive issue in all policy and strategy documents, the various agreements and regulations give no specific information on how coordination could be achieved. The increasing importance of national strategy papers in EC cooperation is a very positive phenomenon that might help to achieve better coherence regarding Food Security and Food Aid matters. However, experience shows that Coordination is particularly difficult to promote.

The Regulation 1292/96 is the only regulation that specifically stresses the importance of Coordination and that specifies the institutions that are important for achieving it. The Regulation allows using instruments that specifically respond to the needs and the overall situation of the recipient country.

Coherence with CSP's

The coherence of the FSBL programmes with the broader EC development aid and poverty alleviation framework is rather good. In seven out of eight 'Group I' countries included in this evaluation¹²⁴, the FSBL programmes was well integrated in the EC Country Strategy Papers. The only exception was Central America where food security is not covered well in the Regional Strategy Paper and some country-level EC strategy papers. The 'Group II' countries included in this evaluation (Zimbabwe and Palestine) both do not have an official EC Country Strategy Paper¹²⁵, and the FSBL support is mainly focusing on emergency food aid.

In most CSPs, FS is mainly dealt with indirectly in terms of poverty alleviation, rural development or humanitarian assistance. FS is often considered to be important but more seen as an "output" of other programmes.

All CSPs put a particular focus on the 3 Cs but often lack their translation into concrete operational suggestions. Complementarity between instruments is a key issue, but seems to remain "a policy issue" with insufficient operational translation.

Coherence with national strategies of recipient countries

The Regulation 1292/96 programmes are coherent with national strategies of most of the recipient countries covered by this evaluation and have contributed to the elaboration of NFSS. In several countries, the FSBL has a strong focus on agricultural production and macro-economic aspects. None of the 'Group II' countries had adopted a PRSP and also had only a limited number of other policy documents.

In the questionnaires, inadequacies of local governments, weak communication processes within the national authorities and a dialogue with governments influenced by the logic of legislative periods and election cycles are seen as the most important constraints.

The role of the EC in the PRSP is rarely mentioned. Although coordination is an important issue, there is rarely a presentation of what could be achieved by the various donors / actors and how it could be monitored.

8.2. Added value of the instruments available under Regulation No. 1292/96

Food aid in-kind

Our statistical analysis (Volume 3, Annex 7) does not support the claim that the focus of Regulation 1292/96 has shifted from food aid to measures in support of food security. On the contrary, Food Aid has consumed a larger share of resources between 1997 - 2002 than operations in support of food security. The food aid in-kind instrument was used in seven out of the ten countries visited during the field phase, in some cases using 75% or more of the total FSBL budget for the country. In line with the recommendation of the 2000 evaluation, food aid programmes have increasingly been limited to emergencies, protracted emergencies, post-crisis and rehabilitation situations, and are mainly based on regional and local purchases.

In countries in emergency where the FSBL provides large amounts of food aid, the built-in flexibility of the FSBL is rated as very positive, as it allows the delivery of a combination of food aid and food security operations. This finding contrasts with the Court of Auditors recommendation to separate food aid from food security, and to place food aid in-kind within the remit of the Regulation on Humanitarian Aid. Delegations confirm the comparative advantages of the FA-FS Regulation compared to the other instruments as regard food aid, especially concerning the LRRD process. Insufficient phasing out strategies and the

¹²⁴ The 'Group I' countries included in the 2003/2004 evaluation of the FSBL are: Peru, Central America, Ethiopia, Burkina Faso, Mozambique, Malawi, Bangladesh and Kyrgyzstan. The included 'Group II' countries are Zimbabwe and Palestine.

¹²⁵ Although Palestine has a draft CSP that has not been officially adopted.

sometimes weak dialogue with partner governments are considered to be weaknesses of interventions implemented under the Regulation.

In some countries (Zimbabwe, Ethiopia), the large emergency food aid programmes are insufficiently well targeted, which leads to negative effects including market disturbance and a perpetuated dependence on food aid. The focus on food aid in these countries appears to block a shift to more fundamental and sustainable approaches for achieving food security.

Despite the slightly strained relations with the FSBL, WFP receives an increasing share of the total FSBL budget for food aid in-kind, up to approximately 60% in 2002. The 2000 evaluation regarded Euronaid as an interesting but complex channel with synchronisation problems. This was confirmed by the country studies in Ethiopia and Zimbabwe in the current evaluation.

