

Montpellier Panel Report – Remarks

Dec 2, 2010

- The Montpellier Panel report clearly articulates the need for a comprehensive and coordinated approach to combat poverty and hunger. The report cites the statistic that 265 million people in sub-Saharan Africa are suffering from chronic hunger- 32% of its population. With 1 billion people struggling to secure food in 2009, we all need to recognize the immense scale of production and productivity gains needed to meet the needs of the hungry now, and in the future.
- But, encouragingly, the report is not all doom and gloom. It cites the global commitment; donors and African partners are focused in their efforts to spur agriculture development- not just to ensure food security, but to promote economic growth. The report notes that there could be a “virtuous circle” between acceleration in agriculture growth translating to greater growth non-ag sectors. This “virtuous circle” of agriculture development- greater productivity gains and production volumes for small scale farmers causing rural economies to grow- makes intuitive sense, but how can we, the global community, work together to create the conditions that virtuous cycle can happen?
- Part of the solution is not repeating mistakes of the past. I want to commend the Report for recognizing that the global community is trying to change the way we “do business” in development. The Report highlights the AU/NEPAD’s CAADP, the Alliance for a Green Revolution (AGRA), and most tellingly the government of Rwanda’s efforts to create this “virtuous circle”. These African-led efforts, be it with the AU, AGRA or a country’s own policies and country-investment plan, increase the likelihood of reducing poverty and hunger. We can no longer dictate how development will “happen” from donor or even host country capitals- we have tried and failed. Country-led does not mean “government owned”.
- I had the opportunity to go to the CAADP Business Meeting in Dakar, and I will be traveling to Addis Ababa later today to attend Ethiopia’s Business Meeting. Several people have asked why would I attend the Business Meetings- that “pledging events” are “old fashioned”. To me, the Business Meeting is much more than a “pledging event”- it symbolize this new partnership among development partners. These meetings, with diverse stakeholders such as farmers groups, academia, CSOs and others (assisting in making it truly “country-led” and not “government-owned”), allow the CAADP technical team to present the results of its technical report- highlighting the plan’s strengths and areas for improvement. The Road Maps that come from these technical reviews offer a concrete plan that all of us can contribute to as we work toward implementing a country’s investment plan. The joint statements and communiqués that come from these Business Meetings are more than just paper- they are commitments to implement the Rome Principles in a tangible way.
- As the Panel report notes, global coordination is needed. I would say that coordination happens best when it happens at the country level- so that is why at many of these

Business Meetings, our Ambassadors have been pledging not just to align our programs with these CIPs, but also are committing to working together, with other donors and the host country, in the agriculture sector working groups. EC and EC member states are active participants in some of these groups – and we encourage even greater coordination at the country-level.

- But more than coordination is needed at the country-level. We need resources to be put toward the country plans. The responsibility for creating these comprehensive plans is on the host government, and they have to their own resources to direct toward these plans. But we as donors need to live up to our L'Aquila commitments. And we need to be clear to the government and each other what levels we are putting toward each of these plans!
- Let me say a few words about the Feed the Future (FtF), and echo some more of the Panel's points. The overarching objectives of FtF are to sustainably reduce poverty by raising the incomes of the rural poor, and reduce the number of people suffering from undernutrition. Feed the Future embraces a comprehensive approach that addresses all four components of food security: availability, access, utilization, and stability. Access - the ability of people to buy food - is key.

At the heart of Feed the Future is the idea that broad and inclusive economic growth is the only way to reduce poverty and hunger. Therefore, a major focus of Feed the Future is involving and partnering with the private sector- because only the private sector can create broad and inclusive economic growth. But it is governments that must create a sound “enabling environment” and ease the costs of doing business for the private sector. Under Feed the Future, the US Government is strongly encouraging countries to undertake policy reforms that will improve the investment climate and make it easier for the private sector to support food security and agricultural development goals. We note that the Panel report makes this same point and asks European donors to support analytical policy research. I was just at meetings at the OECD, where we laid the groundwork for future analytical policy work that will support this effort.

