

**Remarks by Thomas H. Staal  
Mission Director, USAID/Ethiopia**

**Africa: The Donor View on Development**

---

**SAA Borlaug Symposium 2010 Addis Ababa  
July 13 2010**

---

Thank you Mr. Chairman. Let me first extend a warm welcome to our distinguished guests, former President Jimmy Carter; Chairman Sasakawa; our host Minister Tefera; my fellow panelist, Mr. Kubota; colleagues; ladies and gentlemen.

It is my pleasure to be here today as a representative of the United States Agency for International Development and of the donor community. Being asked to speak at a forum honoring the late Dr. Norman Borlaug is an honor for me both personally and professionally. Dr. Borlaug's groundbreaking work has inspired me and countless others who seek to help feed the world. He directly contributed to the astounding strides made during the Green Revolution—a phrase coined back in 1968, by then-USAID Administrator William Gaud to describe the agricultural movement that saved, literally, millions of lives. Now, however, we face new challenges as we seek to bring this revolution to Africa; challenges that were not addressed during the Green Revolution, or which emerged as a result of misguided policies, or which are simply the result of the different world in which we now live.

Today, more than 40 percent of all Africans live on less than a dollar a day, and one in three of them is malnourished. Indeed, Africa is the only region in the world where the number of malnourished children is expected to increase over the coming decades. By 2025, the population of sub-Saharan Africa will exceed one billion people, more than half of whom will be under age 24, and the ability of each state to respond to its people's needs will be tested like never before.

While the Green Revolution led to dramatic changes in Asia and Latin America, agricultural productivity in Africa continues to lag, nearly a half century later. Today, Asia's and Latin America's farms yield nearly three times more cereals than Africa's farms. As a result, African countries remain the world's primary recipient of donor assistance in recent years, receiving as much as four times more food and twice as many aid dollars than the rest of the developing world.

Adding to Africa's agricultural underdevelopment is another important factor that we all must address moving forward: climate change. No nation, large or small, rich or poor, is immune to its impact, and no nation can afford to sit idly by while its effects unfold. Because of Africa's heavy dependence on natural resources and agriculture, and because of limited capacities in many African communities, the repercussions of climate change here are particularly ominous. According to the Intergovernmental Panel on Climate Change, yields from rain-fed farming may drop in some African countries by as much as 50 percent by 2020, and wheat could disappear from the African continent entirely by 2080.

Africa must act now, and act decisively, to create its own Green Revolution; one that addresses the continent's unique circumstances and employs the power of both new technology and the market economy to maximize efficiency and increase access to food. The United Nations estimates that, within 40 years, 62 percent of all Africans will live in urban areas, compared to just 39 percent today. Africa's farmers can no

longer just feed themselves. They must also feed Africa's growing cities and towns-and they must make enough money doing so to pay for improved technologies, to educate their children, and to afford better healthcare. TRADE, not AID, is the watchword-whether local, regional, or international-if any technology or other improvement is to be sustainable.

Africa's Green Revolution must be a GRASSROOTS GREEN REVOLUTION, which nurtures the entrepreneurial spirit of the smallholder farmer and connects her or him to the market, and which will ultimately spur growth in rural areas and small towns and create economic opportunities for the landless and for the youth who we can no longer expect to be farmers themselves. In the long term, larger farms will be the most competitive food producers; but today, the small farmer still holds the key to alleviating hunger and poverty through agriculture.

The good news is that we do not have to start from scratch. The International Food Policy Research Institute (IFPRI) recently published a book entitled, "Successes in African Agriculture: Lessons for the Future," which shows how we already have a strong foundation of knowledge on which we can build.

Since the 1960s, the production and export of cotton in Francophone West Africa has grown at a rate of 8 percent a year, making the region the world's third largest producer of cotton, behind only the United States and the countries of the former Soviet Union. A combination of public sector promotion and private sector investment built up West Africa's cotton industry from nothing in the 1960s to the source of 14 percent of the world's cotton exports-and a cornerstone of the West African economy.

