

IF NOT NOW, THEN WHEN?

Will the Ise-Shima Summit put an end to the poor monitoring of G7 food security investments?

EXECUTIVE SUMMARY

The Group of Seven (G7)¹ is the main political entity that took financial commitments on food security over the last decade, especially through the L'Aquila Food Security Initiative (AFSI) and the Lough Erne Summit. Despite its repeated food security commitments, and a clearly expressed will to be transparent and accountable, the G7 has never established an accountability framework which would coherently measure its food security investments.

The necessity of such a framework was recently highlighted by both the Schloss Elmau commitments (to lift 500 million people out of food insecurity by 2030) and the sustainable development goals (SDG) related to food security and nutrition². As holder of the 2016 G7 presidency, the Japanese government has therefore committed itself to create a common food security financial accountability framework.

This framework would be the reference tool to track food security investments of G7 Member States until 2030. It would enable to measure each State's participation in achieving commitments made at the Schloss Elmau G7 summit as well as their contribution to the achievement of SDGs related to food security objectives. The relevance of this new accountability framework is therefore a major concern for the next G7.

However, the structure of this new framework would be, theoretically, based on the financial commitments tracking framework of the L'Aquila Food Security Initiative (AFSI)³. Yet, the methodology used in the AFSI's framework has significant shortcomings in both content and appropriation by G7 Member States. These shortcomings have been often criticized by civil society since 2009⁴ as they prevent the transparency and the homogeneity of the reported data. The AFSI tracking

framework does not provide adequate tools for Member States to identify and quantify their most effective food security investments, especially with regard to targeting vulnerable and marginalized groups. Consequently, food security accountability varies among States⁵.

The new framework should set the floor for a new era for food security funding. G7 Member States should take full measure of the shortcomings and weaknesses of their current accountability methods and structure their future joint accountability framework based on lessons learnt. If not now, then when?

This document does not pretend to provide a new accountability framework for G7 Member States. It rather underlines the major lessons learnt while implementing the L'Aquila framework and proposes a list of measures aiming at strengthening transparency and relevance in the upcoming frame. These measures are presented here as four key recommendations that should be integrated into the new frame:

1. Ensure the transparency and allow the comparison of the reported data
2. Define a perimeter and a weighting system common to all G7 Members States
3. Acknowledge the multi-faceted aspects of food security
4. Schedule annual reportings aiming at revising the allocation of food security investments

1 - Namely France, Germany, Italy, the United Kingdom, the United States, Canada and Japan.

2 - In particular the second one ("End hunger and achieve food security and improved nutrition by 2030") but also other SDGs related to food security objectives: SDGs 5, 6, 8, 12, 13, 14 and 15.

3 - Furthermore, the AFSI framework would remain the interim accountability framework for 2016, pending the adoption of a new accountability framework by all States

4 - See for example Action Aid 2011 report «Two Years On: Is the G8 Delivering on its L'Aquila Hunger Pledge? ».

5 - This was especially recognized by the G7 Member States in their 2011 Deauville Accountability Report: "the process of tracking disbursement [in the AFSI framework] and the comparison between countries [is] challenging".

INTRODUCTION

G7 summits are currently key political spaces for the financing of food and nutrition security. In the last decade the G7 took most international food security financial commitments (mainly through the L'Aquila Initiative and the Lough Erne Summit). G7 Member States repeatedly expressed their will to be transparent and accountable regarding their food security investments: *"Delivering on our commitments in a timely and reliable manner, mutual accountability and a sound policy environment are key to this effort"*⁶. However, they haven't yet managed to establish an accountability framework to coherently measure their food security investments.

The Schloss Elmau commitments (to lift 500 million people out of food insecurity by 2030) as well as the food security and nutrition related objectives of the sustainable development goals (SDG) both recently highlighted the need to monitor food security financing. As holder of the 2016 G7 presidency, the Japanese government has committed itself to create an accountability framework that will measure the G7's food security investments. This framework will, in theory, be based on the AFSI's financial commitments tracking framework. However the AFSI's framework contains significant shortcomings in both content and appropriation by G7 Member States that should be avoided in the upcoming financial accountability framework.

