April 2007

FOREIGN ASSISTANCE

Various Challenges Impede the Efficiency and Effectiveness of U.S. Food Aid

Why GAO Did This Study

The United States is the largest global food aid donor, accounting for over half of all food aid supplies to alleviate hunger and support development. Since 2002, Congress has appropriated an average of $2 billion per year for U.S. food aid programs, which delivered an average of 4 million metric tons of food commodities per year. Despite growing demand for food aid, rising business and transportation costs have contributed to a 52 percent decline in average tonnage delivered over the last 5 years. These costs represent 65 percent of total emergency food aid, highlighting the need to maximize its efficiency and effectiveness. Based on analysis of agency documents, interviews with experts and practitioners, and fieldwork, this report examines some key challenges to the (1) efficiency of U.S. food aid programs and (2) effective use of U.S. food aid.

What GAO Recommends

GAO recommends that the Administrator of USAID and the Secretaries of Agriculture and Transportation enhance the efficiency and effectiveness of U.S. food aid by improving logistical planning, transportation contracting, and monitoring, among other actions. DOT supports the transportation initiatives GAO highlighted. While recognizing that improvements can be made, USAID and USDA did not directly respond to GAO's recommendations but disagreed with some of GAO's analysis.

www.gao.gov/cgi-bin/getrpt?GAO-07-560.

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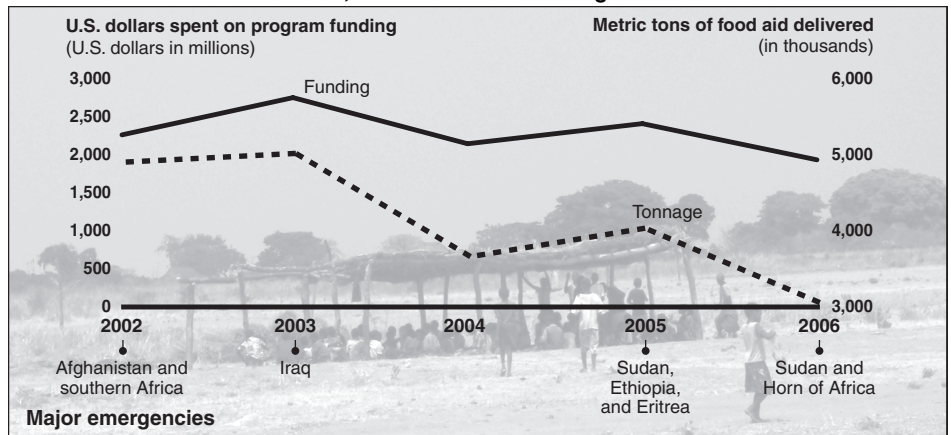
What GAO Found

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

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

Source: GAO analysis of USAID and USDA data.

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

_____**United States Government Accountability Office**