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## Systemic Food Assistance

WFP's Strategy for Leveraging Food Assistance to Improve Food System Performance

Front cover: Workers fortify rice in Gajapati, India.  
WFP/Aditya Arya

A trader displays her wares in the Kakuma refugee camp in Kenya, where food assistance beneficiaries receive vouchers which can be used to purchase fresh produce.  
WFP/Diego Fernandez



This document presents WFP's strategy for “**systemic food assistance**”<sup>1</sup> – an approach to deploying the organization's strengths, capacities, knowledge, and partnerships in support of efforts to enhance the performance and sustainability of food systems in different contexts.<sup>2</sup> The vision of success for this strategy is that by the final year of WFP's Strategic Plan 2017-2021 all countries in which WFP operates will be deliberately and systematically leveraging national and global food assistance investments and interventions to address systemic problems in food systems, generating sustained reductions in vulnerability and hunger.

Systemic food assistance draws on principles and priorities set out in a number of relevant corporate policies. These include policies on Food Procurement in Developing Countries (2006), Safety Nets (2012), School Feeding (2013), Building Resilience for Food Security and Nutrition (2015), South-South Cooperation (2015), Gender (2017), Environment (2017), Climate Change (2017), and Nutrition (2017).

## Background and Rationale

Food systems are interlocking networks of relationships that encompass the functions and activities involved in producing, processing, marketing, consuming, and disposing of goods from agriculture, forestry or fisheries. This includes inputs required and outputs generated at each step. The scope of food systems thus extends beyond physical food commodities, to cover the goods and services required for food production, transformation, and consumption. Included, therefore, are functions related to agronomy, farm input provision, product harvesting, transport, storage and handling, processing, finance, wholesaling and retailing. Security, political, policy and climatic factors impact the cost and efficacy of these functions and activities (Figure 1).

High-performing food systems support the core functions of food production, transformation and consumption efficiently and predictably. They provide adequate incentives and returns to food producers, processors and distributors. And they deliver sufficient, safe and

<sup>1</sup>For WFP, “food assistance” extends beyond the traditional view of “food aid” as transfers of food commodities to hungry people to include development and implementation of interventions to prevent hunger and address its myriad drivers and implications. It therefore includes a wide range of instruments, activities, and platforms that empower vulnerable and food-insecure people and communities to access nutritious food.

<sup>2</sup>A background paper with additional details is available at: <https://goo.gl/aIECmX>

nutritious food to well-informed consumers, with minimum delay and spoilage. Such systems also support inclusive structural transformation of economies, boosting productivity and incomes that cut poverty and hunger.