The complementarity of the food aid component of the FA-FS regulation with other instruments, especially ECHO and EDF has been underlined.

Currency facility (Budget support)

The main findings of this evaluation are in line with the 2000 evaluation: the budget support instrument effectively serves as leverage for policy dialogue on food security (and even on decentralisation in the case of Peru and Mozambique), but the operational efficiency of the instrument is not always very good because of the cumbersome specifications of the instrument. In most countries, the facility funds food security related agricultural production and social sector programmes. In many cases, the use of the instrument was restricted by the absorption capacity of the government.

Although Delegations underline that the currency facility helped to improve coherence with national strategies and PRSPs, they also stress the need for methodological support for conducting macroeconomic and risk analyses. Currently, these analyses cannot be carried out under the FSBL due to staff constraints. These constraints also apply to the monitoring and evaluation of supported programmes.

Food Security operations

FSBL spending on food security operations has varied considerably since 1997 and has shown a clear decrease in recent years.

The support actions effectively link food aid with other (EC) development aid instruments, and reinforce the integration of food aid and food security under a general development policy. Both the 2000 and this 2003/2004 evaluation found that the programmes and projects had contributed significantly to reaching the objectives of Regulation 1292/96. Measures implemented under the Regulation tend to focus on food production and income generation at various levels from national down to household level, and not so much on nutrition and social safety nets.

The Delegations emphasised the very high added value of this component and listed a wide range of advantages, especially the flexibility and coherence of this instrument and its specific focus on food security. The FS regulation is seen as a multi purpose instrument in line with the LRRD approach that can be used for emergency, rehabilitation or for longer-term response (complementarity).

There certainly is still room for improvement, e.g. to make the selection of priority countries more transparent, to increase the operational efficiency and to improve the absorptive capacity of both the instrument and the implementing partners, to establish (better) monitoring systems, and to achieve higher sustainability of the projects' results.

Technical Assistance

The integration of the RESAL activities into the EC Delegations and recipient government bodies in mid-2001 has led to improved financial efficiency and a better institutional embeddedness. Because of the deconcentration to Delegations, the amount of time spent on administrative issues is increasing, thus leading to less capacity for the training of partners, for working on FS strategies at the national level, and for capitalisation of collected

experiences and information (e.g., conceptual work on food security issues, and regular dissemination of food aid / food security information). It is an important issue as many Delegations have underlined the limited human capacities of their partners.

Although Delegations underline the advantage of “in-country” TA, they also stress the need for methodological support and information exchange.

8.3. Project cycle management

Design phase

The FSBL targets a justifiable selection of countries. The targeted ‘Group I’ countries are all low-income food-deficient and in need of structural food security programmes. The ‘Group II’ countries are countries in crisis or post-crisis in need of food aid programmes.

In line with the 2000 evaluation and the Court of Auditors’ report, this evaluation found that the granting of subsidies from the FSBL followed a well-established annual programming cycle. The flexibility of the FSBL budget line allows for country-specific selection of instruments. However, the procedures still appeared to be administratively complex, time-consuming and rather centralised (including the NGO Call for Proposals). Often, fund disbursements were delayed because of the limited absorptive capacity of beneficiary countries.

Although the Court of Auditors concluded that national food security strategy papers tend to lack clear priority setting, and that food security programmes in most cases are not well integrated into the mainstream EC development programme, this evaluation finds that for the majority of the countries this is not the case.

This evaluation confirms the lack of baseline and feasibility studies during the project identification phase (this was also concluded in the 2000 evaluation report and by the Court of Auditors). The positive role of RESAL in this field has not been sufficiently taken over by the experts within F-5 and the Delegations.

Implementation phase

This evaluation confirms the findings of the 2000 evaluation and the Court of Auditors regarding the unclear allocation of responsibilities and a mismatch between aid volumes and administrative resources (staffing) for the FSBL, the considerable scope for streamlining of the rules and procedures of the various EC programmes, the need for better accounting and management information systems, and the need to improve monitoring and evaluation systems for the FSBL. The new FS deconcentration guidelines that present the various activities and the division of responsibilities along the project cycle in detail are a good response to this situation. However, the guidelines could have reinforced the participation of other actors.

This evaluation provides positive examples of integration of FA / FS projects and programmes in recipient government structures. This is in contrast to the findings of the Court of Auditors that had seen only limited participation of both recipient governments and local communities during the project cycle.