- I am happy to report that the panel also endorsed another key L'Aquila component - development of the Global Agriculture and Food Security Program (GAFSP), the multi-donor trust fund for agriculture-related projects. Spain and Ireland have also both contributed the GAFSP- and it has garnered contributions from Korea, Australia, Canada and the Gates Foundation. The GAFSP accomplishes two objectives stemming from L'Aquila agriculture and food security commitments. First, it provides a strong multilateral approach to improving global food security, recognizing that a sustained revival of agricultural assistance requires a long-term partnership among donors. Second, the Fund supports country led approaches, providing incentives for developing countries to prioritize agriculture and establish comprehensive strategies. Since its launch in April 2010, the Fund has approved and started disbursing grants totaling \$321 million to 8 countries. In addition to the GAFSP- the US will continue to provide its strong support to other multilateral agencies such as IFAD, WFP and the MDBs.

- It also has a window for the private sector. This window is well positioned to unlock private capital and investments in agriculture, specifically targeting small and medium-sized agribusiness and smallholder farmers. It will offer financing across the capital structure in agribusiness firms along the value chain, as well as advisory services alongside investments. The private sector arm has several innovative features: it has a strong focus on smallholder farmers, and will ensure investments that are both commercially viable but also have a clear developmental impact.
- Additionally- and this is something that Sujiro noted to me at the CFS in Rome, is the GAFSP's innovative governance structure. There are CSO Representatives, recipient countries, and donors on the Steering Committee. Another core strength of GAFSP lies in its independent review process of country proposals which is led by a team of twelve recognized global agriculture and development experts. This body, known as the Technical Advisory Committee (TAC), is responsible for assessing the level of country need, readiness, and overall proposal quality. The criteria used by the TAC is transparent and on the Fund's website. This inclusive structure, and decision making process provides for lively discussions at the Steering Committee.
- The report also notes the importance of the CGIAR and of agricultural research. We have finalized the USG's research strategy which envisions a critical role for the CGIAR system as well as National Agricultural Research Systems and developing country universities. We will bring the resources of the United States agricultural research and extension community—the US government, US universities and the private sector—to bear on the challenges of reducing hunger, poverty and malnutrition. The strategy places a strong emphasis on moving research into the field, so adaptive and applied research, extension and capacity building.
- I am happy to note that the Report also cites the critical window of 1000 days for effective nutrition interventions. Every year, about 3.5 million children die from causes related to undernutrition. Undernutrition also costs developing countries up to 3 percent of their annual gross domestic product and places children at risk of losing more than 10 percent of their lifetime earning potential. In September of this year, Secretary of State Clinton and her counterpart, Irish Foreign Minister Martin, launched "1,000 Days: Change a Life, Change a Future." The event highlighted the importance of preventing undernutrition during the crucial 1,000 day window from the start of a mother's pregnancy until a child is two years old.
- The 1,000 Days event brought together many nutrition leaders and experts, including some from the private sector, as well as the Global Alliance for Improved Nutrition. The United States and its international partners are using the 1,000 Days effort as a platform

to jumpstart a movement to increase attention and drive action toward addressing malnutrition during pregnancy and early childhood.

- Like the authors, we also are deeply concerned about price volatility and its chilling impact on the world's most poor and food insecure. We share the authors' belief about the importance of preventing export bans. On the subject of a grain reserves policy, I would like to sound a note of caution. The establishment of grain reserves (basically, additional stocks) has a lot of potential drawbacks. There is clear evidence that export bans by some countries, combined with panic buying for reserves by others, helped fuel the food price crisis in 2007-2008. And, one of the sad aspects of the current situation is that a huge percentage of global harvests go to waste because of the limited ability to maintain stocks. Rather than push for additional reserves, we believe that an important aspect of country investment plans should be the addition of much improved post harvest storage and handling.
- I want to thank the Panel for its outstanding report and affirm that we agree with many of its conclusions and recommendations. First and foremost- yes, let's coordinate at the country level and invest in country-led plans. Secondly, the GAFSP is a great way to leverage the benefits of the multilaterals- the demand is there, and now we just need the resources- let's use this fast disbursing mechanism to fill the financing gaps in country-investment plans. And finally- just as we are doing in the field of agriculture, let's make nutrition a focus as well, so we are comprehensively fighting hunger and poverty. Thank you.