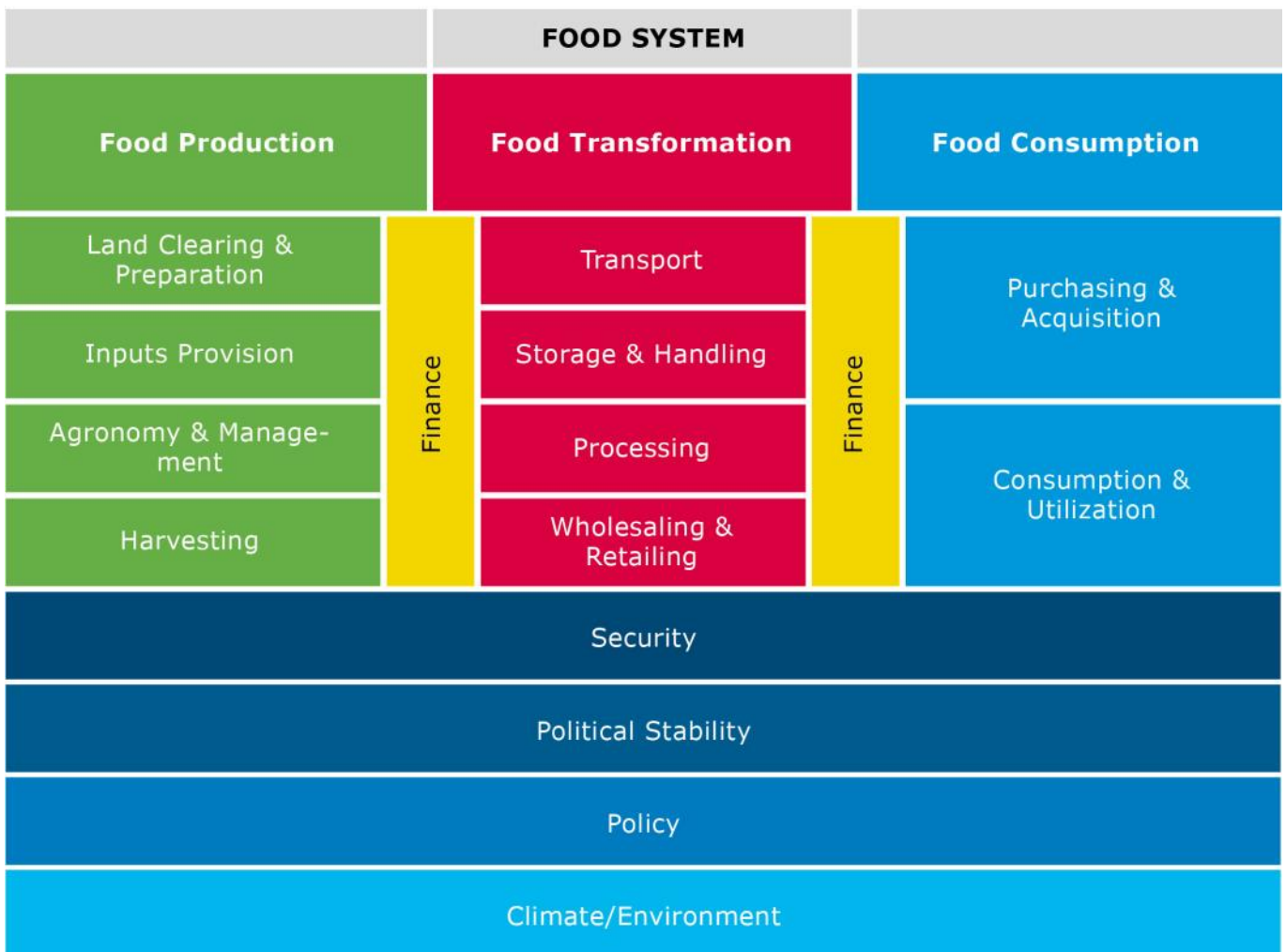
Such high performance is far from assured. Across the world, food systems are changing rapidly and deeply due to urbanization, income growth, and shifting consumer diets brought on by broader structural transformation of economies. Supply chain integration, capital-intensive technology change, expanded use of digital devices and internet access, and emergence and enforcement of private standards of quality and safety are spurring and accentuating the upheavals.

Many of these fast-transforming food systems are disrupted by a range of shocks, including those linked to climate change and economic globalization; a significant

number are broken due to strife and conflict, sometimes for long periods. Disrupted and broken food systems are early indicators of humanitarian crises, often defining the depth and coverage of the crises, and signaling the locations and sizes of populations requiring assistance.

Even in relatively stable contexts, food systems can be deeply flawed. Communication, transportation and storage facilities are often poor. Commercial markets – which are the primary channels through which most food is accessed – can be sharply segmented, with access restricted for large numbers of people lacking purchasing power. Highly unequal social capital and financial bargaining power is often brought to exchanges between buyers and sellers. The specter of 815 million chronically hungry people across the globe suggests that food systems do not always function in ways that meet the needs of a broad cross section of society.

**Figure 1:** A functional and contextual view of food systems



Source: WFP.

# Food Systems in the Strategic Plan

The Strategic Plan 2017-2021 aligns WFP's work with Agenda 2030 and the Sustainable Development Goals (SDGs), aiming to strengthen and support country-level implementation. Strategic Result (SR) 4 of the Strategic Plan is directly linked to SDG Target 2.4 to Ensure Sustainable Food Systems. Therefore, through SR4, improving the performance of food systems is one of WFP's primary aims. The Strategic Plan opens scope for additional impacts on food systems. Better performing food systems should improve access to food (SR1, which is SDG Target 2.1), reduce malnutrition (SR2 and SDG Target 2.2), and spur smallholder productivity and income (SR3 and SDG Target 2.3). Further, enhanced public sector capacity (SR5 and SDG Target 17.9) and greater policy coherence (SR6 and SDG Target 17.14) should boost the performance of food systems.

