

**Development Co-operation Directorate  
Development Assistance Committee**

**DAC Working Party on Development Finance Statistics**

**PROPOSAL TO AMEND THE OECD CRS PURPOSE CODES RELATED TO  
FOOD SECURITY IN LIGHT OF THE SDG 2**

**Formal meeting of the Working Party on Development Finance Statistics (WP-STAT) 22-23  
November 2018**

At the meeting of the WP-STAT held on 30-31 January 2018, FAO presented a room document for discussion proposing to amend the CRS purpose codes related to food security and agriculture, in order to improve the tracking of aid expenditures and activities related to the SDG 2 [DCD/DAC/STAT/RD(2018)1/RD2]. The proposal was refined taking into account initial comments from members, and presented for approval through written procedure in June 2018 [DCD/DAC/STAT(2018)40]. However, it was not approved as some members had additional comments.

The proposal was further revised [DCD/DAC/STAT(2018)40/REV1], taking into account the feedback received during the written procedure and presented for APPROVAL under item 5 of the draft annotated agenda [DCD/DAC/STAT/A(2018)3/REV1].

The document has been edited further to take into account of the comments delivered during the WP-STAT plenary session [DCD/DAC/STAT/A(2018)3/REV2] and is for APPROVAL during the meeting.

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## Proposal to amend the OECD CRS purpose codes related to food security in light of the SDG2

### 1. Background

1. At the informal WP-STAT meeting on 30-31 January 2018, FAO presented a room document<sup>1</sup> to propose amendments to the CRS classifications related to food security and agriculture to improve the tracking of aid expenditures and activities related to the SDG 2 (end hunger). The proposal included both amendments to the CRS purpose codes and a new policy marker for food security and was circulated to members to provide written comments.

2. Members generally supported the changes to the CRS purpose codes, but were cautious about the introduction of a food security policy marker. Consequently, the Secretariat prepared a new proposal with only amendments to purpose codes and presented it for approval under written procedure in June 2018<sup>2</sup>. The proposal was not approved as some members had additional comments.

3. The proposal was further revised to take into account the comments received during the written procedure.<sup>3</sup>

4. The document has been edited further to take into account the comments delivered during the WP-STAT plenary session on 23 November 2018.

5. **Members are invited to review and approve the proposed changes presented below in Section 3 to take effect in 2019 reporting on 2018 flows.**

### 2. Rationale

6. Starting in 2015<sup>4</sup>, the WP-STAT has approved several revisions to purpose codes to improve their alignment to SDG goals and targets. This process led to the creation of 11 new codes and adjustments to several existing codes on remittances, investment, non-communicable diseases, humanitarian assistance and nutrition.

With respect to agriculture (including forestry and fishing) and food security, the CRS sector and purpose classifications were last updated in 1999 and have not yet been reviewed in light of the SDGs. However, in the context of the related reform of the nutrition purpose codes which were approved in 2017 but have not yet entered into effect, a household food security purpose code was created<sup>5</sup>. To assure a coherent reform of the food security codes, this proposal also includes modification to the code approved in 2017. The proposal addresses some gaps in the CRS classifications specifically on: 1) food security policy and administrative management, including food loss/food waste; and 2) food safety and quality.

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<sup>1</sup> See DCD/DAC/STAT/RD(2018)1/RD2.

<sup>2</sup> See DCD/DAC/STAT(2018)40

<sup>3</sup> See DCD/DAC/STAT(2018)40/REV1.

<sup>4</sup> See DCD/DAC/STAT(2015)10

<sup>5</sup> See DCD/DAC/STAT/RD(2017)11 and DCD/DAC/STAT/M(2017)2

7. The proposal is based on the following principles:
- ensure the feasibility of reporting by DAC members and other providers;
  - minimise the burden on reporters/data producers in implementing changes;
  - maximise the relevance for data users and aid tracking;
  - minimise the structural breaks, particularly with respect to sector time series; and
  - ensure the alignment with recently accepted proposals, such as the revision of nutrition purpose codes.

