

BIBLIOGRAPHIC DATA SHEET
.....

PN-AAJ-375
.....

A STRATEGY FOR FOCUSING A.I.D.'S ANTI-HUNGER EFFORTS

PERSONAL AUTHORS -

CORPORATE AUTHORS - AID/TPCA

1981. 58P.

**(AID RESPONSE TO THE REPORT OF THE PRESIDENTIAL COMMISSION ON WORLD
HUNGER--OVERCOMING WORLD HUNGER: THE CHALLENGE AHEAD-- 267P.:
PN-AAJ-482)**

ARC NUMBER - 338.19.T255
CONTRACT NUMBER - TPCA
PROJECT NUMBERS -
SUBJECT CLASS - AS3000000000

DESCRIPTORS -

AGRICULTURAL PRODUCTION	MALNUTRITION
STRATEGY	POLICIES
ANIMAL PRODUCTION	FOOD SUPPLY
HUNGER	

A STRATEGY FOR FOCUSING
A.I.D.'S ANTI-HUNGER EFFORTS

Response by
Technical Program Committee for Agriculture
of the
Agency for International Development
to the
Report of the Presidential Commission
on World Hunger

January, 1981
Washington, D.C. 20523

Table of Contents

	Page
I. Introduction	
II. The Report of the Presidential Commission on World Hunger	1
III. The Situation: A Brief Overview of the World Hunger Problem	4
IV. The A.I.D. Anti-Hunger Strategy - Reaching the Small Farmer	6
A. Agriculture as an Engine for Growth	7
B. The Strategy	8
C. Increasing Supply - The Urgency of Expanding Production	9
D. Creating Effective Demand	14
E. Summary	17
V. Human and Institutional Resource Development	18
A. Laying the Foundation for Success	18
B. Emphasizing Applied Agricultural Research - Proven Cost Benefit	21
VI. A.I.D.'s Capacity to Deliver Quality Technical Assistance	25
VII. The Need for More Money	29
VIII. Political Will and HIRD	34
IX. Public Education	37
X. A Unified Campaign to Eliminate Hunger	42
XI. Summary of Conclusions and Recommendations	46

PREFACE

The Technical Program Committee for Agriculture (TPCA) is the coordinating body for the senior agriculturists of A.I.D. The TPCA's primary role is to provide a means for coordinating the Agency's agricultural efforts and more effectively bringing its agricultural expertise to bear on policy and program issues.

In this context, the TPCA carefully reviewed the report of the Presidential Commission on World Hunger, and discussed at some length the key issues that the Report raises for A.I.D.'s agricultural programs, policies and capabilities. The following Response to the Hunger Commission Report is not a statement of A.I.D. policy, but represents the views and recommendations of the TPCA.

The Committee wishes to express its gratitude to Alan Stone, the principal author, for his many days of patient, hard work in putting this report together.

The TPCA Members are:

Tony Babb, Chairman	Bureau for Development Support
Keith W. Sherper	Bureau for Near East
Lane E. Holdcroft	Bureau for Africa
A. David Lundberg	Bureau for Asia
Albert L. Brown	Bureau for Latin America and the Caribbean

Douglas D. Caton

Bureau for Program and Policy

Coordination

Donald R. Fiester

Bureau for Development Support

J.K. McDermott

Bureau for Development Support

Donald R. Mitchell

Office of Personnel Management

Morris D. Whitaker

BIFAD Support Staff

Shane MacCarthy, Staff

Bureau for Development Support

Mary A. Heffren, Staff

Bureau for Development Support

I. INTRODUCTION

We take the Report of the Presidential Commission on World Hunger very seriously, and especially applaud their admonition that the U.S. "make the elimination of hunger the cornerstone of our relationship with the developing world." We believe this challenge can be made into an important and useful strategic instrument not only for relating to the LDC's but also in interpreting A.I.D.'s work to the American people, who have shown their desire to do more to combat hunger.

There is no reason for the U.S. to take any but the leadership role within the international community, as we once did. We need to re-dedicate ourselves, redirect our programs, streamline our ~~b~~^{ea}uracracy, expand our commitment and focus squarely on the task at hand. The President's Report gives us a great opportunity to act boldly, and we would be irresponsible to let it pass without moving in a big way.

None of us underestimate the enormity of the task before us. For us, reading the Report of the President's Commission on World Hunger is like taking a journey over familiar but unsettling territory.

Familiar because of the recurrence of dominant themes in the issues. Since the 1974 World Food Conference there has developed a growing consensus on the nature and scope of the world hunger problem, and to a lesser extent on what needs to be done.

Unsettling in that the margin for error is shrinking. Although commitment never matches rhetoric, and long term solutions are difficult to carry out in a short term world, it is

still clear to us that the dangers inherent in failing to meet this challenge pose a far greater threat to this nation than are reflected in the level of commitment.

Unsettling also in the sense that the United States as a nation and we as an Agency could do so much more than our past performance indicates, even though we are now doing much better than commonly recognized. Through our Missions, we generally have better access to LDC agriculture ministries than our sister donors -- and some of the world's best agricultural scientists and program managers to work with them.

In this paper we have made a series of recommendations which we hope will restore a sense of direction to our food/hunger efforts.

To summarize, ^{NUTRITIONAL GAPS} we think the elimination of hunger requires both ^{MARKET GAPS} increasing food production and expanding purchasing power so that more people in the developing world can acquire the food they desperately need. Since most LDC's depend heavily on agriculture, we must look primarily to agriculture to create employment and raise incomes as well as produce food. We hold that a goal of developing a viable small-scale agriculture sector is the A.I.D. orientation most likely to accomplish both goals. Furthermore, given today's array of donors, each with its own set of resources, we hold that A.I.D.'s most productive role will be in assisting LDC's develop those human and institutional resources required to generate and sustain dynamic small-scale agricultural production and marketing systems. Our rationale is spelled out below. Such an orientation has the further advantage

of being completely compatible with the spirit of New Directions, the 1978 A.I.D. Agriculture Policy Paper, and the Title XII legislation, while building on a rich A.I.D. tradition supported by a quarter century of experience.

Furthermore, we believe that this approach, clearly articulated, would win the support of the majority of Americans and Congress, and raise our anti-hunger efforts to a much more intense (and visible) level. The approach outlined below could become the accepted U.S. anti-hunger ideology.

Devising our strategy and getting our house in order is one thing, selling it is another. We view these as inter-connected and very important essentials. Assuming the Administrator accepts the thrust of this memorandum, we recommend the following steps be taken to turn it into agency operational strategy:

1. The Administrator develop a speech clearly spelling out the A.I.D. anti-hunger strategy and pledging his own personal effort to commit the Agency to a program adequate to the task. Stress the toughness of the job--its lack of glamour--the necessity to persist--the very challenge to our own ability to get a difficult job done, the importance of attacking causes, not symptoms of poverty-related hunger.
2. Agency leadership articulate this focus and commitment at various conferences and workshops with Mission Directors and Agricultural and Rural Development Officers and others.
3. The Agency leadership take the same message to the land-grant university system and through it to the U.S. public. This exercise would serve to witness the Agency commitment and in turn

to develop a commitment from the university as well as a commitment from its clientele--students, farmers, the business community, and various other groups with which the university has contact.

