

■ Part VI
Conclusions &
Recommendations

14 Conclusions

14.1 Problem synthesis

- On the basis of the separate analyses of the four main components/themes, compile a concise synthesis summarizing the nature of the problem(s) and variations among geographic areas and population sub-groups.

The formats in Panel 5-2 (in section 5.3) and **Annex 10** may be adapted for this purpose.

14.2 Comparing estimates from the balance sheet and household analyses

What the CFSAM report might include (in chapter 7)

Comparison of the uncovered import requirement from the national food balance sheet and the estimates of aggregate food security assistance requirements. Short explanation of the reasons for and significance of differences.

Explanation of the team's conclusions concerning: (i) aggregate assistance needs of the affected, food-insecure populations; and (ii) the uncovered food import requirement and whether any part of it could be met by additional commercial imports rather than food aid.

The macro-level balance sheet and household-level analyses measure different things:

- the **household analysis** provides an estimate of the aggregate assistance **needs** (if any) of food-insecure crisis-affected people; whereas
- the **balance sheet** produces an estimate of total **import** requirements to maintain overall pre-crisis consumption levels and, within that, any uncovered food import requirement.

In addition:

| <i>Balance sheet estimates of uncovered import requirement:</i> | <i>Estimates of aggregate household needs:</i> |
|--|---|
| <ul style="list-style-type: none">• are based on maintaining average status quo consumption of staple foods for the country as a whole, cereals/staples may make up only 70 percent to 80 percent of a typical diet, and the average intake of poorer section of the population may be less than the international norm of 2100 kcal/person/day; | <ul style="list-style-type: none">• focus on food-insecure households, include all foods and are estimated on the basis of the nutritional norm of 2100 kcal/person/day - and therefore include the chronic deficits of poor households as well as crisis-related deficits; |

| | |
|---|--|
| <ul style="list-style-type: none"> do not take account of the distribution of food access among the population. However, they look at changes in consumers' income and terms of trade (purchasing power) resulting from the crisis at the aggregate level; <i>and</i> | <ul style="list-style-type: none"> attempt to assess and take account of the distribution of food access, including changes in income and terms of trade, by estimating the food access shortfalls of different population groups before aggregating; <i>and</i> |
| <ul style="list-style-type: none"> Although macro level cross-commodity substitutions are considered, there is difficulty in taking account of substitutions of one food by another in household purchases and diets. | <ul style="list-style-type: none"> may take some account of substitutions. |

- Explain these differences in your report but also discuss and explain the **magnitude of the difference** between the estimates from your two sets of analyses.
- If you cannot provide convincing explanations, re-examine your estimates considering the issues listed below. If you still cannot provide a convincing explanation of the differences, note in your report the limitations and constraints on your data, possible areas of bias and the assumptions made.

Specific issues you may wish to consider include:

- The types of foods included in the analysis:** Given that non-cereal foods typically make up 20 to 30 percent of caloric intake you may compare 70 to 80 percent of the aggregate household-level deficit with the balance sheet deficit.
- Status quo and nutritional norm differences:** You may: (i) examine and discuss the difference between the aggregate household deficit estimated on the basis of the pre-crisis norm (SQE) and the one based on the nutritional norm of 2100 kcals/person/day; and (ii) compare both with the national balance sheet deficit. Note that:
 - because of income inequality and other impediments of access to food, there will be an unequal distribution of food consumption around the average per capita level, with some people well-nourished (even over-eating) and others suffering serious under-nourishment. The average pre-crisis consumption level of the households that are now the most food-insecure is likely to have been lower than the national past average. This is because the households most vulnerable to food insecurity are, in many cases, those that already have relatively low consumption levels in normal times; and
 - in a very poor country, the SQE itself may be below the average normative requirements.
- National-level and affected-population estimates:** The balance sheet estimates include the production shortfalls of all producers in the domestic supply side and the total population on the demand side. The household-level assessment excludes: (i) areas considered to be relatively little affected and the populations in those areas; and (ii) households in the affected areas who are not considered to be food-insecure. *To examine the effects of these differences, you might use the per capita national deficit level to estimate the average shortfalls in the areas not included in the household assessment and adjust the national estimate for comparison.*

- **Biases due to sampling limitations and “pressures”**: When proper sampling and survey methods have been compromised due to time and resource constraints, household-level estimates may include segments of the population that are not affected by the crisis. This phenomenon may be exacerbated by political and social pressure. In addition, there could be a moral obligation (and practical considerations) to include, for example, households in the area under consideration who are not directly affected by the current crisis but are facing serious chronic food insecurity. *To correct for such biases, you should comment on the limitations of its assessment methodology and indicate approximately to what degree an over-estimation may occur due to the shortcomings and why an adjustment in the estimate may not be possible.*

14.3 Proposing how import requirements and assistance needs might be met

Proposals for addressing uncovered import requirements and household assistance needs will depend on their amount and for which is greater than the other. There are two possible situations:

- Case 1: the uncovered import requirement is **greater** than the estimated food security assistance requirement, i.e. additional imports are required to meet a commercial demand over and above the assistance needs of crisis-affected food-insecure households. This may arise where the crisis is primarily precipitated by a large drop in production e.g. Swaziland 2007, Zimbabwe 2007, Lesotho 2007.
- Case 2: the uncovered import requirement is **less** than the estimated food security assistance requirement, i.e. there is food in the country that exceeds current effective demand. This may arise when the emergency in question reduces the ability of a large part of the population to access food; typical examples of this situation are DPRK 2004, Mozambique 2005. Case 2 could also include situations where national deficit is zero or even where national surplus exists, for example, Ethiopia in 2005 to 2007 or Sudan in 2007 and 2004.