Likewise, strong public and private sector investment was also key to the success of the dairy sector in Kenya, where new breeds and disease and pest control have resulted in a tripling of milk production. Just as in West Africa's cotton industry, public sector policies that support private sector input were keys to growth. In the early 1990s, Kenya abandoned its public marketing controls on dairy products, triggering a rapid growth in the sector that now has over 600,000 producers each earning over \$370 per year from an average of only one-to-three cows, and their raw milk sales now accounting for 85 percent of national consumption. In addition, Kenya's strong dairy network, which is led by the private sector and farmer groups, continues to promote the sector with new ideas and better access to key inputs.

Africa needs a Grassroots Green Revolution that takes successes like these and applies and multiplies their lessons to exploit the enormous potential that still exists. Each of these cases started with the farmer and added a combination of public sector support and private sector incentives to build a sustainable industry. So while Africa clearly needs to develop its agriculture sector, including its huge livestock potential, to say that the half century since the Green Revolution has yielded no good successes would be both unfair and inaccurate. There are indeed successes on which to build and positive lessons from which to learn.

There is a growing consensus on the way forward: increasing agricultural productivity will have a tremendously positive impact not only on farm incomes, but also on other sectors of the economy, and even urban poverty. Thanks to two important international commitments, there is now even a growing consensus now on how to ensure that the increase in productivity can occur: CAADP and L'Aquila.

The Comprehensive Africa Agriculture Development Program, or CAADP, was born in 2003 out of the African Union and its New Partnership for Africa's Development. Reaffirmed by African governments in 2005, CAADP's goal to eliminate hunger and reduce poverty through agriculture is in line with the first Millennium Development Goal-to cut in half the number of people who suffer from poverty and hunger by 2015. CAADP is comprehensive, inclusive, and market oriented, and it is providing the framework for African governments to develop agricultural strategies and investment plans that are country-led and based on solid evidence and analysis.

To reach CAADP's goals, African governments have pledged to increase spending on agriculture to at least 10 percent of their national budgets and to raise productivity by at least 6 percent over the next ten years. Studies show that a sustained effort as envisioned under CAADP can have astonishing effects. A 10 percent increase in crop yields would reduce the number of those living on less than a dollar a day by up to 10 percent, and a 1 percent increase in agriculture GDP per capita can lead to a gain of 1.6 percent in per capita income. In a region where agriculture accounts for a fifth of the gross domestic product and employs two-thirds of all workers, increasing public sector spending on agriculture could be the fastest road to creating growth and eliminating poverty.

Under CAADP, African countries are developing individual plans for agricultural development that outline individual investment areas and key policy reforms that fall under CAADP's four pillars: land and water management, market access, food supply and hunger, and agricultural research.

CAADP also recognizes the critical role women play in Africa's agricultural development. Women produce between 60 and 80 percent of the food consumed in the developing world. However, women are more likely to live in poverty, earn less for their labor, have insecure tenure to their land, and have little or no access to credit. Failing to address the concerns of women will be to the detriment of Africa's entire agriculture sector, indeed to all of Africa's development. Africa's Grassroots Green Revolution must support efforts that increase women's access to agricultural assets, inputs, and technologies; facilitate women's access to financial services; and expand their involvement in policy and investment decisions.

So far, 14 countries have signed CAADP compacts with the African Union and are now working on their road maps for implementation. Once approved by a peer review process, these road maps will provide a framework for donor support and a means to hold a country accountable to its pledge to commit budgetary funds to the agriculture, and to enact the reforms necessary to achieve CAADP's goals to reduce hunger and increase productivity. Make no mistake, the critical key for success will be the broader application of key lessons we have learned in Africa: namely, implementation of policies that promote sustained private sector investment, combined with public sector support for research and trade.

In 2009, members of the G-8 built upon this African-led initiative in L'Aquila, Italy, where donors pledged \$22 billion toward agriculture and food security programs. The "L'Aquila Principles" that underpin these pledges echo CAADP's strategy, calling for country-led plans, strategic coordination, sustainability, and accountability. In fact, commitments by G-8 countries and multilateral donors are already being pledged against the CAADP host-country plans.

The World Bank is stepping up to expand its support for agricultural growth and productivity. In its 2010-12 Agriculture Action Plan, the Bank pledged to increase its lending from \$4.1 billion to up to \$8.3 billion a year to support raising productivity, strengthening value chains, reducing risk, facilitating non-farms incomes, and enhancing environmental sustainability-areas that, like the L'Aquila Principles, align with the CAADP pillars, and with successful agricultural interventions elsewhere in the developing world.

