

**A CALL TO ACTION ON FOOD SECURITY: A PROGRESS REPORT ON THE
ADMINISTRATION'S GLOBAL STRATEGY**

Statement by

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Subcommittee on Africa and Global Health**

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Mr. Chairman, Ranking Member and Members of the Sub-Committee:

Thank you for this opportunity to testify about the Administration's food security initiative and recommendations for the strategy going forward. I represent the Partnership to Cut Hunger and Poverty in Africa ("the Partnership"), a nongovernmental organization which was founded in 2001 by four African Presidents, former USAID Administrator Peter McPherson, former Cong. Lee Hamilton (former Chair, House Committee on Foreign Affairs), Senator Robert Dole, Rev. David Beckmann and others.

The Partnership is committed to analysis, dialogue, and advocacy to significantly increase the level and effectiveness of U.S. public assistance and private investment to strengthen African agricultural and rural development. For millennia, agriculture provided the foundation for economic well-being and growth worldwide, and it has reemerged today as the key driver of strategies to sustainably reduce poverty and hunger in rural Africa, where 70% of Africa's population lives and works. This recognition is grounded in the great potential of Africa's vast land and creative people to produce not only an abundance of food but genuine wealth through modern, market-oriented agriculture and agribusiness.

These are the key points of my statement:

- The new leadership on global food security from the Administration and Congress is impressive, promising a significant expansion of funding to catalyze agricultural development in developing countries;
- The Administration's proposed "demand-driven" approach is very positive, would align US investments with country-determined priorities and investments of other donors, and should be expanded to include regional and sub-regional organizations. It will be important to instill in US law the "presumption" that recipients are responsible for setting their priorities for achieving food security and agricultural development;

- Funding and implementation flexibility can be maximized through the creation of a “Food Security Fund” in the U.S.;
- U.S programs ought to place a high priority on local capacity and institution-building , and adopt a results-oriented, learning approach;
- A number of questions remain about supporting the implementation of the food security initiative in Washington and in US country/regional offices; and
- Successful implementation of a country-and region-driven food security initiative can lead the way toward larger foreign assistance reforms.

Introduction

In our 2005 report, *Investing in Africa’s Future: U.S. Agricultural Development Assistance for Sub-Saharan Africa*, the Partnership to Cut Hunger and Poverty found that the U.S. policy commitment to African agriculture during 2000-2004 was not matched by increased U.S. assistance, with overall funding through bilateral and multilateral channels essentially flat at \$500 million annually. The report also documented how earmarks and other Congressional constraints on the bilateral U.S. assistance program, especially the major program elements administered by the U.S. Agency for International Development (USAID), resulted in fragmentation of U.S. efforts and poor alignment with African strategies and priorities.

Much has changed since 2005. The Millennium Challenge Corporation (MCC) entered into its first compacts in 2005 and is now a major funder of large-scale African projects, which have been designed by Africans to support their development strategies and typically center on agriculture.

The global food price crisis beginning in 2008 galvanized the international community around the challenge of reducing global hunger and food insecurity, leading to the commitment of \$20 billion by international donors, led by President Obama, at the L’Aquila G8 Summit in July 2009. As part of this commitment, President Obama pledged to double U.S. agricultural development assistance, with Africa as a primary intended beneficiary, and subsequently submitted to Congress a proposed 2010 budget making good on his pledge.

More change is coming as Congress considers the Global Food Security Act of 2009 (S.384 and H.R. 3077), which calls for a comprehensive, whole-of-government strategy for tackling food security, with sustainable agricultural development at the heart of the strategy. The bill, developed by Senators Richard Lugar and Robert Casey, with corresponding legislation introduced in the House of Representatives by Cong. Betty McCollum, would establish a leadership focal point in the White House, make USAID the lead implementing agency, and authorize add-on appropriations to support the effort, which would reach \$2.5 billion in 2014.

And, in September 2009, Secretary of State Clinton released a draft global hunger and food security initiative which responds to the challenges identified by the U.S. Congress and is based on the principles established at L'Aquila.¹

The new leadership from the Administration and Congress to address global food security issues is impressive. Six key points about the new food security initiative, including recommendations going forward, are elaborated in the following sections.

Significant expansion of funding²

During 2005-2008, U.S. agricultural development assistance for sub-Saharan Africa grew significantly, from an estimated \$657 million in 2005 to \$1.1 billion in 2008³, when all bilateral and multilateral channels are considered. This gain in U.S. assistance is attributable primarily to the launch of the Millennium Challenge Corporation and its entering into compacts that respond to the African demand for investments that foster sustainable agricultural growth and poverty reduction. In 2008, MCC surpassed USAID as the largest single source of U.S. agricultural development assistance in Africa. MCC funding for agriculture-related projects in Africa increased from zero in 2004 to \$381.3 million in 2008.

