

U.S. DEPARTMENT OF THE TREASURY

Press Center



Remarks by Under Secretary for International Affairs Lael Brainard on Global Agriculture and Food Security

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The need for global action to strengthen food security is clear. With food prices again high and increasingly volatile, and in the face of ongoing climate change impacts, rural households in the world's poorest countries are increasingly exposed to global price swings, and forces of demand and supply far beyond their borders.

We all recognize agricultural development is an effective anti-poverty strategy. It is a foundation for social stability. It can play an important role in achieving gender equity. And it has served as a stepping stone to broader improvements in productivity and living standards in almost all successful economic growth stories.

To make a difference, our investments in food security must be targeted and effective. They must spur long-term transformations that enable smallholder farmers to grow more and earn more.

For all these reasons, at the outset of his presidency, President Obama made food security a key development priority for the U.S. And that's why the United States has taken a leadership role in crafting a global partnership to address the underlying causes of global hunger.

That partnership centers on the basic proposition expressed by six of our African colleagues: *"The responsibility of transforming the agriculture sector falls on African governments. However, winning the battle against global hunger depends on all of us acting on our mutual responsibilities."*

But this group already believes in the centrality of this agenda.

Today, let me briefly tell you one of the key ways we are acting to advance it. We are proud to have launched the Global Agriculture and Food Security Program in concert with key G-20 partners, the World Bank, NGOs, and leading foundations. Let me share three facts that explain why we want to make sure it grows stronger.

First, GAFSP is smart and innovative. Its design reflects the best practices of development: country ownership, involvement of civil society organizations and the private sector, and investments based on comprehensive country-developed food security plans. In addition to support from G-20 partners such as Canada, Spain and Australia, the fund has attracted support from foundations like the Gates Foundation and from emerging markets such as South Korea.

It has an inclusive decision-making structure with equal numbers of contributors and developing countries on the steering committee, with equal voice in decisions. Two southern farmers groups and one northern CSO are part of the fund's governance structure which makes recommendations on which proposals to fund.

Second, GAFSP is nimble. In less than one year, it has made grants totaling \$337 million to eight of the world's poorest countries, including five in Africa.

These grants are already making a difference. In Rwanda, the fund's investments are at work as small holder farmers build hill-side terraces that are improving irrigation and minimizing the efforts of erosion to enhance agricultural productivity in the Lake Kivu region.

Third, the fund is results-oriented and transparent. GAFSP leverages the technical capacity of the multilateral development banks in implementing grants, and supports investments in irrigation infrastructure, feeder roads, seeds, and fertilizer.

The fund also works with other development partners, including the core programs of the multilateral development banks, to achieve leverage and scale. In Rwanda and Bangladesh, for instance, the fund's investments and those of USAID complement and reinforce each other.

And GAFSP's focus on transparency and results ensures that resources are used effectively. Fund investments are allocated based on a technical assessment by an independent body of experts. And the results of the fund's investments will be measured through rigorous, independent impact evaluations.

Despite these early successes, we should remain vigilant against losing momentum in our "smart investment" agenda on global food security. While \$22 billion was pledged by the G-8 and other donors at the 2009 L'Aquila Summit, in many cases the impact of this money has yet to be seen at the country level. Efforts towards accounting for these commitments have foundered with some donors unwilling to share disbursement data.

The need to make progress is clear in the strong pipeline of proposals waiting for funding from GAFSP. Because GAFSP offers one of the few sources of new, additional and transparent resources, a total of 25 countries have applied to the fund with requests in excess of \$1 billion. Unfortunately, until more donors join the fund and commit larger amounts of resources over a longer time period, many of these countries will be turned away and the fund will not be able to issue a second call for proposals.

Raising more funds for GAFSP starts at home. We were delighted that Congress found room for a contribution of \$100 million to GAFSP in the FY2011 budget, bringing the US contribution to date to \$167 million. But that is far short of the \$475 that we have pledged.

Without greater progress on our pledge, it is difficult for the United States to convince other development partners to contribute—although I can assure you we are trying. That's why it will be critical for Congress to fund the Administration's request of \$308 million in FY2012.

But the promise of L'Aquila wasn't just about resources. It was also about doing development differently. We all recognize that it is important to demonstrate results and make our funding go further in the current tight budget context.

And that is why GAFSP is even more critical. By pooling resources, donors can leverage contributions; by aligning investments to country-owned plans, we can ensure against proliferation of agriculture projects that tax the administrative capacities for low-income countries; and by working together, we can scale up programs that have demonstrated results.

That's why L'Aquila partners should channel a portion of their pledges through GAFSP. And emerging market members of the G-20 should also join this global partnership, taking on a greater role in supporting economic development in the world's poorest countries commensurate with their growing role in the global economy.

On June 7 and 8, the GAFSP steering committee will meet here in Washington to decide on a third set of grant allocations. With the \$100 million appropriated by Congress for FY11, the fund will allocate nearly \$200 million to the best designed projects in food insecure countries. But once that money is committed, GAFSP will be without additional resources.

This will test the ability of the international community to make good on its promise, and demonstrate that we are in this for the long-run.

The greatest champions of this fund are the low-income countries themselves. Our African colleagues have urged the G-20 to work together to sustain this fund.

With your support and effort, let's continue to strengthen the foundation of our global partnership to address food security.

Thank you.