

# **Feed the Future Target Country Graduation Policy and Review Process**

May 22, 2018



## **Table of Contents**

Purpose	3
Background	3
Note on Terminology: “Graduation” versus “Strategic Transition”	4
Feed the Future Target Country Graduation Guiding Principles	4
Feed the Future Target Country Graduation Policy	4
Feed the Future Target Country Graduation Review Process	6
Quantitative Analysis - Phase 1	6
Qualitative Analysis - Phase 2	7
Final Decision – Phase 3	9
Graduation Planning	9
Role of Target Country Posts	10
Future Updates	10
Annex 1 - Scorecard Indicators	11
Annex 2 – Summary of Target Country Graduation Scorecard	14

## Purpose

This document outlines Feed the Future's graduation policy and the review process for evaluating a nation's readiness to make a transition from Target Country status.

## Background

The Global Food Security Act (GFSa) of 2016 solidified the U.S. Government's commitment to empower small-scale producers and strengthen communities and economies through agricultural development. In response to the requirements of the GFSa, the Feed the Future interagency submitted the U.S. Government's [Global Food Security Strategy](#) (GFSS), an integrated whole-of-government strategy. The overarching goal of the GFSS is to reduce global hunger, poverty and malnutrition sustainably through three interrelated and interdependent objectives:

1. Inclusive and sustainable agricultural-led economic growth;
2. Strengthened resilience among people and systems; and
3. A well-nourished population, especially among women and children.

Guided by the GFSS, in 2017 Feed the Future, the U.S. Government's global hunger and food-security initiative, selected 12 Target<sup>1</sup> Countries for concentrated investment and collaboration.

Section 8(a)(5) of the GFSa requires follow-up reports that "describe related strategies and benchmarks for graduating target countries and communities from assistance provided under the Global Food Security Strategy over time." The [GFSS Implementation Report](#), submitted to Congress in October 2017, outlines a high-level framing of the graduation concept, and commits the Feed the Future interagency to develop a graduation framework for review by Congress. This document provides such a policy and methodology for evaluating a nation's readiness to make a transition from Target Country status.

Feed the Future's graduation policy and review process align with and support the [Department of State and USAID Joint Strategic Plan \(FY 2018 - FY 2022\)](#), specifically *Strategic Objective 3.1: Transition nations from assistance recipients to enduring diplomatic, economic, and security partners*. Helping countries progress beyond needing assistance is a key foreign-policy objective of this Administration also emphasized in the [U.S. National Security Strategy](#). Feed the Future will support this important strategic objective through catalytic assistance design so Feed the Future Target Country governments can ultimately assume full responsibility for managing and financing the solutions to their own food-security challenges.

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<sup>1</sup> The 12 Feed the Future target countries are Bangladesh, Ethiopia, Ghana, Guatemala, Honduras, Kenya, Mali, Nepal, Niger, Nigeria, Sénégal, and Uganda.

### **Note on Terminology: “Graduation” versus “Strategic Transition”**

This policy and review process support the concept of “self-reliance,” that is, a country’s ability to manage and finance its own development journey. The journey to self-reliance culminates with the concept of “strategic transition,” which, for countries that have achieved high levels of self-reliance, seeks to answer the questions of what are the criteria, processes, and partnership models by which to evolve the relationship beyond the traditional donor-recipient paradigm. As a result, “strategic transition” is quite distinct as it describes the multifaceted, long-term evolution of the overall development partnership between a recipient country and the U.S. Government. Because of this, we do not use the term “strategic transition” for the purposes of this document, as we are describing something quite different, and more specific: a country that is explicitly exiting Target Country status. To avoid confusion, we have chosen to use the more narrow term “graduation.”

### **Feed the Future Target Country Graduation Guiding Principles**

The following principles will guide Feed the Future’s approach to graduation:

1. We will be **transparent** and inclusive with host-country governments and external stakeholders to advance ownership and leadership on the part of the government and local actors.
2. We will pursue a **data-driven** approach that incorporates valid, quantitative and qualitative metrics to help us determine when a target country can manage and finance the solutions to its own food-security challenges with reduced investment from the U.S. Government.
3. We will work together as an **interagency** to leverage all our collective resources and expertise to help target countries reach the point where they can sustain progress and graduate.