Three perspectives on food assistance-based investment and engagement toward enhanced food system performance are therefore relevant (see Figure 2):

### Under Strategic Goal 1 – SDG 2:

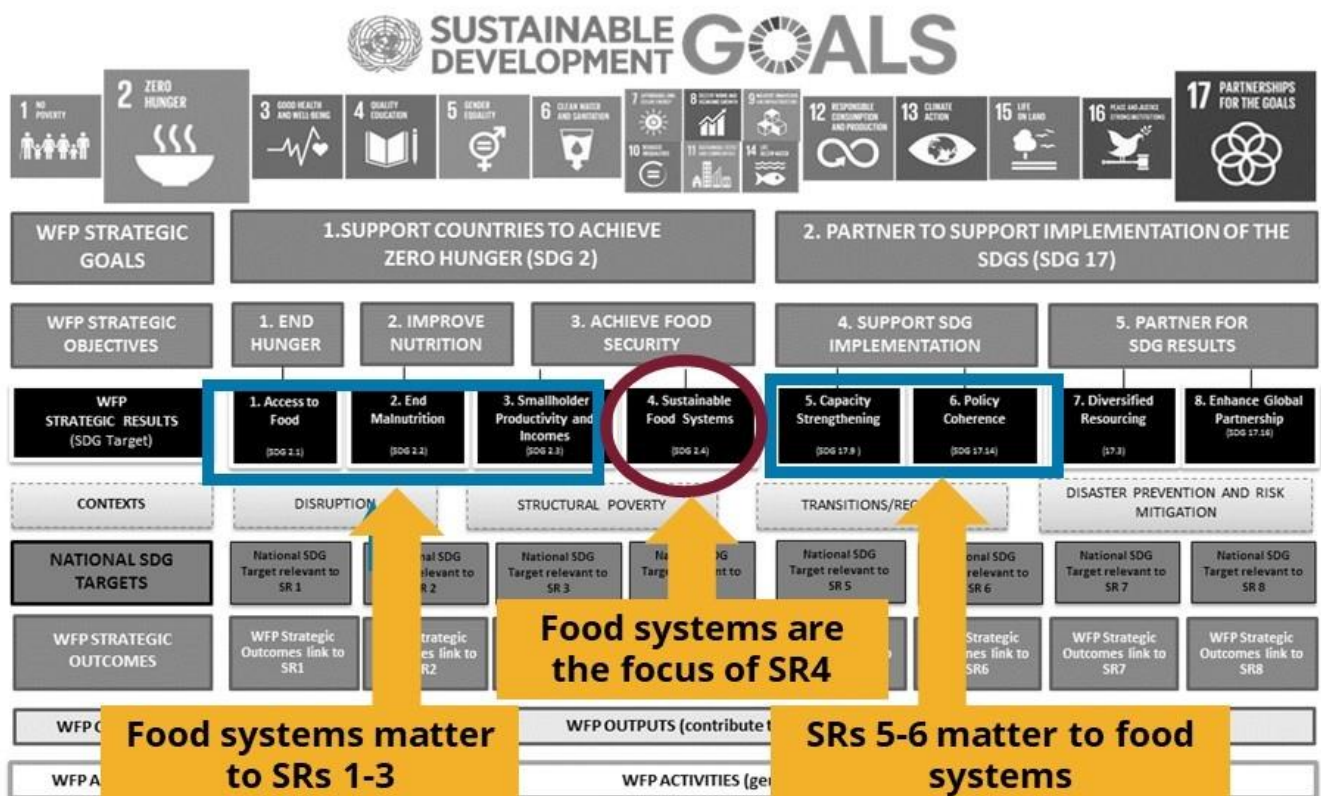
- Enhanced food system performance as a primary objective of SR4;
- Enhanced food system performance as a means to achieving SR1, SR2, and SR3; and;

### Under Strategic Goal 2 – SDG 17:

- Enhanced food system performance via SR5 and SR6.

These three perspectives thus define WFP's strategic alternatives in food systems.

**Figure 2:** Food Systems in WFP's Strategic Plan



Source: WFP.

