

**Testimony of Paul O'Brien, Vice President for Policy and Campaigns, *Oxfam America* to Senate Foreign Relations sub-committee for International Development and Foreign Assistance, Economic Affairs and International Economic Protection**

“Feed the Future: early progress and needed steps to improve US investments in agriculture and food security”

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Mr. Chairman, I want to thank you and Ranking Member Corker for holding this hearing on the Feed the Future Initiative. I greatly appreciate the opportunity to testify before this sub-committee. This is an important moment to provide oversight to the Feed the Future Initiative and the Administration's approach to addressing global hunger.

Oxfam America is an international relief and development agency committed to developing lasting solutions to poverty, hunger, and social injustice. We are part of a confederation of 17 Oxfam affiliates working in more than 90 countries around the globe. We are also a campaigning organization meaning that through policy engagement and advocacy, we tackle the root causes of hunger and poverty in order to help people create an environment in which they can claim and exercise their rights.

On the issue of agriculture and food security, Oxfam's GROW campaign is active in the United States and more than 40 other countries to build a more fair global food system where everyone has enough to eat always.

In the United States, Oxfam America's work to promote a more equitable and just food system spans a broad number of issues from addressing policies that drive food price volatility such as biofuels mandates and commodity speculation to promoting positive public and private investments in the agriculture sector to meet the needs of small-scale food producers. We are also undertaking research and policy analysis on the Feed the Future Initiative aimed at strengthening US foreign assistance programs focused on agriculture, food security and adaptation to climate change.

Our view is that the Feed the Future Initiative marks an important shift for the US government - and USAID in particular - in terms of how it works and the emphasis it accords to the critical issue of agriculture. Food insecurity is a major global challenge and the Feed the Future Initiative, if sustained, can contribute to lasting reductions in poverty and hunger. I will highlight three areas – civil society engagement, integration of climate change adaptation and natural resource management into Feed the Future country investments and promotion of strong and secure land tenure and property rights systems – that we feel are crucial areas where the Feed the Future Initiative shows promise, but where work remains to be done.

## **I. Support for the Feed the Future Initiative**

We strongly support the efforts made by the current administration to bring renewed focus and attention to agriculture and food security. After achieving significant increases in agricultural productivity during the 1960s and '70s, official development assistance to agriculture exhibited a steady decline for more than two decades from the mid-1980s to the first half of this decade. In 1986, agriculture made up almost 10% of total official development assistance globally. By 2006, that share had shrunk to less than 2%. The sudden and dramatic price spike in 2008 has led to a significant re-invigoration in aid to this sector. Importantly, it is not only donors that have returned to focus on agriculture. In 2003 African countries agreed, in what is known as the Comprehensive African Agriculture Development Program (CAADP), to a target of allocating 10 percent of government budgets to agriculture.

For the vast majority of the more than 870 million people around the world who suffer from hunger, food and agriculture production is a key livelihoods strategy. Most of these food producers are women who struggle with unequal access to resources to grow enough food to feed their families and earn enough money to pay for basic necessities. Investing in agriculture is thus an important strategy to reach people living in poverty. In doing so, public and private investments in agriculture, when appropriately designed and targeted can be a driver of pro-poor economic growth and development. GDP growth generated by agriculture is at least twice as effective in reducing poverty as growth generated by other sectors.

In reflecting on early outcomes achieved since the Feed the Future Initiative was announced, it is important to recognize first and foremost that the true impact of the investments being made now in agriculture and food security will take years to be fully realized. The process of energizing rural economies, spurring agriculture development and sustainably reducing hunger cannot be achieved over night or over the course of only one growing season. They will take years to be fully realized.

One of the most important lessons to take from the Feed the Future *Progress Report* is that the quick wins are possible, but translating positive outputs into long-term positive outcomes in terms of higher incomes and improved food security and nutrition is a much longer process. We urge Congress to find creative solutions to ensure that the framework for poverty reduction developed in the Feed the Future Initiative, specifically the emphasis on supporting small-scale food producers, is sustained in this and future administrations.