### **Feed the Future Target Country Graduation Policy**

As outlined in the GFSS Implementation Report, the goal of the Feed the Future graduation review “is to identify the point at which countries have clearly demonstrated they have the capacity to sustain development advancements and successes in inclusive agricultural growth, resilience, and nutrition,” and can graduate to a new assistance relationship with the U.S. Government.

Beginning in Fiscal Year (FY) 2019, the Feed the Future interagency will undertake an annual process to review nations for their readiness to graduate from Target Country status. The graduation policy will remain in effect for the life span of the U.S. Government Feed the Future initiative, and will only apply to food-security assistance provided under the GFSS to Feed the



Future Target Countries<sup>2</sup>. This is because the Target Countries are where the U.S. Government will focus and concentrate its collective resources to support the ability of each to assume responsibility for its own food-security challenges in support of the journey to self-reliance. The interagency selected the 12 Feed the Future Target Countries by the using six selection criteria specified in the GFSS:

1. Level of need;
2. Potential for agricultural-led growth;
3. Opportunities for partnership;
4. Opportunities for regional economic integration;
5. U.S. Government resource availability; and
6. Government commitment to food-security investment and policy reform.

The interagency is committed to revisiting the list of target countries periodically through a quantitative and qualitative evaluation of data aligned to the selection criteria. The graduation process will apply to any additional Target Countries selected in the future.

Feed the Future does not have a predetermined timeline for graduation, and we recognize that each country is starting from a different place along the development continuum. To graduate countries from Target Country status successfully will require a long-term development commitment and focus by the Feed the Future interagency.

Once Feed the Future makes a graduation determination, U.S. Government Departments and Agencies will not be required to cease food-security and nutrition programming, or “exit” the former Target Country. Following the decision to graduate, we will partner with host-country governments to redefine the nature of our food-security and nutrition programming within the broader context of the ongoing bilateral relationship, based on the country’s context and needs, different interagency programmatic objectives, and relevant Department and Agency legislative authorities. Ultimately, the goal of our food-security assistance is to support local leadership and capacity, and post-graduation engagement will continue to support policy reform; open markets (especially for U.S. firms); promote trade, investment, and scientific collaboration; and leverage funding from other donors and the private sector.

Graduation should be perceived as a positive outcome that demonstrates the host country has demonstrated the required capacity and commitment to develop a new food-security assistance relationship with the United States. However, in some cases, the graduation review process will also provide an opportunity to identify instances in which host-country governments are failing

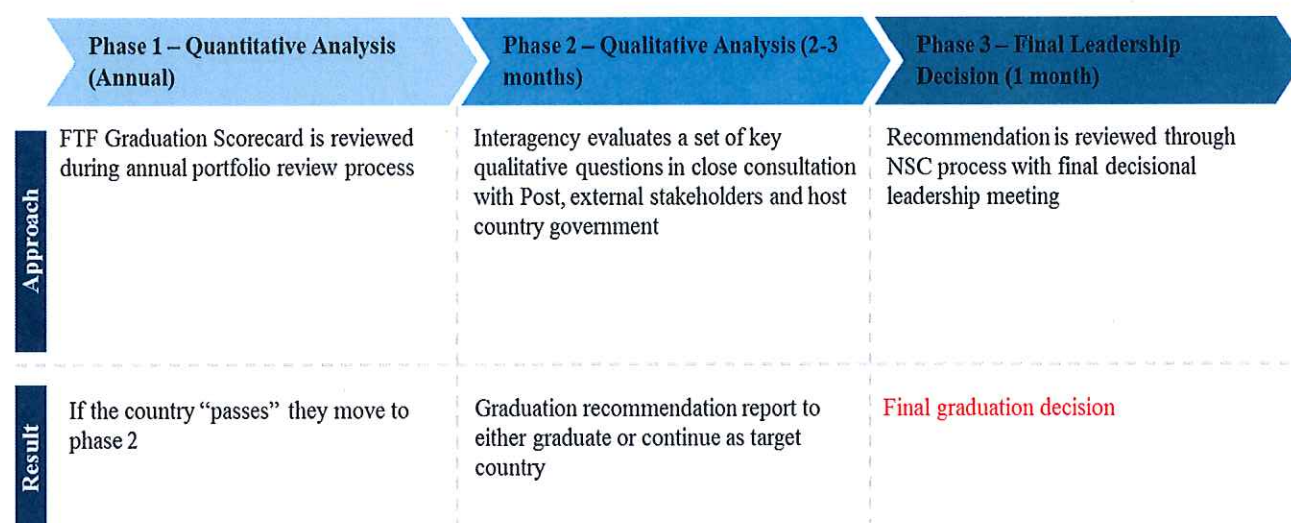
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<sup>2</sup> While Feed the Future graduation review will not apply to aligned countries, it should be noted that the U.S. Agency for International Development (USAID) will review its investments across all sectors regularly as part of the Agency’s focus on ending the need for foreign assistance through strategic transitions.

