

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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