4. The Administrator ask the regional bureaus and the missions -- working with TPCA and BIFAD--to develop a series of guidelines on how to make operational the strategic orientation to small farm agriculture.

5. The Administrator, the Deputy Administrator and the Assistant Administrators should give emphasis to this operational strategy in Congressional testimony and in informal conversations with members of Congress and staff.

II. THE REPORT OF THE PRESIDENTIAL COMMISSION ON WORLD HUNGER

The Commission found that chronic malnutrition, not famine or mass starvation, is the world hunger problem, is caused essentially by poverty, and in spite of some important gains, is likely to get worse. The Commission urges a comprehensive attack on worldwide poverty as well as an increase in food production in the LDC's as the fundamental anti-hunger strategy. In the Commission's words, "a nation's nutritional needs cannot be effectively addressed in isolation from broader social and economic programs that increase overall productivity and the incomes of the poor."

We are in basic agreement with their description and analysis of the problem.

The Commission's sweeping recommendations (33 in total) present a profound challenge to the government and the people of the United States. The Report represents the broadest case for alleviating poverty-related hunger through a range of measures covering trade, finance, and development assistance, as well as food production and food security. It, along with the Brandt Commission and Global 2000 Reports, provides ample evidence of the urgency of the hunger situation.

The Report's principal recommendation is that "the United States make the elimination of hunger the primary focus of its relationships with the developing countries beginning with the decade of the 1980's." For us this means that foremost among our development assistance goals should be helping to foster equitable growth through a dynamic food and agricultural economy.

We agree, and would add that the institutional and programmatic changes necessary to turn this statement into reality, or even to markedly improve our current effort, will have to come from the Agency leadership, and be explicit.

The Commission's Report does not advance us very far in terms of recommending either short or long term practical solutions. The Commission undertook a difficult task. Having concluded that the elimination of hunger and malnutrition requires the eradication of world poverty, the Commission made recommendations ranging from how to distribute foreign assistance to changing trade and investment policies. The Report suffers from paying equal tribute to every progressive development notion.

We would have preferred to see a clearer priority in the recommendations, a specific legislative or policy action agenda, and a more detailed discussion of two areas left relatively undiscussed, energy and population. By not further sharpening the issues with respect to either the objectives or the means, the Commission left us facing many of the basic policy constraints we've been struggling with for five years. This paper attempts to supply some of the details omitted by the Commission.

Fortunately, of all A.I.D.'s responsibilities, a new and stronger focus on international anti-hunger programs is the one most likely to elicit Congressional support, since the public in general has greater sympathies for both the "hunger problem" and human and institutional resource development (HIRD), than for

capital transfers. The importance of appropriating more funds for development assistance, which the Commission also very strongly recommends, raises this exercise above the merely academic. Given the right combination of Congressional and Executive leadership, many of the recommendations contained in this response could win the enthusiastic support of the U.S. public and the acclaim and support of the developing world.

In addition, any serious long range strategy to eliminate world hunger must also include a specific and primary commitment by developing countries and other donor countries to agriculture and rural development. The U.S. cannot do it alone. Although this fundamental conclusion is not specifically made as such in the Report, it follows from their analysis.

It is the purpose of this memo to put flesh on the bones of the Report by describing, given the findings of the Commission, what A.I.D. can and should do to maximize its anti-hunger efforts. We do not intend to do an analysis of their analysis, nor a critique of their style. It is our intent to make specific action recommendations which will provide the foundation for a larger and more effective A.I.D. role in the struggle to end world hunger. We are certain that among the institutions of the U.S. government, this job is A.I.D.'s. Unless the Agency takes a strong leadership role largely on its own initiative, no real leadership is likely to be forthcoming.

III. THE SITUATION - A BRIEF OVERVIEW OF THE WORLD HUNGER PROBLEM

There are half a billion people in the world who are malnourished, about one billion three hundred million who are chronically undernourished. Over half of the malnourished, more people than the entire U.S. population, are children under five.

In 1985, the situation will be worse, despite substantial gains in harvests in recent years. Population is now outstripping production in almost one-half of the developing countries. Many nations that used to export food have become net importers. Other long-time food importers have had to increase sharply the amount of their imported supplies. Even if production gains were sufficient to eliminate the "food" problem, the "hunger" problem would remain for tens of millions of people (including the landless and unemployed), - particularly those (a) in areas unfavorable to food production, and (b) those with special nutritional needs, like pregnant and nursing women. That is why our strategy must combine production efforts with programs designed to increase employment and raise the incomes of the rural poor as well.

The lowest-income countries, containing nearly two-thirds of the population of the developing world, pose the most difficult problem. They have the greatest human need, the lowest capacity for rapid economic growth, and the least ability to bid successfully for limited imports from the food-surplus countries.

For these countries to meet just their food needs in the years ahead will require nearly doubling their current food

production growth rates . Unless they take very strong measures now, their collective food deficit will rise from 12 million metric tons in 1975 to 85 million by 1990. Asia accounts for 40 percent, Sub-Saharan Africa 20 percent, and Latin America 10 percent of this deficit. Sub-Saharan Africa presents the worst prospect, primarily because of declining per capita production, cyclical drought, desertification and the absence of the institutional and infrastructural base necessary to expand food production rapidly.

IV. THE A.I.D. ANTI-HUNGER STRATEGY -- REACHING THE SMALL FARMER

When we speak of solving the world hunger problem we often tend to oversimplify our goals. Increased food production is a necessary but not sufficient response. The same can be said for raising incomes of the poor.

There are clearly two sides to the world hunger problem -- production lagging behind current and projected needs and inadequate purchasing power among the hungry. Overcoming these problems will mean attacking both low agricultural productivity and the lack of employment for great masses of rural people.

* { The effort to increase crop and animal production on the hundreds of millions of family farms around the world gets at both sides of the equation. It is the only approach which does.

The Agency's agricultural development program must be designed to address both of these needs, in order to make a lasting impact on the problem, as pointed out in the Global 2000 Report to the President.

THE REGIONS SHOWING THE SMALLEST IMPROVEMENTS THROUGH 2000, HOWEVER, ARE THOSE WITH SEVERE SUPPLY AND DEMAND PROBLEMS. THE TYPICAL AGRICULTURAL ECONOMY IN SOUTH ASIA AND MUCH OF SAHELIAN AND CENTRAL AFRICA WILL BE HARD PRESSED TO PRODUCE AN ADDITIONAL 5-10 KILOGRAMS OF GRAIN PER CAPITA (PER YEAR) OVER THE NEXT 10 YEARS; THEIR CONSUMERS, HOWEVER, ARE ALSO LIKELY TO BE HARD PRESSED TO DEMAND AN ADDED 5-10 KILOGRAMS. (Emphasis added)

A. Agriculture As An Engine for Growth

Agriculture dominates the economies in A.I.D.'s client countries. For most of them, agricultural development is economic development, and to the extent the efficiency and productivity of agriculture improves, the economy as a whole prospers. The agricultural revolution which has undergirded the economic advances of the industrialized nations must be extended to the poorer agrarian countries if they are to achieve the same overall success.

