Remarks for Arlene Mitchell

Senior Program Officer for Agricultural Development

Gates Foundation

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I. Introduction and Gates Foundation

Good morning. Thank you for that introduction. It's inspiring to be here today with so many old friends and new partners.

Before I get into my remarks today, I want to tell you a little about the organization I represent. Bill and Melinda Gates started this foundation nine years ago with the goal of reducing the obstacles that prevent people from reaching their full potential. Today, we pursue that goal in three areas: a US Program, which invests primarily in education—especially secondary education; a Global Health Program, which funds efforts to fight disease & improve nutrition; and a Global Development Program, which helps people in poor countries overcome hunger and poverty.

I work for our Global Development Program, which focuses on the two and a half billion people in the world who live on less than $2 a day and the more than 800 million who are chronically hungry. Within this program we back several approaches. We try to expand access to financial services like savings accounts, insurance, and loans. We advocate for more awareness and investment on issues of poverty and hunger. And we explore ways to make a bigger impact in areas ranging from water, to sanitation, to hygiene to emergency relief. We also work in agricultural

development to support poor, smallholder farmers, which is part of what I'm here to talk about today.

Last year, many of you heard Dr. Raj Shah, who directs our agricultural development work, speak at this conference. He gave a broad overview of our work across the agricultural value chain. We are gathering data and working on the policies and financial support needed to support a green revolution in Africa. Through our science and technology work, we are developing new disease- and drought-resistant crops. We are investing in the productivity of small-scale African farmers by investing in seeds, fertilizers, and other tools. We are paying particular attention to women farmers because they are the backbone of African agriculture and when they thrive, so do their families, communities, and their countries' economies. And, finally, we are connecting farmers with markets.

Today, I'd like to talk about one especially promising approach that links to almost all of our goals—home-grown school feeding.

II. The huge benefits of school feeding

School feeding is already one of the most successful social policies in the history of the world. We don't have data for every country. But it's a measure of its success that as far as we know, every country in the world provides school meals for at least some of its students.[1]

The appeal of school feeding is that for the cost of one meal, you get a double payoff: more kids get fed *and* more kids go to school. Actually, there's another benefit. Since not being hungry makes it easier to learn, school meals don't just boost school enrollment, they also boost school achievement.[2] So it has a triple payoff.

[1] World Bank report.
[2] http://www.ifpri.org/pubs/newsletters/IFPRIForum/IF200407.htm.

Or maybe it's a quadruple payoff since the benefits disproportionately go to girls, and study after study has shown that when girls go to school, there are huge benefits for the rest of society like lower child mortality, lower fertility rates, and better protection for women from abuse and exploitation.[3]

We can even say that there is a quintuple payoff since the micronutrients students get in school meals can help to prevent harmful conditions like diarrhea and anemia.

School meals are useful in any country that has some hungry children and problems of school enrollment or absences. But in poor countries where ALL the benefits of school feeding can be captured, the impact is enormous.

A new World Bank report highlights the fact that every country in the world is trying to feed at least some of its students. This is extraordinary— and for me and those of you who share my love for school feeding—it is downright wonderful!

But we love school feeding done well. Unfortunately, we know that it isn't always done well and we know that school feeding is not without controversy.

But let us step back for a moment and celebrate. Let's celebrate the collaboration that has occurred between rich governments, poor governments, NGOs and private enterprise that came together to support and expand school feeding over the past 10 years – many of you in this room participated heavily in this effort. Let us celebrate the results achieved – it is truly a great humanitarian achievement of the 20th and 21st centuries.

[3] For example: http://www.csmonitor.com/2008/0804/p14s02-wmgn.html. But also many other places.

III. The even bigger benefits of homegrown school feeding

We should be proud of the work we've done, even as we take on the work needed to improve and expand it in the years to come.

That's what I want to talk about now. I want to talk about how we can make school feeding work even better for developing countries and how we can make sure that it benefits even more people. You, the food aid community, are critical to make this work. It will take a renewed commitment from you if we are to work successfully together.

Today most school feeding programs in developing countries have pretty much the same design. The food that students eat is either donated by the U.S. or purchased from big traders in the region with other donor countries' money. There are advantages to this approach: rich and poor governments and the NGOs that work with them have built up a lot of expertise in the systems required to get these donated school meals to poor children, even in remote areas with huge logistical challenges. I worked for the World Food Programme and visited many of their school feeding sites over the years. Anyone who has seen WFP in action marvels at how they have been able to conquer every logistical challenge imaginable to get food to students in remote, hostile environments.

