



Cornell University

**The BASIS Smart Development
Pilot Project Agenda:
Flexible Response to Food Insecurity:
Food Aid Programming and Impact In
A New Era**

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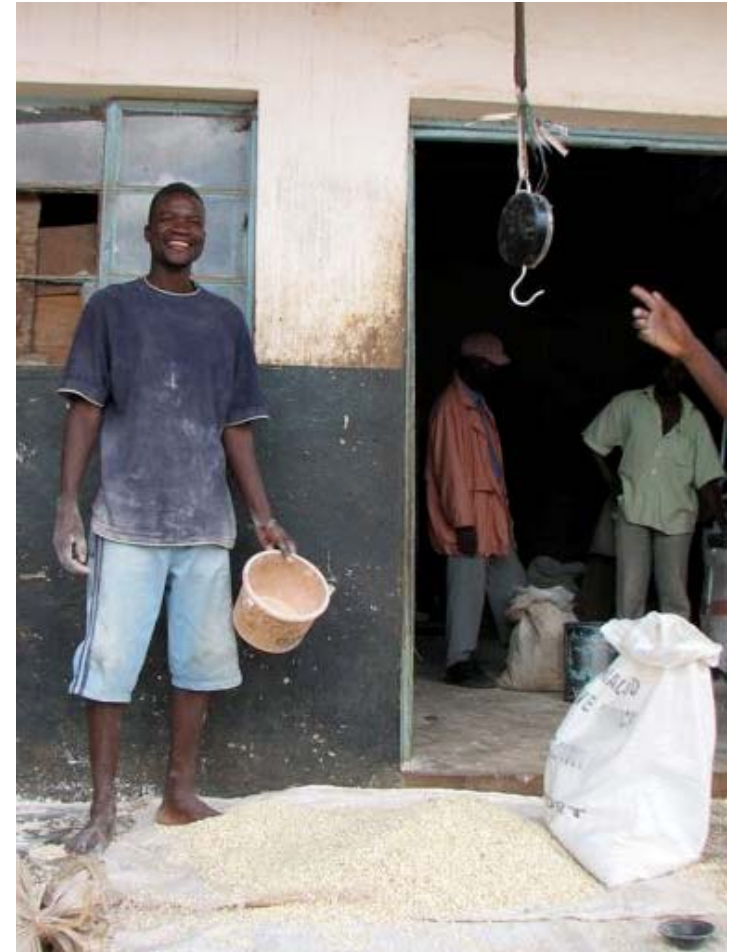
Conference on "Escaping Poverty Traps:
Connecting the Chronically Poor to the Economic
Growth Agenda", Washington, DC

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- Food aid flows have been steadily falling (14 to 5.9 MMT, 1988-2007)
- Food insecurity largely unchanged worldwide, growing in poorest areas
- Donors and operational agencies increasingly exploring cash transfers, esp. post-tsunami
- Food aid increasingly procured locally/regionally - ~2/3 of non-US food aid now through LRP

Result: Both demand and supply side pressures for increased flexibility in programming options.





With food insecurity response far less resource-driven, increased flexibility demands new tools and evidence.

- **Need ex ante response analysis to program in a context:**
 - Market Information for Food Insecurity Response Analysis (MIFIRA) approach
- **Also need ex post impact evaluation of different responses**





Which response to address food insecurity?

Response analysis links identified need with appropriate response.

- If cash transfers:

When? Where? Why?

- If local/regional purchases:

When? Where? Why?

- If transoceanic food aid:

When? Where? Why?

Must understand markets' roles in addressing food security in order to identify appropriate transfer form(s).





Getting the form of transfer right helps livelihoods...

- Households may sell food aid - often at a deep discount - to purchase what they need
- Yet, when markets function poorly, cash is of limited value.