In almost every country on earth increased productivity and prosperity in the rural areas are central to progress. Agriculture is looked to for many things: a dependable supply of relatively low cost food for domestic consumption; export crops to supply foreign exchange; non-food beverages, fiber, spices, coloring materials, resins and oils, rubber, utensils made from agricultural products, etc.; capital to be used in non-agricultural enterprises; as both a source of employment and supplier of labor as specialization increases; and as a major source of demand for domestic consumer goods.

Although there are several possible sources of increased wealth in rural areas --- including extractive industries, manufacturing, tourism, public works and cottage industries-- agriculture has several characteristics which make it particularly attractive. Most rural people are already involved

directly or indirectly in agriculture, it has a high potential multiplier effect, and opportunities already exist for significant increases in agricultural productivity.

Increasing farm production to meet the needs of the rural family is very important. But one objective of agricultural development must be to allow individual families to produce a surplus for sale so that the total output of a locality exceeds total local requirements and permits sales in urban centers, other rural regions, or in international markets. In short, traditional farmers must be brought into the market economy. In this way they will become purchasers of larger amounts of goods and services, contributing not only to the vitality of enterprises in the rural trade centers (through the multiplier effect), but also to the expansion of domestic markets for products of urban industry.

B. The Strategy

The agricultural strategy we recommend can be summarized very simply.

1. It must aim to promote a sound, stable, small-farm (or broadbased) commercial agriculture which is profitable, labor intensive, energy efficient, and conserving of natural resources. In many cases, new organizations are required in both the public and private sectors. Research, extension and training systems working in concert with supply, marketing and credit

organizations must exist for agriculture to grow. Producer groups and other community organizations are essential for small farmers to effectively participate in the political and economic system.

2. It must aim to achieve this goal by helping the countries develop their own human and institutional capacities.

3. In implementing the strategy we must think in terms of decades rather than fiscal years, although benefits should begin to flow within a reasonable time -- considerably before institutions are fully developed and a sound small-scale commercial agriculture is stabilized.

Small-scale or broadbased commercial agriculture can play two key roles. First, it can be a significant means of enhancing food production capacity. Evidence indicates that under favorable conditions, small-scale agriculture can be more productive, with higher yields per unit, than on large, mechanized farms. Secondly, and at least as important, it is essential for employing more people and raising incomes even among producers, and for enabling the poor majority to reap more of the benefits of economic growth at lower levels of fossil fuel energy expenditure.

C. Increasing Supply - The Urgency of Expanding Production

We have reviewed earlier "The Hunger Situation", including a discussion of production trends, in Section III of this response. The findings of Global 2000, released since the Hunger

Commission Report, confirm the seriousness of impending food deficits -- especially in the poorest LDC's through the year 2000. As the surplus productive capacity of the traditional exporters -- particularly Canada, South Africa, and Australia -- decreases beyond 1985 as a result of growth in domestic demand, and as the price of food (increases), the importance of greatly expanding production in certain LDC's becomes obvious. The sheer weight of growing population makes it essential that capital formation and technical change in the food systems exceed earlier levels.

We lay out in detail an anti-hunger development strategy in this paper which emphasizes a back-to-basics program which takes the long view. It seeks to supplement our accustomed focus on farmers and production with additional approaches that address the demand or consumption side of the equation.

At the same time we recognize, however, that global food production trends make it imperative for our agricultural development strategy to boost production as rapidly as possible.

To say the developed nations and the international agencies have considerable experience in helping LDC's expand production is an understatement. The considerable progress in many countries of Asia and Latin America in increasing agricultural production can be directly attributed in large part to the assistance programs of external donors. And A.I.D. has been a leader in many of these endeavors. The record clearly

demonstrates the potential for profoundly increasing agricultural production through the transfer of appropriate technologies supported by sufficient capital and necessary inputs.

In order to seize whatever short-term opportunities there are to get food production up it is important to define what the "short term" is in agricultural terms.

There are "short-term" (1 to 3 years) actions which can be taken to increase food production in the "medium term" (2 to 5 years). These include: distribution of basic inputs like seed, herbicides, pesticides, and fertilizer; well-designed programs to subsidize consumption; implementing land and pricing policies or other policies which create additional production incentives. On the other hand, we recognize that programs to create new technology packages, train large numbers of people, build permanent institutions, provide access to productive resources, or build large, new rural infrastructures generally require more time to produce demonstrable results.

Obviously, those countries with the potential for achieving more rapid production growth are the ones already in relatively better shape, and therefore more likely to be able to make progress on their own. Nevertheless, there are always certain countries or sections of countries where existing technologies (from experiment stations or demonstration plots) are ready for wide application and where other factors -- infrastructure, price

policies, basic marketing systems, availability of input supply, etc., are in good enough shape to benefit from an immediate additional investment push.

The question then becomes where to begin, how to pick projects and investment levels to raise production levels relatively quickly?

In cooperation with IDCA, A.I.D. has already done a preliminary production "targeting" exercise entitled, "Where In Food and Agriculture 1986".

In that paper, countries were selected by each Regional Bureau for investment designed to substantially reduce the world food/hunger problem. The countries were described and then "ranked" in terms of (a) the potential of each to improve its food and agriculture sectors, (b) the major constraints to progress, (c) the levels of investment required and (d) the practicable goals anticipated from such investment.

LAC ranked their countries according to need, potential, and capacity, emphasizing the importance in their region of a small-farm, labor intensive, commercial agriculture as a means of increasing production and improving nutritional status.

Asia Bureau chose a mixture of countries -- some present or potential exporters, others with great unrealized potential, huge anticipated grain shortfalls, or both.

Africa Bureau concentrated on those countries having the potential to become self-sufficient, with enough reserves to

carry them through the lean years, or those countries that have the potential to substantially increase agricultural production over the long term (10 years or more).

Commodity production programs, involving the synchronization of factors effecting the growth of basic food crops, have led to some dramatic advances in recent decades. Similar strategies can also succeed at achieving early results in the future, in certain countries where conditions are right. These efforts to achieve more immediate results need not be inconsistent with long-range institution-building efforts, if done properly. In seizing short-term opportunities, it is still important to be careful to understand adequately the problems faced in each situation and to select and test technologies before undertaking an all-out campaign.

We can expect production results in the near term, 3-5 years, but we cannot short cut the process. A short-run effect will still depend on: a thorough knowledge of the constraints that inhibit production; an adequate testing of the technologies expected to remove the constraints; adequate human resources; a supply of inputs that correspond to the effective technology; a logistical system for the production team; a market that will take the product at adequate prices; and so forth.

This is a major precaution: The World Bank has loaned hundreds-of-millions of dollars to Tanzania for a "crash" production program, which is now generally recognized as a nearly

total failure. A recent evaluation concluded "the single overwhelming cause of project failure has been deficient implementation capacity." It is clear that, even with the best of intentions and commitment, a government cannot effectively use large amounts of money to expand food production without a corresponding depth of human and institutional resources. The Hunger Commission makes the case well when it points out that the investments which were made in institutional and human resource development in the 1950s and 1960s in India paid real dividends in the 1970s in food production. Similar investments must be made now in Africa and in some countries of other regions, if the same kind of payoff is to be achieved by the end of this century.