## **II. Changing how USAID works**

Consistent with Principles agreed upon at the G8 Summit in 2009, the Feed the Future Initiative seeks to change the way US foreign assistance operates and the way the US government delivers aid. The Rome Principles as they are known commit G8 donors to better alignment with country strategies, deeper engagement with civil society actors, improved coordination and collaboration with other development actors and stakeholders and a sustained and holistic approach that addresses both short and long-term challenges to hunger.

A practical and important outcome of the US commitment to the Rome Principles is an emphasis on aligning resources and programs provided by the US government with the priorities and strategies developed by national governments. In African countries, this means ensuring investments align with country agriculture investment strategies (CAADP plans in Africa). Placing greater control of development objectives, strategies and resources with developing country governments, when responsibly done, is an important step towards bolstering country ownership of the development process.

To further bolster this process and to ensure Feed the Future programs are responsive to the needs of small-scale producers, the US has committed to greater consultation and engagement with in-country stakeholders including, and from our perspective importantly, civil society – especially farmer-based organizations and associations representing the needs and interests of women food producers.

Oxfam research suggests that the emphasis on consultation is being taken seriously and that as a result Missions in focus countries are changing the way they do business. To examine this issue, Oxfam has undertaken research in 7 countries, where researchers interviewed nearly 250 development stakeholders to ask two questions:

- How is the US government implementing new foreign aid reform initiatives to improve aid delivery?
- What effects have these changes created in their early stages of implementation among the different development stakeholders in countries?

What we found is a significant improvement in the way the United States engages with civil society and other stakeholders. Whereas 4 years ago meetings with the representatives of the US government may have been hard to come by, 77% of our surveyed stakeholders say that now they are meeting with officials more frequently. And 74% of respondents told us that the quality of the interactions is better.

When done right, these interactions can lead to better outcomes and more mutually beneficial results. But it is clear from our research that although there is an improvement in the quantity and quality of interactions between US officials and in-country stakeholders, it is not yet translating into changing the types or focus of US investments. In our survey, 65% of local stakeholders felt their influence over what the US funds has either decreased or not changed at all over the past 4 to 5 years. Consultation and engagement thus remains a work in progress.

The potential for improvement is strong, not just because USAID is taking the Rome Principles seriously, but also because other reforms within the agency have embraced many of these same principles and ideas and are turning them into improved practice at the mission level. In this regard, it is important to highlight one effort – implementation and procurement reform (IPR) – which is encouraging the agency to link more with local actors, learn from their experience, offer support that can build their capacity and create partnerships for lasting solutions to hunger and poverty.

Implementation and procurement reform aims to place a greater share of USAID's investments directly with country governments, local businesses, and local organizations. In so doing, this

increased engagement can strengthen the capacity of governments as well as local civil society and businesses while also increasing the breadth and depth of US partnerships. Greater competition created through IPR can drive innovation and results and ensure the most efficient and effective use of government resources. In this way, IPR is helping to take the concept of consultation and build on it to create true partnerships.

Oxfam applauds the commitment to country ownership and partnership embraced by the Feed the Future Initiative and IPR. Specific benchmarks and indicators should be developed and monitoring and reporting on local partnerships should be incorporated into the *Feed the Future Progress Scorecard*. Doing so will promote greater accountability and sustainability of this initiative.

### **III. Renewing focus on climate adaptation and natural resource management**

As the experience of extreme droughts in both East and West Africa have demonstrated, climate change compounded by natural resource degradation, poses a key challenge and is the basis of a substantial portion of the risk farmers around the world face. Information contained in the *Feed the Future Guide* indicates a clear recognition of the importance of addressing these challenges. The *Guide* observes that the sustainability and resilience of agriculture production depends on a “large-scale systems approach to environmental and natural resource management” including addressing climate change.

Assisting small-scale food producers adapt to climate change and better manage natural resources is essential to the long-term success of the Feed the Future Initiative and efforts to promote sustainable development. As the lead implementing agency for both Feed the Future and the Climate Change Initiative, USAID can do more to ensure climate change and natural resource management (NRM) considerations are fully mainstreamed into agriculture development programs.