Commitment of national authorities / Government, open, effective and continuous dialogue with Government / Ministries, integration of FS objectives into long-term poverty reduction policies (PRSP), a staged approach to policy reform with identification of immediate, mid-term and long-term measures, coherence among all stakeholders / donors, local stakeholder capacity building and participatory approaches are important (pre-) conditions for a successful implementation.

The evaluators have encountered major difficulties in collecting relevant and credible information on commitments and payments. The quality of the data in CRIS Consultation is limited, in terms of completeness and accuracy. Moreover, the information contained in the database is not specific enough to determine if a given project is addressing problems of food insecurity, i.e. if it is designed to achieve improved food security. Information such as

project title, attribution to a specific sector, etc. are too ambiguous in order to authoritatively decide if a given initiative is relevant for food security.

Phasing out

The 2000 evaluation and the Court of Auditors did not review the phasing out of funded projects and programmes. This evaluation finds that the phasing-out of direct aid is usually limited to the 'project' interventions and one-time restocking of strategic grain reserves, while the budget support is maintained at more or less fixed levels. Despite their time-bound nature, the NGO food security operations very often lack clear phasing-out strategies. Explicit exit-strategies for the long-term components of the multi-annual packages are generally lacking. In some of the countries, the TA's were found to contribute significantly to institutional strengthening, capacity building and policy development as a precondition for a phase-out.

8.4. Impact and sustainability

Although the Regulation 1292/96 aims at long-term results, the issue of sustainability received only limited attention in the bi-annual reports on the FSBL. The earlier evaluations mentioned the need for capacity building, institutional strengthening and enhanced ownership to increase the absorptive capacity of recipient governments.

This 2003/2004 evaluation found that the impact of the FA and FS interventions was generally positive, especially by avoiding massive humanitarian crises. Positive impacts of NGO intervention exist at local level, especially due to the good targeting of programmes. Positive impacts at national level are the enhancement of national ownership, the improvements in public finance management and the reforms in the agricultural and social sector. Reasons for negative impact are insufficient monitoring during project implementation, weak Government engagement, delays in the approval process, lack of commitments and poor public finance management. Examples of negative impacts are distortions in cereals markets and a decreased attention paid to long-term FS strategies.

This evaluation found that:

- Policy-level sustainability in the 'Group I' countries is generally good. The FSBL has supported food security policy development in most of the countries.
- Sustainability at institutional level is more varied. In some countries, the FSBL provided useful support to food security related government institutions, but in others the conditions were not favourable to sustainability (lack of political and socio-economic preconditions for sustainable effects, weak government institutions, very donor dependent interventions). The NGO-projects had the highest chances for sustainability if properly linked to local service providers.
- Sustainability at target population level differs between the different instruments. Food aid programmes were mostly without sustainable impact, although the potential for long-term impact sometimes did exist. Food security programmes tend to be sustainable in the short-term but to a lesser extent in the long-term. If well planned, Public Works Programmes might have lasting effects for beneficiaries.

8.5. LRRD

Because of the combination of food aid and food security programmes and its flexibility in their selection, the Regulation 1292/96 by its very nature is a suitable vehicle to bridge relief, rehabilitation and development programmes.

The functioning of the FSBL with regards to LRRD should be seen within the context of the current deconcentration to Delegations and decentralisation of operations to recipient states.

Nevertheless, the 2000 evaluation report concluded that applying the LRRD concept was challenging in light of the complicated and chronic nature of many crises and in a situation where relief and development programmes often ran concurrently and involved a wide range of actors, which required good co-ordination. The FSBL was seen to be less suitable for

rehabilitation work, because of the lack of decentralised decision-making and slow procedures. The Court of Auditors concluded that the Regulation 1292/96 food security actions were rather similar to actions undertaken in the context of any development programme.

This evaluation found that the FSBL has been used a lot to address LRRD processes in all of the 'Group I' countries, but that limited LRRD processes were found to take place in the two 'Group II' countries. In contradiction with the conclusions of the 2000 evaluation and the Court of Auditors' report, the budget line appeared to be absolutely suitable for LRRD processes, although it is true that the budget line cannot respond very quickly. The LRRD suitability is mainly linked to the built-in flexibility to combine food aid with food security interventions. In practice, the FSBL often serves as a link between ECHO and EC development programmes. For instance, the budget line has logically taken over ECHO programmes after the acute crisis phase was settled. The new organisational set-up of the Delegations, where the co-ordination of the FSBL and (EDF) rural development programmes is combined within one Delegation unit, ensures a close forward link in the direction of development.