### 3. The proposal

#### *3.1 Summary of the proposed changes*

8. The proposal foresees the following changes to the CRS purpose codes:
- a) replacing the term “food aid” by “food assistance” in codes 520, 52010 and 72040.
  - b) introducing a new purpose code in Sector 430 for “Food security policy and administrative management”.
  - c) repositioning the code 52020 in Sector 430 and updating its coverage notes.
  - d) introducing a new purpose code in Sector 430 for “Food safety and quality”.
  - e) updating coverage notes for purpose codes 52010 and 72040 to better specify food assistance and emergency food assistance programmes.
9. Changes will take effect with 2019 reporting on 2018 flows.

#### *3.2 Replacing the term “food aid” by “food assistance”*

10. The concept of food aid has been replaced by many donors and international organisations (including the World Food Programme) by the concept of food assistance. While food aid is mainly extended in the form of feeding programmes, food assistance implies a longer-term, more holistic approach that embraces the understanding of the long-term needs and of the sustainable way to satisfy them. The term food aid is present in the codes 520, 52010, 72040 that are modified in the following paragraphs.

#### *3.3 Creation of a purpose code in Sector 430 for “Food security policy and administrative management” and repositioning of purpose code 52020 in Sector 430*

11. Food security is defined as “a situation that exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life”<sup>6</sup>. As such, food security is multi-sectoral, impacting activities that range from agricultural production, to storage and food processing, to food safety and transportation via roads, ports and other infrastructure. Food security also includes activities to reduce food loss and food waste.

12. The CRS does not currently include a comprehensive purpose code to classify “Food security policy and administrative management”. It is proposed to create such a code

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<sup>6</sup> FAO. 2002. *The State of Food Insecurity in the World 2001*. Rome

43071 under the category “Other multisector” in order to take into account the multi-sector /multi-dimensional nature of food security, and the importance of capturing these interventions as sector-allocable activities (Table 1).

13. While sector specific food security related activities should be reported under their respective sectors,<sup>7</sup> if the activity pertains to a cross-sectoral food security policy and programme (i.e. not sector specific), then it should be coded under 43071 by default. The use of code 43071 follows the same principle as that for the reporting of multisector education/training (43081). It also follows a similar logic to that for reporting environmental protection under sector code 410.<sup>8</sup>

14. The code 52020 “Household food security programmes” previously approved at the July 2017 WP-STAT meeting<sup>9</sup> but not yet in effect, is moved under the “other multisector” category (430) and assigned a new code 43072. This change in the sector category addresses the concerns expressed by some members about the exclusion of this code from the Country Programmable Aid (CPA) calculation.

15. The proposed changes are summarised in Tables 1 and 2 below.

**Table 1 – Creation of a purpose code 43071 on food security policy and administrative management**

DAC5 CODE	SECTOR	PROPOSED PURPOSE CODE	PROPOSED DESCRIPTION	Proposed clarifications/additional notes on coverage
430	Other multisector	43071	Food security policy and administrative management	<i>Food security policy, programmes and activities; institution capacity strengthening; policies, programmes for the reduction of food loss/waste; <del>household food security programmes and activities (excluding any cash transfers within broader social welfare programmes that do not have a specific food security, food acquisition or nutrition focus which should be reported under code 16010)</del>; food security information systems, data collection, statistics, analysis, tools, methods; coordination and governance mechanisms; other unspecified food security activities.</i>

<sup>7</sup> For example, if the intervention occurs in the agriculture sector with the aim of addressing food security, then it should be coded under Agriculture (e.g. 31110).

<sup>8</sup> Sector specific environmental protection activities should be included in the respective sectors, and the environment marker checked, and multi-sector/cross-cutting includes only environment activities not allocable by sector.