THE AFSI'S FINANCIAL COMMITMENTS TRACKING FRAMEWORK: A FRAME THAT DOES NOT ALLOW TRANSPARENCY NOR HOMOGENEITY OF THE REPORTED DATA

- **Presentation choices going against transparent accountability**

For each accountability exercise the methodology must encourage data transparency in order to conduct comparative studies. The AFSI's financial commitments tracking tables are not transparent enough. The

methodology used remains quite unclear and observers can only obtain partial information regarding the actual food security disbursements of G7 Member States.

Annual evolutions of food security investments cannot be tracked through these tables: they display an aggregate of financial commitments and disbursements without agreed upon temporal references, hence making any kind of tracking impossible. There is no information on annual disbursements, moreover, the definition of a disbursement year changes from one country to another. Canada, the United Kingdom and the United States all used their official definition of a fiscal year⁷, whereas all other G7 Member States reported their data on a calendar year basis, from January 1 to December 31.

In addition, the Creditor Reporting System (CRS) purpose codes of the OECD are presented in a misleading way that does not reflect the real distribution of food security investments. One might question the relevance of presenting an aggregate including Agriculture (311), Forestry (312), Fishing (313) and Agro-industries (32161). Even if these sectors are different, it is impossible to isolate specific contributions for each of them. The Agriculture purpose code (311) gathers the major part (89.4 %) of G7 investments allocated to this aggregate⁸, this cannot be deduced from the AFSI's commitment tracking tables only.

These presentation choices not only limit the comprehension and the potential exploitation of the data issued in the AFSI's tracking tables, it also questions the will of G7 Member States to be transparent and accountable regarding their food security investments. Such a will has however been repeatedly expressed by these states, in particular in the L'Aquila joint declaration and through their commitments to increase mutual accountability and financial transparency in the frame of aid effectiveness principles⁹.

- **Inadequate methodological choices**

Technically speaking it is very doubtful that, as presented in the AFSI tracking tables, investments reported under certain purpose codes contribute 100 % to food security thereby reducing the number of hungry people¹⁰.

- On the one hand, this ignores the various repercussions due to different production systems and types of crops

6 - L'Aquila Joint Statement on Global Food Security.

7 - That is from April 1 to March 31 for Canada and the United Kingdom and from October 1 to September 30 for the United States.

8 - (32161). Comparative data was extracted from the OECD database according to the periods of disbursement indicated by each country in the AFSI tables (e.g. from 2009 to 2014 for France).

9 - As adopted during the Paris Declaration in 2005, the Accra Agenda for Action in 2008 as well as during the Busan Partnership in 2011.

10 - See annex 1 for more details on the list of OECD purpose codes covered by the AFSI.

FIGURE I - AFSI's financial commitments and disbursements tracking table - July 2015 Update - (million USD)

