

GAO

Report to the Committee on Foreign
Affairs, House of Representatives

September 2012

INTERNATIONAL FOOD ASSISTANCE

Improved Targeting Would Help Enable USAID to Reach Vulnerable Groups



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INTERNATIONAL FOOD ASSISTANCE

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Highlights of [GAO-12-862](#), a report to the Committee on Foreign Affairs, House of Representatives

Why GAO Did This Study

In fiscal year 2011, USAID spent approximately \$1.7 billion on food assistance reaching over 46 million people in 48 countries. USAID targets food assistance so that benefits accrue selectively to only a portion of the overall population, typically the most vulnerable. Effective targeting is important to maximize the impact of limited resources, especially as USAID begins to use more nutritious but more costly specialized food products to address hunger and malnutrition among vulnerable groups. GAO was asked to (1) describe in-country factors that USAID and its implementing partners face in targeting vulnerable groups, and (2) examine the extent to which USAID's targeting process supports effective targeting. GAO analyzed program data and documents; interviewed relevant officials; convened a roundtable of food assistance experts and practitioners; and conducted fieldwork in Ethiopia, Guatemala, Sri Lanka, and Zimbabwe.

What GAO Recommends

GAO recommends that the Administrator of USAID improve USAID's targeting of specialized food products to vulnerable groups by (1) issuing, as appropriate, improved interim guidance to assist implementing partners in deciding whether and how to target specialized food products; and (2) establishing and reporting program-specific indicators related to targeted vulnerable groups, to assess effectiveness in reaching such groups. USAID agreed with the recommendations and provided examples of recent efforts to address them.

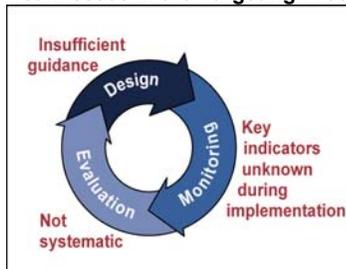
View [GAO-12-862](#). For more information, contact Thomas Melito at (202) 512-9601 or mellitot@gao.gov.

What GAO Found

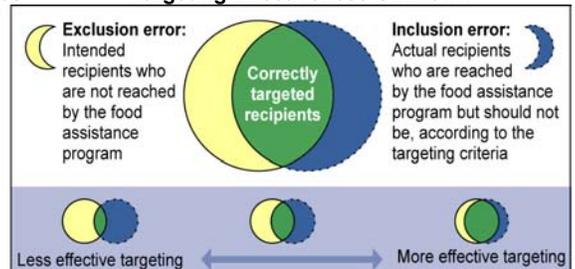
In-country, the U.S. Agency for International Development (USAID) and its implementing partners face a range of factors that, to varying degrees, affect their ability to target food assistance effectively to vulnerable groups. These factors include (1) the quality of data used to identify and reach recipients, (2) host government policies, and (3) sharing of rations among recipients and community members. Targeting effectiveness is reduced when data quality is poor, host government policies cause distortions in program design and implementation, and sharing prevents food rations from being consumed by the intended recipients in the intended amounts. USAID and its implementing partners try to mitigate such challenges by, for example, employing technology to improve data quality, coordinating closely with government officials to foster better relationships, and educating recipients about proper food usage to reduce sharing. In some cases, host governments have facilitated targeting efforts by, for example, establishing national targeting guidelines that set a common standard, or national statistical offices that assist in collecting data. Nevertheless, ensuring that food assistance reaches intended recipients remains difficult.

Weaknesses in the design, monitoring, and evaluation phases of USAID's targeting process hinder targeting effectiveness, although the agency is taking actions to make improvements. In the design phase of the targeting process, USAID does not provide sufficient guidance on whether and how to target specialized food products. Specifically, USAID's guidance on design currently is neither up-to-date nor complete, and does not adequately address key benefits and risks that inform decisions on whether and how to target specialized food products. In USAID's monitoring and evaluation phases, weaknesses limit targeting effectiveness and hinder decision making. USAID currently does not require monitoring of key indicators needed to determine the level of targeting effectiveness. For example, during implementation USAID does not monitor actual recipients in its emergency programs. Furthermore, its evaluations do not systematically address targeting effectiveness. Without adequate guidance, monitoring, and evaluations, USAID cannot ensure targeting effectiveness in its food assistance programs. USAID is taking some steps to improve both guidance and monitoring. For example, USAID is updating guidance and plans to track indicators such as detailed age breakdowns that are key to better understanding targeting effectiveness. However, these steps do not fully address the weaknesses in USAID's targeting process.

Weaknesses in the Targeting Process



Targeting Effectiveness Unknown



Source: GAO analysis based on USAID data and other sources.

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Abbreviations

| | |
|--------|--|
| APS | Annual Program Statement |
| CSB | corn soy blend |
| CSB+ | corn soy blend plus |
| CSB++ | corn soy blend plus plus |
| FANTA | Food and Nutrition Technical Assistance |
| FAO | Food and Agriculture Organization |
| FAQR | Food Aid Quality Review |
| FFP | Office of Food for Peace |
| IFRP | International Food Relief Partnership |
| LNS | lipid nutritional supplement |
| MFFAPP | Micronutrient-Fortified Food Aid Products Pilot |
| NGO | nongovernmental organization |
| RUSF | ready-to-use supplementary food |
| RUTF | ready-to-use therapeutic food |
| SUN | Scaling-Up Nutrition |
| UN | United Nations |
| UNDSS | United Nations Department of Safety and Security |
| UNICEF | United Nations Children's Fund |
| USAID | U.S. Agency for International Development |
| USDA | U.S. Department of Agriculture |
| WFP | United Nations World Food Program |
| WSB | wheat soy blend |

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Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

September 24, 2012

The Honorable Ileana Ros-Lehtinen
Chairman
The Honorable Howard L. Berman
Ranking Member
Committee on Foreign Affairs
House of Representatives

As the largest international food assistance donor, providing about half of global food assistance, the United States plays an important role in addressing hunger and malnutrition among vulnerable groups around the world.¹ Nearly 1 billion people suffer from undernourishment, which contributes to more than one-third of child deaths globally, according to United Nations (UN) sources.² In fiscal year 2011, with funding authorized under the Food for Peace Act,³ the U.S. Agency for International Development (USAID) reported that it spent approximately \$1.7 billion on food assistance that reached over 46 million people in 48 countries.⁴ Of this total, USAID spent approximately \$1.2 billion on emergency programs to help alleviate hunger and malnutrition in countries affected

¹Vulnerable groups may include pregnant and lactating women; children under 2; and individuals who are elderly, handicapped, or afflicted with chronic diseases such as HIV/AIDS.

²United Nations (UN) Food and Agriculture Organization (FAO), *The State of Food Insecurity in the World* (Rome, Italy: 2010); and UN Children's Fund (UNICEF), *Tracking Progress on Child and Maternal Nutrition: A Survival and Development Priority* (New York, NY: 2009).

³Section 3001 of Pub. L. No. 110-246, the Food, Conservation, and Energy Act of 2008, changed the title of the underlying legislation from the Agricultural Trade Development Assistance Act of 1954, also known as P.L. 480, to the Food for Peace Act. Title II of the Food for Peace Act, administered by USAID, addresses donation of agricultural commodities for humanitarian purposes. Other U.S. food assistance programs are administered through the U.S. Department of Agriculture, including Food for Peace Title I, Food for Progress, and the McGovern-Dole International Food for Education and Child Nutrition programs. In this report, we refer to the Food for Peace Act as Title II.

⁴Fiscal year 2011 data reported by USAID were preliminary data at the time of this report.

by natural or man-made disasters, such as drought or conflict.⁵ USAID programs provide three types of food assistance products: (1) traditional food products, such as wheat, corn, and sorghum; (2) traditional specialized food products, such as corn soy blend (CSB), a nutritionally enhanced commodity; and (3) new specialized food products, such as ready-to-use supplementary or therapeutic foods.⁶ Both traditional and new specialized food products are intended for vulnerable groups.

USAID's goal is to focus its food assistance efforts on the reduction of hunger and malnutrition in vulnerable groups through targeting. As defined by USAID, targeting is any method by which an intervention is designed or implemented so that benefits can accrue selectively to only a portion of the overall population. Targeting may be categorized by geographic area or eligibility criteria, which are usually defined by recipients' characteristics, such as age, gender, income level, asset level, or nutritional status. For the purposes of this report, we define the effectiveness of targeting as the degree to which USAID and its implementing partners are able to (1) accurately assess needs and identify recipients using appropriate eligibility criteria, and (2) ensure that the food assistance provided reaches and is consumed by the targeted

⁵USAID spent approximately \$426 million on development programs and the remainder on other related efforts. USAID previously referred to these development programs as nonemergency programs. Development programs typically include a range of objectives, such as agricultural development, health and nutrition, or community development. Emergency programs may have some of these same objectives, but as noted above they are generally focused on alleviating hunger and malnutrition in countries affected by disaster. In this report, we focus on both Title II emergency and development in-kind food assistance programs, particularly those that have nutritional goals and include the use of specialized food products. We do not focus on other types of food assistance program activities, such as food-for-work or food-for-assets.

⁶For the purposes of this report, we use the following terms in reference to food products: (1) traditional food products, which include grain, pulses (dried beans, peas, and lentils), and vegetable oil; (2) traditional specialized food products, which include fortified and blended food, such as corn soy blend (CSB) and wheat soy blend (WSB); and (3) new specialized food products, which include reformulated fortified and blended food, such as Supercereal and Supercereal+; ready-to-use supplementary food (RUSF), such as Nutributter and Plumpy'Doz; ready-to-use therapeutic food (RUTF), such as Plumpy'Nut; and ready-to-use emergency rations, such as A-20. Traditional and new specialized food products are collectively referred to as specialized food products. Not all of the products defined in each food product category are currently used in Title II-funded food assistance programs.

recipients as defined by the eligibility criteria.⁷ While targeting may never be perfect, targeting error indicators can be used to assess effectiveness. These indicators include the percentage of intended recipients that did not receive food assistance or the percentage of people who were not eligible for assistance but still received it.⁸

Effective targeting is important, particularly in the context of constrained resources, continuing humanitarian and food emergencies, and increasing focus on addressing malnutrition in vulnerable populations. USAID's food assistance budget has declined from approximately \$2.3 billion in appropriations in fiscal year 2009 to less than \$2 billion in fiscal year 2011. The demand for international food assistance remains high as the threat of drought and famine persists in the Horn of Africa and other regions. Moreover, USAID has begun to introduce, for limited use, some new but more costly specialized food products designed to improve nutritional outcomes for vulnerable groups, such as children under 2 years of age. However, as we previously reported, providing food that is more nutritious but also more costly, within a fixed budget, would result in fewer recipients fed.⁹

As part of our work on international food assistance,¹⁰ you asked us to (1) describe in-country factors that USAID and its implementing partners face in targeting vulnerable groups, and (2) examine the extent to which USAID's targeting process supports effective targeting.

⁷For the purposes of this report, we use the term "implementing partners" to refer to the UN World Food Program (WFP) and nongovernmental organizations (NGOs) that are awarded U.S. government grants to carry out food assistance programs.

⁸These indicators are known as exclusion errors, which occur when people who are eligible for assistance do not receive it, and inclusion errors, which occur when people who are not eligible for assistance receive it. Together, these two measures can be referred to as targeting errors.

⁹GAO, *International Food Assistance: Better Nutrition and Quality Control Can Further Improve U.S. Food Aid*, [GAO-11-491](#) (Washington, D.C.: May 12, 2011).

