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DEVELOPMENT ASSISTANCE: WHAT CAN IT DO TO HELP?

The Honorable Emmy B. Simmons

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Thank you, Peter. I think that Norman Borlaug really did inspire all of us this morning. And I'm sure that many of you were doing what I was doing, kind of benchmarking his performance against my own. Huh. I'm not sure that my own sort of resulted in quite the transforming effects on the global community as his has.

I've been with, as Peter said, the U.S. Agency for International Development since 1977. It's a long time to be a bureaucrat. And it was true – I was thinking when Andrew Natsios took over as the Administrator of USAID under this administration, that I was thinking of hanging up my spurs and doing something else, maybe working for a CGIAR center, who knows, starting up a foundation like Florence Wambugu has done. But Andrew came in and he said, "No, no. The job's not done."

Since 1997 I had been working to reverse the trend in agricultural expenditure and agricultural commitments in USAID. The administrator at that time, Brian Atwood, had noted that the pendulum had swung too far, that indeed in reshaping its program to recognize the emergence of Eastern Europe and the former Soviet Union as development partners, in swinging the pendulum towards supporting democracy and to supporting improved governance around the world, that agriculture had gotten left behind.

So in 1997 USAID obligated, committed, just over \$270 million worldwide to agriculture. And agriculture was considered a competitor for funding with environment funding. They were managed by two completely separate structures. There was bad blood between the staff. And those of us who had been around for a long time said – no, this isn't the right situation.

We began the reversal then, and under Andrew's leadership I think that reversal has really picked up speed and taken shape to reflect many, many of the themes that we've heard this morning – leadership, partnership, commitment, translating commitment into action, translating talk into action, translating knowledge into action. And as a result, for the last three years, within the Bureau for Economic Growth, Agriculture and Trade – in which now our natural resource management specialists and agricultural specialists and environment and policy specialists work together rather than fighting each other for resources – we have put together a new strategy which we are hoping will guide USAID in its 80-plus missions worldwide and will guide our

partnership with Richard Mkandawire and his team at the New Partnership for African Development in implementing the CAADA, the Comprehensive African Agriculture Development Program. In working with our partners in the civil society, in the NGO community, in working much more aggressively with the private sector to make sure that the private sector is doing what it needs to do, even when the risks are perhaps a little higher than they'd like to see.

So let's put up the slides here and let me just quickly run through what this new strategy looks like at USAID and invite all of you to think how you might fit into this strategy, how you might partner with this strategy, how you might push those elements of the strategy that most closely align themselves with your own vision and with your own ideas.

We are using now a definition for agriculture, which is a broad definition, an inclusive definition and includes not simply the production but also the processing, marketing, distribution, utilization and trade of not only food but also feed and fiber. The feed point is very important when you look at IFPRI's projections for the food demand of the 21st century and find that much of it will be in the dairy and livestock area.

What's new, of course, is the basic question of: Why do a new strategy? Why not just listen to what the Millennium Hunger Task Force is doing? Why not just let people respond locally? We felt that it was important to have a vision that was coherent, that was overarching, and that enabled all of us to kind of say, right – that's the path that we're trying to take. And this is the visual description of that path.

On the left-hand picture we have that kind of classic picture of a very poor subsistence farmer in Africa. But that vision of simply helping that poor subsistence farmer be a little less poor and perhaps a little less at risk of dying is not a picture which is good enough. We feel that that picture must be replaced, and it must be replaced progressively through the mechanisms of the markets, transforming subsistence production into commercial production. By 2012, more than half of the world's population will be living in urban areas. They will not be subsistence farmers, and they will be relying upon commercial farmers to provide them their food supply at affordable cost. So it's that transformational vision from subsistence to perhaps (way over on the right-hand end) that supermarket vision that we are pursuing with vigor and we hope with some coherence.

We have four strategic themes that are beginning already, as we've been three years in the development of this new strategy, are beginning to be put into effect in our programs and missions around the world. And we call them themes because in each country they're adopted a little differently. They're translated into real, concrete objectives that can be realized at that level. But globally they provide, again, a certain amount of coherence to what it is we're doing.

First and foremost, of course, consistent with that vision is focusing on trade and market opportunities, expanding those opportunities and making them accessible to farmers. It's the first theme, and it's why we've subtitled our strategy, "Linking Producers to Markets." That's the bottom line.

