INVESTING IN AFRICA'S FUTURE: U.S. AGRICULTURAL DEVELOPMENT ASSISTANCE FOR SUB-SAHARAN AFRICA

FINAL REPORT—SEPTEMBER 2005

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Investing in Africa's Future

U.S. Agricultural Development Assistance for Sub-Saharan Africa

—Final Report, September 12, 2005—

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Disclaimer

Executive Summary

Never before has the divide between the world's rich and poor been more glaring. The problems are particularly acute in sub-Saharan Africa, where nearly half of the region's 700 million people live on less than one dollar a day and a third lack basic food security. And sub-Saharan Africa's situation is deteriorating: It is the only region of the world where poverty and hunger are projected to increase over the next two decades unless major new investments are made.

Agricultural development is a critical catalyst for economic growth and poverty reduction in sub-Saharan Africa. Three-quarters of the population lives and works in rural areas and for every $1 generated through agricultural production, economic linkages add another $3 to the rural economy.

External assistance for African agriculture has ebbed and flowed since the 1960s, but agriculture's central role in development regained prominence in the late 1990s as the global community focused on the persistent problems of poverty and hunger in Africa. Its role is emphasized in the Rome Declaration on World Food Security (FAO 1996), in the U.N. Millennium Development Project, and in the poverty-reduction strategies of a host of African governments and international development institutions.

From the beginning of his tenure in 2001 as administrator of the U.S. Agency for International Development (USAID), Andrew S. Natsios stressed the central role of agriculture in USAID's development strategy and called for increased assistance:

> Without economic growth and food security, no development effort is sustainable. We will increase support for economic growth and agriculture programs that reduce poverty and hunger, while finding better ways to mobilize and partner with the private sector. (Natsios 2001)

What Is Agricultural Development Assistance?

The traditional understanding of agricultural development assistance focuses on improving productivity on the farm. However, approaches have changed. This report takes a broad contemporary view and construes agricultural development assistance to include the wide range of investments and activities that contribute to the ability of agriculture to foster rural economic development and reduce poverty and hunger in Africa. It includes natural resources management and the many other activities that contribute to improved productivity on the farm as well as efforts to create an enabling policy and institutional environment for African agriculture (ranging from improved land tenure systems to liberalized trade rules to applied agricultural research), develop markets for agricultural inputs and outputs, build rural roads and other physical infrastructure necessary for market access, facilitate rural employment through agribusiness and value-added processing of agricultural commodities, and build agricultural export capacity and opportunity.

The Purpose of This Report

This report examines the complex system through which the United States provides assistance to African agriculture, whether the United States has significantly increased its assistance since 2000, and features of how U.S. assistance is delivered that affect its impact on the ground in Africa. The purpose for providing this information is forward-looking. 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 developed by the New Partnership for Africa's Development (NEPAD). They also pledged to allocate 10% of their national budgetary resources to its implementation based on their conclusion that "agriculture-led development is fundamental to cutting hunger, reducing poverty … agriculture must be the engine for overall economic growth in Africa" (NEPAD 2002, 9).

In collaboration with Africans and other donors, the United States has a critical role to play in devising and implementing an effective public investment strategy to foster agriculture-led economic growth. For U.S. agricultural development assistance programs in Africa to make progress, however, the starting point must be well understood. In this report, we attempt to provide that understanding.

Scope, Methods, Organization, and Findings

Specifically, the report seeks to:

- define agricultural development assistance;
- summarize the policy-level commitments to African agriculture made by U.S., African, and other world leaders and organizations;
- document levels and trends in U.S. assistance to African agriculture;
- describe the system of institutions and funding mechanisms through which U.S. assistance is provided;
- analyze how political and governance features of the U.S. aid system influence the effectiveness of U.S. assistance based on country studies of U.S. assistance in Ghana, Mali, Mozambique, and Uganda; and
- present conclusions and recommendations concerning U.S. agricultural development assistance for sub-Saharan Africa based on the research conducted for this report to stimulate thought and debate within the policy and stakeholder community working to improve the U.S. assistance program and the contribution agriculture can make to poverty and hunger reduction in Africa.

The report is based on an extensive review of publicly available documents on the budgets and programs of agencies involved in agricultural development assistance and on interviews and information provided by dozens of people in those agencies and the surrounding community of experts and stakeholders in the United States. The research included a data-gathering trip to Ghana, Mali, Mozambique, and Uganda and meetings with a broad cross section of knowledgeable people in those countries. In addition, we issued an interim version of the report in April 2005 and convened a workshop to stimulate comment and subsequently benefited from important new information on USAID's budget and new perspectives on other issues. Many of these have been included in this final report, though some went beyond the scope of the report.

The final report contains five chapters. In Chapter 1, we document the new recognition of how agriculture can contribute to economic growth and poverty reduction in Africa. In Chapter

2, we describe the institutional and policy landscape within which U.S. assistance for African agriculture occurs. In Chapter 3, we document current funding levels and trends in U.S. assistance through all channels. Chapter 4 distills lessons and observations drawn from the four country studies that relate to aid effectiveness and how U.S. assistance aligns with the strategies and priorities of recipient countries. Chapter 5 presents conclusions and recommendations.

Chapter 1: Agriculture's Role in Africa's Development

The recognition that agriculture must play a central role in reducing poverty and hunger in most African countries is widespread and genuine.

- In addition to sharing NEPAD's focus on agriculture, many African governments embrace agriculture in their Poverty Reduction Strategy Papers (PSRPs).
- An understanding of agriculture's central role underlies the World Bank's rural development strategy as well as programs of the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD).
- Private investment and entrepreneurship are widely understood to be essential.
- The role of public investment is to provide the critical public goods needed to make private effort attractive and rewarding. They include supportive policy frameworks, market information and market facilitation services, rural transport and other physical infrastructure, human capacity building through training and extension, and technology development.
- The Monterrey Consensus on financing for development is an important component of the international consensus on agricultural development in Africa (U.N. 2002). It calls for mobilizing public and private investment within developing countries, increasing international financial cooperation, significantly improving the level and quality of development assistance, and cultivating recipient–country ownership of the development process.

Chapter 2: Institutional and Policy Landscape

The United States provides agricultural development assistance to Africa within a complex web of laws, competing policies, and interests whose interaction controls the level and uses of U.S.

assistance resources. Congress plays a central role in funding and overseeing these programs, which are administered by at least 10 U.S. agencies and international organizations.

Because it rarely amends the authorizing legislation,[1] **Congress** most directly influences development assistance programs today through the appropriations process—most prominently through congressional earmarks that specify not only how much money is available for broad purposes (e.g., health and economic development) but also how the money is to be spent to achieve those purposes. Earmarks play a central role in controlling how USAID manages the resources available to it for agricultural development in Africa.

The **White House** provides overall policy guidance on development issues, including agricultural assistance. Within the White House, the **Office of Management and Budget** sets budget priorities for international agricultural assistance. The **Secretary of State** provides policy oversight to USAID and the USAID administrator reports to the Secretary of State.

As the primary development assistance agency, **USAID** has the most substantial involvement in agricultural development assistance. It is a complex organization, and its multiple units at headquarters and in the field play important roles in managing agricultural development resources and programs.

- The **Office of the Administrator** declares new priorities, manages the agency, and brokers between USAID and the administration and Congress.
- The **Bureau for Policy and Program Coordination** develops budgets and balances agency priorities.
- The **Bureau for Africa** manages about $1.5 billion in program funds and designs and implements and evaluates strategies and programs in sub-Saharan Africa—including 22 country missions and three regional programs.
- The **Bureau for Economic Growth, Agriculture, and Trade** (EGAT) is one of the three "pillar" bureaus that provides policy leadership and technical expertise to support field offices and contains most of the agency's agricultural expertise. EGAT led the development of USAID's 2004 agriculture strategy (USAID 2004).

[1] This includes the Foreign Assistance Act of 1961 (as amended in 1973 and 1978) and three food aid laws: Title II of P.L. 480 (originally enacted in 1954 as part of the Agricultural Trade Development and Food Assistance Act), Section 416(b) of the Agricultural Act of 1949, and the Food for Progress Act of 1985.

- The **Bureau for Democracy, Conflict, and Humanitarian Assistance** (DCHA) is the pillar bureau that works on emergency relief and disaster assistance. DCHA's **Office of Food for Peace** (FFP) plays an important role in agricultural development assistance through its management of the P.L. 480, Title II food aid program, a major source of resources for USAID's agricultural development efforts in Africa.
- **USAID Field Offices**, including country missions and regional offices, design and implement programs. Field offices devise activities to produce results within the constraints of agency policy and goals, budget allocations, and congressional earmarks.

Resource allocation within USAID is a complex process and details of the procedure change frequently. Broadly speaking, it occurs through the combination of top-down budgeting and bottom-up strategic objective planning. Development Assistance (DA) budget account funds are allocated first to pillar and regional bureaus then to the field offices to be used for specific purposes. The field offices devise strategic objectives and activities to achieve those objectives. The allocation of USAID resources for agricultural development is guided by two headquarters-driven policy frameworks: the current USAID agriculture strategy (USAID 2004) and the president's Initiative to End Hunger in Africa (IEHA), launched in 2002.

At least six other U.S. agencies provide bilateral assistance that can include African agriculture, but all except one at substantially lower levels than USAID.

- The **Foreign Agricultural Service** in the U.S. Department of Agriculture (USDA) oversees the distribution of Section 416(b) and Food for Progress food aid.
- The **African Development Foundation** provides small grants (generally less than $250,000) to grassroots organizations to support poverty-alleviating projects.
- The **U.S. Trade and Development Agency** provides technical assistance and conducts feasibility studies to identify trade opportunities that potentially benefit both developing countries and U.S. companies.
- The **Overseas Private Investment Corporation** provides loan guarantees, insurance and other forms of assistance to promote U.S. private investment in developing countries and transition economies.

- The **Peace Corps** provides volunteers to developing countries to help meet their needs for trained men and women and to promote mutual understanding between Americans and the people in host countries.
- **Millennium Challenge Corporation** (MCC) is a government corporation established in 2004 to implement the Millennium Challenge Account (MCA). President George W. Bush pledged funding of $5 billion annually by FY 2006—a 50% increase over the current $10 billion annual funding for U.S. development and humanitarian assistance. The MCA was intended to depart sharply from traditional U.S. development assistance by providing large amounts of assistance to select countries that create an enabling environment for economic growth through market-oriented, pro-growth policies; good governance, including tackling corruption; and investment of their own resources in the health and education of their people. The potential for agriculture is significant: 15 of 16 MCA-eligible countries included agriculture in their proposals, including seven of the eight African countries.

At least five U.S.-funded international organizations provide multilateral assistance for African agriculture.

- The lead U.N. agency for hunger is **FAO**. FAO supports policy change and agricultural development programs with core annual resources of about $375 million, supplemented by project-specific funding. About 20% of FAO's field program budget is devoted to activities in sub-Saharan Africa.
- The aim of the United Nations' **World Food Programme** (WFP) is to meet emergency or humanitarian food needs. In 2003, WFP fed 104 million people in 83 countries on a budget of $3.3 billion. WFP also uses a portion of its resources (less than 10%) for longer term development in Africa and elsewhere, including some activities related to agriculture.
- With concessional loans, **IFAD** has financed 653 projects in 115 countries, including projects valued at about $175 million in 43 sub-Saharan African countries.
- The **International Development Association** (IDA), a member of the World Bank Group, is the channel for virtually all of the bank's activity in sub-Saharan Africa. IDA's current portfolio includes $16.6 billion in concessional loans and grants in Africa.

- The **African Development Fund,** an arm of the African Development Bank, provides development finance on concessional terms. The Agriculture and Rural Development sector is the bank's top priority, garnering about one-quarter of loan and grant approvals.

Key findings of Chapter 2 follow.

Competing Priorities and Congressional Earmarks Influence Agriculture Funding.

- Because decisions about U.S. development assistance funding are shaped by so many executive institutions and, importantly, by Congress, priorities established by USAID officials are very difficult to translate into new budget allocations.
- Since September 11, 2001, development initiatives with longer term investment horizons and payoffs (such as support for agricultural development in Africa) have competed unsuccessfully with immediate, short-term assistance needs in Afghanistan, Iraq, and Sudan.
- Competing policy and political considerations have led to an increasing imbalance in the resources available for agriculture-led economic growth relative to assistance for the health and education sectors. Funding for health-related assistance in Africa has grown dramatically in recent years through USAID and special presidential initiatives to fight HIV/AIDS, malaria, and other diseases of great concern.
- Even within funding available for agriculture, strong congressional earmarks severely limit the flexibility of assistance programs to respond to needs identified at the country level. Through earmarks, at least 90% of USAID's DA account is pre-allocated to specific areas, including trade capacity, microenterprise, biodiversity, and plant biotechnology. These are important areas in general for agricultural development but may not match specific country priorities.
- The effect of congressional earmarks is to reduce the flexibility of development assistance programs to respond to the most important needs at the field level and thus reduce the effectiveness of assistance.
- USAID reports on its development expenditures by strategic objective (such as Rural Income Growth or Private Sector Expansion). There is no agency-wide system in place for reporting progress on spending and outcomes related to implementing the agency's agriculture strategy and achieving agriculture-led economic growth in Africa.

Institutional Factors Affect the Scale and Potential Effectiveness of Development Resources.

- Estimated spending on agriculture-related strategic objectives in sub-Saharan African field offices from 2000 through 2004 was spread widely across 24 countries and four regional programs, resulting in average annual funding of about $6 million per year, per country. These allocations typically were subdivided further among multiple contractors and grantees. This approach raises the issues of whether most projects are large enough to have a lasting effect and how their combined effects add up in terms of sustainable development impact.
- The need to compete for development resources with other sectors and to report quantifiable, relatively near-term results through the USAID internal management system may or may not result in projects that have an impact as large and as broad-based as longer term investments in infrastructure and human capacity, the immediate effects of which are more difficult to quantify.
- Fragmentation of resources also raises questions about the coordination of agricultural development assistance within USAID, among U.S. agencies, and with other donor countries and international institutions. For example, within USAID, the Bureau for Africa and FFP traditionally have operated in parallel but independently. There is no U.S. government mechanism in place to closely coordinate agricultural development strategy, resource allocation, and on-the-ground activity with USDA or multilateral development institutions. Because the general approach to agriculture-led economic growth and poverty reduction has wide international agreement, improving coordination offers the opportunity to decrease costs and increase assistance effectiveness by setting priorities, allocating resources, and aggregating efforts.
- Domestic political considerations increase the costs of U.S. development assistance, including the costs incurred to procure food in the United States and ship it to Africa in predominately U.S. ships, tying aid to procurement from U.S. sources, and using predominately U.S. contractors to implement development projects in Africa.
- MCC is a new government corporation that operates under a different institutional and policy framework and receives funds that are not earmarked. It has the potential to become a significant funder of agricultural development in Africa because African countries make up about half of the MCA-eligible countries and most proposals for MCA funding have included

agriculture. MCA remains untested as a vehicle for development assistance, and it is currently focused on a limited number of countries.

Chapter 3: Recent Trends in U.S. Funding

Because there is no standard definition of agricultural development assistance and agencies report relevant activities in diverse ways, it is impossible to provide a precise measure or accounting of U.S. development assistance for African agriculture. By devising approaches for estimating such expenditures by each of the involved agencies, however, it is possible to form a reasonable and informative picture of recent funding trends and priorities. Key findings of Chapter 3 follow.

U.S. support for African agricultural development lags overall, while USAID funding for African agriculture increased 9% in real terms from 2000 to 2004.

- Our estimates indicate that since 2000, overall U.S. resources devoted to agricultural development in Africa have not increased significantly, with the high-end estimate indicating a 2% increase in real terms from 2000 to 2004 despite USAID's efforts to focus more of its available development assistance resources on agriculture-related projects (Table ES-1).
- We estimate that USAID achieved an increase of 19% in its total estimated programming of funds over the five-year period or 9% in real terms after adjustment for inflation (Table ES-2). However, this increase was offset by absolute declines in funding through most other bilateral and multilateral channels. Most of USAID's gain occurred in one year (between FY2002 and FY2003); estimated funding declined slightly in absolute terms in FY2004, and actual FY2005 programming levels remain uncertain.
- USAID was the predominant funder of U.S. agricultural assistance for Africa from 2000 to 2004, accounting on average for 82% of U.S. bilateral funding and 67% of funding through all channels (Figure ES-1).

The trend is flat in resources available to USAID's Bureau for Africa.

- USAID funds African agricultural development through three channels: the Bureau for Africa, the Title II food aid program of P.L. 480, and EGAT.

- The Bureau for Africa is by far the largest single channel for U.S. agricultural development assistance. Its funds for agricultural development come mainly through the DA budget account, which includes three categories of funds that can be used to support agricultural development as broadly construed: Agriculture, Economic Growth, and Environment. Since 2003, the Bureau for Africa has been funding some of its agriculture-related projects from the DA account under the separate heading of IEHA.
- The Bureau for Africa uses most of its available DA resources for agricultural development, but the amount of funds available for that purpose grew by only 7% from FY2000 to FY2004, from $284 million to $304 million (Table ES-3), which means a 3% decrease in real terms after adjusting for inflation. This places an effective cap on increases in expenditures for African agriculture. This stagnancy contrasts sharply with the substantial growth in USAID funding for health-related assistance in Africa.
- The $27 million and $47 million allocations designated as IEHA funding in 2003 and 2004, respectively, came primarily from a reallocation of funds within the Africa DA account rather than from increased funding (Figure ES-2).

Dramatically increased funding for health and education in Africa stands in stark contrast to the flat trend in funding for economic growth activities.

- Figure ES-2 compares funding available between 2000 and 2004 in the DA account for agriculture with funding for education, health, and other social development assistance purposes.
- Bureau for Africa health funding alone grew by 51% in real terms during the period to $474 million and billions more have been pledged to protect health in Africa as part of the president’s five-year, $15 billion commitment to HIV/AIDS and other health initiatives.
- In 2004, funding for African agriculture, as construed broadly for this report, was 4% of total USAID-managed assistance worldwide and 29% of USAID resources available for development in Africa, including health, education, and other sectors (Table ES-4).

Agriculture funding through multilateral channels has increased due to World Bank investment in rural roads.

- U.S. funding for agricultural development in Africa through multilateral channels (FAO, IFAD, WFP, World Bank/IDA, and the African Development Fund) was about 20% of total U.S. funding and, as we estimated for this report, increased by 24% in real terms between 2000 and 2004, from $79 million to $106 million, due almost entirely to a commendable increase in World Bank/IDA investment in rural roads.

Chapter 4: Lessons from the Country Studies

We sought to understand through case studies how U.S. development assistance programs and funding levels relate to specific countries' agricultural programs, priorities, and public investments; how U.S. assistance is coordinated with assistance from other donors; and the views of stakeholders on how U.S. development assistance, and public investment in agriculture in general, could be improved. Key findings follow.

Agriculture and rural development play a central role in the PRSPs and related agricultural development strategies of all four countries.

- The PRSPs embrace similar visions of changing archaic, near-subsistence agricultural economies into progressive, dynamic, entrepreneurial, and profitable businesses. All place a high priority on a market-oriented approach and the promotion of thriving agribusinesses alongside a multidimensional approach to ensure food and nutrition security and improved access to health services.

Sectoral development plans are extremely ambitious, reflecting the new understanding that transforming rural economies will require far more than traditional agricultural development assistance geared to improving productivity on the farm.

- Sector plans call for a broad array of investments needed to improve infrastructure; increase productivity on and off the farm; reform land tenure; assist farmers and agribusinesses to access inputs and financial services, improve agro-processing, and find markets for raw and processed goods; and improve crisis prevention and response, education, health, and environmental measures.

Despite the priority given to rural-led economic growth in policies and strategic plans, domestic public resources are scarce and agriculture competes unfavorably with other sectors, notably education and health, for PRSP funding.

- Countries rely on external donors for 37–90% of funding to implement their PRSPs and agriculture/rural development strategies. Coordination of country and donor strategies and programs is thus essential to meet agriculture and rural sector development goals. However, under 10% of total Organisation for Economic Co-operation and Development bilateral assistance to the countries was directed to core agriculture and rural sector development programs. In each country, the proportion of PRSP expenditures dedicated to agriculture, and actual domestic spending on agriculture and rural development, was expected to decline between 2000–2004.

USAID country and sector plan priorities are highly consistent with PRSPs and country sectoral strategies, underscoring the priority on rural-led economic growth, but this is not reflected in U.S. assistance allocations.

- Agriculture activities received only 15% of USAID/Ghana's budget and approximately 33–45% of Mozambique, Uganda, and Mali's budgets in FY2004.

Between 2000–2004, US bilateral assistance to agriculture declined in Ghana, Mali, and Mozambique and rose only slightly in Uganda despite the fact that all four countries are designated priority countries for the IEHA.

- By contrast, USAID spending on health and basic education ballooned, consuming 45–74% of USAID's annual budget in 2004 in the case countries.

Conclusions and Recommendations

Despite widespread recognition that agriculture is critical to future economic growth and poverty reduction in Africa, total U.S. agricultural development assistance for Africa has grown by only an estimated 2% in real terms since 2000. This essentially flat funding has occurred even as USAID, the lead development agency, has focused more of its available development assistance funds in Africa on agriculture and achieved an estimated real increase of 9% from 2000 to 2004 in its total funding for agricultural development. USAID's gains are offset by absolute reductions in funding for African agriculture by other agencies through which the United States provides such funding.

Moreover, the apparent trend in U.S. assistance for African agriculture is not promising. Most of USAID's gains occurred in one year (from FY2002 to FY2003), and there was an absolute decline in estimated funding for African agriculture by USAID and the U.S. government as a whole in 2004. A central constraint for USAID is that although it has placed agriculture at the center of its economic development strategy for Africa, the level of appropriated money available to support such development declined in real terms between 2000 and 2004.

The stagnant U.S. funding for Africa's economic development stands in stark contrast to dramatic increases in funding for health programs in Africa. Increased health funding is critical, but agricultural development should not be allowed to languish. Food, economic development, and health are interdependent. Without adequate food, people will never be healthy; without economic growth in rural communities, African nations will remain dependent on external assistance to sustain their health systems and meet other basic human needs.

Recommendations

Funding Levels and Priority

Because U.S. funding for agricultural development assistance in Africa has lagged significantly behind other sectors and regions, the United States should:

- *Invest More in Economic Growth, Making African Agriculture a Real Budget Priority* – It is critical that overall development assistance grow significantly. As part of a major increase, creating a better balance between spending on social services and investments for economic development is critical. African economic development in general and agriculture-led growth and poverty reduction in particular should be made true budget priorities for Congress and USAID. Assistance to African agriculture should grow at least as fast as overall foreign development assistance and by 2009 at least double to 10% or more as a percentage of USAID-managed development assistance.

Resource Use and Effectiveness

Because the level of resources actually reaching the ground in Africa and their effective application are diminished by correctable policy and structural features of the aid system, the United States should:

- *Reduce Political Overhead* – Congress and the administration should review and reform the policies governing sourcing and shipping of food aid, U.S. procurement preferences, and reliance on U.S.-based vendors so that more of the resources appropriated for agricultural development assistance reach the ground in Africa.
- *Reduce Fragmentation* – USAID should take the lead among U.S. agencies to mount larger and more focused programs within countries and within the region, taking advantage of all available U.S. resources (DA, Title II food aid, and USDA-managed food aid) and managed by fewer vendors, to ensure that the U.S. investment adds up to meaningful improvement in the public goods required to build a successful agricultural system.
- *Improve Donor Coordination and Pooling of Resources* – To further improve the use and effectiveness of resources, USAID should intensify its efforts to both coordinate programs and pool resources with other donor agencies so that the donor community as a whole can be a coherent, meaningful component of the recipient country’s agricultural development and investment strategy.

- *Foster Local Ownership of the Development Process* – USAID should expand its program and budget support funding for agricultural development in countries that have committed to a clearly defined development strategy and have installed the systems required to manage resources with transparency and accountability.

Planning and Reporting

- *Develop a Coordinated U.S. Strategy for Supporting Agriculture-Led Economic Growth in Africa* – To support growth in funding for agriculture-led economic growth in Africa and a more strategic use of available funds, the USAID administrator should lead the development of and propose to Congress a comprehensive cross-agency plan that defines funding needs and priorities for this purpose and outlines how agricultural development resources will be spent in a coordinated manner to foster broad-based economic growth and poverty reduction.
- *Improve Transparency, Accountability, and Focus on Local Ownership and High-Impact Programs with Longer Time Horizons to Achievement* – As a key part of the comprehensive agricultural development strategy, the USAID Administrator should develop and implement a consistent reporting mechanism that reveals, on an annual basis and for all agencies with programs related to African agricultural development:
    - Levels and trends in U.S. assistance for agriculture-led economic growth and poverty reduction in Africa;
    - Progress against indicators of substantive progress established in the comprehensive cross-agency plan; and
    - Assessment of the projected long-term impact of projects, including standardized projected returns to the investment beyond external funding and assessment of the probability that the gains can be sustained by the host country following withdrawal of external assistance.

Fund for African Rural Economic Growth

To provide a budget vehicle for increased investment in African agriculture and poverty-reducing economic growth, the United States should:

- *Develop a New Funding Mechanism* – The principles underlying the MCA go a long way toward insulating long-term investment for development from the congressional earmark process and competition with the crisis or political priority of the day, but its scope remains limited. Congress and the administration should create a similar, unearmarked fund specifically for Africa targeted at supporting rural economic growth in countries that meet specific criteria.

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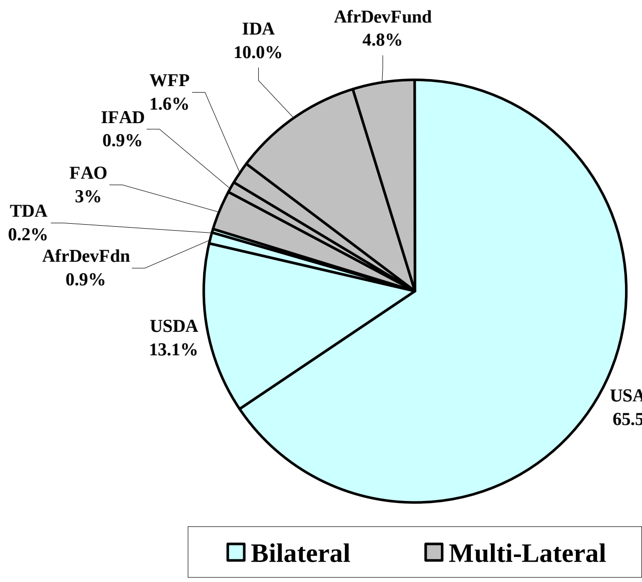
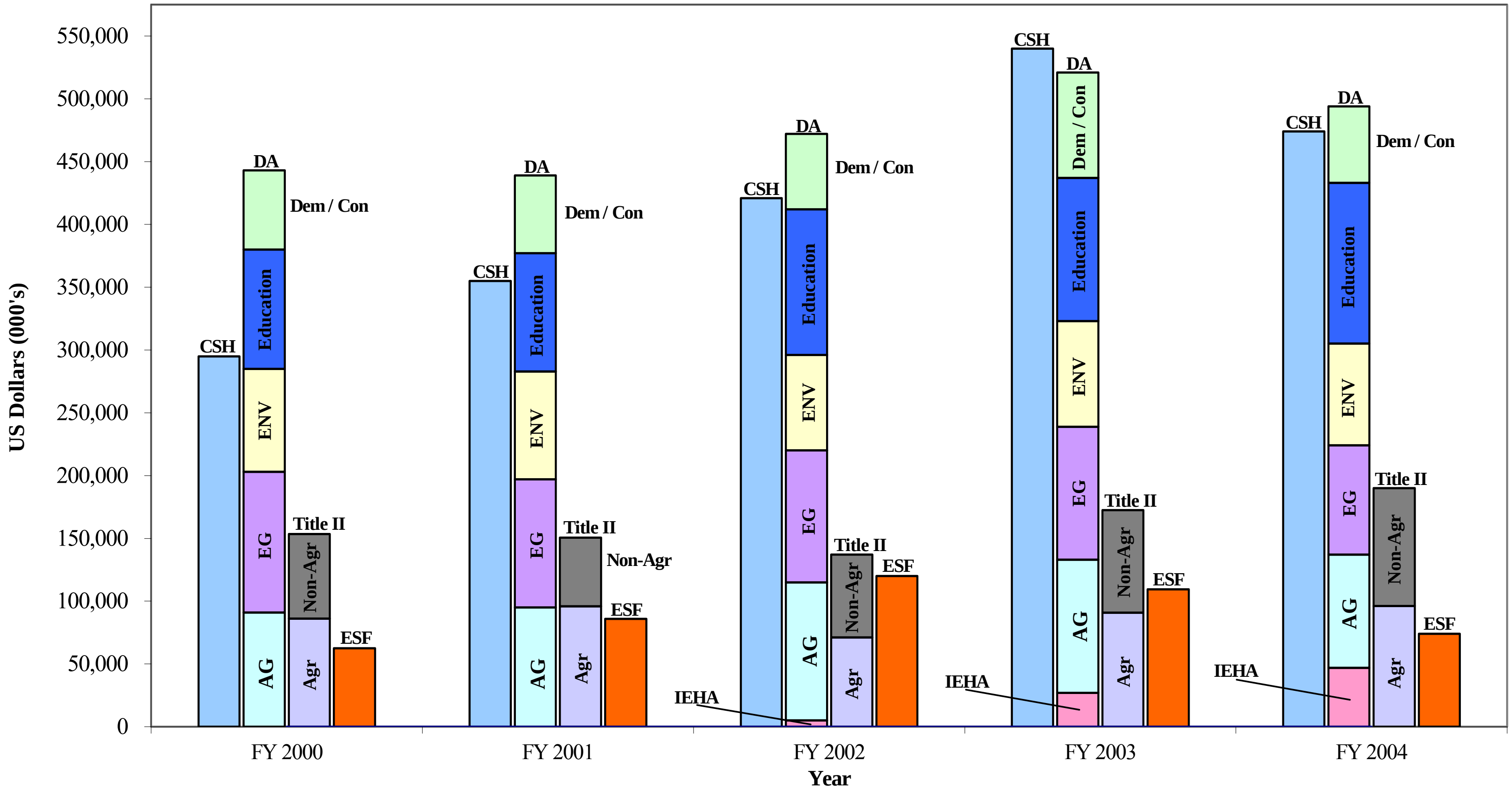


Notes: USDA = U.S. Department of Agriculture, AfrDevFdn = African Development Foundation, TDA = U.S. Trade and Development Agency, FAO = Food and Agriculture Organization of the United Nations, IFAD = International Fund for Agricultural Development, WFP = World Food Programme, IDA = International Development Association of the World Bank, AfrDevFund = African Development Fund of the African Development Bank, USAID = U.S. Agency for International Development.

Figure ES-1. Average Distribution of Total U.S. Agricultural Development Assistance for sub-Saharan Africa, 2000–2004



Total Funds ($000's)	953,934	1,030,457	1,149,129	1,342,978	1,232,085

Notes: CSH = Child Survival and Health, AG = Agriculture, EG = Economic Growth, ENV = Environment, Ed = Education, DA = Development Assistance, Agr = Agriculture, Non-Agr = Non-agriculture, ESF = Economic Support Fund, IEHA = Initiative to End Hunger in Africa.

Figure ES-2. USAID Non-Emergency Assistance to sub-Saharan Africa, FY2000–FY2004: Allocation of Appropriated Program Funds by Account and Sector

Table ES-1. Estimate of Total U.S. Agricultural Development Assistance for sub-Saharan Africa, 2000–2004

Source	*Funding ($, millions of current dollars)*						*Increase, 2000–2004*
	2000	*2001*	*2002*	*2003*	*2004*	*Average*	
Bilateral							
USAID	296	310	309	359	353	325	19%
USDA[a]	78.6	87.1	58.0	52.5	49.2	65.0	–17.3%
ADF	5.2	2.4	5.7	3.1	5.6	4.4	7.7%
TDA	0.3	0.7	3.2	0.9	0.03	1.0	–90%
Subtotal[b]	380	400	376	416	408	396	7.4%
Multilateral							
FAO	17.2	17.2	14.8	14.7	11.4	15.1	–34%
IFAD	1.9	2.2	7.2	5.9	NA	4.3	NA
WFP	3.8	11.8	7.6	8.7	NA	8.0	NA
IDA[d]	29.5	45.0	47.5	68.0	58.4	49.7	98%
ADB/ADF[b]	26.1	17.5	26.6	24.5	NA	23.7	NA
Subtotal[b]	79	94	104	122	106	101	34%
Total[b]	459	494	480	538	514	497	12%

Notes: For the U.S. bilateral agencies, estimates are derived from appropriations and expenditures based on U.S. fiscal year, except that the best available data on TDA expenditures were calendar-year data from the Organisation for Economic Co-operation and Development/Development Assistance Committee (DAC) Creditor Reporting System. For the multilateral agencies, the estimated U.S. contribution is based on fiscal year U.S. contributions and the percentage of total agency funds devoted to agriculture-related projects in Africa, which are reported by those multilateral agencies on a calendar year basis.

USDA = U.S. Department of Agriculture, ADF = African Development Foundation, TDA= U.S. Trade and Development Agency, FAO = U.N. Food and Agriculture Organization, IFAD = International Fund for Agricultural Development, WFP = U.N. World Food Programme, IDA = World Bank's International Development Association, ADB/ADF = African Development Bank's African Development Fund, NA = data not available. Subtotals and totals are rounded to the nearest million and assume that the 2004 figures for IFAD, WFP, and African Development Foundation are at the preceding four-year average.

[a] USDA-managed food aid with adjustment to include freight costs.

[b] Based on new commitments (IDA) or approvals (ADB/ADF).

Source: Extracted from Tables 3-9, 3-11, 3-12, 3-13, 3-14, 3-15, 3-16, 3-17, and 3-18 in Chapter 3.

Table ES-2. Estimated Total USAID Assistance for African Agriculture, FY2000–FY2004

Account	*Estimated Funding ($, millions)*						*% of Total*	*Increase, FY2000–FY2004 (%)*
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Total, FY2000–FY2004*		
Africa Bureau	187	190	211	243	226	1,058	65	21
Title II Food Aid	86	96	71	91	96	440	27	12
EGAT	23	24	27	25	31	130	8	35
Total	296	310	309	359	353	1,628	100	19

Note: EGAT = Bureau for Economic Growth, Agriculture, and Trade.

Source: Tables 3-3, 3-5, and 3-8 in Chapter 3.

Table ES-3. USAID Development Assistance (DA) Account Allocation in Africa by Sector, FY2000–FY2004 (with percent of total DA allocation in parentheses)

Account/Sector	*Allocation ($, millions)*						*Increase, FY2000–FY2004/2005 (%)*
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*FY2005*	
Total DA for Africa	443 (100%)	439 (100%)	471 (100%)	522 (100%)	494 (100%)	547 (100%)	11.5/23.5
Education	95 (21.4%)	94 (21.4%)	116 (24.6%)	114 (21.9%)	128 (25.9%)	149 (27.2%)	34.7/56.8
Democracy/Conflict	63 (14.2%)	62 (14.1%)	60 (12.7%)	84 (16.1%)	61 (12.4%)	80 (14.6%)	-3.2/27.0
Agriculture (without IEHA)	91 (20.5%)	95 (216%)	110 (23.4%)	106 (20.4%)	90 (18.6%)	104 (19.0%)	1.1
Economic Growth	112 (25.3%)	102 (23.2%)	105 (22.3%)	106 (20.4%)	87 (17.6%)	95 (17.4%)	–22.3/-15.2
Environment	82 (18.5%)	86 (19.6%)	76 (16.1%)	84 (16.1)	81 (16.4%)	71 (13.0%)	1.2/-13.4
IEHA	0	0	5 (0.11%)	27 (5.5%)	47 (9.1%)	47 (8.6%)	NA—
Agriculture/IEHA Total	91 (20.5%)	95 (21.6%)	115 (24.4%)	133 (25.5%)	137 (27.7%)	151 (27.6%)	50.6/65.9
Agriculture/IEHA, Economic Growth, Environment Total	284 (64.1)	283 (64.5%)	295 (62.6%)	323 (62.0%)	304 (61.5%)	318 (58.1%)	7.0/12.0

Notes: The sectoral allocations in this table are based on the "653(a)" reports that USAID must provide to Congress within 30 days of enactment of the annual appropriations bill informing Congress of how the congressional appropriation in the DA and other accounts are to be allocated by the agency by region and sector. IEHA = President's Initiative to End Hunger in Africa.

Source: USAID/Africa Bureau Office of Development Planning (ABODP) table re: "FY 00–05 Budget Levels by Sector: DA/CSH" (provided to authors by Carrie Johnson, ABODP, May 19, 2005), and personal communication with Carrie Johnson, August 3, 2005.

Table ES-4. Estimated U.S. Agency for International Development (USAID) Funding for African Agriculture Relative to Other USAID-Managed Programs, FY2000 to FY2004 (with percentage of USAID total in parentheses)

Funding Use	*Estimated Funding ($, millions)*					*Increase, FY2000–FY2004 (%)*
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	
USAID Total[a]	7,616 (100%)	7,822 (100%)	8,853 (100%)	9,465 (100%)	8,813 (100%)	15.7
Global Development Total (CSH, DA, ESF, P.L. 480[b])	4,976 (65.3%)	4,949 (63.3%)	6,493 (73.3%)	5,012 (53.0%)	6,838 (77.6%)	37.4
Africa Development Total (CSH, DA, ESF, P.L. 480)	955 (12.5%)	1,005 (12.9%)	1,140 (12.9%)	1,314 (13.9%)	1,231 (14.0%)	28.9
Estimated African Agriculture Total: Point Estimates	296 (3.9%)	310 (4.0%)	309 (3.5%)	359 (3.8%)	353 (4.0%)	19
Estimated African Agriculture Total: Range Estimates	247–321 (3.2–4.2%)	254–335 (3.2–4.3%)	257–332 (2.9–3.7%)	287–383 (3.0–4.1%)	295–378 (3.4–4.3%)	19–18
African Agriculture as Percent of Global Development Total: Point (and Range Estimates)	6.0% (4.9–6.4%)	6.3% (5.1–6.7%)	4.8% (3.9–5.1%)	7.2% (5.8–7.7%)	5.2% (4.3–5.5%)	–13.3 (–12 to–14)
African Agriculture as Percent of Africa Development Total: Point (and Range Estimates)	31% (26–33%)	31% (25–33%)	28% (22–29%)	27% (22–29%)	29% (24–31%)	–6.5 (–7.7 to–6.1)

Notes: CSH = Child Survival and Health, DA = Development Assistance, ESF = Economic Support Fund, P.L. 480 = Agricultural Trade Development and Food Assistance Act of 1954.

[a] USAID total excludes Emergency Response Fund and wartime supplemental appropriations for Iraq.

[b] Includes only the portion of the P.L 480 Title II appropriation used for non-emergency (i.e., development) purposes.

Source: USAID Congressional Budget Justifications, FY2003 and FY2005 (USAID various years), and USAID/Africa Bureau Office of Development Planning table re: "FY 00–05 Budget Levels by Sector: DA/CSH" (provided to authors by Carrie Johnson personal communication, May 19, 2005).

1

Agriculture’s Role in Africa’s Development

Regional and Global Perspectives

Never before has the divide between the world’s rich and poor been more glaring. In a world of plenty, half of the people on earth live in poverty and one in six go hungry. Poverty and hunger are particularly acute in sub-Saharan Africa; nearly half its people try to sustain themselves on less than one dollar a day, and a third confront hunger daily (FAO n.d.).

Over the past decade, these harsh realities have triggered a global recommitment to eradicate poverty and hunger and a new push to identify the steps necessary to achieve this goal, especially in the world’s poorest countries. A global consensus now recognizes not only the moral imperative to tackle poverty and hunger in poor countries but also the self-interest of rich countries to pursue a vision that “promotes human development as the key to sustaining social and economic progress in all countries” (World Bank 2004). This new commitment is reflected in the 1996 World Food Summit’s pledge to “reduce by half the number of undernourished people” by 2015 (FAO 1996), which was reinforced by adoption of the United Nations’ Millennium Development Goals in 2000. Since September 11, 2001, the global community has recognized anew the link between poverty reduction and security (U.N. 2004).

The recommitment to poverty reduction has been accompanied by a reaffirmation of the essential role of agriculture. 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 reduce poverty and hunger in Africa. Today, there is widespread recognition among African leaders, international institutions, and leaders in the United States and other donor countries that improving the productivity and income-generating capacity of agriculture is essential if goals to reduce poverty and hunger—and increase broad-based economic growth—are to be achieved.

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. The challenges are real, including the lack of roads and other essential market infrastructure, the lack of capacity to apply modern technology to Africa's farming challenges, policies in need of reform, and public institutions in need of improved performance. But these challenges can be overcome by investment in the same "public goods" that any modern agricultural economy needs to succeed—investment that, to achieve the necessary scale and effectiveness, must come from both African and external sources.

The opportunity to foster rural economic growth through agriculture is the motivation for this report on the United States' agricultural development assistance programs for sub-Saharan Africa (which hereafter may be referred to simply as Africa), prepared under the auspices of the Partnership to Cut Hunger and Poverty in Africa (PCHPA). Improving support for African agriculture and rural economic development is one of the key objectives of PCHPA's action plan.[1] This report is the first phase of a new PCHPA effort to foster such improvement by providing information and ideas that policymakers and stakeholders in Africa, the United States, and elsewhere can use to enhance both public and private investment in African agriculture. U.S. agricultural development assistance for Africa is one element of the needed public investment, and the goal of this report is to foster well-informed dialogue within the broad policymaker and stakeholder community about how the level and quality of U.S. assistance can be improved.

What Is Agricultural Development Assistance?

PCHPA uses the term "agricultural development assistance" as shorthand to describe a broad array of investments and activities that foster agriculture-led rural development and economic growth, and we do the same in this report. Historically, it was easy to think of agricultural development assistance as assistance for on-farm improvements in productivity, such as improved seed, farming practices, and extension services for small-scale farmers. This understanding stems in part from the Green Revolution begun in the 1960s, when the development and dissemination of improved inputs—supported by the Rockefeller Foundation, the United States, and other donor governments—spawned rapid progress in agriculture and improved the lives of millions of people in Asia and Latin America.

[1] PCHPA's action plan is described in *Now Is the Time: A Plan to Cut Hunger and Poverty in Africa* (PCHPA 2002), which was the product of extensive analysis and dialogue with African leaders concerning how best to improve the welfare of the rural poor and improve the economies of poor countries in sub-Saharan Africa. The central theme of the action plan is that agricultural and economic growth must begin in rural African communities.

Today in Africa, the development challenge is more difficult. Sub-Saharan Africa lacks much of the physical infrastructure (e.g., roads and other transport facilities) and institutional capacity (for research, governance, and functioning markets) that helped make the Green Revolution happen. Thus, we take a broad view of agricultural development assistance. Enhancing farm productivity remains important, but for countries to achieve sustainable economic growth and reduce poverty and hunger, farmers must have access to markets and be able to sell their products at prices that adequately reward investment of scarce time and resources. Off-farm employment opportunities stemming from more productive agriculture must also be generated.

Our working definition of agricultural development assistance therefore includes the wide range of investments and activities whose primary purpose is to contribute to the ability of agriculture to foster rural economic development and reduce poverty and hunger. It includes natural resources management and the many other activities that contribute to improved productivity but also efforts to create an enabling policy and institutional environment for agriculture in Africa (ranging from improved land tenure systems to liberalized trade rules to applied agricultural research), develop markets for agricultural inputs and outputs, build rural roads and other physical infrastructure necessary for market access, facilitate rural employment through agribusiness and value-added processing of agricultural commodities, and build agricultural export capacity and opportunity.

Although this broader conception is much closer to reality than a narrow one, it blurs the definition of agricultural development assistance. One could argue that support for basic education and health services in rural communities should be included because it helps build the human capacity needed for agricultural success. We do not include assistance for these "social" sectors in this report, however, because doing so would obscure any distinction between investments whose primary purpose is to support agriculture-led, rural economic growth and ones that have broader social purposes and effects.

The fact is that no single, agreed-upon definition of agricultural development assistance currently exists. In fact, the U.S. Agency for International Development (USAID) and other donor agencies may refer to some of the activities and investments that fall within our working definition of the term as assistance for "rural income improvement," "human capacity building," "rural roads," "improved market services," or "trade policy reform." Thus, quantifying agricultural development assistance (as we do in Chapter 3) is somewhat problematic and imprecise, and cannot be done simply by drawing figures from currently available public reports. However, this disadvantage is more than offset by the advantage of recognizing that agriculture is not an isolated activity. It is central to facilitating the multifaceted process of economic development in sub-Saharan Africa and reducing poverty and hunger on the African continent.

Overview and Methodology of the Report

This report includes an executive summary with key findings and recommendations, five descriptive and analytical chapters, and appendices that present four country-specific studies of U.S. agricultural development assistance and a series of data tables. In this first chapter, we set the stage by describing the striking, renewed recognition of agriculture's role in Africa's development that has emerged in Africa and worldwide over the past several years. This discussion is the backdrop for the analysis of current U.S. assistance for African agriculture in the remainder of the report.

In Chapter 2, we describe the institutional and policy landscape for U.S. agricultural development assistance, focusing on USAID but in the context of the roles played by the U.S. Congress, the White House, other U.S. agencies involved in bilateral assistance activities, and the multilateral institutions through which the United States contributes to the development of African agriculture. Our goal is to explain how and by whom decisions are made about the allocation of development resources, the policy framework within which those allocations are made, and the broad purposes for which U.S. assistance is used.

In Chapter 3, we describe and analyze recent levels and trends in funding of U.S. agricultural development assistance for Africa through USAID, other bilateral agencies, and multilateral institutions. Our purpose is to provide a factual basis for gauging the direction of such funding since 2000 and where it stands in relation to other development priorities.

In Chapter 4, we present the four country studies—on Ghana, Mali, Mozambique, and Uganda—that helped inform the analysis and recommendations in this report. The countries were chosen in part because they are the PCHPA's primary partners in Africa and thus convenient vehicles for digging deeply into the U.S. assistance program. They also are among the leading countries in Africa in terms of their commitments to pro-poor agricultural development and the size of their agriculture-related U.S. assistance programs. The country studies are based on information collected by local experts in each country and by the authors during country visits in January 2005. These studies provide texture and illustrative detail about current U.S. agricultural assistance programs from the perspective of agricultural and development stakeholders in the countries.

Chapter 5 presents the author's final conclusions and recommendations for the future of the U.S. assistance program, which are based on the four country studies, the analysis in this report, and comments we received on the analysis in response to an interim version of the report that PCHPA circulated in April 2005 to the community of policymakers and stakeholders concerned about Africa's future.

Finally, a note on what this report does and does not do and the information sources on which we rely. This report is comprehensive in documenting U.S. agricultural development assistance for Africa from all sources. It is detailed in describing the allocation and uses of U.S. assistance and how decisions are made as thoroughly as possible, given the limitations of practicality and available data. Such detail is necessary for a real understanding of the program and for any analysis that one might undertake.

However, the report is not a management or effectiveness evaluation of the U.S. program nor is it an audit. With the generous help of USAID staff, we have worked to understand where the resources for agricultural development assistance come from, how they flow through USAID and other agencies, and how they are applied on the ground in Africa. It is one of the most complicated resource management systems in the U.S. government, and a detailed audit or complete documentation of resource flows is beyond the scope of this report.

The purpose and analytical approach of this report are broader. With the recent recognition of agriculture's role in African development as the backdrop, we address two questions:

- What does the U.S. agricultural development assistance program for Africa consist of today in terms of resource levels and governance?
- How can the program be improved?

The primary information sources for this report include the web sites of USAID and other U.S. government agencies as well as data and information about agency programs supplied directly to us by agency staff. We also consulted the open literature on development and the databases and other repositories of information maintained by the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD) in Paris, France, and by the Food and Agriculture Organization of the United Nations (FAO) in Rome, Italy. Even more importantly, however, we have benefited from the input and insights of many individuals from diverse institutions in Africa and the United States who have shared their time and expertise in interviews and other settings.

The Central Role of Agriculture in Africa's Development

The birth of agriculture 10,000 years ago made modern civilization possible, providing the foundation for economic success in most of the world's developed countries. A vast natural resources base and predominately rural population mean that agriculture is the logical foundation for economic growth in Africa, as well. These facts are not new, and they are widely accepted by experts.

For that reason, agriculture was the focus of development assistance efforts by external donors to African countries during the years immediately after their independence—the 1960s and 1970s. In fact, the level of funding for African agriculture by all donors, including the United States, roughly doubled in real terms from 1975 to the late 1980s. In the 1990s, however, in response to the HIV/AIDS epidemic and strong support for wider access to basic education, funding priorities began shifting strongly to these social sectors, and donor support for African agriculture receded to mid-1970s levels by 2000.[2]

Through the World Food Summit and Millennium Development Goal (MDG) processes, however, global efforts have focused on how best to reduce poverty and hunger in Africa in today's market-oriented world, returning anew to agriculture as a key driver of economic success. There is not only a new recognition of agriculture's intrinsic importance but also some widely shared perspectives among African leaders, international bodies, and Americans about what must be done for agriculture to fulfill its role, including the need for investment in the public goods that are necessary for the success of any market-oriented agricultural system. These perspectives are summarized in the remainder of this chapter.

[2] This history is well described and documented by Eicher (2003).

Africa's Embrace of an Agriculture-Led Development Strategy

The erosion of donor support for agriculture in Africa beginning in the mid-1980s was paralleled by a focus among many African leaders on the needs of the cities and the health and education sectors. In the late 1990s, several African leaders—including the presidents of South Africa, Nigeria, Senegal, Mali, and Uganda—began a process to revitalize and refocus economic cooperation and economic development in sub-Saharan Africa. At Abuja, Nigeria, in October 2001, African leaders came together under the auspices of the African Union to form the New Partnership for Africa's Development (NEPAD), which has become the vehicle for a dramatic shift in the importance accorded agriculture in Africa's development strategy across the continent. NEPAD embodies:

> a pledge by African leaders, based on a common vision and a firm and shared conviction, that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development, and at the same time to participate actively in the world economy and body politic. (UNECA 2001, 1)

To fulfill this pledge, the African heads of state espoused a common vision and an ambitious agenda for achieving peace and security, adopting democratic governance reforms, bridging the infrastructure gap, and building human capacity through improved education and health. They also identified development of agriculture as a critical priority for addressing the "urgent need to achieve food security in African countries" and for economic development, declaring that:

> Improvement in agricultural performance is a prerequisite of economic development on the continent. The resulting increase in rural peoples' purchasing power will also lead to higher effective demand for African industrial goods. The induced dynamics would constitute a significant source of economic growth. (UNECA 2001, 30)

To foster progress toward agriculture-led food security and economic growth, the NEPAD Secretariat issued in July 2003 a detailed analysis of the investment needs for African agriculture and an action plan called the Comprehensive Africa Agriculture Development

Programme (CAADP). Finding African agriculture to be "in crisis" because of low productivity, NEPAD nevertheless described agriculture as "the backbone of most African economies," (NEPAD 2002, 7) and, with broad stakeholder and expert input, underscored agriculture's importance to Africa's future:

> Agriculture-led development is fundamental to cutting hunger, reducing poverty, generating economic growth, reducing the burden of food imports and opening the way to an expansion of exports. … In short, agriculture must be the engine for overall economic growth in Africa. (NEPAD 2002, 9)

Thus, NEPAD's vision is that African agriculture will lead economic development that "eliminates hunger and reduces poverty and food security, thereby enabling the expansion of exports and putting the continent on a higher economic growth path" (NEPAD 2002, 11). To this end, the CAADP vision statement identified seven specific goals for African agriculture (NEPAD 2002, 11):

- attain food security (in terms of availability, affordability, and accessibility of the poor to adequate food and nutrition);
- improve the productivity of agriculture to attain an average annual growth rate of 6%, with particular support for small-scale farmers, especially women;
- develop dynamic economic agricultural markets between nations and regions;
- integrate farmers into the market economy and improve their access to markets, so Africa can become a net exporter of agricultural products;
- achieve a more equitable distribution of wealth;
- play a strategic role in agricultural science and technology development; and
- cultivate environmentally sound production methods and sustainable management of the natural resources base.

CAADP recognizes the many impediments to achieving these goals, including fundamental issues of poor governance, unsupportive policies, weak public institutions and private-sector entrepreneurship, and HIV/AIDS, all of which are on the broader NEPAD reform agenda. To move forward in agriculture, however, CAADP identifies four "pillars for priority investment" that NEPAD believes can "make the earliest difference to Africa's agricultural crisis" (NEPAD 2002, 15):

- Pillar 1: Land and Water Management (to ensure access to the basic inputs of water and soil nutrients required for productive agriculture);
- Pillar 2: Rural Infrastructure and Trade-Related Capacities for Improved Market Access (to allow farmers to increase profits through the sale of surplus food crops and other tradable commodities);
- Pillar 3: Increased Food Supply and Reduced Hunger (to address the immediate need for food security by increasing local production and providing safety nets for emergencies); and
- Pillar 4: Agricultural Research and Technology Dissemination and Adoption (to support the other three pillars and the long-term success of African agriculture).

On the premise that "African agriculture has for long been starved for investment" (NEPAD 2002, 12), a central purpose of CAADP was to stimulate a dialogue—among African governments and between African governments and external donors and private investors—concerning the levels and possible sources of investment needed to fund the four pillars. The report contains several estimates on these points, including one that a total of $251 billion is required, from public and private sources, to fund all pillars over the immediate, short, and medium terms (through 2015)—an average of about $25 billion per year (NEPAD 2002, 106, table 2).

In July 2003, the heads of state and government of the African Union met in Maputo, Mozambique, where they issued the Declaration on Agriculture and Food Security in Africa (commonly referred to as the Maputo Declaration), which embraces CAADP and calls for its implementation "as a matter of urgency," declaring:

> To this end, we agree to adopt sound policies for agricultural and rural development, and commit ourselves to allocating at least 10% of national budgetary resources to their implementation within five years. (African Union 2003, 2)

For countries that had long not emphasized agriculture in their development strategies, this public promise of policy reform and commitment of resources, within the NEPAD framework, marks a real departure. Delivering on the Maputo Declaration would go a long way toward agriculture's realizing its key role in Africa's development.

International Institutions

The central role of agriculture in driving development and in reducing poverty and hunger in Africa also is recognized at the international level. Supporters include the U.N. Millennium Project; the World Bank, in its rural development strategy; and specialized bodies that focus on agriculture, including FAO and International Fund for Agricultural Development (IFAD).

Millennium Development Project

In September 2000, the members of the U.N. General Assembly adopted the U.N. Millennium Declaration, pledging, "We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected" (U.N. 2000, 2).

This commitment triggered the adoption of the eight MDGs in September 2001 as part of the road map for implementing the Millennium Declaration. The MDGs address the basic development sectors of health, education, and the environment, but the first goal on the list is to "eradicate extreme poverty and hunger"—specifically, to reduce by half by 2015 the number of people who live on less than one dollar a day and are hungry (World Bank 2004).

In response to a charge by the secretary general to develop concrete plans for achieving the MDGs, in January 2005 the U.N. Millennium Project issued a report entitled *Investing in Development* (U.N. Millennium Project 2005b) and the final report of the Millennium Project Task Force on Hunger (U.N. Millennium Project 2005a). Both documents have a special focus on sub-Saharan Africa and tightly link hunger alleviation with poverty reduction and agricultural improvements. For example, *Investing in Development* focuses on the prevalence of hunger among smallholder farmers and their families, especially in sub-Saharan Africa. It puts rural development—specifically, "increasing food output and incomes"—at the top of its list of "priority public investments to empower poor people," calling for a "Twenty-First Century African Green Revolution" (U.N. Millennium Project 2005b, 25–28).

Likewise, Africa and agriculture are at the center of the Task Force on Hunger's in-depth analysis and its recommendations for how to reach the hunger reduction goal. The task force notes that sub-Saharan Africa is the one region where hunger and its consequences appear to be getting worse rather than better, and most of its recommended solutions center on building a more productive, market-oriented agricultural system. It calls for an enabling policy environment for agriculture that improves the productivity of food-insecure farmers, increases access to markets, and maintains the natural resources base for agriculture.

The Task Force on Hunger also emphasizes the need for public investment in such areas as agricultural research, extension, and market infrastructure. Endorsing the Maputo Declaration on Agriculture and Food Security in Africa, it recommends that "African governments invest at least 10% of their budget specifically on agriculture and the public goods needed for agriculture to develop—in addition to the needed investments in rural energy, infrastructure, health, education, and other rural sectors" (U.N. Millennium Project 2005a, 89).

The agriculture message of the Task Force on Hunger is fully in line with what African leaders have said: Investments and policy changes that increase agricultural productivity and link farmers to markets are keys to reducing poverty and hunger.

The World Bank's Rural Development Strategy

The World Bank, whose mission is "to fight poverty and improve the living standards of people in the developing world," initiated a review of its rural development strategy in 2000 and issued *Reaching the Rural Poor* in 2003. Recognizing that "three out of every four of the world's poor live in rural areas" and embracing the U.N.'s MDGs, the bank declared that the MDGs "will be met only through increases in rural incomes" and, furthermore, that "in most of the poorest developing countries agriculture is the main source of rural economic growth. That is why improved agricultural productivity and growth are central to the Bank's strategy for reducing poverty" (World Bank 2003, Executive Summary).

These statements signify an important reversal for the World Bank, whose investment in agriculture had declined sharply from more than 30% of total lending in the early 1980s to just 8% in 2001, a new low in both absolute and percentage terms. Now, to cut poverty and hunger in accordance with the MDGs, "agriculture must be put on top of the development agenda—but 'business as usual' will not suffice" (World Bank 2003, 40).

The World Bank's strategy for agriculture embodies the same commitment to increasing productivity and improving market linkages as the Task Force on Hunger and outlines several new activities that it will focus on "enhancing agricultural productivity and competitiveness," including:

- supporting the intensification and diversification of production, with a focus on high-value products;
- encouraging, through demand-driven extension services, more efficient use of water and other inputs;
- reducing post-harvest losses;
- improving food quality and safety;
- strengthening farmer-to-market linkages; and
- supporting the development of physical and services infrastructure.

The World Bank also emphasizes an enabling policy environment and institutional framework for broad-based and sustainable rural growth that includes a heavy emphasis on trade policy reform (at both global and developing-country levels), good governance in developing countries, and rural financial services. All of these features are intended to make markets work for the poor.

The FAO and IFAD

The two U.N. agencies that specialize in food security and agricultural development have long promoted the link between agriculture and welfare of the rural poor and thus are important supporters of the new emphasis on agriculture's role in reducing poverty and hunger in Africa.

The FAO mission is to "help build a food-secure world for present and future generations," which is pursued in large part by supporting agricultural development (FAO 1999). Like the Task Force on Hunger and the World Bank, FAO links food insecurity with poverty and sees sustainable, agriculture-led economic growth as a key to solving both problems. One of FAO's principal strategic objectives is "contributing to the eradication of food insecurity and rural poverty," which it pursues by supporting the development of income-generating agricultural activities. It assists in targeting public and private agricultural investment in ways that promote food security and poverty eradication, build human capacity, and ensure equitable access to the natural resources and other assets that the rural poor and disadvantaged need to succeed.

Similarly, IFAD has pursued its mission "to enable the rural poor to overcome their poverty" by supporting agricultural and rural development since 1977 (IFAD n.d). In its overall strategic framework for 2002–2006, IFAD focuses on empowering the poor to acquire the personal, social, economic, and governance assets they need to overcome poverty and succeed in the agriculture-based economies in which they live (IFAD 2001). The IFAD strategic frameworks targeted specifically at sub-Saharan Africa also recognize and support the need to build the market linkages and infrastructures that are essential to rewarding (and providing incentives to generate) increased production, which in working markets can provide immediate food security and generate the income to overcome poverty.

The United States and African Agriculture

The United States fully supports the central role of African agriculture in the continent's development in the words of its leaders and in new development initiatives. Like every aspect of U.S. development and foreign policy, however, this fact must be understood in the context of September 11, 2001, and the U.S. effort to combat terrorism and the conditions that foster it.

Even before September 11, President George W. Bush made clear his interest in combating global poverty, telling a World Bank audience on July 17, 2001, that "a world where some live in comfort and plenty while half of the human race lives on less than $2 a day is neither just nor stable" (Bush 2001). President Bush also appointed Andrew S. Natsios as administrator of USAID—a man who, from long development experience in Africa and elsewhere, is passionately committed to reducing poverty and believes in agriculture's central role in that endeavor.

In his confirmation hearing on April 25, 2001, Natsios cited his personal experience in witnessing how agricultural reconstruction had restored communities in Mozambique since civil war just over a decade before. The administrator-designate also explained his view of agriculture's role in development more broadly—a view totally aligned with the global recognition of agriculture's role in Africa—and put down a marker for change in the USAID program:

> Without economic growth no development is ultimately sustainable. I would like to focus more of USAID's resources on economic development to reduce poverty and on agricultural development to reduce hunger and malnutrition. … For much of the third world, economic growth and poverty reduction are synonymous with agriculture since 75 percent of the world's poor live in rural areas. All countries that have graduated from the third to the first world have begun with their agricultural sectors. The last fifteen years have not been good to agriculture programs in USAID: agricultural development funding has declined from $1.2 billion in 1985 to $300 million this year. In 1985, USAID had 258 agricultural scientists and agricultural economists, when I left the first Bush Administration that had declined to 183, now there are only 48 left. I believe this situation must be reversed. (Natsios 2001b)

Two weeks later, when he presented the Bush administration's first USAID budget to Congress, Administrator Natsios affirmed his and the administration's embrace of agriculture by naming "Economic Growth and Agriculture" as one of three program pillars supporting USAID's development strategy. He declared, "Without economic growth and food security, no development effort is sustainable. We will increase support for economic growth and agriculture programs that reduce poverty and hunger, while finding better ways to mobilize and partner with the private sector" (Natsios 2001a).

Five months later, the events of September 11 transformed the way many Americans look at the world and dramatically heightened awareness of the link between development and U.S. national security interests. One of the Bush administration's responses was its proposal to establish the Millennium Challenge Account (MCA) as a vehicle for substantially increasing and better targeting development assistance. President Bush personally unveiled the proposal in a March 14, 2002, speech at the Inter-American Development Bank, the week before the International Conference on Financing for Development was to be held in Monterrey, Mexico. He directly linked development and national security:

> This growing divide between wealth and poverty, between opportunity and misery, is both a challenge to our compassion and a source of instability. We must confront it. We must include every African, every Asian, every Latin American,

> every Muslim, in an expanding circle of development. … The advance of development is a central component of American foreign policy. … We work for prosperity and opportunity because they're right. … We also work for prosperity and opportunity because they help defeat terror. (Bush 2002)

The president said the MCA would be used to, among other things, assist African export trade and "apply the power of science and technology to increase harvests where hunger is greatest." During a press briefing at the Monterrey conference, Administrator Natsios reemphasized the importance of investing in agriculture: "One of the commitments of the Bush administration, Secretary Colin Powell, and President Bush is to reinvest in the agricultural sector because [it] is absolutely essential for economic growth over the long term" (Natsios 2002).

In September 2002, at the World Summit on Sustainable Development in Johannesburg, South Africa, the United States unveiled the centerpiece of its strategy to better support African agriculture: the President's Initiative to End Hunger in Africa (IEHA). Intended to help fulfill the MDG hunger-reduction goal and reduce African dependence on food aid, IEHA "focuses on promoting agricultural growth and building an Africa-led partnership to cut hunger and poverty. The primary objective of the initiative is "*to rapidly and sustainably increase agricultural growth and rural incomes in sub-Saharan Africa*" (emphasis in original) (U.S. Department of State/USAID 2003).

Testifying before the House International Relations Committee on April 1, 2003, Under Secretary of State Alan P. Larson summed up the importance of food security to U.S. national interests: "Food security is a serious foreign policy concern that profoundly threatens human health, economic prosperity and political stability." He also underscored the critical role of African agriculture in addressing it: "We must increase agricultural productivity, especially in Africa, to give Africans a chance to leave the poverty that are both a cause and an effect [of] hunger and malnutrition" (Larson 2003).

International Consensus on Financing for Development

In addition to recognizing and supporting the role of agriculture in Africa's development, the United States and the international community have agreed on a set of principles for financing development that are relevant to this report’s examination of agricultural development assistance for Africa.

In 2002, the nearly 200 countries gathered at the International Conference on Financing for Development in Monterrey, Mexico, agreed on the Monterrey Consensus, a statement of principles for marshaling the resources required to “eradicate poverty, achieve sustained economic growth and promote sustainable development” (U.N. 2002, 2). The principles are organized around four main goals:

- **Mobilize domestic financial resources for investment:** highlighting the need for developing countries to take responsibility for their own development by establishing good governance, adopting sound economic policies, and investing their own resources in the physical and social infrastructure and services required for development.
- **Mobilize international resources for foreign direct investment and other private investment flows**: calling for action by both developing countries and the broader international community to foster the conditions necessary for increased private investment, which is an essential component of financing for development.
- **Use international trade as an engine for development**: recommending a host of measures to create trade rules and develop trading capacity in recognition of the fact that trade can be the largest external generator of financing for development.
- **Increase international financial and technical cooperation for development**: emphasizing the essential role played by official development assistance in financing development in the least-developed countries, calling for significant improvement in the level and quality of official development assistance and recipient-country ownership of the development process, and citing Africa’s NEPAD initiative as a model to be supported.

The Monterrey Consensus also cites the need for debt relief and greater coherence and consistency in the international monetary, financial, and trading systems as keys to achieving adequate and effective financing for development. The Monterrey principles are in line with the approaches to mobilizing resources agreed to by African leaders in the original 2001 NEPAD compact and are a sound framework within which to examine and understand U.S. assistance for African agriculture.

Conclusion

The recent shifts in thinking and broad agreement on agriculture's role in Africa are important. They provide the impetus and a framework for making the investments from internal and external sources that are necessary to support agricultural development and economic growth. The road ahead in fulfilling Africa's potential is long, however, and any investment strategy must take a commensurately long view. The balance of this report focuses on examining where one participant in this investment strategy—the United States—stands today.

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2

Institutional and Policy Landscape

Development assistance for agriculture and other purposes is a component of American foreign policy and the overall national security program of the United States. The Bush administration has elevated the role of development and integrated it into its National Security Strategy. As then-National Security Advisor Condoleezza Rice explained, "Development assistance is one of our three Ds: Diplomacy, Development, and Defense" (USAID 2004a, 23).

Development assistance is also a creature of domestic politics. Its scale and composition are heavily influenced by the U.S. Congress, which shapes development assistance to a large extent in response to pressures from U.S. economic and social interest groups. These domestic interests help explain many features of the U.S. food aid program; the focus of development assistance on health, education, and other social sectors with strong U.S. constituencies; and a set of policies that channel a large portion of U.S. assistance dollars to United States-based vendors.

This grounding of international development assistance in national security policy and domestic politics makes governance of the program enormously complex. A detailed analysis of the political economy of development assistance is beyond the scope of this report, but to understand U.S. agricultural development assistance to Africa, an overview of the many government institutions that are involved and the roles they play is essential. In this chapter, we provide that overview and, in so doing, give some perspective on the political forces that shape agricultural development assistance.

Because USAID administers about 75% of all U.S. development assistance and the great preponderance of agricultural assistance, we treat it in greater detail than other agencies. However, USAID's activities cannot be understood without also considering the roles of Congress, the White House, and the Department of State in shaping the USAID program.