AFSI Donor	Period of Pledge	AFSI Pledge		Period Covered	Multilateral Channel		Bilateral Channel							Total	Pledge delivery			
		Total (1)	Additional (2)		Voluntary Core	Earmarked and Trust Funds	Agriculture, Agro-Industries, Forestry, Fishing (311, 32161, 312, 313)	Nutrition (12240)	Development food aid/food security assistance (520)	with the main purpose of improving food security								
										Transport & storage (210)	Safety nets (i.e. social welfare services) (16010)	Rural development (43040)	Other (specify)					
Australia	FY 2009/10 - 2012/13	360	360	2009/10 - 2013													360,0	✓
Canada	FY 2008/09 - 2010/11	1.037	526	FY 2008/09 - 2010/11		24,8	59,6	1.037,2	172,2	29,9					46,0	27,5	360,0	✓
European Union	2010-2012	3.800	742	2010-14		149,7	235,9	655,2	2.232,0	498,0	1.265,0	387,0	507,0	6,0	324,0	380,0	5.213,0	✓
France	2009-2011	2.161	365	2009-14		42,1	14,1	1.379,8	6,1	204,4	83,6		177,7	208,9			2.116,6	98%
Germany	2010-2012	3.000	1.000	2010-14		42,1	14,1	1.026,1	5,4	192,0	76,6		33,7	79,4			1.469,4	69%
Italy	2009-2011	428	180	2009-11		254,0		507,4	129,1	105,6	43,0		303,4	1.897,3			3.385,7	✓
Japan	2010-2012	3.000	600	2010-14		242,1	52,3	1.072	1,5	57,9	97,6	35,5	24,8	34,5			675,2	✓
Netherlands	2009-2011	2.000	139	2010-11		240,4	54,8	1.341,5	1,2	58,7	30,7		51,7	226,8			4.184,6	✓
Russia	2009-2011	330	139	2009-11				1.008,8			917,7			105,5			2.032,0	68%
Spain	2009-2011	696	696	2009-10				400,3	11,0	68,3	33,9	103,3	149,9	1.006,4			2.168,2	✓
Sweden	2010-2012	522	14	2010-11		346,0	49,1	69,2	32,0	45,4	2,7			3,0			330,0	✓
UK	FY 2009/10 - 2011/12	1.718	312	FY 2009/10 - 2011/12		31,2	146,5	69,2	32,0	45,4	2,7			3,0			330,0	✓
US	FY 2009/10 - 2012/09	3.500	1.751	FY 2010-14		460,5	454,2	519,8		229,6	64,2		270,1				1.998,9	✓
TOTAL PLEDGE		22.240	6.824														3.352,2	96%
																	C:	✓
																	D:	93%

Source: Official document of the G7 held in Schloss Elmau

on food security, nutrition and environmental conditions for the poorest.

- On the other hand, it encourages Member States to think that any action aiming at increasing productivity or household incomes is automatically positive for food security and/or nutrition. Yet this assumption has been invalidated in numerous cases, for example in the Sikasso province in Mali where the increase in crop production and incomes did not result in nutritional status improvement for households¹¹.
- Finally, it ignores the negative impacts of some agricultural practices on food security, nutrition and environmental conditions. Since these negative impacts have been exposed in researches¹², it is therefore unlikely that the full amount of 3.2 billion USD disbursed by the G7 in 2010 under the Agriculture (311) purpose code¹³ have contributed positively to food security. For instance, this methodology would record all public investments disbursed in 2010 to the New Alliance for Food Security and Nutrition (NAFSN) as contributing to food security. Yet the negative impacts of this initiative in terms of food security and land grabbing have been largely exposed and proven¹⁴.

BOX I

Does the AFSI financial tracking framework comply with G7 commitments?

It is worth noting that the AFSI financial commitments tracking framework does not propose specific indicators to track programs complying with G7 non-financial food security commitments. For instance, within the Agriculture purpose code (311), the AFSI accounting method does not highlight the investments benefiting women and small farmers. G7 Member States did however commit to encourage agricultural programs aimed at these beneficiaries, especially in the paragraphs 3, 7 and 10 of the L'Aquila declaration. Measuring investments benefiting those beneficiaries is technically feasible. The DAC OECD reporting system allows for instance to specify the targeting of women.

Even though Member States reaffirmed their commitment to nutrition, sustainable agriculture, women and small farmers at Schloss Elmau, the question stands: will the Japanese presidency of the next G7 be the opportunity for these states to be more accountable for their commitments and adopt specific indicators?

• An accountability system left open to countries' interpretations

This approach is all the more problematic as, for a large number of purpose codes, each Member State has to decide by itself what share of investments contribute to food security. For instance, AFSI tables do not indicate accounting systems for purpose codes Transport and Storage (210), Social/welfare services (16010) and Rural development (43040). For each of these purpose codes, countries have the responsibility to decide whether related investments contribute to improve food security or not.

The same applies to the «Other» category; Member States are free to choose which purpose code may contribute to food security and how to apply corresponding weighting systems for these investments. If the goal is to establish a joint accountability framework based on the CRS purpose codes, this kind of category «Other» might not be relevant. Leaving the attribution of purpose codes to Member States does not actually encourage them to show greater transparency. For instance, Japan never specified the purpose codes corresponding to its investments listed as «Other». Furthermore, Italy is the only Member State that has provided details on both its accounting methodology and its weighting system.