D. Creating Effective Demand

A flourishing small-farm based food production sector is sustainable only if there is a flourishing market. That requires consumers with a sustained income stream to provide the effective demand, and workers who have permanent employment opportunities which afford them the disposable income necessary to meet their nutritional needs. It also requires a market system which translates this demand into production incentives.

In the long run the demand function is best buttressed by increasing permanent employment opportunities for both rural and urban poor: small-scale industries, labor-intensive processing enterprises for farm products, and service industries for farm inputs figure most prominently.

But in the short run the demand stimulus can be accelerated by means of highly selective, public-sector civil works employment. In rural areas these civil works must be designed to enhance the productive assets of the small farmers through land rehabilitation, irrigation, erosion control, reforestation, farm-to-market roads, and other projects. As production in the area increases, food processing (for local and export use) and the manufacture of agricultural inputs will create many more permanent job opportunities. It may still be advantageous to continue some labor-intensive works projects, to enhance rural assets and to provide short-term income to the unemployed and underemployed until they are absorbed in other productive activities. However, the sustained demand function in the market should be carried increasingly by the more permanent demand for labor as rural economies expand.

A longer-range approach could use both public and private funds to support private-sector job creation. This approach should encompass (a) labor-intensive, non-food agricultural production and (b) rural and urban, small, private-sector enterprises, including the informal sector, that make or assemble import-substitution commodities or produce export goods. This approach takes longer but has the advantages of mobilizing the private sector to a greater degree and creating an expanded market for materials of all kinds.

Finally, small and medium-scale enterprises are considerably more labor-intensive and, to a far greater extent than larger firms, are owned and operated by local and less affluent entrepreneurs. Since the rural labor force will grow by at least 50% in most LDC's by the end of the century, part of our strategy should be to assist in the creation of food-related, small and medium-sized enterprises (SME's). We can do this by using our technological and managerial expertise to facilitate the flow of private capital to locally-owned small-scale agro-industrial enterprises.

The U.S. private, agricultural firms, particularly small and medium-sized companies, represent a major group with considerable untapped human and financial resources for agricultural enterprise development in the Third World. A.I.D. could use these firms for technical assistance and could promote investment through guarantee programs for both equity and debt financing in the LDC private sector.

E. Summary

Clearly no job or income strategy aimed at the rural poor will work without attention to increasing the productive capacity of the small producer, including the terms under which he or she can compete in the market. Even if everyone had adequate purchasing power, technical assistance would still be needed to help overcome the bottlenecks to increased food production posed by lack of technical knowledge and inadequate irrigation, production inputs, credit and marketing systems. Nor can small scale commercial farmers succeed without access to land, assured by progressive land tenure laws.

On the other hand, no production-oriented strategy will sustain itself over time if it is not perpetuated by steadily rising market demand.

Emphasizing the combined production/demand strategy creates the soundest basis for success. It is a strategy more broadly conceived yet more sharply focused than the one we have adhered to in recent years. It is a strategy consistent with the Commission's analysis, as well as with most other major studies of the last six years.

V. HUMAN AND INSTITUTIONAL RESOURCE DEVELOPMENT (HIRD):

LAYING THE FOUNDATION FOR SUCCESS

"The Commission strongly urges A.I.D. to step up its investment in the development of human and institutional resources by rapidly increasing the number of projects whose primary purpose is to help create or strengthen indigenous agricultural institutions."

This point is nearly identical in substance to the message contained in A.I.D.'s 1978 Agriculture Development Policy Paper. We think the time has come, if we are serious about eliminating hunger, to make a major long-range commitment to the establishment of those permanent, action-oriented, self-sustaining institutions which constitute the building blocks for national self-reliance in agriculture. Strong local institutions help build the capacity to absorb other donor capital. Low absorptive capacity is currently a major constraint, especially in Africa, where short-term food prospects are worst and capital cannot be utilized with maximum efficiency.

A. Laying the Foundation for Success

A.I.D. has a fairly strong tradition in institutional development and has achieved some outstanding successes. In Brazil, the Philippines, India and Korea, among others, institutions established with the help of the U.S. have gradually evolved the capabilities for making progressively greater contributions to national development. In other countries, such as Somalia, Peru, Ethiopia and Uganda, A.I.D.'s efforts to promote

institution building have been interrupted and sometimes seriously set back when local governments were taken over by unfriendly regimes. It is important to note, however, that even in many of these cases, the institutions have withstood the battering surprisingly well and could be rehabilitated rather quickly. Highly trained agriculturalists and their institutions sometimes have proven very resilient to political upheaval.

A.I.D.'s strength in institutional development is clear. A.I.D. has access to the technical resources, it has a long and rich experience, and its results have been good, exceptionally good in comparison with other types of development efforts. Moreover, compared to other donors, the U.S. has a marked comparative advantage for promoting human and institutional development. Many donors have little to contribute except capital and, indeed, compete for the scarce human and institutional resources of LDCs to implement their projects. On the other hand, A.I.D.'s potential in HIRD far overshadows its potential as a source of capital. As a supplier of capital A.I.D. has become rather undistinguished among today's donors. Yet, despite its notable record of success in this realm, A.I.D. does not frankly and openly commit itself to emphasizing human and institutional resource development.

The HIRD orientation quite correctly implies a long-run commitment to the task, one measured in decades or quarters of a century, and we must settle down to the long task. However, we

can and should expect benefits to begin flowing in the short and medium term. With the continued assistance of sufficient numbers of expatriate advisers and development experts we can often fairly quickly begin to build an institution which then can sustain its own growth with a minimum of external assistance.

Finally, the chances of developing a U.S. public commitment to the elimination of hunger will likely be much easier if we can talk in terms of technical assistance -- of education and training and all that goes with it -- than if we talk about a commitment to heavy capital transfer.

Even with a full and frank commitment to human and institutional resource development, A.I.D. Missions will find themselves for various reasons forced to consider programs which are essentially capital transfers. A HIRD orientation does not rule out these kinds of activities. However, it does create a framework for their implementation. Also, a short-term infusion of capital can often be worked into a longer range institutional development effort. Agricultural inputs, for example, are costly drains on scarce foreign exchange. Imports of agricultural inputs can directly contribute to developing the institutional complex needed for a viable farm supply industry, which in turn is needed by a small-scale commercial agriculture. Obviously, we would rather not see large transfers of capital made unless there exists a viable institutional framework within a country, to ensure that the funds will have some cumulative economic force.

B. Emphasizing Applied Agricultural Research - Proven Cost Benefit

A.I.D. should improve and expand its commitment to both supporting agricultural research and to disseminating the results to small farmers, educators, and policy makers. In order for agriculture to prosper, change in the technology being used by the farmer must occur. Research supplies the impetus of that technological change. Successful research can have a profound affect on anti-hunger efforts, because research can start a chain reaction of production driving technologies. In the World Bank's World Development Report, 1980 it was stated, "A breakthrough in 'dry farming' would - perhaps more than any other feasible technical advance - transform the prospects of a large proportion of the world's poor." This thought stands in bold contrast with the tremendous capital and institutional support needed for irrigation.

We recognize, as did the Commission and the National Academy of Sciences, that in-country systems for applied agricultural research are a prerequisite to meeting the world hunger problem. The challenge is to get these systems going, since most national capacities to do research are inadequate and will remain so for quite a while unless a significant effort is launched promptly.