Other U.S. agencies play roles of varying importance in this arena, including the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS), the U.S. Trade and Development Agency (TDA), and the African Development Foundation (ADF). The agricultural assistance roles of these agencies are described here. The Millennium Challenge Corporation

(MCC), the important new development institution created to administer the Millennium Challenge Account (MCA), is likely to become a significant force in agricultural development in Africa and elsewhere and thus also is discussed in this chapter.

The relevant institutional landscape is not limited to domestic agencies. Through the Departments of Treasury and State, the United States contributes to multilateral institutions that play important roles in African agricultural development: the World Bank, the United Nations' FAO, the World Food Programme (WFP), the IFAD, and the African Development Bank (ADB). The roles of these institutions and how they relate to U.S. bilateral assistance for agriculture are described briefly in this chapter.

The complexity of the institutional landscape is not unique to foreign assistance; it is a common feature of government programs that evolve over time in response to changing social and political pressures and circumstances. As in other arenas, the involvement of multiple institutions in agricultural development assistance contributes to the fragmentation of efforts and raises issues of coordination that can affect the ability to achieve public investment in African agricultural development that is coherent and cumulatively beneficial.

Congress

Whereas the U.S. Constitution vests in the president the power to make treaties, appoint ambassadors, and conduct the day-to-day foreign affairs of the United States, Article I gives Congress extensive authority in foreign affairs, grounded in its broad legislative powers and its constitutional responsibility to "provide for the common Defence [sic] and general Welfare of the United States," declare war and raise armies, and regulate foreign commerce. Equally important, Congress has the power of the purse: It ultimately controls how the government spends its money.

Congress makes full use of its powers to shape foreign development assistance through substantive legislation—principally the Foreign Assistance Act (FAA) of 1961 (FAA, P.L. 87-195)—and the appropriations process. In so doing, Congress provides the president and USAID with extensive guidance on policy and largely directs resource allocation for development assistance.

The Legislative Framework for Agricultural Development Assistance

Foreign Assistance Act of 1961

Although the post-World War II Marshall Plan was widely applauded as a development success, public support for foreign aid eroded during the 1950s and became an issue in the 1960 presidential election. President John F. Kennedy responded with the Alliance for Progress and support for enacting the FAA, which authorized the creation of USAID, created new funding mechanisms for development assistance, and recognized the need for country-by-country planning and the long-term programming of development resources.

Objectives and Principles

In 1973 and 1978, Congress amended the FAA to articulate development objectives and principles and to establish the funding authorizations for development assistance that remain in effect today.[3] Citing the "interdependence of nations" and the "traditional humanitarian ideals of the American people," Congress declares in the FAA that a principal objective of American foreign policy is "the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives" (FAA, Sec. 101).

To achieve this objective, the FAA establishes five major goals of United States development cooperation policy:

- To alleviate the worst physical manifestations of poverty among the world's poor majority;
- To promote conditions that enable developing countries to achieve self-sustaining economic growth with an equitable distribution of benefits;
- To encourage development processes in which individual civil and economic rights are respected and enhanced;
- To integrate developing countries into an open, equitable international economic system; and

[3] Foreign Military Sales and Assistance Act of 1973 (P.L. 93-189) and the International Development and Food Assistance Act of 1978 (P.L. 95-88).

- To promote good governance by combating corruption and improving transparency and accountability.

The FAA also enunciates 17 principles to govern development assistance in pursuit of these goals (FAA, Sec. 102). For example:

- Development is primarily the responsibility of the people of the developing countries themselves, and U.S. assistance should support local "self-help" and grassroots involvement through democratic processes.
- Assistance "shall be concentrated in countries which will make the most effective use of such assistance to help satisfy basic human needs of poor people through equitable growth."
- U.S. assistance should support the development goals and capacity-building needs of the host government while giving priority to efforts that help the poorest citizens and the sectors that affect the most people (of which "food production and nutrition" and "rural development" are the first two listed).

Authorization of Appropriations for Agricultural Development Assistance

Besides establishing goals and broad principles for development assistance in general, the FAA provides congressional authorization for appropriations in numerous specific sectors and areas of interest, ranging from broad assistance categories (Agriculture, Rural Development, and Nutrition; Population and Health; Education and Human Resources; and Environment and Natural Resources) to more targeted ones (Micro- and Small Enterprise, Integrating Women into National Economies, Tropical Forests, and Endangered Species) (FAA, secs. 103–120).

The FAA's authorization of assistance for Agriculture, Rural Development, and Nutrition (FAA, Sec. 103) broadly authorizes assistance to address hunger and malnutrition; expand services that the rural poor need "to enhance their capacity for self help"; and improve the incomes of the rural poor by creating productive employment, on and off the farms, and a more viable economic base in rural communities. It provides that assistance "shall be used primarily for activities which are specifically designed to increase the productivity and incomes of the rural poor," and the law identifies a wide range of possibilities, including rural finance, rural infrastructure and utilities (including farm-to-market roads, water management systems, land improvement, energy, and storage facilities), more secure land tenure arrangements, marketing facilities and systems, and the array of services and inputs needed to increase farmers' productivity.

The FAA calls specifically for enhancing the productivity of small farmers to expand the production and availability of food in the rural areas of the world's poorest nations, which it says is "a matter of social justice and a principal element contributing to broadly based economic growth." In this context, the FAA specifically encourages developing country efforts to improve food security and directs bilateral assistance under the FAA and food aid programs to emphasize policies and programs that increase food security.

Development Fund for Africa

As the Cold War wound down in the 1980s, so did politically motivated economic assistance for Africa. Congressional supporters of African development responded in 1990 by adding a new Chapter 10 to the FAA, establishing the Development Fund for Africa (DFA) as a long-term funding vehicle. The declared purposes of DFA were to "help the poor majority of men and women in sub-Saharan Africa to participate in a process of long-term development through economic growth that is equitable, participatory, environmentally sustainable, and self-reliant" and to encourage private-sector and individual initiatives while "helping to reduce the role of central governments in areas more appropriate for the private sector" (FAA, Sec. 496).

In establishing the DFA, Congress provided that the development program for Africa should focus on "critical sectoral priorities," including agricultural production, natural resources, health, and education. It also ensured that the program addresses sectoral economic policy reform and strengthen democratization and capabilities for conflict resolution.

Through FY1995, Congress earmarked appropriations for DFA. Since then, appropriations for development in Africa and other regions have been made through two broadly applicable funding programs or accounts—Development Assistance (DA) and Child Survival and Health (CSH)[4]—and Congress no longer uses the DFA as a distinct funding vehicle for Africa. DFA's authorizing language and policy direction remain in effect, however, and Congress continues to cite Chapter 10 together with the other relevant authorizing provisions when it appropriates funds for agriculture and other development assistance in Africa.

[4] Before FY2002, the CSH program was called Child Survival and Disease.

Other Africa-Specific Measures

Since DFA ceased to be a distinct vehicle for appropriations, Congress has passed two measures that reaffirm its belief in the importance of African agriculture and rural development. In the Africa Seeds of Hope Act of 1998, Congress declared that the "economic, security, and humanitarian interests of the United States and the nations of sub-Saharan Africa would be enhanced by sustainable, broad-based public and private sector agricultural and rural development in each of the African nations" and that U.S. policy supports such development. (H.R. 4283, P.L. 105-385). The act called on USAID and other agencies to focus on food security, microenterprise assistance, and other efforts to achieve sustainable, market-oriented agricultural and rural development.

In 2002, Congress passed the Africa Hunger to Harvest Resolution, which called on the president to develop 5- and 10-year strategies "to achieve a reversal of current levels of hunger and poverty in sub-Saharan Africa" (H. Con. Res. 102, March 8, 2002). The strategies were to include emphasis on strengthening agriculture, from the subsistence level to the global agricultural market level, and investment in infrastructure and rural development. These measures were the product of an active coalition of non-governmental organizations (NGOs) led by Bread for the World, which has successfully kept the issue of African agriculture and rural development before Congress and elicited steady congressional support for the ideas underlying the new global recognition of how agriculture can lead economic growth in Africa.

Food Aid Statutes

In addition to development assistance activities authorized and funded under the FAA, food aid is a major vehicle for agricultural development assistance in Africa. Congress has authorized and funds food aid programs that are used for this purpose through three primary statutes. Like the FAA, these statutes set the broad policy and spell out many of the details of how the programs are managed.

P.L. 480

P.L. 480[5] is shorthand for the Agricultural Trade Development and Food Assistance Act of 1954, which initially authorized and now governs three U.S. food aid programs, known collectively as the Food for Peace Program. The largest of these programs and the most important one for agricultural development purposes is the P.L. 480, Title II program, or Title II for short. Administered by USAID, Title II is named after the provisions of P.L. 480 that authorize Emergency and Private Assistance Programs.

As its name implies, Title II is intended to address both emergencies (i.e., famine, immediate malnutrition, and other extraordinary relief needs) and long-term development, which includes attacking the causes of hunger and promoting "economic and community development" and "sound environmental practices" (P.L. 480, Sec. 201). In the 1990 Farm Bill,[6] Congress amended P.L. 480 to establish food security as the primary objective of Title II and called for the use of agricultural commodities to, among other things, "combat world hunger and malnutrition and their causes" and "promote broad-based, equitable, and sustainable development, including agricultural development" (P.L. 480, Sec. 2).

Title II is funded by specific, annual appropriations that are used to purchase food commodities, which USAID then gives to other agencies and organizations to carry out emergency feeding and development programs. The majority of Title II food aid is used for development purposes, rather than direct feeding, and agricultural development is a major focus. Development food aid is given primarily to private voluntary organizations (PVOs) that work with USAID as cooperating sponsors of food aid projects based on the detailed Development Activity Program proposals they submit to the agency. As authorized by Congress, the PVOs commonly sell (or monetize) most or all the food in the country in which they are working and use the local currency proceeds to finance their development programs. In some cases, PVOs distribute the food directly to local people working on food-for-work development projects.

Congress not only sets the broad goals and operating framework for the Title II program but also prescribes the minimum annual tonnage of commodities to be purchased for the program, the procedures for purchasing and shipping the commodities overseas (requiring that 75% of the annual tonnage be shipped on U.S.-flag vessels), the form in which commodities are

[5] The Agricultural Trade Development and Food Assistance Act of 1954 was enacted by the 78th Congress as P.L. 83-480, which has been shortened in common usage to P.L. 480.

shipped (requiring at least 75% in a value-added form and at least 50% of the bagged commodity being bagged in the United States), conditions for monetizing the commodities, and the development purposes for which the resources can be used. Title II also provides in Section 202(e) that no less than 5% or more than 10% of the funds appropriated annually for Title II shall be paid directly to the food aid PVOs to meet their own food aid-related institutional needs.

Agricultural Act of 1949, Section 416(b)

In Section 416(b) of the Agricultural Act of 1949 as amended, Congress authorizes the donation of commodities owned by USDA's Commodity Credit Corporation (CCC) for development assistance purposes. The CCC acquires surplus commodities through its domestic price support operations and is authorized to donate them to carry out the development purposes of P.L. 480 as well as the Food for Progress Act and its programs (discussed later), as long as the remaining supplies are adequate to meet domestic needs and normal export marketing of the commodity would not be adversely affected. Because the amount of food available under 416(b) depends on price and supply conditions in the U.S. marketplace and the level of stocks CCC owns, donations for food aid purposes can vary widely from year to year.

Like Title II food aid, Section 416(b) commodities can be given to PVOs under agreements that spell out the development purposes for which they can be used. Some but not all food donated under Section 416(b) is used for agricultural development purposes. Section 416(b) is administered by FAS.

Food for Progress Act of 1985

In the Food for Progress Act of 1985 (P.L. 99-198), Congress provided a separate authorization for CCC to make food commodities available to foreign governments or PVOs by grant or sale for development purposes in countries that "have made commitments to introduce or expand free enterprise elements in their agricultural economies." The CCC is also authorized to finance shipping expenses and other costs associated with food aid programs.

Unlike Title II, the Food for Progress Act provides little guidance on how resources are to be used; however, its underlying purposes are to encourage open international markets for agricultural commodities and to develop potential markets for U.S. exports. The resources

[6] The Agricultural Development and Trade Act of 1990 (P.L. 101-624).

typically are used for agricultural development purposes. Food for Progress is implemented by FAS.

The Legislative Message on Agriculture

In the FAA, Congress has made agriculture and food security high priorities for development assistance within a framework focused on economic development to benefit the very poor—a framework that is quite consistent with the new recognition and understanding of agriculture's role in Africa outlined in Chapter 1. The FAA stresses self-help and economic growth more than relief. Moreover, in its Section 103 authorization for agricultural assistance, the FAA calls for not only increasing the productivity of smallholders but also building the array of market infrastructures and services that are essential if enhanced productivity is to produce higher incomes for the rural poor. Congress also singles out Africa as a focal point for development assistance in its Chapter 10 authorization of DFA and calls agriculture a critical sector.

Title II of P.L. 480, as amended in 1990 to focus more acutely on food security, also gives first-order importance to agriculture. Agricultural improvements are vital to increasing locally available food stocks to meet food security needs in the short term, but Title II also links broad-based and sustainable development—specifically agricultural—to hunger prevention and long-term food security.

Together, these two statutes authorize nearly all bilateral U.S. development assistance for African agriculture. They represent mainstream current thinking about the role agriculture can play in reducing poverty and hunger in Africa, including the need to pursue a long-term, market-oriented approach to development and investment that will fulfill agriculture's potential.

Congressional Earmarks and the Appropriations Process

As extensive as the congressional direction in authorizing legislation may be, the more direct, day-to-day involvement of Congress in the country's development assistance program comes through the appropriations process. The federal budget process is complicated and involves elaborate interaction between the executive branch and the Congress. As is often said, however, "The president proposes, but Congress disposes."

The key congressional units for decision-making on resource allocation for development assistance are the House and Senate foreign operations subcommittees of the Committee on

Appropriations in each body, which have jurisdiction over the budget of USAID, among other agencies.[7] The foreign operations subcommittees are not completely free agents. Like all appropriations subcommittees, they work within budget allocations that are generated initially by the budget committees of each house and adopted by Congress as a whole in the annual Concurrent Budget Resolution. These allocations are passed along through the Committee on Appropriations to each of 13 subcommittees as a committee allocation, which sets a practical limit on the total amount the subcommittee has to allocate among the programs under its jurisdiction. Within their budget allocations, however, the foreign operations subcommittees have broad discretion to set budget priorities and spending levels for specific programs and to attach conditions to the spending of appropriated funds. Decisions of the subcommittees must be ratified at the committee level and included in the foreign operations appropriations bills ultimately passed by Congress—and they usually are.

In the case of the USAID budget, Congress appropriates funds across a complex series of budget accounts that cover both agency program activities and operating expenses. The subcommittees make decisions about resource allocation among and within these accounts. In considering their budget decisions, the subcommittees work initially from a detailed budget proposal and budget justification that are prepared by USAID in conjunction with the Department of State and the Office of Management and Budget (OMB) in the White House (discussed below). The USAID Congressional Budget Justification is forwarded to Congress as part of the president's annual budget submission.[8] The USAID proposal includes not only proposed total spending in each congressional budget account but also the intended resource allocation within those budget accounts.

The appropriations subcommittees make both macro- and micro-level decisions about how USAID spends its money, and they express those decisions with differing levels of formality. The macro-level decisions include how resources are allocated across the budget accounts and major allocations among programs within the accounts; these decisions are

[7] More formally, the House Subcommittee on Foreign Operations, Export Financing, and Related Programs (chaired by Rep. Jim Kolbe [R–Arizona]) and the Senate Subcommittee on Foreign Operations (chaired by Sen. Mitch McConnell [R–Kentucky]. The agriculture appropriations subcommittees also play roles in agricultural development assistance based on their appropriating jurisdiction over P.L. 480, Title II, as well as the other food aid programs, but their role in directing the use of development resources is modest compared with those of the foreign operations subcommittees.

[8] Congressional budget justifications, posted annually on the USAID web site (USAID various years), provide a wealth of information about the USAID budget.

typically expressed in the legislative language of the appropriations bill itself. The micro-level decisions involve allocations within programs or for very specific purposes; the sums may be relatively large or quite small, and the allocations may be to specific private-sector organizations. Some of these decisions are incorporated in the appropriations bill itself, whereas many others are expressed in the House and Senate committee reports that accompany the annual appropriations bill. These micro-level resource decisions are commonly known as earmarks, and they are an important and controversial feature of the relationship between Congress and USAID.

Of the seven major USAID program accounts, the two most relevant to understanding the congressional role in resource allocation and the importance of earmarks for agricultural development assistance are the accounts intended to fund long-term global development activities: DA (which addresses all areas of long-term development besides health) and CSH (the health account).[9] One important decision that Congress must make concerns resource allocation between the DA and CSH accounts. In the FY2005 appropriations bill, for example, Congress provided a total of $1.46 billion for DA and $1.55 billion for CSH. Although some people might argue for a different outcome, allocating resources across these broad categories is the kind of policy decision that most people expect Congress to make.

Within the CSH category, Congress specifies how most of the appropriated $1.55 billion is to be allocated among major health programs: child survival and maternal health ($345 million); HIV/AIDS ($350 million); the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria ($250 million); other infectious diseases ($200 million); vulnerable children ($30 million); and the Vaccine Fund ($65 million). All these programs are important. However, some people may argue that they address a particular subset of the health challenges facing developing countries and may or may not reflect how health professionals would deploy finite resources to address global health concerns. Others would contend that these allocations do not occur in a vacuum, that they reflect the input Congress received from the administration and other sources, and that it is clearly the prerogative of Congress to make spending decisions of this kind.

[9] The other accounts address short-term humanitarian needs, are geographically focused, or serve primarily foreign policy rather than developmental interests: International Disaster and Famine Assistance, Economic Support Fund, Assistance to Eastern European and Baltic States, Assistance to Independent States of the Former Soviet Union, and Transition Initiative.

The congressional role goes even deeper in the DA account, which is the primary source of funding for agricultural development assistance in the USAID budget. Many contend that the use of earmarks in the DA account severely limits both the amount of funding available for agriculture and USAID's flexibility to use its DA funding in ways that will do the most good in the agriculture sector. In the FY2005 appropriations bill, nine earmarks allocate $823.3 million (of the $1.46 billion total appropriated for the DA account) for specific purposes. Four of these earmarks are for substantial sums and fairly broad categories, arguably akin to the broad allocations made within the CSH account: basic education ($300 million), trade capacity building ($194 million), biodiversity ($165 million), and drinking water supply ($100 million).[10]

Other legislated DA earmarks in the FY2005 appropriations bill are smaller and more targeted: plant biotechnology research and development ($25 million), the American Schools and Hospitals Abroad program ($20 million), women's leadership capacity ($15 million), the International Fertilizer Development Center ($2.3 million), and clean water treatment ($2 million). Interestingly, in the wording of the bill, Congress uses the term *shall* in connection with only two of these eight earmarks; the others say that USAID *should* make the prescribed amount available. The difference between *shall* and *should* may have legal significance—one is clearly mandatory while the other is a strong admonition—but it makes little practical difference in USAID's need to comply with the congressional directive to the best of its ability.

Besides these legislated earmarks, the House and Senate reports accompanying the FY2005 appropriations bill contain about a dozen additional earmarks that allocate specific amounts of DA funds for specific purposes, totaling about $520 million besides the $823.3 million earmarked in the bill itself. Thus, of the $1.46 billion appropriated in the DA account, Congress has earmarked about $1.34 billion (92% of the total). In the committee reports, Congress variously "recommends," "urges," "expects," or "directs" USAID to spend the money in the prescribed manner. Signals of this kind from appropriators must be taken seriously and acted upon, but there is some flexibility in the system for USAID to work out internally and in consultation with Congress what constitutes compliance with the earmark.

Some of these report language earmarks are substantial, including a House earmark for microenterprises ($200 million), a Senate earmark for energy efficiency and renewable energy

[10] Consolidated Appropriations Act, 2005 (H.R. 4818, P.L. 108-447), Division D (Foreign Operations, Export Financing, and Related Programs), Title II (Bilateral Economic Assistance/Development Assistance), and Title V (General Provisions/sec. 576 Environmental Programs).

sources ($180 million), and House and Senate earmarks for biodiversity ($110 million and $175 million, respectively). Others are smaller but targeted for specific purposes or recipients; for example, House earmarks of $20 million to be spent on dairy development and $28 million to be used for the Collaborative Research Support Programs, which are agricultural research programs based at U.S. universities.

The committee reports also call USAID's attention to about 100 project proposals related to international development that have been advanced by American colleges and universities. The committees "recommend" that these proposals receive "active consideration" by USAID, and the Senate report "provides" $40 million to be drawn from various USAID accounts (including DA) to fund these projects.

Finally, the report language on USAID's FY2005 DA account contains admonitions and recommendations that are not accompanied by recommended or directed spending levels but have policy and resource allocation implications. For example, the House report called on USAID to "fully fund" a certain scholarship program for technical training in Latin America, expand microcredit for coffee cooperatives, pursue a particular coffee strategy, provide "adequate funding" for the overseas development programs of U.S. credit unions and cooperatives, and increase funding for rural electrification in developing countries.

At the same time, the House report "notes with concern the reductions made in the budget request to several countries in Africa" and says, "the Committee expects USAID to restore the cuts in African country allocations (for countries not eligible for MCC funding) to their fiscal year 2004 levels, consistent with proper programmatic considerations." In the next paragraph, the committee "urges" USAID to consider specific proposals to support community-based courts in Rwanda and training for journalists to be provided by an organization called All Africa Global Media. The Senate report provides similar micro-level guidance to USAID, including the endorsement of more than two dozen specific projects and NGOs carrying out development activities. Such projects include the Peregrine Fund's Neotropical Raptor Conservation Program in Panama, Students in Free Enterprise (http://www.sife.org/), and Idea Village (http://www.ideavillage.org).

Finally, the Senate committee report also states, "The Committee supports USAID's renewed emphasis on agriculture, as it has long believed that agricultural development is critical to combating poverty. The Committee encourages a central role for these programs in USAID's future economic development and disaster relief strategies."

USAID would, of course, like to comply with this last bit of guidance and strategically deploy significant DA resources to foster agriculture-led economic growth, but it faces the hard reality that some 92% of the DA budget is spoken for through quantitative earmarks for purposes that are unrelated to agriculture (e.g., basic education), tangentially related to agriculture (e.g., microenterprises, trade capacity, and biodiversity), or intended for very specific constituency-driven rather than strategy-driven purposes (e.g., biotechnology and dairy development).

There is no earmark for agriculture per se or for agriculture-led economic growth strategies. USAID is thus in the position of piecing together funding for its agriculture initiatives from a funding pool that is earmarked for other purposes and has diverse motivations. The management of congressional earmarks is central to the overall resource allocation process at USAID and has significant consequences for USAID's agriculture funding and programs.

The White House and the Department of State

The White House and the Department of State are important parts of the institutional and policy landscape for agricultural development assistance. They are far removed from the day-to-day management that takes place at USAID and other agencies, but they have a big effect on the overall policy directions and budget priorities that affect agricultural development assistance.

The White House

As discussed in Chapter 1, the Bush administration has made development an integral part of the U.S. national security strategy and agriculture a key element of its development program. President Bush has demonstrated a personal commitment to development assistance through his sponsorship of the MCA and to agriculture as seen in the IEHA. Presidential leadership has clearly set a positive tone and created a receptive environment for agriculture-related development activities.

Beyond displaying presidential leadership and highlighting important issues and priorities, the White House plays a critical institutional role: arbitrating among competing budget and policy priorities through OMB and its International Affairs Division. Understandably, many priorities compete in the development assistance arena.

In Africa, HIV/AIDS is a devastating health, social, and economic problem that affects all aspects of life on the continent, including agriculture; President Bush has backed this personal priority with strong funding commitments. The refugee crisis spurred by violence in Sudan's Darfur region is another important priority and in the wake of September 11, development and relief priorities in other regions also compete, with Iraq and Afghanistan claiming a large share of resources. With input from USAID, the Department of State, and the National Security Council, OMB plays a central role in balancing these competing priorities through the annual budget process.

The Department of State

The Department of State plays two major roles that relate to agricultural development assistance, one at the broad policy level and one at the program management level.

As the president's chief foreign policy advisor and representative, the secretary of state has a strong voice in shaping development assistance to ensure that it advances the country's foreign policy objectives. With development assistance resources perpetually scarce, any program area that does not fit with those objectives will have a doubly difficult time gaining significant funding. In recent years, agriculture has had strong support at the Department of State, especially with former Under Secretary for Economic, Business, and Agricultural Affairs Alan P. Larson linking agricultural development to U.S. national security interests, as noted in Chapter 1.

At the management level, the Department of State is a partner with USAID in setting policy for and managing development programs. Though USAID is organizationally an independent agency in the executive branch, the USAID administrator reports to and takes policy guidance from the secretary of state. The Department of State and USAID now develop their strategic plans jointly, which means that the Department of State must support any major initiative that USAID wants to pursue. In the current joint strategic plan, the declared mission of the department and USAID is to "create a more secure, democratic and prosperous world for the benefit of the American people and the international community" (State Dept./USAID 2003, 1).

Promoting agricultural development is one of the four strategies cited in the plan for achieving the goal of economic prosperity and security:

> A productive agricultural sector is a critical engine for economic growth in many developing countries, especially in Africa. It also is critical for food security, improved nutrition and health, and environmental sustainability and security both in developing and transition countries. … We will work with partner countries to strengthen the operation of local, regional, and global markets in agricultural products. (State Dept./USAID 2003, 23)

The Department of State and USAID also co-manage the largest single foreign assistance account, the Economic Support Fund (ESF). The fund is controlled for policy purposes by the Department of State, administered by USAID, and intended primarily to support the immediate foreign policy and political interests of the United States rather than long-term development priorities. Nearly half of the $2.5 billion appropriated for the ESF in FY2005 is earmarked for Israel, Egypt, and Jordan, but some funds are available for USAID development projects in Africa, including some related to agriculture.

Finally, the Department of State is involved in agricultural development assistance through its Bureau of International Organization Affairs (IO), the conduit for U.S. funding of FAO, which is the principal U.N. agency for agricultural development. The Department of State maintains a permanent mission to the U.N. agencies in Rome, Italy, through which it maintains liaison with and provides U.S. policy guidance to FAO as well as the other U.N. food- and agriculture-related agencies in Rome: IFAD and WFP.

USAID

USAID is the primary development assistance agency in the U.S. government and the agency with by far the most substantial direct involvement in agricultural development assistance. An overview of USAID's organization, resource allocation practices, and agricultural development policies is thus essential to an understanding of U.S. assistance for agriculture in Africa. This section provides that overview at a level of detail that serves the purposes of this report without delving too deeply into the detailed inner workings of one of the most complex agencies in the U.S. government.

Organization

At its headquarters in Washington, DC, USAID is organized around four regional bureaus that oversee the agency's field operations in more than 100 countries and three pillar bureaus that provide global leadership and technical support to the field (Figure 2-1). These bureaus at headquarters support 89 country-level and regional field offices of varying sizes that manage the frontline development programs.

The following description of the USAID organizational structure focuses on the elements that are most involved in agricultural development assistance.

Office of the Administrator

USAID is headed by an administrator who is appointed by the president, is confirmed by the Senate, and reports to the secretary of state. The current administrator is Andrew Natsios. Like any agency head, USAID administrators have the power to set the policy tone within the agency, declare and pursue priority initiatives, and manage the internal processes of the agency. As a direct report to the secretary of state and thus a member of the administration's foreign policy and national security team, however, the administrator is largely a broker between the career staff and operating units of USAID on one side and the other elements of the administration and Congress on the other. Among other important functions, the administrator leads USAID's participation in the internal administration budget process, where important priority and resource allocation decisions are made. As discussed in Chapter 1, Administrator Natsios called for increased investment in agriculture, especially in Africa, at the beginning of his tenure.

Within the Office of the Administrator, the Bureau for Policy and Program Coordination (PPC) plays a critical role on the administrator's behalf on policy, program, and budget issues affecting agricultural development assistance. Most importantly, PPC manages the USAID budget preparation process and allocates resources among USAID programs and organizational units based on the administration's priorities and congressional directives, including appropriation earmarks. PPC bears the brunt of balancing proposed investments in agriculture-related programs with other priorities agency-wide, all in conformity with the guidance provided by Congress.

The Bureau for Africa

USAID's Bureau for Africa is responsible for designing, implementing, and evaluating USAID's development strategies and programs in sub-Saharan Africa. It provides direction and oversight to 22 bilateral field missions, 26 country programs, and 3 regional programs in Africa where assistance programs are actually implemented. In FY2005, the Bureau for Africa is managing about $1.44 billion in program funds. The bureau has staff units that oversee programs in each of the agency's primary areas of development work in Africa: economic growth and agriculture, health, education, and governance. Humanitarian relief, such as for the Darfur crisis in Sudan, is handled by a separate headquarters unit.

Until recently, the four USAID regional bureaus housed subject experts who provided economic development support to the in-country field offices and programs. Most of this expertise has now been consolidated in the Bureau for Economic Growth, Agriculture, and Trade (EGAT). Thus, like all the regional bureaus, the Bureau for Africa's primary roles involve allocating resources at the budget preparation and implementation stages (discussed below) and ensuring that as planned and implemented, the development programs it manages are consistent with USAID's objectives and produce meaningful results.

Bureau for Economic Growth, Agriculture, and Trade

EGAT is one of the three pillar bureaus charged with working globally in their areas of expertise to support the field offices and otherwise help achieve USAID's goals; they are the repositories of most of the agency's subject-specific technical expertise. EGAT's responsibilities are in the areas of economic growth, poverty reduction, education, economic infrastructure, agriculture, environment, natural resources management, and women in development. EGAT designs and implements programs in its areas of expertise with about $150 million in program funds (FY2004). Such programs are intended to augment those managed by the bilateral and regional field offices. EGAT also provides technical advice and training to field staff.

Within USAID, EGAT has played a leadership role on agricultural development. It devotes about $55 million of its program resources to agriculture-related research and technology development, and it led the development of USAID's new agriculture strategy document issued in July 2004 (USAID 2004b). Working with the regional bureaus and PPC, EGAT's Office of Agriculture plays a role in all agency-wide deliberations on agriculture-related policy and resource allocation, and its expert teams work on rural policy and governance issues affecting agriculture, agricultural technology, agribusiness, and markets.

The Bureau for Democracy, Conflict, and Humanitarian Assistance

The Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA) is the headquarters pillar bureau that works primarily in the areas of emergency relief and disaster assistance, often in countries in conflict (e.g., Sudan, Iraq, and Afghanistan). DCHA also plays an important role in agricultural development assistance through its management of the P.L. 480, Title II food aid program.

The Office of Food for Peace (FFP) manages both emergency and development uses of food aid. In 1995, FFP adopted a policy of targeting its non-emergency food aid in countries that face the most serious food security problems and for uses that promise long-term solutions (USAID/FFP 1995). As a result, development food aid is a major source of resources for USAID's agricultural development efforts in Africa. In FY2004, USAID valued its development food aid in Africa at about $190 million, slightly more than half of which was devoted to agriculture-related projects.

FFP coordinates its development food aid programs in Africa and elsewhere with the local USAID field offices. However, it operates by making grants of food commodities directly to U.S.-based organizations such as World Vision, CARE, and Catholic Relief Services, which in turn implement programs in developing countries by using either the proceeds from the sale of the food or the food itself as an in-kind resource.

Field Offices

USAID field offices are on the frontline of development assistance. They include bilateral mission offices and regional program offices. USAID has bilateral missions in 22 African countries—some large and fully staffed to provide comprehensive services, others quite small with only a few employees who are backed up by other field offices.[11] Africa has three regional program offices: the Regional Economic Development Services Office for East and Southern Africa in Nairobi, Kenya; the Regional Center for Southern Africa in Gabarone, Botswana; and the West Africa Regional Program in Accra, Ghana.

The function of all USAID field offices is to design and implement development strategies and programs that will produce meaningful results in the countries and regions for which they are responsible. The field offices must work within the resource allocations they receive from Washington, considering the congressional earmarks on use of funds. Nevertheless, the field offices are given substantial responsibility to devise the specific activities they believe will produce good development results. Many bilateral missions have developed country strategic plans that describe a comprehensive vision for USAID's contribution to development in that country and specific strategies for achieving it. In developing these plans, USAID field staff typically consult with local government officials, representatives of other donor countries, and private-sector stakeholders.

Field offices carry out most of their program activities through grants or contracts, typically with U.S.-based PVOs (such as the NGOs that also manage food aid programs) or commercial consulting firms and other vendors (e.g., Chemonics International, Inc., Abt Associates, Inc., and Deloitte Touche). USAID staff define the terms of these grants and contracts and oversee their implementation.

A key dynamic within USAID is the natural tension between headquarters units (which have global responsibilities and grapple with the realities of competing demands, finite resources, and congressional earmarks) and the field offices (which see development needs and opportunities close up). As in many federal government agencies, headquarters staff often perceive field staff as too independent, and field staff perceive headquarters as too controlling. This dynamic is particularly important within USAID because neither entity can function meaningfully without the other and because the development results that ultimately matter back in Washington are the ones achieved on the ground, mostly by field offices.

The frontline role of the country-level missions, the responsibility they have in the USAID system for program design, and the important role the missions typically play in

[11] Countries in sub-Saharan Africa with USAID missions are Angola, Benin, Democratic Republic of Congo, Eritrea, Ethiopia, Ghana, Guinea, Kenya, Liberia, Madagascar, Malawi, Mali, Mozambique, Namibia, Nigeria, Rwanda, Senegal, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe (USAID n.d.).

managing projects make the mission directors key figures within both USAID and the countries where they work. Mission directors are the senior, authoritative field voices informing headquarters of opportunities and challenges in their countries and advocating for the resources and other support needed to achieve results. Their views can also carry great weight with officials in the host government, especially in countries where the United States is among the largest contributors of external assistance.

Resource Allocation

The process through which USAID allocates its resources for agricultural development and other purposes is quite complex, flowing from an elaborate set of planning, budget development, and budget implementation processes. It is beyond the scope of this report to describe the details of this process, which are subject to fairly frequent change, but the essential elements of the process are important to an understanding of resource flows for purposes related to agricultural development. This overview illustrates the roles of the various organizational units in resource allocation; additional details are provided as needed in Chapter 3 to describe recent trends in funding for agricultural development assistance.

Program planning at USAID is the process through which operating units—namely, field offices and some headquarters units that spend program money to achieve development results—decide which program activities they want to undertake. Budget development and implementation is the process through which USAID develops its appropriations request to Congress and allocates the funds that Congress appropriates. In what might be an oversimplified description, program planning at USAID is a bottom-up process, whereas the budget development and implementation process is top-down.

Program planning is bottom-up in the sense that it is driven by teams of USAID employees who work at the operating unit level to establish strategic objectives for their teams and devise the activities they consider appropriate to achieve each objective. For example, based on its local consultations and country strategic plan, the USAID Mozambique Mission has formed several strategic objective teams, including a Rural Incomes Team that focuses on linking agricultural producers to markets in efforts to raise rural incomes. This team is responsible for devising the activities needed to achieve its objective and selecting grantees and contractors to carry them out. Even though everything related to the strategic objectives must be in general alignment with USAID's overall development strategy as set in Washington (including the relevant earmarks), most program activities are planned locally.

The money required to carry out program activities is appropriated and allocated through what generally is a top-down process. It is true that strategic objective teams project their funding needs over a multiple-year period and that these projections feed into the annual budget development process; however, funds are allocated to particular accounts—such as the DA and P.L. 480, Title II accounts that fund most agricultural development assistance—through an appropriations process that ultimately is controlled by Congress, and appropriated funds are allocated to bilateral missions and other operating units through a process controlled by USAID headquarters in Washington.

With respect to the DA account, PPC in the Office of the Administrator allocates available DA funds to the Bureau for Africa and other USAID organizations that oversee operating units (e.g., missions and regional programs in Africa); these organizations in turn allocate DA shares to their operating units. Operating units and their strategic objective teams then decide how to use that money to fund their activities and achieve their objectives. (This process is similar to FFP's allocation of Title II food aid resources, except that FFP maintains greater control of contracting and program oversight at the Washington headquarters.)

The details of how the DA resources allocated by Washington are deployed to fund strategic objectives at the mission level raise several issues that are important to understanding the amount and nature of USAID's investment in agricultural development; we discuss these issues in Chapter 3.

USAID's Agriculture Strategy and Policies

USAID Administrator Andrew Natsios declared agriculture a top priority at the very beginning of his tenure, making Economic Growth and Agriculture one of the agency's three program pillars (along with Global Health and Conflict Prevention and Developmental Relief) and telling Congress in his first budget testimony that "without economic growth and food security, no development effort is sustainable. We will increase support for economic growth and agriculture programs that reduce poverty and hunger" (Natsios 2001).

This view of agriculture's role, especially as it affects food security, was not entirely new as a driver of USAID programs. The 1995 FFP policy paper had highlighted the need to build sustainable agricultural capacity to improve food security, resulting in a major shift in the use of food aid resources to agricultural development projects (USAID/FFP 1995).

Administrator Natsios helped bring a new focus to the role of agriculture in Africa's development and to the importance of improving not only farmers' productivity but also the links between farmers and markets, where incomes can be increased. One consequence of this new focus was the president's largely agriculture-based IEHA. Another was the issuance of *USAID Agriculture Strategy: Linking Producers to Markets* (USAID 2004b) as a guide to global agriculture initiatives.

The following paragraphs summarize USAID's strategy for agricultural development in Africa (as reflected in the strategy document itself), the principles governing IEHA, and FFP's food aid and food security policy.

USAID's 2004 Agriculture Strategy

USAID grounds its strategy for agriculture in the joint Department of State–USAID strategic plan and the Monterrey Consensus (named for the Monterrey, Mexico, location of the 2002 International Conference on Financing for Development at which it was proposed) principles for the effectiveness of development assistance (U.N. 2002). The strategy document thus stresses the importance of good governance both in the agriculture sector and generally, citing the principle of mutual responsibility for development among donors and developing countries, and it reaffirms the commitment by the Department of State and USAID to "work to ensure that institutions, laws, and policies foster private sector-led growth, macroeconomic stability, and poverty reduction" (USAID 2004b, 10). The document then declares that "agricultural development is a strategic priority for USAID. This strategy marks a renewal of the Agency's support for agricultural development and sets out guidance for its engagement in such efforts" (p. 11).

The USAID agriculture strategy has four themes:

- **Expand trade opportunities, and improve the trade capacity of producers and rural industries.** This theme includes fostering an enabling policy and institutional environment for agricultural trade, increasing access to rural finance, strengthening producer groups and other rural organizations, and enhancing access to the technologies needed to produce the products demanded by the marketplace.

- **Improve the social, economic, and environmental sustainability of agriculture.** Recognizing that "biodiversity and natural resources are central to the livelihoods of rural populations throughout the developing world" (USAID 2004b, 13), this theme includes efforts to restore the health of the land, water, and forestry resources; develop renewable energy sources; build natural resources assessment and management capabilities; and foster good policy and governance in the resource arena.
- **Mobilize science and technology, and foster the capacity for innovation.** This theme focuses on building capacity within developing countries to harness modern science and technology—biotechnology, nanotechnology, Global Positioning System, and geographic information systems—to improve productivity and market participation. Necessary efforts include developing working science and technology policy, supporting technology development and application for specific agricultural purposes, building public- and private-sector partnerships, and fostering the innovation capacity of local institutions.
- **Strengthen agricultural training and education, outreach, and adaptive research.** Addressing the knowledge gap that impedes the adoption of more productive agricultural technologies and practices in many developing countries, this theme includes supporting basic education in agricultural sciences and related subjects, building rural information and communication technology systems adapted to the diverse needs of farmers and agribusiness entrepreneurs, and performing adaptive research to solve local problems.

To implement these themes, the strategy document pledges that USAID will, among other things, link its agriculture strategy with the overall Department of State–USAID strategic plan, develop indicators to measure performance, strengthen donor coordination in the agriculture sector, and "provide adequate resources to agriculture from all budget sources" (USAID 2004b, 5).

IEHA–USAID Agriculture Strategy for Africa

Although IEHA (unveiled in 2002) predates issuance of USAID's 2004 agriculture strategy, it includes essentially the same themes and stands as USAID's Africa-specific strategy for agriculture. IEHA is intended specifically to help achieve the MDG of cutting the number of hungry people in Africa in half by 2015 by "promoting agricultural growth and building an

Africa-led partnership to cut hunger and poverty by investing in a smallholder-oriented agricultural growth strategy" (USAID 2005).

IEHA thus includes an agricultural action plan that is intended to "increase agricultural growth and rural incomes in sub-Saharan Africa rapidly and sustainably," enabling farmers to "grow out of poverty" by generating "profits and incomes from their products and services." The action plan elements include creating momentum and support in Africa for agricultural growth as a "critical development pathway;" targeting opportunities to accelerate smallholder-based agricultural growth; forging linkages with health, education, macroeconomic reform, and infrastructure sectors and initiatives; and building alliances and financial and political commitments to reduce hunger by half by 2015.

IEHA also includes a framework to guide USAID agricultural growth investments in Africa. The framework is premised on the belief that "innovations that increase agricultural productivity and more competitive markets are essential ingredients of smallholder agricultural growth." Although it is more explicitly smallholder-oriented than the overarching agency agriculture strategy, the IEHA investment framework includes six themes that fully overlap the four themes of the agency strategy:

- scientific and technological applications that harness new technology to raise productivity;
- agricultural trade and market systems that add value to products and attract private and foreign investment in African agriculture;
- community- and producer-based groups that support the interests and efforts of farmers;
- development of human capital and institutions that shape and lead agricultural policy and research and provide education;
- integration of vulnerable groups and countries in transition into sustainable development processes; and
- environmental management that contributes to growth of agricultural and rural sectors.

As IEHA operates, USAID field offices develop country and regional IEHA action plans, which are expected to be structured around these six themes. The IEHA framework cites the fact that "infrastructure development in transportation, energy, water/sanitation, and telecommunications is also increasingly urgent." It is unclear, however, how this important observation relates to USAID's agricultural investment strategy in Africa. Infrastructure development was not included among the four strategic themes in the overall agency agriculture strategy, and infrastructure investment—especially for the rural roads that are vital for linking farmers to markets—is rarely part of the USAID program in Africa (USAID 2005).

Agriculture and Food Aid

The 1995 *Food Aid and Food Security Policy Paper* (USAID/FFP 1995) is another expression of USAID policy that relates to agricultural development in Africa. This policy does not conflict with the policies in the USAID agriculture strategy and IEHA but tilts in a different direction; its goal is "to increase the impact of food aid in reducing hunger" (p. 2). Although the policy recognizes the relationship between this goal and the broader goals of economic growth and poverty reduction, the priorities of the FFP Title II food aid program are reducing hunger and it highlights Africa as a region especially in need of help to achieve this goal.

To that end, the two priority program areas for the FFP program are agricultural productivity and household nutrition (which involves efforts to improve the use of available food to achieve adequate nutrition). The agricultural productivity limb of the FFP policy recognizes that improvement involves not only inputs and on-farm activities but also improved market access. However, the focus of the policy and the uses of food aid that result are more at the grassroots level than the overall USAID agriculture strategy. They are focused somewhat more on agricultural activities that contribute to food security through local food access and good household nutrition rather than through the broader mechanism of sustainable economic growth. This focus is not in conflict with the new agriculture strategy but, arguably, complements it.

On the other hand, some people argue that short-term food aid for purposes other than to meet immediate, emergency needs is inherently in conflict with an agricultural development strategy because it inevitably displaces local production or distorts local markets and fosters dependency that undercuts locally driven development initiatives.

Conclusion

As the lead development assistance agency in the U.S. government, USAID is the central player in the U.S. agricultural development assistance program. Agricultural development in Africa has a prominent place in USAID's overall development strategy, as articulated by the agency's leaders and in strategy documents. The USAID strategy for African agriculture is both poverty-focused and market-oriented and in those ways is consistent with the strategies shared by African leaders, NEPAD, the World Bank, and other development organizations.

With this institutional and policy background in mind, we examine recent trends in USAID resources for agricultural development assistance in Africa in Chapter 3. First, however, it is important to complete the organizational and policy landscape for the overall U.S. contribution to agricultural development assistance in Africa.

Other Agencies Providing Bilateral Assistance for African Agriculture

Foreign Agricultural Service

The mission of USDA's FAS is to represent and promote the interests of U.S. agriculture oversees, focusing primarily on ensuring access to foreign markets and promoting agricultural exports from the United States (USDA n.d.). FAS provides technical and financial assistance to U.S. exporters, generates data and analysis on overseas markets, and works on agricultural trade negotiations in conjunction with the Office of the U.S. Trade Representative.

Unlike USAID, USDA does not have a statutory mandate to be an international development agency. In keeping with its broader mission, however, FAS is involved in assistance for African agriculture through its management of Section 416(b) and Food for Progress food aid and as a provider of technical assistance.

USDA Food Aid Programs

FAS manages food aid under its Export Credits unit. The two USDA food aid programs that are relevant to agricultural development in Africa are Section 416(b) and Food for Progress. FAS also manages the Food for Education Program, which donates food to developing countries as an inducement for children to remain in school, and Title I of P.L. 480, which makes concessional sales to foreign governments but rarely to African countries.

As noted earlier, the underlying statutory purposes of Section 416(b) and Food for Progress are to dispose of surplus commodities and expand free enterprise in agricultural markets worldwide, respectively. However, the food aid resources provided under these programs are used in ways quite similar to those of USAID's FFP Program. Donations of food are made to

PVOs or, in some cases, to governments, with the understanding that they will be used for specified development purposes.

USDA provides somewhat less direction to the organizations that receive food aid donations than USAID does. Section 416(b) resources tend to be used for both agricultural development and other purposes (such as health), whereas uses of Food for Progress resources must, by law and USDA policy, have some nexus to agriculture and improvement of agricultural markets.

The total annual value of Section 416(b) food aid varies according to commodity surplus levels in the United States, ranging from as much as $640 million in FY2001 to about $150 million in FY2004, with less than 20% in recent years (about 2% in FY2004) going to Africa. In recent years, Food for Progress donations have been in the range of $100 million to $125 million, with 10–20% going to Africa.

USDA Technical Assistance

FAS contributes technical staff and expertise to development-related activities under its International Cooperation and Development (ICD) Program, Development Resources Division. It has no appropriation for this purpose but rather provides reimbursable services to USAID-funded projects. The USDA employees providing these services are paid for with USAID program funds but are not subject to congressional limits on USAID operating expenses and staffing levels. These projects typically involve food safety, technical and policy issues related to food security and trade capacity, and natural resources management related to crop production and forestry. Nearly 150 full-time USDA employees are involved in these programs, including about 100 who work at USAID in Washington and 10 who work at USAID field offices, of whom three are in Africa (USDA FAS 2005).

ICD also provides some training and technical assistance related to African agriculture through its Food Industries Division (USDA 2003), which administers the Norman E. Borlaug International Science and Technology Fellows Program, the Cochran Fellowship Program, a Professional Development Program, and a Trade and Investment Program. With the exception of the Borlaug Fellowship, all these programs are aimed at improving skills and relationships that will advance the FAS market expansion mission, but they also all relate to the development of agriculture and agribusiness in foreign countries, including in Africa. USDA estimates the value of specific activities taking place in Africa under these programs at about $1 million annually (Brown 2005).

African Development Foundation[12]

The U.S. Congress established ADF in 1980 to "promote the participation of Africans in the economic and social development of their countries." The ADF makes small grants—generally less than $250,000, with one-third below $100,000—directly to African private enterprises and other NGOs to:

- finance sustainable, poverty-alleviating initiatives that are conceived, designed, and implemented by Africans and aimed at enlarging opportunities for community development;
- stimulate and expand the participation of Africa's poor in the development of their countries; and
- build sustainable African institutions that foster grassroots development.

ADF takes a community-based approach, with grants going exclusively to projects that are "made in Africa"—that is, conceived, developed, and implemented by Africans. The primary objectives are to foster sustainable development and broad community participation in development by funding micro- and small-enterprise projects that will generate income and employment, build trading relationships within Africa and with the United States, and develop local organizations and other community-based capacity to pursue sustainable development.

ADF recently established a trade and investment program that recognizes the opportunity for agricultural producers to benefit from export trade. It is actively involved in identifying and supporting projects that will benefit from the African Growth and Opportunity Act, intended to promote exports from Africa to the United States.

According to the organization's 2002–2003 annual report (ADF 2003), ADF is currently active in 15 sub-Saharan Africa countries: Benin, Botswana, Cape Verde, Ghana, Guinea, Mali, Namibia, Niger, Nigeria, Senegal, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe. In FY2002 and FY2003, ADF made 97 grants totaling $14.75 million. Approximately one-third of the projects (33 of 97), with a combined value of $8.8 million, were for agriculture-related

[12] Information in this section is drawn from the African Development Foundation web site (ADF n.d.) unless otherwise noted.

projects. However, the emphasis on agriculture varies from country to country. For example, in the three of these countries examined more closely for this report, eight of Uganda's 10 ADF projects funded in FY2002 and FY2003 were agriculture oriented, compared with four of eight in Mali and one of 10 in Ghana.

U.S. Trade and Development Agency[13]

The mission of TDA is to "advance economic development and U.S. commercial interests in developing and middle income countries." To carry out this mission, TDA works closely with other U.S. federal agencies to help American businesses build partnerships and take advantage of emerging market opportunities worldwide. TDA funds activities such as technical assistance, training, and feasibility studies that "support the development of a modern infrastructure and a fair and open trading environment."

TDA activities generally fall into two broad categories: trade capacity building and sector development, and project definition and investment analysis. The sectors it works in most often are energy and power, transportation, health care, mining and minerals development, telecommunications, and environmental services. TDA works in five geographic regions: Asia; Europe and Eurasia; Latin America and the Caribbean; the Middle East, North Africa, and South Asia; and sub-Saharan Africa.

TDA's total appropriation in FY2005 is $50 million which reflects a gradual rise from $44 million in FY2000. As reported to the Organisation for Economic Co-operation and Development's Creditor Reporting System on Aid Activities, TDA's total funding for Africa during 2000–2003 averaged $5.6 million annually, of which an average of $1 million annually was for projects related to agriculture or agribusiness (OECD n.d.). Such projects typically involve financing feasibility studies or country visits to explore potential ventures in areas such as biomass-fueled power generation, fertilizer manufacturing, sugar refining, or other agroprocessing activities.

[13] Information in this section is drawn from the U.S. Trade and Development Agency web site (USTDA n.d.) unless otherwise noted.

Overseas Private Investment Corporation[14]

The Overseas Private Investment Corporation (OPIC) was created in 1971 "to support economic development by promoting U.S. private investment in developing countries and transition economies," which it does through loan guarantees, insurance, and other means. A U.S. government agency, OPIC "complements the private sector in managing the risks associated with foreign direct investment (FDI) and supports U.S. foreign policy." The OPIC mission is based on the development hypothesis that FDI stimulates economic growth, thereby reducing income poverty (OPIC n.d.).

OPIC activities mainly focus on agriculture, energy, construction, natural resources, telecommunications, transportation and distribution, banking, and services. Project assistance can be for as much as $400 million per project. FDI to sub-Saharan Africa is the lowest in the world, reaching a 15-year low of 0.8% of emerging market FDI in 1999–2000. Partly because of OPIC support, however, FDI has been on the rise in Africa (a record of 2.3% of emerging market FDI in 2001). Through its work in sub-Saharan Africa, OPIC "not only support[s] but actively seek[s] developmental projects with the potential to help nations … meet their populations' basic developmental needs and help them prepare for future economic growth."

OPIC investment in African agriculture is limited but appears to be rising. In 2003, four of 11 OPIC projects in sub-Saharan Africa were related to agriculture:

- Seaboard Overseas Ltd. flour mill and commodity-trading operations in Angola;
- Amoah, George K. & Chicken George Farms LLC poultry production and distribution in Ghana;
- ROTA International development of organic cashew production and processing in Guinea-Bissau; and
- SORWATHE development of an eucalyptus plantation for fuelwood and expansion of a tea plantation.

In contrast, OPIC financed only one agriculture-related project in sub-Saharan Africa in 2002, one in 2001, and none in 2000. Although currently working at a modest level and not a

[14] Information in this section is drawn from the Overseas Private Investment Corporation web site (OPIC n.d.) unless otherwise noted.

significant factor in U.S. agricultural development assistance to Africa, OPIC could play a significant future role in facilitating U.S. private-sector investment in Africa's rural economy.[15]

Peace Corps[16]

The Peace Corps provides volunteers to developing countries to help meet their need for trained men and women and to promote mutual understanding between Americans and the people in host countries. Volunteers work in work in five major fields, of which one is agriculture. The others are education, health and HIV/AIDS, environment, and business.

While the Peace Corps is often identified with agricultural projects, the primary projects of the vast majority of Peace Corps volunteers serving in sub-Saharan Africa are in sectors other than agriculture. In FY2004, 35% of the approximately 2,700 volunteers working in sub-Saharan Africa (963) worked primarily in the education sector, 29% (799) worked in health and HIV/AIDS, 19% (523) worked in environment, and 12% (331) worked in business (Arnold 2005). Only 4%, or 110 of the Peace Corps volunteers in Africa had primary projects focused on agriculture in FY2004, down from 7% in FY2000–FY2002 and 5% in FY2003. The estimated budget for Peace Corps work in the agriculture sector declined by 47% between FY2000 and FY2004, from $3.66 million $2.5 million, and averaged $3.32 million over the five-year period.

Of the 26 countries with Peace Corps programs in sub-Saharan Africa, six had agriculture programs per se (Gabon, Mali, Mauritania, Niger, Senegal, and Zambia) (Peace Corps n.d.). Eleven additional countries (Benin, Burkina Faso, Cameroon, Gambia, Ghana, Guinea, Lesotho, Madagascar, Malawi, Tanzania. and Togo) had activities under other programs that appear to be related to agricultural development, broadly construed. Agricultural development activities undertaken by Peace Corps volunteers include partnering with farmers to: 1) introduce techniques such as water harvesting, crop rotation and soil fertility management to improve crop yields (Agriculture Program, Niger); 2) establish networks of farmer leaders "who understand

[15] The Export-Import Bank of the United States is another U.S. entity whose programs can affect economic activity in Africa by providing financing, insurance, and other risk management services to support the business activities of U.S. exporters. Like OPIC, however, the core mission of the Export-Import Bank is to serve U.S. business interests rather than pro-poor economic growth in developing countries. Its activities in Africa are relatively modest and beyond the scope of this report.

[16] Information in this section is drawn from the Peace Corps web site (U.S. Peace Corps n.d.) unless otherwise noted.

the benefits of agroforestry and permanent farming systems, and who will teach these activities to other farmers" (Environment Program, Cameroon); and 3) establish cooperatives and market their products locally and internationally (Small Enterprise Development Program, Ghana) (Peace Corps n.d.).

Millennium Challenge Corporation[17]

MCC is the government corporation that Congress established in January 2004 to implement the MCA, the bold new vehicle for development assistance that President Bush unveiled in the run-up to the March 2002 International Conference on Financing for Development in Monterrey, Mexico. The MCA was intended in part to demonstrate the United States' commitment to play its role in achieving the United Nations' poverty-focused MDGs. It accompanied a pledge by President Bush to fund the account at $5 billion annually by FY2006, which, if fulfilled, would mean a 50% increase over the current base of about $10 billion annually in U.S. development and humanitarian assistance.

President Bush intends to use the MCA as a sharp departure from the traditional approach to U.S. development assistance. The basic idea is to provide more assistance to developing countries that have created the necessary enabling environment for economic growth through market-oriented, pro-growth policies; good governance, including anticorruption policies; and investment of their own resources in health and education. Instead of the United States stipulating uses for the aid, countries meeting the basic eligibility criteria for MCA funding would develop their own proposals—including goals and benchmarks for success—and the money would be awarded directly to the government under a development compact in which transparency and accountability for results are priorities.

This approach differs from the USAID development assistance model in which many modestly financed projects are pursued in many countries, project design is controlled to a large extent by USAID, and money is awarded to PVOs or commercial contractors (rather than to the local government). The MCA remains an untested vehicle for development assistance, with the first developing country compact being signed in spring 2005. However, its potential importance for agricultural development in Africa is substantial for several reasons.

[17] Information in this section is drawn from the Millennium Challenge Corporation web site (MCC n.d.) unless otherwise noted.

First, the pool of resources is large and growing. Congress appropriated $1 billion for the MCA in FY2004 and $1.5 billion in FY2005 (of the president's request for $2.5 billion). These funds accumulate and are available to the MCA until committed to developing countries under compacts. The president's FY2006 request is $3 billion, and the head of the MCA states the administration's intent of reaching an annual level of $5 billion in FY2007 (whereas USAID's entire FY2005 appropriation was $3 billion for both DA and CSH accounts). Moreover, there is no fixed limit on the size of MCA country grants. Thus, given the large pool of funds and the expectation that only some of the 17 countries deemed eligible for the first round of compacts will be funded, the size of each grant could be in the hundreds of millions of dollars—several times more than the total amount of non-emergency development assistance that any African country currently receives from the United States.

Second, Africa is very well represented in the initial group of 17 countries that MCC has determined to be eligible for the program; eight are in sub-Saharan Africa: Benin, Cape Verde, Ghana, Lesotho, Madagascar, Mali, Mozambique, and Senegal. So are seven of the 13 so-called threshold countries that have accepted the MCA concept and are close to qualifying: Burkina Faso, Kenya, Malawi, Sao Tome and Principe, Tanzania, Uganda, and Zambia. Thus, half of all the countries positioned to benefit from the MCA are in sub-Saharan Africa.

Finally, while MCC looks to the developing country to develop and fully own its MCA proposal, the MCC's background paper says that increasing economic growth and reducing poverty "requires an emphasis on investments that raise the productive potential of a country's citizens and firms and help integrate its economy into the global product and capital markets" (MCC 2003, 1). It then cites six key areas of focus for the MCA, the first of which is agricultural development; the others are education, enterprise and private-sector development, governance, health, and trade capacity building. Not surprisingly, 15 of the 16 MCA country proposals submitted to date include an agriculture component.

Aspirations underlying the MCA are high. At the first MCC Board meeting on Feb. 2, 2004, then-Secretary of State Colin L. Powell, the board chair, expressed his excitement about the potential of the MCC and added:

> But the one who is most excited is the President of the United States. This is his baby, this is his corporation, and he intends to use this corporation and the monies that Congress makes available to make fundamental changes in the whole manner

> in which we provide development assistance to those nations who are governing wisely and well, transparently and with openness, and all fundamentally based on the rule of law, democracy, and open economic systems. (U.S. Department of State 2004)

Whether the high hopes for the MCA will be fulfilled will be determined only over the next several years, as compacts are entered into and implemented. In any event, the MCA promises to play a significant role in the U.S government's approach to and funding of agricultural development assistance in Africa.

Agriculture-Oriented Multilateral Institutions

In addition to the assistance for African agriculture provided through bilateral agencies, the United States also contributes through multilateral development and financial institutions whose work includes agricultural development assistance. Principal among these are FAO, WFP, IFAD, the World Bank Group through its International Development Association (IDA), and ADB through its ADF.

The United States funds FAO and WFP through the Department of State's IO, which is responsible for funding and managing the United States' relationship with more than 40 international organizations, including the U.N. system. The bureau has a total annual budget of more than $1 billion, of which $72 million (about 20% of FAO's core budget) was allotted to FAO's regular program in FY2004. The United States funds WFP primarily through commodity donations from USAID and USDA food aid programs combined with limited cash contributions from the IO budget and other sources. In 2004, the United States contributed more than $1 billion—nearly half of all WFP contributions that year. The bureau also oversees the U.S. Mission to the U.N. agencies in Rome, where FAO and WFP are based, and provides input into the formulation of policies and programs of the two agencies through the mission.

The U.S. funds IFAD, IDA, and ADB/ADF through the U.S. Department of the Treasury's Office of Multilateral Development Banks and Specialized Development Institutions, under the assistant secretary for international affairs. This office is responsible for funding about a dozen international financial institutions and has a total annual budget of about $1.5 billion. IDA, the World Bank's primary development assistance arm, receives by far the largest share: in

FY2004, IDA received $913 million, ADB/ADF $113 million, and IFAD $15 million. A U.S. executive director is assigned to each of the international financial institutions to ensure that U.S. views are considered in managing these institutions.

The following paragraphs briefly describe the missions and activities of the international development and financial institutions as they relate to agricultural development in Africa. More detail about the U.S. funding of these institutions and their agriculture-related programs in Africa is presented in Chapter 3.

Food and Agriculture Organization[18]

FAO is the lead agency in the U.N. system for addressing the problem of hunger worldwide. As a membership organization of about 180 countries, FAO's purpose is to work with its member countries to "raise levels of nutrition and standards of living of the peoples under their respective jurisdictions, secure improvements in the efficiency of the production and distribution of all food and agricultural products, to better the condition of rural populations, and thus contribute towards an expanding world economy and ensure humanity's freedom from hunger" (FAO n.d.).

FAO pursues this goal primarily through leadership and support for policy change aimed at improving food security and through funding and technical support for agricultural development projects, primarily in rural areas of the world's poorest countries. FAO employs about 3,500 people, about half of whom work in FAO's Rome headquarters and half in the field in more than 78 countries. The annual budget for FAO's core program is about $375 million, and it receives supplemental support from member countries for specific projects. FAO is governed by the Conference of Member Nations, which meets every two years to approve the budget and two-year Programmes of Work.

In 1996, FAO convened the World Food Summit, at which 186 nations first committed to the goal of cutting hunger in half by 2015, an aspiration that was later incorporated in the United Nations' overall MDGs. In 1999, FAO put forth its strategic framework for achieving the World Food Summit and MDG food security goal (FAO 2000). It calls for FAO to work toward:

> reducing food insecurity and rural poverty; ensuring an enabling policy and regulatory framework for food and agriculture, fisheries and forestry; securing

sustainable increases in the supply and availability of food; conserving and enhancing the natural resources base; and generating knowledge of food and agriculture, fisheries and forestry. (para. 24)

Although the strategy focuses heavily on improving productivity and ensuring availability and access to food at the household level, it also recognizes the importance of the enabling policy environment and effective markets through which farmers can increase the income required for food security and other critical household needs. About half of FAO's core budget is devoted to technical programs to improve food production and availability and half to policy issues, building cooperation and partnerships to improve food security, and management (FAO 2003).

About 20% of FAO's field program budget is devoted to activities in sub-Saharan Africa. FAO maintains a Regional Office for Africa in Accra, Ghana, and subregional offices in Tunis, Tunisia, for northern Africa and in Harare, Zimbabwe, for southern and eastern Africa. Examples of major FAO projects in sub-Saharan Africa include

- Livestock, Environment, and Development Initiative;
- Pro-Poor Livestock Policy Initiative;
- Milk and Dairy Products, Post-Harvest Losses, and Food Safety in sub-Saharan Africa and the Near East, which is active in Ethiopia, Kenya, Tanzania, and Uganda;
- Promotion and Utilization of Agricultural Inputs for Producer Organizations, in Niger;
- Crop and Grassland Service;
- African Seed Network, which assists with seed production, security, policy, and improvement; and
- Agricultural Support Systems Division, which has 21 projects addressing a wide range of specific policy and technical issues that affect agricultural production and marketing in 14 African countries.

[18] Information in this section is drawn from the Food and Agriculture Organization web site (FAO n.d.) unless otherwise noted.

World Food Programme

The primary purpose of the United Nations' WFP is to distribute emergency or humanitarian food aid for immediate use by people in need. In 2003 (the most recent year on which detailed reports are available), WFP fed 104 million people in 83 countries on a budget of $3.275 billion (WFP 2005). The United States is by far the largest contributor to WFP, accounting for about 45–60% of total contributions annually during the period 2000–2004 and averaging about $1.1 billion each year. The WFP director traditionally is an American.

WFP's involvement in long-term agricultural development is small compared with its emergency and humanitarian feeding programs. In 2003, it ascribed an estimated 9% by volume of its food aid shipments and 7% of its operational expenditures worldwide to development programs. However, many of these programs involved food-for-work and other efforts to support people emerging from crisis situations in reestablishing their ability to feed themselves rather than long-term agricultural development.

Africa receives more WFP food aid than any other region—about 46% of WFP's 2003 operational expenditures. Of this amount, WFP ascribed about 8% (about $125 million) to development programs. The 2003 total for Africa was increased from an average of about $81 million in WFP development program expenditures in Africa during 2000–2002.

International Fund for Agricultural Development[19]

The focus of IFAD is squarely on long-term agricultural development. Formed as an international financial institution in 1977, IFAD was an outcome of the 1974 World Food Conference that responded to African food crises of the early 1970s. In recognition of the fact that food insecurity is due more to poverty than to inadequate food production and that the majority of the world's hungry live in rural areas, IFAD's mission is stated broadly as: "enabling the rural poor to overcome poverty … by fostering social development, gender equity, income generation, improved nutritional status, environmental sustainability, and good governance."

IFAD finances agricultural development in developing countries, primarily through concessional loans, and has financed 653 projects in 115 countries since its inception. IFAD obtains its resources from member countries, which make annual contributions in accordance

[19] Information in this section is drawn from the International Fund for Agricultural Development web site (IFAD n.d.) unless otherwise noted.

with periodic replenishment agreements. In 2005, IFAD plans to allocate $475 million in financing to 121 countries. Of this amount, about $175 million is to be allocated to 43 countries in sub-Saharan Africa. IFAD leverages the impact of its resources by seeking partnerships and opportunities for co-financing projects; it lists on its web site more than 80 bilateral donor countries, regional and international organizations, and NGOs with which it has worked.

IFAD's strategy in Africa is tied to achieving the MDGs. It has adopted specific sub-regional strategies for Eastern and Southern Africa and for Western and Central Africa. IFAD describes Eastern and Southern Africa as the region where "poverty reduction is most clearly dependent upon rural development." Because 85% of the extremely poor in this region depend primarily on smallholder agriculture for their livelihoods and because agricultural development in the region has stagnated or regressed in recent years, the strategy focuses on generating growth in the smallholder economy. It includes four principal thrusts:

- Promote efficient and equitable market linkages;
- Develop rural financial systems;
- Improve access to and management of land and water; and
- Create a better knowledge, information, and technology system.

Programs and projects to realize these thrusts are developed in the context of the cross-cutting principles of targeting, empowerment, and good governance; in harmony with each country's poverty reduction strategy paper, where one exists; and in partnership with government, NGOs, civil society, and the private sector.

IFAD's strategy in Western and Central Africa addresses a different set of challenges and opportunities. Although the region has experienced improvement in democratization, decentralization, liberalization, market openness, and civil society development since the 1990s, civil strife and conflict continue. The shift of population to urban areas also has created an "urban bias" in public policy, resulting in government spending priorities that favor urban infrastructure, social programs, and food subsidies and that can exacerbate poverty in the rural areas where 75% of the region's poor reside. According to the IFAD strategy for Western and Central Africa, policy reform could unleash the market opportunities in urban areas to create a win–win situation for urban businesses and rural producers.

To address this reality, IFAD's strategic goal in Western and Central Africa is "rural poverty reduction and empowerment," to be accomplished by pursuing four objectives:

- Strengthen the capacity of the rural poor and their organizations, and improve the pro-poor focus of rural development policies and institutions;
- Raise agricultural and natural resources productivity and improve access to technology;
- Increase rural incomes through improved access to financial capital and markets; and
- Reduce vulnerability to major threats to rural livelihoods.