The 3 steps strategy (short term, medium term and long term) presented in the new FS guideline is a good answer to the LRRD approach.

The work done by the LRRD/DPP Interservice Group has already led to a good presentation of main issues for the future of LRRD, including the clarification on the role of the various actors in it.

8.6. Overall assessment

The country studies included an overall assessment of the FSBL interventions on the classical evaluation criteria relevance, effectiveness, efficiency, sustainability, impact and coherence. In this synthesis report, these country-level findings have been aggregated, based on a division between direct aid and indirect aid channels, with an additional breakdown into food aid and food security operations for indirect aid. This leads to the following conclusions:

- The **relevance** of all channels for FSBL operations is rated positively, in most cases as satisfactory or very satisfactory. For none of the channels in none of the countries, the relevance is seen to be poor or very poor.
- The **effectiveness** of FSBL operations is considered to be rather high. However, overall ratings for effectiveness are lower than ratings for relevance. For the direct aid channel, effectiveness was satisfactory in about half of the countries; for indirect aid the number of countries with satisfactory effectiveness was even higher.
- The overall **efficiency** is rated as fair. Efficiency was considered to be satisfactory for direct aid, while efficiency for indirect food aid was rated only as fair. The lower efficiency rating for indirect food aid is mostly caused by the low rating for the time-consuming NGO Call for Proposals procedure and rather high transaction costs related to the use of the NGO channel.
- **Sustainability** of direct aid and indirect food security operations is neither positive nor negative. On average, sustainability is seen as fair. For the indirect food aid channel, on the other hand, sustainability was rated as poor or even very poor. However, longer-term sustainability of food aid operations cannot be expected.
- The overall **impact** of the FSBL operations appears to be rather satisfactory. Direct aid and indirect food security operations had a satisfactory or very satisfactory impact in about half of the countries. Indirect food aid had only fair impact in most countries.
- The **internal and external coherence** on average is rated as fair to satisfactory, being poor for only one case of direct aid and one case of indirect food aid and for none of the indirect food security operations. Coherence is seen as satisfactory or very satisfactory in

about half of the countries with direct aid, and in two-third of the countries with indirect food security operations.

9. RECOMMENDATIONS

Given the high flexibility between its components, the role it can play in the LRRD approach, the specific poverty orientation of its interventions, the multi actors-partnership, as well as the various levels of interventions (policy and project levels), the FSBL should continue to exist as a flexible funding source for integrated food aid and food security interventions. This means the continuation of the budget line with all of its instruments.

9.1. Coherence and complementarity of the Reg/96 FA/FS policy

Coherence with EC development aid

- In order to improve horizontal coherence between the various EC instruments, new EC-regulations or implementation guidelines should translate the need for coherence into concrete terms. The added value of the various budget lines should be stated and cross-references between the instruments should be made. In order to reinforce the “capitalisation” on the linkages between instruments (describing the situations when using two separate instruments results in *synergy* effect and those where the instruments cannot be combined), existing experiences should be evaluated and their results integrated into the new implementation guidelines.

Coherence with CSP's

- In order to improve internal coherence within overall EC development aid packages for recipient countries, the FSU and TA's placed in the Delegation should advocate the integration of the funded and/or planned food aid and food security strategies of the FSBL in the regional and country-level EC strategy papers. The contributions of all EC-instruments and existing cross-links should be clearly described.
- For ‘Group II’ countries (countries in crisis or post-crisis) that do not have an EC Country Strategy Paper, the FSBL support should be embedded in a country-specific food security strategy framework paper. This paper should be a joint effort involving staff of the Food Security Unit in Brussels and staff of the EC Delegation in the respective country. Because of the volatility of the political and humanitarian situation in these countries, the strategy paper should be regularly updated and flexibly used. The strategy paper should clearly describe the added value of the various instruments and FSBL components to be used.

