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Highlights

Highlights of [GAO-08-83T](#), a testimony before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, Committee on Appropriations, House of Representatives

Why GAO Did This Study

The United States is the largest global food aid donor, accounting for over half of all food aid supplies to alleviate hunger and support development. Since 2002, Congress has appropriated an average of \$2 billion per year for U.S. food aid programs, which delivered an average of 4 million metric tons of food commodities per year. Despite growing demand for food aid, rising business and transportation costs have contributed to a 52 percent decline in average tonnage delivered between 2001 and 2006. These costs represent 65 percent of total emergency food aid, highlighting the need to maximize its efficiency and effectiveness. This testimony is based on a recent GAO report that examined some key challenges to the (1) efficiency of U.S. food aid programs and (2) effective use of U.S. food aid.

What GAO Recommends

GAO recommended that the Administrator of the U.S. Agency for International Development (USAID) and the Secretaries of the U.S. Department of Agriculture (USDA) and the Department of Transportation (DOT) enhance the efficiency and effectiveness of U.S. food aid by improving logistical planning, transportation contracting, and monitoring, among other actions. In general, USAID, USDA, and DOT found our recommendations to be helpful and have created an interagency Executive Working Group to identify actions to address them. However, USDA disagreed with some of our analysis.

www.gao.gov/cgi-bin/getrpt?GAO-08-83T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Thomas Melito (202) 512-9601 (MelitoT@gao.gov).

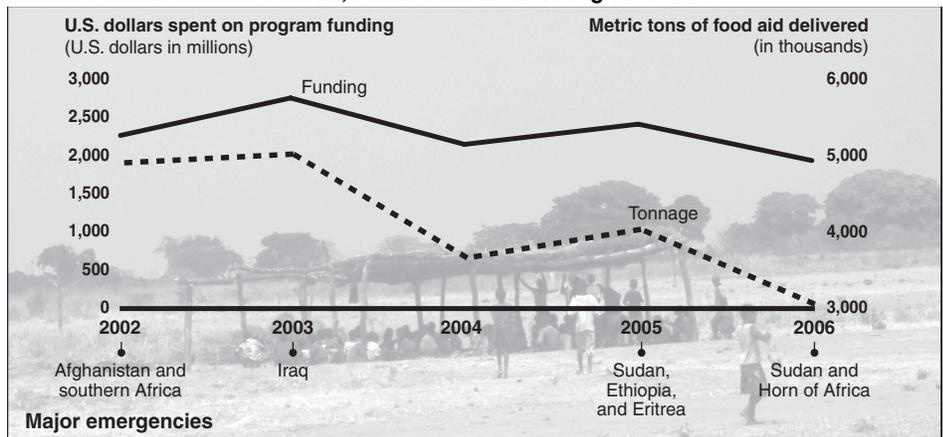
FOREIGN ASSISTANCE

Multiple Challenges Hinder the Efficiency and Effectiveness of U.S. Food Aid

What GAO Found

Multiple challenges hinder the efficiency of U.S. food aid programs by reducing the amount, timeliness, and quality of food provided. Factors that cause inefficiencies include (1) insufficiently planned food and transportation procurement, reflecting uncertain funding processes, that increases delivery costs and time frames; (2) ocean transportation and contracting practices that create high levels of risk for ocean carriers, resulting in increased rates; (3) legal requirements that result in awarding of food aid contracts to more expensive service providers; and (4) inadequate coordination between U.S. agencies and food aid stakeholders in tracking and responding to food and delivery problems. U.S. agencies have taken some steps to address timeliness concerns. USAID has been stocking or prepositioning food domestically and abroad, and USDA has implemented a new transportation bid process, but the long-term cost effectiveness of these initiatives has not yet been measured. The current practice of using food aid to generate cash for development projects—monetization—is also inherently inefficient. Furthermore, since U.S. agencies do not collect monetization revenue data electronically, they are unable to adequately monitor the degree to which revenues cover costs.

Selected Trends in U.S. Food Aid, Fiscal Years 2002 through 2006



Source: GAO analysis of USAID and USDA data.

Numerous challenges limit the effective use of U.S. food aid. Factors contributing to limitations in targeting the most vulnerable populations include (1) challenging operating environments in recipient countries; (2) insufficient coordination among key stakeholders, resulting in disparate estimates of food needs; (3) difficulties in identifying vulnerable groups and causes of their food insecurity; and (4) resource constraints that adversely affect the timing and quality of assessments, as well as the quantity of food and other assistance. Furthermore, some impediments to improving the nutritional quality of U.S. food aid may reduce its benefits to recipients. Finally, U.S. agencies do not adequately monitor food aid programs due to limited staff, competing priorities, and restrictions on the use of food aid resources. As a result, these programs are vulnerable to not getting the right food to the right people at the right time.