Policy dialogue and knowledge management—as well as the cross-cutting approaches of investing in women, enhancing participation, and building on indigenous knowledge—are to be used in the pursuit of each of strategic objective.

Country-by-country details of IFAD projects are listed on the IFAD web site (IFAD n.d.).

The World Bank Group's IDA[20]

The mission of the World Bank Group is "to fight poverty and improve the living standards of people in the developing world." It also embraces the United Nations' MDGs and works to help achieve them. The bank pursues its mission by providing low-interest loans, interest-free credit, grants, policy advice, technical assistance, and other knowledge-sharing services to developing countries.

IDA is the member of the World Bank Group that focuses on providing highly concessional loans and grants to the world's poorest countries. Most of the World Bank's activity in sub-Saharan Africa is through IDA. The other major development financing arm of the World Bank Group is the International Bank for Reconstruction and Development (IBRD), which finances development-related projects at market rates. In FY2004, IDA and IBRD made new commitments to 245 projects worldwide with a total value of nearly $23 billion.

The World Bank's activities address a broad range of development needs, including achieving universal primary education; combating HIV/AIDS, malaria, and other diseases; developing a global partnership for development; ensuring environmental sustainability; improving maternal health; promoting gender equality and empowering women; and reducing

[20] Information in this section is drawn from the World Bank web site (World Bank n.d.) unless otherwise noted.

child mortality. In addition, a key World Bank program in recent years has been the Heavily Indebted Poor Countries (HIPC) Initiative. Through the HIPC Initiative, the World Bank has provided debt relief savings of $41 billion to 26 developing countries. Freed of a significant portion of their debts, these countries can use the money saved to provide social services for their citizens. Africa has been granted $3.9 billion in debt relief under the HIPC Initiative.

IDA is active in sub-Saharan Africa, with $4.1 billion in new commitments in 2004—a substantial increase from an annual average of $2.25 billion from 1995 to 1997 and $2.16 billion in 2001. Its total current portfolio is valued at $16.6 billion and includes 334 projects related to infrastructure, agriculture, regional trade facilitation, health, nutrition, population, education, community-driven development, and capital flows (World Bank 2004). This large investment makes the World Bank the largest single provider of development assistance to the region. The World Bank's commitment to sub-Saharan Africa is further underscored by its granting 46% of new IDA disbursements to the region in FY2004 and its medium- to long-term goal of committing 50% of new IDA funding to the region. Only when IDA and IBRD commitments are considered together does sub-Saharan Africa rank behind both the South Asia and the Latin America and Caribbean regions in new 2004 commitments and current portfolio value.

As discussed in Chapter 1, in 2003 the World Bank Group issued its new strategy for rural development in which it declared that agriculture is "the main source of rural economic growth" and must "be put on top of the development agenda" (World Bank 2003). As of today, the agriculture, fishing, and forestry sector of the bank's activity holds only a small share of funding, garnering about 7% of the total of new commitments in 2004. However, this percentage may understate the level of commitment to agriculture-led economic growth as understood more holistically. When IDA commitments to sub-Saharan Africa are described by theme rather than by sector, 9% of FY2004 IDA commitments went to rural development, 9% to trade and integration, and 5% to environmental and natural resources management—all of which are likely to include substantial activities that help foster agriculture-led economic growth. Illustrative examples of agriculture-related projects are listed in Table 2-1.

African Development Fund of the African Development Bank Group[21]

The ADB Group is a multinational development bank supported by 77 member countries, including the United States. It was formed in 1964 with the overall mission to promote economic and social development in Africa through loans, equity investments, and technical assistance. The group includes ADB, which makes loans on normal market terms; ADB/ADF, which provides development finance on concessional terms to low-income African countries that cannot afford to borrow on ADB's nonconcessional terms; and the Nigeria Trust Fund, which was established by the government of Nigeria to assist development in the poorer African countries and is managed by ADB.

ADB/ADF, whose role parallels that of IDA in the World Bank Group, is the relevant component of the ADB Group for purposes of this report. As a matter of policy, poverty reduction is the main purpose of the fund's concessional loans and grants, and agriculture is a focus of the fund's activity.

At a policy level, the approach to agricultural development taken by the ADB Group and ADB/ADF is in line with that adopted by African leaders through NEPAD and by the international institutions outlined in Chapter 1. This approach is laid out in *Agriculture and Rural Development Sector Bank Group Policy*:

> The transformation of Africa agriculture requires a shift from the highly diversified, subsistence-oriented farming activity towards a more commercially-oriented agriculture with improved access to markets and agro-industry. It involves greater reliance on input and output markets and increased integration of agriculture with other sectors of the domestic and international economies. It also involves a more efficient and balanced use of indigenous knowledge and "modern" scientific knowledge. (ADB/ADF 2000, iii)

The *Bank Group Policy on Poverty Reduction* names agriculture and rural development first among the ADB Group's five sectoral priorities, declaring that "agriculture and rural development will continue to be the engine of pro-poor growth in Africa" (ADB/ADF 2004, 20). This priority is reflected in the fund's recent activity. For 2003, about 25% of its loan and grant

[21] Information in this section is drawn from the web site of the African Development Bank Group (ADBG n.d.) unless otherwise noted.

approvals were in the agriculture and rural sector, a larger share than in any other sector; the transport and poverty alleviation/microfinance sectors (which also tend to benefit agricultural development) garnered 19% and 15%, respectively; the education and health sectors received 18% and 4%, respectively.

In its approach to agriculture and poverty reduction in general, the World Bank Group embraces the United Nations' MDGs and the idea that development should be owned at the country level. It thus looks to the poverty reduction strategy papers prepared by many African countries as the framework within which to consider World Bank and ADB/ADF investments in particular countries.

The United States contributes to the ADB Group through an annual appropriation channeled through the Department of the Treasury. The total U.S. contribution to the group has averaged about $110 million annually over the period 2000–2005, with all but about $5 million of this amount going specifically to ADB/ADF rather than to ADB.

Conclusion

The institutional landscape for U.S. agricultural development assistance in Africa is undeniably complex. It includes the Congress, the White House, the Department of State, four USAID headquarters units, and more than two dozen USAID field offices and programs. It includes six other bilateral agencies with various missions and roles in Africa, and the MCA coming online as an additional and potentially overshadowing funder of agricultural development in selected African countries. The United States also funds agricultural development assistance through five multilateral institutions.

USAID is today the largest U.S. channel of assistance for African agriculture. The agency has its own internal processes—albeit driven largely by congressional directive—for determining program priorities and allocating resources. It is anticipated that USAID will coordinate with MCA assistance programs as MCA compacts begin to come into play. However, there is no mechanism for ongoing coordination of program priorities and resource allocation between USAID and the nine other bilateral and multilateral institutions that provide assistance to African agriculture on behalf of the United States.

Despite institutional complexity and lack of management coordination, these institutions show striking policy-level consistency in their approaches to support for African agriculture.

Across the board, the policy frameworks are strongly market-oriented and directed toward developing African agriculture as a business, not only a producer, of more food. They thus stress improving farmer productivity by developing input markets and providing access to modern technology, and they stress the generation of cash income by connecting farmers to local, regional, and international markets. One future issue to be addressed is whether organizational fragmentation in the system is an obstacle to the effective use of resources and achievement of the vision for African agriculture embedded in the policy frameworks.

A parallel question that arises from our survey of the institutional landscape concerns the transparency and accountability of decision-making, especially in the relationship between USAID and Congress. Congress creates and USAID manages earmarks in a manner that is generally shielded from public view and input. Yet, earmarks appear to drive both strategy and day-to-day resource allocation for agricultural development assistance. There is striking congruence among the four themes in USAID's new agriculture strategy and the congressional earmarks for trade capacity building, biodiversity, biotechnology, and the Collaborative Research Support Programs (which, in combination with legislated earmarks for basic education, control most of USAID's DA budget account—the primary source agricultural development assistance).

Earmarks seem more likely to be driving USAID strategy than USAID strategy driving earmarks. In our system of government, earmarking is a congressional prerogative, but on what basis are earmarks established? On what basis can Congress or USAID assure the U.S. public and development partners in Africa that the resulting resource allocations make the most sense for Africa? The answers to these questions are not clear.

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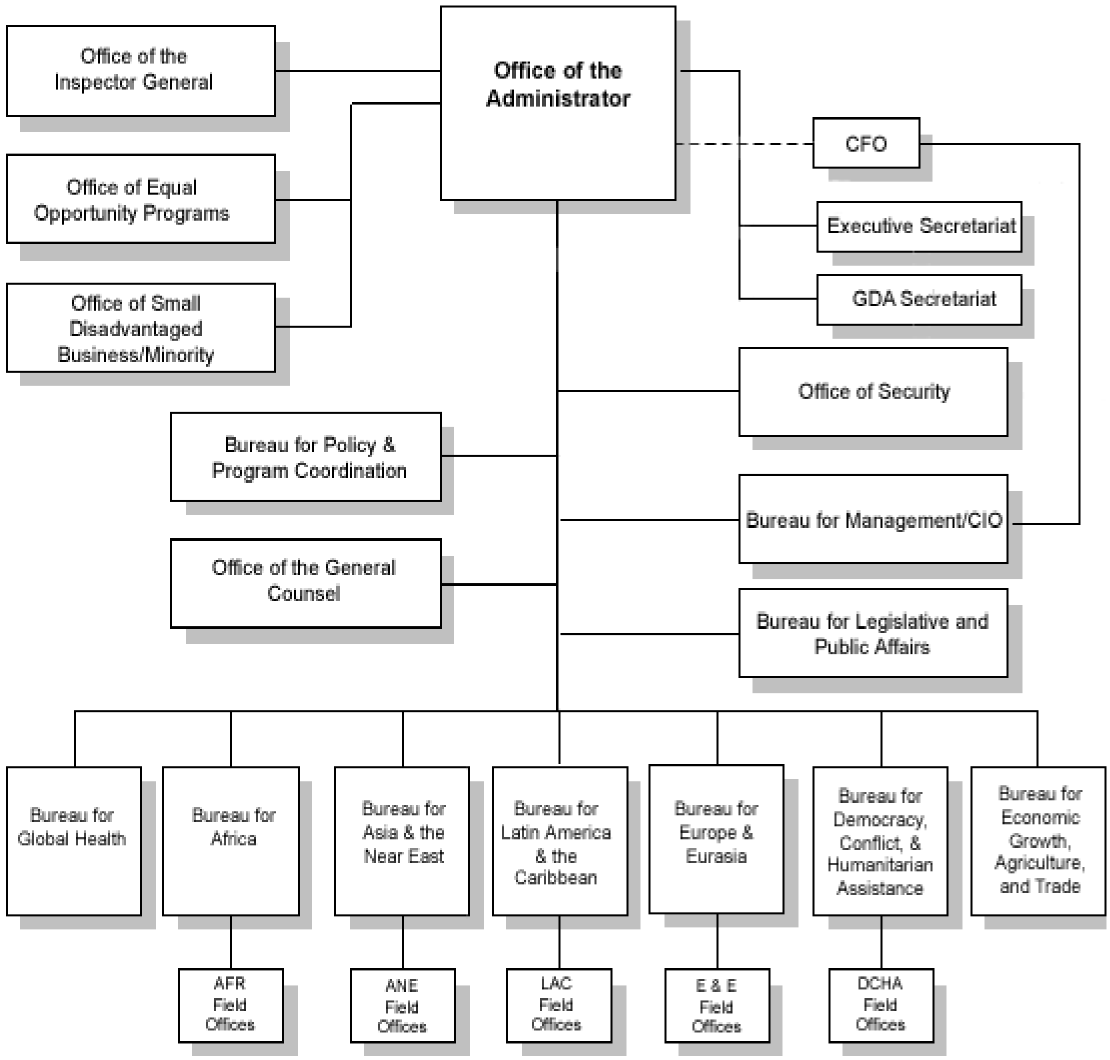

Notes: CFO = chief financial officer, GDA = Global Development Alliance, CIO = chief information officer, ANF = Bureau for Africa, ANE = Bureau for Asia and the Near East, LAC = Bureau for Latin America and the Caribbean, E&E = Bureau for Europe and Eurasia, DCHA = Bureau for Democracy, Conflict, and Humanitarian Assistance.
Source: USAID 2003.

Figure 2-1. USAID Organizational Chart

Table 2-1. Examples of Active Agriculture-related World Bank/International Development Association Projects in sub-Saharan Africa

Project Name	*Country or Region*	*Current Projects (US$, millions)*
Africa Emergency Locust Project	Africa	59.5
Cotton Sector Reform Project	Benin	18
BI-Agriculture Rehabilitation and Sustainable Land Management	Burundi	35
Agricultural Services and Producer Organizations Project	Chad	20
Agricultural Services Subsector Investment Project	Ghana	67
Kenya Agricultural Productivity Project	Kenya	40
Community-Based Rural Land Development Project	Malawi	27
Agricultural Services and Producer Organizations Project	Mali	43.5
Agricultural Sector Public Expenditure Program	Mozambique	30
Private Irrigation Promotion Project	Niger	38.72
Agricultural Services and Producer Organizations Program	Senegal	27.4
National Agricultural Advisory Services Project	Uganda	45
Agricultural Research and Training II	Uganda	26
Emergency Drought Recovery Project	Zambia	50

Source: World Bank 2005.

3

Recent Trends in U.S. Funding of Agricultural Development Assistance for Africa

In this chapter, we report on how the institutions described in Chapter 2 have funded U.S. agricultural development assistance for Africa over the period 2000–2004. Over the last quarter of the twentieth century, the level of funding for African agriculture by all donors was a roller-coaster ride, roughly doubling in real terms from 1975 to the late 1980s before retreating to mid-1970s levels by 2000, as well described and documented by Eicher (2003). This up-and-down trend is reflected in the statistics compiled by the Development Assistance Committee of the OECD, the record of World Bank activity over the period, and the levels of U.S. assistance for agriculture in Africa and other developing regions.

The decline in development assistance for agriculture leading up to 2000 has many possible explanations, including the competing need to respond to short-term food crises, the shift of priorities to the social sector (especially health and education), and questions about the effectiveness of such assistance. While this history of agricultural assistance has some important lessons to teach (Kumar 1995; Lele 1991), our purpose in preparing this report is to provide a springboard for considering the future of U.S. assistance for African agriculture by describing and analyzing current trends in U.S. funding.

Our analysis shows that based on a broad definition of agricultural development assistance, overall U.S. funding for African agriculture has risen only slightly in absolute terms—barely enough to keep up with inflation—and has lagged significantly behind growth in U.S. foreign assistance globally and in U.S. assistance for health and other non-agricultural sectors in Africa. In this chapter, we support and go beneath these broad observations to describe and analyze the funding streams for African agriculture as they flow through a dozen bilateral and multilateral agencies, with particular emphasis on USAID. The result is a quantitative picture of the overall U.S. financial contribution to African agriculture sufficient to gauge the magnitude of U.S. funding and observe trends; it is by no means an audit-quality documentation of expenditures. The softness of some of the calculations in this report reflects limitations on the available data. Each information source that we relied on for this analysis has limitations that affect the precision, completeness, and comparability of the data on funding levels. Most fundamentally, there is no single, accepted definition of agricultural development assistance, and USAID—the lead funder of such assistance—does not use this term in describing its agriculture-related spending levels and activities.

As explained in Chapter 1, we embrace a broad definition of agricultural development assistance in this report; it includes support for any activity that as a primary purpose contributes to the ability of agriculture to foster rural economic development and reduce poverty and hunger. It thus includes the many activities that enhance productivity on the farm, including natural resources management, as well as efforts to create an enabling policy and institutional environment for agriculture (ranging from improved land tenure systems to liberalized trade rules to applied agricultural research), develop markets for agricultural inputs and outputs, build rural roads and other physical infrastructure necessary for market access, facilitate rural employment through agribusiness and value-added processing of agricultural commodities, and build agricultural export capacity and opportunity.

With this broad understanding of agricultural development assistance as the starting point, we describe and quantify USAID and other U.S. assistance for agricultural development in Africa, with the limitations duly noted. One goal of the report is to foster movement toward a widely accepted and consistent way to describe and quantify agricultural development assistance. In the meantime, our approach suffices to paint a quantitative picture of the current program and its funding trends, something that previously has not been available and can usefully inform stakeholders and policymakers alike.

We begin this chapter with funding levels and trends in the USAID program from 2000 to 2004. Then, we describe bilateral funding for agricultural assistance over this period by other U.S. agencies, including the USDA, the TDA, and the ADF. Next, we present an overview of U.S. funding for African agriculture through the multilateral institutions: the FOA of the United Nations, the WFP, the World Bank, the IFAD, and the ADB/ADF. We conclude the chapter with estimates of total U.S. funding for agricultural development assistance in Africa.

USAID's Bureau for Africa Funding Levels and Trends

The majority of USAID's funding for agricultural development assistance in Africa is funded through the Bureau for Africa, which allocates resources to field offices and regional programs. The most difficult analytical challenge that we faced in doing the research for this report is that the Bureau for Africa, working within the USAID budgeting and programming system, does not categorize or report on its agriculture-related development activities as "agricultural development assistance" or any similar descriptor; instead, it uses strategic objectives (discussed in Chapter 2), any one of which may include both agriculture- and non-agriculture-related activities. This approach to defining strategic objectives has advantages as an element of USAID's results-oriented management philosophy but it means that USAID provides no official estimate of the resources it devotes annually to fostering agricultural-led economic growth in rural Africa or elsewhere.

To fill this information gap, we used two measures of the Bureau for Africa's resource flows for agriculture that are reasonable indicators of USAID resource trends and priorities for agricultural development assistance, in the broad sense in which we use the term. The first indicator is based on the level of funding provided to USAID field offices and other operating units in Africa in the sectoral categories that could be used for agricultural development assistance purposes as we broadly define them. The second indicator is the estimated level of those available resources that are actually used to support agriculture-related strategic objectives. These two indicators are described in the next few paragraphs. The descriptions are followed by a presentation and analysis of the relevant data on Africa Bureau funding of agriculture-related strategic objectives, funding for agriculture in Africa through FFP and EGAT, and, finally, an estimate of total USAID funding for agriculture-led economic growth in Africa.

As explained in Chapter 2, most of the funding that Congress provides for USAID's non-emergency development assistance programs in Africa—from maternal and child health to agricultural development—is appropriated through four accounts: Child Survival and Health (CSH), Development Assistance (DA), the Economic Support Fund (ESF), and Title II of P.L. 480. Funds appropriated in the CSH, DA, and ESF accounts are allocated by USAID's Bureau of Policy and Program Coordination to the Bureau for Africa and other regional and pillar bureaus at USAID headquarters. The bureaus, in turn, allocate shares to operating units (such as the country missions abroad), where the funds finance the operating unit's strategic objectives. PPC and FFP allocate Title II resources from headquarters to the country level for emergency and non-emergency uses, including agricultural development.

Nearly all USAID agricultural development assistance in Africa is funded through non-emergency Title II food aid and the DA account. The approximate share of Title II food aid that is used specifically for agricultural development can be calculated for a particular African country from information published in FFP's annual reports (see Appendix 3-C). These reports include country-specific estimated percentages of food aid allocations used for agricultural development purposes from each cooperating sponsor's annual food aid allotment. Our report relies heavily on those USAID estimates. USAID makes no similar estimate for DA funds used for agricultural development, reflecting the fact that field offices and other operating units pursue agriculture-related initiatives through strategic objectives that are rarely labeled "agricultural development" and often encompass multiple, related objectives.

When the Bureau for Africa allocates its DA resources to the field, however, it does so in several categories or sectors, of which three—Agriculture, Economic Growth, and Environment—can be used to fund strategic objectives intended to foster agriculture-led economic growth, at least in part. In fact, with the exception of relatively minor ESF funding, the DA funds allocated to these three sectors are the sole source of resources that are available to USAID field units to fund agriculture-related strategic objectives in Africa, and according to our estimates, as much as 90% of these funds go to agriculture-related projects. The patterns of DA resource allocation among these three sectors and their levels of funding in relation to other sectors are thus good indicators of resource trends and priorities associated with agricultural development in Africa. These patterns and levels are indicators rather than direct measures of resource trends, however, because not all of the resources allocated to these sectors are used to foster agricultural development.

The second major indicator of resource allocation for agricultural development purposes is the actual programming of resources (rather than simply having the resources available) to agriculture-related strategic objectives at the operating-unit level, which comes closer to being a direct measure than an indicator. However, it falls short as a direct or precise measure because strategic objectives are not described in terms of inputs to development, such as agricultural development assistance, but in terms of desired outcomes, such as "increased rural incomes" or "accelerated economic growth," which may be achieved by both agriculture- and non-agriculture-related interventions. Thus, in some cases, it is necessary to estimate the percentage of resources funding a particular strategic objective that can be fairly considered as assistance for agriculture-led rural economic growth and poverty reduction.

Neither of these indicators alone provides a precise measure of agricultural development assistance for African agriculture, but together they provide a reasonable and informative picture of recent funding trends and priorities.

Indicator One: DA Account Funds Available[22]

USAID's funding of agricultural development assistance in Africa is best understood first in comparison with the agency's overall funding, globally and in Africa. From FY2000 through FY2004, total USAID funding available for all activities worldwide averaged $8.5 billion annually, excluding wartime supplemental appropriations for Iraq and other nonrecurring appropriations (Table 3.1). This total USAID funding supports long-term development activities, short-term disaster relief, and other humanitarian assistance as well as more politically motivated assistance.

As discussed earlier, USAID draws resources for its long-term development activities, including agricultural assistance in Africa, from four appropriation accounts: CSH, DA, ESF, and P.L. 480, Title II (of which the non-emergency food aid resources are relevant and reported here). The development resources in these four accounts provide a sizable majority of the total funds managed by USAID, 53–78% annually from 2000 to 2004. The annual allocations of funds appropriated to these accounts globally and for Africa from FY2000 to FY2004 are presented in Table 3-1.

Of these four accounts, ESF is by far the largest, comprising 45% of the total funds available to USAID in these four accounts for non-emergency purposes from FY2000 to FY2004. Co-managed by USAID and the Department of State, ESF funds are allocated primarily on the basis of political and national security considerations. Although ESF is an important source of USAID development funds globally, only 2.7% of ESF funds were allocated to countries in sub-Saharan Africa from FY2000 through FY2004, averaging $90 million annually

[22] In this section, USAID budget figures are drawn from USAID annual *Congressional Budget Justifications* for FY2000 through FY2004 (USAID various years) unless otherwise noted.

over the five years. Only a small portion of this allocation was used for agricultural development purposes.[23]

The second largest of the accounts, CSH, funds only health-related activities. Thus, beyond the one-quarter to one-third of agricultural development assistance funded by Title II food aid, nearly all USAID funding for such activities in Africa is funded from the agency's DA account. Therefore, to understand trends in USAID funding of agricultural development, it is important to analyze trends in the DA account, including funding allocations within the account and comparisons of DA funding with the funding of other USAID accounts. The basic information required for this analysis is provided in Tables 3-1 and 3-2, and funding trends are depicted in Figure 3-1.

Analysis of USAID budget allocations reveals that over the five-year period from FY2000 through FY2004, growth in funding for Africa in general and African agriculture in particular has lagged behind growth in funding for other regions and sectors. More specifically:

- allocation of DA funds for use in sub-Saharan Africa grew more slowly than the funds appropriated to the DA account globally;
- the CSH account grew substantially more quickly than the DA account, both globally and in Africa;
- within the DA account, resources for non-agriculture sectors grew more rapidly than for sectors used to fund agricultural development; and
- the President's Initiative to End Hunger in Africa, which is funded from the DA account, has not significantly increased funding available for agricultural development assistance in Africa.

Lagging Overall Resource Growth

Excluding wartime supplemental allocations and other nonrecurring items, USAID's overall resources grew modestly (only 16%) from 2000 to 2004. Funding for the four accounts that

[23] During fiscal years 2001–2004, Africa field offices reported allocating a total of $15.7 million of their ESF resources for purposes in the Agriculture sector, which was 4% of the total ESF funding for Africa in the period. They reported allocating a total of $68.2 million over the four years, or 17.5% of the total, for purposes in the three agriculture-related sectors—Agriculture, Economic Growth, and Environment—combined (Johnson 2005), which means the funds may have been used for purposes within the broad definition of agricultural development assistance adopted for this report. We have made no assessment of how the ESF funds were actually used.

support long-term development fared better, however, increasing from $4.98 billion to $6.84 billion (37%) over the five-year period. Funding from these accounts for sub-Saharan Africa fared less well, increasing from $954 million to $1.23 billion (29%) over the same period.

The disparity in funding growth between Africa and the rest of the world is even sharper in the DA account, which is critical for agriculture. Globally, DA funding increased from $981 million in FY2000 to $1.38 billion in FY2004 (40%). In sub-Saharan Africa, DA funding increased from $447 million to $494 million (10.5%) over the same period, barely keeping pace with inflation.[24]

CSH vs. DA Funding

Most of the recent gain in total development funding, globally and for sub-Saharan Africa, has occurred in the CSH account, which grew much more rapidly than the DA account. Globally, CSH grew 116% (from $844 million to $1.82 billion) from 2000 through 2004, compared with a 40% growth in global DA. The CSH increase in sub-Saharan Africa was only half as rapid but still substantial at 61% (from $295 million to $474 million) compared with a 11.5% growth in DA funding in sub-Saharan Africa.

The disparity in funding between USAID's CSH and DA accounts tells only part of the story about the priority accorded to health in the government's international assistance budget. President Bush has made a five-year, $15 billion dollar commitment to fight HIV/AIDS. Globally, USAID allocates about $500 million annually to HIV/AIDS programs from its CSH account, but a substantial and growing portion of the U.S. contribution for HIV/AIDS is funded through the Department of State. More than $400 million from the State Department's 2004 budget went to the Global HIV/AIDS Initiative, with more than $1.3 billion slated for 2005 and a request of nearly $2 billion pending in the president's FY2006 budget for the Department of State.

Stagnant DA Funding for Agriculture-Related Sectors

Within the DA account, funding for activities to foster agriculture-led economic growth comes from the agency's allotments to three sectors: Agriculture (which, beginning in 2002, included funding designated for IEHA), Economic Growth, and Environment. Total funding for these sectors rose from $284 million in 2000 to $304 million in 2004, or a gain of 7% in absolute terms (Table 3-2). After adjusting for inflation, however, approximately 3% less DA resource was available for agricultural development in real terms, and the share of total DA funding in Africa available for agriculture-related purposes decreased from 64% in 2000 to 61.5% in 2004. In contrast, DA funding in the Education sector grew 35% in absolute terms over the period and went from 21.4% to 25.9% of total DA funding allocations in Africa.

Effect of IEHA on DA Funds Available

Funding for IHEA began in FY2002 with an allotment of $5 million from the Bureau for Africa's DA funds, followed by $27 million in 2003, and $47 million in both 2004 and 2005. Although reported separately, the IEHA funds come from the Agriculture sector of the DA account. As shown in Table 3-2, the increasing funding allocations to IEHA were largely offset by reductions in other DA sectors that USAID field offices use to fund agricultural development activities in Africa. Thus, total funding in these sectors was only $9 million more in 2004 than it had been in 2002, the year IEHA was initiated.

The IEHA allocations were offset specifically by reduced funding for non-IEHA activities in the Agriculture sector, which declined by $20 million from 2002 to 2004, and the Economic Growth sectors, which declined $18 million .Even in the eight countries and three regional programs chosen to receive IEHA funding, the gains from IEHA were largely offset by funding reductions in other Agriculture, Economic Growth, and Environment sectors (Figure 3-2). Although total IEHA funding was $47 million in 2004, the total amount of DA funds available for agriculture-related projects in IEHA countries and programs increased by $13 million (9%) in the two years of IEHA's existence—not quite keeping pace with inflation—and the total of such funding was lower in 2004 than in 2000.

The fact that IEHA resources are not additive does not mean that the IEHA initiative lacks value. IEHA has been a vehicle for focusing efforts in a way that is intended to reduce hunger by improving agricultural productivity and income generation with better technology and access to markets, in keeping with the overall USAID agriculture strategy. However, IEHA has not mobilized new DA resources to support agriculture-led economic growth and poverty reduction in Africa. Of course, the Bureau for Africa's DA account is not the only source of

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[24] According to the Bureau of Labor Statistics (BLS n.d.), total inflation adjustment between 2000 and 2004 was

USAID funding for activities to support agricultural development in Africa. The other two primary sources are P.L. 480, Title II food aid and DA funds allocated to EGAT. However, neither of these sources has significantly increased funding for agricultural development in Africa since 2000: Title II food aid resources for this purpose grew from an estimated $86 million in FY2000 to $96 million in FY2004 and similar EGAT funding increased from an estimated $23 million in 2000 to an estimated $31 million in 2004.

A Note on Africa Bureau Appropriations for 2005 and 2006

This report analyses USAID funding of agricultural development assistance through FY2004 because that is the last year for which necessary information was available on USAID programming of its DA and food aid resources and on the budgets of other relevant U.S. and multilateral agencies. The FY2005 USAID budget and the president's currently pending request for USAID funding in his FY2006 budget submission are worth noting here, but they raise more questions than they answer about future trends in USAID funding for agricultural development assistance.

In the critical DA account for Africa, FY2005 funding increased to $547 million from $494 in 2004, for a gain of almost 11%, but most of this gain was allocated to the Education and Democracy/Conflict sectors (Table 3-2). This left a gain of less than 5% (about $13 million) in allocation of resources to the three sectors from which agricultural development assistance is funded; and funding for IEHA was flat at $47 million. In contrast, the Africa Bureau funding for education increased in FY2005 by 16% over FY2004, driven at least in part by the $300 million congressional earmark for basic education.[25]

The small 2005 increase over 2004 in funds available for agricultural development reversed the decline that had occurred from 2003 to 2004, but the president's FY2006 budget submission for USAID and initial congressional action foreshadows at best static funding and possibly another downturn. The president's global DA request for USAID was $1.1 billion, down 24% from 2005, while the Africa DA request was $428 million, down 22% from 2004.

10%.

[25] CSH funding for Africa Bureau declined in FY2005 but this reflects the fact that approximately $600 million in HIV/AIDS funding allocated to focus countries in Africa and elsewhere was shifted to a Department of State account through which the president's HIV/AIDS initiative is being managed.

The president proposed to maintain the global earmark for basic education, which comes out of the DA account, at the same $300 million that was adopted by Congress in 2005.

At this writing, the House and Senate have passed differing versions of the Foreign Operations appropriations bill (H.R. 3057), which will have to be reconciled in conference committee. On June 28, 2005, the House approved global DA funding of $1.46 billion, well above the president's request but just about level with the 2005 appropriated level. On July 20, the Senate passed a version of H.R. 3057 that included an increase to $1.675 billion in global DA funding. Both the House and the Senate voted to increase the basic education earmark from $300 million in 2005 to $365 million and $350 million, respectively, in 2006.

Once Congress passes a final budget for USAID, it will remain to be seen how USAID allocates its DA funding to Africa and other regions, how responsibility for meeting the education earmark will be distributed among the regions and field programs, and how the remaining DA budget will be allocated to the sectors that relate to agricultural development. With DA funding for Africa unlikely to increase significantly, however, and the earmark for education being increased, it is reasonable to expect that USAID funds available for agricultural development assistance in Africa will at best remain stagnant in 2006.

As discussed in Chapter 2, the Millennium Challenge Account is likely over the next few years to substantially alter the U.S. funding picture for African agriculture. As of this writing, two of the four approved compacts involve African countries (Madagascar and Cape Verde) and have a strong emphasis on poverty reduction through agriculture-led rural economic growth. The Madagascar compact includes funding of $110 million over four years, while Cape Verde receives the same amount over five years. These funding levels, averaged out annually, exceed the estimated annual USAID funding of agriculture-related strategic objectives in any other sub-Saharan African country (See Table 3-3). With six other Africa countries already eligible for MCA funding and seven others in the "threshold" category, the MCA funding for agricultural development could soon exceed USAID's. Critical issues for the future include how the MCA and USAID programs should relate to each other operationally and ensuring that MCA funding for agriculture does not simply displace USAID funding.

Indicator Two: Resources Committed to Agriculture-Related Strategic Objectives

The first indicator of trends in USAID funding of agricultural development assistance measures funds available for that purpose, which can be determined fairly precisely from data in USAID budget documents. It is an indicator rather than a direct measure, however, because it measures funds available for—rather than funds actually programmed for—agriculture-related activities.

The second indicator attempts to measure funds actually programmed but is labeled an indicator here because it is based largely on estimates—rather than USAID reporting—of the extent to which funds are programmed to support agriculture-led economic growth and poverty reduction. These estimates were derived by reviewing the descriptions of the strategic objectives being pursued by all the USAID field offices in Africa as presented in USAID's Congressional Budget Justification documents (USAID various years). Each office typically pursues several strategic objectives related to key components of the overall USAID development strategy, such as health, education, governance, economic growth, and poverty reduction. The objectives and the specific activities the office funds to achieve them are defined by the field office according to its assessment of local needs and opportunities. The Congressional Budget Justifications briefly describe the activities and resources allocated to each strategic objective.

Strategic objectives devoted entirely to health care or basic education clearly do not qualify as agricultural development assistance, so we exclude them in our estimates. Many strategic objectives clearly do qualify because they focus entirely on fostering agriculture's contribution to economic growth and poverty reduction (e.g., the Rural Incomes strategic objective adopted by USAID's Mozambique Mission, which includes diverse activities to improve agricultural production, expand rural business enterprises, and improve transport infrastructure); we include 100% of their funding in our estimates. More problematic are the strategic objectives that include both agriculture-related and agriculture-unrelated activities (e.g., addressing trade policy and other elements of the enabling environment for private-sector economic activity in an effort to benefit both agricultural and non-agricultural sectors of the country's economy and the strategic objective on Sustainable Agriculture and Economic Development in Nigeria, which is currently focused heavily on agriculture but previously also included activities to support the privatization of hotels, airlines, and insurance companies).

The reality of how USAID allocates and publicly reports its field-level spending means that deriving estimates of USAID's agriculture-related expenditures requires making judgments.

For the strategic objectives that are not clearly classifiable as fully related or fully unrelated to agricultural development, we assigned an estimated percentage of the share of each strategic objective's resources that could fairly be attributed to support for agricultural development based on the Congressional Budget Justification descriptions of the strategic objectives from 2000 to 2004. This process was aided for 2003 and 2004 by greater detail on the allocation of a strategic objective's resources among specific activities, which was not available in the Congressional Budget Justifications for 2000–2002.

Recognizing this limitation on publicly available information and the inherent subjectivity of some of the judgments involved in determining the percentage of a strategic objective's resources that is fairly considered agricultural development assistance, we took two approaches. First, to each strategic objective that was not 100% related or 100% unrelated to agriculture, we assigned one of three percentage estimates of the portion of the strategic objective's funding that would be included: 25%, 50%, or 75%. Attempts at greater precision seemed unjustified due to the relative generality of some of the available information. Then, we calculated total agriculture-related assistance by country and region by applying those percentages to the total reported funding for the strategic objective. The results of these calculations are listed in Table 3-3.

Given the uncertainty of any point estimate, we also made range estimates by dividing the spectrum of possible attributions to agriculture into thirds. Thus, in this approach, the 25%, 50%, and 75% estimates were replaced by range estimates of 0–33%, 33–67%, and 67–100%, and calculations made accordingly (Table 3-3A). Appendix 3-A contains a list of all the strategic objectives that appeared to have potential relevance to fostering agriculture's role in economic growth and poverty, with notes on the percentages assigned to each for purposes of calculating the estimated levels of funding for agricultural development assistance reported in Tables 3-3 and 3-3A.

The estimates in Tables 3-3 and 3-3A are just that. They should not be misconstrued or reported as hard numbers on actual USAID programming of funds for agricultural development because, for reasons already discussed, such numbers are not available. However, these estimates are a useful indicator of funding levels and trends and support several observations.

First, they verify the central role agriculture plays in USAID's economic development strategy in Africa. Whereas the majority of resources allocated to the Bureau for Africa from

USAID's CSH and DA accounts (about 62% in FY2004) are committed by congressional directive to health and education, most of the remainder of the DA account funding appears to be used for agriculture-related purposes, as broadly construed for purposes of this report. Between FY2000 and FY2004, funding for agriculture-related strategic objectives managed by USAID field offices and programs consumed an estimated 71% of the available Agriculture/IEHA, Economic Growth, and Environment sector funding in the DA account (as calculated from data in Tables 3-2 and 3-3), with additional funds from these agriculture-related sectors being used for agricultural purposes in centrally managed programs.

Second, the total estimated programming of funds for agriculture-related strategic objectives is 21% greater in FY2004 than in FY2000 ($226 million versus $187 million), but the trend is unclear. The estimate for FY2004 is less than for FY2003 ($226 million versus $243 million). The higher estimates for FY2002 and FY2003 coincide with the first budget years under USAID Administrator Andrew S. Natsios (who stressed agriculture from the beginning of his tenure) and are accompanied by modest increases in funds potentially available for agriculture in the DA account (Table 3-2). The lower estimate for FY2004 is accompanied by a slight decrease in available DA funds.

Third, the funding of agriculture-related strategic objectives was widely distributed across 24 countries and four regional programs, with about 70% of the field-managed resources being programmed at the country level ($6.2 million per year, on average) and 30% at the regional level. However, the bulk of the country-level funds (two-thirds of the total estimated funding), went to the top nine recipient countries, which averaged and $11.1 million total annually (Table 3-4), whereas the remaining 15 countries received only $3.3 million annually on average. This uneven distribution reflects the tendency of resources to be concentrated in countries that show promise in improving their agricultural systems. In fact, seven of the top nine recipient countries between FY2000 and FY2004 were the same seven that began receiving IEHA allocations in FY2003.

The uneven distribution also raises the issue of resource fragmentation. Even in the top nine countries, the allocations are modest compared with the magnitude of the task of building productive, market-oriented agricultural systems in these countries, as called for by USAID's agriculture strategy. Moreover, in most of these countries, the resources available to fund the agriculture-related strategic objectives are divided among multiple contractors and grantees, who implement distinct activities to help achieve the strategic objective. The fragmentation issue is even more acute in countries where the strategic objectives receive less funding. This issue is addressed in more detail in the four country studies included this report (Appendices 4-A through 4-D).

Food Aid Funding

After the flow of resources through the Bureau for Africa, the next largest source of USAID funds for agricultural development assistance in Africa is the P.L. 480, Title II food aid program managed by FFP. Congress makes an annual appropriation of funds for Title II, which FFP uses to purchase commodities that cooperating sponsors use for emergency feeding programs or non-emergency development programs (e.g., through food-for-work or sale of the commodity to generate local currency) in the receiving country. To help organizations implement such food aid programs, Section 202(e) of Title II also provides for cash payments of 5–10% of the annual appropriation.

FFP reports annually on its non-emergency Title II program, providing information by country on the quantity and dollar value of the commodities granted to each cooperating sponsor in a country together with an estimate of the portion of each grant that is devoted to Agriculture, Health and Nutrition, Education, and other sectors. The resource levels we relied on in preparing this report are from USAID data tables (reproduced in Appendix 3-B) that include the value of the commodity and the dollar amount of Section 202(e) funds provided to each cooperating sponsor.

It is important to note that the commodity values that FFP reports include the freight costs to move the commodity to the receiving country. Although it is a fair way to express the U.S. cost to provide the food aid, it overstates the value of the development assistance actually received on the ground. Freight costs vary, but the rough estimation adopted for this report is that freight consumes about one-third of the stated value of the commodity.[26] Table 3-5 includes both FFP-reported values and values adjusted to exclude freight costs.

As indicated in Table 3-5 and based on FFP's Title II annual reports, between FY2000 and FY2004 USAID distributed development food aid valued at a total of $804 million (including Section 202(e) funds and the cost of freight) in sub-Saharan Africa. About $440 million of this amount (55%) was used for agricultural development purposes, thus averaging $88 million annually. If estimated freight costs are excluded, Title II food aid used for agricultural development purposes in Africa is valued at $290 million, or an average of $58 million annually.

The level of food aid used for agricultural development assistance (including freight) increased from $86 million in FY2000 to $96 million in FY2004, but without any consistent trend. This finding is not surprising in light of the constant but shifting pressures on FFP to address emergency as well as development uses of food aid. The percentage of development food aid used for agricultural purposes has remained fairly stable (except in FY2001) but decreased from 56% in FY2000 to 52% in FY2004.

From FY2000 to FY2004, Title II food aid was distributed to 22 countries in sub-Saharan Africa and USAID's West Africa Regional Program. In all but three of the recipient countries (Benin, Gambia, and Liberia), at least some portion of the assistance was used for agricultural development purposes over this five-year period. In the countries that received at least some such food aid, the average annual value was $4.6 million including and $3.1 million excluding the cost of freight (Table 3-6).

Like agricultural development assistance from the Bureau for Africa's DA account, Title II food aid is distributed unevenly across the 19 countries that receive it (Table 3-7). Ethiopia and Mozambique are by far the largest recipients, receiving 20% and 16% of the total, respectively, from FY2000 to FY2004. The top 10 recipient countries received 90% of the total. Thus, on average, the top 10 countries received annual food aid for agricultural development that was valued at $7.9 million (including freight cost), whereas the remaining nine recipient countries received $1 million each. The assistance was somewhat concentrated among countries that received IEHA funding, but not as markedly as strategic objective funding for agricultural development assistance discussed earlier. Four of the top six recipients of Title II food aid used for agricultural development (Mozambique, Uganda, Kenya, and Ghana) are countries that receive IEHA funding, but two countries that receive IEHA funding (Nigeria and South Africa) received no Title II-financed agricultural development assistance and two others (Mali and Zambia) are low on the development food aid recipient list. It is important to note that the

[26] This estimate is based on freight costs associated with food aid shipments to Africa reported by the United States to the OECD)/DAC Creditor Reporting System (OECD various years).

ranking in Table 3-7 can change rapidly as the nature of the Title II program in a country changes from emergency relief to longer term development and as funding levels change from year to year.

Fragmentation of development food aid is as serious an issue for this kind of distribution of development assistance as it is for the Bureau for Africa's DA account. Of the 22 countries receiving Title II food aid for agricultural or other development purposes, seven have programs managed by a single cooperating sponsor. In the remaining countries, more than one cooperating sponsor means more than one program, and in some countries several organizations run different development food aid programs (e.g., six cooperating sponsors per country operate in Kenya and Mozambique, and five per country operate in Ethiopia and Uganda).

EGAT Funding

EGAT is a pillar bureau in USAID that provides technical expertise to the regional bureaus and field missions and manages its own cross-cutting portfolio of programs to foster economic growth that places heavy emphasis on research and technology development. For example, EGAT is the primary conduit for USAID's support of the Consultative Group on International Agricultural Research (CGIAR) network of research facilities and the Collaborative Research Support Programs (CRSPs) that fund U.S. universities to undertake research of value to developing countries.

Like the Bureau for Africa and the field offices, EGAT plans and reports on its activities within a set of strategic objectives. The agency currently has 10 strategic objectives, of which Agriculture, Poverty Reduction, Economic Growth, and Environment and Science Policy entail activities to support agriculture-led economic growth and poverty reduction. However, like the Bureau for Africa and the field offices, EGAT does not report its agriculture-related expenditures for strategic objectives under the heading "agricultural development assistance" nor does it ordinarily track its public expenditures by region. For example, CGIAR funding supports laboratories worldwide, including but not limited to those located in and serving development interests of sub-Saharan Africa. For these reasons, it is not possible to even estimate the amount of EGAT's program funds that is devoted to agricultural development assistance for Africa from public reports.

To fill this information gap, EGAT provided its own estimates for FY2000 to FY2004 (Table 3-8). These data required estimating, for example, how much of CGIAR funding is fairly attributable to Africa. EGAT estimates that its funding for agriculture in Africa hovered around the $25 million level during FY2000 to FY2003, then increased to about $31 million in FY2004. Over this period, CGIAR and CRSPs consumed the majority of EGAT's funding for agricultural development in Africa, averaging about $11.6 million and $8.8 million, respectively (86% of total EGAT funding African agriculture in FY2000 and 65% in FY2004). In FY2004, however, about $5 million more was devoted to crop-specific agricultural research and training and another $1.2 million to the development of regulatory frameworks and mechanisms to support the adoption of agricultural biotechnology in Africa.

EGAT funding for African agriculture is thus predominately focused on science and technology. However, EGAT also funds the Farmer-to-Farmer Program ($2.1 million for activity in Africa in FY2004), which sends mostly retired U.S. farmers to share their expertise with farmers in developing countries, and the International Fertilizer Development Center, which receives $805,000 annually for work in various African countries pursuant to a congressional earmark.

Summary and Analysis: FY2000 through FY2004

The foregoing discussion paints a picture of the major elements of USAID funding for agricultural development assistance in Africa. It provides the basis for understanding the relative magnitude of these elements and how the scale of the overall program relates to other major USAID programs and priorities.

As emphasized at the outset, however, the estimated levels of resources that USAID invests in fostering agriculture-led economic growth and poverty reduction in Africa are not precise; the USAID system simply is not set up to provide that information. Part of the reason is that we adopted a particular, fairly inclusive definition of agricultural development assistance for this report, but more fundamentally responsible is USAID's strategic objective approach to reporting on its programs and resource allocation. Strategic objectives tend to be expressed in terms of broad outcomes (e.g., "Increased Rural Incomes" or "Accelerated Economic Growth") rather than the role or success of agriculture in fostering economic growth. USAID has good reasons for its approach, but the approach makes it difficult to assess how the agency's resource allocation relates to its declared strategy of focusing on agriculture as a key driver of economic growth and poverty reduction in Africa.

Although the estimates in this report could be refined with more effort, they will remain estimates as long as the design of the USAID reporting system does not include an accounting of resources actually committed to agriculture-led economic growth. Our confidence in the estimates is bolstered, however, by their congruence with two facts: Administrator Natsios pushed agriculture as a development priority, explaining the increase over 2000, but there was no real growth in funding of the relevant sectors in the DA account, explaining why the increase was relatively small.

The results of our information gathering and analysis of USAID funding for agricultural development in Africa are summarized in Tables 3-9 and 3-9A. Table 3-9 lists the point estimates of the percentage of agriculture-related strategic objectives resources that are used for agricultural development purposes (as reported in Table 3-3), and Table 3-9A lists the range estimates (from Table 3-3A). The data in Tables 3-9 and 3-10 (which present funding for African agriculture in relation to other USAID-managed development funding) are the focus of the following observations.

USAID's estimated total funding of agricultural development in Africa has increased 19% over the past five years, from $296 million in FY2000 to $353 million in FY2004 (Tables 3-9 and 3-10). After adjustment for 10% total inflation over that period, this increase is about 9%—real but modest. However, the trend is unclear because the estimated funding level declined slightly in FY2004, from $359 million in FY2003 to $353 million in 2004. Moreover, funding available for agricultural development in the Bureau for Africa's DA account has been essentially flat in real terms and already is used predominately for agricultural purposes (Tables 3-2 and 3-3), suggesting the difficulty of further increases within current budget constraints.

Despite increased funding since FY2000 and increased attention to agriculture as a key to Africa's development over recent years, such funding makes up a small share of total USAID-managed foreign assistance—less than 4% over the past five years. Even within the context of non-emergency development assistance to Africa, agriculture receives less than one-third of the USAID total, and agriculture's share of total development funding in Africa has declined slightly since 2000. African agriculture's estimated share of USAID's global development funding has declined more quickly since 2000, by a total of 12% (from 5.9% to 5.2%).

Table 3-10 includes range estimates that reflect the uncertainty in the estimated percentages of funding devoted to agriculture for certain African field office and regional program strategic objectives as well as the difference in the value of Title II development food aid with freight costs included and excluded. Our range estimates show the same basic trends as the point estimates, which consistently fall toward the high end of the range—consistent with our intent to avoid understating assistance levels.

The downward pressure on USAID funding for long-term agricultural development in Africa stems from the combination of tightening DA resources worldwide and the demand for development resources to address immediate needs elsewhere, such as in Afghanistan and Iraq. The appropriation for USAID's worldwide DA account declined in 2004 by $100 million, to $1.38 billion from $1.48 billion the year before (USAID 2005). However, the allocation of DA resources to Afghanistan increased by $58 million, from $92 million in 2003 to $150 million in 2004. New funding for USAID's agriculture-related strategic objective in Afghanistan consumed most of this increase, increasing from zero in 2003 to $48 million in 2004.

Emergencies also affect the allocation of DA funding within Africa. DA funding for the Sudan grew from $18 million in 2003 to $50 million in 2004, despite the total DA funding for Africa decreasing by only $28 million from 2003 to 2004 and total estimated spending for agricultural development also declining. Finally, although it does not come directly out of USAID's DA account, the Iraq Relief and Reconstruction Fund consumed $1.53 billion and $2.44 billion in appropriated assistance resources in 2003 and 2004, respectively.

Finally, the data indicate that almost three-quarters of the total estimated USAID spending for African agriculture is funded through the budgets of the Bureau for Africa and EGAT. These bureaus are pursuing compatible, highly market- and technology-oriented strategies for agriculture's role in development, as expressed in USAID's overall agriculture strategy and IEHA's governing principles. However, more than one-quarter of the funding comes through Title II food aid and is managed by FFP under the 1995 policy that emphasizes food security and agriculture's role in achieving it. These different orientations are not in direct conflict and are arguably complementary. Moreover, at least some USAID field offices in Africa are making efforts to integrate the use of the development food aid resource with agriculture-related programs funded through the DA account. Nevertheless, the policy and administration of these two major limbs of USAID's assistance for African agriculture are managed from different headquarters offices, and there remain questions in some quarters about whether the FFP and Bureau for Africa programs are as integrated and complementary as they could or should be.

Among U.S. government agencies, USAID is by far the largest single contributor to agricultural development in Africa. However, other agencies are involved in this arena, either on a bilateral basis or as funders of multilateral institutions. The funding contributions of these agencies are discussed in the next sections.

Agriculture Funding by Other Bilateral U.S. Agencies

USDA's Foreign Agricultural Service

As discussed in Chapter 2, USDA's Foreign Agricultural Service manages two food aid programs that contribute resources to agricultural development in Africa. Funding trends and estimates of the amounts of USDA-managed food aid that are devoted to agricultural development assistance in Africa are listed in Table 3-11.

The information in Table 3-11 is derived from FAS Food Aid Tables (FAS various years). Unlike USAID, however, USDA's annual reporting does not include estimated percentages of its food aid resources applied to agriculture. Although Food for Progress resources are intended by law to be used for agriculture-related purposes, such is not the case for Section 416(b). Thus, for the purposes of this analysis, we assumed that 100% of the Food for Progress resources and 50% of the Section 416(b) resources contribute in some way to agricultural development. These assumptions are accompanied by uncertainty because some Food for Progress resources are used for HIV/AIDS prevention and 50% is a rough approximation (Rubas 2005). Again in contrast to USAID, USDA does not include freight costs when it reports the value of food aid contributions in its food aid tables. Table 3-11 thus includes figures adjusted to include an approximation of freight costs for better comparison with data from the USAID-managed food aid program

Based on these assumptions, Food for Progress and Section 416(b) programs together have contributed an estimated $217 million in commodities for agricultural development use in Africa from FY2000 to FY2004, averaging $34 million per year. After adjustment for freight costs, the estimated values are $326 million total and $51 million annually, on average. Over this five-year period, about 7% of total USDA-managed food aid has been used in Africa for agricultural development purposes.

Like the funding trend in USDA's overall food aid program, the level of food aid being used for agricultural development in Africa also has decreased—37% from FY2000 to FY2004.

African Development Foundation

The ADF receives an annual appropriation from Congress; it was $14.3 million in FY2000 and $18.7 million in FY2004 (Table 3-12). As discussed in Chapter 2, these resources are used to fund small grants (most well under $250,000) for locally developed and managed and community-based projects in sub-Saharan Africa. In FY2002–2003, about one-third of the new projects were related to agriculture but they consumed about three fifths of the resources and throughout 2000–2004, about 66% of the dollar value of the foundation's new grants was awarded to agriculture-related projects. The level of this funding has fluctuated over this five-year period but was only slightly greater in FY2004 than it was in FY2000.

Trade and Development Agency

The most complete source of data on projects funded by TDA during 2000–2003 is the OECD Creditor Reporting System (OECD various years). The comparability of these data with the annual TDA appropriations is imperfect because OECD reports data by a calendar year, whereas the U.S. government reports by fiscal year. Nevertheless, the data provide a reasonable picture of actual TDA expenditures on projects in Africa, including ones related to agriculture (Table 3-13).

TDA's total annual appropriation is small; the agency funds few projects in sub-Saharan Africa and even fewer that relate to agriculture in Africa (averaging less than $1 million per year from 2000–2003). Most of the latter involve small-scale feasibility studies or site visits to explore agribusiness opportunities for American investors.

U.S. Funding through Multilateral Agencies

A complete picture of U.S. agricultural development assistance to Africa must include the funding that is channeled through multilateral development agencies. Two such agencies specialize in agricultural development (FAO and IFAD); three have broader overall missions (WFP, the World Bank Group's IDA, and ADB/ADF).

In all these cases, estimating the value of U.S. assistance for African agriculture requires determining the annual U.S. contribution to the organization and the approximate percentage of the organization's resources that is devoted to agricultural development in Africa. This calculation is possible with varying degrees of precision and comparability across organizations that reflect widely divergent approaches to reporting on programs and budget allocations. Thus although they contain some uncertainty, our estimates provide a reasonable sense of the scale of and trends in U.S. funding that flows through these organizations to support agricultural development in Africa.

Food and Agriculture Organization

Because FAO specializes in food security and agricultural development, we assumed that all its program activities in sub-Saharan Africa constitute agricultural assistance as defined for the purposes of this report. The task then was to determine the size of FAO's annual program budget and the percentage applied to projects in Africa. Information for this purpose is derived from the organization's biennial *Programmes of Work and Budget* (FAO various years). Annual budget figures in Table 3-14 are estimated by evenly dividing FAO's two-year budget figure and relying on FAO's regional breakout of its budget for Africa and other regions.

The U.S. contribution to FAO reflects the agreed U.S. commitment to fund the agency at a set level and thus has remained stable at about $72 million over the past three years, although it declined from more than $82 million in FY2000–2001. The percentage of FAO projects in Africa also has been relatively stable at about 20%, except for a drop to about 16% in 2004. These factors combine to keep U.S. funding of African agricultural development through FAO in the range of $11–18 million annually, but with a downward trend.

International Fund for Agricultural Development

IFAD's mission (like FAO's) is agricultural development, so we assumed that 100% of its resources are spent for that purpose. On average, nearly 40% of IFAD's funding during 2000–2004 has been devoted to projects in sub-Saharan Africa, as reported in its annual reports (IFAD various years) and on its web site (IFAD n.d.). Because the annual U.S. contribution to IFAD is small ($5–20 million during this five-year period), the annual U.S. contribution to agricultural development in Africa through IFAD is very small, peaking at $ 7.2 million in 2002 and only about $2 million in 2000 and 2001 (Table 3-15).

World Food Programme

As discussed in Chapter 2, about 90% of WFP's operational expenditures typically are devoted to emergency or humanitarian feeding programs. The remainder is used for various development purposes, including agriculture. WFP does not specify the amount of its resources devoted to agricultural development in Africa. However, annual reports (WFP various years) provide information about WFP's total development expenditures worldwide and in sub-Saharan Africa, and country-specific Current Operations documents (WFP 2005) describe development activities at a level of detail sufficient to estimate the approximate percentage of WFP development expenditures in sub-Saharan Africa that are related to agriculture (Table 3-16).

We conservatively estimate that as much as 25% of WFP development resources in sub-Saharan Africa are used for agriculture-related purposes, with the balance used predominately for education and health projects. With this estimate, it is possible to calculate the percentage of total WFP development resources used for agriculture-related projects in Africa, apply that percentage to WFP-reported figures for the dollar value of each country's contribution to WFP development programs, and thereby estimate each country's contribution to agricultural development in Africa through WFP.

The results for the United States are listed in Table 3-16. Although the United States is the largest contributor to WFP (averaging more than $1 billion annually), the U.S. contribution to agricultural development in Africa through this channel is relatively small. From 2000 to 2003 (data for 2004 are not yet available), it averaged about $8 million annually (less than 1% of the total U.S. contribution to WFP) because long-term development is a relatively small part of the WFP mission and program. The 2003 figure is higher than 2000, but there is no discernible trend because it is lower than in 2001 and about the same as in 2002.

International Development Association

All of the World Bank's current agriculture-related projects in Africa are financed primarily or entirely through IDA, the bank's concessional arm, to which the U.S. has contributed an average of $816 million annually from 2000 to 2004. As presented in the *Interim Report*, IDA's normal reporting system shows investment in the Agriculture, Fishing and Forestry sector in Africa (in the form of new commitments of concessional loans and grants) rising since 2000, from about $186 million to $288 million. This does not, however, reflect all IDA funding for agriculture-related purposes, as construed broadly for this report. The authors have since received more complete information from the Rural Development Department at the World Bank that is reflected in the revised Table 3-17. This information includes the core agriculture funding but also funding for agro-industry, agricultural markets and trade, as well as rural micro-credit, small and medium enterprises, and rural roads and highways. With these figures included, total IDA funding for all agriculture-related purposes increased significantly from $166 million in 2000 to $577 million in 2004. As Table 3-17 indicates, almost two-thirds of the gain went to increased finding for rural roads and highway, which is an important element of the infrastructure required for agricultural development. These gains also result in an increase from $30 million to $58 million in the IDA funding for African agriculture attributable to the United States.

African Development Fund of the African Development Bank

Just as the World Bank Group has IDA as its concessionary loan and grantmaking arm, the African Development Bank the ADF. Through the U.S. Department of the Treasury, the United States makes annual contributions of appropriated funds to ADB/ADF that are used to support ADB/ADF's loan and grant programs. The U.S. contribution averaged about $104 million annually from FY2000 to FY2004 and was $112.7 million in FY2004.

ADB/ADF reports its activity in terms of annual loan and grant approvals and disbursements as well as by sector, including Agriculture and Rural Development; Table 3-18 includes both approvals and disbursements. The percentage of approvals for Agriculture and Rural Development runs consistently higher than the percentage of disbursements, suggesting an increasing priority on agriculture that may increase future disbursements. In 2003 (data are not yet available for 2004), 22.7% of the approvals value and 16.8% of the disbursements value was for Agriculture and Rural Development. The estimated value of the annual U.S. contribution to African agriculture through ADB/ADF is $17.5 to $26.6 million for approvals and $13.2 to $25.5 million for disbursements. These values vary as a function of fluctuation in ADB/ADF's total approval and disbursement activity and the percentage of that activity devoted to Agriculture and Rural Development.

Total U.S. Funding

As discussed earlier in this chapter, USAID's estimated investment in agricultural development assistance in Africa increased by about 19% from 2000 to 2004—about 9% after adjusting for inflation over that period—despite the resources potentially available for African agriculture in USAID's DA account being flat. This increase suggests an effort by USAID to increase funding despite budget constraints, even though the rate of the modest apparent gains in funding for African agriculture lags well behind gains in funding for the other sectors in Africa (mainly health) and in overall USAID development assistance globally. It is thus difficult to argue that African agriculture has been a high funding priority since 2000, especially considering that estimated USAID spending in this sector actually declined in absolute terms from 2003 to 2004.

The picture is even less positive for bilateral U.S. funding of agricultural development assistance in Africa when non-USAID sources of assistance are considered (Tables 3-19 and 3-19A). Estimated food aid funding of agriculture-related projects in Africa by USDA, the second-largest source of U.S. funding for this purpose, declined by 17% from 2000 to 2004. As a result, the overall increase in estimated U.S. bilateral assistance for African agriculture is in the range of only 7–8%, which is more than offset by inflation over the period.

U.S. funding of agriculture through multilateral channels has, on the other hand, increased somewhat, due almost entirely in increases in IDA commitments, especially for roads. Multilateral funding through all channels comprises about 20% of total U.S. funding of agricultural development assistance for Africa and increased by an estimated 34% in absolute terms (24% in real terms) from 2000 to 2004. Thus, considering both bilateral and multilateral channels, overall U.S. funding increased an estimated 12% from 2000 to 2004—or about 2% after inflation.

Conclusion

As emphasized throughout this chapter, the data underlying this quantitative picture of U.S. agricultural development assistance for Africa contain uncertainties, primarily because the planning and reporting systems of most agencies are not designed to track how much the United States invests annually to foster agriculture-led economic development and poverty reduction in Africa. The trends, however, are unmistakable. Our analysis shows that the level of U.S. investment may be higher than expected because we define agricultural development assistance broadly, but the overall funding trend is flat because investment in African agriculture has barely kept up with inflation and lags behind growing foreign assistance for other sectors in Africa and elsewhere. Funding has yet to reach the expectations promised by the recent shift in support among U.S. policy leaders for agriculture's critical role in Africa's development.

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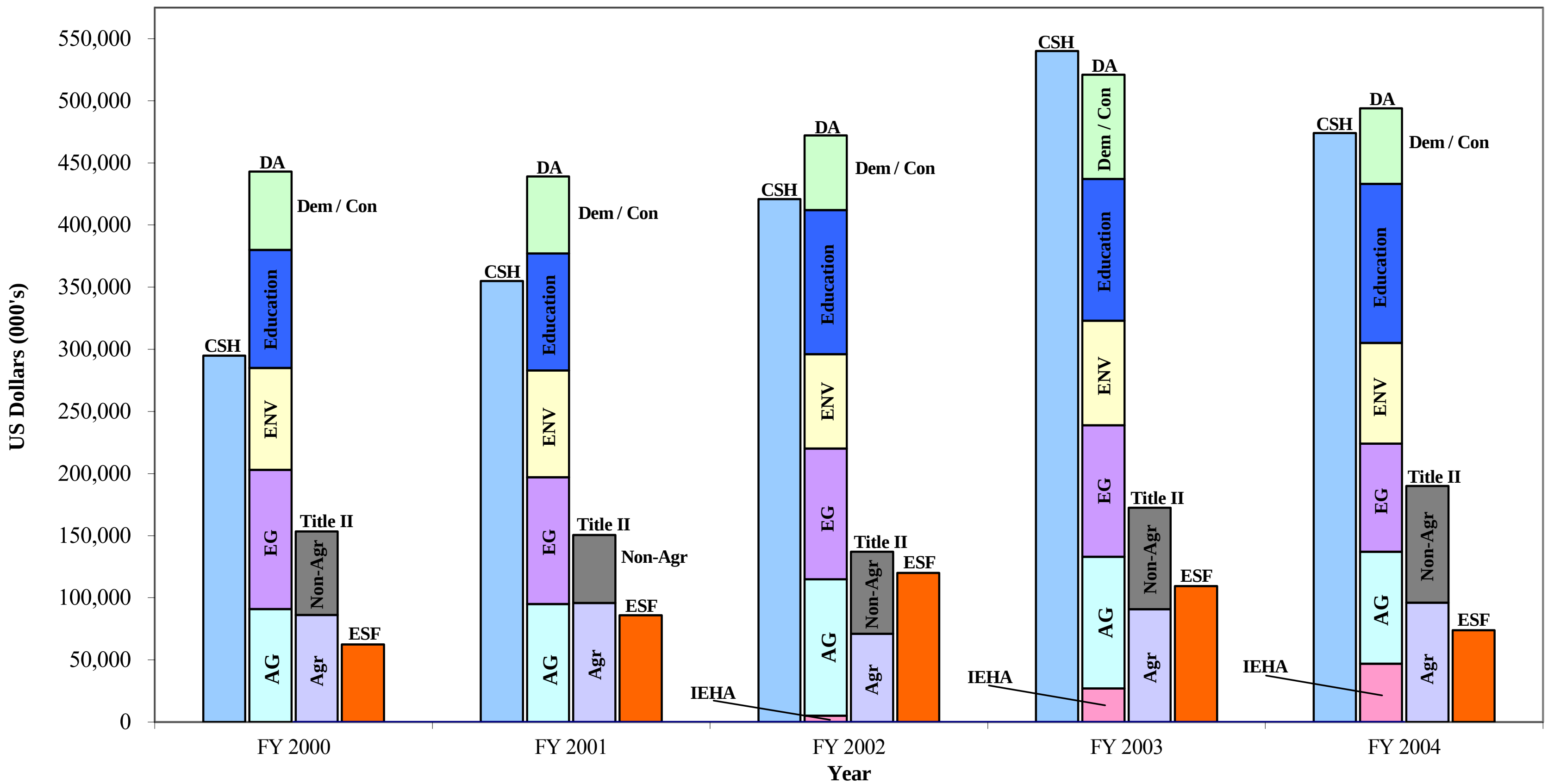
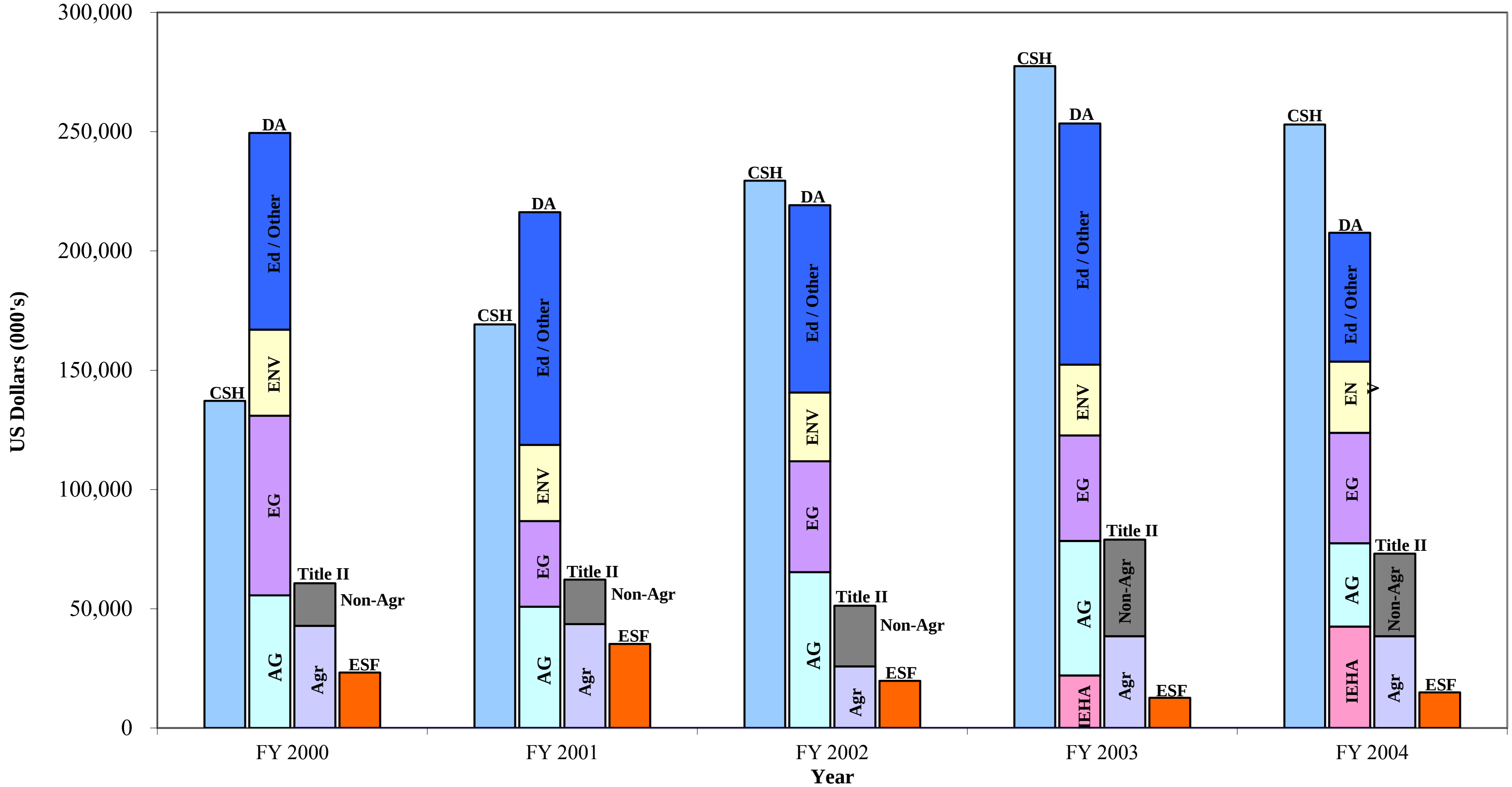


Total Funds ($000's)	953,934	1,030,457	1,149,129	1,342,978	1,232,085

Figure 3-1. USAID Non-Emergency Assistance to sub-Saharan Africa, FY2000–FY2004



Total Funds ($000's)	470,746	482,937	519,822	622,673	548,718

Figure 3-2. USAID Non-Emergency Assistance: Countries and Organizations that Received IEHA Funds, FY2000–FY2004 (appropriated program funds allocated by account and sector)

Table 3-1. USAID Total Funding and Non-Emergency Program Funds with Non-Emergency Funding, by Account and Africa Allocation, FY2000–FY2005 (with percent of total USAID allocation in parentheses)

Account	*Allocation ($, millions)*						*Increase, FY2000– FY2004 (%)*
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*FY2005*	
USAID Total[a]	7,616 (100%)	7,822 (100%)	8,853 (100%)	9,465 (100%)	8,837 (100%)	8, 954, (100%)	16.0
CSH Global	844 (11.1%)	1,215 (15.5%)	1,469 (16.6%)	1, 939 (20.5%)	1,824 (20.6%)	1,538 (17.2%)	116.0
CSH Africa	295 (3.9%)	355 (4.5%)	421 (4.8%)	540 (5.7%)	474 (5.4%)	357 (4.0%)	60.7
DA Global	981 (12.9%)	1,029 (13.2%)	1,178 (13.3%)	1,480 (15.6%)	1,377 (15.6%)	1,448 (16.2%)	40.3
DA Africa	443 (5.8%)	439 (5.6%)	471 (5.3%)	522 (5.5%)	494 (5.6%)	547 (6.1%)	11.5
ESF Global	2,792 (36.7%)	2,315 (29.6%)	3,489 (39.4%)	2,280 (24.1%)	3,263 (37.0%)	2,483 (28.1%)	16.9
ESF Africa	63 (0.83%)	86 (1.10%)	120 (1.36)	109 (1.15%)	74 (0.84%)	104 (1.14%)	17.5
P.L. 480[c] Global	359 (4.7%)	390 (5.0%)	358 (4.0%)	403 (4.3%)	374 (4.2%)	NA	4.2
P.L. 480 Africa	153 (2.0%)	151 (1.9%)	137 (1.6%)	173 (1.8%)	190 (2.2%)	NA	24.2
Africa Total (CSH, DA, ESF, P.L. 480)	954 (12.5%)	1,031 (13.2%)	1,149 (13.0%)	1,343 (14.2%)	1,232 (13.9%)	NA	29.1
Global Total (CSH, DA, ESF, P.L. 480)	4,976 (65.3%)	4,949 (63.3%)	6,494 (73.3%)	6,102 (645)	6,838 (77.4%)	NA	37.4

Notes: CSH = Child Survival and Health, DA = Development Assistance, ESF = Economic Support Fund, P.L. 480 = Agricultural Trade Development and Food Assistance Act of 1954, NA = data not available.