But the system of providing donated food has a very big limitation: it's great for the kids, but it doesn't have immediate benefits for local economies—especially for smallholder farmers. The benefits that accrue in the short term are limited to the children and their immediate families.

It took a while—too long, I think—for those of us in the development business to consider a very important question: What

if the students were fed food grown by local farmers, food that is processed, fortified, and stored by local business, and prepared by local kitchen staff? All of a sudden, school meals become an economic development program. Local farmers and businesses don't just have a new customer. They have a new customer that's going to be buying their product 180 days a year on average, a customer that will come back next year, and the year after. That gives them the confidence and the resources to start making investments in things like better seeds and better machinery. This new capacity gives them access to new markets. And the multiplier effects kick in.

That's how it's supposed to work; and that's how it has worked in most of the world's rich countries and some countries that have made the transition to Middle Income Country status over the last 20 years or so. Countries like Brazil, Chile and Mexico, for example, have required that a certain percentage of the food that goes into their school meals come from local farmers.[4]

But it wasn't until about 2003 that development groups began to focus comprehensively on home-grown school feeding. It was just about 6 years ago that the New Partnership for Africa's Development, the World Food Programme, the UN Millennium Development Project and others began to focus on the potential for expanding the benefits of school feeding by purchasing the food for school meals from local farmers. By 2005, the Millennium Project identified home-grown school feeding as one of the recommended "quick wins" to help achieve multiple Millennium Development Goals—in this case, the Goals for education, gender, and the reduction of hunger and poverty. Since that time, the focus for home-grown school feeding has been on sub-Saharan Africa in particular, but also in other areas struggling to achieve these goals.

[4] World Bank report.

Now we are just a few years into the home-grown school feeding approach in Africa. And there is much work to be done to get it right. I see five significant gaps that we'll need to close before home-grown school feeding can reach its full potential.

IV. Five gaps

I wanted to talk with you today about these gaps, because it is our hope that we can work with you and others to turn the potential benefits of home-grown school feeding into real benefits for the people in the world who need them most.

Productivity

One of the biggest challenges for traditional school feeding has been serving school meals that students actually want to eat. If kids don't like the taste of imported food, it doesn't go down well. That's one reason why the staples of traditional school feeding programs are a cup of bland porridge or some sweetened biscuits.

For home-grown school feeding, the challenge is reversed. Local farmers know how to grow the food that local people like and are used to eating. The question – and the first big gap we face – is the farmers' ability to consistently produce the right quality and quantity of food, and their ability to get the food to the schools when it is needed.

Actually, the challenge is a tricky one. Suppose a school decides to buy food from local farmers. If local farmers can, they'll increase production to meet the increased demand. But what if they can't increase production because they don't have access to the land, the labor, or the seeds to grow what's needed? Then demand will go up while supply stays flat. That will lead to higher

food prices for the whole community. Which means more people will go hungry.

So unless our goal is to add more hungry people, the issue that we have to address is not whether local farmers have the capacity to grow food for the schools. Rather, it's, do they have the *extra* capacity? And can they provide enough food year in, year out, even in bad climate conditions?

The good news is that we're making progress in this area. For a long time, too little research was done on crop varieties, and a lot of that research never made it from the lab bench to the farm gate. But that's starting to change. Today, NGOs and the private sector are both supporting long overdue research to identify crop varieties that are drought-tolerant, disease-resistant, and bio-fortified. We at the Bill and Melinda Gates Foundation are, too. The research should be accelerated. The private and public sectors should build on each other's work. And we all must see to it that these crops get to the farmers that need them the most—the small-scale farmers in developing countries.

Once homegrown school feeding takes hold, it can start a virtuous cycle. Homegrown school feeding provides farmers with steady demand…which allows them to make investments and to send their children to school. This increases their productivity…which creates jobs and profits…which generate taxes….which allow communities to do more homegrown school feeding…and so on. It also contributes to political stability and strengthened economies. This is good for us as well as for them.

Nutrition

A second gap is nutrition. Rich countries and development agencies usually provide fortified, blended foods as school meals in developing countries. Whether porridge, biscuits, or snacks

made from corn or wheat that has been fortified with soy, these simple and cheap meals meet a big percentage of students' nutritional needs and have huge health benefits. It would be devastating for poor students to lose this source of micronutrients.

Now, someone who hadn't studied the issue might say, "This doesn't sound so complicated. You just need to find a way to grow food with lots of nutrition. Or fortify it with lots of nutrition afterwards." That's harder than it sounds. It's not a simple matter.