¹⁰Our current work on international food assistance includes a recently issued report, GAO, *World Food Program: Stronger Controls Needed in High-Risk Areas*, [GAO-12-790](#) (Washington, D.C.: Sept. 13, 2012). In addition, we are conducting a review of the *Feed the Future* initiative, the U.S. governmentwide strategy to address global hunger and food security. The strategy was developed pursuant to a U.S. pledge made at the G-8 Summit in L'Aquila, Italy, to provide at least \$3.5 billion for agricultural development and global food security over 3 years.

To address these objectives, we met with officials from USAID and its implementing partners, including the UN World Food Program (WFP) and nongovernmental organizations (NGO). We also met with academics, experts, and practitioners associated with research institutes and universities, as well as officials from the U.S. Departments of Agriculture (USDA) and State (State). In addition, we reviewed USAID's targeting framework, including guidance, related to the food assistance targeting process. We analyzed data from USAID and WFP to identify trends in food assistance funding, the use of specialized food products, and the costs of these products as compared with traditional food products. Furthermore, we conducted fieldwork in four countries—Ethiopia, Guatemala, Sri Lanka, and Zimbabwe—and met with officials from U.S. missions, implementing partners, and relevant host government agencies. Finally, we convened a roundtable of 10 experts and practitioners—including representatives from academia, research organizations, and implementing partners such as WFP and NGOs—to further delineate, on the basis of our initial work, in-country factors that affect targeting vulnerable groups and the process that USAID and its implementing partners use to target food assistance. Appendix I provides a detailed discussion of our objectives, scope, and methodology.

We conducted this performance audit from October 2011 to September 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The United States Has Stated Its Commitment to Combating World Hunger and Malnutrition

Combating world hunger and malnutrition is a stated objective of the Food for Peace Act, which authorizes international food assistance for developing countries. The United States has also stated its commitment to the Millennium Development Goal to halve world hunger by 2015, and it supports the Scaling-Up Nutrition (SUN) movement to provide assistance to country-led efforts to address maternal and child

malnutrition.¹¹ To support SUN, the United States and others initiated the 1,000 Days public-private partnership, which aims to improve nutrition for pregnant and lactating mothers and children under 2. Adequate nutrition in this critical period in a child's life is widely recognized to have the greatest impact on saving lives, developing a child's cognitive and physical capacity, and mitigating the risk of chronic disease. According to the *USAID Policy Framework 2011-2015*, USAID plans to ensure that the quality of U.S. government food aid is improved within 3 years to meet the nutritional requirements of vulnerable populations overseas, including by developing new blended products and formulations to support pregnant and lactating mothers and children under 2.

In fiscal year 2011, USAID provided about \$1.2 billion in Title II emergency funding to deliver about 1 million metric tons of food to 33 countries, as shown in figure 1. Approximately 74 percent of the food commodities were delivered to 14 countries that received U.S. emergency food assistance every year from fiscal years 2006 through 2011.¹² Ten countries—eight of them in Africa—accounted for about 83 percent of Title II emergency funding.¹³ Seven of these 10 countries consistently received Title II emergency food assistance in the last 6 years. Also, among these 10 countries, the prevalence of stunting, a standard indicator for undernourishment in children under 5, ranged from 32 to 59

¹¹SUN promotes the implementation of nutrition interventions, proliferation of successful practices, and integration of nutrition goals into sectors such as public health, social protection, and agricultural development. The SUN movement currently comprises 27 member countries, as well as civil society groups, donors, businesses, and international organizations.

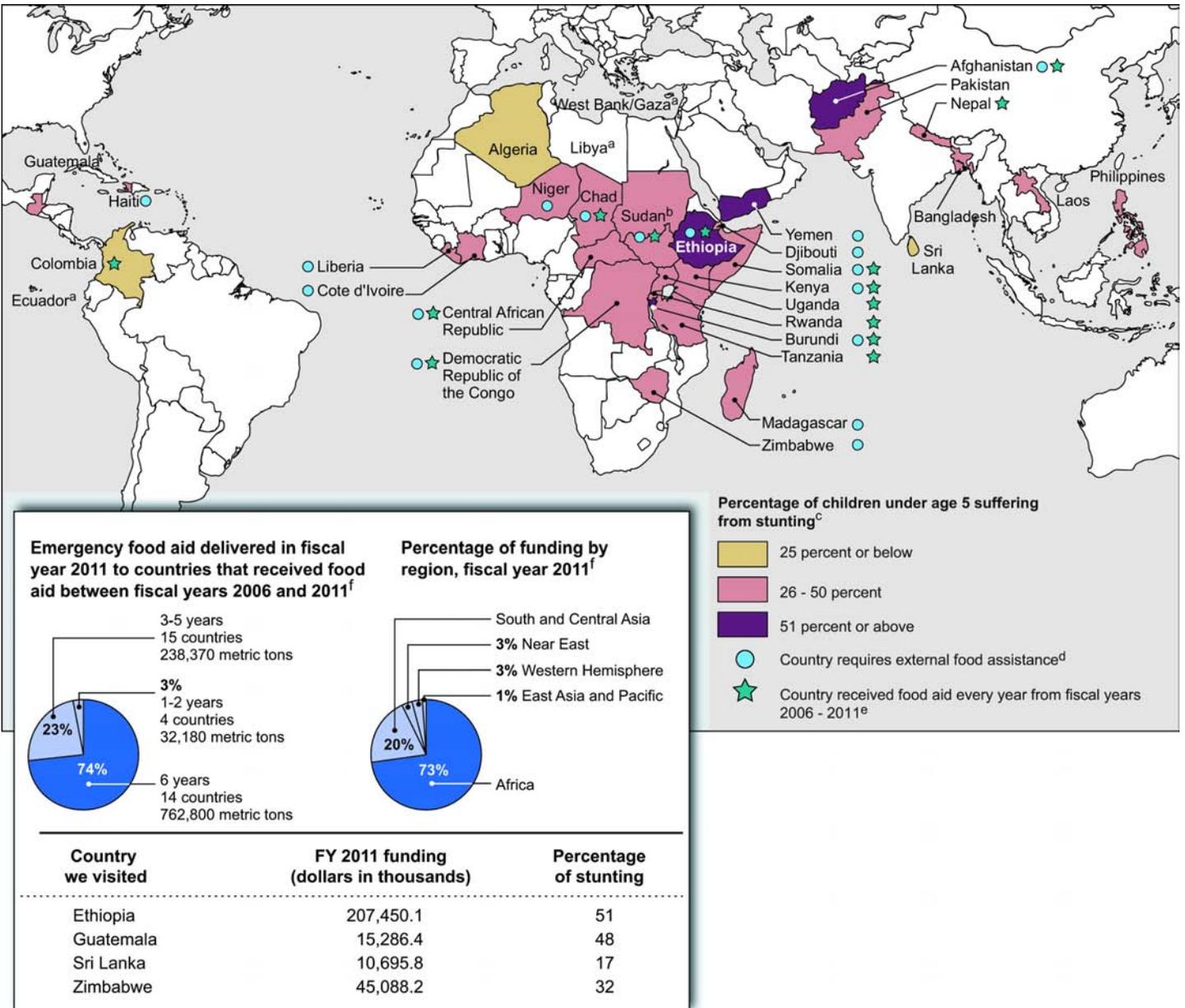
¹²We previously reported that, although Title II emergency funding is intended to address short-term food needs, more than half of the funding in fiscal year 2010 was spent on multiyear emergency programs. See [GAO-11-491](#). In 2011, the 14 countries that received U.S. emergency food assistance every year from fiscal years 2006 through 2011 were Afghanistan, Burundi, Central African Republic, Chad, Colombia, Democratic Republic of the Congo, Ethiopia, Kenya, Nepal, Rwanda, Somalia, Sudan, Tanzania, and Uganda. In addition, 23 percent of the emergency food commodities were delivered to 15 countries that received U.S. food assistance for 3 to 5 years from fiscal years 2006 through 2011. Three percent was delivered to four countries that received emergency U.S. food aid for 1 to 2 years.

¹³The 10 countries were Afghanistan, Chad, Democratic Republic of the Congo, Ethiopia, Kenya, Pakistan, Somalia, South Sudan, Sudan, and Zimbabwe.

percent.¹⁴ Ethiopia, one of the four countries we visited, received about \$207 million, which accounted for about 17 percent of total Title II emergency funding. A higher percentage of the total population in Ethiopia suffers from malnutrition than in most other recipient countries, with 51 percent of children under 5 suffering from stunting.

¹⁴As defined by UNICEF, undernourishment includes stunting (being too short for one's age), a key indicator of hunger and malnutrition. USAID uses wasting as an indicator of acute malnutrition in Title II emergency and development programs and stunting as an indicator of chronic malnutrition in Title II development programs.

Figure 1: Prevalence of Stunting as an Indicator of Hunger and Malnutrition among the Countries That Received Title II-Funded Emergency Assistance in Fiscal Year 2011



Source: GAO analysis based on various sources; Map Resources (map).

^aStunting data are not available for Ecuador, Libya, and West Bank/Gaza.

^bSouth Sudan became independent from Sudan in 2011 and first received Title II-funded emergency assistance in fiscal year 2011. Stunting data reported include both Sudan and South Sudan.

^cThe percentage of stunting among children under 5 is based on World Health Organization data for 2006-2010, as reported by UNICEF.

^dCountries requiring external food assistance as of June 2012, according to FAO.

^eCountries receiving Title II-funded emergency assistance from fiscal years 2006 through 2011, according to annual U.S. International Food Assistance Reports issued by USAID and USDA for 2006 through 2011.

^fTitle II emergency food aid tonnage and funding levels for fiscal year 2011 are preliminary based on the U.S. International Food Assistance Report (draft) for 2011, to be issued by USAID and USDA.

Traditional Food Products Account for the Vast Majority of Food Assistance, with the Use of Specialized Food Products Increasing

USAID uses traditional food products, such as grain, pulses, and vegetable oil, for the vast majority of its food assistance programs, but specialized food products are increasingly being used. For more than 40 years, USAID has been using fortified blended foods, such as CSB or WSB, as the primary food product to provide enhanced nutrition during emergencies. Figure 2 provides a breakdown of USAID Title II emergency program commodity value by product in fiscal year 2011, with traditional specialized food products accounting for 8 percent. Since fiscal year 2010, USAID has been purchasing small quantities of new specialized food products such as ready-to-use emergency rations, making a limited supply available in two of its prepositioning sites where food commodities are stocked for shipment as necessary.¹⁵

¹⁵In addition, USDA's Foreign Agriculture Service has a Micronutrient-Fortified Food Aid Products Pilot (MFFAPP) that received \$10 million in fiscal year 2010 to support the development and field testing of new ready-to-use foods, fortified blended foods, high-energy foods, and micronutrient powders to address the micronutrient deficiencies of a population or group. The first MFFAPP project was under way in fiscal year 2011, with additional pilot projects continuing in fiscal year 2012.

Example of a Food Ration Consisting of Traditional Food Products



Source: GAO.

The photo above, from a food assistance program we visited in Zimbabwe in 2012, shows food rations consisting of traditional food products, to be distributed to multiple recipient households. A household of five received a monthly ration of 50 kilograms of sorghum, 9 kilograms of yellow peas, and 3 kilograms of vegetable oil.