[a] USAID total excludes Emergency Response Fund and wartime supplemental allocations for Iraq.

[c] Total P.L. 480, Title II allocation of non-emergency food aid regardless of use to which the food aid resources are put.

Source: USAID Congressional Budget Justifications, FY2003, FY2005, FY2006 (USAID various years) and USAID/Africa Bureau Office of Development Planning table re "FY 00-05 Budget Levels by Sector: DA/CSH" (provided to authors by Carrie Johnson personal communication, May 19, 2005).

Table 3-2. USAID Development Assistance (DA) Account Allocation in Africa by Sector, FY2000–FY2004 (with percent of total DA allocation in parentheses)

Account/Sector	*Allocation ($, millions)*						*Increase, FY2000–FY2004/05 (%)*
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*FY2005*	
Total DA for Africa	443 (100%)	439 (100%)	471 (100%)	522 (100%)	494 (100%)	547 (100%)	11.5/23.5
Education	95 (21.4%)	94 (21.4%)	116 (24.6%)	114 (21.9%)	128 (25.9%)	149 (27.2%)	34.7/56.8
Democracy/Conflict	63 (14.2%)	62 (14.1%)	60 (12.7%)	84 (16.1%)	61 (12.4%)	80 (14.6%)	-3.2/27.0
Agriculture (without IEHA)	91 (20.5%)	95 (216%)	110 (23.4%)	106 (20.4%)	90 (18.6%)	104 (19.0%)	1.1
Economic Growth	112 (25.3%)	102 (23.2%)	105 (22.3%)	106 (20.4%)	87 (17.6%)	95 (17.4%)	–22.3/-15.2
Environment	82 (18.5%)	86 (19.6%)	76 (16.1%)	84 (16.1)	81 (16.4%)	71 (13.0%)	1.2/-13.4
IEHA	0	0	5 (0.11%)	27 (5.5%)	47 (9.1%)	47 (8.6%)	NA—
Agriculture/IEHA Total	91 (20.5%)	95 (21.6%)	115 (24.4%)	133 (25.5%)	137 (27.7%)	151 (27.6%)	50.6/65.9
Agriculture/IEHA, Economic Growth, Environment Total	284 (64.1)	283 (64.5%)	295 (62.6%)	323 (62.0%)	304 (61.5%)	318 (58.1%)	7.0/12.0

Notes: The sectoral allocations in this table are based on the "653(a)" reports that USAID must provide to Congress within 30 days of enactment of the annual appropriations bill informing Congress how the congressional appropriation in the DA and other accounts are to be allocated by the agency by region and sector. IEHA = Initiative to End Hunger in Africa.

Source: USAID/Africa Bureau Office of Development Planning table re "FY 00-05 Budget Levels by Sector: DA/CSH" (provided to authors by Carrie Johnson, ABODP, May 19, 2005), and personal communication with Carrie Johnson, August 3, 2005.

Table 3-3. Estimated Agriculture-related Funding in Africa by USAID Field Offices, FY2000–FY2004

Country or Region	*Estimated Expenditures ($, thousands)*					
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Total, FY2000–FY2004*
Angola	628	1,443	2,703	3,568	3,200	11,542
Benin	0	0	0	0	0	0
Burundi	0	0	0	3,500	1,782	5,282
Democratic Republic of Congo	2,953	6,276	7,000	8,023	3,222	27,474
Djibouti	0	0	0	0	0	0
Eritrea	3,247	3,900	3,318	2,613	640	13,718
Ethiopia	4,667	5,257	5,025	6,269	7,123	28,341
Ghana	11,385	8,327	5,746	6,248	3,817	35,523
Guinea	3,572	5,638	7,179	6,017	4,747	27,153
Kenya	10,703	9,397	12,790	9,288	6,123	48,301
Liberia	0	3,270	2,665	2,168	0	8,103
Madagascar	3,725	4,592	5,225	5,535	4,628	23,705
Malawi	13,169	8,795	7,324	6,490	7,592	43,370
Mali	12,503	7,926	8,957	13,349	14,300	57,035
Mozambique	27,387	21,574	19,544	25,159	19,450	113,114
Namibia	0	0	0	0	0	0
Nigeria	7,500	14,588	7,809	7,510	8,072	45,479
Rwanda	7,948	3,884	4,449	4,967	3,310	24,558
Senegal	3,037	1,781	2,400	3,359	2,741	13,317
Sierra Leone	250	2,725	3,427	1,491	2,105	9,997
Somalia	0	750	1,184	899	400	3,232
South Africa	4,043	5,520	6,443	6,740	5,723	28,469
Sudan	0	1,500	7,170	10,881	21,225	40,776
Tanzania	2,318	3,150	3,757	5,013	1,900	16,138
Uganda	16,240	7,595	15,510	17,490	19,222	76,057
Zambia	9,786	6,725	8,160	7,652	8,457	40,780
Zimbabwe	2,355	1,507	750	1,389	900	6,901
All SSA Countries	**147,415**	**136,120**	**148,534**	**165,617**	**150,678**	**748,364**
Africa Regional	27,275	40,198	31,389	32,584	37,424	168,870
Central Africa Regional	0	0	0	0	0	0
REDSO/ESA and GHAI	0	7,053	13,668	21,860	15,356	57,937
Regional Center for Southern Africa	8,152	0	11,250	11,861	11,294	42,557
West Africa Regional Program	4,411	6,946	6,554	11,515	10,785	40,211
SSA Regional Programs	**39,838**	**54,197**	**62,861**	**77,820**	**74,859**	**309,575**
All SSA Country and Regional Programs	**187,253**	**190,317**	**211,395**	**243,437**	**225,537**	**1,057,939**

Notes: REDSO/ESA = Regional Economic Development Services Office for East and Southern Africa, GHAI = Greater Horn of Africa Initiative, SSA = sub-Saharan Africa.

Source: Authors' calculations, with data from USAID Congressional Budget Justifications (USAID various years).

Table 3-3A. Range Estimates of Agriculture-related Funding in Africa by USAID Field Offices, FY200–FY2004

Country or Region	*Estimated Expenditures ($, thousands)*					
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Total, FY2000–FY2004*
Angola	414–842	1,443	2,703	3,568	3,200	11,328–11,758
Benin	0	0	0	0	0	0
Burundi	0	0	0	3,500	1,782	5,282
Democratic Republic of Congo	0–3,897	0–8,284	0–9,240	0–10,590	3,222	3,222–35,234
Djibouti	0	0	0	0	0	0
Eritrea	3,247	3,900	3,318	2,613	640	13,718
Ethiopia	4,667	5,002–5,512	4,764–5,285	6,047–6,490	6,888–7,358	27,368–29,312
Ghana	10,171–15,180	7,439–11,103	5,133–7,661	5,581–8,330	3,410–5,089	31,733–47,363
Guinea	3,572	5,638	7,179	6,017	4,747	27,153
Kenya	10,703	8,597–9,653	12,035–13,031	8,447–9,557	4,663–7,047	44,445–49,991
Liberia	0	3,270	2,665	2,168	0	8,103
Madagascar	2,459–4,992	3,030–6,153	3,449–7,002	4,163–6,906	3,224–6,032	16,325–31,083
Malawi	12,658–14,766	8,515–9,670	7,324	6,490	7,592	42,579–45,842
Mali	11,908–13,098	7,231–8,621	8,819–9,095	13,349	14,300	55,607–58,463
Mozambique	26,636–28,138	20,644–22,503	18,988–20,099	24,731–25,586	18,243–20,657	109,241–116,984
Namibia	0	0	0	0	0	0
Nigeria	6,700–10,000	13,032–19,451	6,976–10,412	6,709–10,013	8,072	41,489–57,948
Rwanda	7,948	3,884	4,449	4,967	3,310	24,558
Senegal	2,004–4,069	1,175–2,387	1,584–3,216	2,217–4,500	1,809–3,672	8,789–17,844
Sierra Leone	165–335	1,799–3,652	2,261–4,592	984–1,997	1,389–2,821	6,598–13,396
Somalia	0	495–1,005	781–1,586	593–1,205	264–535	2,133–4,331
South Africa	3,611–5,390	4,931–7,360	5,756–8,591	6,021–8,986	5,113–7,631	25,432–37,958
Sudan	0	1,500	7,170	10,881	18,961–28,300	38,512–47,851
Tanzania	2,318	3,150	3,757	5,013	1,900	16,138
Uganda	16,240	7,595	15,510	17,490	19,222	76,057
Zambia	9,786	6,725	8,160	7,652	8,457	40,780
Zimbabwe	2,104–3,140	1,349–2,009	670–1,000	1,241–1,852	804–1,200	6,165–9,201
All SSA Countries	137,311–162,328	120,342–154,467	133,451–163,044	150,441–179,721	141,212–166,786	682,756–826,345
Africa Regional	19,017–33,775	33,761–46,671	20,726–35,973	9,989–40,220	24,265–44,002	107,756–200,642
Central Africa Regional	0	0	0	0	0	0

Country or Region	*Estimated Expenditures ($, thousands)*					
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Total, FY2000–FY2004*
REDSO/ESA and GHAI	0	7,053	13,668	21,860	15,356	57,937
Regional Center for Southern Africa	6,604–9,699	0	8,785–13,715	9,686–14,036	10,019–12,569	35,094–50,019
West Africa Regional Program	3,940–5,881	6,203–7,688	5,555–7,552	10,253–12,777	9,699–11,871	35,650–45,770
SSA Regional Programs	29,561–49,355	47,017–61,412	48,734–70,908	51,787–88,894	59,338–83,798	236,437–354,367
All SSA Country and Regional Programs	166,872–211,682	167,359–215,879	182,184–233,953	202,228–268,615	200,551–250,584	919,193–1,180,713

Notes: REDSO/ESA = Regional Economic Development Services Office for East and Southern Africa, GHAI = Greater Horn of Africa Initiative, SSA = sub-Saharan Africa.

Source: Authors' calculations, with data from USAID Congressional Budget Justifications (USAID various years).

Table 3-4. Ranking of African Countries by Funding of Agriculture-related Strategic Objectives, Aggregated for FY2000–FY2004

Country	*Total Funding, FY2000–FY2004 ($, thousands)*
Mozambique	113,114
Uganda	76,057
Mali	57,035
Kenya	48,301
Nigeria	45,479
Malawi	43,370
Zambia	40,780
Sudan	40,776
Ghana	35,523
South Africa	28,469
Ethiopia	28,341
Democratic Republic of Congo	27,474
Guinea	27,153
Rwanda	24,558
Madagascar	23,705
Tanzania	16,138
Eritrea	13,718
Senegal	13,317
Angola	11,542
Sierra Leone	9,997
Liberia	8,103
Zimbabwe	6,901
Burundi	5,282
Somalia	3,232
Benin	0
Djibouti	0
Namibia	0

Table 3-5. P.L. 480, Title II Food Aid in Africa, Amount Used for Agricultural Development, FY2000–FY2004

Allocation	*Funding ($, millions)*					*Increase, FY2000– FY2004 (%)*
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	
Total Title II	800	835	959	1,810	1,192	49
Total Africa	NA	NA	514	1,166	405	
Development Use	153	151	137	173	190	24
Agricultural Development Use[a]	86	96	71	91	96	12
Agricultural Development Use, Excluding Freight[b]	57	63	47	60	63	11
Agriculture Use as Percentage of Total Development Use	56%	64%	52%	53%	51%	–9

Notes: NA = Data not available.

[a] Calculated from Office of Food for Peace Annual Report Tables (Bogart 2004).

[b] Calculated based on assumption that one-third of total commodity value covers freight cost.

Source: USAID Congressional Budget Justifications, FY2003 and FY2005 (USAID various years), and Appendix 3-B.

Table 3-6. P.L. 480, Title II Food Aid in sub-Saharan Africa (SSA), Total Value Devoted to Agricultural Uses, FY2000–FY2004

Country	*Funding ($, thousands)*					
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Total, FY2000 to FY2004*
Angola	7,983	7,493	7,798	3,164	0	26,439
Benin	0	0	0	0	0	0
Burkina Faso	463	1,504	0	3,875	345	6,187
Cape Verde	3,667	3,972	3,709	2,799	3,932	18,078
Chad	944	1,019	1,224	1,687	3,025	7,899
Eritrea	550	168	0	2,890	3,336	6,943
Ethiopia	17,160	20,260	12,693	14,178	21,887	86,178
Gambia	0	0	0	0	0	0
Ghana	8,962	10,995	1,325	4,865	4,654	30,801
Guinea	1,395	2,474	1,472	671	2,100	8,111
Kenya	5,494	5,539	4,966	11,504	7,825	35,328
Liberia	0	0	0	0	0	0
Madagascar	1,927	2,541	1,947	4,289	7,281	17,986
Malawi	0	0	0	66	254	319
Mali	3,287	365	0	0	0	3,652
Mauritania	0	1,199	1,102	0	0	2,301
Mozambique	15,883	19,933	11,309	10,736	13,674	71,535
Niger	5,589	4,062	7,124	7,228	6,215	30,218
Rwanda	3,486	7,584	8,046	11,296	5,968	36,380
Sierra Leone	0	0	0	0	3,265	3,266
Uganda	9,232	6,760	7,304	10,800	7,001	41,098
Zambia	0	0	0	0	3,108	3,108
West Africa Regional Program	0	0	960	650	2,263	3,874
Annual Total	**86,023**	**95,867**	**70,982**	**90,697**	**96,132**	**439,700**

Table 3-7. P.L. 480, Title II Food Aid in sub-Saharan Africa (SSA), Country Ranking by Aggregate Values Received, FY2000–FY2004

Country or Program	*Total Funding ($, thousands)*
Ethiopia	86,178
Mozambique	71,535
Uganda	41,098
Rwanda	36,380
Kenya	35,328
Ghana	30,801
Niger	30,218
Angola	26,439
Cape Verde	18,078
Madagascar	17,986
Guinea	8,111
Chad	7,899
Eritrea	6,943
Burkina Faso	6,187
West Africa Regional Program	3,874
Mali	3,652
Sierra Leone	3,266
Zambia	3,108
Mauritania	2,301
Malawi	319
Benin	0
Gambia	0
Liberia	0

Table 3-8. Bureau for Economic Growth, Agriculture, and Trade (EGAT) Funding of Agricultural Development in sub-Saharan Africa (SSA), FY2000–FY2004

Program	*Funding ($, millions)*				
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*
Total EGAT	NA	NA	182.3	182.8	150.8
EGAT, Related to Agriculture in SSA	22.7	24.4	27.3	25.4	31.3

Notes: NA, Data not available.

Source: USAID Congressional Budget Justification for FY2005 (USAID various years), Heller 2005.

Table 3-9. Estimated Total USAID Assistance for African Agriculture, FY2000–FY2004

Account	*Estimated Funding ($, millions)*						*% of Total*	*Increase, FY2000–FY2004 (%)*
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Total, FY2000–FY2004*		
Africa Bureau	187	190	211	243	226	1,058	65	21
Title II Food Aid	86	96	71	91	96	440	27	12
EGAT	23	24	27	25	31	130	8	35
Total	296	310	309	359	353	1,628	100	19

Note: EGAT = Bureau for Economic Growth, Agriculture, and Trade.

Source: Tables 3-3, 3-5, and 3-8.

Table 3-9A. Total USAID Assistance for African Agriculture, Range Estimates, FY 2000–2004

Source	*Estimated Funding ($, millions)*						*Increase, FY2000–FY2004 (%)*
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Total, FY2000–FY2004*	
Africa Bureau	167–212	167–215	182–234	202–267	201–251	919–1,179	20–18
Title II Food Aid	57–86	63–96	47–71	60–91	63–96	290–440	11–12
EGAT	23	24	27	25	31	130	35
Total	247–321	254–335	257–332	287–383	295–378	1,340–1,749	19–18

Note: EGAT = Bureau for Economic Growth, Agriculture, and Trade.

Sources: Tables 3-3, 3-5, and 3-8.

Table 3-10. Estimated USAID Funding for African Agriculture Relative to Other USAID-Managed Programs, FY2000–FY2004 (with percentage of USAID total in parentheses)

	Estimated Funding ($, millions)					*Increase,*
Funding Use	*FY2000*	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*FY2000 to FY2004 (%)*
USAID Total[a]	7,616 (100%)	7,822 (100%)	8,853 (100%)	9,465 (100%)	8,837 (100%)	15.7
Global Development Total (CSH, DA, ESF, P.L. 480[b])	4,976 (65.3%)	4,949 (63.3%)	6,494 (73.4%)	6,102 (64.5%)	6,838 (77.6%)	37.4
Africa Development Total (CSH, DA, ESF, P.L. 480)	954 (12.5%)	1,031 (13.2%)	1,149 (13.0%)	1,344 (14.2%)	1,232 (14.0%)	28.9
Estimated African Agriculture Total: Point Estimates	296 (3.9%)	310 (4.0%)	309 (3.5%)	359 (3.8%)	353 (4.0%)	19
Estimated African Agriculture Total: Range Estimates	247–321 (3.2–4.2%)	254–335 (3.2–4.3%)	257–332 (2.9–3.7%)	287–383 (3.0–4.1%)	295–378 (3.4–4.3%)	19–18
African Agriculture as Percent of Global Development Total: Point (and Range Estimates)	5.9% (5.09–6.5%)	6.3% (5.1–6.7%)	4.8% (3.9–5.1%)	5.9% (4.7–6.3%)	5.2% (4.3–5.5%)	–12 (–12 to–14)
African Agriculture as Percent of Africa Development Total: Point (and Range Estimates)	31% (26–34%)	30% (25–32%)	27% (22–29%)	27% (21–28%)	29% (24–31%)	–6.5 (–7.7 to–8.8)

Notes: CSH = Child Survival and Health, DA = Development Assistance, ESF = Economic Support Fund, P.L. 480 = Agricultural Trade Development and Food Assistance Act of 1954.

[a] USAID total excludes Emergency Response Fund and wartime supplemental appropriations for Iraq.

[b] Includes only the portion of the P.L 480 Title II appropriation used for non-emergency (i.e., development) purposes.

Source: USAID Congressional Budget Justifications, FY2003 and FY2005 (USAID various years), and USAID/Africa Bureau Office of Development Planning table re "FY 00–05 Budget Levels by Sector: DA/CSH" (provided to authors by Carrie Johnson personal communication, May 19, 2005)

Table 3-11. USDA-Managed Food Aid in Africa, Estimated Amounts Used for Agricultural Development, FY2000–FY2004

Allocation	*Estimated Funding ($, millions)*					*Increase, FY2000–FY2004 (%)*
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	
USDA Global Total[a]	1,180.0	742.4	603.4	419.3	375.1	–68
USDA Africa Total[b]	136.9	153.8	87.1	51.4	45.2	–67
Section 416(b)	77.3	98.6	51.7	10.3	2.7	–97
Food for Progress	13.8	8.9	12.9	29.8	31.4	128
Agricultural Development Use: Estimate[c]	52.4	58.1	38.7	35.0	32.8	–37
Agricultural Development Use, including Freight[d]	78.6	87.1	58.0	52.5	49.2	–37

Note: Values of the donated commodities in the source data exclude freight costs.

[a] Calculated from Foreign Agricultural Service (FAS) food aid tables (FAS various years) by subtracting Title II amounts from reported totals.

[b] Includes Food for Education and a small amount in Title I concessional sales, neither of which is relevant to estimates of U.S. Department of Agriculture (USDA)-managed food aid used for agricultural development.

[c] Estimate based on assumption that 100% of Food for Progress and 50% of Section 416(b) funding is used for agriculture-related development purposes (Rubas 2005).

[d] Adjustment is based on assumption that one-third of the total value of a delivered commodity is attributable to freight costs.

Source: FAS various years.

Table 3-12. African Development Foundation Agriculture-Related Funding Levels, FY2000– FY2004

Allocation	*Funding ($, millions)*				
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*
Annual Appropriations	14.3	16.0	16.5	18.7	18.7
Total New Grant Commitments	7.3	3.0	10.0	4.9	8.0
Agriculture-Related New Grant Commitments	5.2	2.4	5.7	3.1	5.6

Source: Foreign Operations Appropriations Bills (FY2000 through FY2004), ADF 2003, and Callahan 2005.

Table 3-13. U.S. Trade and Development Agency (TDA) sub-Saharan Africa (SSA) Agriculture-related Funding Levels, FY2000–FY2004

Allocation	*Funding ($, millions)*				
	2000	*2001*	*2002*	*2003*	*2004*
U.S. Annual Appropriation (fiscal year)	44.0	46.0	50.0	47.0	50.0
Projects in SSA (calendar year)	4.3	5.4	8.7	4.2	6.9[a]
Agriculture-Related Projects in SSA (calendar year)	0.3	0.7	2.2	0.9	0.03[a]

[a] Data from TDA Annual Report for 2004 (USTDA 2004).

Source: Foreign Operations Appropriations Bills (FY2000 through FY2004), and Organisation for Economic Co-operation and Development's Creditor Reporting System data (OECD various years), unless otherwise noted.

Table 3-14. Food and Agriculture Organization of the United Nations (FAO), U.S. Contribution to Funding in sub-Saharan Africa (SSA), FY2000–2004

Allocation	*Funding ($, millions)*				
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*
Major Programs Total	391.8	391.8	445.0	445.0	429.3
Major Programs in SSA (% of Major Programs)	81.7[a] (20.9%)	81.7[a] (20.9%)	90.5 (20.3%)	90.5 (20.3%)	67.5 (15.7%)
Annual U.S. Contribution [b]	82.4	82.4	72.7	72.5	72.5
Estimated U.S. Contribution to Major Programs in SSA	17.2	17.2	14.8	14.7	11.4

Notes: U.S. contributions are for FY2000 to FY2004; FAO budget data in this table are for calendar years 2000–2004.

[a] Estimates do not include the Programme Management portion of each major program, which was not disaggregated regionally in FAO's 2000–2001 *Programme of Work and Budget* (FAO various years).

[b] Data from Riemenschneider (2005).

Sources: FAO *Programmes of Work and Budget* (FAO various years) for the two-year periods 2000–2001, 2002–2003, and 2004–2005, unless otherwise noted.

Table 3-15. International Fund for Agricultural Development (IFAD), sub-Saharan Africa (SSA) Funding Levels and U.S. Contribution, FY2000–2004

Allocation	*Funding ($, millions)*				
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*
IFAD Projects Total	409.0	403.1	365.9	403.6	NA
Projects in SSA (% of Total Projects)	156.5 (38.3%)	174.0 (43.2%)	132.0 (36.1%)	159.4 (39.5%)	NA
Annual U.S. Contribution	5.0	5.0	20.0	15.0	15.0
Estimated U.S. Contribution to Projects in SSA	1.9	2.2	7.2	5.9	NA

Note: NA = Data not available on new 2004 IFAD projects.

Sources: IFAD Annual Reports for 2000–2003 (IFAD various years), which report by calendar year, and Foreign Operations Appropriations Bills (FY2000 through FY2004).

Table 3-16. World Food Programme (WFP) of the United Nations, sub-Saharan Africa (SSA) Agriculture-related Funding Levels and U.S. Contributions, 2000–2004

Allocation	Funding ($, millions)				
	2000	*2001*	*2002*	*2003*	*2004*
Total WFP Operational Expenditures	1,158	1,776	1,592	3,275	NA
Total WFP Development Expenditures	185.0	231.1	194.7	228.7	NA
WFP Development Expenditures in SSA (Estimated % Related to Agriculture)	55.3 (25%)	99.3 (25%)	89.1 (25%)	125.4 (25%)	NA
Estimated Amount of Development Expenditures in SSA Related to Agriculture (Estimated % Related to Agriculture)	13.8 (7.5%)	24.8 (10.7%)	22.3 (11.5%)	31.4 (13.7%)	NA
Total U.S. Contribution to WFP Development Programs	51.1	110.2	65.8	63.4	NA
Estimated Amount of U.S. Contribution to WFP Development Programs Related to Agriculture in SSA	3.8	11.8	7.6	8.7	NA

Notes: NA = Data are not available. WFP reports contributions and expenditures by calendar year.

Sources: WFP Annual Reports 2000–2003 (WFP various years) and country-specific Current Operations documents for countries in sub-Saharan Africa (WFP 2005).

Table 3-17. International Development Association (IDA), sub-Saharan Africa (SSA) Agriculture-related Funding Levels and U.S. Contribution, FY2000–FY2004

Allocation	Funding ($, millions)				
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*
New IDA Commitments Global Total	4,358	6,764	8,068	7,283	9,034
New IDA Commitments in SSA (%of IDA New Commitments in SSA Related to Agriculture[a])	2,061 (9%)	3,370 (12%)	3,752 (6%)	3,722 (8%)	4,116 (7%)
New IDA Commitments Related to Agriculture in SSA[b] (% of Total New IDA Commitments Related to Agriculture in SSA)	166. (3.8%)	405 (6.0%)	503 (6.2%)	579 (8.0%)	577 (6.4%)
New IDA Commitments to Rural Roads & Highways In SSA	18	115	193	254	280
Annual U.S. Contribution to IDA	775.0	750.0	792.4	850.0	913.2
Estimated U.S. Contribution to Agriculture in SSA through IDA	29.5	45.0	47.5	68.0	58.4

[a] As reported in World Bank's annual reports. Percentages reflect both IDA and International Bank for Reconstruction and Development (IBRD) commitments, but because IBRD commitments in Africa are zero in most years and negligible in others, the percentages are assumed to reflect IDA allocations in Africa standing alone. In 2000 and 2001, the percentage listed is for Agriculture and Environment; in 2002–2004, the percentage listed is for Agriculture, Fishing, and Forestry.

[b] Based on personal communication and table received from Sanjiva Cooke, Operations Analyst/Rural Development, World Bank May 6, 2005). "Commitments Related to Agriculture" include commitments specifically to the Agriculture, Fishing and Forestry Sector (including agro-industry, markets and trade) as well as commitments to rural microcredit, small and medium-size enterprises, and rural roads and highways. Commitments for "Rural Roads & Highways" are also reported separately to show the substantial increase in IDA commitments for this purpose.

Source: World Bank Annual Reports for 2000–2004 (WFP various years) and Foreign Operations Appropriations Bills (FY2000 through FY2004).

Table 3-18. African Development Fund (ADF), Agriculture-related Funding Levels and U.S. Contribution, 2000–2004

Allocation	*Funding (millions)*				
	2000	*2001*	*2002*	*2003*	*2004*
Total Loan and Grant Approvals (in UA)	651.7	944.2	696.9	996.1	
Loan and Grant Approvals for Agriculture and Rural Development (in UA) (% of Total)	132.8 (20.4%)	229.0 (24.3%)	185.0 (26.6%)	226.0 (22.7%)	
Total Disbursements (in UA)	281.1	369.1	545.0	368.1	
Disbursements for Agriculture and Rural Development (in UA) (% of Total)	55.9 (19.9%)	67.8 (18.4%)	74.5 (13.7%)	61.7 (16.8%)	
Annual U.S. Contribution (in $)	128.0	72.0	100.0	108.1	112.7
Estimated U.S. Contribution for Agriculture and Rural Development, based on Approvals (in $)	26.1	17.5	26.6	24.5	
Estimated U.S. Contribution for Agriculture Rural Development, based on Disbursements (in $)	25.5	13.2	13.7	18.2	

Notes: UA is the exchange unit used in ADB/ADF reports, equal to about US$1.50. U.S. annual contributions correspond to appropriations for FY2000 to FY2004, whereas ADF program data are for calendar years 2000–2004.

Source: ADB/ADF n.d. and Foreign Operations, Export Financing, and Related Programs Appropriations Acts (FY2000 through FY2004), unless otherwise noted.

Table 3-19. Estimate of Total U.S. Agricultural Development Assistance for sub-Saharan Africa (SSA), 2000–2004

Source	*Funding ($, millions)*						*Increase, 2000–2004*
	2000	*2001*	*2002*	*2003*	*2004*	*Average*	
Bilateral							
USAID	296	310	309	359	353	325	19%
USDA[a]	78.6	87.1	58.0	52.5	49.2	65.0	–37.4%
ADF	5.2	2.4	5.7	3.1	5.6	4.4	7.7%
TDA	0.3	0.7	3.2	0.9	0.03	1.0	–90%
Subtotal[b]	380	400	376	416	408	396	7.4%
Multilateral							
FAO	17.2	17.2	14.8	14.7	11.4	15.1	–34%
IFAD	1.9	2.2	7.2	5.9	NA	4.3	NA
WFP	3.8	11.8	7.6	8.7	NA	8.0	NA
IDA[d]	29.5	45.0	47.5	68.0	58.4	49.7	98%
ADB/ADF[b]	26.1	17.5	26.6	24.5	NA	23.7	NA
Subtotal[b]	79	94	104	122	106	101	34%
Total[b]	459	494	480	538	514	497	12%

Notes: For the U.S. bilateral agencies, estimates are derived on the basis of U.S. fiscal year appropriations and expenditures, except that the best available data on expenditures by TDA were calendar year data from the Organisation for Economic Co-operation and Development/Development Assistance Committee Creditor Reporting System. For the multilateral agencies, the estimated U.S. contribution is based on fiscal year U.S. contributions and the percentage of total agency funds devoted to agriculture-related projects in Africa, which are reported by those multilateral agencies on a calendar year basis.

USDA = U.S. Department of Agriculture, ADF = African Development Foundation, TDA= U.S. Trade and Development Agency, FAO = U.N. Food and Agriculture Organization, IFAD = International Fund for Agricultural Development, WFP = U.N. World Food Programme, IDA = World Bank's International Development Association, ADB/ADF = African Development Bank's African Development Fund, NA = data not available. Subtotals and totals are rounded to the nearest million and assume that the 2004 figures for IFAD, WFP, and African Development Foundation are at the preceding four-year average.

[a] USDA-managed food aid with adjustment to include freight costs.

[b] Based on new commitments (IDA) or approvals (ADB/ADF).

Source: Extracted from Tables 3-9, 3-11, 3-12, 3-13, 3-14, 3-15, 3-16, 3-17, and 3-18 in this chapter.

Table 3-19A. Range Estimate of Total U.S. Agricultural Development Assistance for sub-Saharan Africa (SSA), 2000–2004

Source	*Funding ($, millions)*						*Increase, 2000–2004*
	2000	*2001*	*2002*	*2003*	*2004*	*Average*	
Bilateral							
USAID	247–321	254–335	257–332	287–383	295–378	268–350	19–18%
USDA[a]	78.6	87.1	58.0	52.5	49.2	65.0	–37.4%
ADF	5.2	2.4	5.7	3.1	5.6	4.4	7.7%
TDA	0.3	0.7	3.2	0.9	0.03	1.0	–90%
Subtotal	327–401	344–425	324–399	350–446	350–433	339–421	7–8%
Multilateral							
FAO	17.2	17.2	14.8	14.7	11.4	15.1	–34%
IFAD	1.9	2.2	7.2	5.9	NA	4.3	NA
WFP	3.8	11.8	7.6	8.7	NA	8.0	NA
IDA[b]	29.5	45.0	47.5	68.0	58.4	49.7	98%
ADB/ADF[b]	26.1	17.5	26.6	24.5	NA	23.7	NA
Subtotal	79	94	104	122	106	101	34%
Total	406–480	438–519	428–503	472–568	456–539	440–522	12–9%

Notes: USDA = U.S. Department of Agriculture, ADF = African Development Foundation, TDA= U.S. Trade and Development Agency, FAO = U.N. Food and Agriculture Organization, IFAD = International Fund for Agricultural Development, WFP = U.N. World Food Programme, IDA = World Bank's International Development Association, ADB/ADF = African Development Bank's African Development Fund, NA = data not available. Subtotals and totals are rounded to the nearest million and assume that the 2004 figures for IFAD, WFP, and ADF are at the preceding four-year average.

[a] USDA-managed food aid with adjustment to include freight costs.

[b] Based on new commitments (IDA) or approvals (ADB/ADF).

Source: Extracted from Tables 3-9A, 3-11, 3-12, 3-13, 3-14, 3-15, 3-16, 3-17, and 3-18 in this chapter.

Appendix 3-A: USAID Strategic Objectives Related to African Agriculture

We reviewed Congressional Budget Justifications for 2003 and 2005 to determine all the strategic objectives that appear to foster agriculture's role in economic growth and poverty in sub-Saharan Africa. Such strategic objectives for 24 countries as well as several regions are listed below, with the percentages we assigned to each for purposes of calculating the estimated levels of funding for agricultural development assistance reported in Tables 3-3 and 3-3A.

Country or Region	*Most Recent Strategic Objective Title*	*Former Strategic Objective Title*	*Agriculture (%)*	
			Quartile	*Range*
Angola	654-001 Increased Resettlement, Rehabilitation, and Food-Crop Self-Reliance in War-Torn Angola		50	33–67
	654-005 Improved Food Security		100	100
Burundi	695-007 Food Security		100	100
Democratic Republic of Congo	660-001 Health, Agriculture, and Conflict Mitigation	660-001 The Congolese People Are Assisted to Solve National, Provincial, and Community Problems through Participatory Processes	25	0–33
	660-004 Livelihoods		100	100
Eritrea	661-002 Rural Enterprise Investment Partnership	661-002 Increased Income of Enterprises, Primarily Rural, with Emphasis on Exports	100	100
Ethiopia	663-001 Increased Availability of Selected Domestically Produced Food Grains		100	100
	663-005 Enhanced Household Food Security in Target Areas		100	100
	663-007 Food Security	663-007 Rural Household Production and Productivity Increased	100	100
	663-012 Southern Tier Initiative	663-012 Improved Livelihoods for Pastoralists and Agro-Pastoralists in Southern Ethiopia	50	33–67
Ghana	641-001 Economic Growth	641-001 Increased Private-Sector Growth	75	67–100

Country or Region	*Most Recent Strategic Objective Title*	*Former Strategic Objective Title*	*Agriculture (%)*	
			Quartile	*Range*
	641-006 Increase Competitiveness of Private Sector		75	67–100
Guinea	675-001 Improved Natural Resources Management	675-001 Increased Use of Sustainable Practices for Natural Resources Management	100	100
Kenya	615-002 Increased Commercialization of Smallholder Agriculture and Natural Resources Management		100	100
	615-005 Natural Resources Management	615-005 Improved Natural Resources Management in Targeted Biodiverse Areas by and for the Stakeholders	25	0–33
	615-007 Increased Rural Household Incomes		100	100
	615-YYY Trade and Investment Development Program		50	33–67
Liberia	669-004 Improved Economic Livelihood	669-004 Increased Food Security in Targeted Areas	100	100
Madagascar	687-003 Biodiversity Conservation and Sustainable Development	687-003 Biologically Diverse Ecosystems Conserved in Priority Conservation Zones	50	33–67
	687-006 Biologically Diverse Forest Ecosystems		50	33–67
	687-007 Critical Private Markets Expanded		100	100
Malawi	612-001 Increased Agricultural Incomes on a Per Capita Basis		100	100
	612-002 Increased Sustainable Use, Conservation, and Management of Renewable Natural Resources		75	67–100
	612-006 Rural Income Growth	612-006 Sustainable Increases in Rural Incomes	100	100
Mali	688-002 Sustainable Economic Growth	688-002 Increased Value Added of Specific Economic Sectors to National Income	100	100
	668-005 Development in the North		50	33–67
	668-009 Accelerated Economic Growth		100	100
Mozambique	656-001 Increased Rural Incomes	656-001 Increased Rural Household Income in Focus Area	100	100
	656-004 Enabling Environment for Growth	656-004 Improved Enabling Environment for Private Sector–Led Growth and Development	50	33–67
	656-006 Rural Incomes		100	100
	656-007 Exports		50	33–67

Country or Region	*Most Recent Strategic Objective Title*	*Former Strategic Objective Title*	*Agriculture (%)*	
			Quartile	*Range*
Nigeria	620-007 Sustainable Agriculture and Economic Growth	620-007 Strengthen Institutional Capacity for Economic Reform and Enhance Capacity to Revive Agricultural Growth	75	67–100
	620-012 Sustainable Agriculture and Economic Growth		100	100
Rwanda	696-003 Food Security and Economic Growth	696-003 Increased Ability of Rural Families in Targeted Communities to Improve Household Food Security	100	100
	696-007 Rural Economic Growth		100	100
Senegal	685-001 Private Enterprise	685-001 Sustainable Increases in Private-Sector Income-Generating Activities in Selected Sectors	50	33–67
Sierra Leone	636-001 Reintegration	636-001 Advancement of Reintegration Process for War-Torn Populations in Targeted Communities	50	33–67
Somalia	649-005 Productive Livelihoods	649-005 Increased Opportunities for Productive Livelihoods	50	33–67
South Africa	674-009 Employment Creation	674-009 Increased Market-Driven Employment Opportunities	75	67–100
Sudan	650-002 Food Security	650-002 Enhanced Food Security through Greater Reliance on Local Resources	100	100
	650-008 Economic Recovery		75	67–100
Tanzania	621-005 Rural roads improved in a sustainable manner		100	100
	621-009 Economic Growth	621-009 Increased Micro and Small Enterprise Participation in the Economy II	100	100
Uganda	617-001 Increased Rural Household Income		100	100
	617-007 Economic Development	617-007 Expanded Sustainable Economic Opportunities for Rural-Sector Growth	100	100
Zambia	611-001 Rural Income Growth	611-001 Increased Incomes of Selected Rural Groups	100	100
	611-005 Increased Competitiveness		100	100
Zimbabwe	613-010 Increased Access to Economic Opportunities	613-010 Access to Economic Opportunities for Disadvantaged Groups Expanded	75	67–100
Africa Regional	698-001 Support for Cross-Cutting Programs	698-001 Broad-Based Support for Africa	25	0–33
	698-014 African Economic Growth	698-014 Adoption of Improved Strategies, Programs, and Activities for Accelerated, Sustainable, and Equitable Economic Growth	75	67–100

Country or Region	*Most Recent Strategic Objective Title*	*Former Strategic Objective Title*	*Agriculture (%)*	
			Quartile	*Range*
	698-015 Improving African Agriculture	698-015 Adoption of Improved Agricultural Policies, Programs, and Strategies	100	100
	698-017 Improved Environmental and Natural Resources Management	698-017 Accelerate Progress in the Spread of Environmental Management Systems That Are Strategically Viable and Environmentally Sound	25	0–33
	698-023 Environmental Assessment For Sound Development	698-023 Adoption Of Effective Tools, Methods, And Approaches For Improving The Application Of Environmental Procedures And Strategies	25	0–33
Regional Economic Development Services Office for East and Southern Africa and Greater Horn of Africa Initiative	623-005 Regional Food Security	623-005 Enhanced African Capacity To Achieve Regional Food Security	100	100
Regional Center for Southern Africa	690-002 Southern Africa Trade Development	690-002 A More Integrated Regional Market	50	33–67
	690-013 Expanded Trade in Farm Technologies and Products	690-013 Expanded Commercial Markets for Agricultural Technologies and Commodities in the SADC	100	100
	690-014 A More Competitive Southern African Economy		50	33–67
	690-015 Improved Rural Livelihoods		100	100
West African Regional Program	624-004 Regional Economic Integration Strengthened	624-004 Regional Economic Integration Strengthened In West Africa	50	33–67
	624-006 Food Security and Natural Resources Management	624-006 Food security and ENV/NRM policies and programs strengthened and implemented in West Africa	100	100
	625-003 Decision Makers Have Ready Access to Relevant Information on Food Security, Population, and the Environment		75	67–100

Notes: SADC = Southern African Development Community, ENV/NRM= Environment and Natural Resources Management.

Source: USAID 2005, USAID 2003, and the authors' estimates.

Appendix 3-B: USAID Title II Non-Emergency Food Aid Non-Emergency Program Summaries, 2000–2004

This appendix contains the raw data that we used to start our estimations and calculations on the use of Title II non-emergency food aid for agricultural development purposes: the value of food aid commodities and the dollar amounts of Section 202(e) funds that were provided to each cooperating sponsor, in Africa and other regions worldwide. Only the data on sub-Saharan Africa are relevant for our purposes, but the remaining data are included as they appeared in the original reports for readers' reference. These data tables were created as part of the Food for Peace Information System, compiled by USAID's Office of Food for Peace and were only slightly modified (consistent formatting, added notes) for presentation in this report.

For all the tables in this appendix, the following definitions may apply: ACDI = Agriculture Cooperation Development International; ACDI/VOCA = Agriculture Cooperation Development International/Volunteers in Overseas Cooperative Assistance; ADRA = Adventist Development and Relief Agency International; AF/CAR/CRS = Consortium of Africare, CARE, and Catholic Relief Services; CARE = Cooperative for Assistance and Relief Everywhere, Inc.; Caritas = Caritas Internationalis; CRS = Catholic Relief Services; DAP = Development Assistance Program; EOC = Ethiopian Orthodox Church; FHI = Family Health International; OICI = Opportunities Industrialization Centers International, Inc.; PCI = Project Concern International; PRISMA = El Programa Salvadoreño de Investigación sobre Desarrollo y Medio Ambiente; REST = Relief Society of Tigray; SCF = Save the Children; SHARE = a conglomeration of international nongovernmental organizations operating in Guatemala, India, and elsewhere; WV = World Vision; WVI = World Vision International; WVUS = World Vision U.S.; WV/WIN = World Vision and Winrock International; 202(e) = Section 202(e) of P.L. 480, Title II (Agricultural Trade Development and Food Assistance Act of 1954, as amended), which authorizes cash payments to the organizations (cooperating sponsors) that implement food aid programs.

Table 3-B-1. FY2000

Country and Sponsor(s)	Commodities		202(e) ($, thousands)	Value, by Technical Component (%)					
	MTs	Value ($, thousands)		HN	WS	AG	ED	ME#	HA
Africa									
Angola	**34,700**	**7,983**	**0**						
CARE**	9,080	2,086	0			100			
CRS**	1,560	400	0			100			
SCF**	8,040	1,854	0			100			
WV**	16,020	3,643	0			100			
Benin	**5,840**	**3,588**	**0**						
CRS	5,840	3,588.2	0	82			10		8
Burkina Faso	**27,600**	**13,932**	**239**						
Africare	2,240	701.1	111	43		57			
CRS	25,360	13,230.4	128				86		14
Cape Verde	**20,650**	**3,901**	**0**						
ACDI	20,650	3,900.9	0			94		6	
Chad	**2,500**	**1,133**	**320**						
Africare	2,500	1,132.5	320	35		65			
Eritrea	**550**	**495**	**55**						
Africare	550	495.0	55			100			
Ethiopia	**61,452**	**29,201**	**1,289**						
Africare	1,773	932.8	58			100			
CARE	7,862	3,889.8	329	10	20	70			
CRS	12,235	6,509.9	84	18		16	2		64
EOC	8,638	3,897.7	145		10	90			
FHI	6,799	3,209.1	157	4	21	75			
REST	15,993	7,074.0	177		50	50			
SCF	2,616	1,341.0	278	65		35			
WVI	5,536	2,346.8	61		25	75			
Gambia	**3,780**	**2,227**	**0**						
CRS	3,780	2,227.4	0	66		34			
Ghana	**67,080**	**19,094**	**432**						
ADRA	16,620	4,037.3	432		1	99			
CRS	30,560	10,519.8	0	5			65		30
OICI	3,900	889.2	0			100			
TechnoServe	16,000	3,648.0	0			100			
Guinea	**2,460**	**2,087**	**937**						
ADRA**	760	684.0	450			47		53	
Africare	0	0.0	53	67		33			
OICI	1,700	1,402.5	434	54		46			
Kenya	**16,070**	**7,562**	**254**						
ADRA	1,840	874.0	33			100			
CARE	3,240	1,539	0			100			

Country and Sponsor(s)	*Commodities*		*202(e) ($, thousands)*	*Value, by Technical Component (%)*					
	MTs	*Value ($, thousands)*		*HN*	*WS*	*AG*	*ED*	*ME#*	*HA*
CRS	4,060	1,928.5	0	100					
FHI	2,030	964.2	100	37		63			
TechnoServe	3,540	1,681.5	92			100			
WVI	1,360	575.2	29			100			
Liberia	**2,970**	**1,350**	**403**						
CRS	2,970	1,350.0	403				48		52
Madagascar	**15,240**	**7,249**	**347**						
ADRA	2,960	1,539.2	99			100			
CARE	3,290	1,710.8	114		63			23	14
CRS	8,990	3,998.6	134	90		7			3
Malawi	**13,020**	**4,726**	**0**						
CRS	13,020	4,725.9	0						100
Mali	**17,199**	**3,432**	**426**						
Africare	1,740	788.2	163	35	15	40			10
WV/WIN	15,459	2,643.7	263			100			
Mauritania	**1,790**	**863**	**0**						
Doulos Ministries	1,790	863.2	0	80					20
Mozambique	**64,290**	**17,933**	**1,333**						
ADRA	6,450	1,368.4	147			100			
Africare	4,360	1,020.2	108	50		50			
CARE	11,360	2,338.0	239			100			
FHI	7,490	1,483.0	149	30		70			
SCF	6,230	1,426.3	105	10		90			
WVI	28,400	10,297.2	585	20		80			
Niger	**13,690**	**6,080**	**820**						
AF/CAR/CRS	13,690	6,080.1	820	19		81			
Rwanda	**3,700**	**2,945**	**541**						
ACDI	1,600	1,600.0	356			100			
CRS	0	0.0	0						100
WVI	2,100	1,344.6	185			100			
Uganda	**19,970**	**9,512**	**745**						
ACDI	8,500	5,325.0	344			89		11	
Africare	2,670	974.5	171	23		77			
TechnoServe	5,500	2,007.5	53			100			
WVI	3,300	1,204.5	178	10		90			
Asia									
Bangladesh	**67,080**	**15,327**	**273**						
CARE	0	0	0			100			
WV	67,080	15,327	273		45	50			5
India	**177,620**	**73,331**	**0**						
CARE	124,500	53,087.6	0	98					2
CRS	53,120	20,243.4	0	26		34	10		30

Country and Sponsor(s)	Commodities		202(e) ($, thousands)	Value, by Technical Component (%)					
	MTs	Value ($, thousands)		HN	WS	AG	ED	ME#	HA
Latin America and Caribbean									
Bolivia	**44,920**	**20,779**	**771**						
ADRA	12,870	5,945.7	250	36	43	13	8		
CARE	10,170	4,794.5	171	62	8	30			
FHI	11,100	5,093.3	0	18	17	38	27		
PCI	10,780	4,945.3	350	10	11	46	33		
Guatemala	**73,160**	**18,438**	**897**						
CARE	15,200	3,913.1	159	59	28	13			
CRS	35,300	7,440.9	318	33		57		10	
SCF	13,440	3,836.7	174	25		70		5	
SHARE	9,220	3,247.2	245	69		31			
Haiti	**79,330**	**21,328**	**0**						
CARE	40,900	10,427.2	0	15	8	5	69		3
CRS	38,430	10,900.3	0	25			58		17
Honduras	**25,810**	**7,345**	**0**						
CARE	17,430	5,127.2	0	38		62			
CRS	8,380	2,217.8	0			100			
Nicaragua	**19,740**	**5,424**	**582**						
ADRA	4,830	1,301.6	191	58	7	21			14
PCI	6,210	1,759.2	191	14	16	28			42
SCF	8,700	2,362.8	200	39	13	23			25
Peru	**74,620**	**45,006**	**0**						
ADRA	18,440	9,850.6	0	52		48			
CARE	19,730	12,332.1	0	43		57			
Caritas	21,810	13,072.7	0	88		12			
CRS	2,350	1,565.1	0					100	
PRISMA	10,390	6,919.7	0	100					
TechnoServe	1,900	1,265.4	0			100			
Grand Total	**939,481**	**348,276**	**10,663**						

Notes: MTs = metric tons, HN = health and nutrition, WS = water and sanitation, AG = agriculture and natural resources management, ED = education, HA = humanitarian assistance, ME = microenterprise (if not part of AG component).

* Received incremental FY1999 202(e) funding.

** FY2000 DAP approval pending.

Source: Title II DAP tables, Food for Peace Information System, USAID Office of Food for Peace (Bogart 2004).

Table 3-B-2. FY2001

Country and Sponsor(s)	*Commodities*		*202(e)*	*Value by Technical Component (%)*				
	MTs	*Value ($, thousands)*	*($, thousands)*	*HN*	*AG*	*ED*	*ME*	*HA*
Africa								
Angola	**22,800**	**7,493**	**0**					
CARE	5,880	1,933	0		100			
CRS	1,850	607	0		100			
SCF	5,450	1,790	0		100			
WV	9,620	3,163	0		100			
Benin	**8,664**	**3,453**	**110,350**					
CRS +	8,664	3,453	110,350	69		10	15	6
Burkina Faso	**19,182**	**10,101**	**340,244**					
Africare	4,700	2,337	211,487	41	59			
CRS	14,482	7,764	128,757			89	3	8
Cape Verde	**17,780**	**3,569**	**403,106**					
ACDI	17,780	3,569	403,106		100			
Chad	**2,290**	**1,310**	**387,569**					
Africare	2,290	1,310	387,569	40	60			
Eritrea	**—**	**—**	**167,523**					
Africare*	—	—	167,523		100			
Ethiopia	**87,689**	**28,121**	**1,508,544**					
Africare	3,680	926	0		100			
CARE	13,450	4,286	366,527	16	84			
CRS	15,169	5,471	194,249	22	28			50
EOC	10,390	3,346	41,000	5	95			
FHI	12,360	3,389	183,571	15	85			
REST	17,260	5,913	155,896	25	75			
SCF	7,340	2,264	547,501	60	40			
WVI	8,040	2,526	19,800	25	75			
Gambia	**0**	**0**	**0**					
CRS**	0	0	0	66	34			
Ghana	**70,629**	**17,904**	**591,758**					
ADRA	35,980	8,439	244,041		70			30
CRS	14,549	4,822	73,470	5		72		23
OICI	4,100	947	274,247		100			
TechnoServe	16,000	3,696	0		100			
Guinea	**4,000**	**3,132**	**1,244,398**					
ADRA	1,120	877	398,946		48		52	
Africare	1,880	1,472	379,640	44	56			
OICI	1,000	783	465,812	34	66			
Kenya	**36,860**	**8,173**	**267,326**					
ADRA	4,950	1,089	14,628		100			
CARE	8,400	1,848	0		100			
CRS	11,030	2,474	73,762	100				
FHI	4,440	977	34,493	35	65			
TechnoServe	3,330	733	105,418		100			

Country and Sponsor(s)	Commodities		202(e) ($, thousands)	Value by Technical Component (%)				
	MTs	Value ($, thousands)		HN	AG	ED	ME	HA
WVI	4,710	1,052	39,025		100			
Liberia	**4,427**	**1,834**	**264,717**					
CRS	4,427	1,834	264,717			39		61
Madagascar	**12,868**	**5,328**	**140,716**					
ADRA	3,540	1,430	100,076		100			
CARE	2,800	1,131	0		77			23
CRS	6,528	2,767	40,640	81	5			14
Malawi	**6,782**	**2,653**	**0**					
CRS	6,782	2,653	0	17				83
Mali	**2,600**	**564**	**165,823**					
Africare	2,600	564	165,823	50	50			
Mauritania	**8,085**	**2,152**	**198,384**					
WV-Doulos	8,085	2,152	198,384	49	51			
Mozambique	**98,400**	**22,868**	**1,293,266**					
ADRA	7,560	1,774	146,092		100			
Africare	3,660	829	72,327	50	50			
CARE	12,340	2,887	228,137		100			
FHI	13,290	3,133	156,083	30	70			
SCF	8,080	1,856	105,306	10	90			
WV	53,470	12,389	585,321	20	80			
Niger	**9,600**	**4,631**	**383,566**					
Africare	9,600	4,631	383,566	19	81			
Rwanda	**13,155**	**9,140**	**354,103**					
ACDI	1,600	1,568	242,917		100			
CRS +	5,545	3,461	—		57			43
WV	6,010	4,111	111,186	10	90			
Uganda	**21,180**	**9,762**	**649,481**					
ACDI	7,910	4,627	480,924	35	65			
Africare	1,210	468	110,166	30	30			40
CRS	3,500	1,355	0					
TechnoServe	5,860	2,268	58,391		100			
WV +	2,700	1,045	—	10	90			
Total Africa	***446,991***	***142,187***	***8,470,874***					
Asia								
Bangladesh	**294,690**	**62,861**	**338,091**					
CARE	227,630	46,664	0		100			
WV	67,060	16,197	338,091	45	55			
India	**144,408**	**62,930**	**171,693**					
CARE +	106,690	47,273	—	95				5
CRS ++	37,718	15,657	171,693	25	50	5		20
Indonesia	**25,496**	**10,452**	**0**					
CARE	5,110	2,073	0	16				84
CRS	4,653	1,796	0	7				93
CWS	2,100	918	0	22				78

Country and Sponsor(s)	Commodities: MTs	Commodities: Value ($, thousands)	202(e) ($, thousands)	Value by Technical Component (%): HN	AG	ED	ME	HA
MCI	6,843	2,773	0	36				64
WV	6,790	2,891	0	2				98
Total Asia	***464,594***	***136,242***	***509,784***					
Latin America and Caribbean								
Bolivia	**31,210**	**14,826**	**1,152,769**					
ADRA	2,350	1,074	248,365	58	34	8		
CARE	4,020	1,898	194,404	62	38			
FHI	19,860	9,538	360,000	24	48	28		
PCI	4,980	2,317	350,000	15	52	33		
Guatemala	**54,700**	**15,139**	**405,262**					
CARE	15,480	4,147	155,628	77	23			
CRS +	15,560	4,027	—	33	57		10	
SCF	15,290	3,806	249,634	25	70		5	
SHARE +	8,370	3,159	—	69	31			
Haiti	**87,438**	**22,010**	**0**					
CARE	38,300	10,387	0	15	13	69		3
CRS	49,138	11,623	0	25		58		17
Honduras	**11,210**	**3,617**	**0**					
CARE +	11,210	3,617	—	38	62			
Nicaragua	**14,847**	**4,661**	**302,681**					
ADRA	3,480	1,081	101,912	61	25			14
CRS	2,120	490	0					
PCI	4,310	1,378	91,655	22	35			43
SCF	4,937	1,712	109,114	47	29			24
Peru	**95,990**	**39,978**	**245,000**					
ADRA	22,440	9,515	0	60	40			
CARE	20,040	8,096	0	43	57			
Caritas	26,740	10,969	0	88	12			
CRS	3,030	1,224	0				100	
PRISMA	20,570	8,893	245,000	100				
TechnoServe	3,170	1,281	0		100			
Total Latin America and Caribbean	***295,395***	***100,230***	***2,105,712***					
Grand Total	**1,206,980**	**378,659**	**11,086,370**					

Notes: HN = health and nutrition, AG = agriculture, ED = education, ME = microenterprise, HA = humanitarian assistance.

+ FY2000 incremental funding 202(e).

++ Partially funded with FY2000 incremental funding 202(e).

Source: Title II DAP tables, Food for Peace Information System, USAID Office of Food for Peace (Bogart 2004).

Table 3-B-3. FY2002

Country and Sponsor(s)	*Commodities*		*202(e) ($, thousands)*	*Value, by Technical Component (%)*				
	MTs (thousands)	*Value ($, thousands)*		*HN*	*AG*	*ED*	*ME*	*HA*
Africa								
Angola	**28,940**	**7,798**	**0**					
CARE	7,460	2,008	0		100			
CRS	2,340	629	0		100			
SCF	6,920	1,866	0		100			
WV	12,220	3,295	0		100			
Benin	**10,110**	**3,901**	**241,300**					
CRS	10,110	3,901	241,300	60		13	19	8
Burkina Faso	**20,010**	**10,029**	**158,000**					
CRS	20,010	10,029	158,000			91	3	6
Cape Verde	**16,340**	**3,163**	**545,700**					
ACDI	16,340	3,163	545,700		100			
Chad	**5,570**	**2,868**	**271,100**					
Africare	5,570	2,868	271,100	52	39		9	
Ethiopia	**27,130**	**12,438**	**5,298,900**					
Africare	0	0	224,500					
CARE	1,430	592	1,829,300	15	85			
CRS	12,200	5,894	609,700		46			54
EOC	400	166	50,000		100			
FHI	870	370	88,900	10	90			
REST	9,620	4,179	1,856,600		100			
SCF	1,040	542	595,700	64	36			
WV	1,570	695	44,200	23	77			
Ghana	**38,870**	**12,015**	**0**					
ADRA	1,650	644	0		100			
CRS	32,720	10,354	0			77		23
OICI	4,500	1,017	0	33	67			
Guinea	**4,450**	**3,528**	**422,300**					
ADRA	1,210	959	0		29	37	34	
Africare	2,420	1,919	272,300	70	30			
OICI	820	650	150,000	33	67			
Kenya	**46,860**	**11,051**	**399,000**					
ADRA	4,160	903	66,500	17	83			
CARE	8,640	1,875	0		100			
CRS	22,380	5,739	105,300	100				
FHI	4,380	950	121,800	39	61			
TechnoServe	4,050	879	105,400		100			
WV	3,250	705	0	8	92			
Liberia	**3,200**	**1,305**	**0**					
CRS	3,200	1,305	0			33		67
Madagascar	**18,970**	**7,147**	**206,200**					
ADRA	3,680	1,217	102,200		100			
CARE	6,060	2,263	77,600			74		26
CRS	9,230	3,667	26,400	61	17			22

Country and Sponsor(s)	Commodities MTs (thousands)	Commodities Value ($, thousands)	202(e) ($, thousands)	Value, by Technical Component (%) HN	AG	ED	ME	HA
Malawi	**8,900**	**3,868**	**85,100**					
CRS	8,900	3,868	85,100	22				78
Mali	**0**	**0**	**186,700**					
Africare	0	0	186,700					
Mauritania	**7,340**	**2,179**	**383,500**					
WV-Doulos	7,340	2,179	383,500	57	43			
Mozambique	**60,400**	**13,263**	**1,440,900**					
ADRA	5,880	1,287	181,000	17	83			
Africare	5,500	1,206	54,200	47	53			
CARE	12,060	2,644	132,600		100			
FHI	6,570	1,442	117,300	35	65			
SCF	5,960	1,310	425,200	51	49			
WV	24,430	5,374	530,600	19	81			
Niger	**17,850**	**9,374**	**0**					
Africare	17,850	9,374	0	24	76			
Rwanda	**12,870**	**9,800**	**800,900**					
ACDI	800	788	388,800		100			
CRS	5,870	4,420	399,700		47			53
WV	6,200	4,592	12,400		100			
Uganda	**24,030**	**10,941**	**649,400**					
ACDI	12,880	6,628	397,200	48	52			
Africare	2,650	1,018	135,600	66	34			
CRS	220	116	0		100			
TechnoServe	5,580	2,142	62,900		100			
WV	2,700	1,037	53,700	14	86			
WAR (Senegambia)	**1,900**	**1,173**	**199,000**					
CRS	1,900	1,173	199,000		70			30
Total Africa	***353,740***	***125,841***	***11,288,000***					
Asia								
Bangladesh	**67,100**	**16,068**	**0**					
WV	67,100	16,068	0	45	55			
India	**187,270**	**86,899**	**1,268,700**					
CARE	131,090	63,039	0	100				
CRS	56,180	23,860	1,268,700	23	34	32		11
Indonesia	**15,150**	**5,670**	**0**					
CARE	2,520	886	0	17				83
CRS	4,890	1,668	0	9				91
CWS	1,800	728	0		100			
MCI	2,380	871	0	36	54			10
WV	3,560	1,517	0	49	49			2
Total Asia	***269,520***	***108,637***	***1,268,700***					
Latin America and Caribbean								
Bolivia	**34,650**	**17,373**	**849,900**					

Country and Sponsor(s)	Commodities		202(e) ($, thousands)	Value, by Technical Component (%)				
	MTs (thousands)	Value ($, thousands)		HN	AG	ED	ME	HA
ADRA	8,000	3,994	160,000	38	62			
CARE	11,970	5,917	200,000	49	51			
FHI	1,850	903	240,000	34	66			
PCI	450	237	49,900	26	23		51	
SCF	12,380	6,322	200,000	40	60			
Guatemala	**55,290**	**16,214**	**1,645,500**					
CARE	15,720	4,476	311,100	64	36			
CRS	12,520	3,253	207,600	30	61		9	
SCF	14,740	3,947	632,900	31	66		3	
SHARE	12,310	4,538	431,000	67	33			
TechnoServe	0	0	62,900					
Haiti	**76,550**	**19,410**	**0**					
CARE	22,120	4,902	0	46	15	39		
CRS	18,760	5,594	0	55		31		14
SCF	9,140	2,291	0	79	21			
WV	26,530	6,623	0	61	37			2
Honduras	**17,670**	**5,184**	**0**					
CARE	17,670	5,184	0	40	60			
Nicaragua	**45,490**	**13,141**	**0**					
ADRA	11,890	3,594	0	46	54			
CRS	11,520	3,513	0	43	57			
PCI	11,530	3,238	0	44	56			
SCF	10,550	2,796	0	45	55			
Peru	**97,070**	**37,035**	**0**					
ADRA	23,250	9,524	0	51	49			
CARE	17,590	6,135	0	45	55			
Caritas	24,860	9,434	0	28	59		13	
CRS	2,800	936	0				100	
PRISMA	26,680	10,374	0	58	20		22	
TechnoServe	1,890	632	0		100			
Total Latin America	***326,720***	***108,357***	***2,495,400***					
Grand Total	**949.980**	**342.835**	**15.052.100**					

Notes: HN = health and nutrition, AG = agriculture, ED = education, ME = microenterprise, HA = humanitarian assistance.

* Figures are derived from FFPIS Line 17 report, dated December 30, 2002.

**As CARE/Bangladesh and Africare/Burkina Faso programs were forward funded with FY2001, they are not represented in the table above but were ongoing Title II programs in FY2002.

Source: Title II DAP tables, Food for Peace Information System, USAID Office of Food for Peace (Bogart 2004).