In accordance with the AFSI methodology, most countries thus established their own accounting and weighting systems. However, the accounting and weighting systems they built were used to track investments reported under all purpose codes they considered as contributing to food security. For instance, data reported in the AFSI tables under the purpose codes Agriculture (311), Forestry (312), Fishing (313), Agro industries (32161), Nutrition (12240) and Developmental food aid/Food security assistance (520), should, theoretically, match those reported in the OECD CRS database for the same time period¹⁵. Nevertheless, the comparison between AFSI and OECD CRS databases shows this is almost never true (see Figure 2 presented below). Except Italy, every G7 Member States has established a weighting system covering all the purpose codes it was financing through the L'Aquila initiative.

11 - For more information on the subject, see the CIRAD publication on the Sikasso paradox: «The Sikasso «paradox» (Mali): why « increasing production » is not enough to improve nutrition for children of farming families? ».

12 - For further information on this subject, see joint publication CIRAD-ACF « Identify and limit the risks of agricultural interventions on nutrition ».

13 - Data extracted from the OECD CRS database.

14 - On this matter, see ACF-CCFD-OXFAM joint report « Hunger, just another business » and Action Aid case study « New Alliance, New Risk of Land Grabs ».

15 - The AFSI's financial commitment tracking framework assumes that all disbursements under these purpose codes contribute 100 % to food security.

FIGURE 2 - Comparative table of financial disbursements in AFSI reports and in OECD CRS databases

Donors	Period covered	Data	Bilateral Channels							Other			
			Agriculture (311), Agro-industries (32161), Forestry (312), Fishing (313)	Nutrition (12240)	Development food aid/ food security assistance (520)	Transport et storage (210)	Safety nets (i.e. social welfare services) (16010)	Rural development (43040)					
Canada	FY 2008/09- 2010/11	AFSI (millions USD)	655,2										Irrelevant AFSI/OECD comparison: Canadian fiscal year: 1st April - 31 March. First column: Agriculture (311) only.
		OECD (millions USD)	835,8										
France	2009-2014	AFSI/OECD comparison (%)	78,4										Purpose codes listed as «Other» are known but the weighting system is not specified.
		AFSI (millions USD)	1026,1	5,4	192,0	76,6	33,7	79,4					
Germany	2010-2014	OECD (millions USD)	1764,7	14,8	257,2	3266,6	174,4						Purpose codes listed as «Other» are known but the weighting system is not specified.
		AFSI/OECD comparison (%)	58,1	36,5	74,6	2,3	19,3						
Italy	2009-2011	AFSI (millions USD)	507,4										Purpose codes listed as «Other» are known but the weighting system is not specified.
		OECD (millions USD)	1647,8										
Japan	2010-2014	AFSI/OECD comparison (%)	30,8										Transport and storage (210) only includes projects concerning rural roads and rural access. Purpose codes listed as «Other» are known but the weighting system is not specified.
		AFSI (millions USD)	107,2	1,2	58,7	30,7	38,5	34,9					
UK	FY 2009/10- 2011/12	OECD (millions USD)	118,5	1,4	63,1	14213,6	68,6	36,5					First column :Agriculture (311) only. No details for funds listed as «Other».
		AFSI/OECD comparison (%)	90,5	84,5	93,1	6,5	56,1	87,9	95,6				
USA	FY 2010-14	AFSI (millions USD)	1008,8										Irrelevant AFSI/OECD comparison: UK fiscal year: 1st April - 31 March. First column: Without Forestry (312).
		OECD (millions USD)	2150,8										
USA	FY 2010-14	AFSI/OECD comparison (%)	46,9										Irrelevant AFSI/OECD comparison: fiscal year USA: 1st October - 30 September
		AFSI (millions USD)	519,8		229,6	64,2	270,1						
USA	FY 2010-14	OECD (millions USD)	405,0		331,8	461,7	467,5						First column: Without Forestry (312).
		AFSI/OECD comparison (%)	128,3		69,2	13,9	57,8						
USA	FY 2010-14	AFSI (millions USD)	2386,1										Irrelevant AFSI/OECD comparison: fiscal year USA: 1st October - 30 September
		OECD (millions USD)	5422,6										
USA	FY 2010-14	AFSI/OECD comparison (%)	44,0										First column: Without Forestry (312).
		AFSI (millions USD)	44,0										