to demonstrate the level of commitment necessary to maintain their Target Country status. In such cases, the U.S. Government, led by U.S. Embassies, will develop options to encourage the host government to restore its commitment to food security and policy reform. Should the review process reveal a consistent, multi-year trend toward failure to meet a reasonable standard of partnership and commitment on the part of the host-country government, the Washington interagency may recommend rescinding Target Country status and reallocate resources elsewhere.

### Feed the Future Target Country Graduation Review Process

Following the Feed the Future graduation policy and guiding principles, the Bureau for Food Security (BFS) at USAID will lead the interagency, with input from U.S. Embassies, to implement an annual process to review Feed the Future Target Countries for graduation readiness, **beginning in FY 2019**. The graduation review process will follow a three-phase approach, not to exceed a total of roughly four months in duration:



**Quantitative Analysis - Phase 1.** During the annual Feed the Future portfolio reviews, the interagency will review a country’s graduation scorecard, which includes a set of objective, quantifiable, national-level indicators. These indicators act as proxies to a country’s development achievement, country capacity and country commitment in the context of food security. Annex 1 provides a list of the graduation-scorecard indicators, the source of the data and a brief definition.

USAID/BFS will organize the development of each country’s graduation scorecard based on the third-party indicators in Annex 1, and will provide it to U.S. Embassies to review and include as part of the annual portfolio-review process. If the quantitative indicator data show sufficient



progress over a sustained period, the Washington interagency will recommend the Target Country be evaluated further through an expanded qualitative process that incorporates a wide range of relevant information. To progress beyond Phase 1 of the review process, a Target Country must perform better than 50 percent (i.e., the median value) of its peers<sup>3</sup> across each high-level dimension while sustaining this level of achievement in each dimension for a period of no less than three years (See Annex 2 for more information on the scorecard).

During each Target Country's annual portfolio review with USAID/BFS, the interagency will review the scorecard in addition to a limited number of contextual data points put forward by U.S. Embassies in target countries. These could include, but are not limited to, data to capture a country's national poverty line, subnational and regional variation in the development-achievement data, and any other metrics to help contextualize the national-level indicators contained in the scorecard.

The scorecard will measure a country's progress toward graduation by reviewing indicators aligned to three, high-level analytical dimensions:

1. **Development Achievement**: We will evaluate progress in reducing poverty, hunger and malnutrition. Because of the importance of promoting resilience in the GFSS and the need to ensure the U.S. government can reduce the future need for humanitarian assistance, the scorecard will also evaluate trends in humanitarian need.
2. **Country commitment**: We will evaluate the host-country government's commitment to investing in food security and nutrition and policy reform through public-sector spending in the agriculture sector and the implementation of sound policies and regulations.
3. **Country capacity**: We will evaluate a host country's capacity to sustain advancements in food security by analyzing the capacity of civil society, the effectiveness of key government institutions and the growth of the country's agricultural Gross Domestic Product.

The process used to measure progress within the three dimensions will include objective, quantifiable, and publicly available third-party data sources.

**Qualitative Analysis - Phase 2.** If a country meets the criteria established for advancing past Phase 1, the interagency will collect and synthesize information to generate a **graduation recommendation report**. Given the limitations of the national-level scorecard data, specifically the significant time lags in data-collection at the national level and the lack of valid subnational statistics, the recommendation report will use a broader range of qualitative and quantitative information. Each Department and Agency will have the opportunity to review and contribute to

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<sup>3</sup> Peers are defined as all low- and low-middle- income countries as determined by the [World Bank, based on Gross National Income per capita](#).

the report, which will include a final recommendation on the country's readiness to graduate from Target Country status. Broadly, the report will seek to answer the following **key questions** to formulate a recommendation:

