



Facilitating South South Cooperation through Twinning: Experiences from mitigating the effects of the 2011/12 Food Crisis at the Horn of Africa through in-kind contributions

Prepared by: Carola Kenngott (OSZ), Caterina Galluzzi , Kiyori Ueno (PG), WFP

Summary:

During the 2011/12 hunger crisis in the Horn of Africa, Ethiopia, Kenya and Somalia received in-kind contributions (rice, sugar, fish, beans, meat, etc.), worth over 13,9 million USD from countries including Sri-Lanka, Cuba, Namibia, Sudan, Angola, Mozambique, Zambia and Tanzania.

In Ethiopia alone, 1.4 million food insecure people were reached through these contributions.

WFP facilitated this twinning arrangement by matching in-kind and cash contributions (including from Mexico and Namibia) next to contributions from some developed countries, for full cost recovery.

In addition, countries like Ethiopia and Kenya provided also in-kind support (wheat, beans and rice) to their own countries, equivalent of over 14 million USD.

Twinning can be a “win-win” for the developing country providing in-kind support, as it raises their profiles as “Southern providers”, and for the countries receiving these contributions as they are able to respond to urgent food needs. For WFP, twinning arrangements can allow to tap into additional resources that are already available in developing countries, and contribute to more impact of the response to a hunger crises.

Background and purpose:

Due to insufficient food production and recurrent food shortages, drought and famine, the Horn of Africa region has been dependent on food aid for decades. Failed rains, high food and fuel prices and conflict have resulted in a large scale food crisis stretching four countries and affecting over 10 million



people. Humanitarian organizations rapidly scaled up operations to manage the escalating emergency.

Beyond support from traditional donors, contributions for Ethiopia, Kenya and Somalia have been received from various developing countries to mitigate the effects of the crisis. These contributions were received in form of in-kind support (food) and in form of cash to cover the costs associated with the transport, distribution, etc.

This case study explores how WFP supported Twinning can support developing countries to take on stronger roles Southern providers when it comes to food assistance. It also explores what kind of support functions WFP has taken on in this process, and what can be learned for the future.

Description of twinning arrangement:

WFP facilitated the twinning arrangements by matching the Southern in-kind contributions with co-financing cash-contributions for full cost-recovery (cost of transport, distributions, overheads, etc.). Not only “traditional donors” have provided the required cash for the twinning, but also Southern partners like Mexico and Namibia. In cases where no matching cash-donor could be found, it was possible to bridge cash gaps through an “Emerging Donors Matching Fund (EDMF)”.¹

With a view at the “matching” of contributions, WFP – through its global network - has supported the transfer through WFP’s existing expertise in resource mobilization, management and programming and through the work of WFP Country Offices.

In the bigger picture of WFP’s collaboration with Horn of Africa countries, it is also interesting to explore how WFP supported different modalities of South-South and Triangular Cooperation: The in-kind contributions through the twinning arrangements in 2011/12 are one example; the transfer of Southern expertise in the development of strategies towards zero hunger, e.g. through Ethiopia’s collaboration with the WFP Centre of Excellence against Hunger, are another one. These different modalities and forms of South-South and Triangular Cooperation can well complement each other to achieve a greater impact in food security.

Results:

In-kind contributions (including rice, sugar, fish, beans, meat, sorghum, rice oil, peas, coarse salt, soya and maize), worth over 13,9 million USD were received from countries of the Southern African Development Community (Angola, Mozambique, South Africa, Tanzania and Zambia) as well as Cuba, Sri-Lanka, and Sudan.

In Ethiopia alone, 1.4 million food insecure people have been reached through the twinning arrangements in 2011/12.

The in-kind contributions received during the crisis enabled WFP to save food purchase cost. This helped to assist the affected populations for a longer period of time.

Since most of the in kind support was rice, WFP was able to distribute the rice in refugee camps where rice was the preferred commodity. Other food (e.g. wheat and maize) could be allocated to different refugee camps in which the refugee population preferred these commodities.

¹ * The EDMF is a fund which allows to provide finance for the associated costs of in-kind contributions for twinning.

WFP's role in facilitating South-South Cooperation:

Beyond WFP's support in the "matching" of in-kind and cash contributions, WFP has accompanied countries, upon their demand, in the preparation of the twinning arrangements, e.g. through a careful security analysis in affected countries, and in some cases also in programming and resource management for the received contributions. Developing these type of capacities in developing countries, e.g. in the areas of food security and vulnerability analysis, through partnerships with regional institutions, might be another interesting area to explore for WFP.

WFP was drawing on its existing experience, tools and methodologies in food security analysis, programming and resource management, its institutional memory in the handling of food crisis with other countries, and of course, on the existing relations with the governments in the Horn of Africa region through WFP's Country Offices.

A factor which contributed to the success was the "Emerging Donors Matching Fund" which allowed to "fill the gaps" when no (or not sufficient) cash donations were received for an in-kind contribution to be fully cost recovered, such as in the case of Sri Lanka's rice contribution to Ethiopia. Closing these financial gaps and mobilizing resources from cash-donors were critical in this twinning case.

Snapshot of main partners involved in the initiatives:

- *Countries who received in-kind contributions from Southern partners, including their own governments:*

On the receiving end of the in-kind contributions, WFP was the direct point of contact, closely collaborating with different ministries and government divisions, including:

- Ethiopia (Administration for Refugees and Returnees Affairs, Ministry of Agriculture)
- Kenya (Office of the President/Ministry of State for Special Programmes)
- Somalia

- *Southern providers of in-kind contributions:*

- Sri-Lanka (Ministry of External Affairs)
- Cuba (Ministry of Foreign Trade and Investment)
- Sudan (Ministry of Foreign Affairs; and Ministry of Finance and National Economy)
- Namibia (Foreign Ministry)

Additional contributions have been received by Angola, Mozambique, Zambia, South Africa, and Tanzania, which were facilitated through the Southern African Development Community (SADC).

