

**10th Annual International Food Aid Conference (IFAC)**  
**Westin Crown Center Hotel Kansas City, Missouri**  
*April 15, 2008 - 8:30-9:00 a.m.*

**"Mobilizing Global Efforts to Meet the Challenges of Food Aid"**  
**Speech by Ambassador Gaddi H. Vasquez**

Thank you, Kirk, for that warm introduction.

Good morning. It is good to be back in this wonderful city and to see many familiar faces all concerned with an issue we hold dear: international food aid. I am particularly pleased to be joining my good friends, Josette Sheeran of WFP and Rajiv Shah of Gates Foundation in this session today -- in a dialogue on the very important issue of meeting challenges.

There is a great sense of urgency to meet current challenges to food aid. These challenges are many. We read about them in the media almost daily. The number of natural disasters around the world coupled with the effects of climate change, the growing trend toward producing biofuels from staple crops, and increased demand among emerging economies, especially China and India, are causing prices to rise. According to reports from the Food and Agriculture Organization, or FAO, and the International Food Policy Research Institute (IFPRI), food prices have increased between 75 and 80 percent since 2004, with a 40 percent increase in 2007 alone. Meanwhile, USDA reports a 134 percent increase in flour prices between fiscal years 2005 and 2008. Even in Italy where the once-overflowing bowls of pasta are less full as double-digit increases in the cost of pasta, Italy's staple food, the situation has people alarmed. But our concern is how these influences will most negatively impact the already precarious economies of many states, especially in sub-Saharan Africa. And those with currencies linked to the ever weakening U.S. dollar are facing even greater challenges.

As all major commodities are affected and as agricultural economists forecast this to be long-term problem, a groundswell appears to be forming toward longer term solutions such as greater global investment in agriculture. In the interim, though, rising food costs will further stretch the international donor community's increasingly limited resources, compromising our ability presently to meet emergency food aid needs and setting back any achievements we have made to attain in just seven short years from now Millennium Development Goal (MDG) number 1: "to reduce by half the proportion of hungry in the world today." Secretary General Ban Ki-moon has warned us (and Josette will further detail) of a "new face of hunger" increasingly affecting the poorest of communities, that is, those "bottom billion" who live on a dollar a day or less and who will "be forced to either buy less food, or buy cheaper, less nutritious food, resulting in more hunger and less chance of a healthy future." And the situation for the 160+ million ultra poor who live on less than 50 cents a day is far more dire.

The situation will get much worse before it gets better as people struggle to get their arms around this issue, which reaches across every land border and all geographic boundaries. Key actors and

partners must come together for collective action and innovation. At last year's conference I spoke about how no single entity can fight hunger alone and how partnerships of all kinds are important and necessary in this fight. Today I will share with you how global efforts can and are mobilizing additional resources to meet current needs and to embark on a path to do the business of food aid in a much better way. The keys to this mobilization are:

- **UN Reform in the Rome context**
- **Partnerships, and**
- **Innovative Initiatives**

#### **UN Reform in the Rome context:**

As Ambassador to the United Nations agencies in Rome, I serve on the boards of three agencies whose direct purview is to alleviate hunger and poverty:

- the first is World Food Program, or WFP, our largest partner present at this conference and, overall, our biggest humanitarian partner. WFP is the food aid arm of the UN;
- next is the Food and Agriculture Organization or FAO, the UN's largest specialized agency, which is a knowledge-based organization helping countries to improve agricultural practices to ensure good nutrition and food security ; and lastly,
- the International Fund for Agricultural Development or IFAD, which enables the rural poor to overcome poverty by providing low-interest agriculture loans and grants.

As the single largest donor to all three of these agencies, the United States has a large stake in ensuring that the Rome-based agencies are good partners, that is, that they are focused and results-driven, transparent and accountable, and effective and efficient, so that together we may support the goal of transformational development. The UN as whole must be a beacon to the world of good governance because good governance leads to effective programs, which in turn leads to healthier children and more productive adults, working and reaping the Earth's benefits for their families and communities. Through clear direction and oversight, my mission is working with the Rome-based UN agencies to ensure that their resources are wisely managed and responsive to country priorities. This is the imperative: to ensure that food and livelihood interventions reach those most in need at the right time – the crucial time – in order to have the greatest humanitarian impact.