1. Does the host country have the institutional capacity in the public and private sectors necessary to sustain progress following graduation out of Target Country status?
2. Is the host-country government committed to maintaining progress in food security and nutrition? How is it demonstrating this commitment beyond the national-level indicators in the scorecard?
3. Does the enabling environment encourage private-sector investment in food security? Is there a functional market system that supports food security for diverse populations?
4. Has U.S. Government food-security assistance catalyzed investment from the private sector, other donors, multilateral institutions and civil society, and will this investment be sustained following graduation out of target country status?
5. Do other donors and multilateral organizations believe the country is ready to graduate out of Target Country status? What is the broad consensus of the external (i.e., non-U.S. Government) stakeholders in the country? Do they support the decision to graduate from target country status with the understanding this will result in a reduced level of investment from the U.S. Government?
6. Is there sufficient investment in, and commitment to, nutrition, water, sanitation and hygiene (WASH), gender, and cross-cutting sectors?
7. Are there compelling foreign-policy reasons to delay the decision to graduate from target country status?
8. Are there any other important issues relevant to graduate that should be considered as part of the decision process?
9. Is there adequate stewardship in the country of natural resources, including soil, water, forests and fisheries, to sustain food security, economic development and the well-being of people, animals, and ecosystems?

Because of the context of graduation, and the need to reinforce both local capacity and local commitment to sustain food-security outcomes, it is important to shift away from addressing local ownership through the lens of project-by-project implementation of externally generated solutions. For government and local actors to “sustain results,” including being able to adapt and respond to emerging and unforeseen challenges after graduation, the U.S. Embassy should seek increasing local leadership of the development process at every stage: setting priorities, designing solutions, mobilizing resources, leading the implementation of their own solutions, and using data to be transparent and accountable to their own local constituencies.

USAID/BFS will assume lead responsibility for providing templates and instructions for collecting the relevant information necessary to address the key questions and develop the



graduation recommendation report. To answer the key questions, both the U.S. Embassy and the Washington interagency will engage relevant members of the stakeholder community. The U.S. Embassy Feed the Future coordinator will assume lead responsibility for developing the graduation-recommendation report. The report will include input from the host-country government, including a discussion of any areas of disagreement between the interagency and local stakeholders. To provide support, the interagency will convene a Washington support team to conduct research, convene stakeholders and provide temporary-duty assistance to the Post as needed. Phase 2 of the review process will be completed **no later than three months** following the annual portfolio review.

If the report's recommendation is positive, Feed the Future will refer the final decision to the National Security Council (NSC) Policy Coordination Committee (PCC) process. The final report will note any irreconcilable disagreement between the interagency team at Post and the Washington interagency; however, the Washington interagency community will exercise final authority over the recommendation.

Should the recommendation report ultimately determine the country is not yet ready to graduate out of target country status, the report will include a set of specific action steps for the U.S. Embassy to help the country to achieve graduation readiness. Given the likelihood of the country to continue to meet the criteria for advancing beyond Phase 1 in subsequent annual portfolio reviews, the Embassy will track progress against the targeted action steps and provide updates during the annual portfolio reviews. The recommendation report will be amended annually as needed, but will not need to be redone each year.

**Final Decision – Phase 3.** Following the Feed the Future interagency's recommendation to graduate, the NSC will convene a PCC process to render a final leadership-level decision. If the NSC PCC affirms the interagency's recommendation to graduate, the interagency, with input from the host-country government, will develop a **graduation plan**. The NSC will convene the final decision-making meeting **no later than four months** following the portfolio review.

### **Graduation Planning**

Once the U.S. Ambassador or Chief of Mission has informed the host-country government of the decision to graduate, the Embassy will lead the development of an interagency graduation plan. The interagency, through the NSC process, may choose to establish broad parameters to guide the development of the graduation plan and the post-graduation relationship with the host government. At a minimum, the plan will outline the following:

- The budget and timeline, **recommended not to exceed two years**<sup>4</sup> from the final NSC PCC decision, for moving the country out of Target Country status;
- What, if any, food-security and nutrition programs and activities will continue following graduation, and how are these justified by the country's unique food-security characteristics;
- A brief description of how the government and local actors will sustain these results over the long term, including by leveraging local resources and increasing implementation through local actors in designing and implementing solutions to emerging challenges; during this period, U.S. Government grants should explicitly and systematically shift their implementation to local organizations;
- How the Post will continue to engage with the host-country government to support its leadership on food security and nutrition; and
- How the level of U.S. Government food-security and nutrition investment<sup>5</sup> will decline following graduation from Target Country status, and over what timeframe?