USAID funding remained essentially flat in absolute terms during 2005-2008 around an average annual level of \$292 million. However, USAID appears headed in 2009 and 2010 for significant increases in funding for agricultural development assistance in Africa. The 2010 Congressional Budget Justification estimates the 2009 funding level of Africa Bureau-managed assistance for agriculture alone to have risen sharply to \$521 million, due in large part to the supplemental 2009 DA funding provided in response to the global food price crisis. The President's budget request for 2010 included \$658 million in Development Assistance, Economic Support Fund and PL 480 Title II funding for the Agriculture Program in Africa.

These increases are significant and important. However, even with projected increases in 2009 and 2010, U.S. agriculture funding for Africa remains a relatively small fraction of U.S. assistance globally and within Africa, and continues to lag far behind health funding. In 2008, agriculture programming for Africa was 0.8% of global U.S. foreign assistance and 3% of the U.S. assistance for Africa managed by USAID and the State Department. Even with the significant increase requested for 2010, agriculture programming for Africa would be just 1.8% of global U.S. overseas development assistance and less than 10% of assistance for Africa. Due largely to the significant and

¹ The L'Aquila principles are: adopt a comprehensive approach to food security that focuses on advancing agriculture-led growth, reducing under-nutrition, and increasing the impact of humanitarian assistance; invest in country-led plans; strengthen strategic coordination – globally, regionally, and locally; leverage the benefits of multilateral institutions; and deliver on a sustained and accountable commitment.

² This section draws on Taylor, Michael R. with David Shiferaw 2009. *Supporting Africa's Strategy for Reducing Rural Poverty: U.S. Agricultural Development Assistance 2005-2008*. Partnership to Cut Hunger and Poverty in Africa, October 21, Washington, D.C. (downloadable at www.partnership-africa.org)

³ Current dollars.

important U.S. funding to fight HIV/AIDS in Africa, the Health program area received 59% of USAID/State-managed assistance for Africa in 2008 and would receive 67% under the 2010 budget request.

But availability of resources is not the end of the story; it is simply the beginning. To turn a commitment to improving food security into reality, it is necessary to work with communities across Africa to increase access to supplies of improved seeds, to enable scientists to identify the pests that are ravaging the crops and breed more resistant varieties, to build the rural roads that reduce the costs of getting surplus produce to markets, and to educate promising young high school and university students in the skills they need to run successful agribusinesses. How are these priorities and programs to be identified? How can donor resources supply the spark that will feed the energy of hundreds of African organizations, individuals, or families in solving the problems for themselves that are now making them food-insecure? For this to happen, foreign assistance programming must be demand-driven.

A demand-driven, coordinated approach

Development experience has demonstrated that this kind of partnership is critical. Local partners – governments, agribusinesses, communities, farmers -- need to be involved, committed, and capable of both leading and carrying through on the agreed-upon action agenda. Embracing a “demand-driven” approach to improving food security in sub-Saharan Africa will enable the United States and its bilateral and multilateral partners to focus and coordinate their resources and to translate their commitments into actions sustained by the Africans we are attempting to assist

The challenge of providing development assistance that is responsive to country-defined needs lies at the heart of the Paris Declaration and the Accra Agenda for Action. The US, in implementing its new food security commitment, has an important opportunity to develop and test innovative mechanisms in this regard: a Food Security Fund that would provide flexibility in shaping Food Security agreements with partner-countries and regional organizations. These demand-driven instruments can be employed to test and demonstrate the benefits of critical broader foreign assistance reforms.

Decision-making with regard to the allocation of foreign aid has traditionally been the prerogative of the donor. Donor countries and organizations act as investors, determining the total amount of funding that will be made available, its allocation to specific countries or programs, the way in which the funds are managed, the kinds of results or impacts that are expected, and who implements the programs. Clearly, recipient countries and organizations are involved in the process. National governments must concur in the programs and, often, partner in their implementation. But many donors also partner directly with nongovernmental organizations, private sector actors, or public/private organizations that share a commitment to a given objective – whether expanding access to microfinance, training scientists, or building sustainable export markets. And donors

can channel resources to multilateral organizations, increasing the reach of the organization and the supply of assistance available.

Donor decision-making, though, is rarely a transparent or simple process. Despite “consultations” the final program is rarely country-owned. In the US, prolonged negotiations are undertaken each year between the Administration and Congress, as well as within Congress, to structure the foreign assistance budget and direct its implementation. The US government employs a diversity of mechanisms to implement its foreign assistance programs: the U.S. Agency for International Development, the Millennium Challenge Corporation, the U.S. Department of Agriculture, the Office of the US Trade Representative, the Department of the Treasury, and the Department of State – not to mention the Overseas Private Investment Corporation, the Export-Import Bank of the United States, US Trade and Development Agency, and the Department of Defense.