There is an impressive body of empirical evidence showing an extremely high rate of return for investments in fundamental and applied research, not only in the more modern nations but in the developing nations as well.

Analyses of investments in agricultural research generally indicate that returns have been several times those usually realized by other types of industrial and developmental investment. The annual returns from investment in research on food production may be as much as 40 to 60 percent per year in the developing countries. Also, it appears that there is significant interrelation between the rates of return to capital investment in developing production and related technologies, on the one hand, and indigenous investments in scientific endeavors on the other. Research provides the kind of cost-effective and permanent effect which we should seek as the trademark of our HIRD strategy.

The international agricultural research centers, speaking individually and collectively, have all called for a stronger effort in developing national agricultural research systems. The very impressive work of the international centers is not being fully utilized because the national systems are not sufficiently developed to adapt and apply the results coming from the international centers. The Consultative Group for International Agricultural Research (CGIAR), the consortium of donors for the international research centers, has acted very positively by creating a new organization -- the International Service for National Agricultural Research (ISNAR) -- which A.I.D. supports. The stage is set for a major new effort in research institution building.

This is not to argue that inadequate institutional capacity in research is the only constraint to development in the LDCs. Nor is it to argue that a development strategy involving the strengthening of such capacities alone will result in the reduction of hunger through expanded growth and economic development.

It is to argue, however, that unless such institutional research deficiencies are systematically removed, other types of development investments are unlikely to bring high (even moderate) rates of social return. Identifying the institutional inadequacies in research and related areas, and devising innovative means of building fully effective, functional institutions must be the foundation of any comprehensive strategy to promote accelerated development and sustained growth in the developing nations. A.I.D. is making substantial investments through its various entities in (a) developing national research systems, (b) in the international agricultural research centers (The CGIAR System), and (c) the collaborative research support programs (CRSP's) and other central research. All of the pieces are evolving toward an expansion of A.I.D.'s commitment to research.

However, the pieces do not represent a comprehensive, integrated whole -- there is no systematic plan. Many of the pieces are being managed without adequate regard for the others.

RECOMMENDATIONS

① The Administrator should appoint a special task force consisting of people from Regional Bureaus along with TPCA, DSB, BIFAD, and PPC to develop a working definition and an operational focus for human and institutional resource development, as it applies to promoting a more dynamic change in agriculture and rural development.

② The Agency should clearly announce a new policy, laying out the philosophical foundations and importance of this approach, explaining the necessity of long-range efforts, pointing out the importance of small-scale agriculture, and frankly discussing and deflecting any potential criticism on the grounds that this approach runs counter to New Directions legislation. It does not.

③ PPC should issue guidance on HIRD program development. The Bureaus should work with their missions to identify those principle institutions necessary to improve production and to create rural employment in production, input supply and marketing as well as agro-industry. This is especially important in Africa. BIFAD's "baseline studies" of national institutional needs will help.

VI. A.I.D.'s CAPACITY TO DELIVER QUALITY TECHNICAL ASSISTANCE
IN AGRICULTURE

Although the Hunger Commission Report emphasizes the importance of expanding greatly the level of development assistance to a broad range of programs and projects, it accurately pinpoints a major problem: capacity to deliver. That is, the level of anti-hunger rhetoric has risen, as has the proportion of the budget allocated to agriculture and rural development, but the ability of the U.S. development establishment to deliver appropriate technical assistance to small farmers in developing countries has declined. Although expanded technical assistance is universally accepted as one of the principle components of a comprehensive, successful attack on hunger, we feel A.I.D. is increasingly ill-equipped to provide such assistance even at current funding levels, not to mention the much greater levels and broader scope suggested by the Commission on Hunger and the Brandt Commission. The Agency lacks adequate numbers of appropriately trained, experienced people in the proper discipline for the problems on which we have to concentrate.

Over half of A.I.D.'s program is in Agriculture, Rural Development and Nutrition; less than 10 percent of our professional staff has any training in the relevant discipline.

Five years after launching a rural development effort, the Agency still has no professional category in the personnel system for rural development officers and no understanding of what kinds and numbers of rural development personnel it requires.

Thirteen missions now have no agriculture officers; there are at least five contractors for every field staff person; forty-five agriculture officers have retired in the last three years; and thirty of the 244 foreign service positions in agriculture are vacant. The Agency has about 300 million dollars in irrigation projects on the books and, in Asia, at least, a long-term program to work on irrigation; yet A.I.D. has only six professional irrigation positions available. There are only a handful of trained nutritionists in A.I.D. Missions.

Simply put, present staff recruitment and training does not match our needs, if we intend to expand our anti-hunger efforts.

If the current situation is allowed to continue, we will be denying the LDC's one of the things they want most from and what they look to us for -- quality technical expertise in food and agriculture.

We need a greater institutional capability for choosing among competing Agency priorities and for rationally allocating staff among and within sectors. This should help us spell out the personnel implications of our policies.

USDA, in its reponse to the Hunger Commission Report, highlighted this inadequacy. They said:

"Neither IDCA nor A.I.D. has the number and quality of food, agriculture and rural development staff necessary to make final approval judgments that would be more effective than is the case under the current USDA/A.I.D shared responsibility. A.I.D. Mission staffs already are stretched thin in many countries. Further, planned reduction in A.I.D. personnel levels in the future certainly will not improve A.I.D.'s capability."

The Commission also took some steps to highlight this issue, pointing out that:

"At present, although 60 percent of A.I.D.'s development assistance program funds are for rural development, food and nutrition, only a small percentage of the Agency's own staff is expert in these fields. Most of A.I.D.'s senior staff members with professional training and experience in agriculture have resigned or retired, while those in other Government agencies are increasingly difficult to lure away from their own career development ladders even for periods of temporary duty."

In short, our own observations have been substantiated by a variety of interested outside observers. The TPCA has studied the problem intensively and a detailed report on the subject will be issued soon.

RECOMMENDATIONS

The Administrator should seek from TPCA and the Office of Personnel Management a detailed ten-year agriculture/ nutrition * and rural development * personnel plan, including a program for in-service training and recruitment.

VIII. THE NEED FOR MORE MONEY

The Reports of the Hunger Commission, the Brandt Commission and the World Bank all decry declining U.S. aid levels, and urge massive increases in current expenditures for development assistance. These documents, plus the Global 2000 Report, paint much the same picture. In the agriculture sector alone, far more substantial investments are needed, and soon, to give the LDC's a fighting chance to reduce their food deficits to more manageable levels and to stave off even more widespread hunger in the next century. IFPRI's analysis for the Brandt Commission states that the food deficits of the low-income countries may reach 120-145 million tons by 1990 (up from a level of 37 million tons in 1975). The Hunger Commission Report cites FAO predictions that this deficit could rise to 175 million tons by the year 2000.