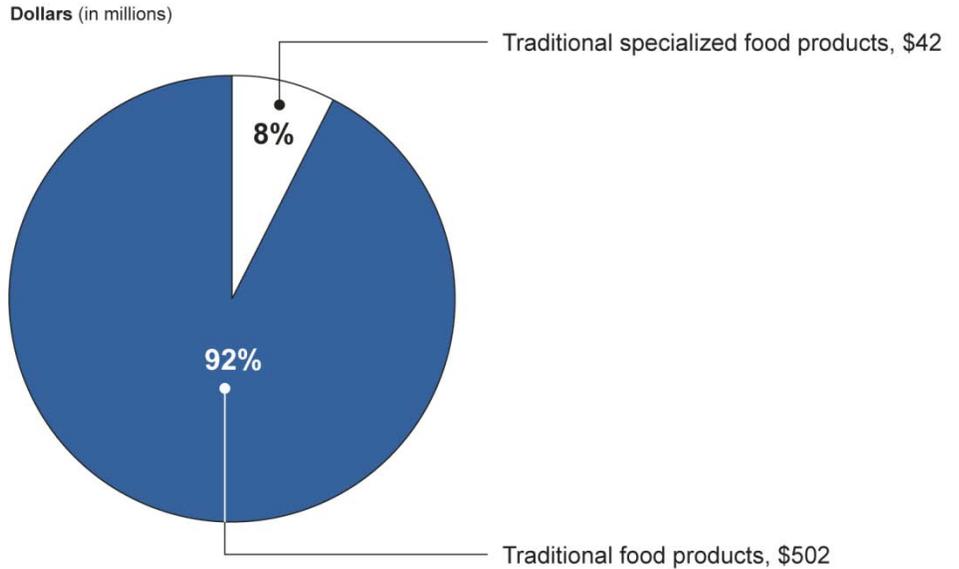
Example of a Food Ration Consisting of Both Traditional and Specialized Food Products



Source: GAO.

The photo above, from a food assistance program we visited in Guatemala in 2012, shows a monthly food ration consisting of both traditional and specialized food products. The ration was for a household of six and included 18 pounds of rice, 18 pounds of pinto beans, 18 pounds of CSB, and 2 liters of vegetable oil.

Figure 2: Commodity Value of USAID Title II Emergency Program by Product, Fiscal Year 2011



Source: GAO analysis based on USAID data.

Note: Traditional food products include grain, pulses, and vegetable oil. Traditional specialized food products include CSB and WSB.

In recent years, nutritionists have argued that traditional specialized food products may not be appropriate for children under 2 to obtain sufficient nutrients.¹⁶ As a result, USAID and WFP have introduced new specialized food products, including enhanced versions of some of their traditional specialized food products, such as CSB+ or Supercereal+, to better meet the nutritional needs of vulnerable groups. Recently, USAID also has introduced a range of ready-to-use products, which are designed for recipients affected by emergencies such as natural disasters or conflicts.¹⁷ WFP is the largest provider of global food aid and implementing partner of USAID, accounting for 90 percent of U.S. emergency food assistance funding. WFP has increased the share of specialized food products in its procurement by 10 percentage points across a period of 2 years, reaching over 25 percent in its 2011

¹⁶GAO-11-491.

¹⁷According to USAID officials, these ready-to-use products also include products that are aimed at reducing malnutrition, which can occur even outside of emergencies.

procurement. The countries that received the largest amounts of specialized food products from WFP were Ethiopia, Pakistan, Kenya, Niger, and Somalia.

Specialized food products are designed to meet specific nutritional needs of vulnerable groups but are more costly than traditional food products. As a result, within a fixed budget, USAID and its implementing partners must decide whether to provide more nutritious but more costly food to fewer people, or less nutritious and less costly food to more people. In other words, they face a quality-quantity trade-off.¹⁸ Table 1 provides illustrative examples of cost per ration for the three different types of food assistance. See appendix III for a more detailed comparison of cost differences between traditional food products and specialized food products.

Table 1: Illustrative Examples of Cost Per Ration of Different Types of Food Products, for Children 6 Months to 2 Years of Age, Based on 2012 Prices

| Type of food product ^a | Example of product | Cost per daily ration or dose |
|--------------------------------------|--------------------------------------|-------------------------------|
| Traditional food product | Grain | \$0.02-\$0.06 |
| Traditional specialized food product | CSB | \$0.09-\$0.18 |
| New specialized food product | Ready-to-use therapeutic food (RUTF) | \$0.42-\$0.46 |

Source: GAO analysis based on various studies and USAID and WFP data.

^aThe products listed in this table are used for different purposes. This table does not assess which products are more effective. We note that USAID does not provide RUTF as part of a general food distribution ration.

Targeting Is an Iterative Process

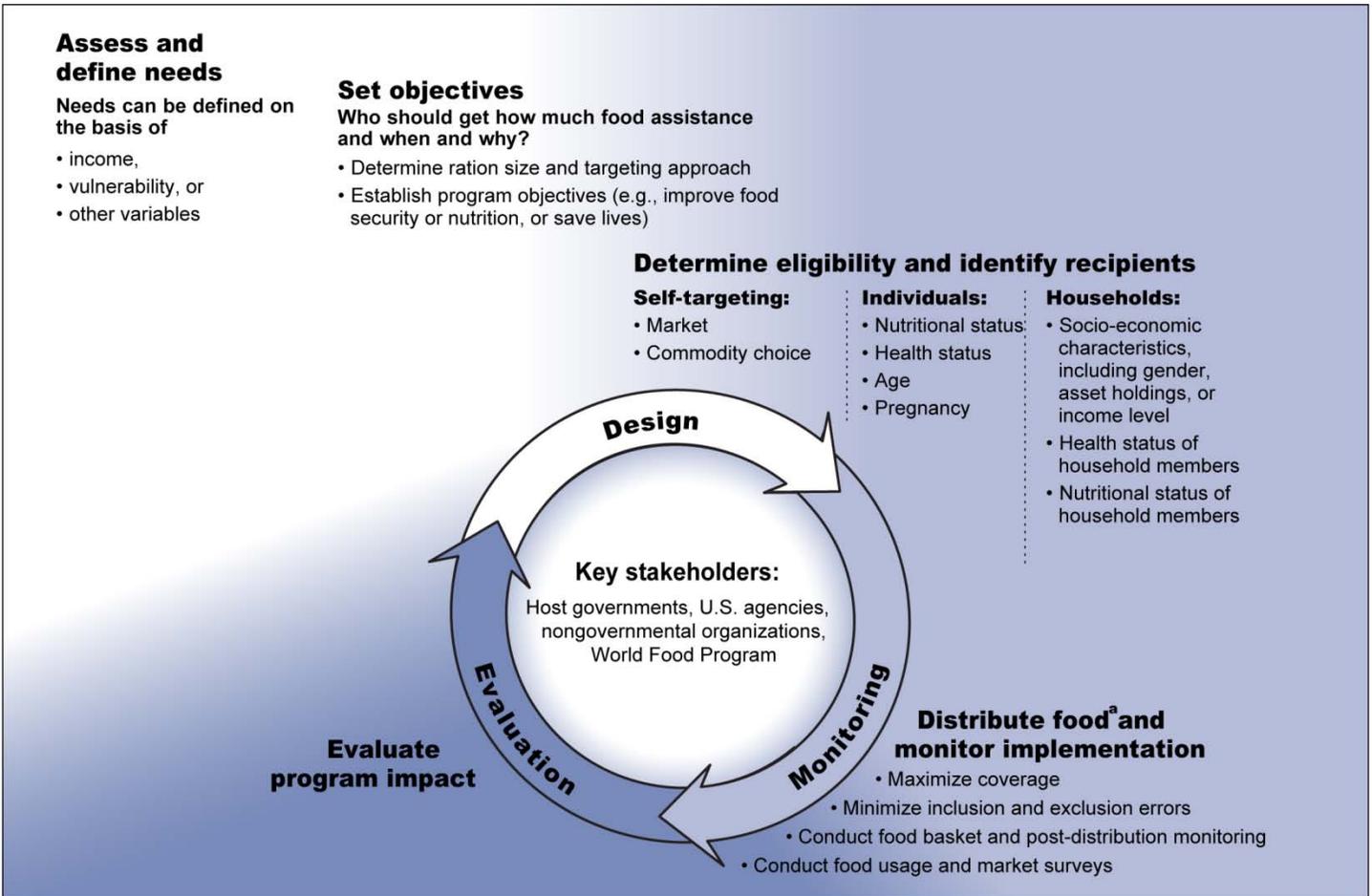
Targeting in food assistance programs is an iterative process that aims to ensure that food reaches and is consumed by people whose characteristics meet certain eligibility criteria, such as age, gender, income level, asset level, or nutritional status. Figure 3 presents a simplified schematic of the overall targeting process and its key phases—design, implementation and monitoring, and evaluation—and steps within

¹⁸For the purposes of this report, we define the “quality” of a given food product as the degree to which it meets specific nutritional needs of vulnerable groups, not the degree to which it adheres to specifications designed to ensure that it is safe for consumption, which all USAID food products must meet at a minimum.

each phase. As key stakeholders in the targeting process, USAID and its implementing partners, including WFP and NGOs, play an important role, as do host governments. In the design phase, implementing partners design food assistance programs and submit proposals to USAID. USAID reviews the proposals and decides whether to fund the programs.¹⁹ Feedback occurs within and across each of the phases—both in host countries and at USAID headquarters—and is crucial to maximizing targeting effectiveness, leading to steps within the process that may not be strictly sequential. For example, during the design phase, USAID and its implementing partners may conduct an assessment of needs to determine the basis for the design of a program; however, as needs may change or be clarified, they may retarget or make adjustments during the monitoring phase to address issues that may arise.

¹⁹According to USAID and WFP officials, this process functions differently for WFP programs. After WFP submits its program design documents, USAID decides whether to fund the program in part or in its entirety.

Figure 3: Overview of the Food Assistance Targeting Process



Source: GAO analysis based on data from various sources.

^aThis figure illustrates a generalized targeting process for both Title II emergency and development in-kind food assistance programs, particularly those that directly distribute specialized food products to achieve nutritional goals. It does not necessarily reflect other types of development food assistance programs, such as those that do not directly distribute food or have any nutritional goals.

Various In-Country Factors Affect USAID and Implementing Partners' Ability to Target Food Assistance Effectively to Vulnerable Groups

USAID and its implementing partners face a range of in-country factors that, to varying degrees, affect their ability to effectively target food assistance to vulnerable groups. These factors include (1) the quality of data used to identify and reach recipients, (2) host government policies, and (3) sharing of rations among recipients and community members. Targeting effectiveness is reduced when data quality is poor, host government policies cause distortions in program design and implementation, and sharing prevents food rations from being consumed by the intended recipients in the intended amounts. USAID and its implementing partners take steps to mitigate such challenges by, for example, employing technology to improve data quality, coordinating closely with government officials to foster better relationships, and educating recipients about proper food usage to reduce sharing. In some cases, host governments have facilitated targeting efforts by, for example, establishing national targeting guidelines that set a common standard, or national statistical offices that assist in collecting data. Nevertheless, ensuring that food assistance reaches intended recipients remains difficult.²⁰

Poor Data Quality May Hinder Implementing Partners' Ability to Identify and Reach Intended Recipients

Lack of Reliable Population and Household Data May Hinder Targeting Effectiveness

Poor data quality—lack of timely and accurate information—may affect implementing partners' ability to effectively identify and reach recipients. For example, in Zimbabwe, USAID and three implementing partners noted that a lack of current and reliable population data made it difficult to determine the overall number and geographic distribution of households

that are in need of food assistance.²¹ In Guatemala, an implementing partner told us that because it used inaccurate data on average

²⁰These in-country factors and mitigating measures apply to both emergency and development programs.

²¹WFP reported that the last census in Zimbabwe was conducted in 2002. Since then, uncertainties about the volume of emigration due to economic and other reasons and the mortality rate due to HIV/AIDS have led some UN organizations to raise questions about official statistics.

