



U.S. Global Food Security Funding, FY2010-FY2012

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Summary

The United States currently addresses issues related to global hunger and food security through two primary types of approaches: (1) agricultural development and (2) emergency and humanitarian food aid and assistance. Agricultural development activities, such as the Administration's Feed the Future initiative and some emergency food assistance programs, are administered primarily by the U.S. Agency for International Development (USAID) using existing authorities provided in the Foreign Assistance Act of 1961, as amended. Funding is provided through the annual Department of State and Foreign Operations appropriation bill. In addition, funding for some multilateral efforts, such as the World Bank Global Agriculture and Food Security Program (GAFSP) Trust Fund, is provided through annual appropriations to the Treasury Department. U.S. international food aid programs are administered by USAID and USDA's Foreign Agricultural Service (FAS), as authorized by the 2008 farm bill (P.L. 110-246), and are funded through annual Agriculture appropriation bills.

For FY2010, the Administration allocated about \$1.31 billion to its Feed the Future (FtF) initiative, which included \$1.17 billion for bilateral agricultural development programming, \$75 million for nutrition-related activities carried out in collaboration with global health initiatives, and \$67 million allocated to the World Bank GAFSP. Separately, in FY2010, about \$1.84 billion was allocated to Title II activities under the Food for Peace program, \$209.5 million for the McGovern-Dole International Food for Education and Child Nutrition Program, and \$300 million from the International Disaster Assistance account at USAID for other emergency food assistance activities including safety net programs, cash vouchers, and local and regional procurement.

The FY2011 congressional budget justification for the Department of State and Foreign Operations was the first instance in which the Administration requested funds specifically to implement FtF. The Administration's FY2011 budget request included \$1.84 billion for FtF-related activities, which was more than a 40% increase in the FY2010 allocation, primarily due to a \$408 million request for the World Bank GAFSP Trust Fund. On April 14, 2011, Congress passed a continuing resolution to provide government-wide funding through the end of FY2011 (P.L. 112-10). The FY2011 CR provided allocations only to primary USAID budget accounts, several of which, such as Development Assistance, the Economic Support Fund, and the Global Health and Child Survival accounts at USAID, received decreases in funding relative to FY2010 levels. At the same time, the final FY2011 CR did not include specific allocations from USAID budget accounts for food security-related activities, so the implications of the FY2011 budget-level changes on the funding and programming for the Feed the Future initiative remain uncertain. The final FY2011 CR also included \$1.5 billion for Title II Food for Peace food aid programs and \$199.5 million for the McGovern-Dole Food for Education program.

The Administration's FY2012 request includes \$1.56 billion for the FtF initiative, about \$250 million, or 19%, more than the amount allocated in FY2010. This includes \$1.1 billion in bilateral agricultural development assistance, \$150 million for nutrition-related activities, and a U.S. contribution of \$308 million to the World Bank GAFSP. Separately, for FY2012, the Administration is also requesting \$1.690 billion for Food for Peace Title II emergency and non-emergency food aid, \$200.5 million for the McGovern-Dole Food for Education Program, and \$300 million of International Disaster Assistance for emergency food security-related activities.

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Background

The United States currently addresses issues related to global hunger and food security through two primary types of approaches: (1) agricultural development, such as the Obama Administration's Feed the Future initiative; and (2) emergency and humanitarian food aid and assistance, such as the Food for Peace (P.L. 480) program.

Foreign assistance, including agricultural development and some emergency food assistance programs, is administered primarily by the U.S. Agency for International Development (USAID), using existing authorities provided in the Foreign Assistance Act of 1961, as amended.¹ Funding is provided through the annual Department of State and Foreign Operations appropriation bill. Funding for bilateral agricultural development and food security-related activities is allocated primarily from USAID's Development Assistance (DA) account, but also from the Economic Support Fund (ESF), and from the Assistance for Europe, Eurasia, and Central Asia (AEECA), Global Health and Child Survival (GHCS), and International Development Assistance (IDA) accounts.² In addition, funding for some multilateral efforts, such as the World Bank Global Agriculture and Food Security Program (GAFSP) Trust Fund, is provided through annual appropriations to the Treasury Department. U.S. international food aid programs are administered by USAID and USDA's Foreign Agricultural Service (FAS), as authorized by the 2008 farm bill (P.L. 110-246), and are funded through annual Agriculture appropriation bills.