Vendors sell fruit and vegetables in a market in Kampong Speu province, Cambodia.  
WFP/David Longstreath



## Why WFP?

Several well-established operational attributes underpin WFP's value proposition in food systems. WFP's partnerships, programmes, and capacities span food systems, with a concentration in the "mid-stream" food transformation segment that accounts for 40 percent of food system costs. Through a US\$5 billion food assistance portfolio serving almost 80 million people annually in over 80 countries, WFP has a presence in a range of contexts of food system functioning, and a strong grasp of the characteristics and needs of the hungry poor in these varied contexts. WFP also occupies a unique operational

position at the intersection of commercial markets (for food and food system services) and the public interest (as captured by food assistance). As a result, WFP has unparalleled capacity to combine "hard" supply chain and "soft" programming interventions to address hunger and food insecurity.

Three things are clear. First, food systems matter to WFP. Second, WFP matters to the food systems in which it operates. And third, food assistance delivered, facilitated, and supported by WFP and partners can help countries overcome the flaws, disruptions, and breakages in food systems that contribute to hunger and food insecurity.

# Systemic Problems in Food Systems

As a public agency operating at scale in several interconnected commercial settings, WFP's experience and analysis point to three deeply-rooted and related systemic problems in food systems. The systemic problems destroy private value, constrain livelihoods, and inhale public resources: 1) the **bad year** or **lean season problem**<sup>3</sup>; 2) the **last mile problem**<sup>4</sup>; and 3) the **good year problem** (Figure 3).

When ignored or inadequately addressed, the three systemic problems generate chronic hunger. By weakening food systems, these problems also increase the risk that food systems will collapse under shocks, leading to crises that call for food assistance. The resilience and overall performance of food systems hinge on how effectively these problems are handled.

## THE "BAD YEAR" OR "LEAN SEASON" PROBLEM

Large numbers of marginalized households in rural and urban areas lack sufficient supplies of food to meet their needs. Due to low incomes and few assets, they also lack the purchasing power to fully meet their food and nutrition needs on the market. Such households regularly face periods spanning months or even years of severely constrained access to nutritious food. Over time, vulnerable people develop complex methods for tackling the hardships associated with bad years and lean seasons. Common to most of these coping strategies is that both the quantity and quality of food consumed fall. Meals are missed, and portion sizes reduced. Starchy staples loom larger in diets at the expense of nutrient-rich but more expensive meats, dairy products, and vegetables.

Syrian refugees prepare nutritious school meals for children in Jordan's Azraq refugee camp. The women are employed by WFP's Healthy Kitchen Project.

WFP/Roberto Masiero



<sup>3</sup>The lean season is also referred to as the "hunger season" or the "hungry season."

<sup>4</sup>This problem has also been termed the "first mile" problem and the "missing middle" problem.

