Statement to the UN ECOSOC Special Event on the Food Crisis in Africa
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Mr. President, Your Excellencies, Distinguished Panel Members and Participants in this important Special Event on the Food Crisis in Africa:

I am the Executive Director of the Partnership to Cut Hunger and Poverty in Africa, an independent US-Africa coalition founded in 2001 by then-President of Mali and now African Union Commission Chair Alpha Konaré; the Presidents of Ghana, Mozambique and Uganda; former USAID Administrator Peter McPherson, former Cong. Lee Hamilton, and Senator Robert Dole. The Partnership is today a broad coalition of public and private organizations advocating for more, and more effective, investment in Africa's agriculture and rural sectors. Partnership members are committed to making significant and sustained progress on hunger and poverty through boosting incomes in the rural areas where 70% of Africa's population lives and works.

We are very pleased to take part in this Special Event on the "Food Crisis in Africa" and to comment on the role of public and private partnerships in raising the level and effectiveness of investments in Africa's agriculture and rural sectors.

My distinguished colleagues have laid out an important set of challenges for us over the coming year in meeting compelling humanitarian crises across Africa. What I would like to discuss is how we, as international partners, can work together better to ensure that we **also** devote enough effort and resources to averting future food crises, by addressing the important root causes of such failures today.

Level of assistance for agriculture and rural development in Africa

Last month the Partnership released the results of a Rockefeller Foundation-funded analysis of U.S. assistance for African agricultural development[1]. My colleague on that study, Michael Taylor of the University of Maryland, has also recently completed a broader study of OECD support for rural and agricultural development in developing countries.[2]

The good news emerging from both studies is the broad consensus that higher levels of growth-oriented investment in agriculture and rural development, including external assistance, are required to address rural poverty in sub-Saharan Africa. In fact, never before has the opportunity been so great to construct a foundation for sustainable economic growth in Africa. At their July 2003 African Union Summit in Maputo, African heads of state endorsed the Comprehensive African Agriculture Development Programme (CAADP) developed by the New Partnership for Africa's Development (NEPAD). They also pledged to allocate 10% of their national budgetary resources to agriculture based on their conclusion that "agriculture must be the engine for overall economic growth in Africa." The United Nations has made eradication of extreme poverty and hunger the first of the Millennium Development Goals and called specifically for public investment in such areas as agricultural research, extension, and

[1] *Investing in Africa's Future: U.S. Agricultural Development Assistance for sub-Saharan Africa* by Michael R. Taylor and Julie A. Howard. September 2005. Executive Summary and Full Report may be downloaded at www.africanhunger.org.

[2] *Making Aid Effective for the World's Rural Poor: Progress, Obstacles, and Seven Hard Choices* by Michael R. Taylor (in draft). Contact: mtaylor@epi.umaryland.edu.

market infrastructure. USAID Administrator Natsios and other bilateral and multilateral agency leaders, including the new President of the World Bank, Paul Wolfowitz, have also strongly endorsed a renewed focus on agriculture-led economic growth strategies to combat poverty.

But there is a large gap between this policy-level embrace of agriculture-led economic growth in Africa and the actual investments to make it happen. Levels of growth-oriented assistance lag badly behind recent increases in assistance for health and education. United States assistance to agriculture, for example, has grown only by an estimated 2% in real terms since 2000. The United States spent approximately $514 million in agricultural development assistance for Africa in 2004, compared to $459 million in 2000. By contrast, USAID Bureau for Africa health funding alone grew by 61% during the same period, from $295 million in 2000 to $474 million in 2004. And billions more have been pledged as part of the president's five-year, $15-billion commitment to HIV/AIDS and other health initiatives.

The trend in OECD spending on agriculture and rural development worldwide is similar. While bilateral assistance from OECD countries grew by 74% from 2000-03 and absolute agriculture-related ODA gained by 20%, the **share** of agriculture-related assistance in overall development assistance actually declined, from 13% to 9%. By contrast, health-related bilateral ODA for LDCs grew by 115% in the same period and ODA for education increased by 77%.

While increased expenditures for health and education are important, agricultural development cannot be allowed to drop off the radar screen. Food, health and education are all high priorities and highly interdependent. Without adequate food, people will never be healthy and children will not be prepared to learn. And without growing their rural economies, African nations will always be reliant on external assistance to sustain their health and education systems.