Coherence with national strategies of recipient countries

- In order to make EC contributions more visible and sustainable, Delegations should actively participate in elaborating the PRSPs, and focus their attention on highlighting the added value of the involved donors. The EC should then concentrate its interventions on those issues that are most relevant for achieving food security.
- In most ‘Group I’ countries, the FSBL support is coherent with national strategies, but focuses strongly on agricultural production and macro-economic aspects. These programs address the availability and the (financial) access to food. Additionally, the FSBL should fund initiatives to improve the access to food of vulnerable groups and to improve the utilisation of food (programmes on nutrition education, micronutrient supplementation/fortification programs, primary health care and water and sanitation), the third component of food security. This may require an increased collaboration with the Ministry of Health and more frequent outsourcing to NGO's or private service providers, the introduction of a specific NGO Call for Proposals in the area of food utilisation, more funding for carefully targeted safety net programs, etc..
- The EC (Delegation level or the Food Security Unit in Brussels) should provide thematic policy development support for drafting National Food Security strategies. The wide-ranging experiences of the FSBL in this field should be capitalised on and drawn from. The Food Security Unit in Brussels should initiate the capitalisation (‘lessons learned’ and inventory of successful and unsuccessful experiences), possibly with the help of external expertise provided by specialised consultants. The elaboration of national FS strategies thus can be reinforced.

9.2. Added value of the instruments available under Regulation No. 1292/96

Food aid in-kind

- The EC should refrain from committing increasing shares of FSBL annual resources to Food Aid. In line with the FSBL strategy aimed at long-term food security improvement and reduced dependence on food aid, financial targets for funding of food security programs should be defined as part of a yearly planning process at the level of the Food Security Unit. This also relates to the proper 'marking' of the use of the currency facility, which now is seen as FA but in reality may be oriented on FS.
- It is recommended to continue to group food aid and food security together under the food security budget line. By combining food aid and food security in one flexible budget line, it is possible to provide tailor-made and continuously evolving support programmes to countries in and after emergencies.
- In countries where the FSBL funds large emergency food aid programmes, the responsible Delegation staff should actively advocate clear and specific targeting procedures, and should promote an early shift to more comprehensive and sustainable approaches for achieving food security. In this respect, the coordination of the FSBL with ECHO should be continued and reinforced.
- Both WFP and NGOs funded through Euronaid are interesting and well-established channels for indirect food aid in-kind. The size of the FSBL fund allocations to these partners requires a continuous search for improvements, and a close focus on the planning and implementation of the food aid programmes through these channels. The Food Security Unit should commission in-depth evaluations on the functioning of these two important channels for the FSBL. Given the impossibility to contract with Euronaid under the new financial regulation, a study on how to continue to work with NGOs should be launched as soon as possible.

Currency facility (Budget support)

- The currency facility should be maintained as it forms an effective and efficient instrument of the FSBL to allocate funds and to address food security and poverty alleviation issues through a synergistic package of interventions.
- The Delegation staff should carefully assess and monitor the absorptive capacity of the government structures that are targeted by currency facility countervalue programmes. Where needed, the FSBL should fund institutional support and capacity building.
- It is recommended to further study if and how the cumbersome specifications of budget support can be reduced in order to improve the operational efficiency of the instrument. This requires the removal of the 'food aid' veil in recipient countries where in reality no food imports are undertaken. In other countries, the potential negative effect of budget support on small and medium size food importers needs to be studied further.
- EC Headquarters or short term TAs should provide methodological support to develop appropriate and relevant tools for project/programme identification and monitoring.

Food security operations

- The FSBL food security operations should be continued and reinforced, as they effectively link food aid with other (EC) humanitarian and development aid instruments. The operations serve to reinforce the integration of food aid and food security under a general development policy, and to follow-up emergency operations during natural or man-made disasters (LRRD issue).
- In addition to focusing on food production and income generation, programme planners at the FSU and in Delegations should also consider support to social safety nets and to programs for nutrition education, micronutrient supplementation/fortification, primary health care and water and sanitation.

- The operational efficiency of the operations should be improved. This especially refers to a need for a quicker project selection process within the NGO Call for Proposals. It is recommended to set clear standard timeframe for this process. Another issue is the need for (better) monitoring systems. The Delegations should be required to produce 6-monthly monitoring reports to be submitted to the Food Security Unit in Brussels, which should share them with relevant ECHO and EC Development Aid offices at Brussels level.
- The financial efficiency of the NGO channel has not been addressed in-depth in the country studies in this evaluation, and should be taken up in a separate study to be commissioned by the Food Security Unit in Brussels. This could be done as a desk study in Brussels reviewing financial project reports. The study should compare the performance of the FSBL projects and programmes with the financial efficiency of projects and programs funded by the NGO-cofinancing budget line. The results of this study should feed into the NGO project selection guidelines.