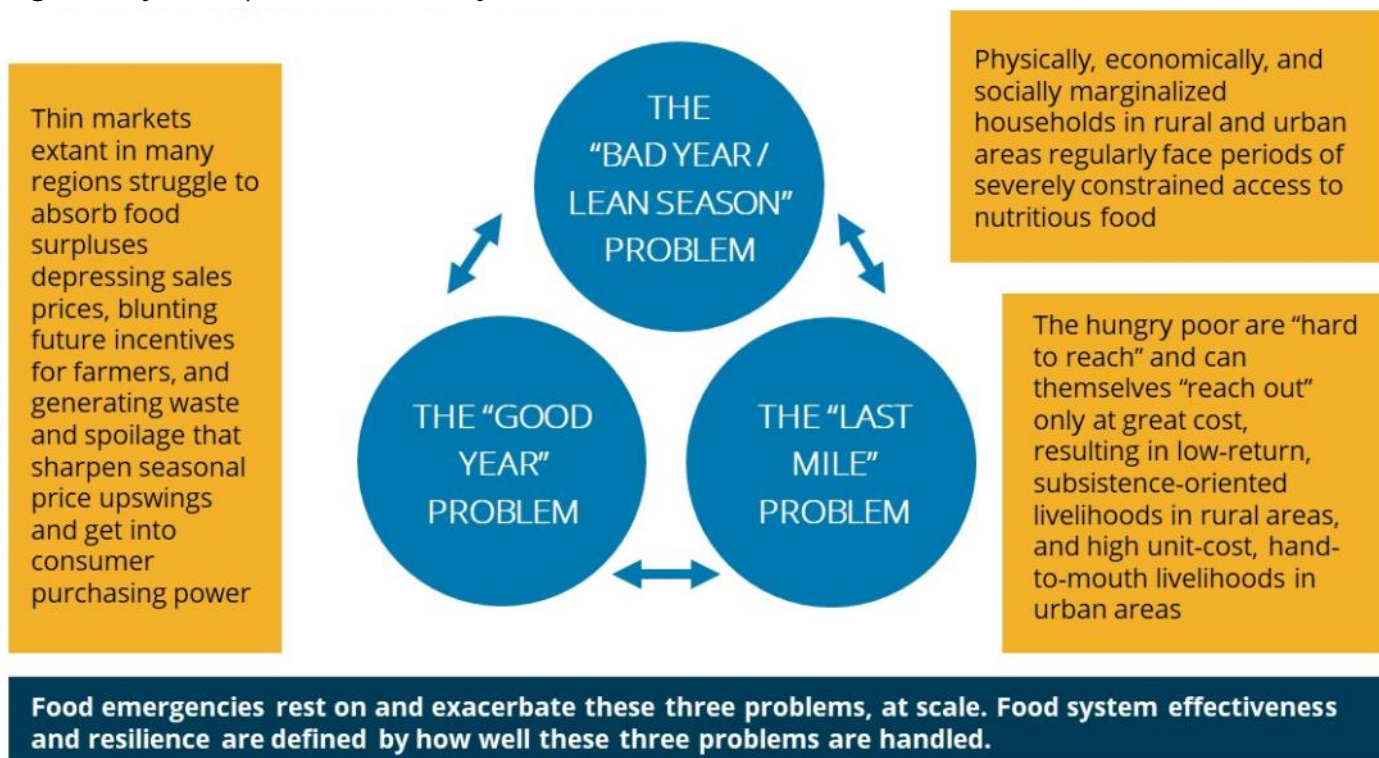
## THE “LAST MILE” PROBLEM

A defining feature of chronically hungry people is their physical, economic, social and political isolation. In both rural and urban areas, they are “hard to reach” and can themselves “reach out” only at great cost. In rural areas, low-return subsistence-oriented production and trading livelihoods are continually affirmed – especially for smallholder farmers. So, too, are the hunger and poverty associated with these livelihoods. In urban areas, poor households with few skills and assets struggle under pervasive unemployment and low-paying jobs. Hand-to-mouth livelihoods featuring low capacities to purchase food and maintain adequate nutrition are thus the norm. In humanitarian contexts, the “last mile” is often besieged, sometimes for months or years on end. Yet even besieged populations cultivate, plant, harvest, store, process and trade food for consumption. The last mile problem applies to them in the extreme.

## THE “GOOD YEAR” PROBLEM

The good year problem is paradoxical in that it relates to a desired outcome – production of food surpluses. But the inability to adequately or profitably dispose of surpluses can be just as devastating as the “bad year”, “lean season” and “last mile” problems. Food systems serving the hungry poor typically have gaps in storage capacity, transport infrastructure, post-harvest management technologies and practices and trade financing. These gaps are coupled with harvest-time cash constraints faced by producers. Together, these elements translate into insufficient capacity to handle large food surpluses. They result in distress sales, plunging prices, waste, spoilage and blunted incentives for future investment. The political content of food policy often presses governments into statements and actions that exacerbate the good year problem, while absorbing public funds in efforts that typically fail to make a significant impact on the problem.

**Figure 3:** Systemic problems in food systems



Source: WFP.



Virginia Soledad Gonzalez Molina and David Alexander Barahona Cuellar show vegetables produced in a community vegetable garden in Comunidad Cruz Ruja, El Salvador.  
*WFP/Rein Skullerud*