Further, the USG enters into agreements for program implementation with colleges and universities, nongovernmental organizations, private businesses, and not-for-profit firms using a dizzying array of contracting and granting mechanisms. And the USG makes substantial contributions to multilateral organizations and trust fund mechanisms. The allocation of resources – both financial and staff resources – among all these organizations plays a crucial role in their ability to pursue successfully the goals that are set in Washington.

Instill in US law the “presumption” that recipients are responsible for setting their priorities

The essence of a demand-driven, more coordinated and streamlined approach is that the United States must make a strong “presumption” – backed by US law – that the recipient country or region will appropriately determine the priorities for achieving food security and agricultural development on the ground and that, in working alongside, the United States will contribute to their realization.

Make food security assistance available to regional and sub-regional organizations

The African Union, through its New Partnership for Africa’s Development (NEPAD), has allocated an important role to regional and sub-regional organizations, recognizing that accelerating Africa’s agricultural and economic growth will depend on effective regional integration of markets, trade and supporting institutions. The US should formally adopt a policy supporting regional economic integration in sub-Saharan Africa, and give priority to the development of regional, as well as bilateral, investments. Such scaled-up investments, to organizations such as the Common Market for East and Southern Africa (COMESA), the Economic Community of West African States (ECOWAS), and the Southern African Development Community (SADC), among others, could strengthen transport and communication infrastructure, accelerate regulatory harmonization and enforcement, and build regional agricultural research, extension and training capacity.

Maximize funding and implementation flexibility through the creation of a “Food Security Fund”

Currently, the “stovepiping” of programs, rigid separation of funding accounts, and complex systems for selecting contract or grantee organizations to lead implementation constrain the US government’s ability to respond to priorities or changing conditions or capacities of partner countries and regions. Food security programs are now funded and implemented through a complex array of mechanisms: USAID-managed Title II food aid programs, Development Assistance, Economic and Security Funds, International Disaster and Famine Assistance program; the MCC Country Compacts, and USDA’s Food for Progress and McGovern Dole International Food for Education and Child Nutrition programs. Each of these mechanisms has its own rules, procedures, and implementation modalities.

Alternatively, a single Congressionally-mandated U.S. “Food Security Fund” could cut through this maze. The Fund could be tapped for the unique mix of assistance appropriate for each nation or region, allowing the U.S. to respond to country priorities and to changing realities on the ground. The “Food Security Fund” would ideally be similar to the former Development Fund for Africa, without separate sub-accounts by sector and with multiyear (or “no year”) spending authority. The Fund would emphasize administrative and Congressional oversight through independent monitoring and evaluation systems and audits, instead of imposing detailed requirements for assistance that respond more to US interests than to recipients’ needs and priorities. The Food Security Fund would be an “umbrella” authority that both coordinates and allows flexibility in how various food security funding mechanisms are used to achieve the food security objectives defined at country and regional levels.

Place a high priority on African local capacity and institution-building

To deepen the effectiveness of the demand-driven approach, the US food security initiative should place more emphasis on using and strengthening African local capacity and institutions, underscoring the long-term commitment to strengthening the foundation for sustained agricultural development and food security at country and regional levels. Thus, among the areas eligible for inclusion for funding would be strengthening national and regional institutions related to agriculture and rural development, including ministries of agriculture, research and extension systems, universities and polytechnics, statistical agencies and capacities for policy analysis within and outside the government. This could include, for example, assistance to strengthen local and regional food security information gathering, analytical and reporting capacity. Similarly, assistance could support the development of private sector capacity in agriculture, agribusiness, and food technology and safety.

Actions by the USG and its local partners, in implementing the food security initiative, would set strong incentives for contractors and grantees to contribute to building the capacity of local staff and institutions in both public and private sectors. There should

also be explicit targets for an increasing proportion of technical assistance to be delivered by Africa-based firms and non-profit organizations over time.

Implement a results-oriented, transparent, learning approach

The food security initiative investments should also include funding to strengthen institutional capacity at national and regional levels for implementation of monitoring and evaluation (M&E) systems, and provide sufficient funding for such M&E capacity building and activity. Partners would design and fund comprehensive gender-sensitive monitoring and evaluation systems, including impact evaluation systems and measures, build the capacity of local partners and institutions to design and manage M&E programs themselves, and ensure a learning process to extract lessons learned and best practices.