Source: author calculations

Note: The percentages presented here under the “AFSI/OECD comparison” sections are mostly indicative. These percentages were calculated by comparing disbursements reported in the OECD database and disbursements reported in the July 2015 version of the AFSI table. Comparative data was extracted from the OECD database according to the details provided by each country in the AFSI table and annexes (periods of disbursement, purpose sub-codes included or excluded, etc.). The validity of these percentages is thus limited to the quality and transparency of the details provided by each Member State.

The differences between the weighting systems highlight the varying degrees of interpretation of each country on what can be defined as an investment aiming at improving food security. As a consequence, all weighting systems do not necessarily include the same purpose codes and do not use the same weighting methods¹⁶.

This is highlighted by the comparison of the different weighting systems used by France, Germany and Italy¹⁷ (further explanations on these three weighting systems can be found in Annex 2).

- The French weighting system is based on sub-codes listed as contributing 100 % to food security.
- The German government uses a flag system. All rural development and food security projects are evaluated and flagged with a LE0, LE1 or LE2 marker. Each of these projects is then reported as contributing either 0%, 50 % or 100 % to food security.
- The Italian system is more inclusive, it applies different weights – 30, 50 or 100 % – of total investments attributed to purpose codes.

The various levels of inclusion of these weighting systems make it impossible to compare data within an accountability framework. These major differences bring forward two facts that must be taken into consideration by G7 Member States for the future accountability framework on food security investments:

- **The fact that every G7 country has its own interpretation of the perimeter for food security investments.** German and Italian accounting systems consider that some purpose codes are to be recorded as «Other», whereas these same codes¹⁸ are out of the French perimeter for food security investments. Proposing a tracking table without defining clearly the perimeter for food security investments, presents the risk of seeing every country develop its own interpretation thus limiting any joint quantitative exercise.
- **The fact that every country possibly underestimates or overestimates its financial contribution to food security compared to other G7 Member States.** Since countries are free to choose their own weighting systems for certain purpose codes, joint accountability exercises are therefore impossible: the same purpose code can have different contribution weights depending on the country. In the AFSI tracking tables, investments under the purpose code Water supply and sanitation - large systems (14020) are considered by the French government as contributing 100 % to food security, whereas the Italian government considers them as contributing 30 %. More generally, if we take the Italian weighting system as a reference, France and Germany significantly underestimate their food security investments.

FIGURE 3

Comparison between French, Italian and German weighting systems for two purpose codes

	France	Germany	Italy
Purpose code proposed by the AFSI as contributing partially to food security	Concentric circles method excludes de facto some projects and purpose codes (such as projects related to rural electrical supply and those under the purpose codes related to drinking water (14030 and 14031)). The rest is reported as contributing 100 %.	Methodology that pre-selects projects attributed to food security and reports them as contributing either 0, 50 % or 100 %. All selected projects recorded under purpose code 43040 are reported as contributing 100 %.	All disbursements under this purpose code are reported as contributing 100 %.
Purpose code reported under the "Other" category for all three countries.			All disbursements under this purpose code are reported as contributing 30 %.

Source: author interviews

16 - As explained in the note under Figure 2, this statement is limited to the transparency of the details provided by each Member State in the AFSI tables annexes. In the case of the USA for instance, it is possible that some of the discrepancy between the OECD data and the AFSI reported spending be due to the fact that the USA did not report into the AFSI tables the investments they reported through the initiative « Feed the Future ».

17 - We chose to take a closer look at these three countries in particular because they are the only ones to cover a wide range of purpose codes with their AFSI financial commitments while reporting their investments on a calendar year basis.