However, while the G-8's and others financial commitments are important to fueling progress, their commitment to follow country-led development strategies and promote coordination with other donors are critical to making progress in the first place. There is another lesson we have learned from decades of agricultural underdevelopment that we rarely talk about: the lack of coordination among donors and lack of country-led plans is just as much at fault as the lack of private sector investment and public sector policy reform. When we do not allow each country's specific context to lead our development plans or we fail to coordinate those plans among assistance agencies, we see one-off development activities duplicated by multiple donors-and few results to show for the resources committed.

Indeed, these principles are among the drivers of the United States' Global Hunger and Food Security Initiative, also known as Feed the Future, which represents a renewal of our commitment to invest in sustainably reducing hunger and poverty through agricultural development. President Obama made this commitment at his inauguration, saying, "We pledge to work alongside you to make your farms flourish and let clean waters flow; to nourish starved bodies and feed hungry minds."

In Africa, where Feed the Future will spend 60 percent of its resources, the initiative will expressly support the Grassroots Green Revolution-seeking to unleash the proven potential of small-scale agricultural producers, while encouraging the sustainable and equitable management of natural resources, to reduce hunger and create a more resilient food supply.

Feed the Future is more than a financial commitment. It is part of the United States' determined strategy to accelerate the world's progress toward that first Millennium Development Goal-to cut in half the number of people suffering from poverty and hunger by 2015-and it builds on our longstanding commitment to the CAADP process. The strategy focuses its attention on the role of the private sector in supporting agricultural development and poverty reduction, and the crucial role that women play in food production. Feed the Future is targeting the United States' resources on a core set of focus countries where food security challenges are the greatest and where we, in partnership with host country governments and fellow development partners, have the greatest potential to achieve tangible results.

Ethiopia is one of Feed the Future's target countries, and our strategy here is based on strong analytical work from such studies as IFPRI's Growth Options Paper and General Equilibrium Model, and the CAADP Ethiopia Stocktaking document. [After analyzing Ethiopia's complex agriculture sector, and in close coordination with the Ethiopian government, we began to use a unique lens called "the Three Ethiopias," which applies different interventions for differing circumstances. Productive Ethiopia will be addressed by the World Bank's Agricultural Growth Program and expansion and modification of activities such as USAID's Agribusiness and Trade Expansion Program; Pastoral Ethiopia will be addressed by a new and improved version of USAID's Pastoral Livelihoods Initiative as well as its other animal health and livestock marketing programs, along with other donor-funded programs; and Hungry Ethiopia will be addressed by the Ethiopian Government and donor support to the Productive Safety Net Program, as well as expansion of more innovative programs that link PSNP farmers to markets and microfinance, such as USAID's PSNP PLUS program.]

Woven into all our Feed the Future programs will be cross-cutting activities that: strengthen women's role in agriculture, improve the nutritional status of Ethiopia's children, and help farmers and pastoralists adapt to climate change - in the process touching upon Millennium Development Goal 3 to promote gender equality and empower women, Goal 4 to reduce child mortality, and Goal 7 to ensure environmental sustainability.

Each of these "Three Ethiopias" offers comparative advantages for future growth and poverty reduction, and we will target future investments to exploit these opportunities, and build on the successes of current programs. More than ever, Feed the Future aligns the United States' development programs with those of other donors and, more importantly, with those of our host country colleagues. Together, we are changing our focus from humanitarian assistance to long-term agricultural development. Our Feed the Future strategy in Ethiopia certainly bears this out.

For practitioners in the field and for host countries alike, the easy part is over. CAADP, L'Aquila, and Feed the Future have committed us to country-led plans and ownership. Now we all must identify and collaborate on the best policies and practices that will guarantee sustained agricultural growth and food security.

Today we have the unique opportunity to form strong alliances to address one of the most pressing challenges of our time-global food security. As Secretary of State Clinton has said, the question is not whether we can end hunger, but whether we will end hunger.

Thank you for allowing me to speak here today. I am honored to be included in this group of distinguished men and women who are committed to using the tools of agriculture to help Africa eradicate hunger and poverty. Dr. Borlaug would be proud.

Thank you. Amaseganalu.