Panel 14-1 illustrates the two cases and how the import requirement and the household needs could be met in these two situations:

- In Case 1: emergency food aid imports might be recommended to cover the entire emergency/ humanitarian assistance requirement (350 000 tonnes) leaving the remaining 50 000 tonnes for which market demand exists to be brought in by small private traders and individuals in one or a combination of the other ways indicated, failing which, there would be an unmet consumption need affecting low-income population groups.
- In Case 2: emergency food aid imports might be recommended up to the limit of the uncovered import requirement (400 000 tonnes) while the remaining 50 000 tonne requirement of crisis-affected food-insecure households would have to be covered by other emergency/humanitarian aid to give them access to the supplies that exist in the country. This might be through distributions using locally-purchased commodities, cash or other non-food transfers, or stock drawdown. Additional imported food aid should be avoided as this would upset the national food balance as supply would then exceed utilization requirements.

Panel 14-1

Reconciliation of national food deficit with food assistance requirements [cereals and cereal equivalent in '000 tonnes]

| Case 1: Uncovered food import requirement is greater than the food-security assistance requirement | | Case 2: Uncovered food import requirement is less than the food-security assistance requirement | |
|---|-------------|--|-------------|
| Total Import Requirements | 1000 | Total Import Requirements | 1000 |
| Anticipated commercial imports | 600 | Anticipated commercial imports | 600 |
| Uncovered import requirements | 400 | Uncovered import requirements | 400 |
| Of which food aid on hand/in pipeline | 10 | Of which food aid on hand/in pipeline | 10 |
| Aggregate household food-security assistance requirements | 350 | Aggregate household food-security assistance requirements | 450 |
| External food aid imports ^{1/} (including stocks on hand/in pipeline) | 350 | External food aid imports ^{1/} (including stocks on hand/in pipeline) | ≤400 |
| <i>Ways in which the remaining import requirement might be covered (50 000t):</i> | | <i>Ways in which the additional assistance needs might be met (≥50 000t):</i> | |
| Additional unregistered cross border imports/petty trade | ? | Local purchases for food aid | ? |
| Additional in kind remittances from abroad (cereals/staples) | ? | Additional cash remittances from abroad | ? |
| Additional gov't commercial imports | ? | Cash or vouchers distribution to needy household | ? |
| Additional donor-assisted imports to be sold in the market | ? | Additional stock drawdown (i.e. reduction of foreseen closing stocks) | ? |
| Others | ? | Others | ? |
| Or: Unmet consumption and food price rise (mostly by low income population groups) | ? | Or: Unmet consumption (mostly by the food-insecure population groups) | ? |

^{1/} "External food aid imports" could include in-kind food aid for humanitarian operations or donor financing for government imports for the same purpose.

Note that cash or food vouchers can be effective where food supply is available, markets work well and distribution and control systems can be assured. In case 2, cash or vouchers might be envisaged to cover at least the 50 000 tonne assistance requirement that exceeds the uncovered food import requirement. If traders could be relied on to respond quickly to a commercial demand, the quantity might even be further increased and the quantity of imported food aid reduced accordingly.

15 Analysing response options

At this stage of the analysis, you should focus (as this chapter does) on evaluating the various response **options** that could be available. Once you've done that, you will be able to develop an appropriate **set of interventions** comprising one or a combination of those response options that, together, would make up the most appropriate and feasible, integrated response, taking account of ongoing and planned activities, as outlined in chapter 16.

The analysis of response options will *be based on extensive discussions with programme, operations, logistics and security managers in the field as well as in the capital to understand what could actually be feasible, particularly in the short term. Adequate time must be allocated to such discussions at all stages of the mission.*

What the CFSAM report might include (in chapter 8)

Brief statement of the *objectives* of food-security-related assistance arising from the preceding analyses, and any logistic, institutional or other *constraints* that may limit the feasibility of certain response options.

The pros and cons of *food aid* in this situation. Whether specific types of food aid intervention *might* be appropriate for particular target groups during particular periods.

The pros and cons of *cash transfers* or other *non-food transfers* to target beneficiaries in this situation. Whether specific types of cash-based or other support *might* be appropriate for particular target groups during particular periods.

Any *market interventions/support* that could help to improve food availability in the affected areas and access for the target groups.