<sup>9</sup> DCD/DAC/STAT/RD(2017)11

Table 2 – Repositioning of purpose code 52020 and modification of title of sector 520

DAC5 CODE	SECTOR	PROPOSED PURPOSE CODE	PROPOSED DESCRIPTION	Proposed clarifications/additional notes on coverage
520	DEVELOPMENTAL-FOOD AID/FOOD SECURITY ASSISTANCE OTHER MULTISECTOR	52020	Household food security programmes	Short or longer term <i>household food security programmes and activities</i> that improve the access of households to nutritionally adequate diets ( <i>excluding any cash transfers within broader social welfare programmes that do not have a specific food security, food acquisition or nutrition focus which should be reported under code 16010</i> ).
430		43072		

### 3.4 Introduction of a new purpose code in Sector 430 for “Food safety and quality”

16. Aid interventions supporting food safety and quality are significant and growing. Food safety refers to “the absence, or presence in acceptable levels, of microbiological, chemical or physical hazards in food to prevent risks to the health of the final consumer”<sup>10</sup>. At present, a purpose code to identify such activities is absent.

17. It is proposed to address this gap through a new purpose code entitled *Food safety and quality* in the “Other multisector” category, given that food safety and quality interventions occur across the agri-food value chain in multiple sectors, including health, water and sanitation, agriculture, fisheries, agro-industry, etc.

18. The proposed changes are summarised in Table 3 below.

Table 3 – Creation of a purpose code 43073 on food safety and quality

DAC5 CODE	SECTOR	PROPOSED PURPOSE CODE	PROPOSED DESCRIPTION	Proposed clarifications/additional notes on coverage
430	Other multisector	43073	Food safety and quality	Food safety and quality policies, programmes and activities, including food inspection and certification; strengthening food safety/quality capacities and development of standards along the value chain; monitoring/surveillance and laboratory capacities; and delivery of information, communication, education.

### 3.5 Updating coverage notes for purpose codes 52010 and 72040 to better specify food assistance and emergency food assistance programmes

19. Sector 520, Developmental food assistance, and its sole purpose code, 52010, Developmental food assistance/~~Food security programmes~~, were designed to capture

<sup>10</sup> FAO, 2014 – Definitional framework of food loss – Rome.

interventions related to the supply of non-emergency food assistance, while emergency food assistance is reported under code 72040.

20. To avoid attribution errors between these two codes, particularly in light of the new 43071 purpose code on food security policy and administrative management, it is proposed to clarify the coverage notes for purpose codes 52010 and 72040 as shown in Tables 4 and 5.

Table 4 - Proposed changes to the description and coverage notes of purpose code 52010

DAC5 CODE	SECTOR	PURPOSE CODE	DESCRIPTION	Clarifications/additional notes on coverage
520	Developmental Food Assistance Aid/ <del>Food Security Assistance</del>	52010	Food Assistance Aid/ <del>Food security programmes</del>	<p>Supply of edible human food under national or international programmes including transport costs, cash payments made for food supplies; project food assistance aid and food assistance aid for market sales when benefiting sector not specified; <del>excluding emergency food aid</del>. Excludes food security policy and administrative management (43071), household food security programmes (43072) and emergency food assistance aid (72040).</p> <p>Report as multilateral: i) food assistance aid by EU financed out of its budget and allocated pro rata to EU member countries; and ii) core contributions to the World Food Programme.</p>

Table 5 - Proposed changes to the title and coverage notes of purpose code 72040

DAC5 CODE	SECTOR	PURPOSE CODE	DESCRIPTION	Proposed clarifications/additional notes on coverage
720	Emergency Response	72040	Emergency food assistance aid	<p>Food aid assistance normally for general free distribution or special supplementary feeding programmes; short-term relief to targeted population groups affected by emergency situations. Excludes non-emergency <del>food security assistance programmes</del>/food assistance (52010), food security policy and administrative management (43071) and household food programmes (43072).</p>