Technical assistance

- The role and responsibilities of the TAs (both the assistants within the Delegations and those seconded to recipient governments) should be clearly specified. It is suggested to elaborate general FSBL 'standard' Terms of Reference for TA that can be added upon for each specific posting.
- TAs should be more involved in capacity building and institutional support, and they should spend less time on administrative work. The Food Security Unit should establish a working group to develop general support materials for this function of the TAs.
- TAs should be better equipped with proper project identification mechanisms and monitoring systems (see above).
- Although Delegations underline the advantage of "in-country" TA, methodological support and the exchange of information should be reinforced. This could become a key responsibility for the FSU in Brussels and staff should be allocated to this task. The assigned staff members could also analyse the level of coherence between the different instruments.

9.3. Project cycle management

Design phase

- The appraisal procedures for the FSBL (including the NGO Call for Proposals) should have shorter and clearer timeframes, without a reduction in the flexibility of the budget line and the quality of the funded operations.
- The TA provided by the FSBL should aim at improving the absorptive capacities of beneficiary countries by focusing his / her efforts on capacity building and institutional strengthening.
- More baseline studies and feasibility studies need to be carried out during the project identification phase, either by implementing partners, the TAs, or specifically contracted consultants.
- Phasing in strategies should be developed in collaboration with the main partners, especially ECHO, thus making the phasing out of projects and programmes easier.

Implementation phase

- The administrative resources for the FSBL (staffing levels) should be brought more in line with the FSBL aid volumes. This especially applies to the Food Security Unit in Brussels. The FSU should arrive at the same ratio between staffing and budget turnover as ECHO.
- There is considerable scope for streamlining of the rules and procedures of the various EC programs. This issue surpasses the FSBL, and therefore should be taken up at higher levels.

- The accounting and management information systems for the FSBL should be further improved. The responsibility for the elaboration of new systems lies with the Food Security Unit in Brussels.
- The FSBL should improve its monitoring and evaluation systems, basing them on properly elaborated indicators (see above).
- The Food Security Unit should commission more independent evaluations (both channel and thematic evaluations) providing useful input to the TAs for further planning and fine-tuning of the FSBL support at country and lower levels.
- Actors' participation in the implementation process should be reinforced. Delegation staff should pay special attention to regular and continued dialogue with governmental structures and local governments, in order to optimise sustainability and ownership.
- The EC database (CRIS) should be further improved, in order to obtain an integrated view of all EC interventions through the various EC instruments. Systematic codification of sectors and sub-sectors should be developed to avoid duplication of projects. A key list of important aid issues should be elaborated and key words should be allocated to assess the specific importance of thematic issues in EC aid.

Phasing out

- All planning documents for FSBL programmes should include a description of explicit exit-strategies for all of the instruments used.
- Explicit phasing in – phasing out strategies should also be developed in conjunction with ECHO

9.4. Impact and sustainability

- The FSBL should continue to provide support to the development of national food security policies in the recipient countries.
- EC Delegations and staff in Brussels should continue to focus their attention on the coordination of aid. The 3 steps strategy (short term, medium term and long term) should be developed further.
- The FSBL should focus on increasing the absorptive capacities within recipient governments. For optimal institutional sustainability of the funded operations, there should be a smart selection of partner organizations and interventions. Particular attention should be paid to government structures and local governments.

9.5. LRRD

- The budget line should continue to serve LRRD processes in 'Group I' countries, either through a take-over from ECHO or through close co-ordination with EDF-funds for rural development. For the 'Group II' countries, the budget line should aim at smoothing the LRRD processes, with early and gradual shifts to food security interventions in order to avoid the to the continued reliance of food aid operations. This requires a continuous planning process with regular (e.g. 6-monthly) reviews and updates involving both the Delegation and FSU staff in Brussels. The planning should be specific but still flexible enough to adjust to new developments.
- The LRRD/DPP Interservice Group should continue its activities and focus on the linkages between instruments as well as the specific responsibilities of the various actors. Current trends in EC policy development should be integrated in the discussion.