15.1 Identifying appropriate and feasible responses

- Identify the response and targeting options that could be appropriate and feasible, and specify the advantages and disadvantages - the **pros and cons** - of each option.
- Whenever direct **transfers** (food or cash) are considered, consider potential negative effects and how they can be minimized: see section 8.6.
- Consider whether a **combination of food and cash transfers** could be appropriate, or food transfers during particular (lean season) periods and cash during other periods.
- Consider options such as **subsidized sales** and **market support** that could be supported by other donors in addition to the more traditional "relief" interventions of food or cash transfers (including food-for-work and cash-for-work) often supported by WFP and other humanitarian agencies.

Response recommendations must be both appropriate and feasible taking account of the humanitarian needs, market concerns, logistic constraints (if any), and the availability and capacity of viable, reliable mechanisms to deliver and distribute the assist-

ance - food, cash, vouchers and/or other forms of assistance - to the target populations. The “most appropriate” intervention may not always be feasible, especially if the timeframe for implementation is short. Second-best interventions may then need to be recommended.

Review carefully the analysis of ongoing and planned assistance activities - see section 13.9 - and allocate adequate time to meet with programme, operations, logistics and security managers to understand what is feasible, particularly in the short term.

Where resource transfers to households are needed, the overall availability of food supplies in the country and market conditions in the affected areas are the principal factors that determine whether food, cash or other non-food transfers would be appropriate. Security conditions and operational capacity (especially distribution means) are key determinants of feasibility. Nutritional imperatives and costs also need to be considered.

The **range of interventions** that may be considered to address crisis-related food-security problems includes (but is not limited to) those listed in Panel 15-1.

Panel 15-1

Food-security interventions that may be considered by CFSAM teams

Responses providing direct food & livelihood support to households:

- Food transfers (using imported or locally purchased food) - general free distribution, food for work, emergency school feeding, etc.
- Cash or other non-food transfers - cash distribution, cash for work, food vouchers, provision of non-food items or services that enable households to commit more of their own resources to food.
- Support to income-generating activities and other community-based strategies to enhance food security.

Responses to make more food available in markets at affordable prices:

- Market interventions - subsidized sales, especially of self-targeting, second-choice cereals, market capacity support (e.g. ensuring the availability of credit to traders).
- Logistic infrastructure support - repair of basic transport, storage and handling infrastructure to facilitate trade (as well as the delivery and distribution of assistance).
- Liberalization of commercial imports by the government (e.g. lowering import duties or eliminating quotas).

If the team includes members with appropriate expertise, you may also make general recommendations in relation to:

- agricultural inputs - seeds, fertilizer, farm tools, fodder, re-stocking, etc.;
- training and technical support for agricultural production or income generation;
- supplementary or therapeutic feeding for malnourished individuals;
- special food and nutrition support for people suffering from HIV/AIDS, TB or other chronic diseases, or households with members suffering from those conditions;

- food fortification or micronutrient supplementation, especially distribution of vitamin A and iron supplements;
- other public health programmes to help address the underlying causes of nutritional problems, e.g. water supplies, sanitation, immunization;
- education, training and technical support to improve household food preparation, feeding, care and hygiene practices.

Some of the aspects you need to consider are listed in Panels 15-2 and 15-3. They are summarized in Figure 16a (in section 16.1). Hopefully you will have explored feasibility issues in your discussions with key informants, especially operational agencies, during meetings in the capital and your field visits.

| Panel 15-2 Aspects that determine the appropriateness of different response and targeting options | |
|--|---|
| When the assistance is needed by the intended beneficiaries | If it is a really urgent life-saving need, speed in giving people access to food will be paramount for a short initial period. Otherwise, due attention should be given to all the other aspects listed. |
| The availability of food in the country | If sufficient food is available (see the food balance sheet), food transfers using imported commodities may not be appropriate. Cash transfer or food transfers using locally-purchased commodities should be considered. |
| The preferences and priorities of the food-insecure people themselves, especially women | People (especially women) often know what is best for them. This includes whether they have physical access to markets where they might be able to procure food, and what their experience has been with previous aid programmes. |
| Market conditions, especially price levels, the degree of integration and competition, the capacity of traders to increase their deliveries to and within the affected areas, and the likely impact on prices of food or cash transfers (see sections 8.5 and 8.6) | Where markets are integrated and competitive food is available and traders have additional capacity, cash transfers (including cash for work), vouchers and subsidized sales may be appropriate (and food transfers disrupt markets and hinder recovery). Where such conditions do not exist, food transfers may be needed unless and until markets recover, possibly with market support. |
| Protection concerns | Programmes that might increase the personal safety and security risks faced by women, men or children should be avoided, if possible. Programmes that could reduce such risks should be favoured. |

| | |
|---|--|
| Lessons from past emergency and recovery experiences | Previous experience may indicate responses that have, or have not, been effective and cost-efficient. |
| Existing national strategies and protocols for emergency response and sustainable development | Responses should normally be in line with national policies and not undermine long-term development strategies unless absolutely unavoidable when lives are at risk. |