- *Southern cash donors (next to Northern and Arab donors)*

- Mexico provided cash contributions to Somalia, to match Cuba's in-kind contribution.
- Namibia provided cash contributions alongside in-kind support to Somalia.

- *Focal points within WFP:*
Especially the donor relations unit in WFP Country Office in the Horn of Africa region and in provider countries have been involved in this case, supported by the WFP's Government Partnerships Division.

Success Factors:

- ***Strengthened response mechanisms:*** Twinning arrangements can strengthen the country's economy and ability to respond to food and nutrition challenges, when the country is in the food deficit.
- ***Reshaping WFP's forms of engagement with countries:*** Twinning arrangements can prove useful in setting WFP's engagement with less developed, low income and lower middle-income countries on a balanced partnership basis. This allows WFP and its partner countries to move beyond the outdated North-South divide and "provider-recipient" relationships.
- ***Complementarity:*** The in-kind contributions received during the crisis enabled WFP to save food purchase cost. This helped to assist the affected populations for longer period of assistance. In addition, since most of the in kind assistance was rice, WFP was able to distribute the rice in refugee camps where rice is the preferred commodity, and to allocate other food (e.g. wheat and maize) to different refugee camps in which the refugee population is used to eating these commodities.
- ***Cost effectiveness:*** Twinning can become a win-win mechanism in terms of cost effectiveness: Costs are often split between the in-kind contributions and cash contributions, allowing both to maximize impact while splitting the costs (providing food, transportation and management cost). For example, for WFP, the overall cost can be lower than with cash contributions under which WFP is responsible for both procurement of the food and associated costs.
- ***Strengthening Southern relations and partnerships:*** The in-kind contributions from developing countries to the Horn of Africa countries can have a positive effect on the foreign affairs and political relations among these countries. As these government-to-government relations are rather complex, it can be difficult to relate results directly to a specific twinning case, but it may be observed over time, from a broader foreign relations perspective.

Main challenges:

- ***Timing:*** The timing of the contributions (in-kind and cash for cost recovery) are not always synchronized. It can become challenging when a Southern partner – after a phase of preparations – is willing to contribute rice, corn or other foods, and no immediate cash donor can be found for the cost-recovery. This is especially critical in the case of food emergencies when response is time-bound and critical to save lives.
- ***Financial Security:*** Lack of security for the replenishment of the "Emerging Donors Matching Fund" to bridge shortfalls in cash contributions for cost recovery can become a major challenge. It becomes even more critical once in-kind contributions from developing country partners are actually being announced or received.
- ***Challenges in the "matching":*** The "matching" of supply and demand of in-kind contributions (and prioritizing which countries shall benefit from them) can be challenging sometimes. In addition, in-kind donations tend to be unpredictable; it is not certain when/how much/what kind of commodities will be available from which Southern countries.

- **Preparatory work:** Preparations and negotiations with countries can be long and labour intensive in the run-up of setting up a winning arrangements.
- **Capacity constraints:** Frequent turnover of decision makers and focal points on all sides, and weak country systems can pose a challenge in making sure the contributions reach the vulnerable people in time.
- **Corporate guidance:** There is no formalized corporate strategy for twinning in place yet within WFP. Guidance to Country Offices, and systematization of experiences from previous arrangements would be useful to learn and to capitalize on what works and what doesn't.
- **Consistency with WFP's FCR principle:** Some donors are not convinced by in-kind donations without paying the related cash contributions, as it is not in consistent with WFP's Full Cost Recovery Principle. As far as possible, WFP should therefore encourage in-kind contributions to be provided together with the required cash for full cost recovery.
- **Quality Assurance of the Food provided to be embedded into planning and monitoring:** it is important to place emphasis on making sure the quality assurance of the food provided coincides with WFP's standards. This requires additional capacities and resources, and will need to be embedded into planning and monitoring cycles.

Key messages for WFP's upcoming Policy on South-South and Triangular Cooperation:

- **Twinning has proved useful in broadening WFP's donor base.** Twinning capitalizes on the potential of developing country economies to join the ranks of WFP donors. Facilitating twinning within their own countries first can be an effective tool for WFP to strengthen their country systems and capacities and support them in the transition to become Southern providers. Beyond that, WFP can support effective twinning models cross-border to address emergencies in the region.
- Twinning is a **cost effective** way of addressing challenges in food security and nutrition, building on Southern contributions (which don't always have to come in monetary form). For any cash-dollar invested, the US dollar value of in-kind contributions is usually higher.
- Twinning can help WFP to strengthen its **partnerships with developing countries "on an equal footing"**, to move beyond outdated donor-recipient relationships in food assistance.
- Taking into account the above points, **twinning requires a considerable amount of coordination and capacities** at the level of WFP Country Offices, to facilitate twinning arrangements and related quality assurance mechanisms. A concrete **Guidance for Country Offices on how to scope, set up and facilitate twinning arrangements** would be useful.
- WFP can become a **partner for implementation** for countries who wish to engage in twinning arrangements. WFP can play a role in facilitating the **"matching" of supply and demand** for in-kind and cash contributions. However, it is crucial to encourage countries to provide in-kind contributions alongside the necessary cash contributions for full cost recovery. Likewise, quality assurance and back-up funds to manage unforeseen "shortfalls" of co-financing partners need to be in place.
- WFP can also play a role in developing country capacities for the functions preparing the twinning arrangements. **Southern institutions** can play a role in developing country capacities to quickly **assess vulnerable populations and their demands** before a twinning arrangement is put in place.