Table 3-B-4. FY2003

Country and Sponsor(s)	Length of Activity	*Commodities* MTs (thousands)	*Commodities* Value ($, thousands)	202(e) ($, thousands)	*Value, by Technical Component (%)* HN	AG	ED	ME	HA
Africa									
Angola		**7,000**	**1,792.0**	**1,372**					
CARE	2000–2003	350	89.6	44.1		100			
CRS	2000–2003	1,050	268.8	249.7		100			
SCF	2000–2003	3,500	896.0	652.2		100			
WVUS	2000–2003	2,100	537.6	426.4		100			
Benin		**11,370**	**5,113.5**	**0**					
CRS	2001–2005	11,370	5,113.5	0.0	61		17	14	8
Burkina Faso		**11,470**	**6,493.3**	**1,185.1**					
Africare	1999–2004	2,660	1,321.8	94.1	63	26			11
CRS	1997–2003	8,810	5,171.5	1,091.0		56	19	22	3
Cape Verde		**18,140**	**3,682.4**	**0.0**					
ACDI/VOCA	2002–2006	18,140	3,682.4	0.0	15	76		9	
Chad		**6,320**	**3,946.7**	**169.0**					
Africare	2003–2007	6,320	3,946.7	169.0	49	41		10	
Eritrea		**2,850**	**2,622.4**	**267.2**					
Africare	2003–2007	2,850	2,622.4	267.2		100			
Ethiopia		**42,800**	**23,241.2**	**2,410.3**					
CARE	2003–2007	4,980	2,626.5	768.1	13	33			54
CRS	2003–2007	12,910	7,048.6	134.6	1	42			57
REST	2003–2007	14,520	7,048.6	474.4	20	80			
SCF	2003–2007	6,960	4,319.3	763.2	50	50			
WVUS	2003–2007	3,430	2,198.2	270.0	40	60			
Ghana		**62,580**	**18,757.4**	**845.6**					
ADRA	2002–2006	19,120	5,514.3	532.8	35	65			
CRS	1997–2003	39,410	12,182.0	0.0	11		79		10
OICI	1999–2004	4,050	1,061.1	312.8	32	68			
Guinea		**3,020**	**3,155.9**	**639.7**					
ADRA	2000–2005	1,100	1,149.5	409.5				100	
Africare	2001–2006	1,920	2,006.4	230.2	70	30			
Kenya		**57,220**	**21,150.8**	**1,089.5**					
ADRA	1998–2003	4,490	1,523.8	535.0	17	83			
CARE	1998–2003	8,700	2,704.3	0.0	45	55			
CRS	2001–2005	23,780	11,390.4	151.4	75	25			
FHI	1998–2003	3,510	898.6	175.0	27	73			
TechnoServe	1998–2004	7,510	1,922.6	149.3		100			
WVUS	2002–2006	9,230	2,711.1	78.8	8	92			
Madagascar		**13,910**	**5,109.8**	**1,092.7**					
ADRA	1998–2003	6,520	2,132.2	0.0		100			
CARE	1998–2003	5,830	2,224.0	165.9	20	60			20
CRS	1999–2003	1,560	753.6	926.8	35	43			22
Malawi		**4,140**	**3,202.0**	**85.0**					
CRS	2000–2004	4,140	3,202.0	85.0	19	2			79

Country and Sponsor(s)	*Length of Activity*	*Commodities*		*202(e) ($, thousands)*	*Value, by Technical Component (%)*				
		MTs (thousands)	*Value ($, thousands)*		*HN*	*AG*	*ED*	*ME*	*HA*
Mauritania		**14,420**	**4,271.1**	**126.2**					
WVUS	2001–2005	14,420	4,271.1	126.2	75			25	
Mozambique		**61,700**	**15,999.1**	**1,284.8**					
ADRA	2002–2006	4,100	1,067.0	198.5	17	83			
Africare	2002–2006	3,340	869.7	97.5	50	50			
CARE	2002–2006	9,770	2,531.2	134.3		100			
FHI	2002–2006	8,600	2,225.1	180.9	35	65			
SCF	2002–2006	5,940	1,538.6	223.6	51	49			
WVUS	2002–2006	29,950	7,767.5	450.0	50	50			
Niger		**13,110**	**8,493.2**	**430.0**					
Africare	2000–2004	13,110	8,493.2	430.0	19	81			
Rwanda		**19,530**	**14,642.6**	**0.0**					
ACDI/VOCA	2000–2005	1,630	2,004.9	0.0		100			
CRS	2000–2005	8,970	6,436.2	0.0		48			52
WVUS	2000–2005	8,930	6,201.5	0.0		100			
Uganda		**30,740**	**17,719.1**	**1,007.1**					
ACDI/VOCA	2002–2006	21,490	13,503.9	379.3	48	52			
Africare	2002–2006	2,650	1,189.8	321.6	67	33			
CRS	2001–2006	3,500	1,571.5	215.3		100			
SCF	2004–2008	200	138.9	0.0	99	1			
TechnoServe	1999–2004	1,200	538.8	66.1		100			
WVUS	1998–2003	1,700	776.2	24.8	14	86			
West Africa Regional		**1,630**	**1,140.5**	**0.0**					
CRS	2002–2006	1,630	1,140.5	0.0		57			43
Total Africa		***381,950***	***160,533.0***	***12,004.6***					
Asia and Near East									
Bangladesh		**150,080**	**38,576.5**	**0.0**					
CARE	1999–2004	83,000	19,588.0	0.0	15	82			3
WVUS	2000–2005	67,080	18,988.5	0.0		45			55
India		**64,200**	**44,849.3**	**0.0**					
CARE	2002–2006	29,690	27,403.5	0.0	100				
CRS	2002–2006	34,510	17,445.8	0.0	25	29	34		12
Indonesia		**34,880**	**14,384.7**	**0.0**					
CARE	2001–2004	2,700	1,156.5	0.0					100
CRS	2001–2004	9,680	3,695.3	0.0	45				55
CWS	2001–2004	3,380	1,574.4	0.0	40		40		20
MCI	2001–2004	7,510	3,028.5	0.0	63		27		10
WVUS	2001–2004	11,610	4,930.0	0.0	99				1
Total Asia		***249,160***	***97,810.5***	***0.0***					
Latin America and Caribbean									
Bolivia		**54,470**	**29,434.7**	**0.0**					
ADRA	2002–2006	10,260	5,558.0	0.0	30	63		7	
CARE	2002–2006	16,540	8,972.0	0.0	55	5		40	

Country and Sponsor(s)	*Length of Activity*	*Commodities*		*202(e) ($, thousands)*	*Value, by Technical Component (%)*				
		MTs (thousands)	*Value ($, thousands)*		*HN*	*AG*	*ED*	*ME*	*HA*
FHI	2002–2006	13,960	7,523.8	0.0	31	11		58	
SCF	2002–2006	13,710	7,380.9	0.0	41	59			
Guatemala		**20,370**	**10,995.6**	**7,990.4**					
CARE	2001–2005	6,540	3,593.5	1,216.2	64	36			
CRS	2002–2006	4,900	2,661.3	3,639.9	46	40		14	
SCF	2000–2004	4,250	2,201.4	2,063.3	51	26		23	
SHARE	2001–2005	4,680	2,539.4	1,071.0		9	63	28	
Haiti		**95,550**	**33,008.4**	**110.0**					
CARE	2002–2006	20,700	7,254.4	0.0	15	18	67		
CRS	2002–2006	29,350	10,505.4	110.0	40		27		33
SCF	2002–2006	14,360	5,261.8	0.0	79	21			
WVUS	2002–2006	31,140	9,986.8	0.0	92		8		
Honduras		**20,490**	**6,778.7**	**185.0**					
CARE	2001–2005	20,490	6,778.7	185.0	60	40			
Nicaragua		**53,380**	**17,468.9**	**0.0**					
ADRA	2002–2006	21,680	7,551.3	0.0	55	45			
CRS	2002–2006	9,700	3,093.1	0.0	45	55			
PCI	2002–2006	11,870	3,696.6	0.0	44	56			
SCF	2002–2006	10,130	3,127.9	0.0	35	65			
Peru		**43,110**	**26,678.0**	**0.0**					
ADRA	2002–2007	12,510	7,899.0	0.0	84	16			
CARE	2002–2006	8,030	5,002.7	0.0	57	43			
Caritas	2002–2008	8,910	5,514.3	0.0	37	42		21	
PRISMA	2002–2008	13,660	8,262.0	0.0	70	17		13	
Total Latin America		***287,370***	***124,364.3***	***8,285.4***					
Grand Total		**918,480**	**382,707.8**	**20,290.0**					

Notes: HN = health and nutrition, AG = agriculture, ED = education, ME = microenterprise, HA = humanitarian assistance.

Source: Title II DAP tables, Food for Peace Information System, USAID Office of Food for Peace (Bogart 2004).

Table 3-B-5. FY2004

Country or Sponsor	Bold = REDSO	Length of Activity	Commodities		202(e) ($, thousands)	MTs by Technical Area				
			MTs (thousands)	Value ($, thousands)		HN	AG	ED	ME	HA
Africa										
Benin										
CRS	x	2001–2005	8,690	4,815.60	276.10	5,055		1,885	1,628	
Burkina Faso										
Africare	x	1999–2004	450	258.80	289.20	31,157	75,560	13,308		
CRS	x	2004–2009	13,340	8,553.40				8,466		938
Cape Verde										
ACDI	x	2002–2006	18,450	4,701.20	339.30	2,598	13,510		1,212	
Chad										
Africare	x	2003–2007	4,400	3,957.50	1,084.30	1,084	2,600		650	
Eritrea										
Africare	**x**	2003–2007	3,130	3,528.90	306.30	670	2,330			
CRS	**x**	2003–2007	3,260	766.10			8,022			9,159
Ethiopia										
CARE	**x**	2003–2007	6,130	4,987.70	1,226.90	600	1,150			2,400
CRS	**x**	2003–2007	20,400	13,191.80	1,107.70	9,159	8,022			
REST	**x**	2003–2007	12,630	8,653.00	1,323.30	505	9,245			
SCF	**x**	2003–2007	3,310	2,140.80		1,472	1,838			
WVI	**x**	2003–2007	4,680	3,446.20	245.10	759	2,532			
Ghana										
ADRA	x	2002–2006	23,700	7,159.50		5,358	9,950			
CRS	x	2004–2008	20,670	8,691.40		5,617		15,920		6,774
Guinea										
ADRA	x	2001–2006	1,180	1,772.40	421.30		451	375	365	
Africare	x	2001–2006	2,940	3,799.60	433.30	1,060	454			
Kenya										
ADRA	**x**	2004–2008	5,460	2,033.60		867	4,333			
CARE	**x**	2004–2008	3,890	1,949.50	506.70	2,681	2,465		926	531
CRS	**x**	2001–2005	9,650	3,709.90	103.00	10,399	2,731			
FHI	**x**	2004–2008	6,700	3,770.30	939.00	2,824	5,650			
TechnoServe	**x**	1998–2004	2,230	611.00			3,940			
WVI	**x**	2002–2006	2,630	720.60		324	4,265			
Madagascar										
ADRA	**x**	2004–2008	7,400	3,123.40		3,141	6,566			
CARE	**x**	2004–2008	7,420	5,899.40	992.30	4,358	8,093			
CRS	**x**	2004–2008	5,350	2,474.10		2,033	1,571			2,039
Malawi										
CRS	x	2000–2004	10,400	6,417.19	85.09		231			5,690

Mauritania										
WVI	x	2001–2005	10,830	3,676.70		4,752			4,170	
Mozambique										
ADRA	x	2002–2006	6,240	1,741.30		1,348	5,392			
Africare	x	2002–2006	4,350	1,210.40		2,350	2,670			
CARE	x		9,460	2,652.70		1,850	10,870			
FHI	x	2002–2006	5,180	1,453.40		2,390	5,768			
SCF	x	2002–2006	8,580	2,398.10		2,505	6,075			
WVI	x	2002–2006	30,260	8,355.00		5,306	20,619			
Niger										
Africare	x	2000–2005	12,840	8,159.90		2,044	8,553	633		
Rwanda										
ACDI	**x**	2000–2004		291.90	291.90					
CRS	**x**	2000–2005	5,930	5,320.80	398.60	4,728	4,242			
WVI	**x**	2000–2004	3,420	2,679.60			6,014			
Sierra Leone										
CARE	x	2004–2007	12,460	5,441.20		5,656	8,484			
Uganda										
ACDI	**x**	2002–2006	12,930	9,526.80	448.20	9,470	8,760			
Africare	**x**	2002–2006	2,650	948.70		1,767	883			
CRS	**x**	2001–2006	3,720	1,513.70	157.40		3,720			
SCF	**x**	2004–2008	4,550	2,667.90	806.80	1,396	8			
WVI	**x**	2004–2008	3,400	1,663.20	289.20	4,051	3,780		770	
West Africa Regional										
CRS		2002–2006	3,410	3,575.50	435.70	2,095	2,712			
Zambia										
Land O'Lakes	x	2004–2008	7,000	3,108.00			10,875			
Total Africa			***355,700***	***177,517.69***	***12,506.69***	***143,429***	***284,934***	***40,587***	***9,721***	***27,531***
Asia and Near East										
Bangladesh										
CARE	x	1999–2004	24,000	6,000.00		21,642	95,742	12,264		2,081
WVI	x	2000–2005	70,280	21,417.30	260.90	30,183		3,353		33,537
India										
CARE	x	2002–2006	21,620	19,906.00	500.00	161,620				
CRS	x	2002–2006	44,160	22,963.30	1,500.10	14,177	19,086	18,392		6,489
Indonesia										
CARE	x	2001–2004	2,590	1,269.00		736	3,298			
CRS	x	2001–2004	3,940	2,371.50	252.50		2,540			350
CWS	x	2001–2004	1,440	765.80		1,645				456
MCI	x	2001–2004	260	148.40		1,802		515	2,684	
WVI	x	2001–2004	350	323.20		8,506				

Total Asia			***168,640***	***75,164.50***	***2,513.50***	***240,311***	***120,666***	***34,524***	***2,684***	***42,913***
Latin America and Caribbean										
Bolivia										
ADRA	x	2002–2006	8,800.00	4,770.80	80.00	1,772	1,440	701		
CARE	x	2002–2006	13,040.00	6,684.00	100.00	2,705	395		1,952	
FHI	x	2002–2006	10,340.00	5,285.90	120.00	3,480	1,214		6,431	
SCF	x	2002–2006	9,130.00	4,867.80	100.00	4,265	6,179			
Guatemala										
CARE	x	2001–2006	5,830.00	4,071.50	155.40	10,284	5,813			
CRS	x	2002–2006	5,370.00	3,801.90	205.50	1,094	9,066			
SCF	x	2000–2004	5,370.00	3,811.30	300.00	9,602	9,602		2,302	
SHARE	x	2001–2006	6,370.00	4,307.00	272.00	7,129	3,230			1,080
Haiti										
CARE	x	2002–2006	23,720.00	7,802.10	944.50	10,419	9,387	8,544		
CRS	x	2002–2006	18,050.00	8,474.40	2,055.40	2,345		1,584		1,912
SCF	x	2002–2006	11,490.00	5,321.90	238.80	1,998				
WVI	x	2002–2006	23,300.00	8,588.10	761.30	4,398				
Honduras										
CARE	x	2001–2005	16,360.00	5,288.60	185.00	6,317	2,875			7,135
Nicaragua										
ADRA	x	2002–2006	5,030.00	1,987.00		4,465	3,623	1,667		
CRS	x	2002–2006	4,240.00	1,587.20		813	1,012			
PCI	x	2002–2006	4,340.00	1,752.60	300.00	4,408	5,707			
SCF	x	2002–2006	3,330.00	1,225.20		4,605	5,515			
Peru										
ADRA	x	2002–2007	6,600.00	4,851.80		8,833	3,434			
CARE	x	2002–2006	15,770.00	7,091.90		9,547	7,202			
Caritas	x	2002–2008	7,520.00	5,691.90		4,518	4,081		7,805	
PRISMA	x	2002–2008	8,270.00	6,533.30		5,456	1,661		9,420	
Total Latin America and Caribbean			***212,270.00***	***103,796.20***	***5,817.90***	***108,453***	***81,436***	***12,496***	***27,910***	***10,127***
Grand Total			**736,610.00**	**356,478.39**	**20,838.09**	**492,193**	**487,036**	**87,607**	**40,315**	**80,571**

Notes: REDSO = Regional Economic Development Services Office, MT = metric ton, HN = health and nutrition, AG = agriculture, ED = education, ME = microenterprise, HA = humanitarian assistance.

Source: Title II DAP tables, Food for Peace Information System, USAID Office of Food for Peace (Bogart 2004).

4

Lessons from the Country Studies

A key component of this study is to examine how the array of U.S. agricultural development programs and projects are aligned with the agricultural programs, priorities, and public investments of recipient countries. This chapter reviews the results of qualitative case studies carried out in four purposefully selected countries across sub-Saharan Africa: Ghana, Mali, Mozambique, and Uganda.[1] The country case studies provide a snapshot of agricultural development policies and assistance from 2000 to 2004 and a synthesis of views by knowledgeable stakeholders about the effectiveness of assistance under some of the best prevailing conditions for agriculture and rural sector development on the continent. The case studies are not a comprehensive analysis of agricultural policies and development assistance to each country nor do they attempt to analyze the impact of this assistance.

The case studies are based on a desk review of relevant policy and program documents from the countries, U.S. agencies and their collaborators, and multilateral agencies and stakeholder interviews carried out by the report co-authors and national consultants[2] during visits to each country in January 2005. Through the case studies, we sought to understand how U.S. development assistance programs and funding levels relate to the country's agricultural programs, priorities, and public investments; how U.S. assistance is coordinated with assistance from other donors; and the views of stakeholders on how U.S. development assistance, and public investment in agriculture in general, could be improved.

[1] The full country reports for Ghana, Mali, Mozambique, and Uganda are contained in Appendices 4-A through 4-D. Each report summarizes current conditions related to agriculture and food security in each country, the country's governance structure as it affects decisions about agriculture, and the role of agriculture in the country's development strategy. It then provides an overview of public investment in agriculture by the government and external donors as a context for the U.S. program, followed by information on the current purposes, levels, and trends of U.S. funding.
[2] The national consultants who contributed to this study were: Dr. Sam Asuming-Brempong (Ghana), Mr. Bakary Kante (Mali), Mr. Victorino Xavier (Mozambique), and Dr. Peter Ngategize (Uganda).

The country studies reveal that agriculture and rural development play a central role in the PRSPs and related agricultural development strategies of all four countries. Yet despite the priority given to rural-led economic growth in policies and strategic plans, domestic public resources are scarce and agriculture competes unfavorably with other sectors for PRSP funding, notably education and health.

Since the countries are heavily reliant on external donors to implement the PRSPs, coordination of country and donor strategies and programs is essential to meet agriculture and rural sector development goals. However, under 10% of total OECD bilateral assistance to the countries was directed to core agriculture and rural sector development programs.

USAID country and sector plan priorities are highly consistent with PRSPs and country sectoral strategies, underscoring the priority on rural-led economic growth, but this is not reflected in U.S. assistance allocations. Agriculture activities received only 15% of USAID/Ghana's budget and approximately 33–45% of the budgets in Mozambique, Uganda, and Mali in FY2004.

Between 2000 and 2004, U.S. bilateral assistance to agriculture declined in Ghana, Mali, and Mozambique and rose only slightly in Uganda, despite the fact that all four countries are designated priority countries for the presidential IEHA. By contrast, USAID spending on health and basic education has ballooned, consuming 45–74% of USAID's 2004 annual budget in the case countries.

Country Policies and Programs Related to Agriculture and Rural Development

Ghana, Mali, Mozambique, and Uganda embody near "laboratory conditions" for reducing poverty and hunger in the coming decade through agriculture and rural sector-led economic growth. Like most of sub-Saharan Africa, they are predominantly rural and poor. But these countries stand out because they are among the continent's top economic performers, they have made important progress on political decentralization, and because their presidents have made significant personal and institutional commitments to agriculture and rural sector-led economic growth. All are focal countries for the U.S. IEHA and receive amounts of U.S. agriculture sector assistance that are well above the average for sub-Saharan Africa. Three of the four have qualified for funding consideration through the Millennium Challenge Corporation.

Agriculture in Poverty Reduction and Sector Strategies

Agriculture and rural development play a central role in the PRSPs and related agricultural development strategies of all four countries. The PRSPs embrace similar visions of "changing archaic, near-subsistence agricultural economies into progressive, dynamic, entrepreneurial and profitable businesses …[which] will act as a stepping stone to widespread industrialization."(GPRS 2003, 36). They recognize that "the dynamics of human development and broad-based growth are interdependent" (Mozambique 2001, 30), and place a high priority on a market-oriented approach and the promotion of thriving agribusinesses alongside a multidimensional approach to ensure food and nutrition security and improved access to health services. Table 4-1 summarizes the main objectives and target investment areas for the individual country PRSPs.

In addition to the general PRSPs, each country also has developed specific sectoral plans for agriculture and rural development, summarized in Table 4-2. Each plan demonstrates that the understanding of how to facilitate rural-led economic growth and poverty reduction has evolved from the traditional that focused on improving productivity on the farm. The sector plans call for a broad array of investments needed to improve infrastructure; increase productivity on and off the farm; reform land tenure; assist farmers and agribusinesses to access inputs and financial services, improve agro-processing, and find markets for raw and processed goods; and improve crisis prevention and response, education, health, and environmental measures. The strategies place a high priority on improving governance and on creating a policy climate that will stimulate the private sector to increase income-generating opportunities.

The case study countries rely heavily on external donors for the investments to implement the PRSPs and agriculture/rural development strategies. In Mali, for example, external financing is required to fund 37% of PRSP activities, while in Ghana it is required to fund 90% of activities. Given this dependence on external funding, coordination of country and donor strategies and programs is essential to meet agriculture and rural sector development goals.

Coordination of U.S. Assistance with Country Strategies and Agricultural Development Programs

In all of the case study countries, U.S. assistance for agriculture and rural sector development is provided through several U.S. agencies (including USAID, USDA, USTDA, and the U.S. African Development Foundation), and through U.S. contributions to multilateral agencies, including the World Bank, FAO, IFAD, and ADB. USAID programs are by far the largest single component of U.S. assistance at the country level, representing 80% of assistance in Ghana, 75% in Mozambique, and more than 90% of assistance in Mali and Uganda.

USAID's Country Strategy Plans in all four countries were developed in a participatory process with key country government stakeholders and NGO development partners and are highly consistent with PRSPs, as the comparison of PRSPs and USAID Country Strategy Plans in Table 4-1 shows.

Likewise, USAID strategic objectives focusing on rural development also are developed in collaboration with country stakeholders and address a subset of the country's sectoral objectives, as Table 4-2 demonstrates. In each of the case study countries, USAID economic growth programs primarily focus on private-sector development, enhancing trade, and developing facilitative policies and institutions. U.S. NGO efforts funded through the Food for Peace program, which are coordinated with the USAID Mission strategy, have a broader mandate to increase food security for vulnerable populations.

Funding Trends for Agriculture

The PRSPs in each of the case study countries place a high priority on investments to reduce poverty by accelerating rural and agricultural-led economic growth. However, public resources are scarce and in general agriculture competes unfavorably with other sectors, notably education and health, for PRSP funding.

USAID Country Strategy Plans also underscore the priority on rural-led economic growth, but this is not reflected in U.S. assistance allocations. Agriculture activities received only 15% of USAID/Ghana's budget and approximately 33% to 45% of Mozambique, Uganda, and Mali's budget in FY2004. Total U.S. bilateral assistance to agriculture declined between FY2000 and FY2004 in three of the four countries—Ghana, Mali, and Mozambique—and rose only slightly in Uganda, despite the fact that all four countries are designated priority countries for IEHA.

Ghana

The broad goal of USAID/Ghana's Country Strategy Plan is "equitable economic growth and accelerated poverty reduction within a system of sound democratic governance" (USAID/Ghana 2003, 2) but only an estimated 10–15% of the annual USAID/Ghana budget (approximately $54 million) is used for fostering agriculture's role in economic growth and poverty reduction. Total U.S. bilateral assistance for agriculture declined by two-thirds between FY2000 and FY2004, from $24 to $8 million. In contrast, USAID spending on health and basic education ballooned, consuming 74% of USAID's annual budget in 2004 (Figure 4-1).

It is impossible to determine precisely the total amount of annual public investment going to agriculture in Ghana or any of the case study countries, whether from domestic or external sources, due to the lack of any standardized definition or reporting system for such investment and the fact that many projects are funded on a multi-year basis. A reasonable approximation of the annual public investment in traditional agricultural development activities in Ghana is $100–$125 million, virtually all of which is from external sources. This includes annual bilateral assistance from OECD countries for core agriculture, forestry, and rural development purposes of $27.5 million annually (6% of total annual bilateral assistance of $466 million) and multilateral commitments.

As noted above, Ghana and the other countries are heavily dependent on external funding for PRSP activities. Ghana's 2003 Annual Progress Report on the GPRS indicates that the actual share of GPRS investment going to traditional agriculture activities declined from 7.1% of total discretionary expenditures in 2001 to 4% in 2003, while infrastructure investments increased from 11.6% to 15.5% (NDPC 2004).

Mali

Mali's Country Strategy Plan emphasizes that "in Mali, achieving a higher growth in agriculture will be absolutely essential for increasing incomes and employment and for reducing poverty" (USAID/Mali 2002, 58). But half of FY2004's Country Strategy Plan funding was allocated to health and education programs, compared to 37% for agriculture-related programs (Figure 4-2). In addition, total U.S. bilateral funding for agriculture and rural development has declined slightly since 2000 from $16 to $14 million in 2004.

Mali's total annual public investment in traditional agricultural development activities between 2000–2003 is estimated at $225–$275 million. This includes annual bilateral assistance from OECD countries of $26.3 million annually for core agriculture, forestry, and rural development activities (10% of total annual bilateral assistance of $266 million) and multilateral commitments.

Within Mali's overall government budget, agriculture had the second largest budget allocation of any single sector over the 2002–2005 period at 11.9%. However, while total PRSP expenditures were projected to rise by one-third over the period, agriculture expenditures were expected to decline by 13% (from $205 to $178 million), with domestic agriculture funding decreasing from $89 to $62 million. Over the same period, health and education expenditures were anticipated to rise by 26% and 28%, respectively (Mali 2002).

Mozambique

USAID/Mozambique singles out the strategic objective related to agriculture as the mission's priority strategic objective, noting that "it would be impossible to address the problems of poverty and malnutrition without addressing agricultural development and growth given that more than 80% of the population is engaged in agriculture. The fact that this huge proportion of the population accounts for approximately one-quarter of GDP demonstrates that poverty is predominantly, though not exclusively, rural in nature" (USAID/Mozambique 2003, 8). Nevertheless, the proportion of USAID funding for rural economic growth activities draws just even with funding for HIV/AIDS and Maternal and Child Health programs, each with 45% of funding in FY2004 (Figure 4-3). Total U.S. bilateral funding for Mozambican agriculture has declined by one-quarter since 2000, from $49 million to $37 million (Table 4-3).

Mozambique's annual public investment in agricultural development is estimated at $150–$200 million, including the Ministry of Agriculture's anticipated spending on ProAgri II, annual bilateral assistance from OECD countries of $47 million for core programs related to agriculture, forestry, and rural development (5% of total annual bilateral assistance of $1 billion), and multilateral commitments.

Mozambique spent an estimated $11.3 million per year over 1999–2002 to implement ProAgri I. Importantly, Mozambique's government also invests in roads, which are essential to agricultural development. In 2003 alone, the government spent $103 million, or 7.3% of total government spending, on roads (Mozambique 2004), and external donors have committed $1.7 billion over ten years beginning in 2002, much of which will directly benefit agricultural development (Mabombo 2005)

Uganda

USAID/Uganda emphasizes that "the rural economy supports 85% of Ugandans and must be the development target if broad-based economic growth is to be achieved" (USAID/Uganda 2000). However, in FY2004, two-thirds of USAID strategic objective funding was allocated to Improved Human Capacity, which encompasses health, education, and HIV/AIDS activities, and 31% was provided for agriculture-related economic development (Figure 4-4). Total U.S. bilateral assistance provided to Ugandan agriculture rose only slightly between FY2000 and FY2004, from $25 million to $26 million.

A benchmark estimate of Uganda's annual public investment in traditional agricultural development activities is $100–$150 million. This includes annual bilateral assistance from OECD countries of $34.7 million annually for core agriculture, forestry, and rural development activities (7.5% of total annual assistance of $462 million annually from 2000 through 2003), and multilateral commitments.

Total approved spending under Uganda's Medium Term Expenditure Framework (2001/02 to 2004/05) for agriculture and rural development was about $119 million in 2000–2001, or about 9.9% of total government investment to eradicate poverty (MFPED 2000). Of this amount, about $53 million (5%) went to the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), with the rest going to rural roads and water programs, local government capacity building, land and environment, trade and industry, and other grants (MFPED 2000). In 2003–2004, the total approved spending was up to $141 million, while spending for agriculture through MAAIF remained at $53 million, a nearly 15% decrease. In 2003, the government's report on the Second Review of the Plan for Modernisation of Agriculture citied the tight funding of the agriculture sector as a "present and future concern" for the successful implementation of the Plan for Modernisation of Agriculture (Uganda 2003, 73). Funding likely will continue to be constrained by the MFPED's effort to close the government's substantial budget deficit and by competing budget priorities. Education, for example, currently receives about 25% of total spending.

Other Key Issues Raised by Stakeholders

Stronger Engagement Needed by Ministries of Finance

Country PRSPs and agricultural development strategies strongly commit countries to rural and agriculture sector development, but this commitment has not resulted in increased resources at the country level. Stakeholders felt that ministers of finance need to be engaged and play a much stronger leadership role to ensure that resource commitments to the sector are fulfilled and to ensure program coherence among the several ministries active in the rural sector. Agriculture and rural development traditionally has been viewed as the province of ministries of agriculture, but there is now widespread recognition that effective rural development will require coordinated planning and oversight by a number of ministries, including roads and transport, health, and education.

Country-level Reporting System

There is no consistent reporting system for agriculture and rural development sector expenditures by African governments. This will make it extremely difficult to track commitments to fulfill the 2003 Maputo Commitment by African heads of state to increase spending on agriculture and rural development to 10% of national budgets. Donor contributions currently fund a large part of agricultural sector spending. Because significant donor assistance is channeled directly through NGOs, overall expenditure levels are unknown and it is difficult to coordinate public- and private-sector investments in the sector.

Impact of U.S. Earmarks

The examples in the previous section illustrate the serious constraints that USAID country missions face in programming resources according to mission- and host country-defined priorities. In the case study countries, mission and host country development strategies and priorities regarding rural-led economic development are congruent. But programming actual resources and commitments made to host country partners are constrained by pre-defined congressional earmarks and by year-to-year uncertainty and fluctuations in funding levels. The earmarks affect not only allocations between sectors, as previously discussed, but according to stakeholders dramatically reduce the flexibility of resource allocation within the agriculture sector. Missions must carry out an intricate calculus with each funding cycle to respond as best they can to the country's priorities with program funding that is restricted to programs such as dairy, trade capacity building, or biotechnology, restrictions that may bear little relation to the priorities agreed to by the country and mission.

Lack of Coherence Among U.S. Programs

The lack of coherence and coordination among policies and programs implemented by U.S. agencies within a single country or region is confusing to host countries and undermines the effectiveness of development assistance.

- Mali's government estimates that the financial impact of U.S. domestic cotton subsidies on Mali farmers dwarfs the impact of development assistance from USAID and other agencies.
- Stakeholders strongly acknowledge the importance of food aid for humanitarian assistance but raised questions about the lost opportunity of procuring food aid locally or regionally to help strengthen continental markets. They also raised questions about the cost implications of requiring food aid to be shipped in U.S. ship bottoms and of limiting other procurement to U.S. sources. They felt that the effects of imported, monetized food aid on local and regional market development, and on the formation of consumption preferences, required fuller assessment.
- The objectives of the U.S. Trade Representative (USTR), USAID, and USDA trade policies and programs are not well harmonized, constraining program impact. USTR exerts influence to steer regional USAID and USDA trade program funding to programs that increase African exports to the U.S. USAID country programs largely focus on strengthening national and regional markets based on analysis showing the important poverty and development impacts from this approach.
- USDA and USAID manage separate, and often not coordinated, biotechnology outreach and training programs in the same countries.
- A number of complementary USAID programs today are managed separately, but there are potentially great effectiveness gains if their objectives and implementation were better harmonized or even merged. These include two major USAID

initiatives—Trade and IEHA—and the USAID Food for Peace programs that are managed directly from Washington and informally coordinated with mission agriculture and rural sector programs.

Investing in Government and Public Goods

U.S. agricultural assistance programs in the case study countries are in general regarded very positively by country stakeholders. But observers voiced concern at the increasing trend of U.S. programs to work with private-sector and NGO collaborators in isolation from governments and the implications for scaling up successful local projects. They noted that governments were not receiving the technical assistance needed to strengthen regulatory, judicial, and other institutions vital to creating an enabling environment for private investment. Greatly expanded investments in public infrastructure, such as transportation, communication and power, are also vital to provide a foundation for private investment as well as the expansion of social services.

Deterioration of Public Research Systems and Technology Transfer

The inability of research systems to supply and extend new technology will affect the competitiveness of commodity export on the international market. For example, Ghanaian pineapple producers currently enjoy a good market for their green pineapples in Europe but are already facing stiff competition from new Latin American varieties of golden pineapple that are gaining favor among consumers. In 2004, researchers at one of Mozambique's premier national research stations did not bother to develop a research plan for the coming year because there was no money available for research activities.

Donor agencies and governments in Mozambique and Uganda are increasingly outsourcing agricultural extension work to private companies and NGOs as a promising alternative to the state-run extension services. Stakeholders noted that this is beginning to pay off in terms of improved management and the responsiveness of extensions to local needs. But they questioned where extension agents in either the public or private sector would obtain technical recommendations if there is no public research system to test varieties and recommendations locally.

Accountability and Decentralization

Donor and private-sector confidence in centralized agriculture agencies has declined after disappointing experiences with sector-specific budget support programs. But there are examples where major U.S. and donor collaborations with public agencies has worked well with important implications for U.S. programs, including the Millennium Challenge Account, which will rely heavily on the establishment of successful monitoring systems in the field. For example, stakeholders attribute positive results achieved from U.S. support for road and other infrastructure programs to the Ministry of Transportation in Mozambique to strong accountability and oversight measures put into place by the recipient agency, to good coordination among donors, and to a strong capacity-building program for local managers.

Decentralization of public functions in some countries already has led to improvements in political and financial accountability for public agriculture and rural-sector program implementation, such as at the provincial and district levels in Ghana and Uganda. Other donors are beginning to provide budget or program support directly to decentralized offices with encouraging results.

Capacity Building for Local Organizations and Strengthening Technical Institutions and Universities

Stakeholders viewed past U.S. assistance as critical to building human and overall societal capacity and strengthening technical schools, community colleges, and universities vital for training future private- and public-sector leaders. They perceived a shift in current U.S. agriculture and rural-sector assistance programs toward shorter term, concrete objectives with a finite set of actors and away from building local capacity and institutions.

Local NGO representatives voiced frustration that U.S. assistance programs focused so heavily on funding U.S. NGOs to carry out programs rather than building capacity among local organizations.

Strengthening Industry Associations and Local Public–Private Partnerships

Stakeholders felt that U.S. programs were making significant progress in developing opportunities for private-sector agribusiness in their countries. Continuing mutual distrust and communication difficulties between the public and private sectors is perceived as a significant constraint to agricultural and rural sector development. Given the United State's experience and capacities, stakeholders wondered how U.S. programs could play a stronger role in facilitating communication and public–private collaboration in priority agriculture/rural sector areas.

Industry associations and civil society groups are beginning to emerge. These include rural farmer associations and higher-level fora in Ghana and Mozambique and sector-specific groups for industries such as cashews and pineapples. In Mozambique, industry associations and farmer fora are grouped within the Confederation of Technical Associations. These organizations can carry out important independent research and policy analysis, communicate the needs of their constituents to public agencies and leaders, and focus attention on priority investments.

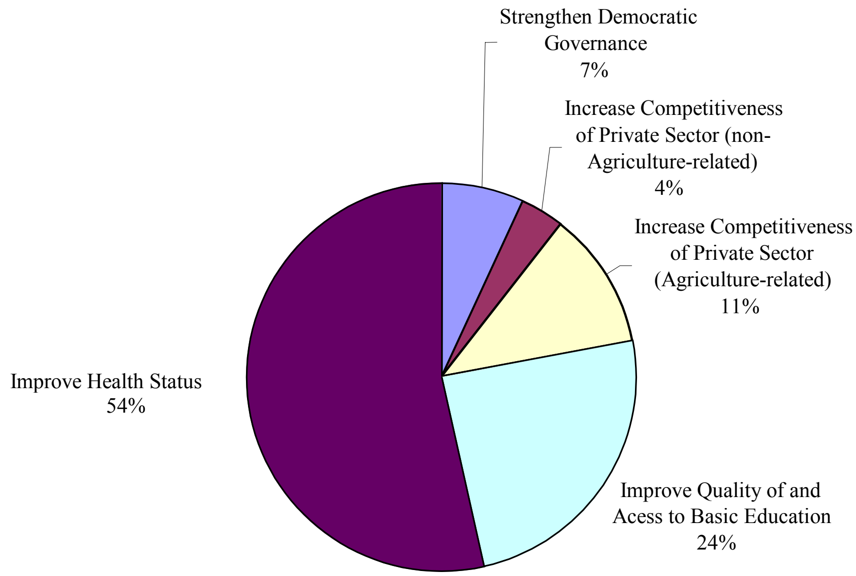


Figure 4-1. USAID Ghana Strategic Objective Funding Distribution, FY2004

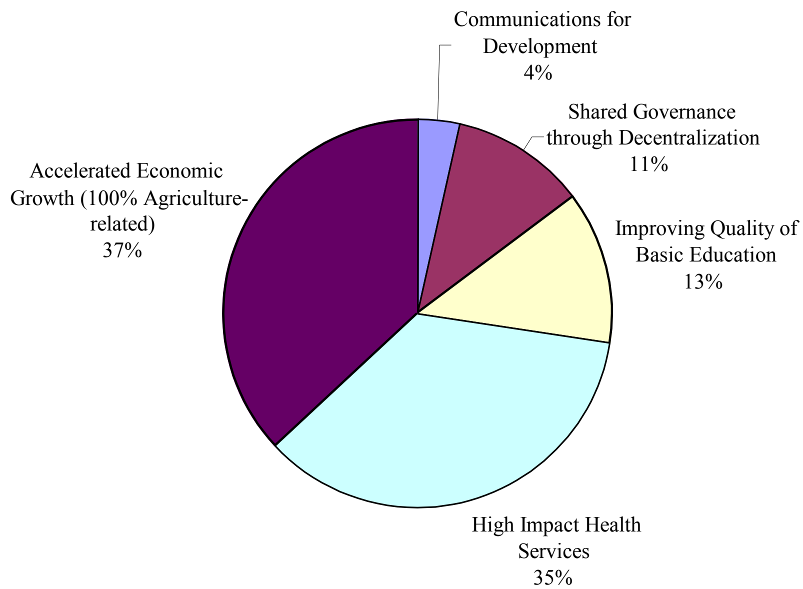


Figure 4-2. USAID Mali Strategic Objective Funding Distribution, FY2004

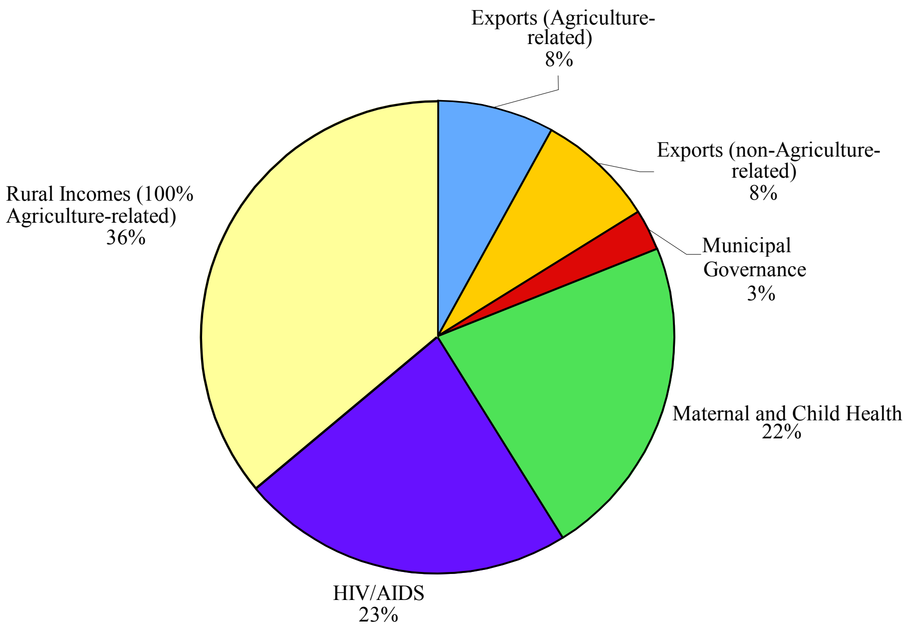


Figure 4-3. USAID Mozambique Strategic Objective Funding Distribution, FY2004

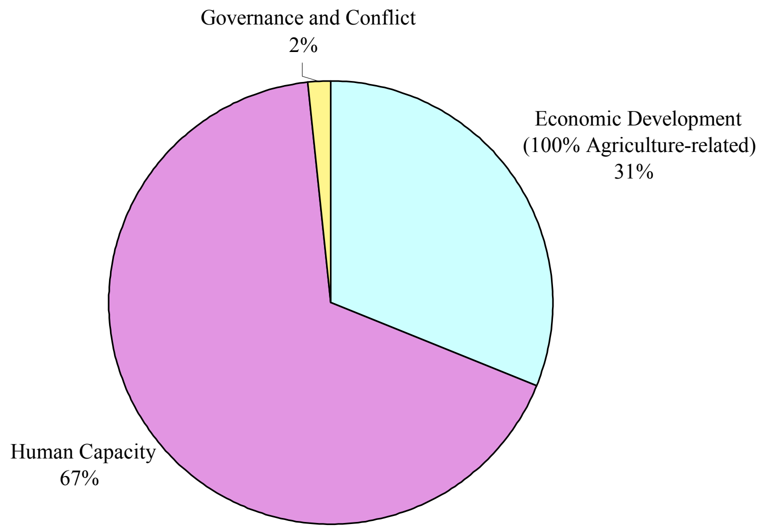


Figure 4-4. USAID Uganda Strategic Objective Funding Distribution, FY2004

Table 4-1. Comparison of Country and U.S. Agency for International Development (USAID) Strategic Investment Priorities

Ghana's Poverty Reduction Strategic Plan (PRSP) 2003–2005	USAID/Ghana's Country Strategic Plan (CSP) 2004–2010
Achieve growth, accelerated poverty reduction and the protection of the vulnerable and excluded by: • Ensuring sound economic management for accelerated growth; • Increasing production and promoting sustainable livelihoods and gainful employment; • Direct support for human development and the provision of basic services; • Providing special programs in support of the vulnerable and excluded; • Ensuring good governance and increased capacity of the public sector; and • Active involvement of the private sector as the main engine of growth and partner in nation building (Ghana 2003, 30).	Achieve equitable economic growth and accelerated poverty reduction within a system of sound democratic governance through: • Strengthened democratic and decentralized governance through civic involvement; • Increased competitiveness of Ghanaian private sector in world markets; • Improved health status; and • Improved quality and access to education (USAID/Ghana 2003).
Mali's PRSP	**USAID/Mali's CSP Strategic Objectives 2003–2012**
Promote strong and sustainable growth that is poverty-reducing through: • Institutional development and improved governance and participation; • Human development and strengthening access to basic social services; and • Development of infrastructure and support for key productive sectors (Mali 2002, 85).	• High impact health services; • Improved quality of basic education; • Shared governance through decentralization; • Accelerated economic growth; and • Communications for development (special objective) (USAID/Mali 2002).
Mozambique's PRSP	**USAID/Mozambique's CSP Strategic Objectives 2004–2010**
Goal: Promote human development and create a favorable environment for rapid, inclusive and broad-based growth. Six priority areas for action: • Education; • Health; • Agriculture and rural development; • Basic infrastructure; • Good governance; and • Macroeconomic and financial management (Mozambique 2001, 3).	Foster sustained, poverty-reducing economic growth that reaches average Mozambicans through: • Agricultural development and increased international trade; • Stemming the spread and impact of HIV/AIDS; • Improving maternal and child health; and • Establishing models of good governance among municipalities while attacking corruption where it most affects average citizens (USAID/Mozambique n.d.).
Uganda's Poverty Eradication Action Plan pillars	**USAID/Uganda's Integrated Strategic Plan Strategic Objectives 2002–2007**
• Economic management; • Enhancing production, competitiveness, and incomes; • Security, conflict resolution and disaster management; • Good governance; and • Human Development (MFPED 2004).	Assist Uganda to reduce mass poverty through: • Expanded sustainable economic opportunities for rural sector growth • Improved human capacity; and • More effective and participatory governance (USAID/Uganda 2001).

Table 4-2. Comparison of Country and U.S. Agency for International Development (USAID) Agricultural Development Priorities

Ghana's Food and Agriculture Sector Development Policy	USAID/Ghana's Private Sector Competitiveness Strategic Objective (SO)
Contribute to poverty reduction in Ghana by promoting sustainable agriculture and thriving agribusiness through a holistic, market-oriented approach that includes facilitation of: • Production of agricultural raw materials for industry; • Production of agricultural commodities for export; • Effective and efficient input supply and distribution systems; and • Effective and efficient output processing and marketing systems (MOFA 2002).	• Improve the enabling environment for the private sector; • Increase the capacity of the private sector to respond to export opportunities; Food aid program will work with the agriculture and agribusiness to : • Connect smallholder producers to domestic and export markets; and • Improve agricultural productivity through projects including agro-forestry extension, post-harvest loss reduction, microenterprise, credit for agricultural inputs (USAID/Ghana 2003).
Mali's Rural Development Strategy	**USAID/Mali's Economic Growth SO**
• Food security; • Restoration and maintenance of soil fertility; • Development of hydro-agricultural facilities; • Development of agricultural, animal, forestry, and fisheries production; and • Development of support functions (research, training, communication, finance) (Mali 2002).	Increase productivity and incomes in selected agricultural sub-sectors through: • Increasing sustainable production of selected agricultural products in targeted areas; • Increasing trade of selected agricultural products; and • Increasing access to finance food security (USAID/Mali 2002).
Mozambique's ProAgri I and II	**USAID/Mozambique's Economic Growth SO**
<u>ProAgri I</u> Improve the Ministry of Agriculture and Rural Development's capabilities as an institution. <u>ProAgri II</u> Support smallholders, private sector, government agencies and non-governmental organizations to increase agricultural productivity, agro-industry, and marketing within the principles of sustainable exploitation of natural resources. Pillar areas: • Input and output markets; • Rural finance; • Rural infrastructure; and • Enabling policy and regulatory environment (MADER 2004, 60).	• Increase smallholder sales of agricultural production; • Expand rural enterprises, including rural trading networks, rural agro-industries, and rural finance; and • Increase marketing through improving transport infrastructure, focusing on rural roads to increase physical access to markets (USAID 2003).
Uganda's Plan for the Modernization of Agriculture	**USAID/Uganda's Rural Sector Growth SO**
Eradicate poverty by transforming subsistence agriculture to commercial agriculture. Pillar areas: • Research and technology; • Agricultural advisory services; • Agricultural education; • Rural finance; • Agro-processing and marketing; • Sustainable natural resource utilization and management; and • Physical infrastructure (Uganda 2000).	• Increase food security for vulnerable populations; • Increased productivity of agriculture and natural resource systems in selected regions; • Increased competitiveness of enterprises in selected sectors (e.g., financial sector); and • Improved enabling environment for broad-based economic growth (e.g., supporting institutional and structural reforms) (USAID/Uganda 2000).

Table 4-3. Summary of Bilateral U.S. Assistance for Agriculture, Major Elements, FY2000–FY2004

Country	*Funding ($, thousands)*				
	FY2000 Actual	*FY2001 Actual*	*FY2002 Actual*	*FY2003 Actual*	*FY2004 Actual*
Ghana	23,790	19,240	8,777	11,511	8,414
Mali	15,782	8.291	8,957	13,349	14,300
Mozambique	49,485	46,227	30,866	44,322	37,379
Uganda	25,471	14,362	22,812	28,351	26,251

Note: Includes U.S. Agency for International Development (USAID)/Development Assistance agriculture-related strategic objectives, USAID/Food Aid PL480 Title II, and U.S. Department of Agriculture/Food Aid Food for Progress. All food aid estimates include freight costs.

Source: Extracted from Table 7 in Appendix 4-A through 4-D.

5

Conclusions and Recommendations

This report documents the current U.S. agricultural development assistance program for sub-Saharan Africa. It analyzes current resource trends and program activities in some detail, but it is neither an audit of resource flows nor an evaluation of the effectiveness of the U.S. program. It is rather a primer and overview, intended to broadly describe the multiple dimensions of U.S. efforts on African agriculture and how they relate to one another. The purpose of this report is to inform debate about future funding directions and ways to improve the program's effectiveness.

The report defines agricultural development assistance broadly to include the wide range of investments and activities that have as a primary purpose contributing to the ability of agriculture to foster rural economic development and reduce poverty and hunger in Africa. It includes natural resources management and the many other activities that contribute to improved productivity on the farm, but it also includes efforts to create an enabling policy and institutional environment for agriculture in Africa (ranging from improved land tenure systems to liberalized trade rules to applied agricultural research), develop markets for agricultural inputs and outputs, build rural roads and other physical infrastructure necessary for market access, facilitate rural employment through agribusiness and value-added processing of agricultural commodities, and build agricultural export capacity and opportunities.

U.S. investment in the public goods required to foster agriculture-led economic growth is just one way that the programs and policies of the U.S. government affect agriculture and the prospects for poverty and hunger reduction in sub-Saharan Africa. U.S. agricultural subsidies and trade policies, food safety and other phytosanitary requirements, and intellectual property policies are among the features of the policy landscape that affect African agriculture, perhaps unintentionally, but often negatively. Agricultural development assistance is, however, the one program of the U.S.

government that attempts to act directly to foster agriculture-led economic growth and thereby help reduce poverty and hunger in rural Africa. At a time when this goal has achieved new prominence internationally and among U.S. policymakers, the U.S. assistance program is an important subject for study, understanding, and improvement.

The analysis of agricultural development assistance in this report also provides a window into U.S. development assistance more broadly. Foreign assistance—and how it can be improved—is very much on the public policy agenda in the United States as national security and the achievement of poverty reduction sought in the MDGs have become linked in the post-September 11 world and as the Bush administration pursues important policy and institutional change as reflected most prominently in the Millennium Development Account. Lessons learned from the analysis of agricultural development assistance, especially its governance and the institutional landscape, may thus have broader applications.

This final chapter presents conclusions and recommendations concerning U.S. agricultural development assistance for sub-Saharan Africa based on the research conducted for this report in the United States and in visits to the four countries examined in detail in the appended country studies: Ghana , Mali, Mozambique, and Uganda. They are offered not as the last word from the authors or the Partnership to Cut Hunger and Poverty in Africa but to stimulate thought and debate within the policy and stakeholder community working to improve the U.S. assistance program and the contribution that agriculture can make to poverty and hunger reduction in Africa.

Conclusions

The following conclusions address agriculture's role as a vehicle for development, current resource levels and trends in the U.S. assistance program, and issues affecting the governance of the program. While agriculture is increasingly embraced as a high priority in country poverty-reduction strategies and among development agencies worldwide, it competes unfavorably for assistance resources with other sectors that are important to development, such as basic education and health, and features of the U.S. governance system undermine the effectiveness of current assistance programs.

The Role of Agriculture in Africa's Development

- Since the late 1990s, there has been a strong resurgence in the recognition of agriculture's central role in economic development and poverty reduction in Africa. This recognition is widespread both in the United States and in many African countries. It is shared by senior government policymakers and managers, development experts and practitioners, and by farmers, traders, and agribusiness men and women working on the ground in Africa.

- Because 70% of sub-Saharan Africans live and work in rural areas, agriculture is recognized as essential not only for its traditional role in meeting the immediate food security needs of smallholder and subsistence farmers but also as a key source of income and a generator of employment both on and off the farm in rural communities.

- Agriculture is embraced by NEPAD, the ADB, and many national governments in their PRSPs as the key driver of economic development and an essential part of the economic foundation for health, education, and other services that sustain growth and social well-being.

- There is also widespread recognition that agriculture can fulfill its role only by becoming a more market-oriented enterprise. For many farmers, this means getting more return from local markets; for others, it means competing and succeeding in regional and international markets and building businesses based both on traditional and non-traditional commodities and exports. Farmers need to increase their productivity *and* their incomes.

- To transform African agriculture in this fashion will require substantial public and private investment, as emphasized in the African Union/NEPAD's Comprehensive Africa Agriculture Development Programme and the Maputo Declaration pledge by

African leaders to commit 10% of their national budgets to agriculture and rural development.

- Private investment and entrepreneurship is required to finance and operate specific enterprises successfully. However, private efforts will not be attractive and rewarding without public investment, which provides essential foundation investments, including supportive policy frameworks, rural finance mechanisms, market information and other market-facilitating services, rural transport and other physical infrastructure, human capacity building through training and extension, and appropriate research and technology development. These public goods are key to the success of any market-oriented agricultural system.

- Achieving adequate public investment in African agriculture will require both internal African resources from national budgets and external resources from developed country donors and international institutions.

- Despite the widespread recognition of agriculture's role in Africa's development, reflected in country PRSPs and the policy and program plans of development agencies worldwide, it often takes a back seat to other sectors in the national budgets of both African and donor countries.

Resource Levels and Trends in U.S. Development Assistance for African Agriculture

In the United States, the heightened recognition of agriculture's role in Africa has manifested itself in statements and program definitions at the policy level—for example, in USAID's agriculture strategy and in the principles guiding the president's IEHA—but this has not translated into increased budgets. In general since 2000, there has been no significant increase in U.S. resources devoted to agricultural development assistance in Africa.

- While the concept of agriculture-led economic growth and poverty reduction in Africa is widely embraced, as is the need to be broadly inclusive in defining what constitutes agricultural development assistance, there is no mechanism in place today for accurately quantifying the level of resources used for this purpose. This is due largely to the fact that USAID, the largest U.S. source of agricultural development assistance, does not report most of its agriculture-related activities in terms directly related to its agriculture strategy.

- It is possible, however, to gain a meaningful understanding of current U.S. resource levels and trends for assistance to support agriculture-led economic growth by looking at the resources available to USAID's Africa Bureau for agricultural-related assistance programs and by estimating the actual programming of resources for that purpose by USAID and other agencies.

- The amount of funding in USAID's DA account that potentially could be used for agricultural development assistance in Africa grew by 7% from FY 2000 to 2004, from $284 million to $304 million, which means a 3% decrease in real terms after adjusting for inflation. IEHA has not resulted in increased USAID resources for agricultural development assistance in Africa. In contrast, USAID funding available for health-related activities in Africa grew by 61% during the period to $474 million.

- Estimates of actual USAID funding for agricultural development in Africa, including both traditional development assistance programs and Title II food aid resources, indicate a total gain over the period of about 19% in absolute terms (9% after inflation), to a range of $295–378 million. Most of this gain occurred between FY 2002 and 2003, with estimated expenditures essentially unchanged from 2003 to 2004. In 2005, the Africa DA budget increased by $53 million over 2004, but $40 million of this gain was allocated to the Education and Democracy/Conflict sectors. It is too early to estimate how the remaining small gain in funds available for agricultural assistance development (about $13 million) will translate into actual expenditures in 2005.

- When funding for African agricultural development from other U.S. bilateral sources—USDA-managed food aid, the African Development Foundation, and the TDA—is considered, U.S. bilateral assistance increased by 7–8% over the five-year period, in the range of $350–433 million, which amounts to a slight decline in real terms after inflation. This level of funding for agriculture-led economic growth in Africa amounts to about 4% of total USAID-managed assistance programs worldwide.

- U.S. funding for agricultural development in Africa through multilateral channels—the FAO, IFAD, WFP, World Bank/IDA, and the African Development Fund—which comprises about 20% of total funding, grew by 34%, from $79 million to $106 million, due almost entirely to in a commendable increase in World Bank/IDA funding for rural roads.

- These figures show that the emphasis placed on agriculture as a key to economic development and poverty reduction by administration leaders has yet to be reflected in substantial budget gains for agricultural development assistance in Africa.

Governance and the Politics of Assistance

Funding levels and trends tell only part of the story of U.S. agricultural development assistance for Africa. The level of available funding, the purposes for which it can be used, and the efficiency with which resources reach the ground where they can have an impact in Africa are all influenced by complicated interactions among U.S. government agencies, their constituents, and a broad range of international considerations.

There are two key issues. First, competing policy and political considerations have led to an increasing imbalance in the resources available for agriculture-led economic growth relative to assistance for the health and education sectors. Second, even within the funding available for agriculture, strong congressional earmarks severely limit the flexibility of assistance programs to respond to needs identified at the country level. At least 90% of USAID's DA account is pre-allocated to specific areas through earmarks, including trade capacity, microenterprise, biodiversity, and plant biotechnology. These are important areas in general for agricultural development but may not match specific country priorities. The effect of these earmarks is to reduce the flexibility of development assistance programs to respond to the most important needs at the field level and, thus, undermine the effectiveness of assistance.

- The big decisions about how much U.S. development assistance funding is available and for what purposes are inherently and actively political in the sense that they are shaped by competing policy and political considerations and interest groups and made to a large extent by elected officials rather than development experts. One practical consequence is that decisions and priorities established by USAID officials, including the administrator, are not translated easily into new budget allocations. The flat funding of agriculture in Africa reflects this reality.

- Since September 11, 2001, long-term development initiatives, such as support for agricultural development in Africa, have competed with immediate assistance needs in Afghanistan and Iraq, as well as with other short-term crises, like Darfur in Sudan. In his first congressional budget testimony in the spring of 2001, Administrator Natsios' priorities were the three program pillars of Economic Growth and Agriculture, Global Health, and Conflict Prevention and Developmental Relief. By 2004, his budget testimony gave priority to the emergencies of the day and the war on terrorism. This is a natural and not new phenomenon in our democratic political system, but it puts initiatives with longer term investment horizons and payoffs at a disadvantage in the competition for resources.

- Intense competition from crises of the day and high priorities in the health and education sectors, along with general budget constraints, explain why the slice of the USAID budget pie available for agricultural development assistance in Africa has remained essentially flat since 2000 despite resurgent support for agriculture at a policy level. The Millennium Challenge Account has the potential to avoid these constraints. If MCA-eligible countries make agriculture-led economic growth a priority, MCA will be able to fund them for that purpose at levels well beyond what could ever be achieved through the USAID budget.

- In addition to crises of the day, other competing policy and political considerations limit the total amount of resources available for agricultural development assistance and how those resources can be allocated. Strong congressional earmarks direct in broad terms how at least 90% of USAID's DA account must be spent, with significant earmarks in areas that relate indirectly but in specific ways to agriculture's potential role in development. These include large earmarks for trade capacity, microenterprise, biodiversity, and plant biotechnology. Each of these earmarks has its political patrons and advocates and each has its own legitimate justification, but their cumulative effect is to force many of USAID's agricultural assistance projects into particular models (such as support for specific microenterprises that seek to expand their export markets or work on export policy reform), which may be more or less appropriate in a particular country based on that country's needs and priorities. By laying claim to most of the available resource, the earmarks also crowd out investments in transport and other forms of rural infrastructure that USAID and many African countries consider high priority but that do not have any earmark support in the USAID budget.

- The nature of the U.S. budget process is that it rewards well-meaning, politically active groups that can persuade members of Congress that their particular cause deserves a guaranteed level of funding. Since the starting point for next year's budget is often this year's allocations, earmarks have staying power and accumulate over time. While individual earmarks may have merit, their cumulative impact is the development assistance equivalent of the committee-designed camel, not a coherent strategy, and they largely preempt the flexibility of USAID and partners in Africa to develop and implement coherent, partner-led strategies that will be effective in the diversity of situations that African countries face.

- The first development compact to be entered into by the MCC, with Madagascar, illustrates how different an earmark-driven public investment strategy might be from a strategy driven by a country's judgment about how to reduce poverty and promote economic growth. USAID's 2004 CSH and DA portfolio in Madagascar was budgeted at about $19.5 million, of which $10 million was for health services and products, $8.3 million was for biologically diverse forest ecosystems, $0.7 million was for improved governance, and only $0.5 million was related to agriculture-led economic growth. The Madagascar-driven compact is focused entirely on efforts that will foster agriculture-led rural economic growth and poverty reduction: securing improved property rights to land, improving rural finance and credit skills, and helping Malagasy farmers and rural entrepreneurs identify and exploit new market opportunities. The compact, which was signed in April 2005, will provide Madagascar with $110 million dollars over four years.

- Another governance factor undermining the effectiveness of agricultural assistance is that the current planning and reporting system biases the agency toward projects that can report quantifiable, relatively near-term results through the USAID internal management system. These pressures may contribute to USAID's dwindling portfolio of human and institutional capacity-building programs and infrastructure projects and its emerging focus on relatively small-scale projects that can produce concrete results. These include working with a specific firm or group of producers to increase income from the export of a particular commodity or value-added product. Picking and supporting specific, potential agribusiness winners has its own value but may or may not have as large and as broad-based an impact as longer term investments in infrastructure, training, and institutional development.

- Limited funding for agriculture, the results-driven bias toward small-scale projects, and other features of the political and governance system have resulted in the fragmentation of agricultural development assistance into a large number of modest-sized projects across the region. Estimated programming of funds for agriculture-related strategic objectives at the field office level in sub-Saharan Africa, which averaged about $200 million per year from 2000 through 2004, was spread widely across 24 countries and four regional programs, resulting in average annual funding at the country level of about $6 million per year. This money is typically subdivided further within each country among multiple contractors and grantees. As an arm of the U.S. foreign policy apparatus, USAID is expected for diplomatic and political purposes to have some presence in many countries and the need to satisfy diverse earmarks, along with other factors, pressures USAID field offices to involve multiple implementing organizations in diverse projects. This raises the issues, however, of whether funding for projects is sufficient to have a lasting effect, how well they can be coordinated, and how their effects add up.

- Fragmentation also gives rise to questions about the coordination of agricultural development assistance within USAID, among U.S. agencies, and with other donor countries and international institutions. Within USAID, the Africa Bureau and Office of Food for Peace have traditionally operated in parallel but independently, with FFP Title II cooperating sponsors in Africa contracting with and reporting to Washington, while other implementing organizations work directly with the local USAID field offices. Recently, many missions have worked to coordinate and even integrate these activities, and, at least on the surface, there is considerable convergence within USAID on the general approach taken to agricultural development in Africa. There is, however, no established mechanism for coordinating agricultural development strategy, resource allocation, or on-the-ground activity with USDA (the other major bilateral funder of agricultural development assistance) or with the multilateral development institutions. Because there is wide agreement internationally on the general approach to agriculture-led economic growth and poverty reduction, the key implementation issues include priority-setting, resource allocation, and aggregation of efforts so that the maximum, sustainable development benefit is achieved.

- Finally, domestic political and policy considerations impose a "political overhead" on U.S. development assistance that reduces the level of resource that actually reaches the ground in Africa. This includes the costs incurred in procuring food in the U.S. and shipping it to Africa in predominately U.S. ships, tying aid to procurement from U.S. sources, and using predominately U.S. contractors to implement development projects in Africa. It is beyond the scope of this report to quantify the dollar cost of this political overhead, but it is substantial. The political forces shaping U.S.

development assistance can also have consequences in the recipient country beyond diminished resources reaching the ground. Food aid can disrupt local markets; the tying of procurement cuts out local suppliers; and the predominance of U.S.-based project designers and implementers undermines local ownership of the development process.

Recommendations

The fact that policymakers widely recognize the essential role of broad-based, market-oriented agricultural development in achieving economic growth and poverty reduction is an important shift and accomplishment. The issue now is how best to make the public investment and create the public goods required to turn the vision into reality. The recommendations and questions in this section are a partial response. They address funding priorities and levels, opportunities to improve effectiveness, and possible structural change in the program. But they are only a starting point. Fulfilling the vision will require commitment, creativity, and willingness to change on the part of the broad policy and stakeholder community.

Funding Levels and Priorities

Because U.S. funding for agricultural development assistance in Africa has lagged significantly behind other sectors and regions, the United States should:

- *Invest More in Economic Growth, Making African Agriculture a Real Budget Priority* – It is critical that overall development assistance grow significantly. As part of a major increase, African economic development in general and agriculture-led growth and poverty reduction in particular should be made true budget priorities for Congress and USAID. Assistance to African agriculture should grow at least as fast as overall foreign development assistance, and, by 2009, at least double to 10% or more as a percentage of USAID-managed development assistance. Creating a better balance between spending on social services and investments for economic development is critical. Food, economic development, and health are interdependent. If people cannot produce adequate food, they will never be healthy; without economic growth in rural communities, African nations will remain dependent on external assistance to sustain their health systems and meet other basic human needs.

Resource Use and Effectiveness

Because the level of resources actually reaching the ground in Africa and their effective application are diminished by correctable policy and structural features of the aid system, the United States should:

- *Reduce Political Overhead* – Congress and the administration should review and reform the policies governing sourcing and shipping of food aid, U.S. procurement preferences, and reliance on U.S.-based vendors so that more of the resources appropriated for agricultural development assistance reach the ground in Africa.

- *Reduce Fragmentation* – USAID should take the lead among U.S. agencies to mount larger and more focused programs within countries and within the region, taking advantage of all available U.S. resources (Development Assistance, Title II food aid, and USDA-managed food aid) and managed by fewer vendors, to ensure that the U.S. investment adds up to meaningful improvement in the public goods required to build a successful agricultural system.

- *Improve Donor Coordination and Pooling of Resources* – To further improve the use and effectiveness of resources, USAID should intensify its efforts to both coordinate programs and pool resources with other donor agencies so that the donor community as a whole can be a coherent, meaningful component of the recipient country's agricultural development and investment strategy.

- *Foster Local Ownership of the Development Process* – USAID should expand its program and budget support funding for agricultural development in countries that have committed to a clearly defined development strategy and have installed the systems required to manage resources with transparency and accountability.

Planning and Reporting

- *Develop a Coordinated U.S. Strategy for Supporting Agriculture-Led Economic Growth in Africa* – To support growth in funding for agriculture-led economic growth in Africa and a more strategic use of available funds, the USAID administrator should lead the development of and propose to Congress a comprehensive cross-agency plan that defines funding needs and priorities for this purpose and outlines how agricultural development resources will be spent, in a coordinated manner, to foster broad-based economic growth and poverty reduction.

- *Improve Transparency, Accountability, and Incentives for Local Ownership and for Potentially High-Impact Programs with Longer Time Horizons to Achievement* – As a key part of the comprehensive agricultural development support strategy, the USAID administrator should develop and implement a consistent reporting mechanism that reveals, on an annual basis and for all agencies with programs related to African agricultural development:

    - Levels and trends in U.S. assistance for agriculture-led economic growth and poverty reduction in Africa;
    - Progress against indicators of substantive progress established in the comprehensive cross-agency plan;
    - Assessment of the projected long-term impact of projects, including standardized projected returns to the investment beyond external funding and assessment of the probability that the gains can be sustained by the host country following withdrawal of external assistance.

Fund for African Agriculture

To provide a budget vehicle for increased investment in African agriculture and poverty-reducing economic growth, the United States should:

- *Develop a New Funding Mechanism* – The principles underlying the MCA go a long way toward insulating long-term investment for development from the congressional earmark process and competition with the crisis or political priority of the day but its scope remains limited. Congress and the administration should create a similar, unearmarked fund specifically for Africa targeted at supporting rural economic growth in countries that meet specific criteria.

Appendix 4-A: U.S. Agricultural Development Assistance in Ghana

By Michael R. Taylor, Julie A. Howard, and Nicole M. Mason[1]

Overview of the Economy, Agriculture, and Food Security in Ghana[2]

The former British colony of the Gold Coast became the sovereign, independent nation of Ghana in 1957 after nearly five centuries of control of the coastal regions by European imperial powers. Independence leader Kwame Nkrumah, head of the Convention's People's Party, was elected Ghana's first prime minister. Although Nkrumah sought to unify the new nation under a socialist regime, challenges to the party's control were met with censorship and "preventive detention." Nkrumah was ousted in a coup by the Ghanaian army in 1966.

The National Liberation Council, the group responsible for the coup, called for greater accountability and civilian authority and the country eventually elected a prime minister and a president. Economic instability was the undoing of this regime, and Ghana saw its second bloodless coup in 1974, led by Colonel I.K. Acheampong. The colonel's promises of a better quality of life and economic development went unrealized, however, and mismanagement and rampant corruption plagued Ghana. Acheampong was overthrown in a palace coup by General Akuffo, who was eventually overthrown by Flt. Lt. Jerry John Rawlings in June 1979. Even though Rawlings and his Armed Forces Revolutionary Council handed power over to a civilian government led by Dr. Hilla

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Linmann in September 1979, Rawlings came back in a coup to overthrow the Linmann government on December 31, 1981, and set up the Provisional National Defence Council (PNDC) (Asuming-Brempong 2005).