Panel 15-3
Aspects that determine the feasibility of different response and targeting options

| | |
|---|---|
| <p>The infrastructure and operational capacity available to assure the delivery and distribution of food or cash, or the distribution and redemption of vouchers.</p> <p>The time it would take to set up operations and estimated set-up and running costs</p> | <p>Food transfer programmes require substantial logistics (transport, storage and handling) capacity and inventory management and control systems. Where these are already in place, set-up costs may be small. If they are not already in place, set-up costs are likely to be high and there may be limits on what can be delivered in the short term. Operating costs are likely to be high.</p> <p>Cash transfer programmes require secure, reliable systems for the transfer and distribution of cash and the maintenance of accounts. Where banks exist and function throughout the affected area, set-up and operating costs may be low. Otherwise - and where there is no experience with large-scale cash transfer operation - setting up may be difficult and time-consuming.</p> <p>Vouchers require secure, reliable systems to distribute and account for vouchers and a network of retailers able and willing to accept them and assure sufficient supplies on a continuous basis. Unless a system already exists, setting up may be difficult and time-consuming.</p> |
| Social, political, security and other contextual factors | <p>Certain approaches to targeting may or may not be feasible depending on social cohesion.</p> <p>Insecurity or restrictions imposed by the government or other parties may inhibit the movement of food or cash. Insecurity may restrict the amounts of food or cash households can store.</p> |
| Seasonal considerations | <p>Food transfers may be inappropriate during periods when local farmers will be seeking to sell their produce.</p> <p>Some transport routes may be impassable during certain periods, restricting the possibilities for both aid agencies and traders to move supplies.</p> |
| Lessons from past emergency and recovery experiences | Previous experience may indicate practical difficulties with particular types of activities in the area concerned. |

Food transfers are likely to be most appropriate when:

- there is a serious food shortage and a need to increase food availability; *or*
- markets are weak, segmented, dysfunctional, or are inaccessible due to insecurity; *and*
- prices are not likely to be depressed at a time when local producers are attempting to sell.

Where the social structures and traditions of the society make needs-based **targeting** of households difficult, food transfers *may* permit a certain degree of (self) targeting *if* second-choice commodities are used. It is often suggested that food may also be more appropriate when **women control food** and men control cash in the household. However, some recent studies have suggested that there is little evidence that men misappropriate cash transfers in any significant way for purposes other than food and family welfare. Food transfers may be less appropriate when the overhead **costs** or **losses** from spoilage or theft would be high.

Cash transfers are more appropriate when:

- the market is able to provide sufficient supplies of food rapidly; *and*
- a cash injection would stimulate the local economy without causing inflation, especially significant increases in food prices.

Cash transfers may be less appropriate when the set-up **costs** or **security risks** are high.

Market interventions (see Panel 15-4) may be especially appropriate when the price of the usual staple has risen due to scarcity and is no longer affordable to poor but normally food secure households *and* targeting of general (free) rations is not feasible, especially in urban areas, *or* there is a need to revitalize the food market (including milling) sector.

Panel 15-4

Market interventions

Market interventions may include subsidized sales or simply the provision of a second-choice staple to retailers who agree to sell at a controlled price.

Such operations can be organized using either food aid commodities provided by bilateral donors for that specific purpose, stocks from a national security reserve, or commodities purchased by the government domestically or on the international market. If reserve stocks are used, donors may agree to help replenish the reserve, which is then equivalent to borrowing from the reserve for immediate use. The volume of subsidized sales must be set to avoid undercutting local traders who would otherwise hoard or relocate their current stocks.

If such market interventions are to be considered, you will need information on:

- the numbers of retailers willing to participate in the scheme;
- the milling and storage capacity available;
- the price differentials between the main staple and the low-cost staple; *and*
- the capacity available to fortify the low-cost staple if there is evidence or a risk of micronutrient deficiencies.

Market support may include actions that help make the market more responsive to conditions of low effective demand, such as lowering transaction costs, increasing supplies of low-cost consumption substitutes, increasing credit availability for the trading system, or increasing or improving the storage facilities available to traders.

Panel 15-5 provides an example of a format that could be used to determine the suitability of cash transfers. The format might be adapted for use in relation to other response options, with relevant lists of “key concerns”.

| Panel 15-5 | | | | |
|--|--|--------------------|-------------------------------|----------------------|
| Format for analysing the suitability of a particular response option | | | | |
| Key concerns | | Mission conclusion | | |
| | | High possibility | Moderate/marginal possibility | Low/zero possibility |
| 1. | <i>Market environment</i> Markets will adequately respond to meet effective demand for food backed by cash transfers with minimal risk of inflation | | | |
| 2. | <i>Household-level issues</i> a). Households’ physical access to markets is not constrained | | | |
| | b). Households will be better-off with cash transfers | | | |
| 3. | <i>Implementation/operational issues</i> Innovative delivery mechanisms can minimize cash delivery operational problems | | | |

For more specific guidance on identifying responses that *might* be appropriate to address short-term problems, see: 🌐 WFP [EFSA Handbook](#).

For additional guidance on determining whether food or cash transfers might be appropriate, see 🌐 [A Market Analysis and Decision Tree Tool for Response Analysis - Cash Local Purchases and/or Imported Food Aid](#).