Natural Disasters or Conflicts May Cause Population Movements and Raise Security Concerns, Hindering Ability to Reach Targeted Recipients

Pastoralists



Source: GAO.

The term "pastoralists" refers to nomadic communities—including an estimated 15 to 20 million people in East Africa—who depend on raising and herding livestock for a living and who move with rainy and dry seasons in search of water and grazing land. In some instances, nomadic families become agropastoralists, with some family members raising agricultural crops to meet a portion of their household food needs and others moving with their herds of livestock in search of water and grazing land. The photo above shows a pastoralist we observed during our fieldwork in Ethiopia in 2012.

household size to determine the initial ration size, people who were initially identified received more food than they would have received if the data had been accurate. Although the error was later corrected, if the data had been accurate, resources could have been used more optimally to reach people in need.

USAID and implementing partners we spoke with stated that sudden natural disasters or conflicts could raise security concerns for implementing partners, hindering their ability to reach the originally targeted recipients. Furthermore, gathering reliable data on transient populations is challenging. For example, USAID and an implementing partner in Ethiopia told us that in some areas of the country, it is difficult to determine the number and location of people in need of food assistance, particularly pastoralists, who move often as a traditional way of life and to cope with drought or natural disasters. As a result, it is difficult for implementing partners to accurately assess the needs in a particular geographic area and design an appropriate food assistance program.

In addition, natural disasters or conflicts may raise security concerns, hindering ability to reach targeted recipients. We recently reported that security concerns prevented WFP from conducting field monitoring of food distribution to determine whether the food rations reached the originally targeted recipients in some high-risk areas of Ethiopia, Kenya, and Somalia.²² For example, WFP noted that it has been unable to access six districts in the Somali region of Ethiopia since May 2011. As a result, WFP's ability to collect data to ensure that the intended recipients received their food assistance in these high-risk areas is limited.

²²See [GAO-12-790](#). In the countries where WFP operates, the United Nations Department of Safety and Security (UNDSS) assesses the general security environment in specific geographic areas using five categories of threats: armed conflict, terrorism, crime, civil unrest, and hazards. UNDSS rates each area at one of six security levels, with level 6 indicating the most dangerous environment. The UN Security Management System uses these ratings to assess security risks to UN agencies, funds, and programs; on the basis of these assessments, WFP determines appropriate risk mitigation measures to protect its staff and operations.

USAID and Its Implementing Partners Have Taken Some Measures to Address Data Quality Issues, but They Remain a Challenge

Using Technology to Improve Data Quality



Source: GAO.

Implementing partners use technology such as laptops and fingerprint readers to register and verify recipients at food distribution sites, as we observed during our fieldwork in Guatemala in 2012 (see photo above). Implementing partners also use such technology to track recipients during monitoring.

USAID and implementing partners have taken some measures to improve data quality by building capacity through technology, training, and other activities. For example, USAID funds the Famine Early Warning Systems Network (FEWS NET), which is used to monitor and prepare for changes in food assistance needs. FEWS NET monitors and analyzes vulnerability information, using multiple sources such as satellite imagery and field observations. Moreover, some countries, such as Ethiopia, have established national statistical offices that can assist in collecting data for targeting food assistance. In addition, a 2011 report on food assistance stated that implementing partners are working on increasing the speed, accuracy, accessibility, and comparability of information.²³ Implementing partners in two countries we visited told us that they are using mobile devices, such as tablets and phones, to collect recipient and distribution data. The use of technology enables the implementing partners to better identify and track recipients throughout the program and identify needs. In the aforementioned example about excess ration size in a Guatemala program, the implementing partner used tablets to collect information on recipient consumption patterns. In this way, the implementing partner ultimately discovered the ration error and corrected the ration size for each household, freeing up resources to reach more recipients as a result. Also, implementing partners in Guatemala and Sri Lanka indicated that they train their staff and community volunteers on data collection, and work with the host governments to improve the governments' ability to collect data. In addition, some countries, such as Sri Lanka, have conducted repeated assessments of food assistance needs over several years, which can lead to improvements in the precision of the data collected.

Even with efforts to improve the data used to identify and reach recipients, data quality remains a challenge in targeting food assistance. A 2011 food assistance report points out that implementing partners often lack disaggregated information, such as household-level data, that would help them design an effective targeted food assistance program.²⁴ Similarly, implementing partners we spoke with stated that the detailed data necessary for effective targeting are often not available, while acknowledging that data quality differs across countries. An implementing

²³Christopher B. Barrett, Andrea Binder, and Julia Steets, *Uniting Food Assistance: The Case for Transatlantic Cooperation*, 1st ed. (Oxford, UK; and New York City: 2011), 55.

²⁴Barrett, et al., 67.

partner in Guatemala stated that data need to be improved continuously to measure outcomes and impacts of targeting, particularly for programs with a nutritional objective.

Host Government Policies May Cause Distortions, Limiting Targeting Effectiveness

Host government policies may lead to distortions, hampering targeting effectiveness, but implementing partners have made some efforts to reduce these adverse effects. We previously reported that one of the key challenges to accurately assessing the needs of vulnerable groups was a lack of coordination among key stakeholders—especially with host governments—on assessments of food assistance needs.²⁵ In addition, some host country governments have been criticized for underestimating actual needs or directing implementing partners to operate only in certain geographic areas, due to political or other reasons.²⁶ As a result, implementing partners may not be able to reach recipients or locations most in need of food assistance.²⁷ For example, an implementing partner in Ethiopia reported to USAID that the government of Ethiopia set an artificial quota for the number of people targeted in each household that in some cases did not reflect the actual needs, and severely hampered the partner’s ability to reach vulnerable groups as a result. However, USAID and implementing partner officials in Ethiopia also told us that working with the government’s distorted figures is less challenging now than in the past, due in part to recent efforts of local and regional government officials to improve the validity and documentation of needs assessments as well as better stakeholder coordination.

In some instances, however, host government policies may facilitate targeting efforts. For example, the government of Sri Lanka has worked closely with WFP to identify vulnerable groups and has supported efforts to improve both data collection and the analysis of food needs, including by supporting the research organization that partners with WFP in

²⁵GAO, *Foreign Assistance: Various Challenges Impede the Efficiency and Effectiveness of U.S. Food Aid*, [GAO-07-560](#) (Washington, D.C.: Apr. 13, 2007).

²⁶[GAO-07-560](#); and Barrett, et al., 65.

²⁷For example, a 2001 study found evidence that the government of Ethiopia, which plays an important role in deciding where food assistance programs may operate, has at times transferred food assistance to favored regions. T.S. Jayne, J. Strauss, T. Yamano, and D. Molla, “Targeting of food aid in rural Ethiopia: chronic need or inertia?” *World Development*, Vol. 29, No. 5, pp. 887-910 (2001).

conducting assessments of needs for food assistance.²⁸ In another example, the government of Ethiopia has published National Targeting Guidelines that are intended to standardize and improve targeting efforts.²⁹ This document helps all food assistance stakeholders in the country operate under a commonly understood set of targeting policies and practices.

To address host government policies that cause distortions, implementing partners undertake efforts to coordinate with stakeholders and verify information on food assistance needs. Implementing partners we spoke with told us they work with each other and with host governments in the initial phase of the targeting process to increase transparency, in an effort to encourage more accurate government estimates of actual needs. For example, in Ethiopia, USAID officials told us that to increase transparency, donors are working with the government to introduce software tools and technology that facilitate access to information and increase public awareness and thereby discourage government authorities from manipulating data on food assistance needs. Moreover, to help facilitate distribution of food assistance to intended recipients in Guatemala, implementing partners stated that it is essential to closely coordinate with government authorities at the beginning of the targeting process to obtain approval for the use of new products and to set up the appropriate distribution channels and protocol. In addition, in Sri Lanka, an implementing partner told us that it plans to use local organizations to conduct independent verification of the potential recipient list, which is largely selected by the government. Doing so would help the implementing partner ensure that only recipients who qualify for food assistance are included on the list, increasing the likelihood that food assistance reaches the intended recipients. Despite these efforts, implementing partners have limited ability to influence host government policies.

²⁸The Hector Kobbekaduwa Agrarian Research and Training Institute (HARTI), an entity that is funded in part by the government of Sri Lanka, partners with WFP to conduct the food security assessments.

²⁹Federal Democratic Republic of Ethiopia, Ministry of Agriculture, *National Guidelines on Targeting Relief Food Assistance* (Addis Ababa, Ethiopia: Aug. 2011).

Sharing Reduces Targeting Effectiveness If Food Rations Are Not Consumed by the Intended Recipients in the Intended Amounts

Sharing of Food Rations



Source: GAO.

Recipients commonly share their food rations with other households in the community. In the photo above, taken at a food distribution site in Dire Dawa, Ethiopia in 2010, women recipients are shown rebagging their food rations to share with nonrecipients.

Sharing within recipient households and among community members may result in food rations being consumed by unintended recipients or in unintended amounts, but implementing partners have taken some measures to reduce sharing. External assessments suggest that sharing of food rations is a widespread and established coping mechanism when insufficient food is available. The 2011 Food Aid Quality Review (FAQR) report³⁰ and the 2011 WFP guidance on targeted food assistance programs acknowledge that sharing of specialized food products is a concern, and according to a 2011 USAID assessment of a food assistance program in the Somali region of Ethiopia, sharing of food rations is widespread. In addition, in countries we visited, USAID and its implementing partners told us that both CSB and traditional food products are routinely shared within and among households in some communities—a finding we previously reported in 2011.³¹ The 2011 USAID assessment also notes that sharing is an established coping mechanism for the recipient community when not everyone in the community receives food rations. When food rations are shared, the intended recipients may not consume the intended food products in the desired amounts, which may reduce targeting effectiveness by limiting nutritional impact, particularly for specialized food products that are intended for vulnerable groups.

Implementing partners have made efforts to reduce the likelihood of sharing, especially of specialized food products. Specifically, implementing partners have employed various strategies to teach recipients how to use specialized food products and have monitored recipient food ration consumption. For example, one implementing partner in Guatemala requires pregnant or lactating women to attend education sessions, where they learn about the benefits of the specialized food products and how to properly prepare them, before they can receive rations. Implementing partners in Guatemala also print culturally relevant instructional images on the food packages or the canvas bags given to recipients to carry the rations. The images explain how to prepare the

³⁰The 2011 Food Aid Quality Review was a 2-year study conducted by Tufts University that recommended 35 changes to U.S. food aid products and programs to deliver improved nutrition. *Food Aid Quality Review: Delivering Improved Nutrition: Recommendations for Changes to U.S. Food Aid Products and Programs* (April 2011).

³¹Both USAID and implementing partners recognized that food rations are shared within and among recipient households. For example, 26 of the 30 programs we surveyed in 2010 reported at least some sharing of CSB by recipients. See [GAO-11-491](#).

Educating Recipients on Nutrition



Source: GAO.

Implementing partners conduct educational sessions for pregnant or lactating women on nutrition and the use of specialized food products, as we observed at a food assistance program we visited in Guatemala in 2012 (see photo above).

Packaging Used As an Educational Tool



Source: GAO.

An implementing partner uses canvas bags for food rations in a food assistance program we visited in Guatemala in 2012. The bags are used to educate recipients on nutrition and food preparation (see photo above).

food products and depict the type of person for whom the products are intended—such as a pregnant woman or a child under 2 years of age. One of these implementing partners reported that it had seen an improvement in recipient participation in these education sessions and expected that these sessions would reduce sharing.