For one thing, we need to know a lot more about which micronutrients in which quantities should be in the food. We know a lot about infants' nutritional needs. We know a lot about adults' needs. But in between, we have more questions than answers. The bodies of school-age children are constantly changing. They're going through growth spurts and puberty. And to make it even more complicated, boys and girls are growing at different ages and different rates. The private sector probably knows more than anyone else about this area, but even they don't have all the answers yet. So getting things right in terms of micronutrients for growing school kids is a real challenge.

Another reason why nutrition is hard to get right is that it can be dangerous to go from an insufficient diet to a generous one. Scientists have found that if you're used to getting by on just a little, your body might not be able to process suddenly having a lot. This means that if nutrition isn't done right, there's a risk of rapidly going from a classroom full of kids who are underweight to a classroom full of kids who are overweight. Childhood obesity is no longer just a problem for rich countries like the U.S. It is a growing problem in Middle Income Countries—the very countries where large-scale school feeding programs have been instrumental in helping poor children to go to school. We cannot export obesity in our school feeding programs!

So getting students' nutrition right isn't as simple as it sounds. But we know what the solution is: It's the same as the solution to the productivity gap: better research, and the application of that research—research that is focused on the needs and realities of people in poor countries. There are some encouraging models. In Malawi, Laos and Ghana, local farmers and industry produce a fortified corn-soya blend that has been successful.[5] In Tanzania and Cambodia, they're experimenting with Sprinkles—micronutrients in packets that you can add to your meals as you prepare them. We need learn from these experiences and apply those lessons.

Purchasing systems

If we can close the productivity and nutrition gaps, we'll have the home-grown part down. But there's still the issue of how the food gets from the farmers to the schools and at what price. That's the third gap – and it's harder to solve than it sounds. You have probably heard about our Purchase for Progress grant to the World Food Program, to pilot methods of purchasing locally from smallholder farmers. It is not going to be easy.

One key piece is information. Markets run on information. But in the developing world, information is often hard to find. Information may be held in the hands of a privileged few. To get to rural areas, information sometimes has to pass through many hands, and it can get distorted through error or through design. And there is limited access to technology. But that is beginning to change.

I'll tell you about a woman I met in Senegal recently. Her main business was selling peanut oil, but she relies on a local trader to get it to market and sell it. I asked her if she gets a fair price for

[5] World Bank report.

her oil. She said that she used to have no way of knowing what the prevailing price was, so she had to take whatever price he offered. But things changed, she said, when she got a cell phone. She told me, "When I got the phone, I could find out the price in town. Now he knows that I know how much he gets for my oil. So I get a fair price. He still does OK, but now he has to sell more oil to make as much money and he has to be honest with me."

For home-grown school feeding to work, schools and farmers both need access to this real time information. Cell phones can help to make that happen. We need to do a better job spreading this and other technology that will support good work, honesty and transparency. And there will need to be some additional work on business basics to make the best use of the available information and technology.

Governance, Transparency, and Accountability

If we can close those three gaps, we'll have a solid foundation for bringing home-grown school feeding to the poorest countries in the world. If local farmers can supply abundant, nutritious food… schools demand it…and there are well-functioning purchasing systems, the children should eat what they need and everyone in the chain should benefit.

But any time there is so much money and so many valuable resources changing hands, there is going to be leakage. Some of that leakage will be from bad storage, bad insects, or bad judgment. Some will be from people, whether they're teachers or truckers or parents, who decide to take a little for themselves. This is not a unique feature of school feeding or of developing countries. This is true for any expensive policy in any country and there is no easy way to eliminate the moral hazard entirely.

I shouldn't have been surprised when an American former director of school feeding for a major U.S. state told me how much corruption she had to deal with. The state's school feeding program was handling millions of dollars worth of food on a regular basis. Of course it attracted some troublemakers.

But there are some effective strategies for reducing it. One key is transparency. If anyone can follow the money trail, it's less likely that it will terminate in someone's back pocket. But transparency needs to be paired with accountability. In other words, someone needs to be watching. And if they see something, they need to be able to do something about it.

We often think of accountability as being the job of the political opposition or the press. But there have been some incredible stories in the last few years about informal groups in the developing world that have basically turned themselves into school feeding watchdogs. And they've had great success.

We can encourage and support these citizens groups, but we shouldn't depend on them alone. To make home-grown school feeding work well, we also need to figure out how to build transparency and accountability into each step of the process. There should be someone in charge of making sure that every grain of food and every dime of money is accounted for at every stage. That will be hard, especially in some countries where transparency has not been embraced. But we need to do that hard work if we want to maximize the benefits of school feeding.