When considering **feasibility**, consider:

- the institutional issues indicated in Panel 15-6;
- possible logistic constraints, also indicated in Panel 15-6;
- any other factors that may constrain response capabilities; *and*
- timing: how quickly and during what periods the assistance needs to be delivered to the populations (how much lead-time is available to put things in place?).

Note that it is important to discuss the capacities and intentions of current and potential food security actors/partners during the field visits, as well as in meetings in the capital, in order to get a clear idea of the willingness and ability of each one to expand their programmes to include new activities and/or areas, in case needed.

Panel 15-6

Considerations relating to feasibility - institutional and logistical aspects

Institutional feasibility:

If there are *ongoing humanitarian operations* in the areas where food security assistance is required, ask yourselves the following questions:

- Are the ongoing (or planned) activities appropriate? Would you want to propose any change in the nature or design of ongoing (or planned) activities given your analysis of the situation? If so, explain why.
- Do they serve the priority population groups that you have identified for assistance in the coming months (including both rural and urban populations, where relevant)?
- How does the scale of the ongoing activities compare with what you estimate to be required in the coming months? If it is much less, to what extent and how quickly could the ongoing activities be scaled up?

If there are *no ongoing food-security-related activities* in some of the areas of need, or if the ongoing activities are on a *much smaller scale* than is now required, consider the following questions:

- Are there additional organizations with relevant experience that could be mobilized to help implement appropriate interventions in the areas concerned?
- Are there other forms of assistance that c/should be considered instead or in addition?

Logistic feasibility:

Is road access likely to be difficult or impossible for any reason: e.g. due to insecurity (the case of parts of Sudan and Ethiopia in 2007) or earthquake damage (as in Pakistan in 2007)?

Is a fuel shortage likely to be an issue (as in Zimbabwe in 2007)?

15.2 Proposing arrangements for targeting

- Determine whether geographic and/or household targeting would be desirable within the affected area(s) and, if so, what the targeting criteria should be and what targeting mechanisms should be used.

Good targeting is necessary not only to ensure that the benefits go to the most food-insecure households but also to avoid negative effects on markets and disrupting local commercial trade, especially in the case of food transfers. Choosing the right intervention - one that can reach the intended beneficiaries and will be more attractive for them than non-targeted population groups - can be considered the first step in good targeting.

Panel 15-7 lists some of the principal options that may be considered. For detailed guidance on choosing targeting arrangements, see the WFP guidance on targeting.

Some household targeting options

Targeting of food or cash transfers:

- **Community-based targeting** in which, on the basis of agreed needs-based (socio-economic) criteria, the community selects which households are to receive food or cash transfers and/or participate in food-for-work or cash-for-work activities. This requires a cohesive community with a value system that protects the most vulnerable groups.
- **Working with implementing partners to conduct household (house-to-house) surveys** to identify those in real need. This is feasible only where indigenous partners have the capacity and where most people do not need food aid.
- **Providing transfers only to specifically defined categories of vulnerable households** that are easily distinguished (such as female-headed households or households with a chronically-sick member) or have already been recognized and registered administratively. This is feasible in more developed societies, but experience shows that it often misses some of the most food-insecure.
- **Providing transfers only in exchange for work.** This is satisfactory only when the numbers of people in real need are limited and adequate work opportunities can be provided. A social/ nutritional safety net is needed for households that do not have able-bodied adults who are able to work.

Targeting of food transfers:

- **Providing food commodities that are attractive only to the most-needy people.** This is effective in many situations, but is not always appreciated by officials and community leaders.
- **Providing a limited general ration for everyone and an additional ration for specifically defined categories of vulnerable households.** This is more complicated and requires more resources than a single distribution programme.
- **Providing a general ration to everyone based on average need, and relying on internal mechanisms within the community to ensure that no one starves.** This is the most frequent approach, but experience shows that in many situations internal mechanisms cannot be relied on to assure redistribution among households according to need.