In addition, implementing partners use community volunteers to monitor effectiveness or consumption of food products. For example, in Guatemala, implementing partners train “mother leaders”—mothers who are also recipients—to provide training to other recipients on how to prepare food and monitor outcomes by, for example, observing improvement in a child’s weight or overall health appearance. In Sri Lanka, another implementing partner uses health volunteers from the recipient community and coordinates with the host government to ensure that specialized food products are consumed by the children through monthly monitoring of their nutritional status at government-run clinics and weighing stations. The health volunteers also follow up with the mothers of these children, who are receiving specialized food products, if they do not bring their children to the monthly checkup. While implementing partners have taken these and other steps to address sharing, evidence of the impact of these steps has yet to be determined.³²

³²GAO-11-491; *Food Aid Quality Review* (April 2011).

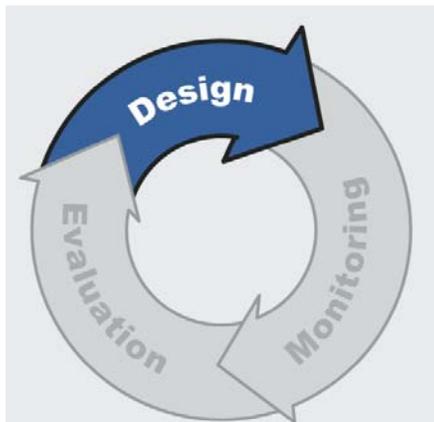
Weaknesses in the Design, Monitoring, and Evaluation Phases of USAID's Targeting Process Hinder Targeting Effectiveness, Although Some Improvements Are Under Way

Weaknesses in the design, monitoring, and evaluation phases of USAID's targeting process hinder targeting effectiveness, although the agency is taking actions to make improvements. In the design phase of the targeting process, USAID does not provide sufficient guidance on whether and how to target specialized food products. Specifically, USAID's guidance on design for both emergency and development programs is neither up-to-date nor complete, and does not adequately address key benefits and risks that inform decisions on whether to target specialized food products. In both USAID's monitoring and evaluation phases, weaknesses limit targeting effectiveness and hinder decision making. USAID currently does not require monitoring of key indicators needed to determine the level of targeting effectiveness for either emergency or development programs. Furthermore, its evaluations do not systematically address targeting effectiveness.³³ Without adequate guidance, monitoring, and evaluations, USAID cannot ensure targeting effectiveness in its food assistance programs. USAID is taking some steps to improve both guidance and monitoring. For example, USAID has a contract with Tufts University to develop updated guidance, and the agency is taking steps to improve monitoring by planning to track indicators such as detailed age breakdowns that are key to better understanding targeting effectiveness. However, these steps do not fully address the weaknesses in USAID's targeting process.

USAID Does Not Provide Sufficient Guidance in the Design Phase on Whether and How to Target Specialized Food Products, Although the Agency Is Starting to Make Improvements

³³We selected 20 of USAID's final evaluations for review. Our sample included final evaluations for both emergency and development programs and provided coverage of all years going back to 2009 and all geographic regions to which USAID provides food assistance. For the purposes of this report, we refer to these final evaluations as evaluations.

USAID's Guidance for Targeting Is Neither Up-to-Date Nor Complete, Hindering Decision Making



Source: GAO.

Selected Guidance Used in the Design Phase of the Targeting Process

- **Annual Program Statement** provides requirements for implementing partners to consider regarding program design in emergency program applications.
- **Needs assessments** help USAID and implementing partners target vulnerable groups; decide where activities will occur; and identify the size, location, timing, and duration of needs.
- **Commodities Reference Guide** helps USAID and implementing partners design food assistance packages, ration sizes, and product mixes.
- **Flow charts and decision trees** help implementing partners determine aspects of program design, including types of food distribution activities.

We found that USAID's guidance for targeting is neither up-to-date nor complete for both emergency and development programs, which reduces the ability of implementing partners to make informed decisions in the design phase. USAID currently provides its implementing partners with a range of guidance and tools. Of these, the *Commodities Reference Guide*³⁴ is USAID's official standard reference for food assistance programs and is intended to be used by USAID and implementing partner staff in deciding how to plan, manage, control, evaluate, and use Title II-funded food products. It is available on USAID's public website and provides information on available food products, including nutritional values, physical properties, and storage and handling guidelines.³⁵ However, USAID has not updated the *Commodities Reference Guide* since 2006 and has not included guidance in the *Commodities Reference Guide* on all of the products currently used in USAID food assistance programs. The 2011 Food Aid Quality Review also noted that the *Commodities Reference Guide* and other USAID guidance relevant to targeting are neither up-to-date nor complete and recommended, for example, that USAID improve its guidance to enable implementing partners to better determine whether to use certain products for programs.

We found that the lack of updated and complete guidance has hindered implementing partners' ability to make better-informed targeting decisions. One participant at our roundtable, for example, told us that his organization was unable to find all of the products it was using for a program in the outdated *Commodities Reference Guide*. As a result, it was not able to use these products in its program. Furthermore, USAID has recently deployed some limited quantities of various new specialized products without providing official standard guidance on how to use them. We recommended in 2011 that USAID provide clear guidance on whether and how best to use new specialized food products, including guidance to its implementing partners on targeting strategies to ensure that the products reach their intended recipients.³⁶ USAID concurred with our

³⁴USAID, *Commodities Reference Guide* (Washington, D.C.: 2006).

³⁵USAID also provides other forms of guidance to its implementing partners, including a commodities price calculator, which is used to estimate the cost of food aid commodities. According to USAID officials, the calculator is updated quarterly and available on USAID's public website.

³⁶GAO-11-491.

recommendation and is taking steps to develop new guidance, but has deployed new specialized food products in the interim. USAID has purchased relatively small quantities of new specialized food products over the past 2 years, including those shown in table 2 below. For example, USAID purchased just over \$6.5 million worth of these products in 2011, as compared with \$502 million of traditional food products and \$42 million of traditional specialized food products purchased through Title II emergency program funding.

Table 2: New Specialized Food Products Purchased with USAID Funding, Fiscal Years 2010 to 2012^a

| Fiscal year | Total cost of purchase | Product type | Cost of purchase | Metric tons |
|--------------|------------------------|---|---------------------|--------------|
| 2010 | \$1,965,484 | Lipid nutritional supplement ^b | \$1,965,484 | 302 |
| 2011 | \$6,565,820 | Lipid nutritional supplement ^b | \$1,998,920 | 315 |
| | | Ready-to-use therapeutic food (RUTF) | \$4,566,900 | 990 |
| 2012 | \$5,693,940 | Ready-to-eat meal replacements | \$660,000 | 110 |
| | | Ready-to-eat meal replacements | \$715,000 | 110 |
| | | Ready-to-eat meal replacements | \$649,000 | 110 |
| | | Ready-to-use therapeutic food (RUTF) | \$2,065,200 | 500 |
| | | CSB+ | \$819,040 | 1,000 |
| | | CSB+ | \$64,800 | 80 |
| | | CSB+ | \$720,900 | 890 |
| Total | \$14,225,244 | | \$14,225,244 | 4,407 |

Source: GAO analysis of USAID documents.

^aAs of August 22, 2012.

^bThese purchases were made with funding available through USAID's International Food Relief Partnership. This program enables USAID to award grant agreements to U.S. NGOs to produce and stockpile shelf-stable, prepacked commodities for use in emergency food assistance programs.

In addition, USAID is planning to introduce nine new or reformulated products in the final part of 2012 and 2013, including new RUTFs and ready-to-use supplementary foods (RUSFs) (see app. IV). USAID has not issued fully updated or complete guidance for all of these products. However, it has issued some guidance on their use. Moreover, USAID officials told us that they are providing the products only on a limited basis

USAID's Guidance
Inadequately Addresses Key
Benefits and Risks That Inform
Decisions on Whether to Target
Specialized Food Products

to organizations such as UNICEF that have experience using them in controlled environments, such as clinics, and have issued their own guidance on the use of these products.

USAID guidance inadequately addresses key benefits and risks of using specialized food products, according to USAID and implementing partners we spoke with during our field visits and our expert roundtable. This inadequate guidance hinders decision making on whether to use these products. As discussed earlier, the benefit of specialized food products is that, while more costly, they are also more nutritious, or of higher quality, than traditional food products. However, USAID has not quantified or clearly defined the degree of benefit that specialized food products may provide. In 2011, we reported that in recent years, nutritionists have debated the appropriateness of using fortified and blended foods to prevent and treat malnutrition in young children 6 to 24 months old, who have smaller stomachs, making it more difficult for them to eat enough of the product to obtain sufficient nutrients.³⁷ As a result, the benefits of some traditional specialized food products are not clear. In addition, limited information on new specialized products is available. As we previously reported, USAID and implementing partners do not know how well new specialized food products perform in promoting nutritional health indicators, such as weight gain and growth, particularly in a program setting, or how well they perform in comparison to traditional food products.³⁸ The efficacy of new specialized products, or the extent to which these products promote desired outcomes, is still being studied by USAID, WFP, nutritionists, and other researchers. As a result, while USAID is building knowledge about these products, it is not providing sufficient guidance on the benefits of specialized food products to implementing partners.

USAID also lacks guidance on how to adequately address risks of using specialized food products, according to implementing partners we spoke with during our field visits and our expert roundtable. A key targeting risk is that various factors implementing partners face in-country may reduce targeting effectiveness to such a degree that the additional cost of using specialized food products outweighs the potential benefit. This trade-off becomes more significant with the higher cost of new specialized food

³⁷GAO-11-491.

³⁸GAO-11-491.

USAID Is Taking Steps to Improve Targeting Guidance

products, for which the cost per ration can be more than triple the cost of traditional food products. Poor data quality, host government policies, and sharing may reduce implementing partners' ability to identify and reach recipients, but USAID's existing guidance does not adequately inform decisions on whether the reduction in targeting effectiveness is of such a degree that the use of specialized food products is no longer justified.³⁹

USAID is taking some steps to enhance guidance on whether and how to use new specialized food products, but fully up-to-date and complete guidance will not be completed until at least late 2013. In response to our 2011 recommendation on improved targeting guidance, USAID stated in its official agency response in July 2011 that it would work to address our recommendations through the second Food Aid Quality Review study now under way with Tufts University. This work is expected to include cost-effectiveness analyses on new specialized food products, adding information important to help determine whether and how to use them. In addition, according to USAID documents and officials, USAID is updating and improving the Commodities Reference Guide and other guidance related to targeting, including for new specialized food products. However, this work will not be completed until September 2013 at the earliest, according to USAID officials. USAID also plans to introduce other guidance before September 2013, including updated fact sheets for individual products. According to USAID officials, this interim guidance will be released on an as-needed basis, beginning in October 2012. In addition, USAID has existing guidance that helps inform implementing partners' decision making, including its Annual Program Statement (APS), Food for Peace Information Bulletins, and some Food and Nutrition Technical Assistance (FANTA) guidance.

³⁹We previously reported that USAID officials acknowledged that more research is needed to better understand sharing of CSB, so that the agency can provide partners with more guidance on this issue. See [GAO-11-491](#).