For more than a decade, Rawlings attempted to root out corruption through force and intimidation, but eventually in the early 1990s the PNDC lifted the ban on political parties. Rawlings formed and led the National Democratic Congress and was democratically elected president in 1992 (Asuming-Brempong 2005). Rawlings was re-elected in 1996 and power was finally transferred peacefully in January 2001 to John Agyekum Kufuor of the New Patriotic Party. President Kufuor, who was re-elected in December 2004, is constitutionally limited to two terms.

Twelve years of civilian rule has been insufficient to lift Ghana out of poverty; in fact, poverty deepened among some communities in Ghana, especially in the north, over the period 1993–2003 (Ghana 2003). Although adult literacy is among the highest in sub-Saharan Africa (SSA) at 72.6% (due to nine years of free, public, compulsory education) and AIDS prevalence is relatively low at 3.6%, 40% of Ghana's population of 19.7 million lives in poverty, with 27% living in extreme poverty (1999) (Ghana 2003). Staple crop farmers are disproportionately affected by poverty in Ghana and make up 59% of the country's poor (Ghana 2003). Regional poverty disparities exist as well, with rates as high as 88% (1998–1999) in Upper West Ghana and as low as 5% (1998–1999) in the Greater Accra region. Infant mortality is lower (55/1,000) and life expectancy is higher (56.9 years) than in many other SSA countries but these figures remain high and low, respectively, relative to higher income countries.

After repeated post-independence coups wreaked havoc on the Ghanaian economy, an economic recovery program was launched in 1983 in conjunction with the International Monetary Fund (IMF) to help stabilize Ghana's economy. Price liberalization and structural adjustment under the IMF plan and debt relief through the Heavily Indebted Poor Country (HIPC) Initiative have done little, however, to stimulate the economy (Ghana 2003). Economic growth in Ghana has stagnated at 5.2% (2003),

[2] Information in this section is drawn from the U.S. Department of State's "Background Note: Ghana" unless otherwise noted (U.S. Department of State 2004).

and at $320 (2003) (World Bank 2003), per capita gross domestic product (GDP) is lower than it was at independence (Ghana 2003).

Ghana's rich and varied resource base has the potential to generate significant wealth, but over-reliance on traditional exports—cocoa, timber, gold, and other raw, unprocessed materials—has left the economy vulnerable to price fluctuations on the world market. With 54.7% of the workforce engaged in agriculture and fishing, Ghanaians are affected profoundly by these oscillations.

Ghanaian exports totaled $1.6 billion in 2001, with cocoa accounting for nearly one-third of exports; aluminum, gold, timber, diamonds, manganese, coconuts and palm products, coffee, shea nuts, pineapples, cashews, peppers, and rubber made up the remaining two-thirds of export revenue. The major Ghanaian staple food crops are cassava, yams, plantains, corn, rice, peanuts, millet, and sorghum. Although the majority of Ghanaians work in the agricultural sector, the industrial sector is advanced relative to other SSA countries and employs 18.7% of the workforce; sales and clerical jobs (15.2%); services, transportation, and communications jobs (7.7%); and professional jobs (3.7%) employ most of the remainder of the workforce.

Despite a 40% poverty rate and a stagnant economy, Ghana has made significant progress in combating hunger. The Food and Agriculture Organization of the United Nations (FAO) reports that undernourishment in Ghana declined from 37% in the period 1990–1992 to 18% in the period 1995–1997 (FAO 2004).[3] Undernourishment declined further to 13% in the period 2000–2002, though the rate of decrease has slowed significantly.

Ghana's Governance Structure for Agricultural Development

Ghana's democratic government includes at the national level a popularly elected president, a unicameral Parliament, and an independent Supreme Court. The national government works through ten regional sub-divisions. At the local level, however, there

[3] The term "undernourishment" refers only to the failure to meet dietary energy needs and not to the problem of malnutrition, which includes the failure to consume the micronutrients, protein, and other dietary components needed for good health. Nevertheless, FAO uses undernourishment interchangeably with "food insecurity," which FAO defines as the condition in which people in a society lack physical and economic access to the safe and nutritious food they need to thrive (FAO 2004).

are 138 district governments, each with its own elected District Assembly. The district chief executive is appointed by the president, and, together with the District Assembly, plays a significant role in developing and implementing policies adopted by the national government.

Agriculture and rural-based agribusiness are central to Ghana's economic development and poverty reduction plans, which are in turn among the highest priorities of Ghana's government. The key development policy framework for Ghana is the Ghana Poverty Reduction Strategy (GPRS) 2003–2005 (Ghana 2003), which was developed and is implemented through the efforts of numerous government bodies at the national and local levels.

At the top level of the government, President Kufuor has been involved personally in providing leadership and policy direction to Ghana's poverty reduction and agricultural development strategies. To oversee development of the GPRS, he appointed his senior minister, a long-time and widely respected figure in Ghanaian government, to chair the constitutionally mandated National Development Planning Commission (NDPC). The NDPC coordinates the development and implementation of the GPRS. He also has identified himself with presidential special initiatives to promote agricultural development in a number of commodity sectors, including cassava, oil of palm, and cotton.

Because the GPRS addresses both the social services and economic components of the development process, virtually every ministry in the government has been involved in its development and implementation. At least seven ministries played important roles in developing the agriculture-related elements of the GPRS, with the Ministry of Food and Agriculture (MOFA) contributing the core agricultural development components in the form of its 2002 Food and Agriculture Sector Development Policy (FASDEP) (discussed further below). Parliament also participated in the development of the strategy through dialogue with the NDPC and had the final say in approving the GPRS following extensive hearings and deliberations. The District Assemblies contributed to the formulation of the GPRS by providing comments through the relevant ministries and play a critical role in frontline implementation because they must approve any specific projects proposed within their districts in pursuit of the strategy.

Because the ability of agriculture to contribute to economic growth depends on a host of factors beyond the mandate of MOFA, other ministries and agencies also contribute to the GPRS in ways related to agriculture, including the Ministry of Transport and Highways; the Ministry of Local Government and Rural Development; the Ministry of Environment, Science and Technology; the Ministry of Trade and Industry; the Ministry of Private Sector Development and Presidential Special Initiatives; the Ministry of Women and Children's Affairs; and the National Board for Small Scale Industries. Finally, the Ministry of Finance and Economic Planning plays a critical role in allocating scarce government resources among many competing bodies and priorities.

Ghana's governance system for development policy provides the private sector and other elements of society with opportunities to participate through the normal process of expressing views to elected members of Parliament and District Assemblies. In addition, Ghana conducts an annual National Economic Dialogue that is designed to involve civil society in discussion of development policy. Due at least in part to this and other efforts to be inclusive in the development of the GPRS, the strategy enjoys wide support in Ghana, including the endorsement of the opposition party. The differences of opinion about the GPRS concern the feasibility of meeting some of its specific development goals on time rather than the general thrust of the strategy.

The Role of Agriculture in Ghana's Development Strategy

The GPRS is a broad framework for achieving "growth, accelerated poverty reduction and the protection of the vulnerable and excluded" by:

- Ensuring sound economic management for accelerated growth;
- Increasing production and promoting sustainable livelihoods and gainful employment;
- Direct support for human development and the provision of basic services;
- Providing special programs in support of the vulnerable and excluded;
- Ensuring good governance and increased capacity of the public sector; and

- The active involvement of the private sector as the main engine of growth and partner in nation building (Ghana 2003, 30).

Agriculture has a central role in the GPRS, reflecting the high percentage of the Ghanaian workforce engaged in agriculture and the high rates of poverty among farmers. Based on the belief that changing "the archaic, near-subsistence agricultural economy into a progressive, dynamic, entrepreneurial and profitable business … will act as a stepping stone to widespread industrialization (Ghana 2003, 36)," the GPRS makes "modernized agriculture based on rural development" one of its medium-term priorities, with the objective "to develop the country to become an agro-industrial economy by the year 2010" (Ghana 2003, 144).

The GPRS recognizes that achieving these ambitious goals in agriculture requires a broad array of measures to improve infrastructure for irrigation, storage, and transport; to improve the marketing opportunities of farmers by removing government-imposed obstacles and supporting producer organizations; and to increase productivity through extension services that help farmers with crop and livestock development and new technologies. It also calls for reform of the land tenure system in Ghana so farmers can have title to their land, which is "an essential prerequisite to attracting entrepreneurship into farming and the promotion of agricultural industry" (Ghana 2003, 40).

Further details on how Ghana plans to achieve the agricultural modernization goal of the GPRS are provided in the FASDEP (MOFA 2002). According to this policy, the MOFA will contribute to poverty reduction in Ghana by promoting "sustainable agriculture and thriving agribusiness" through a holistic and market-oriented approach that includes facilitation of: 1) the production of agricultural raw materials for industry; 2) the production of agricultural commodities for export; 3) effective and efficient input supply and distribution systems; and 4) effective and efficient output processing and marketing systems (MOFA 2002).

The GPRS recognizes that significant investment will be necessary if Ghana is to achieve its overall GDP growth rate target of 8% by 2010 and its agricultural sector growth rate target of 4.8% by 2005. To address this need, the strategy calls for increased public financing of development from both internal and external sources. This includes improving the efficiency with which taxes are raised and government expenditures are made by Ghana's government, reducing the non-concessionary component of external loans, and devoting HIPC initiative savings to poverty reduction programs after domestic debt is reduced.

Overview of Public Investment in Ghana's Agriculture

While the focus of this study is U.S. agricultural development assistance to Ghana, the U.S. program is best understood in the context of overall public investment in Ghanaian agriculture, which is summarized in this section.

As used here, the term "public investment" refers to expenditures by the government of Ghana or by external donor governments and multilateral institutions. Public investment in agriculture includes expenditures that have as a primary purpose improving the capacity of agriculture to contribute to economic growth and a reduction in poverty and hunger. It thus includes expenditures for the core agricultural purpose of increasing productivity through improved access to technology, extension, and other services farmers need to produce, as well as the broader purpose of linking farmers to markets so they can earn income from increased production.

In many cases, such as spending on rural roads or trade policy, public investments have multiple purposes, and it may not be possible to identify a primary purpose. Thus, the broader view of public investment in agriculture taken here makes it impossible to produce a single figure that can be said with confidence to represent total public investment in agriculture in any country. The only remedy is to describe relevant spending in ways that are as clear, transparent, and comparable country-to-country as available information permits.

The GPRS projects in some detail the cost of implementation of Ghana's poverty-reduction strategy over the three-year period 2003–2005 (Ghana 2003). Ghana projects the total cost to be $5.28 billion above the baseline costs of government operations to be allocated over five thematic areas: macro-economic stability (8%), production and gainful employment (27%), human development and provision of basic services (58%), special programs for the vulnerable and excluded (3%), and governance (4%). When the GPRS identifies medium-term priority programs, however, which are projected to cost

$2.52 billion over the three years, the two-to-one ratio between the social sector (primarily health and education) and economic sector (which includes agriculture, rural development, and infrastructure) is almost exactly reversed, with 56.2 % being allocated to the economic sector and 29.8% to the social sector (Ghana 2003).

Agriculture per se (as funded through the Ministry of Food and Agriculture) does not fare well, however, in the priority scheme. Of the $80 million the GPRS projected for the modernization of agriculture over the three years, $23 million was projected for 2003, but less than $1 million of this made the medium-term priority cut. These efforts, which included mechanization, irrigation and fisheries investments, instead were deemed a supplementary priority program that would be implemented "if additional funds can be secured" (Ghana 2003, Volume II, 14). Infrastructure investments related to agriculture fared better, with actual expenditures for feeder roads reaching $303 million in 2003, which was even greater than the $242 million that had been planned (NDPC 2004).

For all of its investments to implement the GPRS, Ghana depends heavily on external donors, with 90% of the projected $444 million in 2003 GPRS investments coming from external sources. According to the Organisation for Economic Co-operation and Development (OECD) (Table 1), external assistance for all purposes totaled more than $900 million in 2003, or about 12% of Ghana's national income, with the top four donors being the World Bank's International Development Association, the United Kingdom, the Netherlands, and the United States.

Ghana's 2003 annual progress report on the GPRS (NDPC 2004) reports actual spending patterns in the first year of implementation. It shows that considering both government of Ghana and donor resources, the actual share of GPRS investment going to agriculture per se declined by 45% between 2001 and 2003 (from 7.17% to 3.91% of total discretionary expenditures). The report acknowledges that this "has negative implications for the poor" (NDPC 2004, 33). However, spending for infrastructure (primarily roads) was substantial at 15.5% of the total. This was below the GPRS target of 17.2% but above the 2001 level of 11.6%. Despite the GPRS's expression of medium-term priorities, social investments through the Ministries of Education and Health continued to receive the largest share (38.7%) of discretionary GPRS spending. Interestingly, the donor contribution to Ghana's GPRS investments was skewed in a different direction, with 10.7% going to agriculture per se, 51.5% going to infrastructure, and 16.7% going to the social sectors (NDPC 2004).

According to OECD's Creditor Reporting System, bilateral assistance from the OECD countries (including the United States) averaged $466 million annually from 2000 through 2003, with reported funding for core agriculture, forestry, and rural development purposes averaging about $27.5 million annually (Table 2). Reported OECD country funding for road transport averaged $33 million over the period, but 90% of this was in one year (2003), and the data do not specify whether the assistance was for rural or urban road transport.

Significant public investment in Ghanaian agriculture also comes from the multilateral development organizations, including:

- *The World Bank*. The World Bank portfolio in Ghana includes 28 active projects with a commitment value of about $1,084 million (World Bank 2005). These projects involve health, education, infrastructure, governance, natural resource management, and other sectors related to achieving the goals of the bank's Country Assistance Strategy for Ghana, which include improving access to services for poor Ghanaians as well as land titling and public-sector management reform (World Bank 2000). Eight active World Bank projects relate directly to agriculture, with a value of about $125.2 million (Table 3).
- *Food and Agriculture Organization*. In 2004, FAO was involved in 27 active, mostly multi-year projects in Ghana, with a total contribution valued at $4.4 million (FAO 2005). FAO's projects focus primarily on improving productivity and food security at the household level, but they involve a wide range of activities, including strengthening the organizational capacity of producer organizations, fostering access to needed inputs, capacity building for agricultural product processing, improving irrigation policy and regulatory measures, training, and developing agriculture-related industries and bankable projects.
- International Fund for Agricultural Development (IFAD). The IFAD is financing five ongoing projects in Ghana with loans totaling approximately $41.3 million (IFAD 2005). The projects are: 1) a project to foster the development, enhancement, and empowerment of new and existing micro- and small enterprises; 2) a poverty

reduction project focused on women and the rural poor in the Northern Region of Ghana; 3) a rural finances project; 4) a five-year project in the Upper East Region of Ghana to improve women's access to credit and land, develop rural infrastructure, and empower producer organizations; and 5) a six-year program to increase smallholder agricultural productivity through root and tuber crop systems.

- *African Development Bank* (ADB). In 2003, ADB loans and grant disbursements in Ghana totaled 49.8 UA or approximately $74.6 million (ADBG 2005). While agriculture is a priority sector for investment in the ADB's strategic plan, project- and sector-specific information was not available for this report.

It is impossible to determine precisely the total amount of annual public investment in Ghanaian agriculture, whether from domestic or external sources, due to the lack of any standardized definition or reporting system for such investment and the fact that many projects are funded on a multi-year basis. Nevertheless, for the sole purpose of putting U.S. assistance in context, a reasonable approximation of the annual public investment in traditional agricultural development activities in Ghana is $100–125 million, virtually all of which is from external sources. This includes annual bilateral assistance from OECD countries and multilateral commitments (assuming an average three-year project life). This does not include the anticipated investment of about $300 million per year over the 2003–2005 period in roads to improve rural and urban market access.

The U.S. Assistance Program for Agriculture in Ghana

The U.S. agricultural development program in Ghana is best understood in the context of the overall U.S. assistance program in the country. The United States is one of Ghana's largest bilateral donors, consistently ranking among the top three donor countries. As reported to the OECD, total U.S. bilateral assistance to Ghana from all agencies for all purposes during the period 2000–2003 averaged about $66 million per year (Table 2). About 80% of this assistance is funded and managed through the U.S. Agency for International Development (USAID), with the balance coming through the Peace Corps, the U.S. Department of Agriculture (USDA), the Trade and Development Agency (TDA), and the Departments of State, Treasury, and Interior.

In the fiscal years 2000–2004, the total annual USAID appropriation targeted specifically to assist Ghana averaged about $54 million, including a high of $60.7 million in FY2003 and an appropriation of $47.7 million in FY2004 (Table 4). USAID's FY2005 budget request for Ghana was $47.2 million, the eight largest in the Africa region. These figures do not include funds appropriated for Economic Growth, Agriculture, and Trade and the Africa regional programs that may have been used for activities in Ghana.

USAID's Strategy for Agriculture

USAID's overall strategy in Ghana, including its strategy for agriculture, is described in the agency's Ghana Country Strategic Plan (CSP) FY2004–2010 (USAID 2003). The broad goal of the CSP is "equitable economic growth and accelerated poverty reduction within a system of sound democratic governance" (USAID 2003, 2). This goal was identified after stakeholder consultations revealed "weak governance and slow growth" as the main constraints to poverty reduction in Ghana (USAID 2003, 2). A subsequent participatory planning process involving government and non-governmental organization partners helped to formulate four strategic objectives to accomplish the program goal:

- Strengthened Democratic and Decentralized Governance through Civic Involvement;
- Competitiveness of Ghanaian Private Sector in World Markets Increased;
- Health Status Improved; and
- Improved Quality and Access to Education.

In its overall country strategy, the USAID Mission in Ghana stresses that "all elements of the proposed strategy support [the GPRS]" and that USAID's strategic objectives are consistent with the six objectives of the Ghana's poverty reduction strategy (USAID 2003, 25). Mechanized agriculture is emphasized in the GPRS and thus features more prominently in the 2004–2010 CSP than the 1997–2004 version. Nonetheless, the CSP describes the agriculture strategy mostly in general terms, with agriculture's importance implied but rarely explicitly emphasized. Agriculture is explicitly given a high priority in the CSP only in reference to the Food for Peace (Title II) food aid program. As discussed below, a declining share of strategic objective funding in Ghana (about 15% in FY2004) goes to the strategic objective that includes agriculture and other economic development activities; most of the rest goes to health and basic education.

Agriculture is included in strategic objective 641-006 (Increased Competitiveness of Private Sector), which embodies USAID/Ghana's economic growth strategy, the ultimate goal of which is poverty reduction. The strategic objective emphasizes improved competitiveness in overseas markets because domestic markets are "too small at present to kick start rapid growth" and "regional markets are still poorly integrated" (USAID 2003, 45). The USAID/Ghana strategy will help Ghanaian exports become more competitive in overseas markets by "improving the enabling environment for the private sector" and "increasing the capacity of the private sector to respond to export opportunities" (USAID 2003, 47).

The near-term goals of the economic growth strategy (intermediate results in USAID terms) are expressed as:

- Enabling environment supportive of private sector competitiveness strengthened, with illustrative activities including:
    - Providing long-term advisors in the Ministry of Finance and other entities to assist in policy reform and/or capacity building;
    - Providing technical assistance and training to strengthen public sector fiscal, monetary, and budgetary capacity as well as energy and telecommunications regulatory bodies;
    - Conducting sector policy studies of areas such as agriculture to assess opportunities for involvement;
    - Enhancing Ghana's integration with Economic Community Of West African States through collaboration with the West African Regional Program and the West Africa Trade Hub; and
    - Providing grants to strengthen the policy analysis and advocacy capacity of businesses, labor organizations, and civil society.

- Capacity of private-sector enterprises to compete in selected product categories strengthened, with illustrative activities including:
    - Enhancing management and market information access to expand existing markets and find new markets;
    - Improving production and processing technology;
    - Developing market-driven strategic partnerships between multinational companies, Ghanaian exporters, and local out-growers; and
    - Promoting environmentally sustainable agricultural practices and build capacity to meet European Union and American market standards (USAID 2003).

In addition to these activities, the CSP calls for the Food for Peace food aid program to be integrated into the overall USAID economic growth program for Ghana. This is to be accomplished by working in the agriculture and agribusiness sectors to help connect smallholder producers to domestic and export markets, as well as working on more traditional agricultural productivity projects, such as agro-forestry extension, post-harvest loss reduction, microenterprise, and credit for agricultural inputs, including fertilizers and pesticides (USAID 2003).

USAID's Agricultural Development Program

Funds Available for Agricultural Development Assistance

USAID's agricultural development assistance for Ghana is funded and managed primarily through the USAID Mission in Accra out of its Development Assistance (DA) and PL 480 Title II accounts. The other major account through which the activities of the USAID Mission in Ghana are funded is Child Survival and Health (CSH). As indicated in Table 4 and Figure 1, the funds available through the DA and Title II accounts have declined since FY2000, and the CSH account has grown such that CSH is now the largest of the three, whereas the DA account was the largest in FY2000. The DA allocation for Ghana is slated for a further decrease in FY2005.

It is important to focus also on the specific sectors within the DA account that are used to support agriculture's role in economic development and poverty reduction, namely agriculture, economic growth, and environment (with funding for the Initiative to End Hunger in Africa [IEHA] coming online in FY2003 as a sub-component of the agriculture sector). The agriculture-related sectors comprise just over half of the DA account, with the bulk of the remainder earmarked for basic education. Funding for these sectors in Ghana declined by more than 50% from FY2000 to FY2004 (from $17.3 million to $8.2 million), even with the initiation of IEHA funding in 2004.

Non-emergency Title II food aid resources used for agricultural development also declined from FY2000 by nearly 50% to a level of $4.7 million in FY2004.

Use of Development Assistance Funding for Agriculture

1. Recent Funding of Agricultural Development

While the mission receives its DA funding allocation from Washington in the four sub-categories shown in Figure 1, USAID allocates and reports its DA resources to agriculture and other sectors through the strategic objectives laid out in its strategic plan for Ghana. As noted, the strategic objective applicable to agricultural development is strategic objective 641-006 (Increased Competitiveness of Private Sector), which was initiated with the Ghana Mission's new CSP in FY2003. The predecessor strategic objective focused primarily on agriculture was strategic objective 641-001 (Increased Private Sector Growth), which was initiated in 1997. As indicated in Table 5, funding for these predominately agriculture-related initiatives has declined steadily from $15.2 million in FY2000 to $5.1 million in FY2004.

As summarized below, not all of the activity under these strategic objective is focused on agriculture. For purposes of estimating funding of agricultural development, the authors estimate that 75% of the funding in the two private-sector growth strategic objectives is related to agricultural development. Given the inherent uncertainty in this estimate, Table 5 also expresses the estimated funding level applicable to agriculture as falling within a range of 67–100%.

Taking into account the funding of all four strategic objectives currently in effect in USAID's Ghana Mission, approximately 10–15% of the funding appears to be used for purposes related to fostering agriculture's role in economic growth and poverty reduction (Figure 2).

2. Current Activities in the Primary Agriculture Strategic Objective[4]

The overall purpose of USAID/Ghana's primary agriculture-related strategic objective is to increase the competitiveness of Ghana's private sector in world markets through training and technical assistance for both public and private actors. The activities being funded to achieve this purpose fall into two intermediate results sub-categories. The first, funded at a level of about $2.5 million in FY2004 (out of the $5.1 million allocated to this strategic objective for agricultural development), is intended to improve the enabling environment for private sector competitiveness, focusing on both policy and institutional reform. Priority focus areas include better macroeconomic and financial management in the government; removal of market entry and exit barriers and a generally more favorable trade policy regime; strengthened regulatory frameworks for gas, electricity, and telecommunications; and expanded public–private sector dialogue. Specific activities include capacity building to improve government revenue collection and technical assistance to government bodies developing gas and electricity regulations. These broad efforts to improve the enabling environment for businesses will help both agricultural and non-agricultural sectors of Ghana's economy.

The second sub-category of activity under this strategic objective, funded at a level of about $2.6 million in FY2004, involves working with specific industries and firms to increase their capacity to compete in world, regional, and local markets. This activity is focused primarily on non-traditional agricultural commodities and value-added products and involves providing technical assistance to specific firms on all aspects of the firms' business, including product design and business planning, production, accounting, logistics, and credit.

Chemonics International, Inc., recently won the prime contract to carry out most of the activities under this strategic objective.

[4] Information in this section is drawn from the USAID "FY2005 Congressional Budget Justification-Ghana" (USAID 2005).

Use of PL 480 Title II Food Aid Resources for Agricultural Development

A significant portion of the overall U.S. investment in agricultural development in Ghana is financed through development (non-emergency) food aid from USAID and USDA, which is normally channeled through private voluntary organizations working in the country as Title II cooperating sponsors (CSs). These organizations use the proceeds from the sale (monetization) of the commodities to carry out their projects involving agriculture, health, education, and other needs. Determining the dollar amount of the food aid resource that is applied to agriculture requires considering both USAID and USDA non-emergency food aid flows through USAID's Title II program (Food for Peace) and USDA's 416(b) and Food for Progress programs; related cash assistance to the private voluntary organizations through section 202(e) of PL 480; and estimates of the percentage of each private voluntary organization's program that is devoted to agricultural development[5] (Table 6).

The USAID-managed Title II food aid is discussed in this section. The USDA food aid program is discussed in the next section.

1. Funding

During the period 2000–2004, the value of USAID's Title II non-emergency food aid shipments to Ghana averaged $16.7 million annually, including freight costs from the United States (Table 6). Excluding freight costs, the value of the commodities themselves averaged $11.1 million. Total payments under section 202(e) to all CSs working in Ghana averaged $374,000 per year, with payments being made to one or more of these organizations in three of the five years. The estimated percentage of each CS's activity that was devoted to agriculture varies from zero to 100%. Based on USAID's reported estimates, the percentages of overall Title II non-emergency food aid used for agriculture in Ghana varied from 11% in FY2002 to 59% in FY2001, with the average percentage of agriculture use over the entire five-year period being 34%.

Thus, if freight costs are included, Title II food aid-financed agricultural assistance for Ghana from FY2000 through FY2004, including 202(e) payments, averaged $6.1 million annually, with the levels fluctuating between $11 million in FY2001 and $1.3 million in FY2002. The trend, however, is strongly downward, with the FY2004 value of $4.6 million being 49% lower than the FY2000 level. If freight costs are excluded, agricultural assistance financed by Title II food aid averaged $4.1 million annually.

2. Title II-Funded Development Activities

Catholic Relief Services manages the largest volume of non-emergency Title II food aid among CSs working in Ghana, but its primary focus has been education. The principal organizations managing Title II-financed agricultural development projects in Ghana are Adventist Development and Relief Agency International (ADRA) and Opportunities Industrialization Centers International, Inc. (OICI), with ADRA having by far the largest agriculture-related program (Bogart 2004).

Like USAID-managed food aid programs in general, the ADRA program is focused on the goal of food security as called for by USAID's 1995 food aid policy statement (USAID/FFP 1995). Specifically, the ADRA program is built on two strategic objectives: 1) increased agricultural productivity and income for 20,000 resource-poor farmer households and their dependents in targeted areas; and 2) increased access by 300,000 rural dwellers in the targeted communities to health and nutrition education, sanitation facilities, and year-round adequate and safe water (ADRA 2001). Both of these objectives target food-insecure households new to ADRA programs as well as individuals who engaged actively and successfully in previous ADRA Development Activity Programs.

The intermediate results sought under the agriculture-related strategic objective include increased sustainable agricultural production through increased access to farm inputs, enhanced soil fertility, and increased community reforestation and conservation, as well as increased agricultural incomes as a result of reduced post-harvest loss, increased product value-added, and better access to and utilization of markets and market information (a key element of which is rural road development) (ADRA 2001).

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[5] The development food aid reported here does not include USAID or USDA food aid contributions to the U.N.' World Food Programme, which are used predominately for emergency feeding, or the USDA contributions for the Food for Education program.

Diversification, technical information transfer, and market competitiveness are three key elements of the ADRA strategic objective for agricultural productivity and farmer incomes. This strategic objective reflects the goals of both Ghana's GPRS and the USAID Mission to increase agricultural production; improve market access, information, and competitiveness; and bolster the private sector's role in achieving those goals. The strategic objective has consumed about three-quarters of ADRA's non-emergency Title II resources in Ghana over the past five years (ADRA 2001).

ADRA works closely with OICI, the other major implementer of Title II-financed agriculture projects in Ghana. OICI projects include training initiatives related to post-harvest processing and storage, pump, and well development and maintenance and sanitation in the northern region of the country (OICI 1998). Other activities included in the OICI Development Activity Program, entitled "Food Security Training and Outreach Services Initiative," include training farmers in marketing and basic business management skills and training women in practices such as beekeeping, pottery, agroforestry, and cassava production and processing. About two-thirds of OICI's Title II development work in Ghana is agriculture related (OICI 1998).

USDA's Agricultural Development Activities in Ghana

Non-Food Aid Activities

As discussed in Chapter Two, USDA has no appropriation specifically for agricultural development assistance in Africa, but USDA employees provide technical assistance and manage programs that are funded by USAID through the International Cooperation and Development (ICD) program in USDA's Foreign Agricultural Service. Ten USDA agricultural advisors are on reimbursable details at USAID working on the Presidential Initiative to End Hunger in Africa.

In addition, USDA funds occasional projects that relate to agricultural development in specific African countries, amounting to about $1 million annually across the continent, through ICD's Food Industry Division and Scientific Cooperation Research Program (Brown 2005). Projects of this kind that have had some connection with Ghana include the Cochran Fellowship Program, which through the end of FY2003 has given a total of 33 Ghanaian scientists 2 to 6 weeks of agricultural training in the United States. USDA also has provided technical assistance to Ghanaian efforts to build leadership capacity for agricultural cooperatives and to meet the food safety standards of U.S. and European importers.

Food Aid for Agricultural Development Purposes

In resource terms, USDA's largest contribution to agricultural development in Africa comes through its management of food aid programs, including the Food for Progress and the 416 (b) programs.

1. Funding

USDA's 416(b) and Food for Progress shipments of development food aid are generally on a smaller scale than the values associated with USAID's Title II Food for Peace Program and, in the case of Ghana, were made sporadically during the period FY2000–2004 (Table 6). Section 416(b) contributed to Ghana in only one of those years (FY2002) and Food for Progress in two of those years (FY2000 and FY2003) for a combined average of $1.44 million per year including the estimated cost of freight.

It is important to note that in contrast to USAID, USDA's tables reporting the values of its Food for Progress and 416(b) commodity allocations do not include the cost of freight. Freight costs normally comprise about one-third of the total value of a food aid shipment. Thus, as reflected in Table 6 the estimated freight-inclusive value of the USDA food aid allocations is about 50% greater than the values reported in the USDA food aid tables. Excluding freight, USDA shipments of 416 (b) and Food for Progress food aid averaged $960,000 annually over the five-year period.

As a general rule, Food for Progress resources are used for agriculture-related projects, while 416 (b) resources are used for a range of purposes, including agriculture, education, HIV/AIDS, and other health purposes (Rubas 2005). USDA does not provide project-by-project estimates of the percentage of food aid resources that is devoted to agriculture or other purposes. The working assumption for purposes of this report is that 100% of Food for Progress resources and 50% of 416(b) resources are used for agricultural purposes.

On this basis, the USDA-managed food aid resources made available in Ghana for agricultural development purposes in the FY2001–2004 period averaged $1.1 million per year with freight costs included and $732,000 without freight costs included (Table 6).

The USDA allocations are too irregular to reveal a clear trend, but the donations to Ghana were at their largest in FY2000 and FY2002 and were zero in FY2004.

2. Activities

The uses of USDA-managed food aid in Ghana during 2000–2004 included projects to improve on-farm productivity and employment, rural microfinance, and market development, as well as to promote HIV/AIDS prevention and education in rural communities.

Other United States Agencies

The ADF and the TDA have only limited agriculture-related activities underway in Ghana.

African Development Foundation

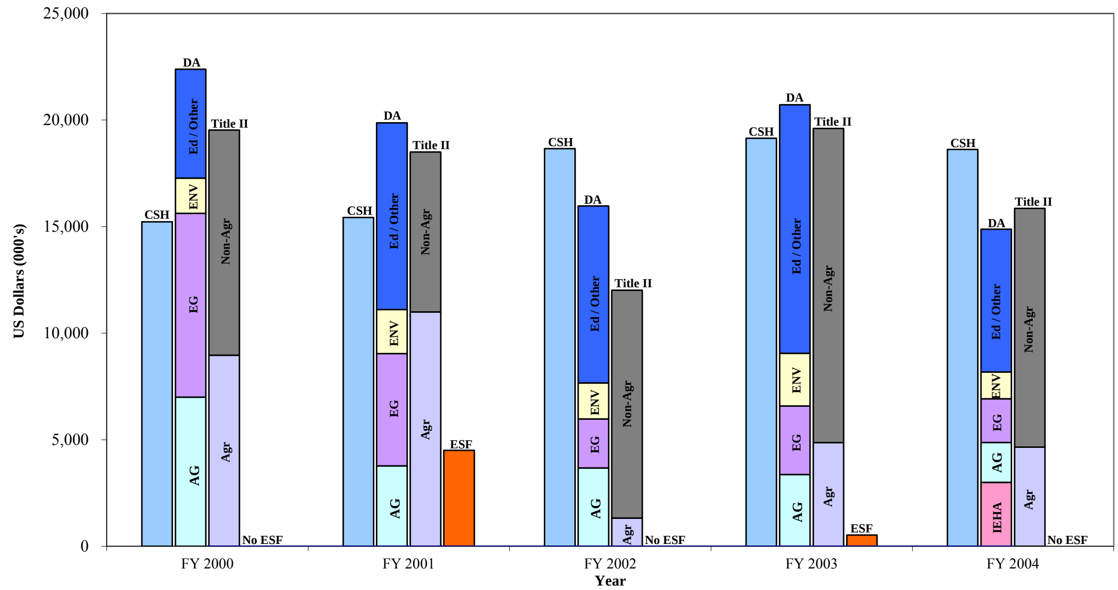
The ADF approved ten projects in Ghana in 2002 and 2003, three of which related to agricultural development according to the 2002–2003 ADF annual report, which is the most current source of readily available information on ADF activities (ADF 2003). Funding for these three projects, all of which are ongoing, totals approximately $580,200 and supports: 1) a program to increase the production capacity, revenues, employee annual incomes, and dividends of a vegetable processing enterprise; 2) a project to increase the revenues and production of a 60-member fish processors and marketers cooperative; and 3) a Ghanaian non-governmental organization to provide credit and business development services to first-time borrowers and to expand income generating activities such as shea butter processing, oil extraction, rice processing, and petty trading.

Trade and Development Agency

Twenty-one TDA projects are reported in Ghana during the FY2000–FY2004 period (OECD n.d.; USTDA 2004). None of the projects funded by TDA in Ghana in FY2000 (two projects totaling $471,000), FY2001 (four projects totaling $413,000), or FY2004 (three projects totaling $7,500) were related to agricultural development. However, one of TDA's seven projects in FY2002 (totaling $645,000) was a biomass power desk study funded at $3,000. Two of the agency's five projects in FY2003 (totaling $529,000) were also on biomass power generation and included a feasibility study ($246,000) and a desk study ($3,000).

Trends in Bilateral U.S. Agricultural Development Assistance in Ghana

The great majority of U.S. agricultural development assistance for Ghana is funded through the USAID Development Assistance account or through the USAID and USDA food aid programs, as presented in Table 7. Total funding through these vehicles has fluctuated over the five-year period FY2000–2004 within the range of $23.8 million to $8.4 million, with the changes year-to-year affected by variation in both DA and food aid funding levels. Overall, the level of bilateral U.S. assistance for agricultural development in Ghana is substantially lower in FY2004 than it was in FY2000.



Total Funds ($000's)	57,127	58,273	46,633	59,999	49,350

Notes: CSH=Child Survival and Health, AG=Agriculture, EG=Economic Growth, ENV=Environment, Ed=Education, DA=Development Assistance, Agr=Agriculture, Non-Agr=Non-agriculture, ESF=Economic Support Fund, IEHA=Initiative to End Hunger in Africa

Figure 1. USAID Non-Emergency Assistance to Ghana, FY2000–FY2004: Allocation of Appropriated Program Funds by Account and Sector

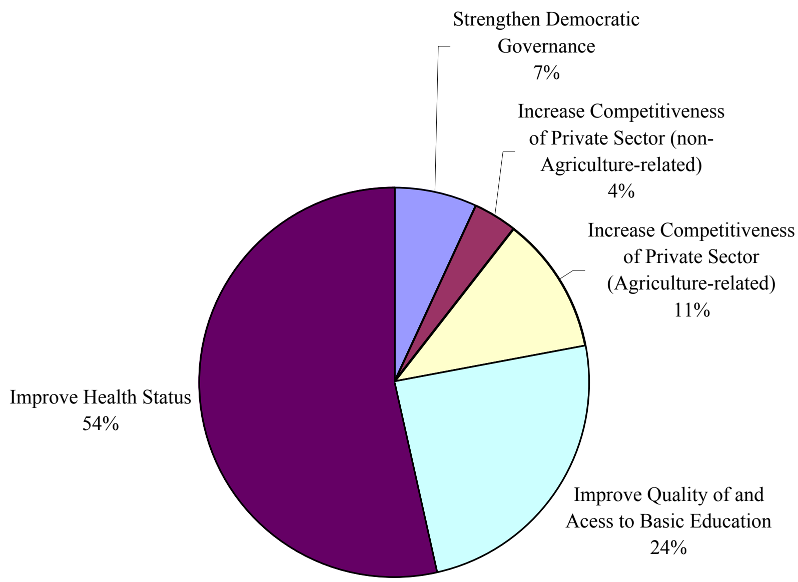


Figure 2. USAID Ghana Strategic Objective Funding Distribution, FY2004

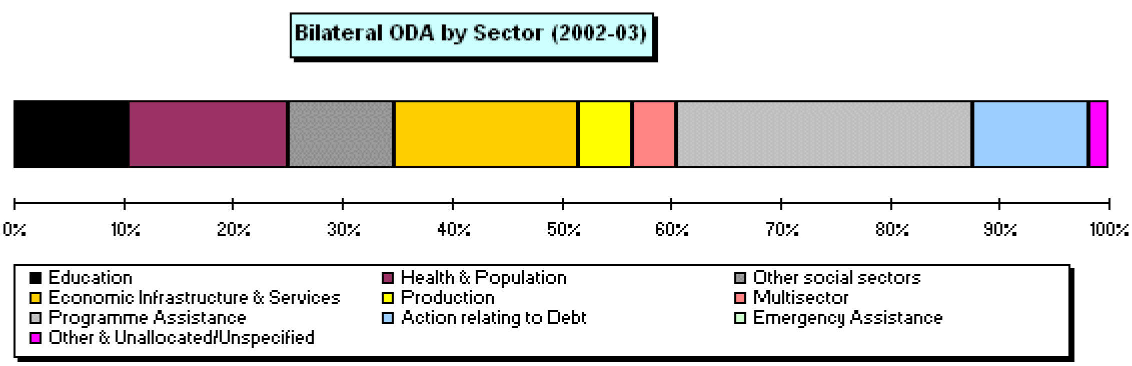
Table 1. Aid at a Glance: Ghana

Ghana

Receipts	2001	2002	2003
Net ODA (USD million)	644	650	907
Bilateral share (gross ODA)	53%	58%	50%
Net ODA / GNI	12.4%	10.8%	12.1%
Net Private flows (USD million)	- 40	- 19	129

For reference	2001	2002	2003
Population (million)	19.4	19.9	20.4
GNI per capita (Atlas USD)	290	280	320

Top Ten Donors of gross ODA (2002-03 average)		(USD m)
1	IDA	193
2	United Kingdom	130
3	Netherlands	81
4	United States	76
5	SAF & ESAF (IMF)	71
6	EC	65
7	AfDF	57
8	Denmark	54
9	Germany	42
10	Japan	30



Sources: OECD, World Bank.

Source: Aid Statistics, Recipient Aid Charts, Ghana, OECD Development Co-operation Directorate (OECD/DAC n.d.).

Table 2. OECD Agriculture-related Assistance to Ghana[a] as Reported to the OECD/CRS from all OECD Countries Combined, 2000–2003[b] (U.S. contributions in parentheses)

Year	*Sector ($, thousands)*							
	Core Agriculture[c]	*Forestry & Fisheries*[d]	*Rural Development*[e]	*Road Transport*[f]	*Trade Policy & Facilitation*[g]	*Development Food Aid*[h]	*All Other Aid*	*Total*
2000	18,165 (7,000)	16,358 (1,660)	834	15	101	26,112 (23,470)	345,172 (33,196)	406,757 (65,326)
2001	16,476 (3,775)	15,252 (764)	9,810	12,240	355	21,467 (19,162)	241,763 (38,204)	317,363 (61,905)
2002	5,987 (130)	314	38	975	10,186	23,628 (18,356)	337,396 (38,110)	378,524 (56,596)
2003	17,770 (249)	8,765 (26)	705	118,598	1,705 (99)	27,121 (26,946)	587,548 (52,084)	762,212 (79,404)
Total	58,399 (11,154)	40,689 (2,450)	11,386	131,827	12,346 (99)	98,327 (87,934)	1,511,879 (161,594)	1,864,855 (263,231)

Notes:

[a]Recipients included in our definition of sub-Saharan Africa (SSA) include individual SSA countries, "South of Sahara Unallocated," and "Africa Unspecified."

[b]All years (2000–2003) refer to calendar years.

[c]Core Agriculture includes all purpose codes beginning with 311 (Agriculture) and purpose codes 32165 (Fertilizer Plants), 32267 (Fertilizer Minerals), 23070 (Biomass), and 32161 (Agro-Industries).

[d]Forestry & Fisheries includes all purpose codes beginning with 312 (Forestry) and 313 (Fisheries) along with purpose code 32162 (Forest Industries).

[e]Rural Development includes purpose code 43040 (Rural Development).

[6]Road Transport includes purpose code 21020 (Road Transport).

[f]Trade Policy & Facilitation includes all purpose codes beginning with 331 (Trade).

[g]Development Food Aid includes purpose codes 52000 (Development Food Aid/Food Security Assistance) and 52010 (Food Security Programmes/Food Aid).

Source: OECD CRS Online Database on Aid Activities (OECD n.d.).

Table 3. World Bank Active Agriculture-related Projects in Ghana

Project Name	*Funding ($, millions)*		*Project Description*
	Agriculture-related	*Total*	
Agricultural Services Subsector Investment Project	67.0	67.0	Agricultural technology and education; Ministry of Food and Agriculture and farmer-based organization capacity building and reform.
Northern Savanna Biodiversity Conservation Project	7.0*	7.9*	Harvesting policy, biodiversity management, and land management; project management, monitoring and evaluation.
GH-GEF Forest Biodiversity SIL (FY98)	8.9*	8.9*	No additional information available.
Community-Based Rural development	36.0	60.0	Institutional and natural resource management capacity building, rural infrastructure development, and rural and microenterprise development.
GH-Community-Based Integrated Natural Resources Management	0.9*	0.9*	Combining traditional Okyeman and modern natural resource management and biodiversity conservation concepts to address deforestation, water pollution, and wildlife over-harvesting.
SAC II	0.7	5.7	No additional information available.
SAC II	1.0	8.3	No additional information available.
Land Administration Project	3.7	20.5	Land tenure and land market reform.
Total	125.2	179.2	

Notes: Unless otherwise noted, World Bank funding for the projects listed above is in the form of International Development Association loans. Projects noted with a * indicate World Bank funding in the form of grants. Agriculture-related funding amounts were calculated by multiplying the total World Bank funding amounts by the percentage of the project related to agriculture as listed by the World Bank.

Source: World Bank Ghana: Active Projects (World Bank 2005).

Table 4. USAID Appropriation of Program Funds for Ghana, FY2000–FY2004

	Appropriation ($, thousands)					
Account	*FY2000 Actual*	*FY2001 Actual*	*FY2002 Actual*	*FY2003 Actual*	*FY2004 Actual*	*FY2005 Requested*
Development Assistance Total	22,381	19,858	15,963	20,716	14,879	11,500
Agriculture	7,000	3,775	3,671	3,375	1,872	
Economic Growth	8,620	5,264	2,300	3,208	2,049	
Environment	1,660	2,064	1,690	2,471	1,250	
IEHA	0	0	0	0	3,000	
Child Survival & Health	15,220	15,419	18,655	19,150	18,620	18,560
Economic Support Fund	0	4,500	0	530	0	0
Total PL 480 Title II Non-Emergency	19,526	18,496	12,015	19,603	15,851	
Non-Emergency Agricultural Use	8,962	10,995	1,325	4,865	4,654	
Non-Emergency Non-Agricultural Use	10,564	7,500	10,690	14,738	11,197	
TOTAL NON-EMERGENCY PROGRAM FUNDS	57,127	58,273	46,633	59,999	49,350	30,060
Total PL 480 Title II (Emergency + Development)	20,879	18,027	12,407	20,345	14,177	17,189
TOTAL PROGRAM FUNDS	58,480	57,804	47,025	60,741	47,676	47,429

Notes: IEHA=Initiative to End Hunger in Africa

Source: USAID Congressional Budget Justifications (USAID various years) and personal communication with Fenton B. Sands, Chief, Economic Growth, Environment & Agriculture Division, Office of Sustainable Development, Bureau for Africa, USAID (Sands 2005).

Table 5. USAID Agriculture-related Strategic Objectives and Funding Levels, Ghana, FY2000–FY2004

Title	*Former Title*	*% related to Agriculture*	*Funding ($, thousands)*					
			FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Total, FY2000–FY2004*
641-001 Economic Growth	641-001 Increased Private Sector Growth	75 (67-100)	11,385 (10,171-15,180)	8,327 (7,439-11,103)	5,746 (5,133-7,661)	1,650 (1,474-2,200)	0 (0)	27,108 (24,217-36,144)
641-006 Increase Competitiveness of Private Sector		75 (67-100)	0 (0)	0 (0)	0 (0)	4,598 (4,107-6,130)	3,817 (3,410-5,089)	8,415 (7,517-11,219)
Total			11,385 (10,171-15,180)	8,327 (7,439-11,103)	5,746 (5,133-7,661)	6,248 (5,581-8,330)	3,817 (3,410-5,089)	35,523 (31,734-47,363)

Source: Authors' calculations, with data from USAID Congressional Budget Justifications-Ghana (USAID various years).

Table 6. U.S. Non-Emergency Food Aid Estimated Value Applied for Agricultural Development Purposes, Ghana, FY2000–FY2004

Allocation	*Funding ($, thousands)*						
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Average*	*Increase, FY2000–FY2004 (%)*
USAID							
Title II Value With Freight	19,094	17,904	12,015	18,757	15,851	16,724	-17%
Title II Value w/o Freight*	12,717	11,937	8,009	12,503	10,566	11,146	-17%
202(e) Payment	432	592	0	846	0	374	--------
USAID Total With Freight	19,526	18,496	12,015	19,603	15,851	17,098	-19%
USAID Total w/o Freight	13,149	12,529	8,009	13,349	10,566	11,520	-20%
% Used for Agriculture**	46%	59%	11%	25%	29%	34%	-22%
Total USAID Agriculture Value With Freight	8,982	10,913	1,322	4,901	4,597	6,143	-49%
Total USAID Agriculture Value w/o Freight	6.049	7,392	881	3,337	3,064	4,145	-49%
USDA							
416(b) Value With Freight	0	0	3,417	0	0	683	--------
416(b) Value w/o Freight	0	0	2,278	0	0	456	--------
Food for Progress Value w/ Freight*	3,423	0	0	362	0	757	--------
Food for Progress Value w/o Freight	2,282	0	0	241	0	505	--------
Total USDA Agriculture Value With Freight*	3,423	0	1,709	362	0	1,099	--------
Total USDA Agriculture Value w/o Freight	2,282	0	1,139	241	0	732	--------
TOTAL U.S. Agr. Value With Freight	12,405	10,913	3,031	5,263	4,597	7,242	-63%
TOTAL U.S. Agr. Value w/o Freight	8,331	7,392	2,020	3,578	3,064	4,877	-63%

Notes: * Calculated based on the assumption that freight costs consume one-third of the total value.
** Calculated based on estimates in USAID annual reports on non-emergency food aid of the percentages of each cooperating sponsor program in Ghana that is devoted to agricultural development.

Source: USAID Office of Food for Peace Annual Reports, FY2000–FY2004 (USAID/FFP various years) and the USDA/Foreign Agricultural Service web site (USDA/FAS n.d.).

Table 7. Bilateral U.S. Assistance for Ghanaian Agriculture, Major Elements, FY2000– FY2004

Program	*Funding ($, thousands)*				
	FY2000 Actual	*FY2001 Actual*	*FY2002 Actual*	*FY2003 Actual*	*FY2004 Actual*
USAID/Development Assistance Agriculture-Related Strategic Objective	11,385	8,327	5,746	6,248	3,817
USAID/Food Aid PL480 Title II*	8,982	10,913	1,322	4,901	4,597
USDA/Food Aid Food for Progress	3,423	0	1,709	362	0
Total	23,790	19,240	8,777	11,511	8,414

Notes: * Includes 202(e) payments. All food aid values include freight costs.

Source: Extracted from Tables 5 and 6.

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Appendix 4-B: U.S. Agricultural Development Assistance in Mali

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Overview of the Economy, Agriculture, and Food Security in Mali[2]

After forming the short-lived Mali Federation with Senegal in 1959, the former French colony of Soudan withdrew from the French community and established itself as the Republic of Mali in 1960. The post-independence government was led by President Modibo Keita's socialist Union Soudanaise du Rassemblement until a bloodless coup led by Lt. Moussa Traoré in 1968. As president, Traoré approved a new constitution and survived several coup attempts but resisted calls for greater democracy in Mali. An uprising in 1991 removed Traoré and his military government from power and installed the predominately civilian Transitional Committee for the Salvation of the People (CTSP). Political parties were free to form under CTSP's new constitution, and in less than a year, Mali held presidential, national assembly, and municipal council elections. Alpha Oumar Konaré, the victorious candidate of the Alliance for Democracy in Mali, served the maximum of two terms as president, and in 2002, an independent, Amadou Toumani Touré, was elected to office.

Despite gains in democratic governance under Konaré and Touré, Mali remains one of the 10 poorest countries in the world, with a per capita gross domestic product (GDP) of $250 (2002); Mali is ranked 174 out of 177 countries in the world according to the United Nations Human Development Index (2004) (UNDP 2004). Only 31% of its

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[2] Information in this section is drawn from the U.S. Department of State's "Background Note: Mali" unless otherwise noted (U.S. Department of State 2004).

population of 10.5 million is literate. The infant mortality rate (121/1,000) and life expectancy rate (47 years) are high and low, respectively; AIDS prevalence, however, is quite low at 1.7% (Mali 2002). Nearly two-thirds of the population lives in poverty, with 21% of the total population living in extreme poverty (Mali 2002).

Much of the country's potential to mitigate such poverty lies in Mali's significant agricultural and mining resources. Indeed, 80–90% of total Malian export earnings in 2003 ($1.06 billion) came from cotton, gold, and livestock. Mali's economy has proved to be resilient in the early years of the twenty-first century as real GDP growth rates increased from 3.5% in 2001 to almost 6% in 2003 despite rising oil prices, reduced prices for gold and cotton on the international market, and a temporary closure of its main trade route to the port of Abidjan. Much of this economic growth can be attributed to a two-fold increase in cotton production as well as to ramped up gold and cereals output.

Seventy percent of the Malian work force is engaged in agriculture, which, combined with livestock and fisheries, accounts for 36% of GDP. Most land under cultivation (90%) is used for smallholder, subsistence farming of cereals, predominately sorghum, millet, and maize. Nonetheless, Mali does have a substantial cash crop export market for peanuts, cotton, and cotton products. Further expansion of industrial and export-oriented agriculture has been constrained by drought, poor infrastructure and access to ports, inadequate training and finance, and mediocre functioning of agricultural services and producer organizations (Mali 2002).

The mining and industrial sectors in Mali are expanding but currently engage just 15% of the workforce; nevertheless, food processing, textiles, cigarettes, metalworking, light manufacturing, plastics, and beverage bottling contribute 22% of GDP, and in 2002, gold supplanted cotton and livestock as Mali's primary export.

Hunger is widespread in Mali. In the years 2000–2002, the Food and Agriculture Organization of the United Nations (FAO) estimates that 29% of Malians were undernourished, meaning their basic food energy needs were not being met (FAO 2004).[3] This number is back to the 1990–1992 undernourishment level after a slight increase to

[3] The term "undernourishment" refers only to the failure to meet dietary energy needs and not to the problem of malnutrition, which includes the failure to consume the micronutrients, protein, and other dietary components needed for good health. Nevertheless, FAO uses undernourishment interchangeably

32% in the period of 1995–1997. These figures place Mali in the FAO's second highest undernourishment category (20–34% undernourished); the only West African countries to fall into a worse undernourishment category are war-torn Sierra Leone and Liberia (FAO 2004). Large food security stocks have helped to prevent undernourishment from deepening in Mali, particularly during food deficits, as in 2002.

Mali's Governance Structure for Agricultural Development

The Republic of Mali is governed under a constitution adopted by popular referendum in 1992 that provides for a multi-party democracy. The president, who serves as chief of state and commander-in-chief of the armed forces, is popularly elected for a five-year term, with a two-term limit. The president appoints a prime minister, who serves as head of government. The president also chairs the Council of Ministers, which proposes laws for adoption by the National Assembly. The government operates administratively through eight regions, which are divided into five to nine districts each (for a total of 48 districts) plus the capital district of Bamako. Each region has an appointed governor who oversees the activities of the central government ministries within the region.

The National Assembly holds all legislative power in Mali. Representation is apportioned at the district level based on population. The National Assembly's 147 members are elected for five-year terms by party slate, with the party winning a majority of the votes being awarded all of the district's seats. Currently, 16 parties are represented in the National Assembly.

Below the district level are 703 local government units that elect a mayor and a Commune Council. These local governments do not have taxing or legislative power but represent local interests and work with the central government ministries on local development issues. A process of decentralization is underway that is intended to reduce central government administrative control and increase local control over finances.

The key ministries for purposes of agriculture and rural development include the Ministry of Agriculture, Ministry of Health, Ministry of Economy and Finance, Ministry

with "food insecurity," which FAO defines as the condition in which people in a society lack physical and economic access to the safe and nutritious food they need to thrive (FAO 2004).

of Planning and National Development, Ministry of Infrastructure and Transportation, and Ministry of Industry and Commerce. The Mali Poverty Reduction Strategy Paper (PRSP) (Mali 2002), which is the "sole reference framework" for development policies and strategies in Mali, was adopted by the Council of Ministers in May 2002 following a broadly participatory process that included in the deliberations not only the key ministries at the national level but also regional representatives, civil society stakeholders, and external development partners. The PRSP also was adopted by the National Assembly. While the PRSP gained wide buy-in from the groups that participated in its formulation, the document itself acknowledges candidly that public dialogue is still being established as a method of managing public affairs and that the dialogue on the PRSP did not reach the poor in a sustained way.

The Role of Agriculture in Mali's Development Strategy

Mali's PRSP outlines the country's development strategy and is drawn from *Mali 2025: National Perspective Study* and the *National Strategy for Poverty Reduction* (Mali 2002). The basis of the strategy is the recognition that "no overall strategy can succeed without a favorable macroeconomic framework that promotes growth" (Mali 2002, 36). Accelerated and redistributive growth is considered a prerequisite for the success of the overall strategy and macroeconomic reforms are intended to promote sustainable growth, reduce poverty, improve living conditions, and strengthen financial viability (Mali 2002, 40).

Building on this solid macroeconomic foundation, the Mali PRSP focuses on three priority areas or "strategic pillars" to promote "strong and sustainable growth that is poverty reducing" (Mali 2002, 85). They are:

- Institutional development and improved governance and participation;
- Human development and strengthening the access to basic social services; and
- Development of infrastructure and support for key productive sectors (Mali 2002).

The third pillar, which is focused on economic development, emphasizes "a plan for balanced regional development and a policy of suitable infrastructure," "a new vision for rural development and a multidimensional approach to food and nutrition security," and "a new commercial policy and an integrated framework for development of the private sector and key competitive product sectors" (Mali 2002, 3). Although the Mali PRSP does not include a specific or separate agricultural strategy per se, agricultural priorities are central to the rural development component of the third pillar and are also important in the new commercial policy and integrated framework portion of this pillar.

Rural development and food security policies focus on "inputs, agricultural equipment, land security, non-farm revenue-generating processes, crisis-prevention measures, programs for emergency actions and education, health and environmental measures" (Mali 2002, 3). The main objective of these policies is to improve the living conditions of impoverished Malians in the context of sustainable development, specifically by improving food security through increased production and productivity. Mali has committed to applying 12.9% of its Heavily Indebted Poor Country Initiative debt relief funds to rural development and natural resource management, including agricultural development (Mali 2002).

Agricultural investment is central to both the national poverty reduction strategy and the strategies for each of the eight outlying regions of Mali (i.e., excluding the capital region of Bamako), with the specific focus of agricultural investment depending on each region's strengths and potential. In the Segou region, for example, the PRSP recommends exploitation of the rice sector, intensification of vegetable cultivation, and the promotion and processing of local agricultural products such as calabash, cotton, and cattle. By contrast in the region of Mopti, the greatest potential for poverty reduction lies in the development of the fishing, market gardening, irrigated farming, and livestock-meat sectors (Mali 2002).

At the national level, the rural development strategy for the primary sector is centered on:

- *Food security*, including cereal price and market liberalization, increased agricultural production and diversification to mitigate vulnerability to climatic variability, decreased regional inequalities, linking producers to markets and improving access to cereals in areas with food deficits and by vulnerable social groups, protection of purchasing power, and elimination of malnutrition.

- *Restoration and maintenance of soil fertility* through research and extension, improved structures for management and support, and the integration of agriculture and livestock into soil management.
- *Development of hydro-agricultural facilities*, including an irrigation research program and capacity building of producers to manage hydro-agricultural facilities through improved land titling and water resource accessibility.
- *Development of agricultural, animal, forestry, and fisheries production*, particularly that which affects the poorest portions of the population, promotes value-added processing, and contributes to sub-regional trade.
- *Development of support functions*, such as research, popularization/support and advice, training, communication, agricultural financing, agricultural credit, and promoting the role of women and children and disadvantaged groups (Mali 2002).

Particular emphasis is placed on the cotton sector in the rural development strategy given the sector's important contribution to the Malian economy.

Development of the agricultural and animal products trade portion of the tertiary sector centers on increasing value-added products through improved transport, communications, and processing infrastructure as well as enhanced knowledge of markets. These developments are intended to augment revenue-generating activities.

Overview of Public Investment in Malian Agriculture

While the focus of this study is U.S. agricultural development assistance to Mali, the U.S. program is best understood in the context of overall public investment in Malian agriculture, which is summarized in this section. As used here, the term "public investment" refers to expenditures by the government of Mali or by external donor governments and multilateral institutions. Public investment in agriculture includes expenditures that have as a primary purpose improving the capacity of agriculture to contribute to economic growth and a reduction in poverty and hunger. It thus includes expenditures for the core agricultural purpose of increasing productivity through improved access to technology, extension, and other services farmers need to produce, as well as the broader purpose of linking farmers to markets so they can earn income from increased production.

In many cases, such as spending on rural roads or trade policy, public investments have multiple purposes, and it may not be possible to identify a primary purpose. Thus, the broader view of public investment in agriculture taken here makes it impossible to produce a single figure that can be said with confidence to represent total public investment in agriculture in any country. The only remedy is to describe relevant spending in ways that are as clear, transparent, and comparable country-to-country as available information permits.

The Malian government's investment in agricultural development occurs in the context of its overall investment plans for implementation of Mali's PRSP, which projected expenditures for the four-year period of 2002–2005. Planned expenditures for all PRSP implementation activities totaled about $1.13 billion in 2002, with annual increases of 10–11% projected for 2003–2005, resulting in projected spending of $1.5 billion in 2005.[4] Of this, 37% was projected to be financed externally and 63% from domestically generated revenues.

The PRSP projected that about 51% of the available funds would go to the social sectors (including education, health, and "environment and living standards") and 47% to development of basic infrastructure and productive sectors, with the remainder to institutional development, governance, and participation. Within the development pillar, about one-third of the funding (or about $237 million as projected for 2005) was designated for "rural development and natural resources" and two-thirds for "basic infrastructure for development." In its more specific sectoral allocation of budgetary expenditures, the PRSP projected about $178 million for agriculture in 2005 and about $56 million for transport.

Within the overall government budget, agriculture had the second largest budget allocation of any single sector over the 2002–2005 period at 11.9%, with general government administration first at 12.7%. However, while total PRSP expenditures were

[4] Unless otherwise noted, the spending figures in this section are taken from text and tables in Part Four of the Mali PRSP (Mali 2002), with the dollar figures reflecting conversions from the CFA franc (the common currency of several West African countries) based on a conversion rate of 512 CFA francs to the dollar.

projected to rise by 32% over the period, agriculture expenditures were projected to decline by 13% (from $205 million in 2002 to the $178 million projected for 2005), with the amount of projected agriculture spending funded domestically declining from $89 million in 2002 to $62 million in 2005 (or from 43% to 35% of total agriculture spending). Over the same period, health and education expenditures were projected to rise by 26% and 28%, respectively.

Like many of Africa's poorest countries, and as reflected in the PRSP, Mali relies heavily on external assistance to finance its development program. According to the Organisation for Economic Co-operation and Development (OECD) (Table 1), external assistance to Mali from all sources for all purposes totaled about $528 million in 2003, or about 13% of Mali's national income, with the top four donors being the World Bank's International Development Association, France, the European Commission, and the United States. Funding for education, health and population, and "other social services" was just over 50% of the total, while funding for economic infrastructure and services and "production" garnered about 12% of the total.

As reported through the OECD's Creditor Reporting System, bilateral assistance from the OECD countries (including the United States) averaged $266 million annually from 2000 through 2003, with reported funding for core agriculture, forestry, and rural development purposes averaging about $26.3 million annually (Table 2). Reported OECD country funding for road transport averaged $2.4 million over the period, but the data do not specify whether the assistance was for rural or urban road transport.

Significant public investment in Malian agriculture also comes from the multilateral development organizations, including:

- *The World Bank*. As of June 2005, the World Bank portfolio in Mali included 14 active projects with a commitment value of about $546 million (World Bank 2005). These projects involve education, energy and mining, governance, natural resource management, health, infrastructure, and other sectors related to achieving the goals of the bank's Country Assistance Strategy for Mali, which include promoting growth, developing human resources, and enhancing public finance management and governance. Three active World Bank projects relate directly to agriculture, with a value of about $135.4 million (Table 3).

- *Food and Agriculture Organization*. In 2004, FAO was involved in 13 active, mostly multi-year projects in Mali, with a total FAO contribution valued at $6 million (FAO 2005). FAO's projects focus primarily on improving productivity and food security at the household level but they involve a wide range of activities, including locust control and livestock vaccination, urban forestry, decentralization of natural resource management, development of bankable projects, and irrigation.
- *International Fund for Agricultural Development* (IFAD). IFAD is financing two ongoing projects in Mali with loans totaling approximately $24.3 million (IFAD 2005). The projects are: 1) a ten-year flexible lending program to support the initiatives of rural communities in Segou and Koulikoro to improve household food security, incomes, and well-being, including enhanced agricultural productivity and marketing and social services; and 2) an irrigation project in the Lacustre Zone.
- *African Development Bank* (ADB). In 2003, ADB loans and grant disbursements in Mali totaled 31.1 UA or approximately $46.6 million (ADBG 2005). While agriculture is a priority sector for investment in the ADB's strategic plan, project- and sector-specific information was not available for this report.

It is impossible to determine precisely the total amount of annual public investment in Malian agriculture, whether from domestic or external sources, due to the lack of any standardized definition or reporting system for such investment and the fact that many projects are funded on a multi-year basis. Nevertheless, for the sole purpose of putting U.S. assistance in context, a reasonable approximation of the annual public investment in traditional agricultural development activities is $225–275 million. This includes annual bilateral assistance from OECD countries and multilateral commitments (assuming an average three-year project life).

The U.S. Assistance Program for Agriculture in Mali

The U.S. agricultural development program in Mali is best understood in the context of the overall U.S. assistance program in the country. France is consistently Mali's largest bilateral donor, with the United States typically ranking second or third along with the Netherlands and Germany. As reported to the OECD, total U.S. bilateral assistance to Mali from all agencies for all purposes during the period 2000–2003 averaged about $43 million per year (Table 2). About 90% of this assistance is funded and managed through the U.S. Agency for International Development (USAID), with the balance coming through the Peace Corps, the Trade and Development Agency (TDA), and the Departments of Labor and State.

In the fiscal years 2000–2004, the total annual USAID appropriation targeted specifically to assist Mali has been fairly stable in the range of $37.5 million (2001) to $40.8 million (2003) and had averaged about $39 million per year (Table 4). USAID's FY2005 budget request for Mali was $34.8 million, the 11th largest in the Africa region. These figures do not include funds appropriated for the Economic Growth, Agriculture, and Trade and the Africa regional programs that may have been used for activities in Mali.

Background and Strategy

The United States has worked in Mali for more than four decades, primarily through USAID, and currently considers itself to have important strategic interests in common with Mali. A predominately Muslim country, Mali is an important partner in the war on terror, and poverty reduction and economic growth are top priorities for the governments of both Mali and the United States. The United States has been a strong supporter of Mali's economic and structural adjustment over the last decade.

USAID's overall strategy in Mali, including its strategy for agriculture, is described in USAID's Mali Country Strategic Plan (CSP) FY2003–2012 (USAID 2002). The CSP includes four specific strategic objectives—High Impact Health Services, Improved Quality of Basic Education, Shared Governance Through Decentralization, and

Accelerated Economic Growth—and one special objective, Communications for Development.

A participatory planning process involving both governmental and non-governmental stakeholders was used to select USAID's strategic objectives for Mali, with that country's PRSP providing a framework and set of principles to which the CSP adheres (USAID 2002). As a result, the CSP complements and contributes to Mali's own plan for poverty reduction; likewise, the USAID strategy is well integrated into the Malian poverty reduction plan. The strategies share a focus on increased agricultural productivity as a means of achieving economic growth and poverty reduction.

Although 56% of the FY2004 CSP funding was allocated for the High Impact Health Services strategic objective (USAID 2005), poverty reduction and economic growth, embodied in the Accelerated Economic Growth strategic objective, are underscored as the highest priorities of the CSP (USAID 2002). Consistent with the central role of agriculture in the Malian economy, the CSP emphasizes that "in Mali, achieving a higher growth in agriculture will be absolutely essential for increasing incomes and employment and for reducing poverty" (USAID 2002, 58). In fact, the stated purpose of the Accelerated Economic Growth strategic objective is to "increase productivity and incomes in selected agricultural subsectors" (USAID 2002, 59).