Without efforts to help farmers adapt to climate change, current levels of agriculture productivity will decline as extreme weather events such as droughts and floods increase, dry seasons become longer and hotter and rainfall patterns become increasingly erratic, affecting rain-fed agriculture production. Projected impacts of climate change on crop yields, which in the tropics and subtropics could fall 10-20% by 2050, could leave an additional 25 million children undernourished by 2050 in developing countries. The long-term decline in productivity will be punctuated by catastrophic crop losses caused by extreme weather events. This summer’s historic drought affecting the Midwest, for example, is expected to reduce the US corn harvest by 20 percent on a yield-per-acre basis.

For food producers, climate adaptation requires developing the tools and knowledge and building the capacity to address current hazards and manage risk and uncertainty associated with weather. Much of the focus of current efforts within FTF to address natural resource management and climate change, especially as highlighted in the *Progress Report*, is on identifying appropriate technical solutions such as improved seed varieties and better water management techniques. But there is also a need to implement programs that address power dynamics that shape access to natural resources essential for smallholder agriculture. People living in poverty, women

especially, lack equal access to natural resources or decision-making power regarding their use. Women produce over half the world's food yet own less than 10% of the land. It is estimated that if women had equal access to resources (natural and otherwise), they could increase on-farm yields by 20 to 30 percent.

USAID can improve upon current Feed the Future activities by providing more regular training and technical support to mission staff to enable them to more systematically integrate consideration of the socio-economic dynamics that shape climate change vulnerability and resilience into project planning and monitoring. Such an approach would reemphasize the focus on the particular challenges women face not just as food producers but also as consumers and potential stewards of natural resources.

The expected impact of climate change is compounded by the fragile and deteriorating natural resource base, which in many countries is resulting in diminished water resources, depleted soils and reduced forests among other environmental pressures. In Africa alone, 650 million people are dependent on rain-fed agriculture in fragile environments that are vulnerable to water scarcity and environmental degradation. Without sustained attention to address this challenge, the goals of Feed the Future are not achievable.

Better guidance and training for Missions can help to address this challenge and can also help USAID to better manage the synergies and trade-offs between improved yields and productivity, on the one hand, and the integrity of the ecosystems on which successful farming depends, on the other. Complementary information to guide decision-making can be developed through the use of continuous monitoring and learning. Better monitoring and evaluation systems need to be put in place that can be used to attribute outcomes to specific interventions and investments in order to capture a more comprehensive understanding of how investments to address natural resource management and climate change adaptation are impacting environmental sustainability,

#### **IV. Making private sector investments work for smallholders**

Agriculture represents one of the best opportunities for the estimated 1.5 to 2 billion people currently living in rural food producing households to sustainably escape hunger and poverty. Small-scale food producers themselves are the most significant source of investment in agriculture in most developing countries. Supporting the development of policies and investments to benefit small-scale producers as entrepreneurs is critical. Too often, however, small-scale producers are not considered to be investors at all, and policies promulgated in developing countries marginalize them or create incentives geared to supporting commercial level investments that can compete with or displace small-scale producers. This is a critical set of issues that Feed the Future must address.

As Oxfam has documented, not all investments in agriculture have positive outcomes for people living in poverty. With regard to large-scale land acquisitions, for example, Oxfam and many other organizations have raised concerns that the recent wave of investments in land in developing countries has included many instances of dispossession, deception, violations of human rights and destruction of livelihoods. In a recent Oxfam report, *Land and Power: The Growing Scandal Surrounding the New Wave of Investments in Land*, we documented five cases

of land grabs that have hindered not helped development and poverty reduction. And this is just the tip of the iceberg. The Land Matrix Partnership has documented deals completed or under development amounting to nearly 49 million hectares of land since 2000, mainly by international investors, with most occurring in recent years. Our report and subsequent work on the problem of “land grabs” has sought to highlight the need for measures – norms, standards and protections – to defend the rights of people living in poverty.

I highlight this issue for two reasons. First, Feed the Future will be less successful if attention is not paid to the importance of land rights - security of tenure, access to and control over land - in development outcomes. This is especially important for women, who often face legal and social barriers to controlling the land they farm. In an analysis of Feed the Future in Guatemala conducted by Oxfam, one of findings was that the impact of the initiative is partially limited by the fact that investments are not addressing structural issues including highly unequal access to land. This finding is underscored by World Bank analysis from 73 countries which found that countries which start with a more equitable distribution of land have economic growth rates two to three times higher than those with initially higher inequality.