Financing

If we can get closer to closing these four gaps, we'll be a lot closer to reaching home-grown school feeding's potential. But we still will not have answered the hardest question. It's the last hurdle in any political debate: how will the program be be paid for?

The answer in the short-term is clear. Most start-up school feeding programs are financed by foreign donors and non-profits, either through in-kind donations or through cash donations that are used to pay local farmers. Yet part of the great promise of homegrown school-feeding is that poor countries should eventually be able to do it on their own.

It's not that this doesn't happen. Over the last 45 years, 28 countries have gone from World Food Programme-funded school feeding to self-financed school feeding programs. Brazil, which feeds 33 million students a year, used to receive external financing for its school feeding program. Today, it helps provide support for other countries.

But we don't understand well enough *how* these transitions happen. The great advantage of school feeding as a social policy is that it lies at the intersection of so many areas of people's lives. But this is also its great disadvantage as a government program that requires funding. When the donors go away, who should pay for school feeding? The Ministry of Education? The Ministry of Agriculture? The Ministry of Finance? A totally new agency? And how do you ensure that the budget doesn't get cut as soon as the economy slumps?

We have some ideas from looking at countries that have already made the transition. In Chile, they've set up a separate agency with its own budget to administer the program. In El Salvador, they sold off some government-owned businesses and used the proceeds to create an endowment that they've used to jumpstart their program. In Jamaica and Swaziland, parents chip in."[6] In Brazil, the meals are paid for through vouchers issued by the central government to local School Feeding Committees. I even

[6]http://www.wfp.org/sites/default/files/%20Exit%20Strategies%20for%20School%20Feeding%20WFP%27s%20Experience%20%20-%20.pdf

heard that an African country is considering a tiny cell phone tax to help pay for its school meals program.

We also know that it's probably best to gradually phase out outside funding, instead of getting rid of it all at once. Here, countries like Ghana and Egypt are the models. In Ghana, they started with an ambitious plan that was 100% government-funded. But it has been tough for them financially. But rather than giving up, they are looking for solutions. They've asked the World Food Programme if it can provide blended food for at least some students two or three days a week as an interim measure so that they could reach more students while they figured out how to get the additional financing they needed.

In Egypt, they have their own school feeding program, but they sought to do a better job reaching their poorest students. So they brought in WFP to help and financed the improvements through a debt-forgiveness program with the government of Italy.

These transitions seem to work. But we still don't have the full picture we need.

We need to know more about what works. But data can be hard to get. When I was working at the World Food Programme in 2001, we did a global study to figure out which countries were providing school meals and to ascertain other related information, including how they were paying for the school feeding.

We brought in a lot graduate students from all over the world, gave them laptops, and sent them to 150 countries. They were assigned to gather all the data they could in within about two weeks in each location.

We were able to get a lot of data, especially about the school systems and whether there was a school feeding program, and what

types of food were provided. But we could barely find anything about the how the programs were financed. Even in rich countries, we found responsibility for the program was often split between two or three ministries, and it was almost impossible to get information about how the programs were being financed.

So if our goal is to expand home-grown and home-owned and financed school feeding around the world, we need to dig deeper on this financing question.

V. **The need for cooperation**

Another gap is cooperation. Cooperation between donors and recipients. Cooperation between private sector and public sector players. Cooperation across ministries and across technical disciplines. Cooperation between those of you in the audience.

This cooperation thing may be the biggest gap we face.

But all five of these gaps are big enough that no single government, PVO, or corporation can close them on their own. Every player has a competitive advantage. Every player also has a competitive *disadvantage.* If we're going to bring the benefits of home-grown school feeding to the world, we need to work together so that my strengths cancel out your weaknesses and your strengths cancel out mine. Everyone has a role to play.

As an example, the private sector has a huge knowledge base about productivity, nutrition, storage and handling, and more. Some companies have a great understanding of what kind of food kids need and like. Private companies have a huge opportunity to use this expertise to help feed young students in developing countries. But many are concerned private companies won't invest in developing countries, or if they do, that they will cause damage by focusing too much on their own profits and pushing their own

products. We believe that the private sector can and will work effectively in developing countries if they work in collaboration with development partners, however. They can work together to implement a healthy balance between short-term profit requirements and the products or services for local markets in poor countries that will support long-term development. If the right balance is struck, private sector partners can both make important contributions and decent profits (emphasis on decent).