18 - As, for instance, the purpose codes General environmental protection (410), Removal of land mines and explosive remnants of war (15250) and SME development (32130).

RECOMMENDATIONS TO IMPROVE ACCOUNTABILITY OF G7 FUNDS ALLOCATED TO FOOD SECURITY

G7 Member States must imperatively learn from the shortcomings of the AFSI's financial commitments tracking framework. In this respect, we call on governments to ensure that the next G7 accountability framework for food security investments will:

1. Ensure transparency and allow the comparison of the reported data

First of all, Member States should ensure that the next G7 accountability framework on food security investments comply with aid effectiveness principles and guarantee the transparency of the collected data. While elaborating the future framework, Member States should try to agree on the following objectives: (i) offer disaggregation of data on a yearly basis, (ii) adopt a common definition of fiscal year and report data accordingly, (iii) present individually each Creditor Reporting System (CRS) purpose code and sub-code listed as contributing to food security.

2. Define a perimeter and a weighting system common to all G7 Members States

Within the future G7 accountability framework, Member States should guarantee the homogeneity of the collected data. Achieving this homogeneity requires to define a perimeter and a weighting system common to all G7 Members States. It is difficult to imagine an accountability framework aiming at lifting 500 million people out of food and nutrition insecurity by 2030 without a perimeter defining the investments necessary to reach this goal and without an adequate joint weighting system²⁰. For the sake of coherence, the perimeter and the weighting system should be established jointly with the OECD's revision of the CRS purpose codes in 2016.

3. Acknowledge the multi-faceted aspects of food security

It is essential that the future G7 perimeter for food security investments be reflective of the multi-sectoral reality and the multi-faceted aspects of food security. This perimeter must not be limited to the purpose codes proposed by the AFSI's tracking framework. A decision should be taken regarding the inclusion of other purpose codes or sub-codes such as Emergency food aid (72040), Water and sanitation (140) or Bio-diversity (41030).

G7 Members States should also agree on a common way to identify disaggregated investments targeting the

most vulnerable and marginalized groups, especially women and small scale farmers. This includes the specific targeting of least developed countries and countries with a high prevalence of food insecurity as well as the interventions that mostly benefit to those groups (such as agroecology or social protection interventions).

Moreover, the future weighting system for these purpose codes should be respectful of the multi-sectoral reality and the multi-faceted aspects of food security. It is not appropriate to consider that 100 % of investments under the purpose codes Agriculture (311), Forestry (312), Fishing (313) and Agro-industries (32161) improve food security. Regardless of its form, the future G7 weighting system for food security must question the weight of each purpose code and sub-code identified as contributing to food security.

4. Schedule annual reportings aiming at revising the allocation of food security investments

It is yet unclear how the Elmau goal, aiming at lifting 500 million people out of food and nutrition insecurity by 2030, can be measured on a three year basis as defined by the current G7 agenda. From 2016 onwards, G7 Member States must schedule an annual accountability reporting regarding their food security investments. This agenda will enable Member States to be more reactive to revise the allocation of their food security investments thus ensuring the achievement of the Elmau goal.

In addition to their quantitative reporting, G7 Member States should commit to produce, on a yearly basis, a qualitative description (narrative) of their effort to fund food security. This narrative would reflect the trend for food security financing at both global and national level, and provide details regarding how the G7 Member States' food security investments benefit the most vulnerable and marginalized groups. Positive and negative impacts should be both considered and monitored.

Member States should also share their experiences and findings with the Committee on World Food Security (CFS) whose role is to provide a platform promoting better coordination at global, regional and national level; to promote policy convergence; to facilitate support and recommendations to countries and regions; to promote accountability and to share best practices at all levels.

19 - As adopted during the Paris Declaration in 2005, the Accra Agenda for Action in 2008 as well as during the Busan Partnership in 2011.

20 - The definition of such a perimeter and such a weighting system wouldn't be the first time G7 Member States undertake this task: in 2010, during the Muskoka initiative, they managed to work on a similar assignment regarding investments in maternal health and health for children under five.