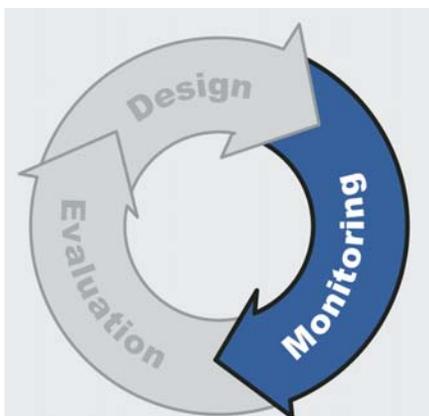
Weaknesses in USAID's Monitoring and Evaluation Efforts Related to Targeting Could Limit Targeting Effectiveness and Hinder Decision Making, but the Agency Is Starting to Take Steps to Improve Monitoring

USAID Does Not Monitor Key Indicators of Targeting Effectiveness, but Is Initiating Improvements in This Area

USAID does not require monitoring of key indicators needed to determine the level of targeting effectiveness, although it is beginning to make improvements in this area.⁴⁰ Information on indicators that are consistent with the goals of the program is critical to determining how effectively a program targets food assistance.⁴¹ Targeting effectiveness can be measured by the extent to which food assistance reaches correctly

⁴⁰In 2009 we reported on the overall monitoring and evaluation efforts of USAID's Office of Food for Peace development programs. At that time, we acknowledged that USAID monitors a wide range of indicators related to assessing the extent to which development programs are achieving their goals. For example, we noted that USAID has monitored indicators on height-and-weight for age, maternal and child health practices, and household food security. We also reported that USAID's monitoring and evaluation practices for development programs were consistent, to varying degrees, with good practices set by the American Evaluation Association. See GAO, *International Food Assistance: USAID Is Taking Actions to Improve Monitoring and Evaluation of Nonemergency Food Aid, but Weaknesses in Planning Could Impede Efforts*, [GAO-09-980](#) (Washington, D.C.: Sept. 28, 2009).

⁴¹In its efforts to monitor in-kind food assistance, USAID collects data on both recipients and beneficiaries. Recipients and beneficiaries are related but different, and the differences between them are important to understanding the extent to which USAID can measure targeting effectiveness. According to USAID definitions, recipients are individuals who *receive* food assistance rations, while beneficiaries are individuals who *benefit* from food assistance rations. Specifically, beneficiaries include all recipients and any other individuals who may benefit from the food assistance. For example, in a food-for-work program, only one person—the recipient—actually receives targeted food assistance, but other members of the recipient's family or community may benefit from that individual's participation in the program, making them all beneficiaries. Therefore, while beneficiary data are useful to USAID in its efforts to monitor overall program effectiveness, they are of limited use in measuring targeting effectiveness. Recipient data are better suited to that purpose. As noted above, USAID collects a wide range of beneficiary data that are useful for many program purposes. For the purposes of this report, we refer to USAID indicators that are specifically about recipients and are directly related to measuring targeting and targeting effectiveness, such as the degree of targeting error.



Source: GAO.

Selected Guidance Used in the Implementation and Monitoring Phase of the Targeting Process

- **USAID Automated Directives System (ADS) 203-Assessing and Learning** provides USAID staff with guidance on monitoring and collecting program information.
- **Food and Nutrition Technical Assistance (FANTA)** provides partners with technical support for implementation and monitoring.
- **Food for Peace (FFP) Standard Indicators Handbook** provides partners with a list and description of monitoring indicators that must be used in programs.
- **FFP Information Bulletins** provide periodic updates to guidance on monitoring and evaluation policies and procedures.

targeted recipients—that is, the percentage of intended recipients that actually receive food assistance in the intended amounts (see fig. 4).⁴² Effectively targeted programs reduce the magnitude of these errors. USAID guidance states that monitoring should be used to measure progress toward planned program results.⁴³ Additionally, FANTA guidance states that monitoring efforts should allow USAID and its implementing partners to assess the extent to which targeted recipients received intended food assistance.⁴⁴ According to a USAID official, USAID field staff do consider targeting during their routine monitoring of food assistance programs. In addition, USAID requires its implementing partners to collect some data, such as the number of intended recipients for all food assistance programs, and requires other indicators to be monitored depending on the type of program—emergency or development. However, USAID does not currently require sufficient monitoring of key indicators consistent with program goals that would allow its implementing partners to report on levels of targeting effectiveness. For example, it cannot determine the effectiveness of a program targeting children under 2 because it does not monitor the age of the actual recipients in either emergency or development programs.

USAID monitoring is inadequate for both emergency and development programs because it does not monitor key data on recipients that would allow USAID to measure whether food assistance is actually reaching the intended recipients. Specifically, for emergency programs, USAID collects the total number of intended recipients from its implementing partners, but does not collect the total number of actual recipients or indicators such as breakdowns of age and gender for intended or actual recipients. According to USAID, these types of more specific indicators may not be as important for some emergency programs that focus solely on rapid lifesaving. However, these indicators are important for emergency programs that do have specific targeting goals, such as reaching severely

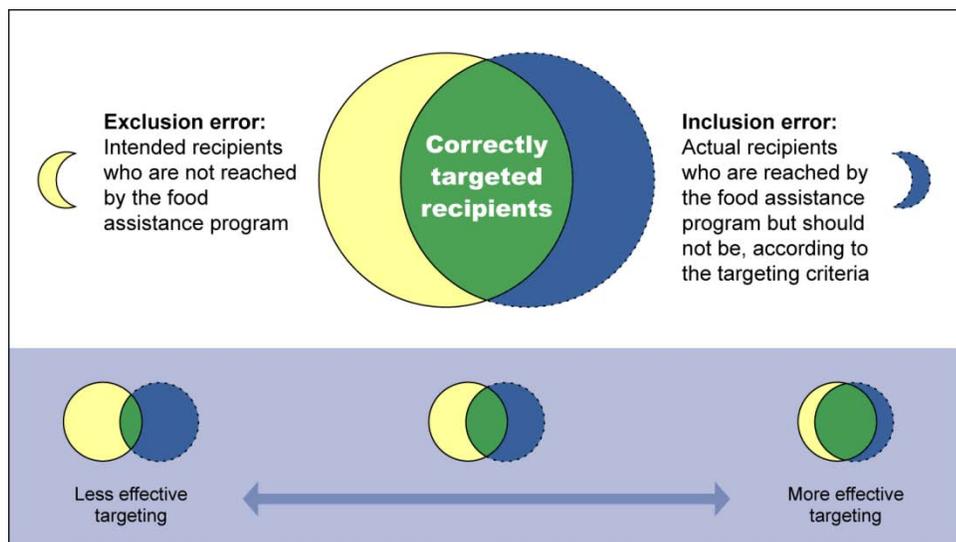
⁴²As noted above, for the purposes of this report we define targeting effectiveness as the degree to which USAID and its implementing partners are able to (1) accurately assess needs and identify recipients using appropriate eligibility criteria, and (2) ensure that food assistance provided reaches and is consumed by the targeted recipients as defined by the eligibility criteria.

⁴³USAID Food for Peace Information Bulletin 09-06 (Washington, D.C.: July 2009).

⁴⁴FANTA, *Food Security Indicators Framework for Use in the Monitoring and Evaluation of Food Aid Programs* (Washington, D.C.: Jan. 1999).

malnourished children. For development programs, USAID collects both the total number of intended and actual recipients from its implementing partners, but as with its monitoring of emergency programs, does not collect data on key indicators such as breakdowns of age and gender. Without monitoring full sets of data for both intended and actual recipients, including key indicators consistent with program goals, USAID has limited ability to learn about the magnitude of targeting errors or the degree to which its implementing partners are achieving their program goals.

Figure 4: Targeting Effectiveness Is Measured by the Magnitude of Targeting Error



Source: GAO analysis of various sources.

According to USAID and implementing partner officials, it is particularly complex to gather monitoring information on indicators related to targeting effectiveness about actual recipients, due in part to cost and data quality issues. These challenges are heightened for programs using new specialized food products, which are designed to provide nutritional benefits to very specific vulnerable groups, such as malnourished children or pregnant or lactating women. Identifying and selecting recipients for such programs requires using indicators that are more complex than those used for programs designed for the general population. Some of the indicators, such as nutritional status, are costly to measure and prone to errors. For example, implementing partners we spoke with during our fieldwork in Guatemala and Sri Lanka told us that they have difficulty in collecting data for some indicators in other, non-USAID programs using

new specialized food products due to resource constraints, lack of technical capacity by some local NGO staff, or problems with unreliable data.

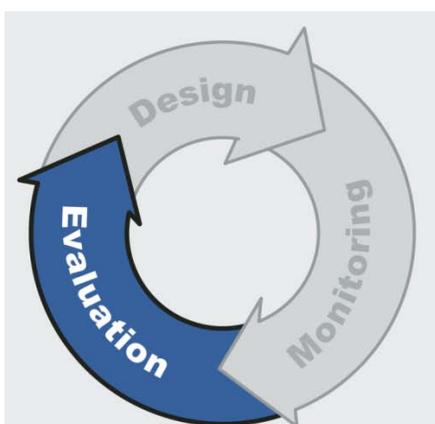
USAID is making improvements in monitoring of some nutrition-focused development programs, for example, by planning to require implementing partners to collect data on the age of young children, a common criterion for new specialized food products. However, as mentioned earlier, indicators key to measuring targeting effectiveness are not consistently monitored across all USAID food assistance programs. According to the Standards of Internal Control in the Federal Government, program managers need to compare actual performance to planned results and analyze significant differences.⁴⁵ Without reporting targeting effectiveness, USAID cannot compare actual targeting effectiveness to planned results. As a result, USAID may not be able to make fully informed targeting decisions for both ongoing and future food assistance programs. For example, USAID may not be able to track the performance of food assistance programs' targeting over time or across programs and may therefore miss opportunities to identify improvements to the targeting effectiveness of these programs.

USAID Evaluations Do Not Systematically Address Targeting Effectiveness, Which May Hinder Decision Making

USAID's evaluations of its food assistance programs do not systematically discuss targeting effectiveness. As a result, the agency may be missing opportunities to learn important lessons about targeting effectiveness and apply them to current and future programs.⁴⁶ Specifically, the 17 development and 3 emergency USAID evaluations going back to 2009 that we examined did not systematically discuss targeting in general and targeting effectiveness in particular. These evaluations addressed targeting effectiveness to varying degrees—ranging from an entire section on targeting that included a discussion of a targeting effectiveness indicator, to no mention of targeting at all. The

⁴⁵GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: Nov. 1999).

⁴⁶USAID's targeting evaluations are not systematic, in part, because they are not routinely conducted. USAID requires evaluations to be completed for all of its development programs but does not require them for its emergency programs. Instead, emergency programs are required to submit Annual Results Reports, which contain many of the same types of information as evaluations, but for which no baseline assessment is conducted. According to USAID officials, the difference between these requirements is due to the fact that emergency programs are by nature typically in places where there may not be the time or resources available to do a proper baseline assessment.



Source: GAO.

Selected Guidance Used in the Evaluation Phase of the Targeting Process

- **Evaluations and Annual Results Reports** assess impact and the extent to which program objectives were achieved.
- **USAID Automated Directives System (ADS) 203-Assessing and Learning** provides USAID staff with guidance on evaluations and how to design and conduct them.
- **FANTA** provides partners with technical support for evaluations.
- **USAID Handbook 9 (including Regulation 11)** provides partners with criteria for developing program evaluations.
- **FFP Information Bulletins** provide periodic updates to guidance on monitoring and evaluation policies and procedures.

evaluations that discussed targeting effectiveness included information on the magnitude of inclusion or exclusion errors and the level of community satisfaction with targeting. For example, USAID’s evaluation of an emergency program in Zimbabwe discussed inclusion and exclusion error, a key measure of targeting effectiveness, within a section focused exclusively on targeting. Similarly, USAID’s evaluation of an emergency program in Ethiopia mentioned the level of community satisfaction with targeting: almost 90 percent of the respondents to a survey of community members were generally satisfied with the fairness of the program’s targeting. Some evaluations, however, contained only a brief mention of targeting in general, with no mention of targeting effectiveness. For example, an evaluation of a development program in Bolivia mentioned targeting and contained tables showing monitoring indicators for the baseline compared against the final evaluation, but did not explain how the recipients were originally targeted or how the final evaluation results were verified. Other evaluations, such as a 2011 evaluation of a development program in Guatemala, did not discuss targeting or targeting effectiveness at all.