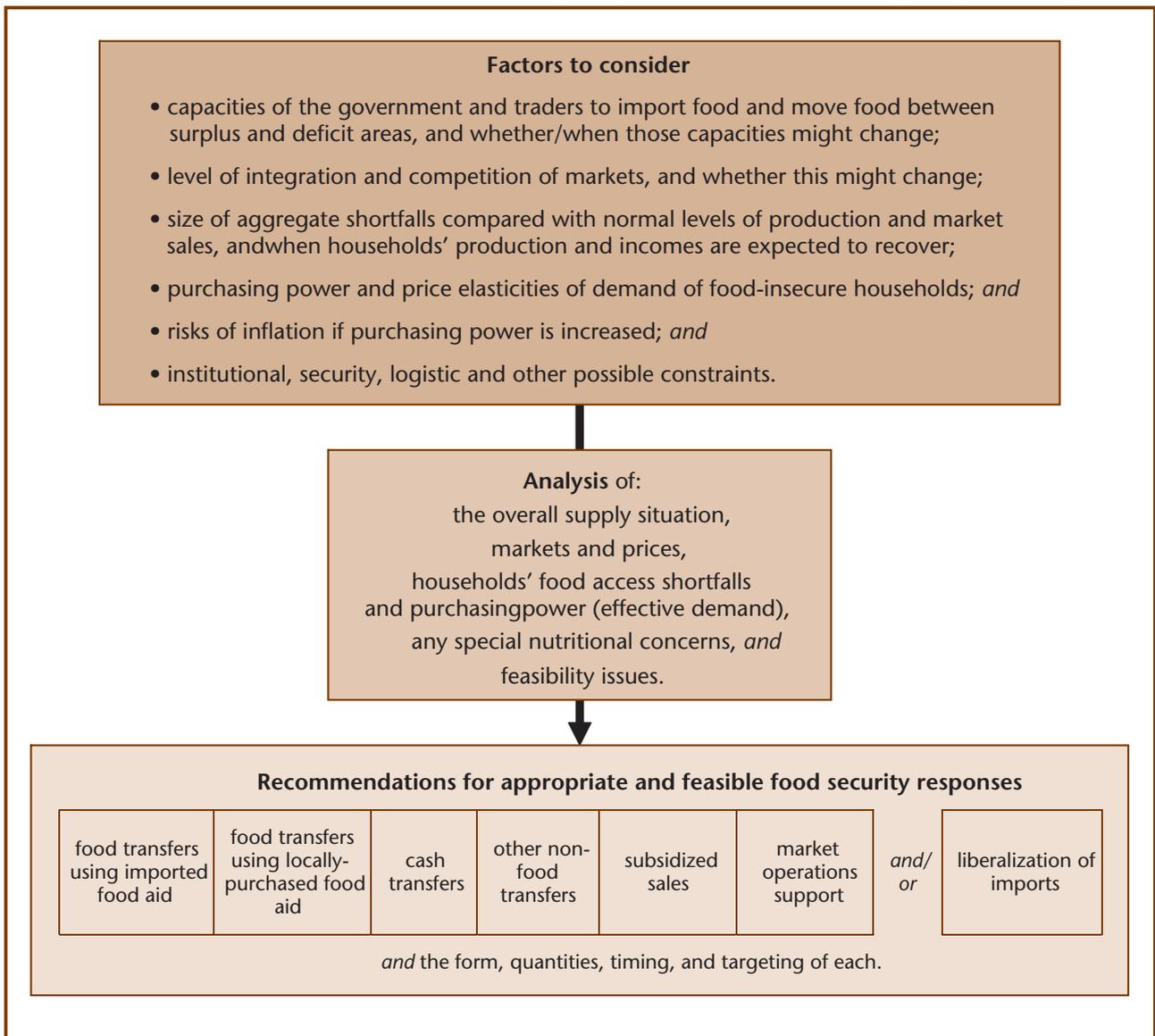
[Adapted from *Emergency Field Operations Pocketbook*, WFP 2002]

16 Formulating recommendations

16.1 Recommending a set of interventions

The team’s responsibility is to recommend a response to the consumption problem in a manner that takes fully into account the functioning of markets and does not have negative effects on markets or on long-term incentives for local food production. Figure 16a summarizes the factors to consider.

Figure 16a **Factors to consider when analysing and recommending response options**



During the early stages of a crisis the priority may be on humanitarian objectives and ensuring that interventions do not have negative effects on markets and the recovery of livelihoods. From the earliest possible moment, however, attention should also be given to ensuring that food-security assistance supports the recovery - or enhancement - of markets and livelihoods. In most cases, there will already be an ongoing assistance operation and plans, or recommendations, for the continuation or modification of those operations. You should:

- Propose (or endorse) a set of food-security assistance interventions that would simultaneously:
 - meet the humanitarian objectives of saving lives and protecting and restoring livelihoods; *and*
 - have short-run and longer-term positive effects on the local economy and determinants of future food security, particularly agricultural production and markets.
- Form your own judgment as to the appropriateness for the coming 12 months of the ongoing or already-planned operations in the light of your conclusions regarding the needs of different population groups.

Build on existing capacities and experience in the country to the extent possible. Propose the setting up of new systems and capacities only if absolutely necessary: setting up is often costly, takes time and could be risky.

Taking account of the inter-actions between assistance and medium-term food security

- Consider the inter-actions between assistance, local food markets and production, and the potential effects on food security in subsequent months when developing a set of recommended interventions.

Food transfers and/or other forms of food-security assistance (including cash or other non-food transfers) can be essential to save lives and livelihoods in a crisis, and to promote recovery by enabling affected households to have access to adequate food during certain periods. However, if food or other transfers are poorly targeted or food is distributed during a harvest period it could have unwanted effects on market prices and traders' decisions in relation to imports and the movement of food from surplus areas and on producers' decisions on how much to plant for the next season.