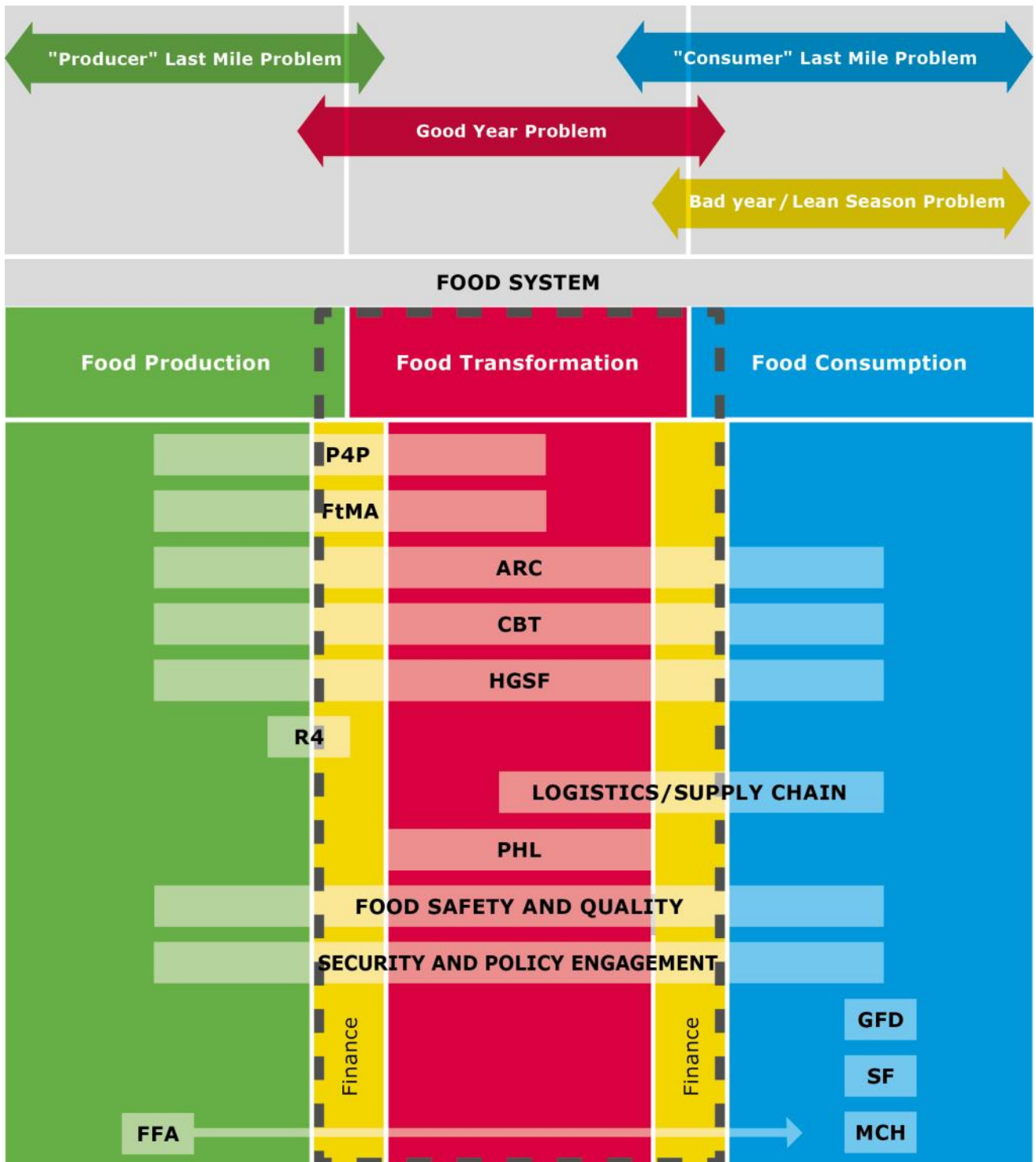
## Systemic Food Assistance

Food assistance must respond to immediate needs. **Systemic food assistance - food assistance which improves food system performance - must combine such urgency with a long-term perspective that recognizes and addresses the three systemic problems.** WFP's portfolio of partnerships, programmes and capacities span food systems. Systemic problems manifest themselves in specific segments of given food systems. Accordingly, food assistance interventions can be mapped to particular systemic problems. WFP's portfolio thus contains several food assistance initiatives with systemic potential (Figure 4).

The core idea in systemic food assistance is leverage of food assistance interventions via complementary investments, enhanced capacities, transformative partnerships, institutional innovations and policy reforms. The systemic potential of food assistance is broad and significant (Table 1). That potential originates in the demand-side of food systems and springs from the fact that food assistance combines capacities and innovations in supply chain management and operations with programming and policy design and implementation.