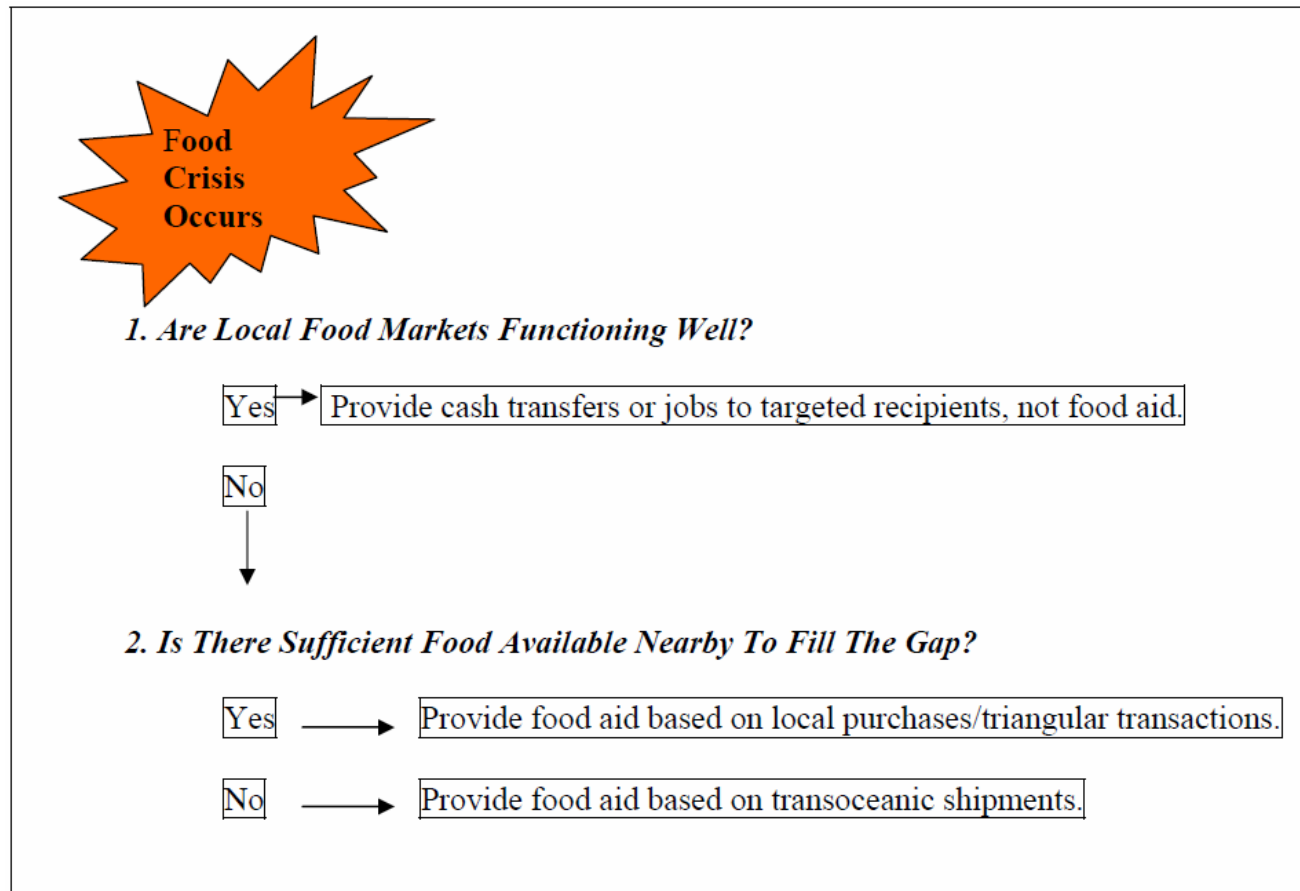
... and minimizes harm to markets

- Impact on markets depends on:
 - Volumes distributed/bought
 - Households' demand
 - Seasonality
 - Type of transfer
 - Local intermediary conduct