One agricultural theme of the CSP is cereals and specifically the need to continue Mali's transition from a deficit producer to a surplus producer and from a net importer to a net exporter. This is to be accomplished by increased private sector investment, agricultural market policy reform, and enhanced agricultural production (USAID 2002). Another agriculture-related focus of the CSP is the production and trade of commodities for which Mali has a comparative advantage, as well as diversification to mitigate vulnerability to climatic fluctuations. Technical assistance for agribusiness and financing are also critical aspects of the USAID/Mali strategy for accelerated economic growth (USAID 2002).

Beyond these broad themes, the CSP identifies the following specific near-term goals for the Accelerated Economic Growth strategic objective (intermediate results in USAID terms):

- Sustainable production of selected agricultural products in targeted areas increased, with illustrative activities including:
    - Expanded production of least-cost feed rations for livestock;
    - Business management training for livestock feed and enterprises;
    - Training of farm producer groups in business and management practices;
    - Financing of irrigation infrastructure and water points;
    - Irrigated land tenure reform;
    - Support for seed multiplication and distribution;
    - Training and extension of Community Based Natural Resource Management (CBNRM) techniques; and
    - Improvement and dissemination of CBNRM regulations.
- Trade of selected agricultural products increased, with illustrative activities including:
    - Strengthening and expansion of the Market Information System;
    - Expansion of marketing infrastructure;
    - Pursuit of trade policy reforms;
    - Strengthening of the capacity of professional trade organizations; and
    - Expansion of agriculture markets.
- Access to finance increased, with illustrative activities including:
    - Creation of financial tools to facilitate agricultural investment;
    - Establishment of microfinance institutions (MFIs); and
    - Building MFI capacity to mitigate agricultural risk (USAID 2002).

Strategic partnerships are an important tool for accomplishing the goals of the CSP in the context of the Accelerated Economic Growth strategic objective and other strategic objectives. For example, the Accelerated Economic Growth initiative will collaborate closely with the Food for Peace Program and the trade component of the West African Regional Program (USAID 2002). The government of Mali, technical agencies of the Ministry of Rural Development, local communities, and other public and private entities also are key partners in stimulating economic growth.

USAID's Agricultural Development Program

Funds Available for Agricultural Development Assistance

USAID's agricultural development assistance for Mali is funded and managed primarily through the USAID Mission in Bamako out of its Development Assistance (DA) account. Mali received modest allocations of Title II food aid during FY2000–FY2002, about $3.3 million of which was used for agricultural development assistance in FY2000 (Table 4). Food aid allocations declined sharply after that and were eliminated in FY2003, with agricultural development uses reaching zero in FY2002. The other major account through which the activities of the USAID Mission in Mali are funded is Child Survival and Health (CSH). As indicated in Table 4 and Figure 1, total funding through the DA account has remained fairly stable, standing at $24.3 million in FY2004 but with the FY2005 request somewhat lower at $20.8 million. The CSH appropriation also has been fairly stable, standing at $14.3 million in FY2004.

Within the DA account, it is important to focus on the specific sectoral allocations that are used to support agriculture's role in economic development and poverty reduction, namely agriculture, economic growth, and environment (with funding for the Initiative to End Hunger in Africa [IEHA] coming online in FY2003 as a sub-component of the agriculture sector). The agriculture-related sectors comprised about 70% of the DA account in FY2004, with the bulk of the remainder going for basic education and governance (Figure 1). Between FY2000 and FY2004, funding for the agriculture-related sectors in Mali increased by about 5% (less than $1 million) despite an IEHA allocation to Mali in FY2004 of $5.5 million.

Use of Development Assistance Funding for Agriculture

1. Recent Funding of Agricultural Development

While the mission receives its allocation of DA funds that are potentially applicable to agricultural development, as broadly construed for this report, in the four sectoral sub-categories shown in Table 4, USAID allocates and reports its commitment of DA resources to agriculture and other sectors through the strategic objectives laid out in its

Mali CSP. As noted earlier, the Mali Mission is currently pursuing four strategic objectives, with strategic objective 688-009 (Accelerated Economic Growth) being the one applicable to agricultural development (USAID 2005). Although some of the activities under this strategic objective may benefit non-agricultural enterprises, the activities are predominately agriculture-related, and the authors treated it as a 100% agriculture-related strategic objective for the purposes of estimating the overall USAID commitment of program funds to support agriculture-led economic growth. This strategic objective was initiated in FY2002. Funding for it (and its predecessors related to agricultural development) was $12.5 million in FY2000, dropped to $7.9 million in FY2001, and then rose to $14.3 million in 2004 (Table 5).

Taking into account the funding of all four strategic objectives in effect in USAID's Mali Mission in FY2004, approximately 37% of the funding is used for purposes related to fostering agriculture's role in economic growth and poverty reduction (Figure 2).

2. Current Activities in the Agriculture-Related Strategic Objective

USAID/Mali's Accelerated Economic Growth strategic objective is organized around targeted interventions intended to boost production and trade in commodities for which Mali has a comparative advantage, including rice, potatoes, meat, mangos, and shea butter (USAID 2005). Of the $14.3 million committed to this strategic objective in FY2004, $8.1 million was devoted to the intermediate result of increasing sustainable production of such crops through the expansion of land under irrigation, improved production and marketing of animal feed, development of a legal framework for biotechnology, and improved natural resource management. Also included were training in basic business management and lobbying skills to enable farmers and agribusinesses to advocate more effectively for policy reform (USAID 2005).

In addition, this strategic objective devoted $3.4 million in FY2004 to a wide range of activities targeted to specific crops and aimed at improving the environment and skills needed to compete in export markets (USAID 2005). These included promoting international business linkages and investment in trade-related infrastructure, improving the policy and institutional environment for trade, improving market information systems, and training exporters in the skills needed to manage export operations efficiently and thus reduce transaction costs.

Finally, this strategic objective included the commitment in FY2004 of $2.8 million to improve access to financing by small- and medium-sized businesses, as well as to microfinance for rural people (USAID 2005). This involves working directly with banks and microfinance institutions to improve their outreach and the services they provide to these customers with the goal of increasing the volume of loan activity to agribusinesses and other agriculture-related trading activity.

Chemonics International, Inc., is a key prime contractor for this strategic objective, with sub-contractors including Associates for International Resources and Development, International Business Initiatives, CARE, The Mitchell Group, Weideman Associates, Making Cents, Bankworld, and Enterprising Solutions (USAID 2005).

Use of PL 480 Title II Food Aid Resources for Agricultural Development

As noted, Mali has not been a recipient of significant PL 480, Title II food aid over the period FY2000–FY2005, except in FY2000, and the U.S. Department of Agriculture (USDA) has provided no development food aid to Mali over this period. As in other countries, when non-emergency (or development) food aid has been provided in Mali under Title II, it has been channeled through private voluntary organizations working in the country as Title II cooperating sponsors (CSs). In the case of Mali, these are Africare and World Vision. These organizations use the proceeds from the sale (monetization) of commodities to carry out their projects involving agriculture, health, education, and other needs.

Determining the dollar amount of the food aid resource that is applied to agriculture in Mali requires considering the total USAID non-emergency food aid flow through the Title II program (Food for Peace), the related cash assistance to CSs through section 202(e) of PL 480, and estimates of the percentage of each CS program that is devoted to agricultural development[5] (Table 6).

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[4] The development food aid reported here does not include USAID food aid contributions to the United Nations' World Food Programme, which predominately are used for emergency feeding.

1. Funding

In FY2000, the value of USAID's Title II non-emergency food aid shipment to Mali totaled $3.4 million, including freight costs from the United States (Table 6). Excluding freight costs, the value of the commodities themselves was an estimated $2.3 million. Total payments under section 202(e) to the CSs working in Mali were $426,000 in FY2000. USAID estimates that 85% of the value of the food aid programs in Mali in FY2000 was applied to agricultural development activities, which means that about $3.3 million with freight costs included and $2.3 million without freight costs included was used for agricultural development purposes in FY2000. In FY2001, these figures dropped to $365,000 and $271,000, respectively, and to zero in FY2002–FY2004.

2. Title II-Funded Development Activities

Africare was the principal CS managing food aid-financed development projects in Mali in FY2000 and FY2001, working under a program that concluded in 2001 (Bogart 2004). Like USAID-sponsored food aid programs in general, the Africare program is focused on the goal of food security as called for by USAID's 1995 food aid policy statement (USAID/FFP 1995). Africare's FY1997–2002 Title II program, entitled the Goundam Food Security Initiative, focused on 30 villages in FY2001, with its overarching goal being "to enhance food security among the populations of Goundam Circle, Timbuktu Region, Mali" (Africare 2002, 3). The program consisted of nutrition, agriculture, health services delivery, and income-generating activity components and sought to achieve the following objectives: 1) strengthened capacity of targeted communities to address food security issues; 2) increased and diversified agricultural production; 3) improved household nutrition; and 4) improved access to potable water (Africare 2003).

Achievement of the first objective was based on indicators such as the number of participatory rural appraisals completed and communities' "food security community capacity index" (Africare 2003). For the second objective, the number of months households had adequate food provisions and the number of hectares with improved agricultural techniques related to irrigation and food crops were used to gauge progress. To evaluate the effect of efforts under the third objective, the percentages of children stunted and children enrolled in a growth monitoring program were monitored. Finally, improvements in access to potable water were evaluated based on the percentage of households having year-round access to potable water and the number of wells maintained by communities (Africare 2003).

Examples of achievements detailed in the 2001 results report include 298 hectares with improved agricultural techniques in 2001, up from zero hectares in 1998 (Africare 2003). The number of months households reported having adequate food provisions was actually lower in 2001 (5.1 months) than it was in the 1998 baseline study (5.6 months).

USDA's Agricultural Development Activities in Mali

As noted earlier, USDA did not provide food aid to Mali during the 2000–2004 period. Beyond food aid, USDA has no appropriation specifically for agricultural development assistance in Africa, but USDA employees provide technical assistance and manage programs that are funded by USAID through the International Cooperation and Development (ICD) program in USDA's Foreign Agricultural Service. Ten USDA agricultural advisors are on reimbursable details at USAID working on the Presidential Initiative to End Hunger in Africa.

In addition, USDA funds occasional projects that relate to agricultural development in specific African countries, amounting to about $1 million annually across the continent, through ICD's Food Industry Division and Scientific Cooperation Research Program (Brown 2005). No data were available on USDA projects carried out specifically in Mali.

Other United States Agencies

African Development Foundation

Four of eight projects in Mali approved in 2002 and 2003 by the ADF relate to agricultural development according to the 2002–2003 ADF annual report, which is the most current source of readily available information on ADF activities (ADF 2003). Funding for these four projects, all of which are ongoing, totals approximately $688,500.

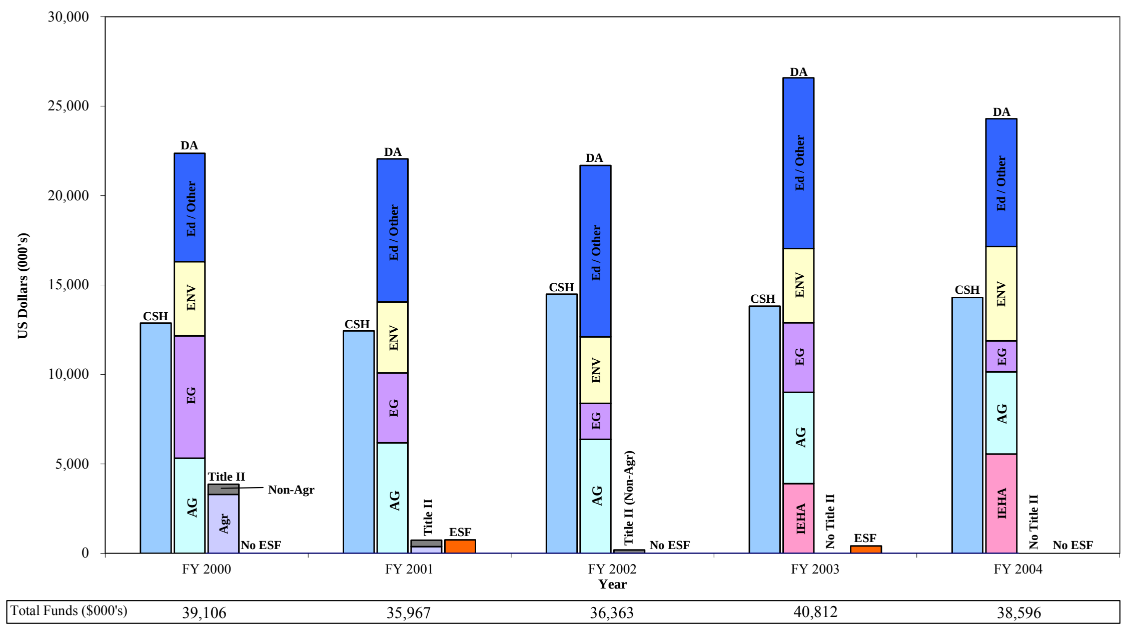
The projects are: 1) tomato processing; 2) rice processing and marketing support; 3) traditional cereals processing and marketing; and 4) fruit juice processing.

Trade and Development Agency

The TDA funded one project in Mali per year in FY2000 ($203,000) and FY2001 ($145,000); neither of these projects related to agricultural development and no TDA projects are reported in Mali during the FY2002–FY2004 period (OECD n.d.; USTDA 2004).

Trends in Bilateral U.S. Agricultural Development Assistance in Mali

The great majority of U.S. agricultural development assistance for Mali is funded bilaterally through the USAID Development Assistance account, with some Title II food aid funding in FY2000 and FY2001 (Table 7). Total funding through these vehicles is down from $15.8 million in FY2000 to $14.3 million in FY2004, a decline of nearly 10%. The level of assistance for agriculture was less than $9 million per year in FY2001 and 2002, reflecting drops from FY2000 in both the Development Assistance account and food aid funding.



Notes: CSH=Child Survival and Health, AG=Agriculture, EG=Economic Growth, ENV=Environment, Ed=Education, DA=Development Assistance, Agr=Agriculture, Non-Agr=Non-agriculture, ESF=Economic Support Fund, IEHA=Initiative to End Hunger in Africa

Figure 1. USAID Non-Emergency Assistance to Mali, FY2000–FY2004: Allocation of Appropriated Program Funds by Account and Sector

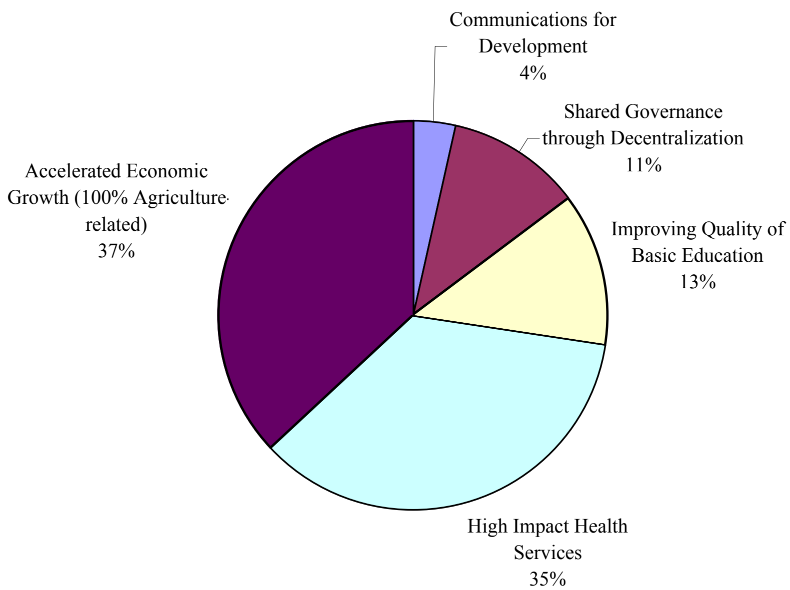


Figure 2. USAID Mali Strategic Objective Funding Distribution, FY2004

Table 1. Aid at a Glance: Mali

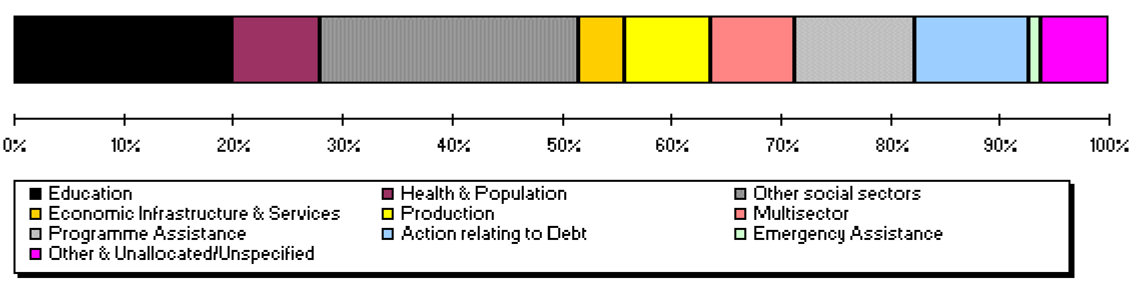
Mali

Receipts	**2001**	**2002**	**2003**
Net ODA (USD million)	354	467	528
Bilateral share (gross ODA)	56%	60%	48%
Net ODA / GNI	14.4%	15.0%	12.7%
Net Private flows (USD million)	- 2	- 135	17

For reference	**2001**	**2002**	**2003**
Population (million)	11.1	11.4	11.7
GNI per capita (Atlas USD)	230	240	290

Top Ten Donors of gross ODA (2002-03 average)		**(USD m)**
1	IDA	103
2	France	86
3	EC	84
4	United States	53
5	Netherlands	40
6	AfDF	31
7	Arab Countries	30
8	Germany	26
9	Canada	19
10	Japan	17

Bilateral ODA by Sector (2002-03)



Sources: OECD, World Bank.

Source: Aid Statistics, Recipient Aid Charts, Mali, OECD Development Co-operation Directorate (OECD/DAC n.d.).

Table 2. OECD Agriculture-related Assistance to Mali[a] as Reported to the OECD/CRS from all OECD Countries Combined, 2000–2003[b] (U.S. contributions in parentheses)

	Sector ($, thousands)							
Year	*Core Agriculture*[c]	*Forestry & Fisheries*[d]	*Rural Development*[e]	*Road Transport*[f]	*Trade Policy & Facilitation*[g]	*Development Food Aid*[h]	*All Other Aid*	*Total*
2000	16,294 (5,391)	19	8,392	9,408	320	3,938 (3,905)	213,615 (33,767)	251,987 (43,063)
2001	18,467 (5,178)	1,500 (810)	990	2	1,420 (1,405)	1,293 (1,154)	219,076 (30,393)	242,749 (38,940)
2002	17,151 (324)	1,414	4,688		1,208	1,432 (1,355)	263,850 (39,577)	289,743 (41,256)
2003	27,453	254	8,874	76		134	242,069 (47,598)	278,861 (47,598)
Total	79,366 (10,893)	3,187 (810)	22,944	9,487	2,948 (1,405)	6,798 (6,414)	938,610 (151,335)	1,063,340 (170,857)

Notes:
[a]Recipients included in our definition of sub-Saharan Africa (SSA) include individual SSA countries, "South of Sahara Unallocated," and "Africa Unspecified."
[b]All years (2000–2003) refer to calendar years.
[c]Core Agriculture includes all purpose codes beginning with 311 (Agriculture) and purpose codes 32165 (Fertilizer Plants), 32267 (Fertilizer Minerals), 23070 (Biomass), and 32161 (Agro-Industries).
[d]Forestry & Fisheries includes all purpose codes beginning with 312 (Forestry) and 313 (Fisheries) along with purpose code 32162 (Forest Industries).
[e]Rural Development includes purpose code 43040 (Rural Development).
[6]Road Transport includes purpose code 21020 (Road Transport).
[f]Trade Policy & Facilitation includes all purpose codes beginning with 331 (Trade).
[g]Development Food Aid includes purpose codes 52000 (Development Food Aid/Food Security Assistance) and 52010 (Food Security Programmes/Food Aid).

Source: OECD CRS Online Database on Aid Activities (OECD n.d.).

Table 3. World Bank Active Agriculture-related Projects in Mali

Project Name	*Funding ($, millions)*		*Project Description*
	Agriculture-related	*Total*	
Agricultural Services and Producer Organizations Project	43.5	43.5	Improve delivery of agricultural services to producer organizations through empowerment, institutional and agricultural research capacity building, and private-sector participation.
Gourma Biodiversity Conservation Project	4.4*	5.5*	Local capacity-building, conservation management, and community awareness raising.
National Rural Infrastructure Project	87.5	115.1	Promote private irrigation investment, improve irrigation infrastructure, and rural road development.
Total	135.4	164.1	

Notes: Unless otherwise noted, World Bank funding for the projects listed above is in the form of International Development Association loans. Projects noted with a * indicate World Bank funding in the form of grants. Agriculture-related funding amounts were calculated by multiplying the total World Bank funding amounts by the percentage of the project related to agriculture as listed by the World Bank.

Source: World Bank Mali: Active Projects (World Bank 2005).

Table 4. USAID Appropriation of Program Funds for Mali, FY2000–FY2004

Account	*Appropriation ($, thousands)*					
	FY2000 Actual	*FY2001 Actual*	*FY2002 Actual*	*FY2003 Actual*	*FY2004 Actual*	*FY2005 Requested*
Development Assistance Total	22,370	22,054	21,688	26,581	24,296	20,793
Agriculture	5,315	6,179	6,373	5,100	4,600	
Economic Growth	6,838	3,903	2,011	3,889	1,735	
Environment	4,150	3,977	3,718	4,152	5,266	
IEHA	0	0	0	3,900	5,550	
Child Survival & Health	12,878	12,433	14,488	13,821	14,300	13,974
Economic Support Fund	0	750	0	410	0	0
Total PL 480 Title II Non-Emergency	3,858	730	187	0	0	
Non-Emergency Agricultural Use	3,287	365	0	0	0	
Non-Emergency Non-Agricultural Use	571	365	187	0	0	
TOTAL NON-EMERGENCY PROGRAM FUNDS	39,106	35,967	36,363	40,812	38,596	34,767
Total PL 480 Title II (Emergency + Development)	3,905	2,372	1,355	0	0	0
TOTAL PROGRAM FUNDS	39,153	37,609	37,531	40,812	38,596	34,767

Notes: IEHA=Initiative to End Hunger in Africa.

Source: USAID Congressional Budget Justifications (USAID various years) and personal communication with Fenton B. Sands, Chief, Economic Growth, Environment & Agriculture Division, Office of Sustainable Development, Bureau for Africa, USAID (Sands 2005).

Table 5. USAID Agriculture-related Strategic Objectives and Funding Levels, Mali, FY2000–FY2004

Title	*Former Title*	*% related to Agriculture*	*Funding ($, thousands)*					
			FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Total, FY2000–FY2004*
688-002 Sustainable Economic Growth	688-022 Increased value-added of specific economic sectors to national income	100	10,753	5,881	3,330	0	0	19,964
668-005 Development in the North		50 (33-67)	1,750 (1,155-2,345)	2,045 (1,350-2,740)	405 (267-543)	0	0	4,200 (2,772-5,628)
668-009 Accelerated Economic Growth		100	0	0	5,222	13,349	14,300	32,871
Total			12,503 (11,908-13,098)	7,926 (7,231-8,621)	8,957 (8,819-9,095)	13,349	14,300	57,035 (55,607-58,463)

Source: Authors' calculations, with data from USAID Congressional Budget Justifications-Mali (USAID various years).

Table 6. U.S. Non-Emergency Food Aid Estimated Value Applied for Agricultural Development Purposes, Mali, FY2000–FY2004

Allocation	*Funding ($, thousands)*						
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Average*	*Increase, FY2000–FY2004 (%)*
USAID							
Title II Value With Freight	3,432	564	0	0	0	799	-100%
Title II Value w/o Freight*	2,289	376	0	0	0	533	-100%
202(e) Payment	426	166	187	0	0	156	-100%
USAID Total With Freight	3,858	730	187	0	0	955	-100%
USAID Total w/o Freight	2,715	542	187	0	0	689	-100%
% Used for Agriculture**	85%	50%	0%	0%	0%	-----	-100%
Total USAID Agriculture Value With Freight	3,279	365	0	0	0	729	-100%
Total USAID Agriculture Value w/o Freight	2,308	271	0	0	0	516	-100%

Notes:
* Calculated based on the assumption that freight costs consume one-third of the total value.
** Calculated based on estimates in USAID annual reports on non-emergency food aid of the percentages of each cooperating sponsor program in Mali that is devoted to agricultural development.

Source: USAID Office of Food for Peace Annual Reports, FY2000–FY2004 (USAID/FFP various years) and the USDA/Foreign Agricultural Service website (USDA/FAS n.d.).

Table 7. Bilateral U.S. Assistance for Malian Agriculture, Major Elements, FY2000–FY2004

Program	*Funding ($, thousands)*				
	FY2000 Actual	*FY2001 Actual*	*FY2002 Actual*	*FY2003 Actual*	*FY2004 Actual*
USAID/Development Assistance Rural Sector Growth Strategic Objective	12,503	7,926	8,957	13,349	14,300
USAID/Food Aid PL480 Title II*	3,279	365	0	0	0
Total	15,782	8,291	8,957	13,349	14,300

Notes: * Includes 202(e) payments. All food aid values include freight costs.

Source: Extracted from Tables 5 and 6.

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Appendix 4-C U.S. Agricultural Development Assistance in Mozambique

By Michael R. Taylor, Julie A. Howard, and Nicole M. Mason[1]

The Economy, Agriculture, and Food Security in Mozambique[2]

Mozambique achieved independence from Portugal in 1975 after more than a decade of armed struggle led by the Front for the Liberation of Mozambique (FRELIMO). The colonial economy had operated on the typical extraction model, including the mining of titanium, iron ore, and other mineral resources, with the vast majority of people relying on subsistence agriculture for survival.

Following independence, FRELIMO aligned Mozambique with the Soviet Union and adopted socialist economic policies. The result was a civil war in which neighboring Rhodesia and South Africa financed armed rebellion by the Mozambican National Resistance (RENAMO). More than a million Mozambicans were killed and several million displaced during the civil war, with dire consequences for the economy. In 1983, FRELIMO abandoned socialism and began a process of economic and political reform that culminated in a 1990 constitution providing for a multi-party political system, a market-based economy, and free elections. The civil war ended in 1992, and the first democratic elections were held in 1994, in which FRELIMO's Joaquim Chissano was elected president.[3]

Mozambique emerged from the turmoil of independence and civil war as one of the world's poorest nations and remains so today. With a population of 18.5 million, its

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[2] Information in this section is drawn from the U.S. Department of State's "Background Note: Mozambique" unless otherwise noted (U.S. Department of State 2004).
[3] In elections held in December 2004, FRELIMO's candidate Armando Guebuza was elected with 64% of the vote to succeed President Chissano (U.S. Department of State 2005).

annual per capita income in 2003 was $226 (World Bank 2004). Infant mortality is high (124/1000) and life expectancy is low at 41 years; adult literacy is 45%. AIDS prevalence is 13%. Nearly 70% of the population lives in absolute poverty (Mozambique 2001).

With peace and the implementation of market-oriented economic reforms, however, the economy of Mozambique has grown at relatively high rates in recent years, exceeding 10% from 1997 to 1999. The severe floods of 2000 cut economic growth to 2.1% that year, but growth rebounded to 14.8% in 2001 and is expected to average in the 7–10% range for the next five years. Mining remains an important element of the economy, and 31% of gross domestic product (GDP) is now derived from industrial production, including aluminum, consumer goods, light machinery, garments, food processing and beverages. Nevertheless, industry and commerce employ only 8.5% of Mozambique's workforce.

The majority of Mozambicans, 88%, work in the agriculture sector, with more than 75% engaged in small-scale agriculture. Agriculture accounts for 23.3% of the GDP. Export crops include cashews, corn, cotton, sugar, sorghum, copra, tea, citrus fruit, bananas, and tobacco. In recent years, the agricultural sector has accounted for about 80% of Mozambique's exports, which totaled $910 million in 2003, but commercial agriculture in Mozambique is severely hampered by inadequate physical infrastructure, market networks, and investment (Mozambique PRSP).

The major crops consumed locally are corn, cassava, and rice, but productivity is low due to limited use of modern equipment and other inputs. Less than 10% of households sell surplus corn, cassava, or cotton. On the other hand, 88% of Mozambique's arable land is uncultivated, suggesting significant natural capacity for growth in agricultural output. Mozambique also adjoins the relatively large South African market and has an extensive coastline, providing some comparative advantage for agricultural trade if obstacles to production can be overcome.

Hunger is a severe problem in Mozambique. The Food and Agriculture Organization of the United Nations (FAO) estimates that in the years 2000–2002, 47% of Mozambicans were undernourished, meaning their basic food energy needs were not being met (FAO 2004).[4] This number is down from the 66% and 58% that were estimated to be undernourished in the periods 1990–1992 and 1995–1997, respectively, but only six countries in the world are more food insecure than Mozambique.

Mozambique's Governance Structure for Agricultural Development

Mozambique is a multi-party democracy in which FRELIMO and RENAMO remain the leading parties, followed by numerous smaller ones. The government is headed by a popularly-elected president, who appoints the prime minister and the 23 ministers who head government departments, including the Ministry of Agriculture (MINAG). The president is both head of state and head of government and chairs the Council of Ministers.

Legislative power rests in a unicameral, 250-member National Assembly. The assembly members are elected at the province level from party tickets, which means that ballots are cast for the party rather than directly for individual candidates. Mozambique's 11 provinces and 128 districts have no elected assembly or legislative power, though Mozambique's 33 cities have elected mayors and assemblies to handle municipal matters.

Mozambique is attempting to decentralize the national government's functions. Each of the national ministries is represented at the provincial level by an official who is nominated by the national ministry and formally appointed by the provincial governor. The governors, however, are appointed by the president. Because there are no provincial or district assemblies and National Assembly members are elected by party ticket at the provincial level, there is little direct accountability of elected officials to rural people.

The president plays a key role in the formulation of agricultural development strategy, and MINAG is the key ministry. President Chissano committed the government to poverty and hunger reduction as central goals and provided leadership in the formulation and adoption of Mozambique's Action Plan for the Reduction of Absolute

[4] The term "undernourishment" refers only to the failure to meet dietary energy needs and not to the problem of malnutrition, which includes the failure to consume the micronutrients, protein, and other dietary components needed for good health. Nevertheless, FAO uses undernourishment interchangeably with "food insecurity," which FAO defines as the condition in which people in a society lack physical and economic access to the safe and nutritious food they need to thrive (FAO 2004).

Poverty (2001–2005) (PARPA or Mozambique's PRSP) (Mozambique 2001). The newly elected President Guebuza is expected to maintain that commitment.

Because agricultural development is a key element of Mozambique's PRSP, the Ministry of Agriculture and Rural Development (MADER, now referred to as MINAG) played a central role in its formulation, along with the numerous other ministries involved in development and poverty reduction, including the ministries of Planning and Finance, Industry and Commerce, Transport and Communications, Health, and Education. The PRSP was drafted by an inter-sectoral group comprised of representatives of the ministries and was adopted by the Council of Ministers following a process of consultation with stakeholders at the national level and consultation meetings in each of the provinces.

To build its own capacities and foster the progress in the agricultural sector contemplated by the PRSP, MINAG has adopted two strategy documents of its own to guide investment in Mozambican agriculture: ProAgri I and ProAgri II (MADER 2004). These strategies were blessed by the prime minister and, in the case of ProAgri II, developed on the basis of extensive consultations with both government and civil society stakeholders at the national and provincial levels, as well as with substantial input from donors and the international development agencies.

The Role of Agriculture in Mozambique's Development Strategy

Mozambique's Poverty Reduction Strategy Paper

Mozambique's PRSP embraces the market-oriented principles of the economic stabilization and structural adjustment program the country initiated in the late 1980s and for which it credits the economic growth rates it has achieved in recent years. It also recognizes that "the dynamics of human development and broad-based growth are interdependent" and that a pro-poor growth strategy "requires a policy climate which stimulates the private sector to accelerate job creation and increase income generating opportunities through self-employment" (Mozambique 2001, 3).

With these principles in mind, Mozambique's PRSP identifies six priorities (or fundamental areas of action) that are aimed at "promoting human development and creating a favourable environment for rapid, inclusive and broad-based growth" (Mozambique 2001, 3). They are:

- Education;
- Health;
- Agriculture and rural development;
- Basic infrastructure;
- Good governance; and
- Macro-economic and financial management.

It is noteworthy that agriculture is the only productive sector of the private economy included in these top-priority fundamental areas of action. The PRSP includes other important sectors as other areas of action, including mining, fisheries, and tourism, but agriculture is singled out for priority attention because the population is predominately rural and dependent on agriculture and "[t]here is a great potential for the agricultural sector to contribute to rising incomes" (Mozambique 2001, 62).

The PSRP's Agriculture and Rural Development Program explicitly focuses on poverty reduction and emphasizes the need to boost both the "family" sector and the commercial sector of the agricultural economy. The program focuses on boosting the productivity of Mozambique's farmers through research, extension, natural resource management, and other traditional services, while recognizing that "success depends on measures to provide infrastructure and services outside the field of agriculture," including transport, communications, market expansion, finance, education and training, health and nutrition (Mozambique 2001, 62).

ProAgri I and ProAgri II

MINAG's first ProAgri strategy, ProAgri I, which pre-dated the PRSP, focused on improving the ministry's capabilities as an institution in area such as program planning, budget planning and management, accounting, audit and financial control, procurement, human resources management, organization of the research system, and coordination across sectors (MADER 2004). This approach was driven in large part by donor countries and institutions, which, prior to ProAgri, were reluctant to provide assistance directly to MINAG due to lack of confidence in its financial controls and other capabilities. Prior to the inception of ProAgri I in 1999, only two donors (the European Commission and the United States) were willing to support the reform process directly through the government's budget. By 2001, that number had increased to 10, including the World Bank (MADER 2004).

By 2002, however, it had become clear, based in part on an external evaluation of ProAgri, that the progress toward improving MINAG's capabilities had not resulted in gains for the agricultural sector itself as called for by the PRSP. It was thus necessary to move to Phase II by "transforming ProAgri into a true framework for agricultural development in Mozambique, as opposed to a narrow public expenditure program focused on institutional development" (MADER 2004, 1).

ProAgri II was adopted in March 2004. It reflects MINAG's ongoing struggle to redefine its role in agricultural development and poverty reduction in relation to other government ministries and the private sector. ProAgri II emphasizes that MINAG can no longer focus on the traditional supply-driven functions of an agriculture ministry. Rather, it must coordinate its actions with other ministries with vital roles in agriculture and rural development, such as Transport and Communications, Industry and Commerce, and Education, and it must also be more demand-driven to better meet the needs of farmers and other private-sector participants in the agricultural system.

ProAgri II candidly acknowledges that defining MINAG's role within government and with the private sector "is not straightforward" (MADER 2001, 51) and is a work-in-progress. As a broad guide for that process, however, ProAgri II declares MINAG's mission to be to:

> Contribute to improved food security and poverty reduction by supporting the efforts of smallholders, the private sector, [and] governmental and non-governmental agencies to increase agricultural productivity, agro-industry and

marketing within the principles of sustainable exploitation of natural resources. (MADER 2004, 60)

To achieve this mission, MINAG intends to work within four "pillar" areas of activity: 1) input and output markets; 2) rural finance; 3) rural infrastructure; and (4) provision of an enabling policy and regulatory environment (MADER 2004).

MINAG also plans to take a horizontal approach to planning interventions in its three strategic intervention areas: smallholder agricultural development, commercial agriculture development, and sustainable natural resources management. Each of these has a defined objective and is accompanied by strategic actions that add up to a sweeping and ambitious reform agenda:

Smallholder agricultural development: "[T]o support smallholders to develop their agriculture and natural resource related activities to enhance their livelihoods" (MADER 2004, 66).

Strategic actions include:

- *Financial Services:* Formulate and implement a plan to address smallholders' needs for financial services.
- *Roads:* Address important feeder road constraints to agriculture at province and district levels.
- *Markets for agricultural inputs, products, and services:* Stimulate markets for key inputs, products, and services.
- *Access to agricultural technology and advice:* Develop an effective research and extension service.
- *Farmers' organization:* Develop and implement a program for widespread facilitation of sustainable farmers' groups.
- *Enabling environment for the development of the smallholders' agricultural businesses*: Establish an enabling business environment for smallholder-sector development.
- *Access to forest and wildlife resources*: Create the conditions and capacity for sustainable forest and wildlife management by smallholders (MADER 2004, 66–74).

Commercial agriculture development: "[T]o stimulate increased agricultural and natural resource based production, to ensure sufficient domestic production to meet basic food needs of all Mozambicans, and increase income levels in rural areas. This should be complemented with the promotion and development of agro-industries that add value to the country's agricultural products for domestic and export markets" (MADER 2004, 75). Strategic actions include:

- *Financial Services:* Formulate and implement a plan to address commercial needs for financial services.
- *The Tax and Business Environment:* Create an enabling tax and business environment for the agricultural commercial sector.
- *Infrastructure:* Address key infrastructural constraints to agricultural sector business [such as roads, storage, and irrigation].
- *Access to Professional Services:* Develop systems by which commercial actors can access professional services [such as technical assistance for production and marketing].
- *Market for Inputs and Products:* Stimulate markets for key inputs and products.
- *Private-Sector Organization and Representation:* Develop representative organizations for the commercial agricultural sector which can adequately represent their voice.
- *Access to Forest and Wildlife Resources:* Create the conditions for a competitive and diversified commercial sector based on the sustainable management and use of forest and wildlife resources (MADER 2004, 75–79).

Sustainable natural resources management: "To guarantee sustainable natural-resource management that brings economics, social and environmental outcomes based on appropriate management (access, security of tenure and rights) and conservation plans, involving communities, public sector, and private-sector interests" (MADER 2004, 80).
Strategic actions include:

- *Natural Resource Access, Security of Tenure and Rights:* Development of a National Land Cadastre infrastructure.[5]
- *Planning and Management of Natural Resource Use:* Develop and implement natural resources planning.
- *Monitoring Use of Natural Resources:* Address key constraints to monitoring of use of natural resources and the environment.
- *Education and Information:* Increase people-oriented approaches to sustainable use and management of natural resources.
- *Natural Resources Conservation:* Prepare and implement a strategy for the conservation of natural resources (MADER 2004, 80–83).

In addition to identifying these action areas, ProAgri II provides an illustrative, but lengthy, list of targets and milestones for the institutional reforms and program activities that must be completed during the 2005–2009 period to accomplish MINAG's mission (MADER 2004).

As written, ProAgri II makes good on MINAG's goal of shifting its focus to interventions that meet directly the needs of private-sector participants in agriculture and agri-business. With its focus on interventions in multiple sectors related to but distinct from traditional agriculture—such as finance, tax and other economic policies, rural infrastructure and human capacity building, and market development—ProAgri II also challenges MINAG to forge relationships and work in concert with a wide range of public and private institutions. Without doubt, implementation of ProAgri II will be a severe test for MINAG, with the principle question among most stakeholders being whether the ministry has the human and financial resources necessary to make ProAgri II a success.

[5] "Cadastre is the [Mozambican] land registration procedure and archives. All land [in Mozambique] is public and there is a government body in the Ministry of Agriculture responsible for land allocation to businesses and individuals based on land laws and regulations. Development of a land cadastre is an attempt to update procedures, information technology and appropriate infrastructure to host the land allocation services and database" (Xavier 2005).

Overview of Public Investment in Mozambican Agriculture

Though Mozambique's PRSP gives agriculture a central place in the country's development strategy, public resources are scarce and agriculture competes with other sectors that have high priority in the PRSP, most notably education and health. According to Mozambique's *PRSP Progress Report*, spending on agriculture and rural development under the PRSP amounted to about $94 million,[6] which was about 6.6% of total government spending (Mozambique 2004). This compares to 18.5% and 13.8% for education and health, respectively.

Mozambique is heavily dependent on external assistance to fund the budget of the national government, including making the necessary public investment in the agricultural sector. Overall, about half of the government's budget is funded by external donors. According to the Organisation for Economic Co-operation and Development (OECD) (Table 1), external assistance to Mozambique from all sources for all purposes totaled about $1.03 billion in 2003, or about 25% of Mozambique's national income, with the top four donors being France, Italy, the World Bank's International Development Association, and the United States. Funding for education, health and population, and other social services was just over 25% of the total, while economic infrastructure and services and production garnered about 10%. Debt relief accounted for nearly 50% of total external assistance (Table 1).

As reported through the OECD's Creditor Reporting System, bilateral assistance from the OECD countries (including the United States) averaged $1 billion annually from 2000 through 2003, with reported funding for core agriculture, forestry, and rural development purposes averaging about $47 million annually (Table 2). Reported OECD country funding for road transport averaged $20.4 million over the period, but the data do not specify whether the assistance was for rural or urban road transport.

With respect to agriculture, MINAG reports that nearly 60% (or $63.1 million) of the $108.3 million it spent over four years (1999–2002) to implement ProAgri I was funded by external donors, including the United States, eight European donors, the World Bank, the International Fund for Agricultural Development (IFAD), and the United

[6] Based on an assumed meticais exchange rate of 20,000 Mt to one U.S. dollar.

Nations Development Bank. External contributions rose from $4.9 million in 1999 to $31.4 million in 2002 (MADER 2004).

For implementation of ProAgri II, MINAG projects an implementation budget of $275.2 million over the five-year period from 2005 through 2009, rising from $46.7 million in 2005 to $55.3 million in 2009. MINAG does not state in the ProAgri II strategy document how much of this budget it expects donors to fund, but it does assume that donors "will welcome and support the new ProAgri approach" (MADER 2004, 178).

The funding for ProAgri I and ProAgri II is only part of the public investment being made in Mozambican agriculture. Importantly, Mozambique's government invests in roads, which are essential to agricultural development. In 2003, spending for roads totaled about $104 million or 7.3% of government spending (Mozambique 2004). Moreover, according to the director general of the National Roads Administration, external donors have committed $1.7 billion over ten years (beginning in 2002) to road construction, much of which will directly benefit agricultural development (Mabombo 2005).

Beyond these investments in roads and support to the government for implementation of the ProAgri II strategy, much of the bilateral donor assistance for agricultural development comes in the form of direct support for specific projects typically implemented by foreign-based non-governmental organizations (NGOs) or for-profit consulting firms. In the period 2000–2002, when total donor funding for ProAgri I averaged $21.5 million annually, funding by OECD members for core agriculture, forestry and fishery, and rural development purposes averaged about $47 million (Table 2).

Finally, significant public investment in Mozambican agriculture also comes from the multilateral development organizations, including:

- *The World Bank*. The World Bank portfolio in Mozambique includes 22 active projects with a commitment value of about $954 million. These projects involve health, education, infrastructure, governance, and other sectors related to achieving the goals of the bank's Country Assistance Strategy for Mozambique, which include improving the investment climate and strengthening the capabilities and accountability of public institutions (World Bank 2003). Three active World Bank projects relate directly to agriculture with a value of about $31.4 million, most of which supports MINAG's implementation of ProAgri II (Table 3). In addition, the bank has been a major funder of road construction and rehabilitation, including an active project for road and bridge construction and maintenance valued at $162 million that is part of the overall road program noted earlier.

- *Food and Agriculture Organization*. In 2004, FAO was involved in 28 active, mostly multi-year projects in Mozambique, with a total FAO contribution valued at $22.2 million (FAO 2005). FAO's projects focus primarily on improving productivity and food security at the household level, but they involve a wide range of activities, including training, fostering access to needed inputs, and improving irrigation and market linkages for smallholders.
- *International Fund for Agricultural Development.* The IFAD is financing four ongoing projects in Mozambique with loans totaling approximately $70 million (IFAD 2005). The projects are: 1) support for artesian fishermen to improve and diversify their fishing techniques and improve their incomes; 2) a seven-year project to increase participation of smallholder farmers in the market economy on more favorable terms; 3) a family sector livestock program; and 4) a program to foster agricultural and rural development in the Niassa District.
- *African Development Bank* (ADB). In 2003, ADB loans and grant disbursements in Mozambique totaled 21.1 UA or approximately $31.6 million (ADBG 2005). While agriculture is a priority sector for investment in the ADB's strategic plan, project- and sector-specific information was not available for this report.

It is impossible to determine precisely the total amount of annual public investment in Mozambican agriculture, whether from domestic or external sources, due to the lack of any standardized definition or reporting system for such investment and the fact that many projects are funded on a multi-year basis. Nevertheless, for the sole purpose of putting U.S. assistance in context, a reasonable approximation of the annual public investment in agricultural development is $150–200 million, taking into account MINAG's anticipated spending on ProAgri II, annual bilateral assistance from OECD countries, and multilateral commitments (assuming an average three-year project life).

This does not include the investment in roads that is expected to average about $170 million per year beginning in 2002.

The U.S. Assistance Program for Agriculture in Mozambique

The U.S. agricultural development program in Mozambique is best understood in the context of the overall U.S. assistance program in the country. The United States is one of Mozambique's largest bilateral donors, ranking consistently among the top five donor countries (Table 1). Since FY2000, total U.S. bilateral assistance to Mozambique from all agencies for all purposes has averaged about $85 million per year (excluding the $48 million in debt forgiveness that occurred in 2002) (Table 2). More than 75% of this assistance is funded and managed through USAID, with the balance coming through the Centers for Disease Control and Prevention, the U.S. Department of Agriculture (USDA), the Peace Corps, the State Department, and the Department of the Interior.

In the fiscal years 2000–2004, the total annual USAID appropriations targeted specifically to assist Mozambique averaged about $65 million, including a high of $73.6 million in FY2000 and an appropriation of $58.8 million in FY2004 (Table 4). USAID's FY2005 budget request for Mozambique was $56.9 million and the sixth largest in the Africa region (USAID 2005). These figures do not include funds appropriated for the Economic Growth, Agriculture, and Trade and the Africa regional programs that may have been used for activities in Mozambique.

USAID's Strategy for Agriculture

USAID plays by far the largest role in Mozambican agriculture among U.S. agencies and has the most fully developed agriculture strategy. USAID's overall development strategy in Mozambique, including its strategy for agriculture, is described in the mission's Mozambique Country Strategic Plan (CSP) FY2004–2010 (USAID 2003). The CSP includes five strategic objectives**:** Rapid Rural Income Growth Sustained in Target Areas; Labor-Intensive Exports Increased; Increased Use of Child Survival and Reproductive Health Services in Target Areas; Transmission of HIV Reduced and Impact of the AIDS Epidemic Mitigated; and Municipal Governance Increasingly Democratic.

In its overall country strategy, the Mozambique Mission emphasizes collaboration with the government of Mozambique and notes that all five of its strategic objectives contribute to one or more of Mozambique's six PRSP objectives. The strategy document describes the participatory planning process, involving both government and NGO development partners, through which the strategy was developed, and the close working relationship the mission has with other donors and with ProAgri (USAID 2003).

The mission's strategic objectives related to HIV/AIDS and maternal and child health are important in the USAID strategy, consuming about 45% of the non-food aid assistance allocated to Mozambique in FY2004. However, Rapid Rural Income Growth Sustained in Target Areas, the strategic objective related to agriculture, is singled out as the mission's priority strategic objective, "highlighting the over-arching importance of the agriculture sector to Mozambique's economic growth and poverty reduction goals" (USAID 2003, 1).

The mission justifies this focus on agriculture on the basis of the priority Mozambique accords agriculture and rural development in its poverty-reduction strategy, Mozambique's potential comparative advantage in agriculture, and the reality that:

> …it would be impossible to address the problems of poverty and malnutrition without addressing agricultural development and growth given that more than 80% of the population is engaged in agriculture. The fact that this huge proportion of the population accounts for approximately one-quarter of GDP demonstrates that poverty is predominately, though not exclusively, rural in nature. (USAID 2003, 8)

Like Mozambique's strategy for agriculture, the mission's strategy is strikingly market-oriented. The development hypothesis is that poverty is best reduced not just by increasing the productivity of subsistence farmers but through the combination of increased production and marketing in the agriculture sector. Thus, a pervasive theme of the agriculture strategy is the need to link farmers with markets and harness market forces to drive increased production. The near-term goals of the strategy for agriculture (intermediate results in USAID terms) are expressed as:

- Increased smallholder sales of agricultural production, with illustrative activities including:
    - Improved research and extension for Mozambique's smallholders;
    - Improving the policy and regulatory environment for private sector-led growth in agriculture;
    - Capacity building to analyze and implement progressive and gender-aware agricultural growth policies;
    - Training of smallholders in application of improved technologies and use of drought resistant crops; and
    - Initiatives to secure lucrative markets, such as through contract farming.
- *Expanded rural enterprises,* including rural trading networks, rural agro-industries, and rural finance, with illustrative activities including:
    - Development of farmers' associations and other farmer-owned marketing infrastructure such as warehouse capacity;
    - Support of business development services, including business plan and new market development, adoption of appropriate technologies, and certification and other measures
      to comply with buyer and international standards;
    - Supporting the financial sector in making financial products available at less cost; and
    - Pilot activities with creative financing tools for smallholders, such as group lending, technical assistance to borrowers, and innovative insurance tools.
- *Increased marketing due to improved transport infrastructure*, focusing on rural roads to increase physical access to markets and reduce costs, with illustrative activities including:
    - Test pilots for private sector road maintenance concessions;
    - Building capacity of local firms to maintain secondary and tertiary roads with labor intensive methods; and
    - Rehabilitating key primary and secondary roads (USAID 2003).

In keeping with the strategy's market-orientation and the reality of finite resources, its program activities will be targeted geographically and will "focus on the provinces and districts most successful in attracting private investment" (USAID 2003, 12) based on criteria such as an existing agricultural production base, existing rural enterprises, current or planned market infrastructure (especially roads), local buy-in and commitment, and relatively high poverty levels. The goal of this targeting is to demonstrate in practice the necessary conditions for growth and develop models that can be adapted and applied elsewhere.

USAID's Agricultural Development Program

USAID's agricultural development assistance for Mozambique is funded and managed primarily through the USAID Mission in Maputo out of its Development Assistance (DA) and PL 480 Title II accounts. The other major account through which the activities of the USAID Mission in Mozambique are funded is Child Survival and Health (CSH). As indicated in Table 4 and Figure 1, the Development Assistance account is the largest of the three, though it has declined in the FY2000–2004 period from a high of $37.6 million in FY2000 to $24.3 million in FY2004. PL 480 Title II funding has also declined from $23.6 million in FY2000 to $14.9 million in FY2004, with a FY2005 request of $18.8 million. In contrast, funding for the CSH account over the same period has increased from $11.95 million in FY2000 to $19.7 million in FY2004.

Within the DA account, it is important to focus on the specific sectoral allocations that are used to support agriculture's role in economic development and poverty reduction, namely agriculture, economic growth, and environment (with funding for the Initiative to End Hunger in Africa [IEHA] coming online in 2003 as a sub-component of the agriculture sector). Since FY2002, the agriculture-related sectors have comprised more than 93% of the DA account (Table 4). Funding for these sectors in Mozambique declined by about 23% from FY2000 to FY2004 (from $29.5 million to $22.8 million), even with the initiation of IEHA funding in Mozambique in FY2003.

Use of Development Assistance Funding for Agriculture

1. Recent Funding of Agricultural Development

While the mission receives its DA funding allocation from Washington in the four sub-categories shown in Table 4 and Figure 1, USAID allocates and reports its DA resources to agriculture and other sectors through the strategic objectives laid out in its strategic plan for Mozambique. The primary strategic objective applicable to agricultural development is Rapid Rural Income Growth Sustained in Target Areas (SO 656-006), which was initiated with the new strategic plan in FY2003. The predecessor strategic objective primarily focused on agriculture was Increased Rural Incomes (SO 656-001), which was initiated in FY1996. Funding for these agriculture-related initiatives has declined from $25.2 million in FY2000 to $15.9 million in FY2004 (Table 5).

The mission also has funded in the FY2000–2004 period strategic objectives related to the overall enabling environment for private-sector-led growth and development (FY2000–2003) and for exports (FY2003–2004) at levels ranging from $2.5 million to $7.1 million (Table 5). These initiatives are intended to benefit the Mozambican economy broadly but certainly will benefit agricultural producers and exporters to some extent.

Taking into account the funding of all five strategic objectives currently in effect in USAID's Mozambique Mission, approximately 44% of the funding appears to be used for purposes related to fostering agriculture's role in economic growth and poverty reduction (Figure 2).

2. Current Activities in the Primary Agriculture Strategic Objective

The activities USAID is funding in its primary agriculture strategic objective (Rapid Rural Income Growth Sustained in Target Areas) fall into three major intermediate results sub-categories (USAID 2005). The first, funded at a level of about $7 million in FY2004 (out of the $15.9 million allocated to this strategic objective) is intended to increase smallholder sales of agricultural products by increasing productivity through the training of farmers in crop diversification, improved storage of products, and sound environmental management practices. In 2004, this involved projects implemented by Save the Children Federation, Food for the Hungry International, Adventist Development

Relief Agency, CARE, World Vision International, Africare, and Michigan State University (USAID 2005).

This first sub-category of activity also includes direct budget support for ProAgri (de Voest 2005). A total of $2 million was programmed for this purpose in FY2004, which was down from the $5 million in direct support that the Mozambique Mission had provided to MINAG and ProAgri annually from 2000 through 2003.

The second sub-category of activity under the Rapid Rural Income Growth Sustained in Target Areas strategic objective is intended to expand rural enterprises through partnerships with private traders, financial institutions, and processors of agricultural commodities. This activity, which was funded in FY2004 at the level of $4.5 million, involves working with selected rural enterprises, such as cashew processors, to provide technical and business skills training and financial support to support value-added enterprises and the creation of trading networks and other vehicles for linking agricultural producers to markets (USAID 2005). Principal implementers were ACDI/VOCA, TechnoServe, and CLUSA.

The third sub-category of activity under Rapid Rural Income Growth Sustained in Target Areas involves improving transport infrastructure, for which $4.4 million was allocated in FY2004 (USAID 2005). This money was used to improve local capacity to construct and maintain roads by providing technical and management training to local firms.

3. Current Activities in the Broader Growth and Export Strategic Objectives

The Labor-Intensive Exports Increased strategic objective is a continuation of efforts begun by the mission in 1996 to improve the enabling environment for private sector-led growth and development. The current program, funded in FY2004 at a level of $7.1 million, devotes about half of its resources to working with government and industry to improve trade policy and the legal framework for trade, promote public–private partnerships, and reduce the red tape that can impede access to export markets (USAID 2005). This involves working with contractors, primarily Nathan and Associates, Booz-Allen & Hamilton, the Confederation of Mozambican Business Associations, and the

Mozambican Ministry of Industry and Commerce. While not targeted to agriculture, this activity will likely benefit agro-industrial exporters.

The other half of the resources for the Labor-Intensive Exports Increased strategic objective is used to work with specific labor-intensive enterprises to help them enter and succeed in domestic and international markets (USAID 2005). This work is aimed at the manufacturing sector and is relevant to agriculture only to the extent that agribusiness enterprises are selected. The primary contractor is TechnoServe.

Use of PL 480 Title II Food Aid Resources for Agricultural Development

A significant portion of the overall U.S. investment in agricultural development in Mozambique is financed through development (non-emergency) food aid from USAID and USDA, which is channeled through private voluntary organizations (PVOs) working in the country. These organizations use the proceeds from the sale (monetization) of the commodities to carry out their projects involving agriculture, health, education, and other needs. Determining the dollar amount of the food aid resource that is applied to agriculture requires considering both USAID and USDA non-emergency food aid flows through USAID's Title II program (Food for Peace) and USDA's 416(b) and Food for Progress programs, related cash assistance to the PVOs through section 202(e) of PL 480, and estimates of the percentage of each PVO's program that is devoted to agricultural development.[7]

The USAID-managed Title II food aid is discussed in this section. The USDA food aid program is discussed in the next section.

1. Funding

During the period FY2000–FY2004, the value of USAID's Title II non-emergency food aid shipments to Mozambique averaged \$17.6 million annually, including freight costs from the United States (Table 6). Excluding freight costs, the value of the commodities themselves averaged \$11.7 million. Total payments under section 202(e) to all food aid

[7] The development food aid reported here does not include USAID or USDA food aid contributions to the U.N.'s World Food Programme, which are used predominately for emergency feeding, or the USDA contributions for the Food for Education program.

PVOs working in Mozambique averaged $1.07 million per year. As many as six cooperating sponsors (CSs) have been managing Title II food aid programs in Mozambique over the period 2000–2004. All have been involved in agricultural development to some extent but with the level of activity varying from year to year and ranging from 49% to 100% of their programs in Mozambique (Bogart 2004). Based on USAID's reported estimates, the share of overall Title II non-emergency food aid used for agriculture in Mozambique from FY2000 through FY2004 averaged 76%.

Thus, if freight costs are included, Title II food aid-financed agricultural assistance for Mozambique from FY2000 through FY2004, including 202(e) payments, averaged $14.3 million annually, with the levels ranging from $10.7 million in FY2003 to $19.8 million in FY2001 (Table 6). The trend, however, is downward, with the FY2004 level of $13.7 million being 13% lower than the FY2000 level. If freight costs are excluded, U.S. agricultural assistance in Mozambique financed by Title II food aid averaged $9.8 million annually.

2. Title II-Funded Activities

The principal PVOs managing food aid-financed projects in Mozambique are World Vision, CARE, Africare, Family Health International, Save the Children, and the Adventist Development and Relief Agency International (ADRA) (Bogart 2004). World Vision has by far the largest Title II program in Mozambique, accounting for about 60% of total Title II resources in FY2004 (or $8.4 million including freight), and its program is illustrative of the trend in use of Title II funds (Bogart 2004).

Like USAID-managed food aid programs in general, the World Vision program is focused on the goal of food security as called for by USAID's 1995 food aid policy statement (USAID/FFP 1995). It is also responsive to the market-oriented approach to agricultural development embodied in Mozambique's PRSP and the USAID Mission's agriculture-related strategic objective. It thus seeks to improve food security primarily by pursuing the same combination of increased crop production and better linkages of farmers to markets being pursued in the mission's DA-funded projects. The Food for Peace program estimates that in FY2004, 80% of the food aid resource provided to World

Vision was used for agricultural purposes and 20% for health and nutrition (World Vision 2001).

The World Vision program operates in 14 districts in two provinces. Planned agriculture-related activities, as outlined in its Development Activity Program (DAP) Proposal, include: 1) providing extension services to boost production of both food crops (such as cassava) and cash crops (such as cashews); 2) working to improve soil fertility and natural resource management in general; 3) improving MINAG's extension program and its linkages to research; 4) supporting farmer associations and training to increase business skills and marketing opportunities for local farmers; and 5) improving market access by rehabilitating roads and building the capacity of local contractors to carry out labor-intensive road construction and rehabilitation projects (World Vision 2001).

The World Vision program's health and nutrition activities address food security by focusing on nutrition education to reduce malnutrition among children under five and on HIV/AIDS awareness to reduce the prevalence of the disease and its impact on productivity in the agricultural sector (World Vision 2001).

CARE's FY1997–2001 Title II program in Mozambique includes an agricultural module and a health module (CARE 1996). The agriculture component, "Viable Initiatives in the Development of Agriculture," consists of a Sustainable Agriculture Component (SAC) and a Sustainable Oil Enterprises Component (SOEC). The goal of the SAC is to "increase overall rural small-holder agricultural production, productivity, and marketing" in five districts through activities such as training agricultural extension agents, improving access to and storage of seeds, and promoting small-scale marketing of agricultural products (CARE 1996, 2). The SOEC involves oilseed press and production activities in Nampula Province.

Africare's FY2002–2006 Title II program, the "Manica Expanded Food Security Initiative," focuses on two sub-objectives: 1) increasing food production and marketing services; and 2) improving household nutrition practices and associated health services including attention to HIV/AIDS in Manica Province (Africare 2001, 5). Key activities under the first sub-objective include increased access to extension services and information on agricultural best practices as well as facilitation of marketing and augmented agricultural production through improved access to agricultural inputs. Some of this increased agricultural production is intended to contribute to better nutrition for women and children, a main activity under the second sub-objective (Africare 2001).

Unlike the other Title II programs in Mozambique, the FY1997–FY2001 Save the Children and ADRA Title II DAPs emphasized rural infrastructure rehabilitation among other objectives (SCF n.d.; ADRA 1996); however, infrastructure development is not an explicit objective or intermediate result of the 2001–2005 Save the Children DAP (SCM 2003). Under the current Save the Children program, food consumption and household farming systems are to be improved through sustainable technologies and nutrition practices such as disease resistant/tolerant crops, expanded market linkages, and improved storage and processing of agricultural products (SCM 2003).

The final evaluation of ADRA's FY1997–2001 Title II program reports increased incomes among participating farmers in Maganja da Costa, Zambezi Province, resulting from increased agricultural production (ADRA 2001). In addition to road infrastructure rehabilitation, the ADRA program sought to foster increased agricultural production through nurseries, outplanting, training, on-farm demonstrations, research, market-enhancement, commercialization, and producer association activities related to cashew, fruit tree, and vegetable cultivation (ADRA 2002).

USDA's Agricultural Development Activities in Mozambique

Non-Food Aid Activities

Beyond food aid, USDA has no appropriation specifically for agricultural development assistance in Africa but USDA employees provide technical assistance and manage programs that are funded by USAID through the International Cooperation and Development (ICD) Program in USDA's Foreign Agricultural Service. Ten USDA agricultural advisors are on reimbursable details at USAID working on the Presidential Initiative to End Hunger in Africa.

In addition, USDA funds occasional projects that relate to agricultural development in specific African countries through ICD's Food Industry Division and Scientific Cooperation Research Program amounting to about $1 million annually across the continent (Brown 2005). Projects of this kind that have some connection with

Mozambique include the Cochran Fellowship Program, which in FY2003 gave 15 Mozambican scientists two to six weeks of agricultural training in the United States and collaboration with USAID to foster agricultural trade in Mozambique and other East and Southern African countries by improving transportation management, developing common agricultural standards, and enhancing public–private collaboration.

Food Aid for Agricultural Development Purposes

In resource terms, USDA's largest contribution to agricultural development in Africa comes through its management of food aid programs, including the Food for Progress and the 416(b) program.

1. Funding

USDA's 416(b) expenditures and Food for Progress shipments of development food aid are generally on a smaller scale than the values associated with USAID's Title II Food for Peace Program. In Mozambique from FY2000 to FY2004, 416(b) and Food for Progress combined averaged about $5 million per year, including estimated freight costs, ranging from zero in FY2002 to $9.1 million in FY2003. The FY2004 value was $4.6 million including freight (Table 6).

It is important to note that in contrast to USAID, USDA's tables reporting the values of its Food for Progress and 416(b) commodity allocations do not include the cost of freight. Freight costs normally comprise about one-third of the total value of a food aid shipment. Thus, as reflected in Table 6, the estimated freight-inclusive value of the USDA food aid allocations is about 50% greater than the values reported in the USDA food aid tables. Excluding freight, the value of USDA shipments of 416(b) and Food for Progress food aid averaged $3.3 million annually over the five-year period.

As a general rule, Food for Progress resources are used for agriculture-related projects, while 416 (b) resources are used for a range of purposes, including agriculture, education, HIV/AIDS, and other health purposes (Rubas 2005). USDA does not provide project-by-project estimates of the percentage of food aid resources that is devoted to agriculture or other purposes. The working assumption for the purpose of this report is that 100% of Food for Progress resources and 50% of 416(b) resources are used for agricultural purposes.

On this basis, the USDA-managed food aid resources made available in Mozambique for agricultural development purposes in the FY2001–2004 period averaged $4.8 million per year with freight costs included and $3.2 million without freight costs included (Table 6).

2. Activities

The predominant agricultural use of USDA-managed food aid in Mozambique during FY2000–FY2004 was to support rural credit programs (Rubas 2005). In addition, smaller amounts of assistance were provided to support HIV/AIDS education and the training of primary school teachers.

Other United States Agencies

African Development Foundation

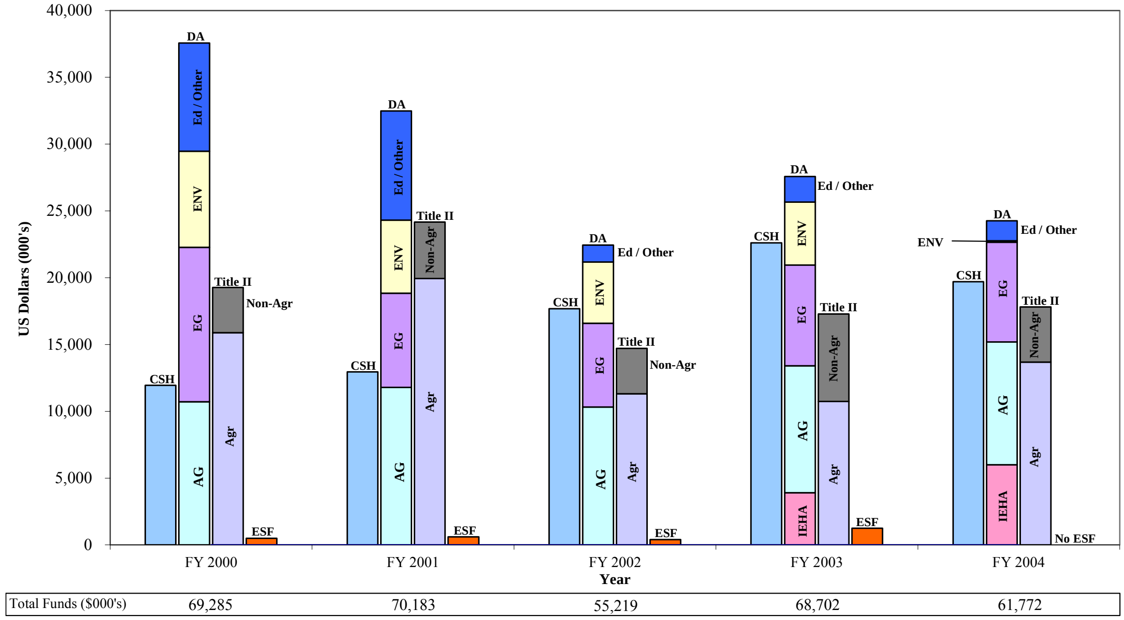
No ADF projects were reported in Mozambique for agricultural development or other purposes in the FY2002–FY2003 ADF annual report, which is the most current source of readily available information on ADF activities (ADF 2003).

Trade and Development Agency

No Trade and Development Agency projects are reported in Mozambique during the FY2000–FY2004 period (OECD n.d.; USTDA 2004).

Trends in Bilateral U.S. Agricultural Development Assistance in Mozambique

The great majority of U.S. agricultural development assistance for Mozambique is funded through the USAID Development Assistance account or through the USAID and USDA food aid programs (Table 7). Total funding through these vehicles has fluctuated over the five-year period of FY2000–FY2004 within the range $49.5 million and $30.9 million, with the changes year-to-year being affected by variations in both DA and food aid funding levels. Overall, the level of bilateral U.S. assistance for agricultural development in Mozambique is substantially lower in FY2004 than it was in FY2000.