**Figure 4:** The three systemic problems and WFP's portfolio of programmes, partnerships, and capacities mapped to food systems



Source: WFP.

Key: FFA = food assistance for assets; FFT = food assistance for training; P4P = Purchase for Progress; FtMA = Farm to Market Alliance (formerly Patient Procurement Platform); PHL = post-harvest loss initiative; CBT = cash-based transfer; HGSF = home-grown school feeding; PAA = Purchase for Africa from Africans; R4 = Rural Resilience Initiative; GFD = general food distribution; SF = school feeding; MCHN = mother-and-child health and nutrition; ARC Replica = Africa Risk Capacity Replica; FoodSECuRE = Food Security Climate Resilience Facility.

**Table 1:** Operational areas for systemic food assistance

Operational Area	Systemic Problem	System-Level Objectives	Typical Interventions
<b>Climate action</b>	<ul style="list-style-type: none"> <li>Bad Year/Lean Season</li> </ul>	Increased resilience	<ul style="list-style-type: none"> <li>Food Assistance for Assets (FFA)</li> <li>Rural Resilience (R4)</li> </ul>
<b>Safety nets and social protection</b>	<ul style="list-style-type: none"> <li>Bad Year/Lean Season</li> </ul>	Reduced vulnerability and increased food and nutrition security	<ul style="list-style-type: none"> <li>School meals</li> <li>Cash-based transfers (CBT) and CBT platforms</li> </ul>
<b>Smallholder market support</b>	<ul style="list-style-type: none"> <li>Last Mile</li> <li>Good Year</li> </ul>	Improved access to commodity markets and related market-based services	<ul style="list-style-type: none"> <li>Purchase for Progress (P4P)</li> <li>Home-grown school meals (HGSM)</li> <li>Farm to Market Alliance (FtMA)</li> <li>Post-Harvest Loss (PHL)</li> </ul>
<b>Nutrition</b>	<ul style="list-style-type: none"> <li>Last Mile</li> <li>Bad Year/Lean Season</li> <li>Good Year</li> </ul>	Improved availability of and access to nutritious foods	<ul style="list-style-type: none"> <li>Food processing</li> <li>Food fortification</li> <li>Food safety and quality (FS&amp;Q)</li> <li>Nutrition education</li> </ul>
<b>Supply chain</b>	<ul style="list-style-type: none"> <li>Last Mile</li> <li>Bad Year/Lean Season</li> <li>Good Year</li> </ul>	Increased efficiency of food value chains, including reduced waste and improved quality	<ul style="list-style-type: none"> <li>PHL</li> <li>FS&amp;Q</li> <li>CBTs and CBT platforms</li> <li>Logistics</li> </ul>

Key: See Figure 4.

## OPERATIONAL AREAS

There are five operational areas in which food system-enhancing initiatives can be developed (Table 1). These are: 1) climate action; 2) safety nets and social protection; 3) smallholder market support; 4) nutrition; and 5) supply chain. Systemic food assistance in these five operational areas typically leverages activities that are already core parts of WFP's portfolio.

- The **climate action** operational area addresses the bad year or lean season problem. It aims to increase resilience by building absorptive, adaptive and transformative capacities. Initiatives such as FFA and R4 support participants with asset creation and insurance, credit, and savings instruments.
- The **safety nets and social protection** operational area addresses the bad year or lean season problem through activities such as school meals and conditional CBTs, which reduce vulnerability and increase food and nutrition security.
- The **smallholder market support** operational area addresses the last mile and good year problems. Interventions such as P4P, HGSM, FtMA and PHL improve access to commodity markets and market-based services.
- The **nutrition** operational area improves availability and access to nutritious food, addressing aspects of all three systemic problems.

Activities include food processing, food fortification, FS&Q and nutrition education.

- The **supply chain** operational area also overcomes aspects of all three systemic problems. This area includes activities such as PHL, FS&Q, CBT, and logistics, which increase the efficiency of food value chains, reduce post-harvest losses and improve food quality.

## SYSTEMIC FOOD ASSISTANCE THEMES

Based on these operational areas and interventions three food system-related themes emerge (Table 2): 1) resilient food systems; 2) efficient and inclusive food systems; and 3) safe and nutritious food systems. As noted above, the systemic potential of WFP's portfolio is based on leverage. Such leverage entails integration either across programmatic areas or between programmatic areas and supply chain interventions. The three themes feature both kinds.