Agricultural Development: The Administration's Feed the Future (FtF) Initiative³

In June 2009, at the G8 Summit in L'Aquila, Italy, President Obama pledged \$3.5 billion over three years (FY2010 to FY2012) to a global hunger and food security initiative to address hunger and poverty worldwide. The U.S. commitment is part of a global pledge, by the G20 countries and others, of more than \$22 billion. In May 2010, the Department of State officially launched the Administration's global hunger and food security initiative, called Feed the Future (FtF).⁴ FtF aims to sustainably reduce hunger and poverty by "addressing the root causes of hunger that limit the potential of millions of people," and by "establishing a lasting foundation for aligning our resources with country-owned processes and sustained, multi-stakeholder partnerships."⁵ The two primary objectives of the FtF initiative are (1) to accelerate inclusive agricultural sector growth, and (2) to improve the nutritional status in developing countries, particularly of women and children.⁶

The Department of State was the lead agency initially in developing the Feed the Future strategy, while USAID is the primary agency responsible for coordinating its implementation.⁷ Feed the

¹ <http://www.usaid.gov/policy/ads/faa.pdf>.

² For more information about U.S. foreign assistance budget accounts, programs, and policies, see CRS Report R40213, *Foreign Aid: An Introduction to U.S. Programs and Policy*.

³ For more information, see CRS Report R41612, *The Obama Administration's Feed the Future Initiative*.

⁴ See the Feed the Future website, <http://www.feedthefuture.gov>.

⁵ Feed the Future Guide, May 2010, p. vi.

⁶ See Feed the Future Guide, <http://www.feedthefuture.gov/guide.html>.

⁷ This is one of the outcomes from the Quadrennial Diplomacy and Development Review report, which was released in (continued...)

Future builds on the five principles for sustainable food security first articulated at L'Aquila and endorsed at the 2009 World Summit on Food Security in Rome: (1) supporting comprehensive strategies; (2) investing in country-owned plans; (3) improving coordination among donors; (4) leveraging effective multilateral institutions; and (5) delivering on sustained and accountable commitments.⁸ In order to “increase the effectiveness of [our] investments,” FtF focuses activities in 20 developing countries in sub-Saharan Africa, Asia, and Latin America and the Caribbean that have been determined by USAID to have the greatest potential to realize impact based on the Rome Principles (**Table 1**).⁹ Investments are taking place in two phases, depending on the extent that country investment plans have been developed in a given host country. The Feed the Future strategy does not explicitly include food aid funding or programs (such as Food for Peace/P.L. 480), but the strategy guide states “that the United States will maintain its strong commitment to providing emergency and humanitarian food assistance to meet urgent needs and mitigate unexpected disasters.”

Table 1. Feed the Future Focus Countries

Region	Countries
Africa	Ethiopia, Ghana, Kenya, Liberia, Mali, Malawi, Mozambique, Rwanda, Senegal, Tanzania, Uganda, Zambia
Asia	Bangladesh, Cambodia, Nepal, Tajikistan
Latin America and the Caribbean	Guatemala, Haiti, Honduras, Nicaragua

Source: <http://www.feedthefuture.gov>, accessed April 18, 2011.

The World Bank Global Agriculture and Food Security Program (GAFSP) Trust Fund

In addition to bilateral engagement, the United States also has committed to provide funding for multilateral efforts to address global food security. In January 2010, the World Bank Board approved the establishment of the Global Agriculture and Food Security Program (GAFSP) Trust Fund in direct response to a request made by the leaders of the G20 in 2009.¹⁰ The primary objective of the GAFSP is to improve the food security and livelihoods of the poor in developing countries through more effective public and private sector investment in the agricultural and rural sectors.¹¹ On April 22, 2010, the World Bank officially launched GAFSP with contributions from the United States, Canada, Spain, South Korea, and the Bill & Melinda Gates Foundation. Subsequently in 2010, Ireland and Spain made contributions.¹² Financial commitments to the GAFSP Trust Fund as of January 31, 2011, totaled \$925.2 million and are allocated to public and

(...continued)

December 2010. For more information, see <http://www.state.gov/s/dmr/qddr/#>.

⁸ FAO, World Summit on Food Security, *Declaration of the World Summit on Food Security*, November 16-18, 2009.

⁹ Executive Summary, Feed the Future Guide, pg. v.

¹⁰ See G20 Pittsburgh Summit Leaders Statement, 2009, <http://www.pittsburghsummit.gov/mediacenter/129639.htm>.

¹¹ The GAFSP framework document can be found at <http://siteresources.worldbank.org/NEWS/Resources/GAFSPFramework.pdf>.