For example:

- Food aid imports may reduce market prices by reducing demand and adding to total domestic supply. The reduced prices benefit consumers but may penalize local producers who sell while also reducing the quantities private traders might otherwise have imported. The price reduction will therefore be less than it might have been and total availability increased by less than the quantity of food aid imported.
- Local purchases of food in surplus areas for distribution in crisis-affected areas can help to stabilize markets *if* the purchasing and distribution are completed well before the next harvest. If not, they may further disrupt markets.
- Cash or other non-food transfers to beneficiary households will increase their purchasing power and, consequently, their access to food *if* sufficient food is physically available. The transfers may also reduce the need for farmers to sell the bulk of their production just after the harvest. But the increased demand may also lead to inflation of food prices.
- Subsidized sales of cereals in the affected areas (using stocks from a national security reserve or bilaterally-donated supplies) can increase the quantities of food accessible

to poorer households and moderate price increases (or reduce prices) for other staples in those areas. However, this may induce traders to move their stocks to areas where effective demand is strong and prices are higher, reducing the effect on prices in the affected areas. It could also create a risk of future shortages if traders were to abandon the area.

- Promises or even suggestions of food aid imports are likely to reduce the quantities that private traders import and, if the promises (or suggestions) are not fulfilled, result in total availability being lower and prices higher than they would otherwise have been.

These potential effects must be taken into account when analysing and deciding on response interventions, failing which, the assistance may have less than the desired impact on food security and, in the worst case, may even hinder recovery.

Assessing the relative costs of transfers

Food-transfer programmes usually have high operational and administrative costs in addition to the cost of the food. Operational and administrative costs *may* be substantially less for a cash transfer (a cash-in-lieu-of-food) programme *if* existing financial institutions can be used to make the transfers to the selected beneficiaries. However, fixed setting-up costs must also be considered and these might be low for food distribution *if* food distribution mechanisms are already in place and high for cash transfers.

If food markets are operating efficiently and food security problems are predominantly income-related, the value of the food aid to the recipient approximates the local price of the commodity. In this case, a measure of the relative **variable-cost-benefits** of food and cash transfers can be derived by comparing the estimated “alpha-values” of the two options and adding in the **fixed costs**, see 🌐 **Technical Note H1**. If it is difficult to find relevant information for the analysis proposed there, at least calculate and report the relative costs of providing a unit of food and providing its cash equivalent.

Defining the value of transfers

For **food transfers**, a “full” ration (usually only for refugees and IDPs who are more-or-less totally dependent on the food ration) is designed to meet the nutritional needs of the beneficiaries - 2100 kcal/person/day, on average, adjusted if necessary for temperature, activity level, demographic breakdown and general health and nutrition status, as outlined in Panel 16-1. For examples of full rations, see 🌐 *WFP Programme Guidance Manual (PGM)*, *WFP Food & Nutrition Handbook*, or *WFP Emergency Field Operations Pocketbook*.

A “partial” ration (for most population groups) is designed to make up the difference between nutritional requirements and what people/households can, on average, reasonably be expected to provide for themselves, i.e. to cover the estimated household food access shortfall for the target group (see section 13.4). To the extent possible, account should be taken of - compensation made for - any nutrient imbalance in what people can provide for themselves, but partial rations are usually limited to only a small number of items (less than in a “full” ration).

Panel 16-1

Energy requirements

For initial planning purposes, 2,100 kcal/person/day is taken as the average minimum daily energy requirement for a “typical” population in a warm climate undertaking light physical activity. The average requirements of different groups within a population are shown in the table below.

When data are available, the initial planning figure should be adjusted according to:

- *Temperature*: Add 100 kcal for every 5°C that the mean daily temperature falls below 20°C (i.e. +100 kcal at 15°C, +200 kcal at 10°C, +300 kcal at 5°C, +400 kcal at 0°C).
- *Age/sex distribution*: When adult males make up more than 50 percent of the population, requirements are increased; when the population is exclusively women and children, requirements are reduced. Adjustments of plus or minus 5 percent may be appropriate.
- *Physical activity level*: Add 140 kcal for moderate activity, and 350 kcal for heavy activity (e.g. during construction or land preparation works).

When the nutritional situation of the population is extremely poor or the crude mortality rate significantly elevated, an additional 100-200 kcal may be added to the basic ration. However, this may not be needed if there is extensive supplementary and therapeutic feeding.

Source: *Food and Nutrition Needs in Emergencies*, UNHCR-UNICEF-WFP-WHO 2000, as summarized in *Emergency Food Operations Pocketbook*, WFP 2002, p 146, and *Joint Assessment Guidelines*, UNHCR-WFP 2004, p 280.

For **cash transfers**, the transfer is usually based on the cash value of the cereal equivalent of the food consumption shortfall based on the market price consumers are likely to face. Determination of which market price to use will pose some problems, because at the time of CFSAM, the crisis would have driven up the food prices. Since the rationale for selecting the cash option is the expectation that markets will supply the shortfall, prices should tend to come down with increasing trader supplies and, with sufficient competition, rest around import parity price levels. If you propose cash transfers, you may need to recommend close monitoring of the price changes to enable transfer levels to be adjusted if/when necessary.

In general, households receiving an additional unit of income will spend only part of it on food (the income elasticity of demand for food is less than one). Among poor households, the proportion of the additional unit of income spent on food is likely to be about 60 percent to 70 percent; less for richer households. This means that a much higher value than the market value of the food shortfall would have to be transferred if the desired nutritional goals (consumption increases) are to be attained. This phenomenon also holds true for food transfers, which also represent income for the recipient who frequently realizes an increase in cash available for non-food expenditures by selling part of the food ration and/or reducing expenditures on other food items. In food transfers no allowance is made to compensate for the reduced consumption benefits relative to nutritional goals. It is implicitly assumed that the “savings” contribute to (re)building livelihoods and contribute to future food security.