ANNEXES

ANNEX I

LIST OF CRS PURPOSE CODES IDENTIFIED BY THE AFSI AS CONTRIBUTING TO FOOD SECURITY

Purpose codes listed by the AFSI as contributing 100 % to food security:

- 12240 - Basic nutrition
- 311: III. I.a. Agriculture, Total
 - 31110: Agricultural policy and administrative management
 - 31120: Agricultural development
 - 31130: Agricultural land resources
 - 31140: Agricultural water resources
 - 31150: Agricultural inputs
 - 31161: Food crop production
 - 31162: Industrial crops/export crops
 - 31163: Livestock
 - 31164: Agrarian reform
 - 31165: Agricultural alternative development
 - 31166: Agricultural extension
 - 31181: Agricultural education/training
 - 31182: Agricultural research
 - 31191: Agricultural services
 - 31192: Plant and post-harvest protection and pest control
 - 31193: Agricultural financial services
 - 31194: Agricultural co-operatives
 - 31195: Livestock/veterinary services
- 312: III. I.b. Forestry, Total
 - 31210: Forestry policy and administrative management
 - 31220: Forestry development
 - 31261: Fuelwood/charcoal
 - 31281: Forestry education/training
 - 31282: Forestry research
 - 31291: Forestry services
- 313: III. I.c. Fishing, Total
 - 31310: Fishing policy and administrative management
 - 31320: Fishery development
 - 31381: Fishery education/training
 - 31382: Fishery research
 - 31391: Fishery services
- 32161 - Agro-industries
- 520 - VI.2. Developmental food aid/Food security assistance, Total

Purpose codes listed by the AFSI as contributing partially to food security. G7 countries are free to establish their weighting system:

- 16010 - Social/ welfare services
- 210 - II.1. Transport and Storage, Total
 - 21010: Transport policy and administrative management
 - 21020: Road transport
 - 21030: Rail transport
 - 21040: Water transport
 - 21050: Air transport
 - 21061: Storage
 - 21081: Education and training in transport and storage
- 43040 - Rural development

ANNEXES

ANNEX 2

DESCRIPTION OF THE WEIGHTING SYSTEMS USED BY FRANCE, GERMANY AND ITALY THROUGHOUT THEIR REPORTING FOR THE L'AQUILA INITIATIVE

In the case of France, the government adopted in 2010 a methodology aiming at weighting the food security investments it reported for the L'Aquila initiative. This methodology features a classification grid with 9 specific objectives and 40 fields of intervention based on CRS purpose sub-codes. The results were reported in an analysis grid composed of three concentric circles outlining the fields of intervention concerning food security:

- 1. Circle 1:** fields of intervention covering investments whose main objective is food security;
- 2. Circle 2:** fields of intervention covering investments with a secondary objective on food security;
- 3. Circle 3:** fields of intervention covering investments with objectives not directly related to food security but whose effects may indirectly improve food security.

Through its accountability exercise for the L'Aquila initiative, France only reported investments corresponding to circles 1 and 2 and considered them as contributing 100 % to food security. All investments corresponding to circle 3 were not taken into account, therefore excluding interventions related to the following purpose codes: Road transport (21020), General environmental protection (410), Basic drinking water supply (14030, 14031), Vocational training (11330), SME development (32130) and Environmental research (41082).