More specifically, A.I.D.'s own ability to improve its response to LDC needs in the agricultural sector will depend heavily on greater availability of funds. The Report states unequivocally that "neither the Executive Branch nor the Congress has accepted the financial implications of the 'New Directions' that the 1973 legislation explicitly encouraged." The fact of the matter is that rural development efforts require much higher investment because they are aimed at millions of widely-dispersed people and because continual innovation/adaptation is required in this largely uncharted field. Development-related research and

expanded institution-building programs in particular, will require heavy infusions of new funds if they are to bear fruit within a time-frame relevant to LDC needs. Hence, a rural development focus requires a much more intensive input of technical and professional resources, both in the field and in Washington. A.I.D. cannot fulfill its Congressional mandate unless it has the resources and personnel ceilings to recruit adequate numbers of first-rate people--who are now routinely gravitating to the private sector.

Many LDC's have become disenchanted with the U.S. emphasis in recent years on the basic human needs strategy--which, coming at a time of reduced appropriations, has been widely interpreted as a ploy to reduce the volume of aid and box them into a "minimum income trap." Unless the U.S. begins to back up its rhetorical commitments with increased appropriations, we cannot expect the LDC's to share our enthusiasm for what has up to now been a low-priority and relatively unproductive development strategy. This view is particularly strong in African countries which have never benefitted from institution-building and infrastructure programs carried out in Asia and Latin America in earlier eras.

A.I.D. needs a plan for the 1980s for increasing investments in agriculture which provides a more sophisticated basis for allocating additional funds in ways that will indeed "focus mainly on the social, economic, agricultural and technical

aspects of development assistance" as the Hunger Commission Report urges. Moreover, the use of such funds primarily for technical assistance, A.I.D.'s presumed "comparative advantage," should prove attractive to recipient nations and find support in the American public.

But the central question still remains: where are these additional funds to come from? The Report urges that "the U.S. move as rapidly as possible toward the United Nations' goal of 0.7% of GNP as this nation's net disbursement of concessional economic assistance," and further suggests that the U.S. "adopt as an intermediate target a figure of 0.35%, as recommended by the Development Assistance Committee of the OECD."

Realistically speaking, however, it is exceedingly unlikely that Congress will permit any such major increases in A.I.D. appropriations for the foreseeable future. In the first place, the same global economic problems -- energy price hikes, inflation and slower growth -- that have devastated LDC economies and deepened the need for concessional aid, have also had serious effects on the U.S. economy. The Congress, faced with irreconcilable pressures to cut back on domestic spending, is hardly in a mood to suddenly expand its spending abroad. Second, the American public -- and elected officials as well -- have very little sense of their own stake in promoting equitable economic development abroad. (In a following section we will expand on the need to educate the public on these points).

Given this bind, it is incumbent upon A.I.D. itself, in close conjunction with IDCA and key members of Congress, to explore new avenues for generating the additional funds needed to improve the U.S. response to global food and hunger problems.

A number of proposals are in the air to generate more international funding for development. The most notable of these are contained in the Brandt Commission Report, and include an international system of universal revenue mobilization, the adoption of timetables to increase ODA from the industrialized nations to 0.7% of GNP by 1985, and automatic revenue transfers through international trade and the exploitation of sea-bed resources.

Other proposals relate more specifically to means of increasing funds for U.S. bilateral development assistance programs. These include more creative uses of the tax system with regard to charitable contributions for development-related purposes.

The U.S. has not been as innovative and aggressive in promoting private sector investment in developing countries as other industrial nations. The Federal Republic of Germany, the United Kingdom, Japan and others have successful, government-sponsored programs for private sector cooperation. Our own Housing Investment Guarantee program and Latin American Agricultural Development Corporation are modest but successful examples of public-private cooperation which promote development on a sound economic basis, at a minimum cost in appropriated funds.

RECOMMENDATIONS

The Office of Legislative Affairs should explore, on behalf of the Administrator, a broad range of alternative funding sources and mechanisms, including new ways to fund development assistance (particularly anti-hunger) programs. They should review mechanisms used in other countries as well as consult with supportive PVO's and members of Congress. Also, formulas for multi-year funding mechanisms should be explored.

VIII POLITICAL WILL AND HIRD

Without exception, every study of the world hunger problem in recent years has concluded that lack of political will on the part of governments is the primary constraint to alleviating poverty-related hunger in the developing world. The Hunger Commission makes the same finding. While this is the conclusion of most of the analyses, it remains extremely difficult to know how, if at all, development assistance funds can be used to improve the political commitment to hunger reduction in donor and recipient countries.

We agree on the importance of political will, and on the seriousness of its absence, and on the finding that it is widespread. We would like to point out, however, that often the actions of LDC governments as well as donor governments depend as much or more on their skills, resources, and information as on a simple "willingness to."

Managing an economy in a way that induces economic development is a complex and tough job. In most of the relatively developed economies of the Third World, much progress occurred without anything that could be called a master plan. Many actions taken by government facilitated that progress, but development moved in steps taken one by one. Few of the actions were taken with any overall development theme in mind, and many were taken in response to pressures by special interest groups operating on their own behalf.

Yet LDC governments, many of them with limited self-governing skills, are now expected to manage their economies in such a way as to induce development with the institutional framework to make it happen. Countries manage themselves through institutions, including the policy and planning institutions that manage the others. We have already commented on the ubiquitous nature of the institutional weakness in LDC's.

We hold that this broad lack of competence is likely to be an important factor in perpetuating a low level of so-called political will. To a lesser extent, the same can be said for the donor countries, whose poor capacity to manage aid comes across as vacillation, whimsy, impatience, inconsistency, ignorance, indeed perhaps a lack of political will. That is not to say donors cannot exert a tremendous impact on the developmental policies of the LDC's. They can. They sometimes force policy changes. They also can strongly influence the deployment of scarce national resources of the LDC's---financial, human, and institutional.

By helping to build human and institutional resources, including those institutions charged with policy and planning responsibilities, we can make it easier for LDC governments to take risks on long-range investments in food and agriculture, as well as to understand the long-term effects of different policy options. It is always easier to take a risk when skilled people

and mature institutions are available to manage it. In turn, such a capacity within an LDC should help reinforce our confidence and commitment if we feel the money will be wisely used.

If we expect developing countries to make the political commitment involved in an agriculture-HIRD investment strategy, some changes will be required in current A.I.D. practices and regulations. For example, we should review our policy on recurrent costs. The policy of not standing recurrent costs is a sound one when donor activity is modest in relation to the country's resources. But in many countries today, the number of programs required is of such magnitude that the most needy countries have no chance of standing recurrent costs. We should also explore the possibility of using multi-country reserves, including PL 480, as a tool to give countries risk insurance as they shift gears to new production approaches.

RECOMMENDATIONS

A.I.D. should consider setting aside a small (at first) portion of funds that can be used creatively--for multi-year grants, debt forgiveness, financing recurrent costs, etc., in order to raise donee interest in taking steps deemed fundamental to their own agricultural development and improved living standards for the poor. We need the operational flexibility to support them quickly and strongly, and to lend resolve to our own efforts. A.I.D. had this flexibility in earlier eras and it worked successfully in many cases.

IX. PUBLIC EDUCATION

Citing Commission-sponsored public opinion polls, the Report notes a solid popular commitment to the goal of alleviating hunger, even in the face of rising energy prices, inflation and other immediate domestic concerns. However, the Report also notes that this consistently high level of commitment is not matched by the public's understanding of the nature, extent and complexity of poverty-induced hunger, nor of the potential gain for the U.S. in more forcefully addressing this issue.