Minimizing the potential negative effects of transfers

As noted in section 8.6, both food and cash transfers can have negative effects on local markets and non-recipients in certain circumstances. You must, therefore:

- Select response options carefully *and* suggest how to minimize potential negative effects;
- When large-scale transfers may be needed, examine (amongst other things) any evidence of negative effects of previous emergency assistance on markets and domestic production.
- Limit the total inflow of food aid to what is clearly needed; *and*
- Set robust exit criteria both for the transfer programme for the different types of beneficiaries and areas.

When the balance-sheet analysis shows that there is an uncovered deficit that needs to be met by additional (emergency) food aid but the same analysis or a partial equilibrium demand analysis (using the “Zambia model”, for example) shows that the maximum quantity of food that should be imported is less than the aggregate need of food-insecure households, a **combination of food and cash transfers** may be the best response, see Panel 16-2. The levels of the two transfers must carefully set: the cash transfer could enable households to purchase those quantities of food that are available on the domestic market (without unduly inflating prices), while the food transfer could make up for the supply deficit, without unduly depressing prices.

Panel 16-2

The case for combined food and cash transfers

It is common knowledge in food transfer programs that beneficiaries tend to exchange/sell a part of their rations to use in purchases of other necessities of food (that are not covered in the rations such as vegetables, fish and meat, condiments etc) and day-to-day living (soap, utensils, fuel, school supplies, transport costs). For the beneficiaries, selling or exchanging rations is an inefficient way of meeting the other needs because of the discounting of commodity values that take place in these transactions. The process will also not help in achieving the expected nutritional objectives. The mission may recommend a partial cash transfer in food transfer program as a response to this phenomenon.

The case for partial food transfers in a cash transfer program may also be seen as a necessity if constraints on supplying adequate supplies of important food items, e.g. staples, are expected due to national or regional supply failures, high international prices or trade restrictions. A partial supply of major food items and cash to purchase the balance requirements from the market (if the market is deemed to have the capacity to respond to such needs) could be the appropriate response in this situation. The objective here should be to maximize market use while assuring supply of basic food items, which the market is unlikely to supply adequately to the households.

16.2 Scheduling public-sector imports and imported food aid ¹⁶

- Prepare a schedule for the delivery - arrival in-country - of public-sector imports and all imported food aid.

Thus far the guidelines have concentrated exclusively on the quantities of food and food imports required. The timing of public sector imports and food aid for market sales can be as important as the annual quantity of deliveries. Poorly-timed imports lead to excessive storage costs, losses and price fluctuations that, in turn, undermine private trade and can lead to severe food shortages at times or can flood domestic markets.

In import-dependent countries guidelines for delivery schedules may already be operational. But a country with an exceptional food aid requirement or which has only recently become a major importer may not have precise guidelines on scheduling. In these circumstances donors will have to be informed not only of the quantities of food aid required but also **when** it should be in-country. Desirable delivery schedules should be derived from an assessment of intra-annual supply and demand patterns.

16.3 Defining what should be monitored

Monitoring the food security situation, especially with regard to food supply changes and implementation of external assistance to affected households is normally carried out by a national food security information system (FSIS) and the country offices of FAO and WFP. However:

- You should, in your report, include recommendations for monitoring developments in key aspects influencing household food security, which in turn could have significant impact on estimated food needs and assistance levels.
- Focus on factors that would have a **significant influence** on assistance requirements and programme design. You may conduct a quick sensitivity analysis to distinguish factors that could have a significant impact from those that would not.
- Where possible, suggest trigger levels for specific indicators that should lead to action (either specific programme changes or further study).
- Take account of any forthcoming, already-planned events such as a population census, or re-registration for refugees or IDPs.
- You may also highlight any programme implementation monitoring requirements that are not already in place.

Recommendations might focus on, for example:

- prices of food and other essential commodities, especially following any cash transfer distributions;
- changes in the security environment that can affect the programme;
- market response in terms of commodity flows;
- household behaviour in the use of cash for food and non-food purchases.

¹⁶ Adapted from 1996 guidelines section 9.4.

Where appropriate, you may recommend a ***follow-up assessment***. If, for example, following a failed major crop, you foresee prospects of a second crop significantly augmenting food supplies in certain zones during the later months of the crop year, you may want to propose a follow-on mission at that time to assess the new supply situation and make adjustments to the previous estimates of food security shortfalls.

16.4 Suggesting what could be improved

- Reflect on the experience of the mission and highlight anything that could significantly improve the conduct and outcome of a future CFSAM. This might include in-country data collection, reporting and analysis systems, preparations in advance of the mission, or the methods used during the mission.

For example, if data on commercial imports (especially unregistered but possibly also registered trade) are deficient or considered unreliable, you may want to propose putting in place a local monitoring system along the lines of the WFP system in Southern Africa and in parts of Eastern Africa.