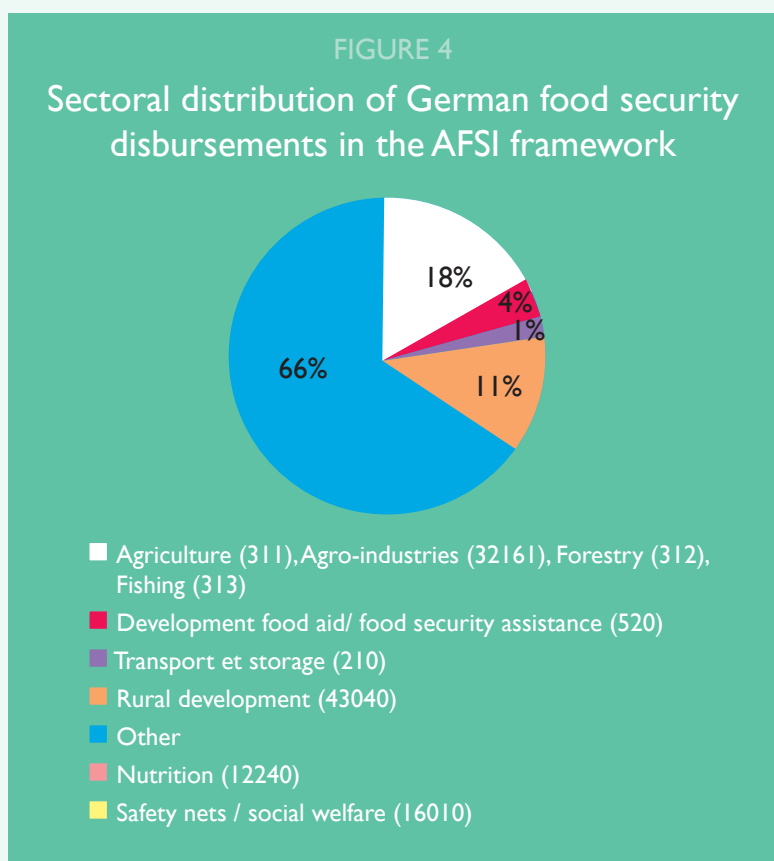
By using this method, France listed under the «Other» category 100 % of disbursements related to the following purpose codes: Water supply and sanitation - large systems (14020), Formal sector financial intermediaries (24030), Informal/semi-formal financial intermediaries (24040), Education/training in banking and financial services (24081) and Electrical transmission/ distribution (23040).

In the case of Germany, the government adopted a weighting system based on a flag system. Each project got a mark (0, 1 or 2) according to its impact on food security. The budget of the projects flagged as 1 and 2 have then been reported as contributing 50 % (flag 1) or 100 % (flag 2) to food security. The budget of the projects flagged as 0 was not taken into account.

The German flag attribution methodology is based on CRS purpose codes. The projects reported under the purpose codes Basic nutrition (12240), Biomass (23070), Agriculture (311), Fishing (313), Agro-industries (32161), Rural development (43040), Non-agricultural alternative development (43050) and Food aid/Food security programmes (52010) are for instance all flagged with a "2". The projects reported under the purpose code Emergency Response (720) are always flagged with a "0". All projects that might be listed under different purpose codes are individually reviewed according to the following analysis grid:

- Improvement of the political and institutional framework conditions,
- Promotion of organisations or institutions that develop rural areas,
- Measures aiming at increasing wages outside of the agricultural sector,
- Promotion of food security,
- Approaches encouraging the sustainable management of natural resources,
- Provision of information, services and technical infrastructures in rural areas,
- Transition aid for the promotion of development and the construction of infrastructures.

This flag system approach enables Germany to have a very transversal consideration regarding its food security investments. 66.5 % of investments recorded in the AFSI reports have been listed as «Other».



The investments reported in this category mainly concern Water and sanitation (140), Removal of land mines and explosive remnants of war (15250), Energy generation and supply (230), Banking and financial services (240), Business support services and institutions (25010), General environmental protection (410).

In the case of Italy, the government's accounting system is much more inclusive than those used by France or Germany. Indeed, disbursements reported in CRS databases concerning purpose codes such as Agriculture (311), Forestry (312), Fishing (313), Agro-industries (32161), Basic nutrition (12240), Developmental food aid/Food security assistance (520), Social/ welfare services (16010) and Rural development (43040) are very close to those reported in the AFSI tables (figure 2). In fact, Italy complied with the methodology proposed by the AFSI stating that certain purpose codes are listed as contributing 100 % to food security. However, Italy also considered investments under the purpose code Rural development (43040) as contributing 100 % to food security. In the «Other» category, Italy took into account 30 % of disbursements listed under the purpose codes Water and sanitation (140) and General environmental protection (410) and 50 % of disbursements listed under the purpose code Removal of land mines and explosive remnants of war (15250).

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