The two largest Rome-based UN agencies – FAO and WFP – play a vital role in responding to disasters and providing humanitarian assistance to prevent the loss of lives and protect the livelihoods of the most vulnerable populations. Under the broader context of UN reform to “Deliver as One,” both FAO and WFP are undergoing programmatic transformations:

- FAO, and its governing body, are currently looking to implement recommendations of an Independent External Evaluation (IEE), co-funded by the U.S. and 20 some other donors as a framework for reform to restore donor confidence in FAO in accordance with best practices, focusing FAO's resources on areas of competitive advantage which help countries put in place food security strategies and policy frameworks that attract donor

support and investment. This, in turn, will help farmers respond to livestock and plant diseases and other disasters that affect agricultural production.

- Under the commendable leadership of Josette Sheeran, WFP is restructuring itself to be more efficient, leaner and stronger, implementing best global practices to optimize its already strong record in accountability and transparency to meet emergency food aid needs. The U.S., as a member of its governing board, is working with the organization to help develop its new Strategic Plan, taking into account the changing environment and nature of food aid.

Together with IFAD the three agencies are increasing their cooperation in the field to improve food security, for example through the institution of food security theme groups – a more focused platform to boost developing countries' own efforts and capacity to meet their food and agricultural needs. The organizations are also increasing their collaboration in Headquarters to improve coordination and the efficiency of their responses to the beneficiaries they serve. WFP, FAO and IFAD help to feed or prevent the starvation of millions of people annually in places of greatest policy interest to the United States, such as Sudan, and in eastern and southern Africa.

Last week, I returned from a visit to Thailand and Bangladesh. In Bangladesh, I led a team of international journalists from Africa, the Middle East and Asia to view U.S.-funded humanitarian operations run by the Rome agencies. Our focus was on taking stock of the pace of recovery efforts after Cyclone Sidr and the floods, which devastated vast farmlands of southern Bangladesh, including the country's rice crop for this year. Throughout the trip we encountered those who were all too familiar with the famine of the early 1970s and how the provision of USG-donated food has consistently made the difference between survival and starvation. Together the three agencies are tackling short-term and long-term challenges in addressing emergency food needs and rebuilding livelihoods.

But the Rome agencies cannot and do not work alone in countries like Bangladesh, and the U.S. has increasingly been encouraging them to work with humanitarian partners such as UNICEF (*United Nations Children's Fund*) to tackle the perennial problem of child malnutrition, targeting underweight children under 3; with WHO to focus on nutrition strategies that improve health and nutrition education and provide nutritional support for HIV/AIDS patients; and with UNHCR (*United Nations High Commissioner for Refugees*) to provide food assistance to refugees and IDPs (*internally displaced persons*).

### **Partnerships (and integrating programs for maximum yields):**

We encourage strengthened partnerships with UN agencies, governments, private enterprise and others because food aid is not the sole solution to the world's current hunger crises. In order to maximize the limited resources targeted specifically to food aid, we will need to increasingly seek to integrate these resources with other funding sources and programs, especially to address chronic needs.

For example, the links between nutrition and treating HIV/AIDS patients are clear: patients need a full stomach in order to take and benefit from the strong medication. A study from UNAIDS

*(the Joint United Nations Program on HIV/AIDS)* predicts that 900,000 people who will be going onto anti-retroviral drug treatment in 2008 will require food assistance. In my travels as U.S. Ambassador and in my previous travels as Peace Corps Director, I, like many of you have witnessed first hand the debilitating effects HIV has had on individuals, families, communities and governments. Last year, while on a WFP Executive Board trip to Zambia, I learned of the loss of technical capacity in education, for example, where twice as many teachers die of HIV/AIDS as are trained. USAID's commendable efforts to educate and work with the Office of the Global AIDS Coordinator (OGAC) to broaden synergies with PEPFAR (President's Emergency Plan for AIDS Relief) should continue and be strengthened. The Administration and Congress both recognize the important role that nutrition plays in helping people to regain strength and once again become contributing members to society, and this is one reason why the President first doubled and Congress then more than tripled the original budget of \$15 billion to \$50 billion for the next five-year reauthorization of the bigger and broader global AIDS program.

During a visit to Mozambique last December, I witnessed the best coordinated responses of UN agencies that I have seen to date: the integration of a FAO program known as the Junior Farmer Field and Life School with a WFP school feeding program. Originally, it was FAO which intended to implement a JFFLS program in an area of Mozambique devastated by HIV/AIDS. This central region of the country is home to many vulnerable orphans who are, at times, forced to drop out of school in search of means to provide for themselves and their siblings. But FAO couldn't retain the children in school because the children were in a constant search of food. The children risked losing the land their deceased parents passed on to them had they not put it into productive use. So, FAO sought out WFP to provide food to keep the students in school to learn skills that would have normally been passed on to them by their parents. The program educates orphans about farming to grow and market various crops and to diversify their diets and teaches them life skills to keep themselves free from disease. In addition to improving food security, boosting school enrollment and allowing them to pursue sustainable livelihoods, the program builds up their self-esteem and confidence. Replication of innovative programs such as the JFFLS help young members of the community not only survive but prosper.