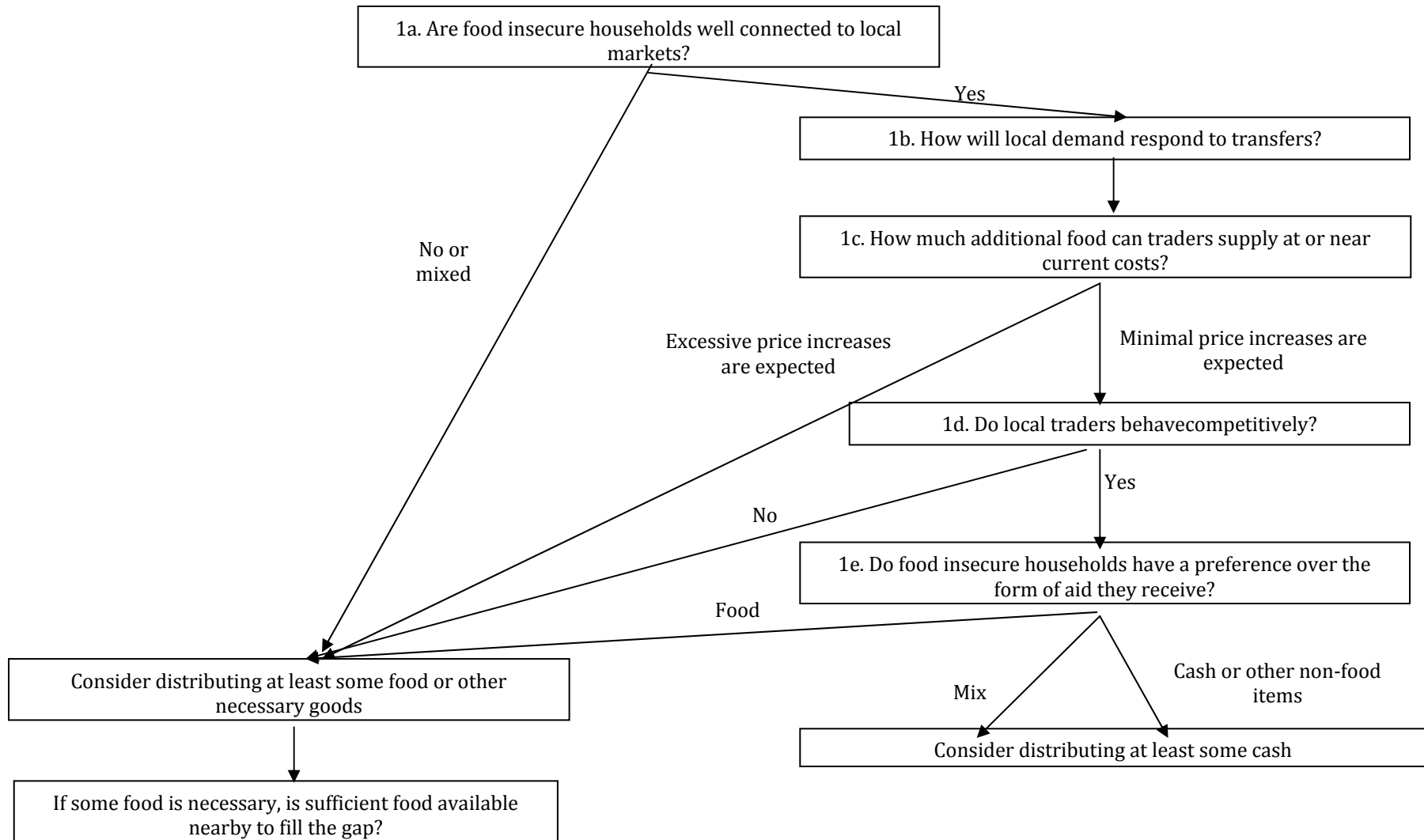


The Market Information and Food Insecurity Response Analysis (MIFIRA) framework, developed with and for CARE, fleshes out the decision tree tool from Barrett & Maxwell (2005).