Supporting the implementation of the food security initiative in Washington and in US country/regional offices

US efforts on food security will be complex, multisectoral, and long-term. Investing in country- and region-led food security plans will require action on a number of fronts simultaneously. The diversity of current USG assistance approaches is both a strength and a weakness. It implies the potential for responding with depth and expertise to a number of issues in a variety of sectors. It also implies competing interests among agencies and their various performers, clashing organizational cultures, competition for resources and influence, and uncoordinated implementation.

Building and sustaining a Washington team dedicated to food security – reflecting the whole-of-government – is critical to translating commitment into action efficiently and effectively. This team must develop and share a vision of global food security and supervise the allocation of the tasks to be accomplished to those best placed to implement them.

Many questions remain to be answered:

- Will, as proposed under the Global Food Security Act, USAID take the interagency lead in coordinating a whole-of-government approach to food security, and in consultation with the international donor and NGO communities?
- Is the current structure of the centralized foreign assistance budgeting system under State's Deputy Secretary consistent with a decentralized, participatory, flexible and innovative approach to food security or must it be modified?
- Are the Administration and Congress committed to a long-term process of rebuilding the human capital and basic planning/operating systems of USAID and other important US foreign assistance institutions?
- How will US food security funding for country- and region-led investments mesh with other bilateral and multilateral food security initiatives, such as the Global Partnership for Food Security, or initiatives by UN organizations such as IFAD and the World Bank?

- Might it make sense to reestablish the U.S. Food Security Advisory Committee with clearly defined responsibilities for advising, monitoring, and assessing the development and implementation of the US Food Security Initiative?

Building US teams at the country level – or in support of regional and sub-regional organizations – is equally important. The plethora of USG or US-funded organizations working at the country/regional level has created confusion, competition, and inefficiencies in programs. There must be a designated “Food Security Point” at the country/regional level with authority for coordinating USG food security-related efforts across agencies, and who functions as a “one-stop shop” for national and regional food security partners. Again, many questions must be addressed:

- At the country and regional levels, will the White House/NSC and the State Department designate USAID to lead, with the Ambassador, USG interagency implementation of the Food Security Initiative, and to lead US consultations with the international donor/NGO communities to help define areas and countries where the US can make major contributions to food security? Whatever decisions are made, the designated agency or agencies must augment staff rapidly in order to exercise the necessary leadership at the field level in areas relevant to food security, from markets to research to rural infrastructure and rural financial services.
- What are the appropriate roles for non-lead agencies in individual countries/regions which nevertheless have a significant presence? For example, what role should the Millennium Challenge Corporation (MCC) play in country- and region-led food security investment plans? Many of the MCC Compacts include components that relate to agriculture and rural development, even in countries where USAID is simultaneously supporting agricultural programs. What are appropriate roles for USDA and other key USG public and private organizations represented at the country level or in regional organizations?
- Are there innovative contracting/grant instruments and approaches that would enable USAID and other agencies to quickly fill technical and other staffing gaps that are likely to hinder effective planning and management of new Food Security Initiative programs?
- What other measures might develop the skills and capabilities of country/regional organization based teams regarding implementation of the “demand-driven” food security programs? The magnitude of the effort contemplated implies that it will be essential to design and begin delivery in all available forums (training classes, web-based interactive training, director and technical staff conferences, etc.) sensitization and training for all permanent and contract staff (including all involved national staff) that lays out key principles behind the food security initiative, provides a roadmap for implementation in a decentralized mode, and presents the full range of flexibility in funding, planning, procedures for program approval, modes of assistance, and implementation instruments (contracts and grants) provided by administrative and legislative decision.

Successful implementation of a country-and region-driven food security initiative can lead the way toward larger foreign assistance reforms

The demand-driven food security initiative can be employed to test and demonstrate the benefits of broader foreign assistance reforms. The three most critical to replicating a demand-driven, coordinated approach are:

- Developing new approaches to strategic planning for country-level assistance and expanding those approaches to encompass assistance at the regional or sub-regional level;
- Establishing a collaborative learning environment that engages host country governments, communities, and other implementing partners as well as USG and US-funded organizations. Strong monitoring and evaluation systems that share results transparently and routinely are essential to generating the knowledge base for continual improvement of policy and practice;
- Testing the functionality of new partnership and ownership models as State and USAID move to lead both a whole-of-government approach to food security, undertake a broadly-consultative process in-country and with regional organizations, and expand outreach to international donors and multilateral organizations.

This is a dynamic time and a time of remarkable opportunity for U.S. efforts to support agricultural development and food security in Africa and globally. The strong commitment of President Obama and Congress to boosting agricultural assistance as a key element of achieving sustainable food security promises further progress.

The challenges now lie, more than ever, on the policy front, where hard work is needed to ensure that U.S. resources, combined with resources from other sources, provide maximum benefit to developing country farmers and citizens.