### **Innovative Initiatives:**

Statistics from the 2008 World Development Report abound on the importance of agriculture to the rural poor: three-quarters of the world's poor live in rural areas and rely on farming and related activities for their livelihoods; most of the world's rural populations depend on agriculture for their livelihoods as farming provides jobs for 1.3 billion small-holder and landless workers. This is where our focus should be: innovative initiatives that reach the bottom billion in order to prevent or push back the new face of hunger.

In February, while speaking at the World Economic Forum in Davos, Switzerland, Secretary of State Rice said: "We must treat developing nations not as objects of our policy, but as equal partners in a shared endeavor of dignity. We must support leaders and citizens in developing nations who are transforming the character of their countries – through good governance and economic reform, investment in health and education, the rule of law and a fight against corruption. And we must transform our foreign assistance into an incentive for developing

nations to embrace political and economic liberty, to build just and effective states that take ownership of their own development.”

Agriculture is one area where developing nations are taking ownership of their own development under innovative initiatives:

- Under the leadership of the African Union’s Comprehensive African Agricultural Development Program (CAADP), 2008 will be the year of African agriculture for African farmers. Through the New Partnership for Africa Development (NEPAD) and in coordination with its development partners such as FAO, CAADP intends to assist governments to deal with the new food market situation through the “***Initiative to Respond to High Food Prices and Food Insecurity***”. The initiative aims to identify and formulate appropriate country frameworks of specific food security interventions needed to stimulate a supply response from farmers to higher prices
- In December 2007, the Alliance for a Green Revolution in Africa (AGRA), African leaders, the FAO, and the African Development Bank made a call to action, pledging to support AGRA’s strategy to bring a green revolution to Africa to alleviate poverty among small-holder farmers.
- Local procurement: we know that procurement in developing countries in many cases costs less than food shipped from the United States, and that the potential of local procurement, if done correctly, can improve market access to poor farmers and help end the cycle of chronic food insecurity. We remain hopeful that the Administration’s request for the authority for up to 25 percent of the amount appropriated for our food aid budget can be used for local procurement for emergency food aid needs. Meeting emergency food aid needs is just the first step toward finding a solution to a long-term problem. WFP, with its new partners in the Gates Foundation and others, are working on such a solution via a new initiative called Purchase for Progress (P4P) that aims to leverage food assistance programs to support African small-scale farmers with stable markets.

### **Closing:**

Through innovative initiatives such as these, through the continued reform of UN agencies, and through the creation of transformational partnerships, our efforts will turn current challenges into opportunities. Constant media coverage and collective efforts by my mission, USAID, USDA, the UN, NGOs and research institutions have elevated the crisis to the top of the news and political agendas, creating momentum and awareness that will hopefully lead to renewed efforts and actions by both donor governments (including our own) and recipient nations as well as partners to come up with better solutions to a problem that will not diminish for some time to come. What we have all come to realize is that we have to work harder together to come up with more creative solutions that transform the way we conduct our food aid business, to not only reach today’s neediest but to move closer to the MDG goal. One such solution is greater global investment in agriculture, as World Bank President Zoellick has called for in a “New Deal” that focuses on hunger and malnutrition as well as its interconnections with energy, production yields, and climate change.

Whether solutions are short or long-term, we know that the United States will continue to devote substantial resources to creating a world where everyone has enough to eat to sustain their health, their prosperity, and the next generation. And as we saw yesterday with the announcement of the drawdown of the Bill Emerson Humanitarian Trust, the U.S. is acting quickly to meet today's challenge. But, as President Bush has stated, our ultimate objective is to do more than respond to the hungry—it is to help nations battling hunger feed their own people. When I arrived in Rome 18 months ago, I understood that the important placement of the U.S. Mission in Rome was to convey the sense of urgency of the work of the UN agencies there and to ensure that U.S. support of and commitment to these agencies will lead to a better life for the world's most vulnerable. Through effective reform, stronger and integrated partnerships, and innovative initiatives with our multilateral partners we will succeed in not only meeting today's challenges but preventing tomorrow's.

Thank you.