Cancels & replaces the same document of 13 November 2018

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, the proposal was not approved as some members had additional comments.

The proposal in this document has been further revised, taking into account the feedback received during the written procedure. It is presented for APPROVAL under item 5 of the draft annotated agenda [(DCD/DAC/STAT/A(2018)3/REV1]

14 November: A cancel and replace has been issued to correct the numbering of the new codes. Code number 43060 has been replaced by 43071 and code 43070 has been replaced by 43072

Contacts:
Giorgio Gualberti (Giorgio.Gualberti@oecd.org)
Aimée Nichols (Aimee.Nichols@oecd.org)
Valérie Thielemans (Valerie.Thielemans@oecd.org)
Julia Benn (Julia.Benn@oecd.org)

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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\(^1\) 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\(^2\). The proposal was not approved as some members had additional comments.

3. The proposal in this document has been further revised to take into account the comments received during the written procedure.

4. 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

5. Starting in 2015\(^3\), 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\(^4\). 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.

6. The proposal is based on the following principles:

- ensure the feasibility of reporting by DAC members and other providers;

\(^{1}\) See DCD/DAC/STAT/RD(2018)1/RD2

\(^{2}\) See DCD/DAC/STAT(2018)40

\(^{3}\) See DCD/DAC/STAT(2015)10

• 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

7. The proposal foresees the following changes to the CRS purpose codes:
   a) introduction of a new purpose code in Sector 430 for “Food security policy and administrative management” and deletion of code 52020.
   b) introduction of a new purpose code in Sector 430 for “Food safety and quality”.
   c) updating of coverage notes for purpose codes 52010 and 72040 to better specify food aid and emergency food aid programmes.

8. Changes will take effect with 2019 reporting on 2018 flows, in order to avoid the code 52020 entering into force in 2019 and being suppressed in 2020.

3.2 Creation of a purpose code in Sector 430 for “Food security policy and administrative management” and deletion of purpose code 52020

9. 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”⁵. 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.

10. 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 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).

11. While sector specific food security related activities should be reported under their respective sectors,⁶ 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 410.⁷

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⁶ 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).

⁷ 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.
12. The proposed new 43071 code includes “Household food security programmes” that were previously the focus of the code 52020 approved at the July 2017 WP-STAT meeting\(^8\) (but not yet in effect). 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. Including “Household food security programmes” in the proposed new code 43071 and deleting the code 52020 would resolve this issue.

13. 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

<table>
<thead>
<tr>
<th>DAC5 CODE</th>
<th>SECTOR</th>
<th>PROPOSED PURPOSE CODE</th>
<th>PROPOSED DESCRIPTION</th>
<th>Proposed clarifications/additional notes on coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>430</td>
<td>Other multisector</td>
<td>43071</td>
<td>Food security policy and administrative management</td>
<td>Food security policy, programmes and activities; institution capacity strengthening; policies, programmes and activities for the reduction of food loss/waste; 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); food security information systems, data collection, statistics, analysis, tools, methods; coordination and governance mechanisms; other unspecified food security activities.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>DAC5 CODE</th>
<th>SECTOR</th>
<th>PROPOSED PURPOSE CODE</th>
<th>PROPOSED DESCRIPTION</th>
<th>Proposed clarifications/additional notes on coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>520</td>
<td>DEVELOPMENTAL FOOD AID/FOOD SECURITY ASSISTANCE</td>
<td>52020</td>
<td>Household—food security programmes</td>
<td>Short or longer term programmes that improve the access of households to nutritionally adequate diets.</td>
</tr>
</tbody>
</table>

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\(^8\) DCD/DAC/STAT/RD(2017)11
3.3 Introduction of a new purpose code in Sector 430 for “Food safety and quality”

14. 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”9. At present, a purpose code to identify such activities is absent.

15. 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.

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

<table>
<thead>
<tr>
<th>DAC5 CODE</th>
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<th>PROPOSED DESCRIPTION</th>
<th>Proposed clarifications/additional notes on coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>430</td>
<td>Other multisector</td>
<td>43072</td>
<td>Food safety and quality</td>
<td>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.</td>
</tr>
</tbody>
</table>

3.4 Updating coverage notes for purpose codes 52010 and 72040 to better specify food aid and emergency food aid programmes

17. Sector 520, Food aid/food security assistance, and its sole purpose code, 52010, Food Aid/food security programmes, were designed to capture interventions related to the supply of non-emergency food aid, while emergency food aid is reported under code 72040.

18. 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.

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

<table>
<thead>
<tr>
<th>DAC5 CODE</th>
<th>SECTOR</th>
<th>PURPOSE CODE</th>
<th>DESCRIPTION</th>
<th>Clarifications/additional notes on coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>520</td>
<td>Developmental Food Aid/Food Security Assistance</td>
<td>52010</td>
<td>Food Aid/Food security programmes</td>
<td>Supply of edible human food under national or international programmes including transport costs, cash payments made for food supplies; project food aid and food aid for market sales when benefiting sector not specified; excluding emergency food aid. Excludes food security policy and administrative management (43071) and emergency food aid (72040). Report as multilateral: i) food 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.</td>
</tr>
</tbody>
</table>

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

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