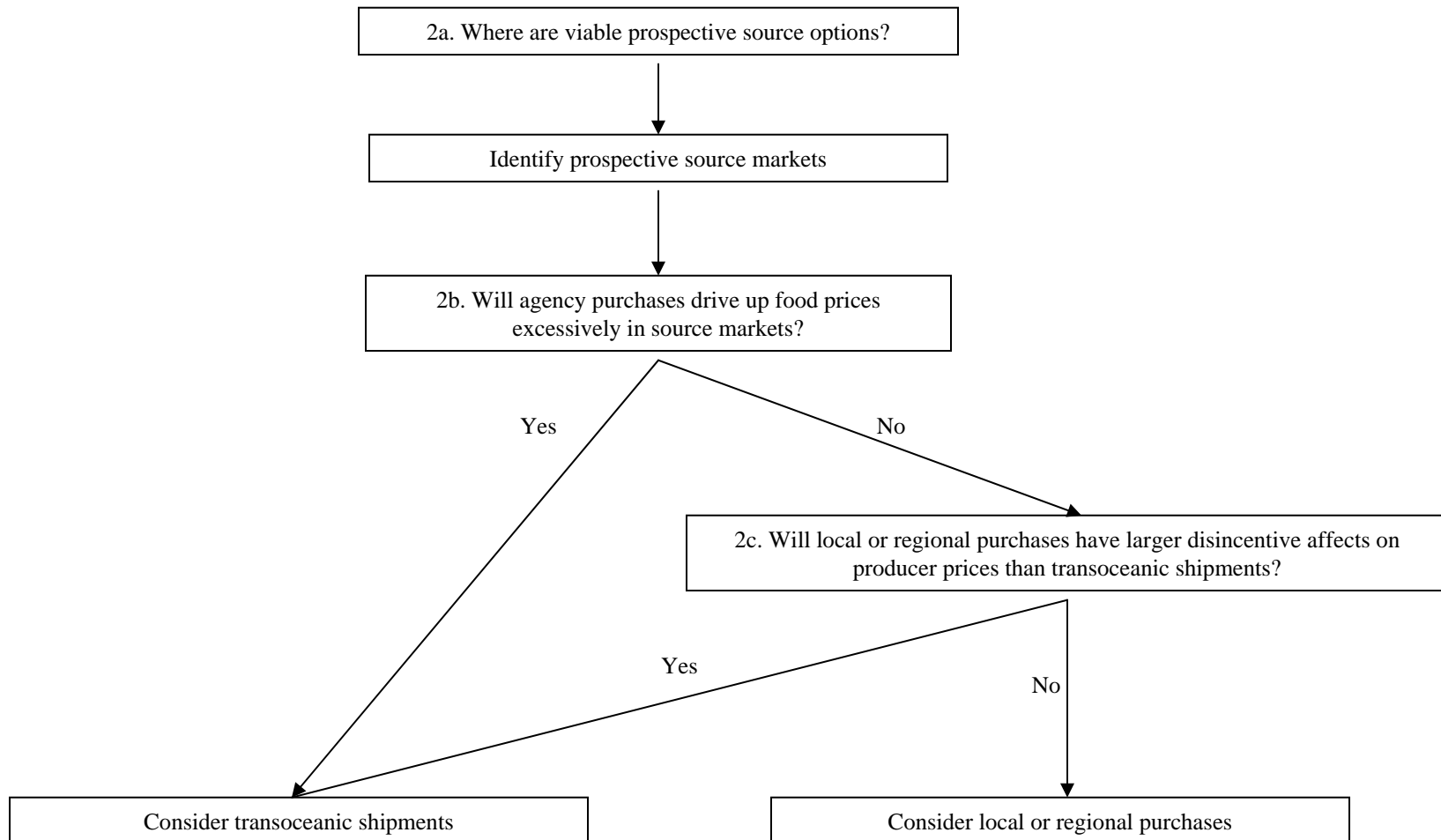


1. Are local markets functioning well?





2. Is there sufficient food available nearby to fill the gap?





Ex ante response analysis is necessary but not sufficient. Also need ex post impact evaluation comparing among transfer forms and sourcing options.

Key policy reason: Emergence of LRP options in US food aid and substantial growth in cash/voucher transfer use by various donors and NGOs.

With partners, we are currently designing an evaluation of three different options – cash, LRP food aid, transoceanic food aid – in east Africa.

Objective 1: Develop and apply response analysis methods (MIFIRA) to identify where LRP is appropriate.



Objective 2: Identify how recipient households' welfare and behaviors, as well as recipient community markets, respond to different transfer forms.

- What differential impacts on household well-being and behavior arise due to transfer form?
- What are the impacts due to differences, if any, in timeliness or reduced interruption of delivery (e.g., reduced reliance on injurious coping behaviors)?
- What cost savings, if any, arise from cash or LRP and what impact does this have at extensive (greater hh coverage) or intensive (larger rations) margins?
- What impact, if any, does cash or food have on recipient community markets, in terms of prices, trader behavior and investment, etc.?



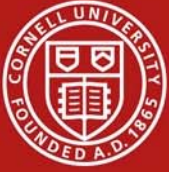
Objective 3: Identify how LRP source markets and suppliers respond to LRP actions.

- What are the price effects of LRP within source markets, within the procurement marketshed, and in broader national markets?
- What, if anything, induced changes in contracting or logistical practices and in capital investment, technology choice or employment in response to LRP actions?
- Are there differences between competitive tendering and targeted/“soft” tendering from smallholder organizations, or between emergency and non-emergency situations?



Objective 4: Generate evidence on the cumulative impacts of LRP actions on both recipient and source communities.

- Compare across transfer forms and sourcing options:
 - Household- and market-level impacts in the recipient communities, as well as
 - Market-level and smallholder producer and trader impacts in LRP source communities
- What tradeoffs exist between recipient and source community objectives? How do local policies (e.g., strategic grain reserves) and market conditions affect these tradeoffs and likely cumulative impacts elsewhere?



Increased flexibility in responding to food security raises exciting new opportunities. But need to develop new tools and new evidence to use these effectively.

- **Response analysis** for ex ante assessment of best way to address food insecurity in a specific time/place.
- **Impact evaluation** to establish whether there are differences among transfer forms or sourcing options for recipient and source communities.
 - Under what conditions are there tradeoffs or synergies between relief and development?



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Thanks for your time and interest!