- Efforts to build more **resilient food systems** leverage the climate action and supply chain operational areas to address bad year/lean season and last mile problems. One example could be the integration of asset creation under FFA with interventions and investments in strengthening access to finance, such as R4. Similarly asset creation efforts could be linked to supply chain efforts to build physical infrastructure like roads or markets.

**Table 2:** WFP's three systemic food assistance themes

Theme	Systemic Problem	Operational Areas	Integration Possibilities
<b>Resilient Food Systems</b>	<ul style="list-style-type: none"> <li>• Bad Year or Lean Season</li> <li>• Last Mile</li> </ul>	Climate action Supply chain	<ul style="list-style-type: none"> <li>• FFA (in-kind and CBTs) + financial interventions (R4)</li> <li>• FFA (in-kind and CBTs) + investment in physical infrastructure</li> </ul>
<b>Efficient and Inclusive Food Systems</b>	<ul style="list-style-type: none"> <li>• Last Mile</li> <li>• Good Year</li> </ul>	Smallholder market support Supply chain	<ul style="list-style-type: none"> <li>• P4P + CBTs</li> <li>• HGSM + Processing + Fortification + FS&amp;Q</li> <li>• FtMA + PHL</li> <li>• CBTs + P4P + PHL + FS&amp;Q</li> </ul>
<b>Safe and Nutritious Food Systems</b>	<ul style="list-style-type: none"> <li>• Last Mile</li> <li>• Good Year</li> </ul>	Nutrition Supply chain	<ul style="list-style-type: none"> <li>• CBTs + Nutrition education</li> <li>• Fortification + FS&amp;Q</li> <li>• Processing + Fortification + FS&amp;Q</li> </ul>

Key: See Figure 4.

- WFP's vast smallholder market support and supply chain operational areas are leveraged toward **efficient and inclusive food systems**. Work under this theme addresses last mile and good year problems. There are many possible activities which can be integrated according to country-specific needs and objectives. For example, home-grown school meals could source food from farmers and traders participating in initiatives promoting food safety and quality and strengthened local food processing and fortification.
- The **safe and nutritious food systems** theme also addresses last mile and good year problems through the nutrition and supply chain operational areas. Possible activities for integration under this theme are CBTs and nutrition education, as well as linking FS&Q interventions with food fortification and processing support.

## Partnerships

Challenges faced by the hungry poor and the enterprises that serve them are linked to small size, informality, high-risk environments, lack of basic infrastructure, inadequate credit and insurance markets, poor tenure security and ethnic and gender disparities. The technical, organizational and financial arrangements that underpin food assistance can be powerful platforms for structured solutions to these challenges.

Adequately addressing these challenges entails resources and capacities well beyond the reach of any

individual organization. Partnerships are critical. Primary responsibility for mobilizing and coordinating the required partnerships and resources resides with national governments. The private sector has a key role to play in driving innovation and sustainability. Strong participation by civil society deepens participation and boosts inclusion.

As both food buyers and direct and indirect deliverers of food, food assistance agencies like WFP can provide the programmatic and supply chain foundations for systemic solutions. Many agencies are not only large food trader-processors, but also major food retailers. WFP is a prime example. Like any trader-processor, WFP must secure, transform and move food supplies at minimum cost. And like any retailer, or any facilitator of retail food exchanges, WFP must understand its customers – food assistance recipients. WFP must understand what food products recipients want to receive or buy, offer these products at costs or prices recipients are prepared to meet or pay, and ensure that the products are available when recipients are ready to receive or purchase them.

But direct intervention is not assumed. In many contexts, WFP support may be limited to technical assistance and advocacy activities that catalyze or facilitate investments by other actors. As set out in the paper on Collaboration among the United Nations Rome-based Agencies on Delivering on the 2030 Agenda, complementary strengths and capacities of WFP and the other two Rome-based UN agencies, the Food and Agriculture Organization of the United Nations and the International Fund for Agricultural Development, open considerable scope for enhanced partnership to boost national efforts to strengthen food systems. Practical considerations based on local experience and analysis should define country-level approaches.

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