Until the transitional period is complete, the country will retain the designation of a Feed the Future Target Country.

### **Role of U.S. Embassies in Target Countries**

The Washington interagency, led by USAID/BFS, will assume primary responsibility for managing and facilitating the Target Country graduation-review process. Graduation review will be an integral part of the annual portfolio-review process, and USAID/BFS will populate the Phase 1 scorecard and share it with U.S. Embassies in advance of the portfolio-review discussions for their feedback. Interagency teams at U.S. Embassies will review the scorecard and share their feedback to help the Washington interagency understand the wider context and conditions related to the long-term graduation outlook of the country.

Should the country advance to Phase 2 of the strategic review process, the Feed the Future coordinator at the U.S. Embassy, with substantial support from a Washington support team, will take the lead in organizing and developing a detailed graduation recommendation report to assess whether or not the country is ready to graduate from Target Country status. If the report recommends in favor of graduation, USAID/BFS will work with the NSC to convene a decisional PCC meeting to render a final graduation decision.

Given the potential long-term diplomatic and budgetary implications of graduation, the interagency, through U.S. Embassies, will regularly engage with host-country governments to

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<sup>4</sup> The interagency recognizes that in certain instances this timeline will be extended, depending on the status of ongoing programming and pre-existing financial commitments.

<sup>5</sup> Funding decisions for USAID Global Health nutrition programs are subject to programmatic and budgetary planning processes to achieve the Administration's goals of Preventing Maternal and Child Deaths.

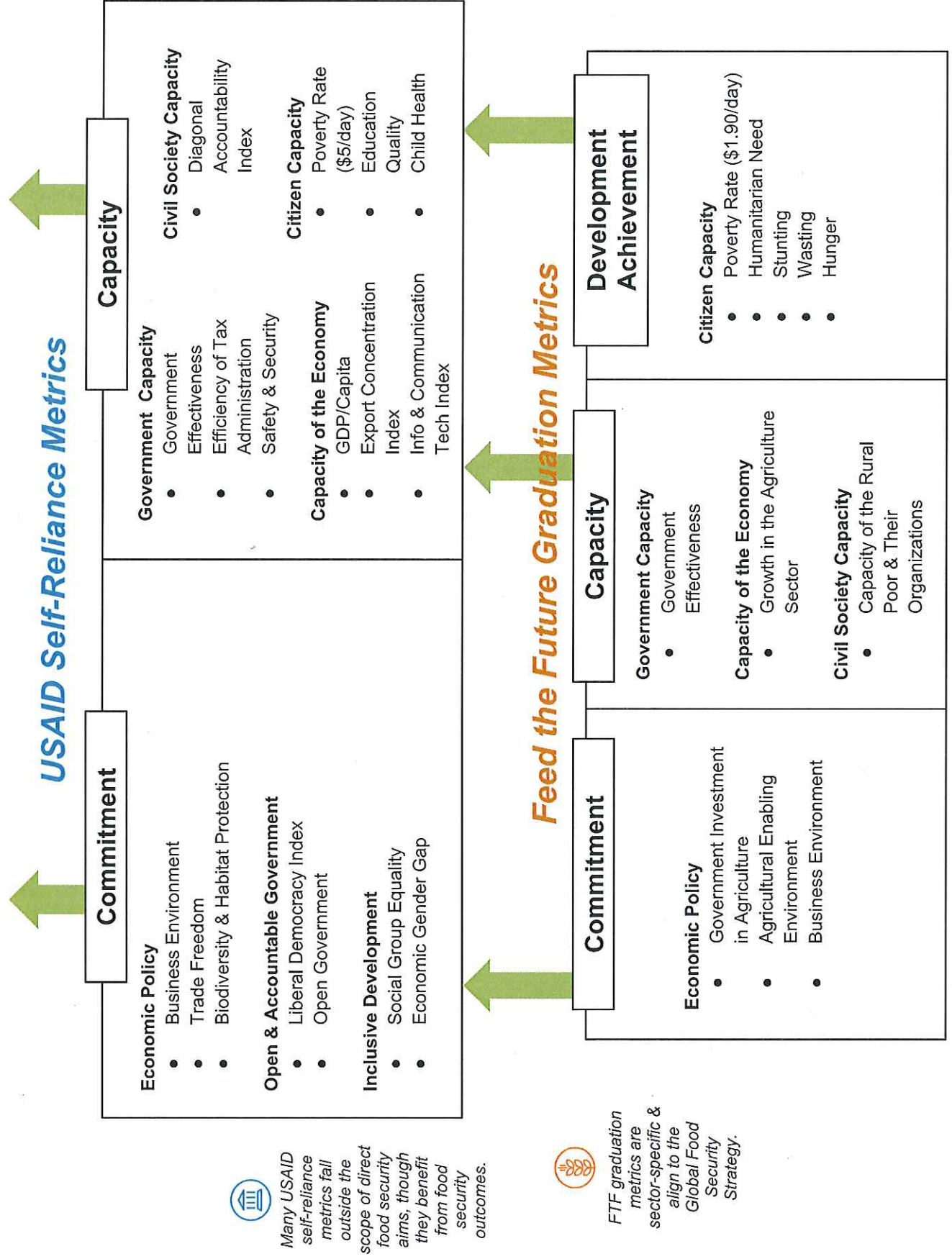
solicit input, provide updates and pursue joint planning. The Embassies should also share the annual results of the graduation scorecard with the host-country governments, and solicit their input. U.S. Embassies will lead all engagement with host-country governments, with input from Washington. If Feed the Future makes the decision to graduate a country, the U.S. Embassy should present this to the host country as a positive step that represents significant progress in the country's development journey we should jointly celebrate.