USAID policy and guidance call on USAID and its implementing partners to use evaluations as opportunities to learn about past programs to inform decision making for new programs. USAID policy calls for evaluations to “systematically generate knowledge about the magnitude and determinants of program performance, permitting those who design and implement programs...to refine designs and introduce improvements to future efforts.”⁴⁷ USAID guidance states that evaluations should assess the extent to which the program is meeting its stated objectives.⁴⁸ For example, if a program is providing food assistance to a vulnerable subpopulation, effective targeting is an important program objective. However, USAID’s evaluations of its food assistance programs do not systematically address targeting effectiveness, and as a result, the agency’s ability to assess the extent to which a program is meeting its stated objectives is hindered, and it may miss opportunities for learning lessons that could be useful when designing new programs or improving ongoing ones.

⁴⁷USAID Evaluation Policy (Washington, D.C.: Jan. 2011).

⁴⁸USAID Food for Peace Information Bulletin 09-07 (Washington, D.C.: July 2009).

Conclusions

The use of specialized food products, especially some of those most recently introduced, offers the promise of providing better nutrition to the most vulnerable. However, the increased cost of these new specialized products means that their use may likely reduce the overall number of recipients receiving food assistance under a fixed program budget—a quality-quantity trade-off. Choosing more costly specialized food products over less costly traditional food products may be the optimal policy option in certain circumstances, including areas with a high percentage of children suffering from hunger and malnutrition. However, the achievement of this policy goal requires effective targeting of food assistance so that food ultimately reaches the intended recipients. If food assistance is not targeted effectively, the program may fail to achieve its nutritional goals while simultaneously feeding fewer people.

USAID recognizes the need to update and broaden its guidance on the use of specialized food products, but this revision will not be completed until late 2013 at the earliest. Issuance of improved interim guidance related to food assistance targeting will help USAID and its implementing partners make better-informed decisions about whether and how to deploy the range of food products that are available, particularly new specialized products. Moreover, the monitoring and reporting of key indicators consistent with program objectives are necessary to ensure that specialized food products are, in fact, reaching intended recipients. Improved targeting—which takes an approach that is appropriate to the circumstances and conditions—would better ensure that valuable food resources are put to their most optimal use and that vulnerable groups receive the most effective assistance available to them.

Recommendations for Executive Action

To improve USAID's targeting of specialized food products to vulnerable groups, such as children under 2 and pregnant women, we recommend that the Administrator of USAID take the following two actions:

- As USAID continues to purchase new specialized food products without updated guidance, it should issue, as appropriate, improved interim guidance to assist implementing partners in deciding whether and how to target specialized food products.
- When USAID chooses to provide specialized food products to targeted vulnerable groups, it should establish and report program-specific indicators related to each targeted group to allow USAID to assess its programs' effectiveness in reaching these groups.

Agency Comments and Our Evaluation

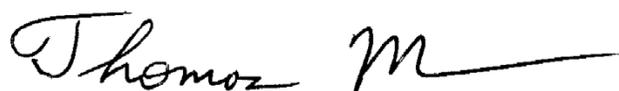
We provided a draft of this report to USAID, USDA, and State for comment. In its written comments, reproduced in appendix V, USAID concurred with our recommendations. USDA and State provided no written comments. We also provided relevant excerpts of this report to WFP for comment. USAID, USDA, and WFP provided technical comments that were incorporated, as appropriate.

USAID strongly agreed with our recommendation on improving interim guidance to help implementing partners decide whether and how to target specialized food products. USAID provided examples of recent and ongoing efforts that are expected to contribute to improved guidance on new specialized food products. For example, USAID expects to publish on its website updated fact sheets on food products provided in its food assistance programs and will prioritize issuing those relating to specialized food products. Although USAID noted that some existing guidance is available for three of the new specialized food products it is introducing, such as CSB+, the agency also acknowledged that it expects to issue its own guidance on all new products and update the Commodities Reference Guide.

USAID agreed with our recommendation on establishing and reporting program-specific indicators to allow USAID to assess its programs' effectiveness in reaching targeted groups. USAID agreed with us on the need to develop new, program-specific indicators to assess the nutrition goals of new specialized food products for its Title II emergency programs and indicated that it would engage with partners on demonstrating impact and results. To that end, USAID indicated that it is in the process of recruiting a nutritionist to ensure that products used match their intended purpose and high-value specialized products are properly targeted.

We are sending copies of this report to appropriate congressional committees, the Administrator of USAID, the Secretaries of Agriculture and State, and relevant agency heads. The report is also available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-9601 or melitot@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix VI.

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

Thomas Melito
Director, International Affairs and Trade

Appendix I: Objectives, Scope, and Methodology

Our objectives were to (1) describe in-country factors that the U.S. Agency for International Development (USAID) and its implementing partners face in targeting vulnerable groups, and (2) examine the extent to which USAID's targeting process supports effective targeting.

To address these objectives, we met with officials at USAID and its implementing partners, including the World Food Program (WFP) and nongovernmental organizations (NGOs). In addition, we met with officials at the U.S. Department of Agriculture (USDA) and the U.S. Department of State. We also spoke with academics, experts, and practitioners associated with research institutes, universities, and NGOs. We examined USAID program documents, including guidance and tools, related to food assistance targeting processes. Furthermore, we conducted fieldwork in four countries—Ethiopia, Guatemala, Sri Lanka, and Zimbabwe—and met with officials from U.S. missions, implementing partners, and relevant host government agencies. We also convened a roundtable of 10 practitioners and experts—including representatives from implementing partners such as NGOs and WFP, academia, and research organizations—to discuss in-country factors that affect the ability of USAID and its partners to target vulnerable groups, as well as the guidance and monitoring and evaluation tools that USAID and its implementing partners use to target food assistance activities (see app. II for the list of participating organizations in our roundtable).

To provide context and background, we analyzed data from USAID and WFP to identify trends in U.S. funding for international food assistance and procurement data on the use of traditional and specialized food products. As these data were for background purposes, we did not assess their reliability. In addition, we reviewed data that we reported on in 2011 concerning cost information for specialized food products relative to traditional food products. We then reviewed similar data to obtain updates about the costs and relative length of feeding for these products and interviewed USAID, WFP, and Tufts University about the reliability of the updated data. We used this information to create an analysis comparing the amount of time various commodities could be provided for the cost of other commodities. We found that these updated data were sufficiently reliable for the purposes of this report, in that they demonstrated the order of magnitude of the relative cost of different types of food products used in food assistance programs. Although commodity prices may fluctuate and suggested feeding lengths may vary by program or individual recipient, the data were sufficiently reliable to demonstrate that there are large differences in the cost of feeding, depending on the products used. In addition, we reviewed various literature on the targeting

process, as well as USAID guidance and tools to facilitate targeting decisions.

To describe in-country factors USAID and its implementing partners face in targeting vulnerable groups, we reviewed literature on targeting and new specialized food products issued by academics, research institutes, implementing partners, USAID contractors, UN organizations involved in humanitarian assistance, and independent international organizations; spoke with in-country officials such as relevant host government officials and implementing partners; and obtained the input of our roundtable participants.

To examine the extent to which USAID's targeting process supports effective targeting, we analyzed responses and information from the general methodologies listed above. To examine the extent to which USAID provides guidance to its implementing partners on targeting, we reviewed existing USAID guidance for targeting and USAID's contract with Tufts University and spoke with USAID and Tufts University officials about the scope of work for this contract, including the section on updating guidance. We reviewed information from USAID about the product types, costs, and tonnage of new specialized food products purchased since fiscal year 2010. We interviewed USAID about the sources of this information and also compared it to data about these products from other sources of information. These included the requests for applications that USAID provides to its implementing partners for new specialized food products, including ready-to-use therapeutic foods and lipid nutritional supplements; USAID's commodity price calculator; and relevant legislation authorizing the use of these products. We found that the data were sufficiently reliable for the purposes of this report, in that they showed the magnitude and trends of purchases of new specialized food products with USAID funding in recent years. To examine the extent to which USAID monitors and evaluates targeting effectiveness and other related information, we analyzed monitoring information provided to us by USAID about numbers of planned recipients and actual beneficiaries for Title II food assistance programs since 2009. We reviewed current USAID policies and procedures on monitoring and evaluation. We also reviewed guidance provided by Food and Nutrition Technical Assistance (FANTA), under a cooperative agreement with USAID. This guidance covers aspects of monitoring and evaluation, such as the performance measures to be used for food assistance programs. Through searches of USAID's website and discussions with cognizant officials, we identified a total of 30 final evaluations of USAID programs going back to 2009. Final evaluations are conducted at the end of a program. However, USAID

could not assure us that it had provided all of the evaluations conducted for its development programs, and also noted that it does not require evaluations of its emergency programs. We selected 20 of these final evaluations for review based on the following criteria: we included all 3 final evaluations for the single-year programs, and selected 17 final evaluations for the multi-year programs to ensure that we had coverage by year and geographic region. We reviewed these evaluations to examine the extent to which they had addressed targeting issues. Finally, we reviewed evaluations that WFP conducted of those of its programs that were implemented with USAID funding.

We conducted this performance audit from October 2011 to September 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Organizations That Participated in GAO Roundtable

The following organizations participated in our roundtable of experts and practitioners held in May 2012:

- CARE
- Catholic Relief Services
- Cornell University
- FHI 360
- International Food Policy Research Institute
- Mercy Corps
- Save the Children
- World Food Program
- World Vision

Appendix III: Cost Differences between Traditional Food Products and Specialized Food Products

Table 3 provides a comparison of cost differences between traditional and selected specialized food products, which include both traditional specialized food products and new specialized food products. For example, to feed a child 6 to 23 months old, a traditional grain-based representative ration costs \$0.02 to \$0.06 per day, a CSB+ ration, \$0.10 to \$0.21 per day, and a ready-to-use therapeutic food (RUTF) ration, \$0.42 to \$0.46 per day.

Table 3: Relative Costs of Traditional and Selected Specialized Food Products (in U.S. dollars)

| Product ^a | Description | Cost per ration for child | Overall cost for suggested length of use ^b |
|--|--|---------------------------|---|
| Traditional food product | | | |
| Grain-based representative ration | Grain, pulse, CSB, and vegetable oil | \$0.02 - 0.06 | 90 - 120 days \$2.07 - \$7.45 |
| Traditional specialized food product | | | |
| CSB fortified blended food | Processed cornmeal, soy flour, soybean oil, vitamins, and minerals | \$0.09 - \$0.18 | 90 - 120 days \$8.41 - \$22.07 |
| New specialized food products | | | |
| CSB+ (WFP Supercereal) | WFP formulation for children over 6 months old | \$0.10 - \$0.21 | 90 - 120 days \$9.22 - \$25.58 |
| Ready-to-use therapeutic food (RUTF) | Nutritionally dense food for community-based treatment of severe acute malnutrition | \$0.42 - \$0.46 | 42 - 90 days \$17.77 - \$41.40 |
| Lipid nutritional supplement (LNS) | Supplementary complementary food for children 6 to 24 months old to prevent stunting | \$0.10 - 0.13 | 180 - 545 days \$17.06 - \$71.90 |
| Emergency food bars (A-28 rice & A-29 wheat) | Meal replacement used during onset of emergencies | \$0.32 - \$0.33 | 3 - 15 days \$0.97 - \$5.00 |
| Emergency food paste (A-20) | Meal replacement used during onset of emergencies | \$0.29 | 3 - 15 days \$0.86 - \$4.28 |

Source: GAO analysis based on various studies and USAID and WFP data.