We are also looking at improving the sustainability of agriculture. As I said, we have succeeded in breaking up the food fight between the environmental types and the agricultural

types within USAID. I regret to say that that fight for resources, as though there isn't a common interest in the environmental and the agricultural communities. That fight is still continuing. But within USAID, we are very much looking at the sustainability of agriculture.

We are also focusing on mobilizing science and technology, a fundamental shifter in growth dynamics. We are finally looking at what Richard so clearly mentioned – the need to have homegrown scientists, not just scientists who work in labs, not just scientists who work in universities, but also those homegrown scientists out on the farms who can look at their crop and realize that either they need help or they already know – because they've been to a course offered by Florence Wambugu, exactly how those suckers need to be removed from the banana plants.

Let me just run very quickly – and I know we're running out of time – through some of the areas that we're focusing on within each of these large themes. Again, new market access opportunities are opening up for developing countries. Folks have already mentioned the supermarkets, the global value chains. We are working with... as well as with Wal-Mart. We are working with regional market groups in California and Texas to better link Central American producers of zucchini, baby squash, snow peas, with consumers in Texas, California, Kansas and probably even here in Iowa. We were also looking and being at the new trade agreements – Kevin already mentioned the WTO agreements – because we think that progress in the context of the discussion of those new agreements is critical. It's critical from a developed country perspective and a donor perspective, but it's also critical that developing countries even in Africa understand that they can use that negotiation process to lay out a future for their own farmers. We've been pleased to see how the cotton farmers in West Africa, for example, have decided to use the WTO process to get their issues on the table. USTR, the U.S. Trade Representatives Office and others negotiating in the WTO, have taken those issues seriously, and we're beginning to address them in concrete ways with programs on the ground.

We are also, as a bilateral assistance agency, of course, very mindful of the need to support our own U.S. trade interests, and the African Growth and Opportunity Act is one that USAID has worked very closely with the Department of State, Department of Commerce and the U.S. Trade Representatives Office to make sure that African countries have what is called the “supply response capacity.” AGOA provides the opportunity, but there needs to be a supply response.

So we need sound policies, we need rural finance working with commercial banks often. And this is an area that we find particularly critical as we look toward partnering with private sector organizations. Producers need to organize. Only if they're organized do they provide good partners for private, commercial partners.

We also need access to production storage processing technologies that provides that link back to our third theme of science and technology. But we are taking the long view, as I said. What are we looking at here? Strengthening local capacity – soil, water, forests – ultimately have to be managed by local people. It's all very well for environmental groups in the U.S. to say – We must protect the Amazon. We must protect the Congo. We have to protect guerillas in Rwanda. But we can't do it from Iowa. We have to partner with people in the Congo, we have to

partner with farmers in Rwanda who find that the guerillas are actually encroaching on their territory, and have to come to some amicable way of living together.

We need to improve economic frameworks, putting values on environmental services so that people can understand what those environmental services are providing them. We need to focus on the health of natural resources. I'm not going to dwell on this. I think the previous panel talked very cogently about the issue of soil degradation and recapturing soil fertility. Policy, assessment tools – I was particularly pleased to hear Joachim von Braun talking about GIS tools, totally critical to a more smart approach to planning. And finally, endangered organisms and seed banks. I can't say enough to elicit support for the Global Crop Diversity Trust.

The third theme – mobilizing science and technology. I've put the biotech illustration up there just to push everyone, because we too feel that biotechnology is a technology that must be harnessed for the good of the African, Latin American and Asian populations, as well as the American population. R&D is what translates science into technology and increasing productivity, not simply production, yield per hectare, but also crop per drop, and value per unit of labor is key to growth, and it's key to increasing livelihoods. R&D is critical to this effort. Funding for ag research has declined – you'll hear more about that, I'm sure. We started to increase our own investments because we feel that investment returns for ag research are so high, and they make such a compelling case.

We must also, though – and I'm going to underscore this to underscore the point that Richard Mkwandawire made – we must have homegrown scientists. There must be local capacity for innovation. And we must have that innovation capacity at the farm level as well. That means broadening agriculture training and education, it means outreach, it means adaptive research, it means using ICT – not just cell phones, not just computers, but things like radio. We can still use radio to get information on markets, to get information on technologies out there. We need to have problem-based, site-specific learning if that rainbow revolution that the Inter-Academy Council talked about is going to happen.

Crosscutting themes – you can see them. They've been mentioned many times, and this is the vision of the future.

Thank you.