¹² World Bank, *Trustee Report on Financial Status of the GAFSP Public Sector Window*, Fourth Meeting of GAFSP Steering Committee, Washington, D.C., November 3, 2010, at http://www.gafspfund.org/gafsp/sites/gafspfund.org/files/Documents/GAFSP_Financial_Overview_Nov2010.pdf.

private sector funding windows. GAFSP financing is available to International Development Association (IDA)-eligible World Bank member countries.¹³ Additional need-based screens, such as undernourishment levels, per capita GDP, a suitable policy environment, and the development of a comprehensive agricultural development strategy, further restrict country eligibility. The GAFSP Trust Fund has awarded a total of \$337 million to eight countries, including Bangladesh (\$52.5 million); Ethiopia (\$54 million); Haiti (\$36.75 million); Mongolia (\$13.125 million); Niger (\$34.6 million); Rwanda (\$52.5 million); Sierra Leone (\$52.5 million); and Togo (\$41 million)¹⁴

Food Aid and Humanitarian Assistance¹⁵

For over 55 years, the United States has provided food aid for emergency food relief and to support development projects. Foreign food aid is distributed primarily through five program authorities: the Food for Peace Act (P.L. 480); Section 416(b) of the Agricultural Act of 1949; the Food for Progress Act of 1985; the McGovern-Dole International Food for Education and Child Nutrition Program; and the Local and Regional Procurement Pilot Project. The Food, Conservation, and Energy Act of 2008 (P.L. 110-246, the 2008 farm bill) authorizes through FY2012 and amends most U.S. international food aid programs.¹⁶ These programs are primarily funded through the annual Agriculture appropriations bills and are administered either by USAID or by USDA's Foreign Agricultural Service (FAS).¹⁷ The 2008 farm bill also reauthorizes the Bill Emerson Humanitarian Trust (BEHT), a reserve of commodities and cash for use in the Food for Peace programs to meet unanticipated food aid needs. Average annual spending on all international food aid programs over the past decade has been approximately \$2.2 billion, with Food for Peace Title II activities comprising the largest portion of the total budget (about 50% to 90% of the total food aid budget annually over the past decade). Also, in recent years, the President's budget request has included up to \$300 million annually in International Disaster Assistance for emergency food assistance interventions such as local and regional procurement and cash vouchers as options for delivering food assistance.

¹³ IDA was established with aims to reduce poverty by providing interest-free credits and grants for programs that boost economic growth, reduce inequalities, and improve people's living conditions. For more information on IDA and countries currently eligible to receive IDA financing, see <http://www.worldbank.org/ida/>.

¹⁴ *U.S. Department of the Treasury International Programs FY2012 Budget Justification*; the award levels for each country given include fees for program administration, which amount to about 5% of the actual grant amount.

¹⁵ For more information, see CRS Report R41072, *International Food Aid Programs: Background and Issues*.

¹⁶ Authority for traditional food aid programs has historically resided in the House and Senate Agricultural Committees, and appropriations are made through the Subcommittee on Agriculture, Rural Development, and Food and Drug Administration of the House and Senate Appropriations Committees.

¹⁷ USDA FAS is the administering agency for the following food aid programs: Section 416(b); Food for Progress; McGovern-Dole; Local & Regional Procurement Pilot; the Bill Emerson Trust; and P.L. 480 Title I (which is currently inactive). USAID is the managing agency for the following: P.L. 480 Title II (the largest currently active food aid program), Title V, and Title III (inactive).

Funding for Global Food Security: Administration Requests and Congressional Action

As mentioned previously, funding for foreign assistance and agricultural development activities, including Feed the Future, is made available through the annual Department of State, Foreign Operations, and Related Programs appropriations bill from several different budget accounts at USAID. For FY2010, the Administration allocated about \$1.31 billion to FtF from resources available.¹⁸ FtF allocations in FY2010 included \$1.17 billion for agricultural development programs at USAID, \$75 million for nutrition-related activities from the Global Health and Child Survival (GHCS) account at USAID, and \$67 million allocated to the World Bank GAFSP.¹⁹ Separately, the Title II program within Food for Peace received \$1.84 billion and the McGovern-Dole International Food for Education and Child Nutrition Program was allocated \$209.5 million.