### **Future Updates**

The interagency views the Feed the Future Target Country Graduation Policy and Review Process to be a living document, and will review it each year to determine whether to make changes based on lessons learned, external feedback and other relevant policy considerations. This and all successive versions will be posted publicly on the Feed the Future website.



# Journey to Self-Reliance: Sector Spotlight on Food Security



Many USAID self-reliance metrics fall outside the scope of direct food security aims, though they benefit from food security outcomes.



As capacity & commitment increase, so does self-reliance. FTF graduation drives progress toward self-reliance.



FTF graduation metrics are sector-specific & align to the Global Food Security Strategy.



FTF measures impact on extreme poverty.

## Notes to accompany the Journey to Self-Reliance: Sector Spotlight on Food Security Infographic

Feed the Future graduation metrics are specific to the food security sector and align with the core tenets of the GFSA. They measure the contributions of Feed the Future Target Country programs toward overall USAID Self-Reliance metrics.

### Key Points:

- USAID has 17 metrics, FTF has 11. This reflects FTF's focus on the food security sector and the fact that its metrics also support the Global Food Security Act and align with an interagency process to develop a graduation approach for FTF target countries.
- Many of Feed the Future's indicators relate to the rural/agriculture sector. However, FTF does use the same metrics for government effectiveness and business environment (World Bank Worldwide Governance and Legatum Prosperity Index, respectively).
- Feed the Future metric groupings align with USAID's in all but two categories, which fall outside the direct scope of direct food security interventions. However, they are indirectly bolstered by progress made through Feed the Future.
- Feed the Future has organized its metrics into a framework of three dimensions, which align with USAID's overall framework of capacity and commitment. As capacity and commitment increase, so does self-reliance.

### Commitment:

- FTF uses economic policy as the primary expression of commitment in the context of food security.
- We use the same indicator as USAID for Business Environment (the Legatum Prosperity Index) to complement the additional two, food security-focused metrics.
- FTF promotes trade. The Agricultural Enabling Environment metric measures the regulatory and policy environment as it relates to trade.
- FTF indirectly impacts the Open & Accountable Government and Inclusive Development metric sub dimensions.

### Capacity:

- FTF uses the same metric as USAID for Government Effectiveness (World Bank Worldwide Governance Indicators) as a proxy for whether governments rely on evidence-based policymaking and have the capacity to implement policy decisions relevant to food security and related areas.
- The two additional USAID metrics (Efficiency of Tax Administration, Safety & Security) do not fall within the direct scope of FTF.

### Development Achievement:

- FTF includes a third dimension in its graduation framework for Development Achievement, which includes metrics that align with USAID's Citizen Capacity grouping.
- The interagency feels this separate dimension is needed to highlight the importance of key Feed the Future development outcomes which together respond to the goal of the GFSS to sustainably reduce global hunger, poverty and malnutrition. Combining these development achievement metrics with the metrics in the capacity dimension may be interpreted by key stakeholders as an effort deemphasize their importance.