The results of this failure to link public policy to real commitment include shockingly low levels of bilateral assistance, eroding support for many multilateral development agencies, and a growing international perception that the U.S. is virtually abdicating its responsibility to promote peaceful economic progress.

Consequently, the Commission urges a sustained public education campaign, if Americans---and their elected officials--are to comprehend the actions required to alleviate hunger and the relevance of such actions for America's own economic and political well-being. This view has recently been reiterated by the IDCA Director. In transmitting to the President the Interagency Review of the Hunger Commission Report, the Director stated that one of the two most important means of furthering the Commission's work will be to focus increased

public attention on the importance of U.S. economic relations with developing nations generally and on hunger particularly. We share this view.

Despite this consensus, however, a number of important constraints inhibit any efforts to expand public understanding of hunger and development problems:

Current legislation prohibits U.S. government agencies from conducting activities which might be perceived as lobbying on their own behalf. More specifically, the Dworshak Amendment provides that "no part of an appropriation contained in this Act (Foreign Assistance Appropriations Act) shall be used for publicity propaganda purposes within the United States, not here-to-fore authorized by the Congress." Consequently, existing programs consist of very limited public information efforts, with no provision for any real effort to expose the American public to the complexities of an interdependent world and our anti-hunger efforts.

Private efforts suffer even more acutely from low funding and the lack of a nationwide public education strategy within which they could play a central role. As the Report points out, "private voluntary organizations in the development field are constantly engaged in raising the money to develop or conduct (their) operational programs, and can allocate little of it to educational efforts not connected to fund-raising."

U.S. institutions of higher learning, and the land-grant universities, in particular, have many well-qualified agricultural specialists and educators who could take a leading part in educating the American public on development issues. However, if they are to play such a role these universities will have to take a far broader view of their educational responsibilities - and opportunities -- within their own communities.

In short, there is in this country a large but untapped reservoir of public interest in doing more to help the world to feed itself. We should foster that sentiment for many reasons. First, because of our influence on global food supplies, the United States exerts a decisive influence on the speed and manner with which hunger problems are addressed. An informed public will make it easier to use that influence more expansively. Second, it can only improve Congressional support and action to get the public more involved in anti-hunger efforts. As much as we would like to operate purely within the confines of development issues, we cannot. Our course is set by politicians who listen to the public, however personally knowledgeable and committed they themselves may be. The dialogue between all groups can do much to improve understanding of the issues.

RECOMMENDATIONS

1. The Administrator should ask the General Counsel to review the legislative constraints currently prohibiting a program of public education related to world food, hunger and development issues. At

the very least, in view of the existing size and capabilities of private voluntary organizations and the respect which they command from the public, A.I.D. should fund selected institutions to facilitate widespread public discussion of the issues raised by the Hunger Commission. Senator Biden has introduced an amendment to the 1981 International Security and Development Cooperation Act which would provide this authority. Its passage is virtually assured and we strongly recommend that the Agency take full advantage of the new opportunity it represents.

- 2. As a longer-range but more far-reaching measure, the Administrator should direct the Office of Legislative Affairs, the General Counsel and PPC to work with interested members of Congress, IDCA's office of public affairs, IDCA's Congressional liason office and representatives of selected PVO's to establish a Hunger Education Fund. The Commission recommended that Congress "provide funds to establish an organization to educate and inform the American public about world hunger," and there is already some initial bipartisan Congressional interest in doing so. Such an organization should be designed to educate the American public regarding the causes and possible solutions to hunger by sponsoring conferences, maintaining a speakers bureau, developing school curricula, producing radio and television programs, sponsoring magazine articles and other mass media activities. The Hunger Education Fund could also disseminate the results of development-related research to interested organizations, educational institutions and the public.

Public opinion, federal legislation and common sense all argue against using public funds to generate self-seeking or self-justifying publicity for official foreign assistance efforts. Consequently, the goal of a Hunger Education Fund would be to channel government funds to nongovernmental organizations which can more objectively and credibly conduct education programs on world hunger and related development issues.

3. The University network linked by BIFAD provides access to several groups useful to the creation of a development constituency---University professional-technical personnel, students and their parents, and thousands of farmers, extension agents, cooperatives, church groups, and others. In light of the Commission's findings and recommendations, and the strategy outlined herein, BIFAD, NASULGC, and other university associations should be charged with conducting a national series of seminars and lectures on development issues. These symposia should be coordinated with church groups, PVO's, local cooperatives, state legislators and the agricultural extension networks, and should be aided and abetted by A.I.D. leadership. Perhaps Public TV could be involved. Papers and materials could be developed by BIFAD and TPCA.

X. A UNIFIED CAMPAIGN TO ELIMINATE HUNGER

The Food and Nutrition account of the Foreign Assistance appropriations constitutes about 60% of the Development Assistance budget. Elimination of hunger is the stated highest priority of the U.S. foreign assistance program. Yet within the Agency there is inadequate policy articulation, a lack of coherent program focus, and no clear-cut sense of purpose regarding food and nutrition goals. Country missions are uncertain about what they should be doing and get mixed signals from all quarters on a range of special interest objectives. The Board for International Food and Agricultural Development has been concerned with this issue but it has not made a recommendation to A.I.D. on how to deal with it.

Other countries understandably look to the U.S. for leadership on food production and rural development, but find our present actions difficult to understand. We manage our relationships with international organizations through multi-agency committees which too frequently make decisions on the principle of lowest common denominator. Food aid, with its multiple objectives, is managed with minimal relationship to rural and national development and often with little regard for social and economic consequences.

U.S. rhetoric on elimination of world hunger is stronger than ever. Yet our words have not yet been matched by action to implement a comprehensive strategy. A.I.D has done a great deal in agriculture and rural development but has not put together a clearly-defined program of action which has the support of developing countries and the American public. Many of the reasons for our lack of success are described in other sections of this paper. They include: a lack of sufficient technical and managerial capability, the need for better use of existing financial resources and technical expertise as a basis for increased funding when warranted, the confusion over basic strategy, the need for public education, the absence of political will, and so forth.

But the most important obstacle (and one which is linked with others) is the apparent inability of the Agency to act as a cohesive unit to a) clearly-define food and nutrition objectives and b) carry out an action program drawing on public and private sector expertise in an effective manner. While agriculture, rural development and nutrition have grown in importance in the total effort of A.I.D. during the past ten years, our organizational structure for policy direction and our management systems have not been improved in corresponding measure. They have not been developed to bring the full weight and leadership role of the U.S. to bear on the hunger problem.

Responsibility and authority for the various essential functions are dispersed throughout the Agency. Analysis and planning capacities are weak and fragmented among many units.

The central policy coordination staff is small and often not involved in the key issues. The regional bureaus and the Development Support Bureau all have analysis and policy responsibility but technical staffs are also small and coordination among the units is difficult under A.I.D.'s complex organizational structure. The Food for Peace Program is located in yet another bureau with its own coordination problems within and outside of A.I.D.