The FY2011 congressional budget justification for the Department of State and Foreign Operations was the first instance in which the Administration requested funds specifically to implement FtF.²⁰ The Administration's FY2011 budget request included \$1.84 billion for FtF-related activities, which was a little over 3% of the total international affairs budget request, and just over 40% more than the estimated FY2010 allocation to similar activities.²¹ The FY2011 increase was largely due to a new request in FY2011 of \$408 million for the World Bank GAFSP Trust Fund. For FY2011, the Administration also requested an additional \$2 billion for humanitarian and emergency assistance related to food security, which included \$1.690 billion for Food for Peace Title II emergency and non-emergency food aid, and \$861 million for International Disaster Assistance (IDA), of which up to \$300 million from the IDA account was designated for emergency food assistance purposes, as was the case in FY2010.

On April 14, 2011, Congress passed a continuing resolution (final FY2011 CR; P.L. 112-10) that funded federal agencies and programs through the remainder of FY2011. The final FY2011 CR included funding allocations to the major USAID budget accounts, such as Development Assistance (DA), Economic Support Fund (ESF), Assistance to Europe, Eurasia, and Central Asia (AEECA), Global Health and Child Survival (GHCS), and International Disaster Assistance (IDA), but it did not provide specific recommendations about how much funding from these accounts should be allocated toward FtF programming. As a result, it is unclear at this point how the changes in USAID's FY2011 funding level will translate to changes in the level of funding and programming for FtF activities (**Table 2**). After appropriations bills have been passed and become law, USAID is required to submit a statement known as a Section 653(a) report to Congress to show how USAID plans to allocate the appropriated budget to each USAID mission and how funds will be allocated by country.²² The Section 653(a) report, which is typically

¹⁸ Allocations for FtF programming were made available after the FY2010 congressional budget justification was released and are based on FY2010 653(a) supplementary tables.

¹⁹ FY2010 funds for FtF were allocated from existing available resources.

²⁰ See <http://www.state.gov/s/d/rm/rls/statecbj/2011/pdf/index.htm>.

²¹ FY2011 congressional budget justifications for State Department, Foreign Operations, and Treasury international programs. The FY2010 figures do not include food and agriculture-related supplemental appropriations for Haiti, but these supplemental provisions focus primarily on emergency food aid and agriculture-related debt cancellation, activities not included in the FtF framework.

²² See http://www.usaid.gov/about_usaid/PDACG100.pdf, pp. 15-17.

completed a few months after the final appropriations bill is passed, should provide additional insights about FtF funding levels for FY2011.

The final FY2011 CR included \$2.53 billion for DA, which is essentially no change from FY2010 levels, but is 15% less than the Administration's FY2011 request; \$5.96 billion for ESF, which is a 20% decrease from FY2010 and an almost 24% decrease below the Administration's FY2011 request; \$697 million for AECA, which is a 6% decrease from FY2010 and about 30% under the Administration's FY2011 request; and \$2.42 billion for GHCS activities administered by USAID, which is an almost 4% reduction from FY2010 levels and the Administration's request (**Table 2**).²³ The tight federal fiscal situation, the need to find areas for deficit reduction, and the generally less than positive view of foreign assistance by the current House leadership are all in part responsible for the reductions in several of the USAID foreign aid funding accounts. The most dramatic cut made to ESF may be due to Congress's growing desire to reduce funding to "frontline states," such as Iraq and Afghanistan. ESF funds are typically used to promote special U.S. economic, political, or security interests. For instance, following the Camp David accords, most ESF funds went to countries such as Egypt and Jordan to support the Middle East peace process. Since 9/11, ESF has primarily been used to support countries of importance in the war on terrorism. While many activities funded through ESF are essentially identical to those provided under regular humanitarian and development programs (such as those funded through Development Assistance), the objectives, decision criteria, and motivation for project and country selection are based more on the direct political and strategic interests of the United States, and less on the development and humanitarian needs of the recipient country.

In addition, the final FY2011 CR includes \$1.5 billion for Title II Food for Peace food aid programs, an 18% decrease from FY2010 levels and 11% below the Administration's request; \$199.5 million for the McGovern-Dole Food for Education program, an almost 5% decrease from the FY2010 levels and the Administration's request; and \$865 million for IDA, a 33% decrease from FY2010 and about 2% above the Administration's request (**Table 3**).