Note: Costs per ration are for a child 6 to 23 months old, in 2012.

^aThe products listed in this table are used for different purposes. This table does not assess the relative effectiveness of each product. We note that USAID does not provide RUTF as part of a general food distribution ration.

^bThe suggested lengths of use in this table are fairly wide ranges of time (for example, 180-545 days) that reflect uncertainty, in part because limited data from actual application are currently available. The suggested lengths of use could change as more data become available for more precise estimates.

**Appendix III: Cost Differences between
Traditional Food Products and Specialized
Food Products**

The cost per ration is one aspect of the relative cost of food assistance products; the length of time a product is used in a food assistance program also affects its overall relative cost. Some experts suggest that, although an individual daily ration of a new specialized food product may be relatively expensive, it may ultimately be less costly overall because it may be fed for a shorter period of time based on its suggested length of use. However, we found that some new specialized food products with a relatively shorter suggested length of use may still cost relatively more overall. For example, as shown in the table, although an RUTF's suggested length of use (42 to 90 days) for a child 6 to 23 months old is shorter than that of a traditional grain-based ration (90 to 120 days), the RUTF may still cost more overall (\$17.77 to \$41.40) than the grain-based ration (\$2.07 to \$7.45). Despite their higher overall costs, RUTFs may be the optimal choice in certain circumstances, such as for emergencies in areas with a high percentage of children suffering from severe acute malnutrition.

Table 4 illustrates the number of days that traditional food products (grain-based rations) or traditional specialized food products (CSB) can be provided for the cost of providing a new specialized food product based on its suggested length of use. For example, for the cost of providing a nutritional supplementary paste fortified ration for 180 to 545 days, a grain-based ration could be provided for 741 to 3,121 days and a CSB ration could be provided for 183 to 769 days.

Table 4: Number of Days Grain-Based or Corn Soy Blend Ration Could Be Provided for the Cost of Providing Selected New Specialized Food Products

| New specialized food product^a | Suggested length of use of a specialized food product (number of days)^b | Number of days a grain-based ration could be provided for the same cost^c | Number of days a CSB ration could be provided for the same cost^c |
|---|---|--|--|
| Nutritional supplementary paste | 180 - 545 | 741 - 3,121 | 183 - 769 |
| Ready-to-use therapeutic food (spread) | 42 - 90 | 772 - 1,797 | 190 - 443 |
| A-20 paste (ready-to-eat meal replacement) | 3 - 15 | 37 - 186 | 9 - 46 |
| A-29 wheat bar (ready-to-eat meal replacement) | 3 - 15 | 42 - 211 | 10 - 52 |
| A-28 rice bar (ready-to-eat meal replacement) | 3 - 15 | 43 - 217 | 11 - 53 |
| CSB+ (WFP Supercereal) | 90 - 120 | 400 - 1,110 | 99 - 274 |

Source: GAO analysis based on various studies and USAID and WFP data.

^aThe products listed in this table are used for different purposes. This table does not assess which products are more effective. We note that USAID does not provide RUTF as part of a general food distribution ration.

**Appendix III: Cost Differences between
Traditional Food Products and Specialized
Food Products**

^bThe suggested lengths of use in this table are fairly wide ranges of time (for example, 180-545 days) that reflect uncertainty, in part because limited data from actual application are currently available. The suggested lengths of use could change as more data become available for more precise estimates.

^cCost of a grain-based ration for a child 6 months old.

Appendix IV: USAID New Specialized Food Products Pending Introduction

USAID has thus far deployed a relatively limited quantity of new specialized food products but plans to introduce the following products to address various needs:

- Ready-to-use supplementary food (RUSF) - Nutritionally dense and highly fortified for management of moderate acute malnutrition.
- Fortified vegetable oil - Fortified with vitamins A and D.
- Fortified milled cereals - Reformulated and standardized to improve general rations.
- CSB++ (WFP Supercereal+) - Formulated by WFP for children 6 to 24 months of age.
- CSB-14 – Reformulated CSB to be prepared with vegetable oil.

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



USAID
FROM THE AMERICAN PEOPLE

Thomas Melito
Director, International Affairs & Trade
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Melito:

I am pleased to provide a formal response to the Government Accountability Office (GAO) draft report entitled "INTERNATIONAL FOOD ASSISTANCE: Improved Targeting Would Help Enable USAID to Reach Vulnerable Groups" (GAO-12-862) for the U. S. Agency for International Development (USAID).

The enclosed USAID comments are provided for incorporation with this letter as an appendix to the final report. Thank you for the opportunity to respond to the GAO draft report and for the courtesies extended by your staff in the conduct of this audit review.

Sincerely,

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

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

Enclosure: a/s

USAID Comments on GAO Report on “INTERNATIONAL FOOD ASSISTANCE: Improved Targeting Would Help Enable USAID to Reach Vulnerable Groups” (GAO-12-862)

USAID appreciates the GAO’s interest in USAID’s new specialized food products. This is an exciting and interesting phase in USAID’s food aid programming. For the first time in our history, USAID is procuring certain, specialized food products here in the U.S and donating them, in-kind, around the world. To date, four of the nine planned new or improved products are available through USAID. Of these, three of the products have been provided to an implementing partner.

Lipid Nutritional Supplement (LNS): The LNS products currently distributed by USAID are part of the Congressionally-mandated International Food Relief Program (IFRP). At this time, Edesia’s Nutributter, a supplemental, complementary food product, is being distributed under IFRP. Guidance on the use of this product is available at the Edesia website and in the IFRP Request for Application. USAID is not yet using LNS products in any other programs.

Ready-To-Use Therapeutic Food (RUTF): RUTFs are nutritionally dense, highly fortified products used in the treatment of severe acute malnutrition. USAID has procured RUTFs using Title II funds and has donated a portion of these to the United Nations Children’s Fund (UNICEF) for use in ongoing programs. This donation was based on an application from UNICEF that included detailed targeting information. In addition, UNICEF has a long history of programming RUTFs and explicit guidance on these products. The balance of RUTFs has not yet been donated to an implementing partner.

Corn Soya Blend Plus (CSB+): USAID has procured and donated CSB+ to three partners for pilot use. CSB+ is a more nutritious version of traditional CSB, which USAID and its partners have used for many years, and the guidance on its use is the same. This guidance is available to the public on the USAID website in the current Commodity Reference Guide.

Emergency bars and pastes: USAID has procured emergency bars and pastes which are meal replacements for use in sudden onset emergencies when disaster-affected populations are displaced and do not have access to cooking supplies or facilities. To date, these products have not been disbursed to any partner. USAID anticipates using these products in conjunction with other emergency response items, such as water and plastic sheeting.

USAID appreciates GAO’s recognition of its efforts to improve design, monitoring and evaluation elements in ways that improve targeting effectiveness. FFP’s Country Specific Guidance, which expressly states targeting objectives for new development food aid interventions, and FFP’s placement of additional monitors to oversee programs in the field are examples of such improvements. FFP is refining its evaluation policy now and reforms will be in line with the Agency’s new evaluation policy objectives to assure high quality, independent evaluation of USAID’s work.

Recommendation 1: We recommend that the Administrator of USAID take action as USAID continues to purchase new specialized food products without updated guidance, it should issue, as appropriate, improved interim guidance to assist implementing partners in deciding whether and how to target specialized food products.

Management Comments: USAID strongly agrees with the GAO that the advent of new and improved specialized food products requires pertinent study and guidance in order to program them smartly. As a result, USAID has undertaken, and continues to support, important research programs relevant to improved food aid targeting. In 2009, as part of its ongoing efforts to improve the quality and efficiency of U.S. food aid operations, the USAID Office of Food for Peace (FFP) awarded a contract to the Friedman School of Nutrition Science and Policy of Tufts University to review the state of science on nutrition-related needs of traditionally vulnerable groups. The subsequent report was widely lauded and contained a wide range of recommendations, many of which USAID has prioritized and is in the process of implementing. As follow-on to Tufts' initial review and recommendations, USAID has extended Tufts' contract to include research and testing of new and existing food products including packaging and delivery methodologies, and inter-agency coordination around the application of new and improved food products.

The development of new specialized products for use in USAID's Title II programs is a relatively new initiative but these products are not new to the nutrition community and its practitioners. There is a wealth of public information, guidance, and research on all of these products. The international community and organizations such as World Health Organization, the United Nations World Food Program, the United Nations Children's Fund and The Codex Alimentarius Commission set standards on the use of specialized food products.

However, USAID fully expects to issue its own guidance on all new products, drawing on these international standards and on USAID-funded research results as they become available. Guidance on these new products may be issued through Food for Peace Information Bulletins, the Annual Program Statement or Request for applications and of course, incorporated into the USAID Commodity Reference Guide (CRG). As noted by GAO the CRG is currently being updated and although the complete revision of the CRG is expected in September 2013, USAID is currently updating and creating commodity fact sheets on a rolling basis. These updated fact sheets will be available on USAID's website as of October 2012 and USAID will prioritize those fact sheets which relate to specialized food products.

Recommendation 2: We recommend that the Administrator of USAID take action when USAID chooses to provide specialized food products to targeted vulnerable groups, it should establish and report program-specific indicators related to each targeted group to allow USAID to assess its programs' effectiveness in reaching these groups.

Management Comments: USAID appreciates GAO's highlighting of the various difficult aspects of targeting in food assistance; this is a constantly evolving field with a variety of challenges.

USAID agrees with GAO that knowing the effectiveness of food aid programming requires targeting-related indicators. USAID Food for Peace indicators have evolved significantly in recent years and are increasingly refined to capture results, including in the area of improved nutrition. USAID Food for Peace has an extensive list of established impact, outcome, and output level program-specific indicators including on nutrition impacts for children under 2 and pregnant and lactating women. All USAID FFP indicators are disaggregated by sex. These standard indicators are detailed extensively in the publicly available Food for Peace Information Bulletin 11-03 which was issued in November 2011.

USAID FFP emergency programs, on the other hand, are required to report on number of persons reached, disaggregated by sex. Given that the objective of most emergency programs is to save lives, this is the most relevant indicator for these responses. However, with the advent of new specialized products, USAID recognizes the potential need for new, specific indicators that speak to the nutrition goals of these products. Therefore, USAID will engage Title II partners to discuss best steps forward on demonstrating impact and results in these types of programs. To that end, USAID FFP has recently solicited for a nutritionist to work specifically on these issues. This technical expert will review the nutritional appropriateness of commodities called forward for emergency programs to ensure that the product matches the intended purpose and to ensure that high value specialized products are properly targeted and programmed. This position will also collaborate with other USG partners, bilateral donors, multilateral organizations, foundations, universities, and non-governmental organizations on nutrition policy and programming to ensure that USAID Title II new specialized products are in fact reaching the right people at the right time for the right reasons.

Appendix VI: GAO Contact and Staff Acknowledgments

GAO Contact

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

Staff Acknowledgment

In addition to the person named above, Joy Labez (Assistant Director), Carol Bray, Marc Castellano, Ming Chen, Anna Chung, Debbie Chung, Martin De Alteriis, Mark Dowling, Etana Finkler, David Schneider, and Jeremy Sebest made key contributions to this report. Sada Aksartova, Vida Awumey, Teresa Heger, Erin McLaughlin, Michael Maslowski, Julia Ann Roberts, Barbara Shields, and Phillip Thomas also contributed to this report.

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