Broadly speaking, NGOs can be involved in nearly every aspect of the school feeding process: from farming to health and water and sanitation to the schools themselves. NGOs can assist in making the process as transparent as possible and ensuring that governments are held accountable. But NGOs can also get in each other's way, competing for resources, duplicating or confusing efforts or guarding their own turf. If NGOs look for common ground with their peers and local governments and build on each organizations' competitive advantage, however, more can be done for the same amount of money, and the benefits can be maximized.

UN agencies can play an important coordinating role for development interventions, but they too must learn to play better with others.

But it's governments that can help us close our biggest gap. They're the ones that know about financing because they're most often the source of the resources. Countries that have learned how to self-finance school meals at home should share their strategies with countries that are facing a transition from donor-financed to self-financed school meals programs. Countries like Brazil and Chile are doing some of that, and we need to encourage even more sharing, and from other corners of the world—South Korea, India, Malaysia, China, Paraguay, Mexico—there are numerous countries who could help others to learn from their own experiences and demonstrate good leadership and collaboration.

Parents also have a role to play. I haven't talked much about them today, but getting parents involved is key to accountability and sustainability for school feeding. No one is as tenacious about making sure kids get what they're supposed to get as their parents. Yet too few schools in developing countries welcome parents. Getting parents involved is another challenge, but also an opportunity.

The picture that I've sketched of the gaps facing homegrown school feeding is fairly complex. But the solution, in a general sense, is very simple. Each one of these groups has to sit down and ask two questions: One, what is our comparative advantage? What are we better at than everyone else? And two, how can we apply this comparative advantage to one or more of these key gaps without getting in some other group's way? And then they have to act.

VI. Conclusion

I have great faith in what can be accomplished because I have seen it with traditional school feeding. Thanks to your generosity and ingenuity and determination, millions of students are in class, learning, with smiles on their faces, instead of going hungry.

One thing I have not talked a lot about today is the students themselves. None of us would be here if we didn't care about them. But when you work in an empirical business like we do, it is easy for them to become statistics or abstractions instead of the very real people with real daily lives.

There was one question that always bugged us at the World Food Programme. We knew that there were communities where we had well-established school feeding programs that were very successful

in raising school enrollments. They were well-known and appreciated in the communities. Even so, there were still kids who didn't come to school. We wanted to know who those children were and why they weren't attending.

So we sent some of our graduate student researchers to look into that question in three or four countries. The country where we did the study was Uganda. We went to three school districts where we had successful programs in the country, including the Gulu district.

The technique we used was to ask the kids who were in school to tell us why other children they knew weren't at school.

These were some of the responses we got:

> A girl named Angee said her 12-year-old friend wasn't there "because she got married, because she is pregnant."
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> One 14-year-old boy wrote of his friend Okello: "He is not coming to school simply because he has lost all his parents and now he is heading a family and you know it is difficult for a boy of that age to come to school while heading a family at the same time."
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> Another 14-year-old explained about his friend Kumakech: "One reason is because of rebel who have attack him. Second reason because he have a blind eye. [Third reason] because he is also orphan. [Fourth reason] because he also have no money."

Home-grown school feeding won't solve all these kids' problems. Not even close. But when they have so much going against them, we owe it to them to get the most out of every development dollar.

And I'd put homegrown school feeding up against any other intervention.

We know about the benefits for the students. They get fed. They're healthier. They have higher resistance to disease. They're in school. Because they're fed, they have more energy. Because they have more energy, they do better in school. In Bangladesh, students who get school meals score higher on standardized tests were reported to be livelier, happier, and more interested in their studies.[7]

Now think of the students' communities. Think about the jobs and profits, not just for farmers, but also for those who process, fortify, bag, transport and handle the food. Think about the jobs related to producing food equipment, plates and cups and spoons. Think about the jobs in reporting, monitoring, and record-keeping. Think of how many of these jobs can go to relatively unskilled workers. how many can go to women, who will acquire new skills and credentials. Think of the spillover benefits for society. Think of the tax revenue generated by all this economic activity that gets reinvested in society. Think of the national pride. When all these benefits work together, school feeding becomes like its own little ecosystem, bearing rich fruit for the entire community.

That's the promise of home-grown and home-owned school feeding. It's in clear sight. But in between us and that promise are these big gaps that I've discussed. We know that these gaps will not go away by themselves. We know that we cannot close them acting alone. Our only choice is to work together. We know the reasons why those students aren't in school. There is no excuse for us not helping to develop a sustainable system involving local farmers to support those students and those communities to have a healthy chance?

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[7] http://www.ifpri.org/pubs/newsletters/IFPRIForum/IF200407.htm