In February 2011, the Administration submitted its FY2012 budget, which requests funding of \$1.56 billion for the FtF initiative, about \$250 million, or 19%, more than the amount allocated in FY2010 (**Table 3**).²⁴ The largest component of FY2012 FtF funding would be the allocation of \$922.3 million of Development Assistance (DA) for bilateral agricultural development-related activities, and the request also includes \$134.4 million for ESF and \$43.5 million for AECA (**Table 4**).²⁵ The FY2012 request for FtF activities further includes \$150 million for the Global Health and Child Survival program, to be directed to nutrition activities linked with the FtF initiative, and a U.S. contribution of \$308 million to the World Bank GAFSP. Separately, for FY2012, the Administration also requests \$1.690 billion for Food for Peace Title II emergency and non-emergency food aid and \$300 million of International Disaster Assistance for emergency

²³ All appropriated accounts in the enacted CR for FY2011 were affected by a 0.2% across the board rescission, which is not reflected here. It is not clear how the Administration will implement these funding reductions across the accounts and programs.

²⁴ See FY2012 Congressional Budget Justification for the Department of State and Foreign Operations, <http://www.state.gov/s/d/rm/rls/statebj/2012/pdf/index.htm>; and the Department of Treasury, International Programs, <http://www.treasury.gov/about/organizational-structure/offices/Documents/FY2012CPD508.pdf>.

²⁵ For DA: \$878.2 million is for focus countries, \$44 million for Other Ag Programs; for ESF: \$62.7 million is for focus countries, and \$71.7 million for Other Ag Programs; and for AECA: \$12 million is for focus countries, and \$31.5 million for Other Ag Programs.

food security, which could be used for local and regional purchase of food and interventions such as cash vouchers and cash transfer programs to facilitate access to food (**Table 3**).

A breakdown of the Administration’s proposed FtF funding allocation for FY2012 by region and activities is given in **Figure 1**. In addition to bilateral investments in focus countries, the FtF initiative will also include investments in related and complementary programming in the following areas: regional programs to address food security challenges that require cooperation across national borders; multilateral mechanisms such as the World Bank GAFSP Trust Fund (as described above); strategic partners, such as Brazil, India, and China, in order to promote technical, policy, and scientific cooperation with FtF focus countries; and global research and innovation to improve technology development and dissemination that will continue to drive agricultural productivity around the world.

Table 2. Funding for Selected USAID Bilateral Economic Assistance Programs
(\$ millions)

	FY2010 (Actual) ^a	FY2011 (Admin req.)	FY2011 CR (P.L. 112-10) ^b	FY2012 (Admin req.)
Development Assistance (DA)	2,520	2,980	2,525	2,918
Economic Support Fund (ESF)	7,475	7,812	5,958	5,969
Asst to Europe, Eurasia and Central Asia (AEECA)	742	716	697	627
International Disaster Assistance (IDA)	1,305	845	865	860.7
Global Health and Child Survival (GHCS)-USAID	2,519	2,519	2,420	3,074

Source: Department of State Foreign Operations Congressional Budget Justification, FY2012 and FY2011; P.L. 112-10 text

- a. FY2010 “Actual” reflects the allocations as of September 30, 2010 from the Consolidated Appropriations Act, 2010 (P.L. 111-117), the Supplemental Appropriations Act, 2010 (P.L. 111-212), and the Supplemental Appropriations Act, 2009 (P.L. 111-32). This includes supplemental appropriations of \$912 million for ESF; \$460 million for IDA; and \$45 million for GHCS.
- b. All appropriated accounts in the enacted CR for FY2011 were affected by a 0.2% across the board rescission, which is not reflected here.

Table 3. Funding for Food Security-Related Initiatives, FY2010-FY2012
(\$ millions)

	FY2010 (Actual) ^a	FY2011 (Admin. request)	FY2011 CR (P.L. 112-10) ^b	FY2012 (Admin. request)
AGRICULTURAL DEVELOPMENT / FEED THE FUTURE:				
State/USAID				
Ag and Rural Development: Focus Countries & Programs	1,170	1,062	N/A	953
Other Ag Programs	N/A	173	N/A	147
Global Health and Child Survival (GHCS) – Nutrition	75	200	N/A	150
Treasury Dept				
GAFSP Trust Fund	67 ^c	408	100	308
Total FEED THE FUTURE	1,312	1,843	N/A	1,558
SELECTED FOOD AID / EMERGENCY ASSISTANCE PROGRAMS:				
USDA				
Food for Peace	1,840	1,690	1,500	1,690
McGovern-Dole	209.5	209.5	199.5	200.5
USAID				
IDA-Food Security	300	300	300	300

Source: Congressional Budget Justifications for State and Foreign Operations, FY2012 (revised and accessed April 8, 2011), FY2011, and FY2010.