Notes: CSH=Child Survival and Health, AG=Agriculture, EG=Economic Growth, ENV=Environment, Ed=Education, DA=Development Assistance, Agr=Agriculture, Non-Agr=Non-agriculture, ESF=Economic Support Fund, IEHA=Initiative to End Hunger in Africa

Figure 1. USAID Non-Emergency Assistance to Mozambique, FY2000–FY2004: Allocation of Appropriated Program Funds by Account and Sector

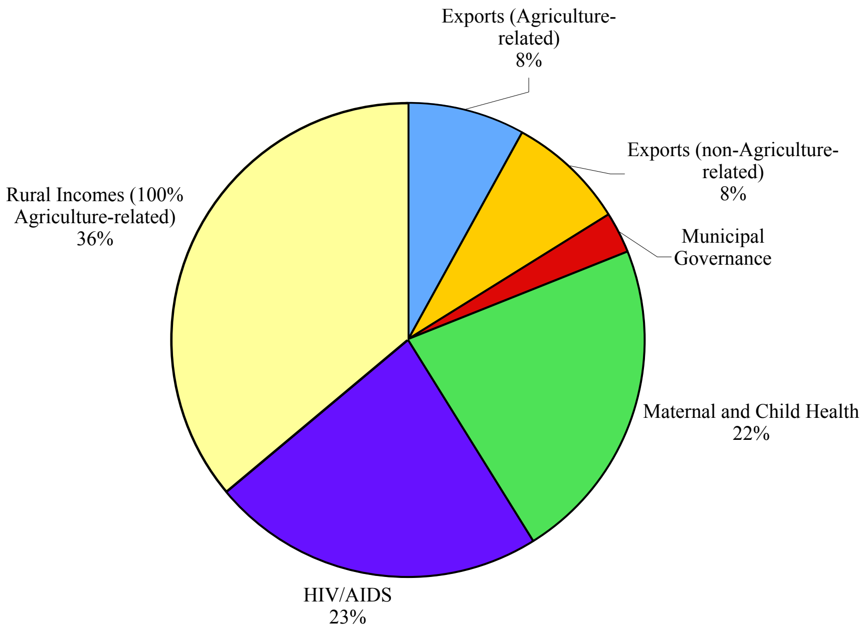


Figure 2. USAID Mozambique Strategic Objective Funding Distribution, FY2004

Table 1. Aid at a Glance: Mozambique

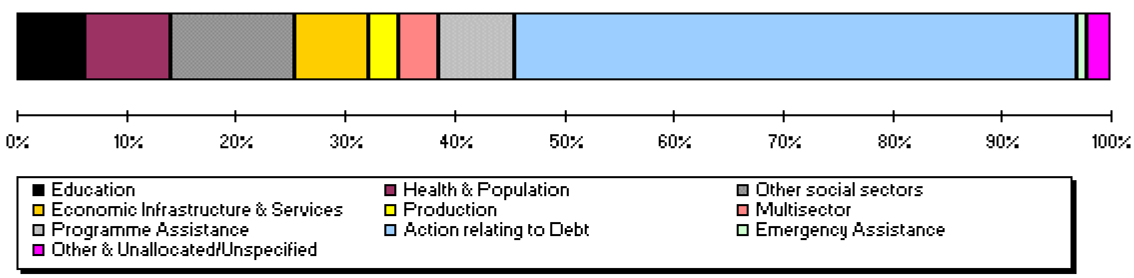
Mozambique

Receipts	2001	2002	2003
Net ODA (USD million)	933	2 054	1 033
Bilateral share (gross ODA)	75%	81%	66%
Net ODA / GNI	29.8%	60.3%	25.2%
Net Private flows (USD million)	115	70	- 60

For reference	2001	2002	2003
Population (million)	18.1	18.4	18.8
GNI per capita (Atlas USD)	200	200	210

	Top Ten Donors of gross ODA (2002-03 average)	(USD m)
1	France	240
2	Italy	231
3	IDA	159
4	United States	148
5	Germany	134
6	EC	115
7	Denmark	60
8	United Kingdom	56
9	AfDF	54
10	Japan	53

Bilateral ODA by Sector (2002-03)



Sources: OECD, World Bank.

Source: Aid Statistics, Recipient Aid Charts, Ghana, OECD Development Co-operation Directorate (OECD/DAC n.d.).

Table 2. OECD Agriculture-related Assistance to Mozambique[a] as Reported to the OECD/CRS from all OECD Countries Combined, 2000–2003[b] (with U.S. contributions in parentheses)

Year	Sector ($, thousands)							
	Core Agriculture[c]	*Forestry & Fisheries*[d]	*Rural Development*[e]	*Road Transport*[f]	*Trade Policy & Facilitation*[g]	*Development Food Aid*[h]	*All Other Aid*	*Total*
2000	28,675 (10,715)	2,022	1,035	47,464	2,962	27,285 (20,017)	900,328 (56,343)	1,009,770 (87,075)
2001	41,356 (11,798)	8,708 (757)	10,222	6,495	264 (250)	38,965 (32,311)	596,503 (37,642)	702,512 (82,758)
2002	31,924 (1,872)	7,055	24,931 (16,656)	12,599	30	23,288 (14,880)	1,613,444 (85,825)	1,713,270 (119,233)
2003	13,238	2,725	16,324 (7,146)	15,055	1	34,301 (28,421)	515,766 (54,760)	597,410 (90,327)
Total	115,193 (24,385)	20,510 (757)	52,512 (23,802)	81,613	3,257 (250)	123,838 (95,629)	3,626,041 (234,570)	4,022,963 (379,393)

Notes:

[a]Recipients included in our definition of sub-Saharan Africa (SSA) include individual SSA countries, "South of Sahara Unallocated," and "Africa Unspecified."
[b]All years (2000–2003) refer to calendar years.
[c]Core Agriculture includes all purpose codes beginning with 311 (Agriculture) and purpose codes 32165 (Fertilizer Plants), 32267 (Fertilizer Minerals), 23070 (Biomass), and 32161 (Agro-Industries).
[d]Forestry & Fisheries includes all purpose codes beginning with 312 (Forestry) and 313 (Fisheries) along with purpose code 32162 (Forest Industries).
[e]Rural Development includes purpose code 43040 (Rural Development).
[6]Road Transport includes purpose code 21020 (Road Transport).
[f]Trade Policy & Facilitation includes all purpose codes beginning with 331 (Trade).
[g]Development Food Aid includes purpose codes 52000 (Development Food Aid/Food Security Assistance) and 52010 (Food Security Programmes/Food Aid).

Source: OECD CRS Online Database on Aid Activities (OECD n.d.).

Table 3. World Bank Active Agriculture-related Projects in Mozambique

	Funding ($, millions)		
Project Name	*Agriculture-related*	*Total*	*Project Description*
Coastal and Marine Biodiversity Management Project	1.3*	4.1*	Strategic planning process to test and refine coastal zone sustainable economic development; best practices for biodiversity-friendly economic development.
Coastal and Marine Biodiversity Management Project	0.1	5.6	See description above.
Agricultural Sector Public Expenditure Program	30.0	30.0	Institutional and agriculture information system development, improved agricultural support services, natural resource management and livestock production capacity building, and regulatory reform.
Total	31.4	39.7	

Notes: Unless otherwise noted, World Bank funding for the projects listed above is in the form of International Development Association loans. Projects noted with a * indicate World Bank funding in the form of grants. Agriculture-related funding amounts were calculated by multiplying the total World Bank funding amounts by the percentage of the project related to agriculture as listed by the World Bank.

Source: World Bank Mozambique: Active Projects (World Bank 2005).

Table 4. USAID Appropriation of Program Funds for Mozambique, FY2000-FY2004

Account	*Appropriation ($, thousands)*					
	FY2000 Actual	*FY2001 Actual*	*FY2002 Actual*	*FY2003 Actual*	*FY2004 Actual*	*FY2005 Requested*
Development Assistance Total	37,569	31,469	22,438	27,567	24,261	18,319
Agriculture	10,715	11,798	10,317	9,500	9,181	
Economic Growth	11,552	7,042	6,269	7,534	7,481	
Environment	7,200	5,467	4,591	4,733	100	
IEHA	0	0	0	3,900	6,000	
Child Survival & Health	11,950	12,953	17,677	22,601	19,700	19,730
Economic Support Fund	500	600	400	1,250	0	0
Total PL 480 Title II Non-Emergency	19,266	24,161	14,704	17,284	17,811	
Non-Emergency Agricultural Use	15,883	19,933	11,309	10,736	13,674	
Non-Emergency Non-Agricultural Use	3,383	4,228	3,394	6,548	4,137	
TOTAL NON-EMERGENCY PROGRAM FUNDS	69,285	69,183	55,219	68,702	61,772	38,049
Total PL 480 Title II (Emergency + Development)	23,627	22,996	17,901	16,166	14,855	18,801
TOTAL PROGRAM FUNDS	73,646	68,018	58,416	67,584	58,816	56,850

Notes: IEHA=Initiative to End Hunger in Africa.

Source: USAID Congressional Budget Justifications (USAID various years) and personal communication with Fenton B. Sands, Chief, Economic Growth, Environment & Agriculture Division, Office of Sustainable Development, Bureau for Africa, USAID (Sands 2005).

Table 5. USAID Agriculture-related Strategic Objectives and Funding Levels, Mozambique, FY2000–FY2004

			Funding ($, thousands)					
Title	*Former Title*	*% related to Agriculture*	*FY2000*	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Total, FY2000–FY2004*
656-001 Increased Rural Incomes	656-001 Increased rural income in focus area	100	25,177	18,840	17,910	6,329	0	68,256
656-004 Enabling Environment for Growth	656-004 Improved enabling environment for private sector-led growth and development	50 (33-67)	2,210 (1,459-2,961)	2,734 (1,804-3,663)	1,634 (1,078-2,189)	140 (92-187)	0	6,718 (4,433-9,000)
656-006 Rural Incomes		100	0	0	0	17,571	15,900	33,471
656-007 Exports		50 (33-67)	0 (0)	0 (0)	0 (0)	1,119 (739-1,499)	3,550 (2,343-4,757)	4,669 (3,082-6,256)
Total			27,387 (26,636-28,138)	21,574 (20,644-22,503)	19,544 (18,988-20,099)	25,159 (24,731-25,586)	19,450 (18,243-20,657)	113,114 (109,242-116,983)

Source: Authors' calculations, with data from USAID Congressional Budget Justifications-Ghana (USAID various years).

Table 6. U.S. Non-Emergency Food Aid Estimated Value Applied for Agricultural Development Purposes, Mozambique, FY2000–FY2004

	Funding ($, thousands)						
Allocation	*FY2000*	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Average*	*Increase, FY2000–FY2004 (%)*
USAID							
Title II Value With Freight	17,933	22,868	13,263	15,991	17,809	17,573	-1%
Title II Value w/o Freight*	11,961	15,253	8,846	10,666	11,879	11,721	-1%
202(e) Payment	1,333	1,293	1,441	1,285	0	1,070	--------
USAID Total With Freight	19,266	24,161	14,704	17,276	17,809	18,643	-8%
USAID Total w/o Freight	13,294	16,546	10,287	11,951	11,879	12,791	-11%
% Used for Agriculture**	82%	82%	77%	62%	77%	76%	-6%
Total USAID Agriculture Value With Freight	15,798	19,812	11,322	10,711	13,713	14,271	-13%
Total USAID Agriculture Value w/o Freight	10,901	13,568	7,921	7,410	9,147	9,789	-16%
USDA							
416(b) Value* With Freight	0	0	0	1,340	794	427	--------
416(b) Value w/o Freight	0	0	0	893	529	284	--------
Food for Progress Value w/ Freight*	6,300	4,841	0	7,782	3,819	4,548	-39%
Food for Progress Value w/o Freight	4,200	3,227	0	5,188	2,546	3,032	-39%
Total USDA Agriculture Value With Freight	6,300	4,841	0	8,452	4,216	4,762	-33%
Total USDA Agriculture Value w/o Freight	4,200	3,227	0	5,635	2,811	3,175	-33%
TOTAL U.S. Agr. Value With Freight	22,098	24,653	11,322	19,163	17,929	19,033	-19%
TOTAL U.S. Agr. Value w/o Freight	*15,101*	*16,795*	*7,921*	*13,045*	*11,958*	*12,964*	*-21%*

Notes: * Calculated based on the assumption that freight costs consume one-third of the total value.
** Calculated based on estimates in USAID annual reports on non-emergency food aid of the percentages of each cooperating sponsor program in Mozambique that is devoted to agricultural development.

Source: USAID Office of Food for Peace Annual Reports, FY2000–FY2004 (USAID/FFP various years) and the USDA/Foreign Agricultural Service web site (USDA/FAS n.d.).

Table 7. Bilateral U.S. Assistance for Mozambican Agriculture, Major Elements, FY2000– FY2004

Program	*Funding ($, thousands)*				
	FY2000 Actual	*FY2001 Actual*	*FY2002 Actual*	*FY2003 Actual*	*FY2004 Actual*
USAID/Development Assistance Agriculture-Related Strategic Objective	27,387	21,574	19,544	25,159	19,450
USAID/Food Aid PL480 Title II*	15,798	19,812	11,322	10,711	13,713
USDA/Food Aid Food for Progress	6,300	4,841	0	8,452	4,216
Total	49,485	46,227	30,866	44,322	37,379

Notes: * Includes 202(e) payments. All food aid values include freight costs.

Source: Extracted from Tables 5 and 6.

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Appendix 4-D U.S. Agricultural Development Assistance in Uganda

By Michael R. Taylor, Julie A. Howard, and Nicole M. Mason[1]

Overview of the Economy, Agriculture, and Food Security in Uganda[2]

Britain granted Uganda self-rule in 1961 and formal independence was established in 1962 under the leadership of Milton Obote. In 1971, after having suspended the constitution, Prime Minister Obote was removed from power in a military coup led by Idi Amin Dada. Amin appointed himself president, granted himself absolute power, and led an eight-year "reign of terror" that resulted in 100,000 Ugandans murdered and the country's economic and social structures in shambles. Amin was forced to flee Uganda in 1979 after his troops were repelled from Tanzania and the Tanzanian army and Ugandan exiles took control of the capital, Kampala.

Human rights abuses continued under President Obote, who returned to power in 1980 after the short-lived presidencies of Yusuf Lule and Godfrey Binaisa. Obote was ousted from power a second time in 1985, with coup leader General Tito Okello assuming the presidency. Okello's government opened negotiations with Yoweri Museveni's National Resistance Army (NRA), which had been leading an insurgency since 1980. Diplomacy, however, proved unsuccessful and the NRA ultimately captured Kampala, forcing Obote to flee, and installed Museveni as president in 1986. Museveni

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[2] Information in this section is drawn from the U.S. Department of State's "Background Note: Uganda" unless otherwise noted (U.S. Department of State 2004).

was reelected in 2001 for a five-year term; constitutional changes are being considered that would eliminate term limits and allow Museveni to run again in 2006.

Under Museveni, human rights abuses have all but ceased, and Uganda has adopted economic reforms and liberalization in partnership with the International Monetary Fund and the World Bank. The country has experienced strong economic growth in recent years, but previous years of low economic growth and civil strife contributed to a poverty rate of 56% in 1992, which declined to 44% in 1997 and 34% in 2000 but rose to 38% in 2003 (MFPED 2000). Per capita gross domestic product (GDP) for Uganda's population of 26.4 million was $227 in 2003, and 82.2% of the population lived on less than $1 a day at some point during the period 1990–2001 (UNDP 2003). Income poverty disproportionately affects food crop farmers, who accounted for 62.2% of those living in poverty in 1996 even though they made up just 44.2% of the population (Uganda 2000a).

Uganda ranks among the low human development countries in the United Nations' Human Development Report, with an infant mortality rate of 86/1,000 in 2001 and a life expectancy of 44.7 years (UNDP 2003). The AIDS prevalence rate of 6.2% in 2002 (Uganda AIDS Commission n.d.), though lower than some other African countries due to a strong prevention effort, contributes to the short life expectancy. School attendance rates (89%) and literacy (70%) rates are high relative to other sub-Saharan African countries.

In economic terms, the reforms under Museveni have produced some positive changes. Investment as a percentage of GDP is up from 13.7% in 1999 to 20.3% in 2003. Inflation has been brought under control to 5.1% after running as high as 240% in 1987. Uganda's abundant fertile land and natural resource endowment also offer the promise of economic growth and development.

Ugandan exports in 2003 totaled $628 million, with the vast majority of export revenues coming from coffee, tea, fish, vanilla, and horticultural products; electricity made up the remainder of the export revenue. Other cash crops cultivated in Uganda include cotton, tobacco, sugar cane, and cut flowers. Expansion of the cash crop sector has been constrained by lack of technology and poor market access and infrastructure (Uganda 2000a). The major food crops are bananas, corn, cassava, potatoes, millet, and pulses. Livestock and fisheries also are important to the Ugandan economy and the food security situation, with beef, goat meat, milk, Nile perch, and tilapia among the major products. Industry in Uganda is predominately agriculture-related: 44.2% of households work in the food crop sector (1996) and 26.7% of households engage in non-food cash crop farming; manufacturing (3.7%), trade (6.9%), and government services (5.5%) employ the remainder of the workforce (Uganda 2000a).

Hunger persists in Uganda despite its vast agricultural potential. The Food and Agriculture Organization of the United Nations (FAO) estimates that in the years 2000–2002, 19% of Ugandans were undernourished, meaning that their basic food energy needs were not being met (FAO 2004).[3] Although this is the lowest food insecurity rate among East African countries and down from 26% in the period 1995-1997, there is room for improvement. Elsewhere in Africa, Gabon and Mauritius have achieved undernourishment rates of just 6%.

Uganda's Governance Structure for Agricultural Development[4]

Uganda's governance structure for agricultural development is shared among several agencies, including Parliament, the Cabinet, and government ministries and agencies, and follows elaborate processes guided by national laws and strategies. The Poverty Eradication Action Plan (PEAP or Uganda's PRSP) defines the overall development objectives and priorities for the medium term (MFPED 2000). The PEAP is revised regularly through a broad-based consultative process led by the Ministry of Finance, Planning, and Economic Development (MFPED). Financing for the agricultural sector is defined under the Medium Term Expenditure Framework (MTEF), which provides a three-year expenditure plan from which annual budgets are defined (MFPED 2000).

[3] The term "undernourishment" refers only to the failure to meet dietary energy needs and not to the problem of malnutrition, which includes the failure to consume the micronutrients, protein, and other dietary components needed for good health. Nevertheless, FAO uses undernourishment interchangeably with "food insecurity," which FAO defines as the condition in which people in a society lack physical and economic access to the safe and nutritious food they need to thrive (FAO 2004).
[4] Unless otherwise noted, information in this section is drawn from a personal communication with Peter Ngategize, Coordinator, MTCS Secretariat, Ministry of Finance, Planning and Economic Development, Uganda (Ngategize 2005b).

The annual budget process is guided by the Budget Act 2001, which provides for the sequencing of the consultative processes. These processes begin with national workshops attended by stakeholders, including the private sector and development partners. Following the workshops, sector budget framework papers are developed and a National Budget Framework Paper (BFP) is drafted. The BFP is discussed by the Cabinet and then submitted to Parliament for review. By the time the budget is read in Parliament by the minister of finance (normally in mid-June), inputs from key stakeholders have been incorporated into the budget. After the reading of the budget, Parliament will have the opportunity to formally approve the budget through parliamentary procedures.

Following a period of declining investment in the agricultural sector caused in part by the sector's poor performance, the Ugandan government initiated a sector review and strategy development process with the participation of key stakeholders that resulted in the formulation of the Plan for Modernisation of Agriculture (PMA) (Uganda 2000). The PMA provides a framework for the revitalization of the agricultural sector. It recognizes the need for a multi-sectoral approach to agricultural modernization, defines stakeholder roles, and identifies priority areas for action.

Roles of Key Ministries and Agencies

The Ministry of Finance, Planning and Economic Development

The MFPED has the mandate of promoting economic development and ensuring macro-economic stability, mobilization, and allocation of budgetary resources guided by the PEAP.

The Ministry of Agriculture, Animal Industry, and Fisheries

The mandate of the Ministry of Agriculture, Animal Industry, and Fisheries (MAAIF)is to support, promote, and guide the production of crops, livestock, and fisheries to ensure improved quality and quantity of agricultural produce and products for domestic consumption, food security, and export. The ministry, among others, formulates and implements agricultural policies, laws, and regulations and provides technical guidance and coordinates and monitors the implementation of agricultural development programs.

The Ministry of Tourism, Trade, and Industry

The Ministry of Tourism, Trade, and Industry's mandate covers aspects of tourism and trade (including trade negotiations and industrial development). It is a critical ministry in Uganda's economic development because of the importance of exports and tourism in Uganda's development strategy.

The Ministry of Water, Lands, and Environment

The mandate of the Ministry of Water, Lands, and Environment is to promote and ensure the rational and sustainable utilization, development, and effective management of Uganda's natural resource base. It provides policy and technical guidance in the implementation of related programs and projects.

Involvement of Donor Governments and International Agencies

Development partners are critical to Uganda's agricultural development as they contribute up to 75% of the funding for agricultural programs, including agricultural extension and research, and provide technical support in program design and implementation. Where funding to government programs is through the budget, their involvement is of a general nature involving design and review of development strategies and the budget process. In the design and implementation of specific projects, donors and international organizations play bigger roles to varying levels, and at times projects may be implemented with limited levels of transparency and participation of the local institutions. This has implications for the level of ownership and leadership and, consequently, the effectiveness of such support. To enhance local leadership and ownership, the government encourages development partners to provide support through the budget process, and several development partners have signed partnerships principles to support this policy direction.

Participation of the Private sector (Including Civil Society Organizations)

The private sector is playing an increasing role in priority setting, design, and implementation and monitoring of agricultural development programs. Private-sector umbrella organizations such as the Uganda National Farmers Federation and the Private Sector Foundation Uganda often participate in priority-setting planning fora and project implementation and monitoring committees. The private sector increasingly is playing a key role in providing leadership at project steering committee levels or as chairs of the board of directors of various public institutions and agencies. Similarly, private-sector entities, such as civil society organizations, are getting requests from government agencies for oral or written views as inputs into program designs and reviews.

At the sector and commodity levels (e.g., fish, flowers, etc), clusters are gradually forming and playing important roles in self-governance, product quality improvement, enforcement of regulations, and policy advocacy.

The Role of Agriculture in Uganda's Development Strategy

Uganda's development strategy is described in its 1997 PEAP (MFPED 2000), which was revised in 2004 (MFPED 2004). The revised PEAP is built on five pillars:

- Economic management;
- Enhancing production, competitiveness, and incomes;
- Security, conflict resolution, and disaster management;
- Good governance; and
- Human development (MFPED 2004).

Structural adjustment, including price liberalization, agricultural modernization, and the expansion of smallholder agriculture, are described as preconditions for economic growth and the realization of the five pillars of the PEAP. Price liberalization, particularly for coffee, has already had a dramatic effect on poverty reduction and was largely responsible for the 12% decrease in poverty during the period 1992–1997 (MFPED 2000). One goal of the PEAP is to reduce poverty to 10% of the population by 2017.

Economic growth is to be stimulated by macroeconomic incentives (i.e., economic openness to generate increasing incomes from agricultural modernization), equitable and efficient collection and use of public resources (including reallocation of expenditures to poverty-reducing services such as agricultural extension), and private sector competitiveness (namely infrastructure development and contract reform) (MFPED 2000). The economic growth goal set by the PEAP is 7% annual growth in the GDP (MFPED 2000).

Although the PEAP provides a framework for sectoral activities, each sector, including the agricultural sector, articulates its own plan. The major strategy document for the agricultural sector is the PMA (Uganda 2000). Because more than 70% of households are engaged in this sector, the PEAP describes the PMA as playing a central role in poverty eradication (MFPED 2000). Indeed, the vision put forth in the PMA is "poverty eradication through a profitable, competitive, sustainable and dynamic agricultural and agro-industrial sector" (Uganda 2000, 27), and the plan's mission is "eradicating poverty by transforming subsistence agriculture to commercial agriculture" (Uganda 2000, vi).

The specific objectives of the PMA are: 1) to increase incomes and improve the quality of life of poor subsistence farmers; 2) to improve household food security; 3) to provide gainful employment; and 4) to promote sustainable use and management of natural resources (Uganda 2000, 28). The PMA details core areas for public action in agriculture, or pillars, designed to achieve these objectives and targeted mainly at subsistence farmers. They include:

- Research and technology;
- Agricultural advisory services;
- Agricultural education;
- Rural finance;
- Agro-processing and marketing;
- Sustainable natural resource utilization and management; and
- Physical infrastructure (Uganda 2000).

The strategies for achieving the PMA's objectives and enhancing the PMA pillars include: 1) decentralizing government and promoting the role of the private sector; 2) increasing the availability and utilization of productivity-enhancing technologies; 3) improving existing markets and creating new market opportunities; 4) fostering partnerships among government, the private sector, and civil society; and 5) harmonizing multi-sectoral interventions. These strategies envision the transformation of Ugandan subsistence farmers and of the agricultural sector in general into more commercial, competitive enterprises (Uganda 2000).

Within the agricultural sector, the private sector (including subsistence farmers) plays an important role in the government of Uganda's agricultural and overall development strategies. In fact, the PMA describes the private sector as "the main engine of growth" (Uganda 2000, viii). From agricultural extension, credit, and irrigation infrastructure to agricultural production, marketing, and processing and wherever else possible, government control is to be transferred gradually to the private sector.

Nonetheless, government will continue to lead the way in creating and maintaining the policy framework and conditions conducive to the shift from subsistence to commercial agriculture. Included in that policy framework are structural reforms such as market liberalization and the dismantling of other barriers to trade (e.g., tariffs and taxes on agricultural exports). The government also will spearhead efforts to bolster rural road networks and support the privatization of rural electrification through "smart subsidies" (Uganda 2000, xii). In addition to creating conducive policy and investment climates, the government is committed to a medium-term focus on capacity building, particularly in the areas of irrigation and water harvesting, micro-finance and risk management, production, marketing and agro-processing infrastructure, and agricultural education.

Another focus of the PMA is agricultural research and technology. Production-enhancing technologies will help farmers increase production, which can be marketed to generate greater income. Agricultural technology also has the potential to keep food prices low, enabling the poor to get more for their money and also increasing the competitiveness of Ugandan products in regional and world markets. According to the PMA, the agricultural growth resulting from increased agricultural productivity will "drive growth in other parts of rural areas" (Uganda 2000, vii).

Overview of Public Investment in Ugandan Agriculture

While the focus of this study is U.S. agricultural development assistance to Uganda, the U.S. program is best understood in the context of overall public investment in Ugandan agriculture, which is summarized in this section.

As used here, the term "public investment" refers to expenditures by the government of Uganda or by external donor governments and multilateral institutions. Public investment in agriculture includes expenditures that have as a primary purpose improving the capacity of agriculture to contribute to economic growth and a reduction in poverty and hunger. It thus includes expenditures for the core agricultural purpose of increasing productivity through improved access to technology, extension, and other services farmers need to produce, as well as the broader purpose of linking farmers to markets so they can earn income from increased production.

In many cases, such as spending on rural roads or trade policy, public investments have multiple purposes and it may not be possible to identify a primary purpose. Thus, the broader view of public investment in agriculture taken here makes it impossible to produce a single figure that can be said with confidence to represent total public investment in agriculture in any country. The only remedy is to describe relevant spending in ways that are as clear, transparent, and comparable country-to-country as available information permits.

The Ugandan government's investment in agricultural development occurs in the context of its overall investment plans for implementation of the PEAP that are developed by the MFPED. These plans are outlined in the MTEF 2001/02 to 2004/05 (MFPED 2000). Total approved spending under the MTEF for agriculture and rural development was about $119 million in 2000–2001, or about 9.9% of total government investment to eradicate poverty (MFPED 2000). Of this amount, about $53 million (or 4.46% of total government spending) went to the MAAIF, with the rest going for rural roads and water programs, local government capacity building (other than for health and education), land and environment, trade and industry, and other grants (MFPED 2000). In 2003–2004, the total approved spending increased to $141 million (8.79% of total government spending), while spending for agriculture per se through MAAIF remained at

$53 million (or 3.31% of total government spending), which was a nearly 15% decrease from the preceding year (MFPED 2000).

In August 2003, the *Report on the Second Review of the Plan for Modernization of Agriculture* cited the tight funding of the agriculture sector, with the share of the total investment budget that goes to MAAIF declining significantly, as a "present and future concern" for the successful implementation of the PMA (Uganda 2003, 73). Funding will likely continue to be constrained, however, by the MFPED effort to close the government's substantial budget deficit and by competing budget priorities. Education, for example, currently receives about 25% of total spending.

Like many African countries that are pursuing poverty reduction strategies, Uganda relies heavily on foreign assistance to fund its budget, with 40% of the overall budget and 67% of the development budget coming from external sources (Ngategize 2005a). Increased foreign assistance cannot be the only answer to the need for increased funding of agricultural development, however, because the high level of overall aid flows to Africa already threatens adverse impacts on the value of the Ugandan shilling and other macroeconomic conditions, and the Ugandan government has placed a cap on the size of its budget and the level of foreign economic assistance it will accept.

According to the Organisation for Economic Co-operation and Development (OECD) (Table 1), external assistance to Uganda from all sources for all purposes totaled more than $959 million in 2003, or about 16% of Uganda's national income, with the top four donors being the World Bank's International Development Association, the United States, the United Kingdom, and the European Commission. Funding for education, health and population, and other social services was about 50% of the total, while funding for economic infrastructure and services and production garnering about 10% of the total.

As reported through the OECD's Creditor Reporting System, bilateral assistance from the OECD countries (including the United States) averaged $462 million annually from 2000 through 2003, with reported funding for core agriculture, forestry, and rural development purposes averaging about $34.7 million annually (Table 2). Reported OECD country funding for road transport averaged $2.2 million over the period, but the data do not specify whether the assistance was for rural or urban road transport.

Significant public investment in Ugandan agriculture also comes from the multilateral development organizations, including:

- *The World Bank*. As of May 2005, the World Bank portfolio in Uganda included 35 active projects with a commitment value of about $1,219 million (World Bank 2005). These projects involve health, education, infrastructure, governance, and natural resource management and other sectors related to achieving the goals of the bank's Country Assistance Strategy for Uganda (World Bank 2000), which include enhancing Uganda's public sector management capacity and accountability (World Bank 2000b). Eighteen active World Bank projects relate directly to agriculture, with a value of about $201.5 million (Table 3).
- *Food and Agriculture Organization*. In 2004, FAO was involved in 30 active, mostly multi-year projects in Uganda, with a total FAO contribution valued at $4.7 million (FAO 2005). FAO's projects focus primarily on improving productivity and food security at the household level, but they involve a wide range of activities, including fostering access to needed inputs, strengthening producer organizations, developing bankable projects, and enhancing coordination between agricultural research and extension.
- *International Fund for Agricultural Development* (IFAD). The IFAD is financing five ongoing projects in Uganda with loans totaling approximately $61 million (IFAD 2005). The projects are: 1) a seven-year program to support the creation of an extensive rural finance system to generate more opportunities for rural populations to earn higher incomes; 2) support of the World Bank-initiated National Agricultural Advisory Services program, a component of Uganda's PMA and PRSP; 3) a six-year project to modernize smallholder agriculture in southwestern Uganda through private-sector involvement, strengthening of producer organizations, and rural infrastructure improvements; 4) a six-year program to raise the standard of living and improve food security in Kabarole through the promotion of cash crop production and other income-generating activities, improved water and sanitation services, and enhanced local governance; and 5) an eight-year project to increase domestic vegetable oil production in Bugala Island and Bwamba County.

- *African Development Bank* (ADB). In 2003, ADB loans and grant disbursements in Uganda totaled 17.9 UA or approximately $26.8 million (ADBG 2005). While agriculture is a priority sector for investment in the ADB's strategic plan, project- and sector-specific information was not available for this report.

It is impossible to determine precisely the total amount of annual public investment in Ugandan agriculture, whether from domestic or external sources, due to the lack of any standardized definition or reporting system for such investment and the fact that many projects are funded on a multi-year basis. Nevertheless, for the sole purpose of putting U.S. assistance in context, a reasonable approximation of the annual public investment in traditional agricultural development activities is $100–150 million, most of which is from external sources. This includes annual bilateral assistance from OECD countries and multilateral commitments (assuming an average three-year project life).

The U.S. Assistance Program for Agriculture in Uganda

The U.S. agricultural development program in Uganda is best understood in the context of the overall U.S. assistance program in the country. In most recent years, the United States has been Uganda's largest bilateral donor, followed by the United Kingdom and the Netherlands. As reported to the OECD, total U.S. bilateral assistance to Uganda from all agencies for all purposes during the period 2000–2003 averaged about $105 million per year (Table 2). As much as 90% or more of this assistance is funded and managed through U.S. Agency for International Development (USAID), with the balance coming through the Peace Corps, the U.S. Department of Agriculture (USDA), the Trade and Development Agency, the African Development Foundation, and the Departments of State, Treasury, and Interior.

In the fiscal years 2000–2004, the total annual USAID appropriation targeted specifically to assist Uganda averaged about $94 million, including a high of $146 million in FY2003, when there was a sharp increase in emergency food aid for Uganda, and an appropriation of $70.7 million in FY2000 (Table 4). USAID's FY2005 budget request for Uganda was $72.3 million, the third largest in the Africa region after the Sudan and Ethiopia (USAID 2005a). These figures do not include funds appropriated for the Economic Growth, Agriculture, and Trade and the Africa regional programs that may have been used for activities in Uganda.

Background and Strategy

USAID has worked in Uganda since 1962, although much of the mission's activity in the 1970s was geared toward recovery and reconstruction, USAID/Uganda returned its focus to sustainable growth and poverty reduction in 1980 (USAID n.d.). Given Uganda's strategic role in East African development, regional stability, and global integration, the U.S. government has both security and humanitarian interests in supporting poverty reduction in the country.

USAID's overall strategy in Uganda, including its strategy for agriculture, is described in USAID's Uganda Integrated Strategic Plan (ISP) FY2002–2007 (USAID 2001). The program goal of the ISP is to "assist Uganda to reduce mass poverty" (USAID 2001, 9). The ISP describes the Ugandan government's PEAP and other elements of the country's development strategy as "an outstanding set of policies and programs designed to sustain economic growth and to alleviate poverty." Thus, the ISP program goal and the three strategic objectives identified to achieve that goal are in complete and direct support of the PEAP (USAID 2001, 6). These strategic objectives are:

- Expanded Sustainable Economic Opportunities for Rural Sector Growth;
- Improved Human Capacity; and
- More Effective and Participatory Governance.

The ISP describes the participatory process by which these strategic objectives were formulated. A key feature of this process was the consultation of numerous stakeholders from the Ugandan government, civil society, other U.S. government agencies, other bilateral and multilateral donors, and implementing partners (USAID 2001).

USAID/Uganda allocated 67% of FY2004 strategic objective funding for Improved Human Capacity, which encompasses health, education, and HIV/AIDS activities (USAID 2005b). The ISP nevertheless emphasizes that "the rural economy supports 85% of Ugandans and must be the development target if broad-based economic growth is to be achieved" (USAID 2000, 7). The mission also places the rural sector at the center of its strategy because 96% of poor Ugandans live in rural areas (USAID 2000). The rural sector-focused PEAP already has significantly reduced poverty and stimulated economic growth, but these achievements relied on extensive rather than intensive agriculture. Because only 25% of Uganda's land mass is highly productive, the ISP underscores the importance of improving agricultural productivity to foster further growth and increase Ugandans' per capita income in the future (USAID 2000, 27). Beyond agriculture, the ISP cites economic diversification as another key component of achieving broad-based economic growth.

The mission's economic growth strategic objective (Expanded Sustainable Economic Opportunities for Rural Sector Growth) is based on the development hypothesis that Uganda's macroeconomic structure, particularly its competitive and liberalized economy, has the potential to reduce poverty and increase incomes if constraints to growth, such as low agricultural productivity and inadequate agricultural competitiveness and natural resource management, are removed. These barriers to growth are to be dismantled through increased agricultural productivity and improved natural resource management at all scales of production (USAID 2000). Furthermore, competitiveness for both domestic and international markets and the overall investment and business environment are to be improved through economic reform and capacity building of entrepreneurs and productive sectors. More specifically, the near-term goals of the strategy for the rural sector (intermediate results in USAID terms) are articulated as:

- Increased food security for vulnerable populations in selected regions, with illustrative activities including food security, nutrition, and agricultural development initiatives (e.g., technical assistance, training, rural road rehabilitation, direct food assistance, and emergency food aid) implemented by the mission's PL 480 Title II cooperating sponsors.
- Increased productivity of agriculture and natural resource systems in selected regions, with illustrative activities including technical assistance and specialized training in agricultural technology and natural resource management.

- Increased competitiveness of enterprises in selected sectors, with illustrative activities including grant support to microfinance institutions and support to improve the financial sector and long-term financing for farmers and other business owners.
- Improved enabling environment for broad-based economic growth, with illustrative activities including technical assistance to implement institutional and structural reforms and implementation of an action plan in the commercial justice sector (USAID 2000).

Crosscutting themes emphasized throughout the ISP, and with particular relevance to the Expanded Sustainable Economic Opportunities for Rural Sector Growth strategic objective, include strategic alliances, regional trade, and food security (USAID 2000). The development partners and stakeholders involved in the participatory consultative process that led to the formulation of the strategic objectives will continue to play an important role in the realization of the strategic objectives. Partnerships will be equally important to take full advantage of Uganda's trade opportunities. As a member of both the East African Community and the Common Market for Eastern and Southern Africa, Uganda is poised to expand its trade and otherwise benefit from the elimination of tariffs proposed by these two important regional trade bodies. Finally, because low agricultural productivity is one of the primary causes of food insecurity in Uganda, increasing that productivity through appropriate agricultural technologies will not only stimulate broad-based economic growth but also bolster food security (USAID 2000).

USAID's Agricultural Development Program

Funds Available for Agricultural Development Assistance

USAID's agricultural development assistance for Uganda is funded and managed primarily through the USAID Mission in Kampala out of its Development Assistance (DA) and PL 480 Title II accounts. The other major account through which the activities of the USAID Mission in Uganda are funded is Child Survival and Health (CSH). As indicated in Table 4 and Figure 1, total funding through the DA account has fluctuated but was slightly lower in FY2004 than in FY2000. The Title II non-emergency food aid and CSH appropriations have grown substantially. The CSH account is now the largest of the three, whereas the DA account was the largest in FY2000. The DA allocation for Uganda is slated for a further decrease in FY2005.

Within the DA account, it is important to focus on the specific sectoral allocations that are used to support agriculture's role in economic development and poverty reduction, namely agriculture, economic growth, and environment (with funding for the Initiative to End Hunger in Africa [IEHA] coming online in FY2003 as a sub-component of the agriculture sector). The agriculture-related sectors comprise about 67% of the DA account, with the bulk of the remainder earmarked for basic education. Funding for these sectors in Uganda declined by 28% from FY2000 to FY2004 (from $24.7 million to $17.7 million), even with the initiation of IEHA funding in Uganda in FY2003 (Table 4).

While total non-emergency Title II food aid resources in Uganda increased from $10.3 million to $18 million over the FY2000–FY2004 period, the share of that assistance devoted to agricultural development declined from 90% of the total non-emergency food aid to 39% of the total (from $9.2 million to $7 million in absolute terms) (Table 4).

Use of Development Assistance Funding for Agriculture

1. Recent Funding of Agricultural Development

While the Uganda Mission receives its DA funding allocation from Washington in the four agriculture-related sub-categories shown in Table 4 (among other sub-categories), USAID allocates and reports its commitment of DA resources to agriculture and other sectors through the strategic objectives laid out in its ISP for Uganda. As noted, the strategic objective applicable to agricultural development since FY2002 is SO 617-007 (Expanded Sustainable Economic Opportunities for Rural Sector Growth). Although some of the activity under this strategic objective and its predecessor (Increased Rural Household Income, SO 617-001) may involve non-agricultural enterprises, the activities are predominately agriculture-related and the authors treated them as 100% agriculture-related strategic objectives for purposes of estimating overall USAID commitment of program funds to support agriculture-led economic growth. Funding for these strategic objectives was $16.2 million in FY2000, dropped to $7.6 million in FY2001, and then rose to $19.2 million in FY2004 (Table 5).

Taking into account the funding of all three strategic objectives currently in effect in USAID's Uganda Mission, approximately 31% of the funding in FY2004 was used for purposes related to fostering agriculture's role in economic growth and poverty reduction (Figure 2).

2. Current Activities in the Primary Agriculture Strategic Objective

USAID/Uganda's agriculture-related strategic objective takes a highly market- and export-oriented approach to expanding rural economic growth. It focuses on building up the productivity and competitiveness of farmers producing crops with export potential, such as specialty coffee, dairy, cocoa, and vanilla (USAID 2005b). Of the $19.2 million committed to this strategic objective in FY2004, $13.7 million was devoted to the intermediate result of increased agricultural production and productivity. This includes commodity-specific activities to transfer technology (including biotechnology), strengthen producer organizations, improve input distribution, and develop specific agricultural and rural enterprises that can compete in local and international markets (USAID 2005b).

This strategic objective also seeks to increase the competitiveness of Ugandan exports by creating a more business-friendly environment that can attract both local and foreign private investment (USAID 2005b). This involves activities such as providing technical assistance to the Ugandan government to help develop a strong trade policy and investment strategy, introducing information and communications technology, and increasing access to financial services for agricultural enterprises. About $1.9 million was provided for these activities in FY2004 (USAID 2005b).

Finally, this strategic objective includes the commitment in 2004 of $3.6 million to improve natural resource management in ways that will help sustain income-generating agricultural enterprises, build a more diverse export base, and expand other commercial activities (USAID 2005b). This includes working with farmers and other resource users on soil conservation, land management, agro-forestry technologies, and value-added processing.

Chemonics International, Inc., and Development Alternatives, Inc. (DAI) are key prime contractors for implementing the agricultural productivity and export assistance elements of this strategic objective. DAI also is a prime contractor on the natural resource management component of the program, along with ECOTRUST, the African Wildlife Fund, and the International Center for Research on Agro-forestry (USAID 2005b).

Use of PL 480 Title II Food Aid Resources for Agricultural Development

A significant portion of the overall U.S. investment in agricultural development in Uganda is financed through development (non-emergency) food aid from USAID, which is channeled normally through private, voluntary organizations working in the country as Title II cooperating sponsors (CSs). These organizations use the proceeds from the sale (monetization) of commodities to carry out their projects involving agriculture, health, education, and other needs. USDA also provides food aid to Uganda but it goes for school feeding and World Food Programme activities not directly related to agricultural development.

Determining the dollar amount of the food aid resource that is applied to agriculture in Uganda requires considering the total USAID non-emergency food aid flow through the Title II program (Food for Peace), the related cash assistance to CSs through section 202(e) of PL 480, and estimates of the percentage of each CS program that is devoted to agricultural development (Table 6).[5]

1. Funding

During the period FY2000–FY2004, the value of USAID's Title II non-emergency food aid shipments to Uganda averaged $12.9 million annually, including freight costs from the United States (Table 6). Excluding freight costs, the value of the commodities themselves averaged $8.6 million. Total payments under section 202(e) to all CSs working in Uganda averaged $950,000 per year. As many as six CSs have been managing Title II food aid programs in Uganda over the period FY2000–FY2004. All have been involved in agricultural development to some extent but with the level of activity varying

[3] The development food aid reported here does not include USAID food aid contributions to the U.N.'s World Food Programme, which are used predominately for emergency feeding.

from as little as 1% to as much as 100% of their programs in Uganda. Based on USAID's reported estimates, the share of overall Title II non-emergency food aid used for agriculture in Uganda from FY2000 through FY2004 averaged 63%, but it steadily declined from 90% in FY2000 to 39% in FY2004 (Table 6).

Thus, if freight costs are included, Title II food aid-financed agricultural assistance for Uganda from FY2000 through FY2004, including 202(e) payments, averaged $8.2 million annually, with the levels fluctuating between $6.8 million in FY2001 and $10.9 million in FY2003. The trend, however, is downward, with the FY2004 value of $7 million being 24% lower than the FY2000 level. If freight costs are excluded, U.S. agricultural assistance in Uganda financed by Title II food aid averaged $5.7 million annually (Table 6).

2. Title II-Funded Development Activities

The principal CSs managing food aid-financed projects in Uganda are ACDI/VOCA, Africare, Catholic Relief Services (CRS), Save the Children, TechnoServe, and World Vision. ACDI/VOCA has by far the largest Title II program in Uganda, accounting for more than 60% of total Title II resources in FY2004 (or about $10 million in commodity value including freight) (Bogart 2004).

Like USAID-managed food aid programs in general, the ACDI/VOCA program is focused on the goal of food security as called for by USAID's 1995 food aid policy statement (USAID/FFP 1995). The FY2002–FY2006 Development Activity Program (DAP) proposes to foster the transition of smallholder farmers from subsistence to commercial agriculture and to mitigate childhood malnutrition through "enhancing agricultural production, marketing, rural finance services and increasing nutritional awareness" (ACDI/VOCA 2001, 1). The ACDI/VOCA program complements the government of Uganda's PMA, as well as USAID/Uganda's key agriculture-related strategic objective to expand sustainable economic opportunities for rural sector growth.

Proposed activities under the five-year program include the extension of improved agricultural and nutritional practices to farmers, with a particular focus on women producers (ACDI/VOCA 2001). To address the issue of input and working capital shortfalls, ACDI/VOCA seeks to link agricultural input and marketing providers with rural credit institutions. The DAP proposes improving marketing by enhancing price information dissemination, rehabilitating feeder roads, and training farmers in improved post-harvest handling and storage techniques. The Title II program's health component focuses on direct food distribution to people living with HIV/AIDS and the integration of those individuals into the program's agricultural activities (ACDI/VOCA 2001).

Many of ACDI/VOCA's activities overlap with the other major CSs managing food aid programs in Uganda, and the DAP describes significant coordination among these programs. For example, CRS is a grantee of the ACDI/VOCA Title II program. Furthermore, ACDI/VOCA monetizes commodities that TechnoServe receives for its Arua agricultural marketing project, while ACDI/VOCA benefits from TechnoServe's marketing expertise for projects in Apac District (ACDI/VOCA 2001).

The broad objectives of TechnoServe's FY1999–FY2003 Title II program were increased production and productivity of selected crops and increased rural household incomes (TechnoServe 2003). Successful activities of this DAP, as described in the final evaluation, include demonstration plots and technology transfer, chili production and sales, nurseries and high value crop trials, and produce trading.

As in the ACDI/VOCA program, the CRS and Save the Children Title II programs both address the food insecurity of persons living with HIV/AIDS. One of the CRS program's specific objectives is to "establish a food security safety net for individuals and households affected by HIV/AIDS, whose food utilization abilities are compromised by the symbiosis of poverty and illness" (CRS 2001, 6). The other major objective of the program is to "re-establish sustainable agricultural systems with a focus on smallholder farmers whose potential crop production levels are high, but whose abilities to reach that potential are compromised by protracted insecurity and economic marginalization" (CRS 2001, 5). The geographic areas at which CRS assistance is targeted are three northern districts and four south-central districts.

In addition to the specific goal of improved livelihoods through food distribution to people living with HIV/AIDS and families affected by the disease, the broad objectives of the Save the Children Title II program are improved food access and production and improved food utilization among target households (SCF 2002). The DAP proposes to increase food access through: 1) on-farm training and demonstrations of improved farming, gardening, post-harvest storage, and processing techniques; 2) the establishment and support of market enterprise groups; and 3) rehabilitation of market feeder roads. Improved food utilization is to be achieved through improved access to and use of water, sanitation facilities, and health services.

Africare's Title II program, the Uganda Food Security Initiative FY2002–FY2006, has as its three main objectives: 1) to increase agricultural productivity; 2) to improve household nutrition, particularly for women and children under 5; and 3) to increase accessibility of households in the four southwest highland districts of Uganda (Africare 2001). These objectives align with all three of USAID/Uganda's strategic objectives: expanding sustainable economic opportunities for rural sector growth, improving human capacity, and fostering more effective and participatory governance. The major technical areas within the scope of the project are agricultural production, post-harvest handling, marketing, household nutrition, community road improvements, and natural resource management (Africare 2001).

The overall goal of World Vision's DAP is "to improve food security for 36,000 households in Gulu and Kitgum Districts of northern Uganda" (World Vision 1999, 5). The specific objectives of this Title II program are: 1) to increase household income through the sale of agricultural products; 2) to increase dependence on sustainable resource use systems, such as woodlots and improved stoves; and 3) to improve households' nutrition and diet diversity knowledge (World Vision 1999).

USDA's Agricultural Development Activities in Uganda

As noted, USDA provides limited food aid to Uganda but not for purposes directly related to agricultural development. Beyond food aid, USDA has no appropriation specifically for agricultural development assistance in Africa but USDA employees provide technical assistance and manage programs that are funded by USAID through the International Cooperation and Development (ICD) Program in USDA's Foreign Agricultural Service. Ten USDA agricultural advisors are on reimbursable details at USAID working on the Presidential Initiative to End Hunger in Africa.

In addition, USDA funds occasional projects that relate to agricultural development in specific African countries through ICD's Food Industry Division and Scientific Cooperation Research Program amounting to about $1 million annually across the continent (Brown 2005). Projects of this kind that have some connection with Uganda include the Cochran Fellowship Program, which through the end of FY2003 has given a total of 36 Ugandan scientists two to six weeks of agricultural training in the United States.

Other United States Agencies

African Development Foundation

Eight of ten projects in Uganda approved in FY2002 and FY2003 by the ADF relate to agricultural development, according to the FY2002–FY2003 ADF annual report, which is the most current source of readily available information on ADF activities (ADF 2003). Funding for these eight projects, all of which are ongoing, totals approximately $1.6 million and supports: 1) two sericulture development projects; 2) two projects to increase the production of two vanilla farmers groups; 3) a leather processing and cotton gin washers production project; 4) a project to train 117 farmers in tea crop husbandry and increase the production of a 35-member association of tea farmers in Mukono district; 5) a project to increase the production of a 20-member association of manufacturers of agricultural equipment, building, and plumbing parts; and 6) a local cereals processing project (ADF 2003).

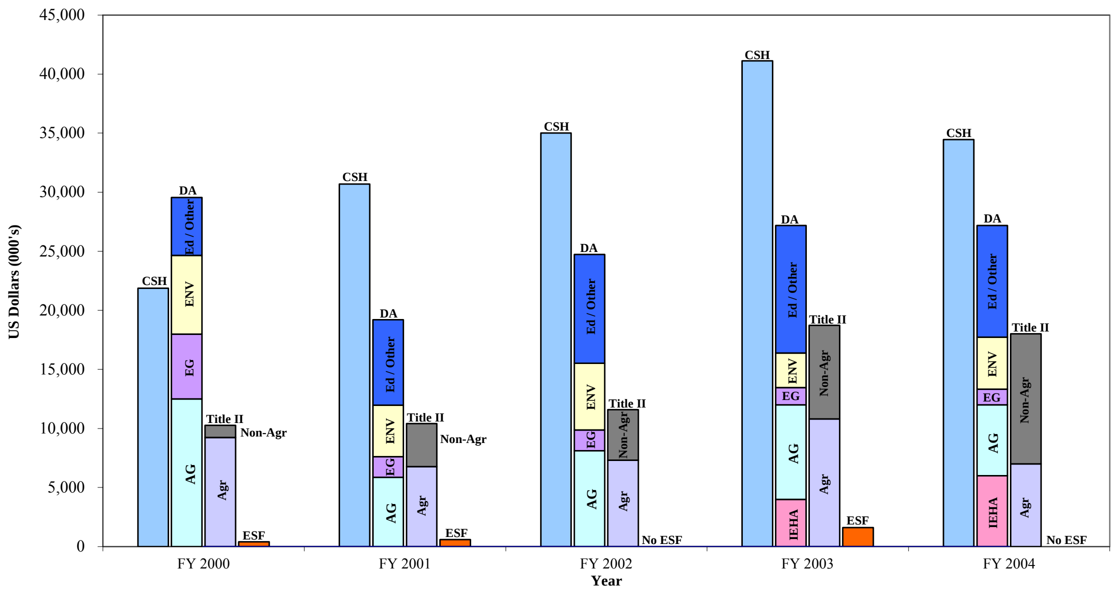
Trade and Development Agency

Only two TDA projects in Uganda during the period FY2000–FY2004 related to agricultural development: a phosphate fertilizer feasibility study ($360,000) and desk study ($4,000), both conducted in FY2003 (OECD n.d.; USTDA 2004).

Trends in Bilateral U.S. Agricultural Development Assistance in Uganda

The majority of U.S. agricultural development assistance for Uganda is funded bilaterally through the USAID Development Assistance account and the Title II food aid program

(Table 7). Total funding through these vehicles has fluctuated over the five-year period FY2000–FY2004, with funding for the agriculture-related strategic objective dropping sharply from FY2000 to FY2001 then rising again. Total funding levels, including through development food aid (including freight), ranged from $14.4 million in FY2001 to $28.4 million in FY2003, and rose 3% over the five-year period.



Total Funds ($000's)	62,069	60,884	71,314	88,623	79,664

Notes: CSH=Child Survival and Health, AG=Agriculture, EG=Economic Growth, ENV=Environment, Ed=Education, DA=Development Assistance, Agr=Agriculture, Non-Agr=Non-agriculture, ESF=Economic Support Fund, IEHA=Initiative to End Hunger in Africa

Figure 1. USAID Non-Emergency Assistance to Uganda, FY2000–FY2004: Allocation of Appropriated Program Funds by Account and Sector

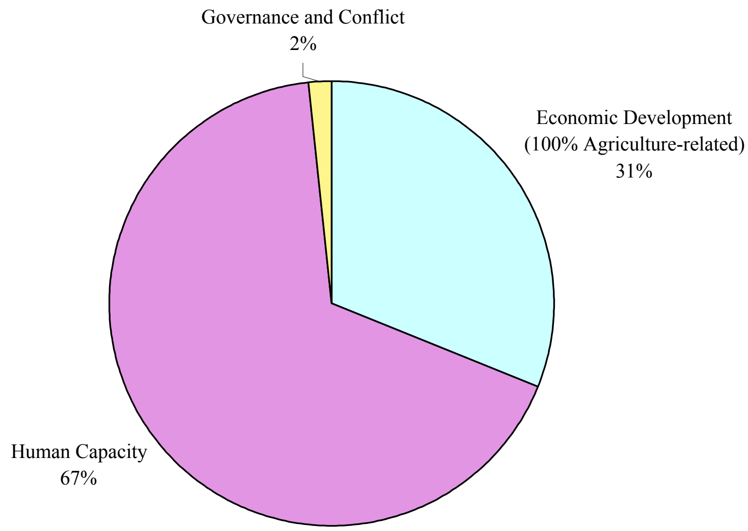


Figure 2. USAID Uganda Strategic Objective Funding Distribution, FY2004

Table 1. Aid at a Glance: Uganda

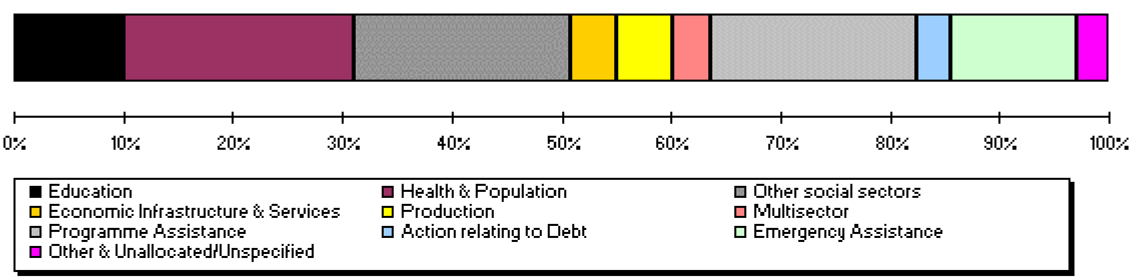
Uganda

Receipts	2001	2002	2003
Net ODA (USD million)	793	638	959
Bilateral share (gross ODA)	46%	66%	56%
Net ODA / GNI	14.4%	11.2%	15.8%
Net Private flows (USD million)	- 20	21	6

For reference	2001	2002	2003
Population (million)	23.9	24.6	25.3
GNI per capita (Atlas USD)	250	240	240

Top Ten Donors of gross ODA (2002-03 average)		(USD m)
1	IDA	201
2	United States	142
3	United Kingdom	94
4	EC	72
5	Netherlands	51
6	Denmark	49
7	Ireland	41
8	Norway	35
9	Germany	32
10	Sweden	28

Bilateral ODA by Sector (2002-03)



Sources: OECD, World Bank.

Source: Aid Statistics, Recipient Aid Charts, Uganda, OECD Development Co-operation Directorate (OECD/DAC n.d.).

Table 2. OECD Agriculture-related Assistance to Uganda[a] as Reported to the OECD/CRS from ll OECD Countries Combined, 2000–2003[b] (U.S. contributions in parentheses)

Year	*Sector ($, thousands)*							
	Core Agriculture[c]	*Forestry & Fisheries*[d]	*Rural Development*[e]	*Road Transport*[f]	*Trade Policy & Facilitation*[g]	*Development Food Aid*[h]	*All Other Aid*	*Total*
2000	17,301 (12,500)	11,252	19,063	514	17	6,271 (4,843)	538,823 (45,888)	593,241 (63,231)
2001	16,610 (5,321)	3,616	5,577	1,446	484 (390)	17,637 (16,712)	257,455 (48,227)	302,827 (70,650)
2002	22,281 (15,235)	4,195	5,651 (975)	3,697		13,134 (13,134)	303,516 (82,249)	352,475 (111,593)
2003	13,485 (1,050)	488	19,128 (15,704)	2,964	303	26,322 (22,255)	537,019 (136,075)	599,709 (175,084)
Total	69,678 (34,106)	19,551	49,419 (16,679)	8,622	805 (390)	63,364 (56,944)	1,636,814 (312,439)	1,848,252 (420,558)

Notes:
[a]Recipients included in our definition of sub-Saharan Africa (SSA) include individual SSA countries, "South of Sahara Unallocated," and "Africa Unspecified."
[b]All years (2000–2003) refer to calendar years.
[c]Core Agriculture includes all purpose codes beginning with 311 (Agriculture) and purpose codes 32165 (Fertilizer Plants), 32267 (Fertilizer Minerals), 23070 (Biomass), and 32161 (Agro-Industries).
[d]Forestry & Fisheries includes all purpose codes beginning with 312 (Forestry) and 313 (Fisheries) along with purpose code 32162 (Forest Industries).
[e]Rural Development includes purpose code 43040 (Rural Development).
[6]Road Transport includes purpose code 21020 (Road Transport).
[f]Trade Policy & Facilitation includes all purpose codes beginning with 331 (Trade).
[g]Development Food Aid includes purpose codes 52000 (Development Food Aid/Food Security Assistance) and 52010 (Food Security Programmes/Food Aid).

Source: OECD CRS Online Database on Aid Activities (OECD n.d.).

Table 3. World Bank Active Agriculture-related Projects in Uganda

Project Name	*Funding ($, millions)* *Agriculture-related*	*Total*	*Project Description*
Agriculture Resources & Training II	26.0	26.0	Increase agricultural efficiency, productivity, household income, and welfare through research and technology capacity building.
Economic Recovery II	0.6	2.0	No additional information available.
Economic Recovery Program	0.1	1.5	No additional information available.
Economic Recovery II	0.4	1.6	No additional information available.
Economic Recovery	0.1	1.7	No additional information available.
Energy for Rural Transformation Project	3.9	49.2	Renewable rural energy and information/communication technologies development.
Energy for Rural Transformation Project	0.4*	12.1	See description above.
Kibale Forest Wild Coffee Project	0.8*	0.8	Use of Kibale Forest Wild Coffee sales income to enhance biodiversity conservation in the Kibale National Park and agricultural areas of Uganda.
UG: Lake Victoria Environmental Project (IDA)	9.4	12.1	Maximize sustainable benefits of food, employment and income potential of the lake; fisheries research, management, extension, policies and laws, and land use management.
Lake Victoria Environmental Project (GEF)	7.6*	9.8	See UG: Lake Victoria Environmental Project (IDA) description above.
Lake Victoria Environmental Management Project-Supplemental Credit	3.5	4.5	See UG: Lake Victoria Environmental Project (IDA) description above.
National Agricultural Advisory Services Project	45.0	45.0	Provide agricultural advisory services to farmers and promote partnerships among producers, advisers, researchers, and markets; finance capacity building for private sector, institutions and public extension staff.

Project Name	Funding ($, millions)		Project Description
	Agriculture-related	Total	
Northern Uganda Social Action Fund Project	10.0	100.0	Improve accessibility and delivery of small-scale socioeconomic services, poverty alleviation strategy development, and capacity building for community reconciliation and conflict management.
Poverty Reduction Support Credit 4	60.0	150.0	Support implementation of Uganda's Second Poverty Eradication Action Plan, including education, health, water, and sanitation services delivery and the rural development reform program.
Poverty Reduction Support Credit 4	60.0	150.0	See description above.
Protected Areas Management and Sustainable Use Project	25.7	27.0	Establishment and capacity building of the Uganda Wildlife Authority, environmental education, and biodiversity conservation.
Protected Areas Management and Sustainable Use Project	25.7	27.0	See description above.
Protected Areas Management and Sustainable Use GEF	8.0*	8.0	See Protected Areas Management and Sustainable Use Project description above.
Total	201.5	451.3	

Notes: Unless otherwise noted, World Bank funding for the projects listed above is in the form of International Development Association loans. Projects noted with a * indicate World Bank funding in the form of grants. Agriculture-related funding amounts were calculated by multiplying the total World Bank funding amounts by the percentage of the project related to agriculture as listed by the World Bank.

Source: World Bank Uganda: Active Projects (World Bank 2005).

Table 4. USAID Appropriation of Program Funds for Uganda, FY2000–FY2004

	Appropriation ($, thousands)					
Account	*FY2000 Actual*	*FY2001 Actual*	*FY2002 Actual*	*FY2003 Actual*	*FY2004 Actual*	*FY2005 Requested*
Development Assistance Total	29,544	19,198	24,724	27,183	27,182	20,450
Agriculture	12,500	5,867	8,121	8,000	5,994	
Economic Growth	5,480	1,728	1,750	1,458	1,320	
Environment	6,678	4,377	5,639	2,932	4,402	
IEHA	0	0	0	4,000	6,000	
Child Survival & Health	21,868	30,680	35,000	41,114	34,460	34,294
Economic Support Fund	400	595	0	1,600	0	0
Total PL 480 Title II Non-Emergency	10,257	10,411	11,590	18,726	18,022	
Non-Emergency Agricultural Use	9,232	6,760	7,304	10,800	7,001	
Non-Emergency Non-Agricultural Use	1,025	3,651	4,286	7,926	11,021	
TOTAL NON-EMERGENCY PROGRAM FUNDS	62,069	60,884	71,314	88,623	79,664	54,744
Total PL 480 Title II (Emergency + Development)	18,844	31,290	27,458	75,896	22,580	17,591
TOTAL PROGRAM FUNDS	70,656	81,763	87,182	145,793	84,222	72,335

Source: USAID Congressional Budget Justifications (USAID various years) and personal communication with Fenton B. Sands, Chief, Economic Growth, Environment & Agriculture Division, Office of Sustainable Development, Bureau for Africa, USAID (Sands 2005).

Table 5. USAID Agriculture-related Strategic Objectives and Funding Levels, Uganda, FY2000–FY2004

Title	*Former Title*	*% related to Agriculture*	*Funding ($, thousands)*					
			FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Total, FY2000–FY2004*
617-001 Increased rural household income		100	16,240	7,595	0	0	0	23,835
617-007 Economic Development		100	0	0	15,510	17,490	19,222	52,222
Total			16,240	7,595	15,510	17,490	19,222	76,057

Source: Authors' calculations, with data from USAID Congressional Budget Justifications-Uganda (USAID various years).

Table 6. U.S. Non-Emergency Food Aid Estimated Value Applied for Agricultural Development Purposes, Uganda, FY2000–FY2004

Allocation	*Funding ($, thousands)*						
	FY2000	*FY2001*	*FY2002*	*FY2003*	*FY2004*	*Average*	*Increase, FY2000–FY2004 (%)*
USAID							
Title II Value With Freight	9,512	9,762	10,941	17,719	16,320	12,851	72%
Title II Value w/o Freight*	6,345	6,511	7,298	11,819	10,885	8,572	72%
202(e) Payment	745	649	649	1,007	1,702	950	128%
USAID Total With Freight	10,257	10,411	11,590	18,726	18,022	13,801	76%
USAID Total w/o Freight	7,090	7,160	7,947	12,826	12,587	9,522	78%
% Used for Agriculture**	90%	65%	63%	58%	39%	63%	-57%
Total USAID Agriculture Value With Freight	9,231	6,767	7,302	10,861	7,029	8,238	-24%
Total USAID Agriculture Value w/o Freight	6,381	4,654	5,007	7,439	4,909	5,678	-23%

Notes:
* Calculated based on the assumption that freight costs consume one-third of the total value.
** Calculated based on estimates in USAID annual reports on non-emergency food aid of the percentages of each cooperating sponsor program in Uganda that is devoted to agricultural development.

Source: USAID Office of Food for Peace Annual Reports, FY2000–FY2004 (USAID/FFP various years).

Table 7. Bilateral U.S. Assistance for Ugandan Agriculture, Major Elements, FY2000–FY2004

Program	*Funding ($, thousands)*				
	FY2000 Actual	*FY2001 Actual*	*FY2002 Actual*	*FY2003 Actual*	*FY2004 Actual*
USAID/Development Assistance Agriculture-Related Strategic Objective	16,240	7,595	15,510	17,490	19,222
USAID/Food Aid PL480 Title II*	9,231	6,767	7,302	10,861	7,029
Total	25,471	14,362	22,812	28,351	26,251

Notes: * Includes 202(e) payments. All food aid values include freight costs.

Source: Extracted from Tables 5 and 6.

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Glossary

ADB	African Development Bank
ADB/ADF	African Development Fund of the African Development Bank
ADF	African Development Foundation
CAADP	Comprehensive Africa Agriculture Development Programme
CBJ	Congressional Budget Justification
CGIAR	Consultative Group on International Agricultural Research
CRSPs	Collaborative Research Support Programs
CSH	Child Survival and Health (account)
DA	Development Assistance (account)
DAC	Development Assistance Committee (of OECD)
DAP	Development Activity Program
DCHA	Bureau for Democracy, Conflict, and Humanitarian Assistance (of USAID)
DFA	Development Fund for Africa
EGAT	Bureau for Economic Growth, Agriculture, and Trade (of USAID)
ESF	Economic Support Fund (account)
FAA	Foreign Assistance Act
FAO	Food and Agriculture Organization of the United Nations
FAS	Foreign Agricultural Service (of USDA)
FDI	foreign direct investment
FFP	Office of Food for Peace (of USAID's DCHA)
HIPC Initiative	Heavily Indebted Poor Countries Initiative
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IEHA	President's Initiative to End Hunger in Africa
IFAD	International Fund for Agricultural Development
IO	Bureau of International Organization Affairs (of Department of State)
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MDGs	Millennium Development Goals
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental organization
OECD	Organisation for Economic Co-operation and Development
OMB	Office of Management and Budget
OPIC	Overseas Private Investment Corporation
PCHPA	Partnership to Cut Hunger and Poverty in Africa
PPC	Bureau for Policy and Program Coordination (of USAID)
PRSPs	Poverty Reduction Strategy Papers
PVOs	private voluntary organizations
REDSO	Regional Economic Development Services Office (of USAID)
RFF	Resources for the Future
SSA	sub-Saharan Africa
TDA	U.S. Trade and Development Agency
U.N.	United Nations
USAID	U.S. Agency for International Development
WARP	West Africa Regional Program (of USAID)
WFP	World Food Programme