Second, in a number of ways the US has taken an active role both in addressing land issues and in the promotion of private investment in agriculture. Much of this work is positive, but in other areas, Oxfam has raised concerns with the Administration.

Let me be clear: private investments – especially those made by national companies based in developing countries, small- and medium-sized enterprises, and small-scale producers themselves – can and should be promoted in the development process as the primary engine of sustainable job creation and broad-based economic growth. There is a need to increase investment that not only promotes agriculture in a way that “does no harm,” but in a way that “does more good”. What must be achieved through positive agricultural investment is inclusive economic growth, environmental sustainability and long-term poverty reduction. And such investments need not include taking direct control over land.

It is worth highlighting that the US has provided significant recent leadership to improve the environment for the effective governance of land tenure, and in so doing lay the foundation for responsible agriculture investment. Over the past few years, the US support has been instrumental in the development of a landmark set of guidelines and best practices to assist countries in protecting and promoting land rights. *The Voluntary Guidelines on the Responsible Tenure of Land, Forests, Fisheries in the Context of National Food Security* can serve as an important set of benchmarks and standards to guide national law, policy and practice by governments and investors. US government staff chaired the negotiations, which have been lauded as highly inclusive and participatory. The result of this process is broad support for the Voluntary Guidelines which were adopted at the Committee on World Food Security earlier this year.

Now that the Voluntary Guidelines have been finalized, the next step is for countries to review existing laws and policies and take any necessary steps to ensure coherence. To do this, US agencies’ development portfolios – whether they are part of Feed the Future or not – should review their own policies to ensure they meet the standards set out by the Voluntary Guidelines.

This is especially important for agencies and offices with investment or lending portfolios, such as the Overseas Private Investment Corporation and the Export/Import Bank. This process should also ensure application of the Voluntary Guidelines to companies and investors that do business with these agencies.

The other step the United States can take is to support implementation of the Voluntary Guidelines, through bilateral foreign assistance as well as by providing funding to the Food and Agriculture Organization of the United Nations, which is leading support for the implementation effort. Early piloting experience, which will include building technical resources and capacity building at the country level, is a crucial step towards building a body of knowledge about how to effectively utilize the Voluntary Guidelines as a tool for improving the enabling environment in which tenure rights' holders have better, more secure access to land and natural resources.

The Voluntary Guidelines figure prominently in another initiative tied to Feed the Future and launched earlier this year at the G8. The New Alliance is an effort to link donors, developing countries, and private sector actors in new partnerships to contribute to a goal of lifting 50 million people out of poverty. At this point six countries – Ethiopia, Ghana, Tanzania, Mozambique, Cote D'Ivoire and Burkina Faso – and more than 80 companies have joined the New Alliance. In forming each partnership Cooperative Framework Agreements have been developed, which include specific policy commitments by developing country governments, target funding levels for public sector investments by G8 countries and investment targets by companies seeking new market opportunities in African agriculture. Each Cooperative Framework Agreement includes a specific endorsement of the Voluntary Guidelines.

Oxfam welcomes the endorsement of the Voluntary Guidelines in the New Alliance, but has raised a number of other concerns regarding this initiative. For example, G8 leaders have indicated that commitments made as part of the New Alliance will be consistent with existing agriculture investment plans and have reiterated that the Rome Principles such as consultation and civil society engagement apply as well. In practice, the application of these principles has been weak. Not only does this threaten the credibility of this initiative, it threatens to undermine the trust built up over the last several years between USAID, governments and stakeholders.

Compounding this concern, available information regarding the nature of investments proposed by companies demonstrates a mixed commitment to targeting small-scale producers. It is crucial that in promoting private sector investments, the New Alliance and Feed the Future more generally, prioritize integration of and support and protections for small-scale producers.

We urge Congress to use its oversight authority to ensure the New Alliance is developed in a manner that is coherent with the public sector investments supported through the Feed the Future Initiative. The US government must ensure a balanced approach to hunger and poverty reduction, encouraging and supporting both public and private investments in the agriculture sector. Small-scale producers must remain at the center of this effort.

I thank the committee for the opportunity to share Oxfam's views and I am happy to answer questions you may have.