There is a critical need for partners to be much more aggressive on the issues of funding levels, and the balance of assistance for social services relative to economic growth. We must be more effective in engaging our respective finance, foreign affairs ministries and aid agencies to spell out the consequences of neglecting to invest in Africa's broad-based economic growth. This includes the increasingly possible scenario of an accelerating cycle of food shortages and humanitarian crises that will continue to sap African lives and spirits along with the continent's economic potential.

Increasing aid effectiveness

But clearly more than increased levels of assistance and better balance between economic growth and social spending are needed. Dramatic improvements in aid effectiveness are also required.

Two findings in particular from our study of U.S. assistance to African agriculture resonate more broadly in the general discussion of aid effectiveness.

First, donor-imposed restrictions on assistance dramatically reduce the capacity of assistance to respond to local needs, undermining local ownership of the development process. In the case of the U.S., strong Congressional earmarks direct how at least 90% of USAID's key Development Assistance account must be spent. These include earmarks for trade capacity, micro-enterprise, biodiversity, and plant biotechnology. These are important areas in general for agricultural development but may not match specific country priorities. And assistance that is tied to U.S. vendors, including the requirement that food aid be delivered in kind and via U.S. ships, increases the cost of assistance, further diminishes local control of the development process and frustrates efforts to develop local markets and capacity.

Second, we are all aware that the extreme fragmentation of development assistance project portfolios spreads aid resources very thin while absorbing a disproportionate amount of donor and recipient country administrative capacity. In the U.S. case, USAID

Africa Bureau agriculture assistance averages only $6 million per country per year. This country-level funding is then further subdivided among multiple contractors and grantees. Country efforts are not coordinated well with regional programs, programs of other U.S. agencies or other donors. The result is a large number of relatively small, separately managed projects. From our discussions with country partners in Africa, we know that the problems of tied assistance and fragmentation are not limited to U.S. programs but are pervasive.

Role of public and private partners in increasing aid effectiveness

We have an important new tool to help increase aid effectiveness. In March 2005, the Paris Declaration on Aid Effectiveness was embraced by 91 donors and developing countries. The Declaration contains a comprehensive statement of commitments to change practices in order to make aid more effective. At the core of the declaration are five clear principles:

Ownership – Partner countries should exercise effective leadership over their development policies and strategies and coordinate development actions

Alignment – Donors should base their overall support on partner countries' national development strategies, institutions and procedures

Harmonization – Donor actions must be more harmonized, transparent and collectively effective

Managing for Results – Both donors and recipients should manage resources and improve decision-making for results

Mutual Accountability – Donors and partners are mutually accountable for development results

We in the Partnership would like to work with other public and private sector partners to raise awareness about this important agreement and push for its very rapid implementation.

In the short-run, even within the current framework of donor assistance, it is within our means to do much more to improve aid effectiveness than we are doing today. Fundamentally this must be about individual donors and multilateral agencies resolving to work together as a team with country leaders, and changing from a donor-driven to a country-led paradigm -- a case and a country at a time.

Mr. President, I want to close by relaying a concern and a question about the potential role of the United Nations agencies with regard to agricultural development. In private discussions I find our partner members in the U.S. and in Africa increasingly worried about the priority accorded to the Millennium Village concept and the absence of high-level discussion about the relative merits of this model against the historical program experiences of many United Nations development agencies and other agencies. The Villages have raised the media profile of African development in a very important way. But U.S. and African public and private sector experts worry that the simple message that infusions of resources targeted locally will solve development problems glosses over some very hard lessons learned with integrated rural development and similar approaches over the past 30+ years. Giving away free seeds, fertilizer, health care and education at the village level provides dramatic results in the short term but quickly proves unsustainable without the larger set of public investments and without consideration about how to engage the private sector. How will services be paid for and who will provide them in the future? In Zambia, Malawi, Mozambique and elsewhere prolonged distribution of free agricultural inputs and services has significantly damaged the incentive for private sector providers to enter the market. There are concerns, too, that the approach takes badly needed attention away from the big-ticket, less glamorous items for which public investment is desperately needed – infrastructure, institution building, improving governance, capacity building. Mr. President, we regard these as important questions and hope that they might merit further discussion at the highest levels.