The fundamental work of the Agency is carried out by country missions, with policy direction, program guidance and assistance, and technical backstopping from the various units in Washington. The technical staffs of the Washington units and the country missions need to be strengthened and they need to play a more central role in program planning and management. Country missions need clear policy directives, program guidance, and the best professional support the U.S. can provide for the design, appraisal, and implementation of these programs. The fragmentation of the policy formulation and program backstopping functions among the A.I.D. Washington organizational units essentially precludes strong policy guidance and support.

The priorities and programs of the Agency have changed dramatically in recent years. It is now time to change our structure and management systems to: (a) match current requirements, (b) increase both efficiency and effectiveness in the management of A.I.D. resources, and (c) to direct our influence to improve the management of U.S. resources allocated

to, the World Bank, FAO, and other international agencies. The present world political and economic situation makes this not only desirable but imperative.

The Agency needs to mount a unified campaign against hunger, but such a campaign can be effectively conducted only within an integrated management system which brings analysis, planning and direction together with technical support and operations.

The TPCA considered many options for reorganizing and unifying A.I.D.'s food and nutrition efforts and agreed there are a number of viable possibilities. There are advantages and disadvantages to each which should be studied carefully and reviewed with the Administrator and the executive staff of the Agency.

We believe major change is essential to gaining public confidence, building national political support, and attaining a position of credible leadership in the global effort to eradicate hunger. The U.S. has it within its power and ability to accomplish these ends. A.I.D. has the responsibility and authority to organize itself in the most effective way possible. The problem is too serious to ignore any longer. We must act decisively and expeditiously; we cannot do less.

RECOMMENDATION

TPCA recommends that the Administrator appoint a task force of senior A.I.D. officials and appropriate external consultants to study and recommend a plan for a unified program to improve the management of agriculture, nutrition and rural development policies, programs and resources.

XI. SUMMARY OF CONCLUSIONS
AND RECOMMENDATIONS

The Hunger Commission identified the major world food problem as chronic undernutrition caused by poverty. In addressing this problem, the Commission called for integrated actions involving trade, finance, investment, food security and development assistance. This TPCA response is necessarily limited to the role that development assistance can play in a U.S. campaign to overcome hunger. This paper sets forth an explicit approach for maximizing A.I.D.'s efforts to alleviate hunger, combined with suggested ways for A.I.D. leadership to facilitate the active adoption of this approach in Agency policy and practice.

* * * * *

We think the elimination of hunger requires a two-track strategy of increasing both food supply and the demand for food. This means increasing food production and expanding purchasing power. We believe that A.I.D. is most likely to accomplish both goals by promoting a viable small-scale agriculture sector in the developing countries. Given A.I.D.'s own comparative advantages, we further believe that A.I.D. can most productively advance this goal by assisting the LDC's to develop their own human and institutional resources, so that they will be able to generate and sustain dynamic, self-reliant, small-scale agricultural production and marketing systems.

We recommend the following steps to turn this approach into Agency operational strategy:

- 0 The Administrator should develop a speech clearly spelling out the A.I.D. anti-hunger strategy and pledging his own personal effort to commit the Agency to a program adequate to the task.

- 0 Agency leadership should articulate this focus and commitment at various conferences and workshops with Mission Directors and Agricultural and Rural Development Officers and others.

- 0 The Agency leadership should take the same message to the land-grant university system and through it to the U.S. public. This exercise would serve to witness the Agency commitment and in turn to develop a commitment from the university as well as a commitment from its clientele---students, farmers, the business community, and various other groups with which the university has contact.

- 0 The Administrator should ask the regional bureaus and the missions -- working with TPCA and BIFAD -- to develop a series of guidelines on how to make the strategic orientation to small farm agriculture operational.

- 0 The Administrator, the Deputy Administrator and the Assistant Administrators should give emphasis to this operational strategy in Congressional testimony and in informal conversations with members of Congress and staff.

- 0 The Administrator should appoint a special task force consisting of people from Regional Bureaus along with TPCA, BIFAD, and PPC to develop a working definition and an operational focus for human and institutional resource development, as it applies to promoting more dynamic change in agriculture and rural development. PPC should also issue guidance on HIRD program development.

The TPCA concurs with the finding of the Hunger Commission, and others, that the Agency lacks adequate numbers of officers with the appropriate training and experience in agriculture, rural development and nutrition. Therefore,

-  O The Administrator should seek from TPCA and the Office of Personnel Management a detailed ten-year agriculture, nutrition and rural development personnel plan, including a program for in-service training and recruitment.

A.I.D.'s ability to effectively address LDC food and hunger problems continues to be hampered by inadequate funding. However, we have little reason to believe that Congress will substantially increase A.I.D.'s appropriations in the foreseeable future.

Therefore,

- O The Office of Legislative Affairs should explore, on behalf of the Administrator, a broad range of alternative funding sources and mechanisms, including new ways to fund development assistance (particularly anti-hunger) programs. They should review mechanisms used in other countries as well as consult with supportive PVO's and members of Congress. Also, formulas for multi-year funding mechanisms should be explored.

If we expect developing countries to make the political commitment involved in an agriculture-HIRD investment strategy, we should consider revising selected regulations in ways that make it easier for recipient nations to assume economic risks. Consequently,

- O A.I.D. should consider setting aside a small (at first) portion of funds that can be used creatively -- for multi-year grants, debt forgiveness, financing recurrent costs, etc., in order to raise LDC interest in taking steps deemed fundamental to their own agricultural development and improved living standards for the poor.

- 0 A consistently high level of public commitment to ending hunger is not matched by the American public's understanding of the nature, extent and complexity of poverty-induced hunger, nor of the potential gain for the U.S. in more forcefully addressing this issue. This lack of understanding translates into shockingly low levels of bilateral assistance, eroding support for many multi-lateral development agencies, and a growing international perception that the U.S. is virtually abdicating its responsibility to promote peaceful economic progress. Consequently,
- 0 The Administrator should ask the General Counsel to review the legislative constraints currently prohibiting a program of public education related to world food, hunger and development issues. At the very least, in view of the existing size and capabilities of private voluntary organizations and the respect which they command from the public, A.I.D. should fund selected institutions to facilitate widespread public discussion of the issues raised by the Hunger Commission.
- 0 As a longer-range but more far-reaching measure, the Administrator should direct the Office of Legislative Affairs, the General Counsel and PPC to work with interested members of Congress, IDCA's Office of Public Affairs, IDCA's Congressional Liason Office and representatives of selected PVO's to establish a Hunger Education Fund.
- 0 The University network linked by BIFAD provides access to several groups useful to the creation of a development constituency --- University professional-technical personnel, students and their parents, and thousands of farmers, extension agents, cooperatives, church groups, and others.
- 0 BIFAD, NASULGC, and other university associations should be charged with conducting a national series of seminars and lectures on development issues. Those symposia should be coordinated with the above-mentioned groups and should be strongly supported by A.I.D. leadership.

The Agency's capabilities in agriculture, nutrition and rural development are not now organized in ways that permit either the most efficient use of human and capital resources, or the most rapid diffusion of acquired knowledge. Therefore,

* O TPCA recommends that the Administrator appoint a task force of senior A.I.D. officials and appropriate external consultants to study and recommend a plan for a unified program to improve the management of agriculture, nutrition and rural development policies, programs and resources.

I