Notes: N/A denotes that this information was not available. For the purposes of this report, CRS includes in its total annual allocation to Feed the Future initiative all funding designated for FtF-related activities from the following USAID accounts: DA, ESF, AEECA, GHCS, and funding allocated to the Department of Treasury for the World Bank GAFSP.

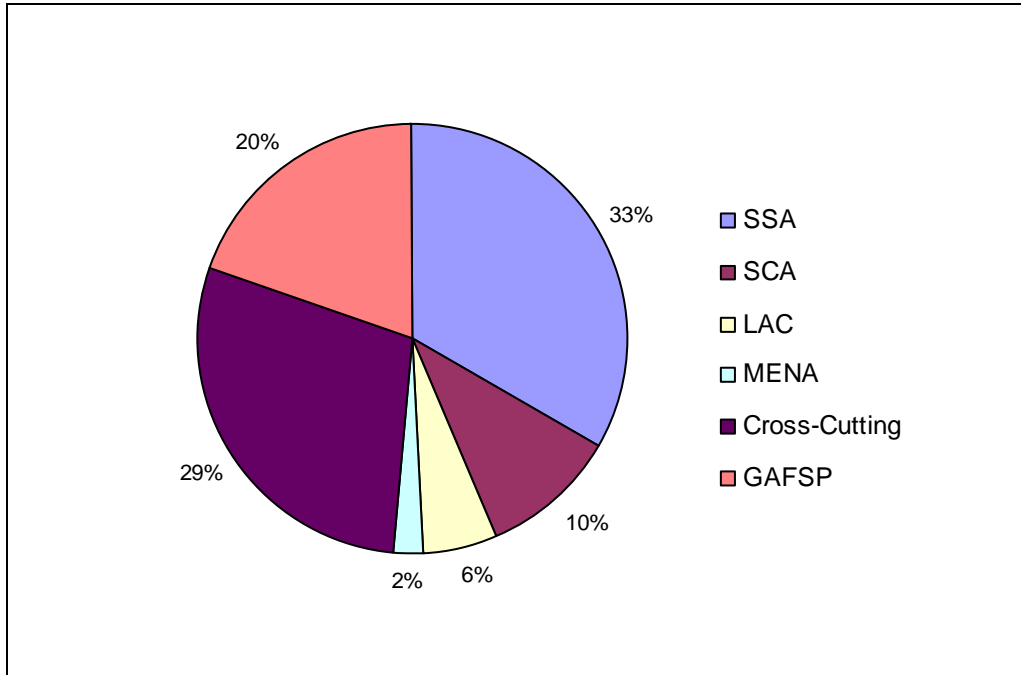
- FY2010 “Actual” reflects the allocations as of September 30, 2010 from the Consolidated Appropriations Act, 2010 (P.L. 111-117) the Supplemental Appropriations Act, 2010 (P.L. 111-212), and the Supplemental Appropriations Act, 2009 (P.L. 111-32). This includes supplemental appropriations of: \$912 million for ESF; \$460 million for IDA; and \$45 million for GHCS.
- All appropriated accounts in the enacted CR for FY2011 were affected by a 0.2% across the board rescission, which are not reflected here.
- In FY2010, the U.S. contribution to GAFSP was made using existing funds from State Department.

Table 4. Breakdown of FY2012 FtF Funding Request
(\$ in thousands)

FtF Program Area	DA	ESF	AEECA	Total
Agriculture & Rural Development: Focus Countries & Programs	878,251	62,700	12,060	953,011
Other Agriculture Programs	44,044	71,736	31,481	147,261
Total	922,295	134,436	43,541	1,100,272

Source: FY2012 Department of State and Foreign Operations Congressional Budget Justification, April 2011.

Figure I. Proposed FY2012 Allocation of Feed the Future Funding



Source: CRS analysis, based on FY2012 Department of State and Foreign Operations Congressional Budget Justification, April 2011.

Notes: SSA=sub-Saharan Africa; SCA=South and Central Asia; LAC=Latin America and the Caribbean; MENA=Middle East and Northern Africa; Cross-Cutting includes non-geographical specific initiatives such as Research and Development, Private Sector Incentives, Economic Resilience, Nutrition, and Monitoring and Evaluation; GAFSP= the World Bank Global Agriculture and Food Security Trust Fund Program. The geographic specific funding allocations for SSA, SCA, LAC, and MENA include both bilateral and regional programming.

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