Laura Elizabeth Pohl

Partnering to End Hunger and Poverty

Chapter Summary

Goal 8 of the Millennium Development Goals (MDGs) focuses on improving partnerships between developed and developing nations—crucial to progress on all seven of the other goals. Since the MDGs were established in 2000, the concept of partnership has been evolving rapidly. Nowhere is this clearer than in the aid sector. Developing countries now have a stronger sense of ownership and responsibility for the development assistance they receive. Traditional donors have made the shift because they learned from experience how local ownership is crucial to success. The emergence of new donors—not bound by the rules and relationships of traditional donors—is rapidly altering the notion of partnership. Meanwhile, several wider factors that affect sustainable progress against hunger and poverty are themselves in flux. Volatile food prices stand out as an example. In addition to providing aid, there are many other actions that developed countries could take to help mitigate the effects of food-price volatility; in order to be a true partner, a donor country needs to be prepared to work on all fronts against problems that impede development. Development assistance has the potential to help millions of people escape hunger and poverty, but it is still a small share of the national budgets of most developing countries. The best results will come from strengthening partnerships among all concerned.

MAIN RECOMMENDATIONS IN THIS CHAPTER

- The United States should live up to commitments made with other donor countries to improve how they partner with one another to reduce hunger and poverty.
- All donors should support country-led strategies worked out by governments in developing countries in consultation with civil society and other domestic partners. Donors should also focus on strengthening local capacity and achieving lasting results.
- Donors should focus on building resilience in developing countries so that poor people can weather food-price volatility and other shocks. Agricultural development assistance and support for social protection systems will help mitigate the impact of shocks on poverty, hunger and malnutrition.

The Millennium Development Goals (MDGs) include a "partnership goal" designed to improve how rich and poor countries work together to reduce poverty and related hardships. Goal 8 reflects what it was thought rich countries should be doing circa year 2000 to support development in poor countries. Since the launch of the MDGs, a series of international meetings on aid effectiveness has reshaped thinking about partnerships. The meetings we describe here primarily involve these traditional donors; later in this chapter we'll discuss issues associated with nontraditional donors. At the top of the agenda has been the subject of country-led development, the idea that developing countries set the priorities and own the development programs that donors provide assistance for.


UN Photo/Kibae Park

The agricultural sector in Vietnam has propelled the country's rapid growth since 1990, and this has led to huge reductions in hunger and poverty.

When the MDGs were launched, development assistance to the poorest countries was at an all-time low. From 1990 to 2000—the decade before the MDGs were adopted—development assistance fell by 33 percent.[1] Most of the assistance was provided by member countries of the Organization for Economic Cooperation and Development/Development Assistance Committee (OECD), a group of traditional bilateral and multilateral donors[2] that includes 24 developed countries as well as international institutions such as the International Monetary Fund (IMF), the World Bank, and regional development banks.

From 2001-2010, the OECD donors increased development assistance by 275 percent.[3] Since 2001, aid has been allocated disproportionately to countries with the furthest to go to meet the MDGs. Aid to sub-Saharan Africa, for example, increased from $12 billion in 2000 to $42 billion by the end of the decade.[4] Over the past decade, 9 of the 10 countries with the largest gains in human development have been in sub-Saharan Africa (See Figure 2.1),[5] and they are predominantly large recipients of development assistance.[6]

In **2000**, net official development assistance stood at **$55.4 billion.**

By **2009**, when adjusted for inflation, it reached **$152.2 billion.**[1]

The share of agricultural development assistance declined from **17 percent** of all development assistance in the late 1980s to **6 percent** by the late 2000s.[2]

Critics of aid are plentiful. Dambisa Moyo, former Goldman Sachs economist and author of the book *Dead Aid*, levels her harshest criticism at aid to sub-Saharan Africa.[7] Basically, she argues that aid to countries in the region has stunted development. There is more to the story than Moyo portrays, particularly since the aid reforms of the past 10 years have begun to pay off. The human development gains just cited won't answer all of Moyo's charges, but they certainly suggest it may be premature to draw such harsh conclusions about the value of aid.

It used to be that when Africa made the headlines the news was invariably bad. The coup de grâce came in 2000 when *The Economist* magazine dubbed Africa the "Hopeless Continent."[8] In the 1980s and 1990s, economic growth stagnated across sub-Saharan Africa. That, combined with the HIV/AIDS pandemic, political turmoil, a number of armed conflicts that caused significant death and destruction, and it is not surprising that many consider this period to be Africa's lost decades.

Figure 2.1 **Sub-Saharan African Countries are Top Movers on the Human Development Index, 2000-2011**

GLOBAL RANK	HDI	GLOBAL RANK	NON-INCOME HDI
2	Rwanda	2	Rwanda
3	Sierra Leone	3	Niger
4	Ethiopia	4	Burundi
5	Mozambique	5	Mali
6	Mali	7	Tanzania
7	Burundi	8	Ethiopia
8	Niger	9	Sierra Leone
9	Tanzania	10	Mozambique
10	Congo, Dem. Rep. of the	11	Angola
12	Angola	12	Liberia

Note: The table reflects improvements as measured by average annual change in HDI and non-income HDI.

Source: UNDP, 2012

Today, the story is much different. Since the turn of the century, writes former U.N. Secretary General Kofi Annan, Africa has transformed itself from the "Hopeless Continent" to the "Continent of Hope." The continent's quick recovery from the global financial crisis and "numerous examples of social and political progress" are "feeding a remarkable 'can-do' spirit," says Annan.[9]

In developed countries, fiscal constraints have stalled the past decade's trend of increasing amounts of development aid. In the wake of the global financial crisis and recession, followed by an anemic recovery, rich countries are scouring their national budgets in search of places to reduce spending. In 2011, net official development assistance among OECD countries

On average, African countries receive **$41 per person** in aid annually.[3]

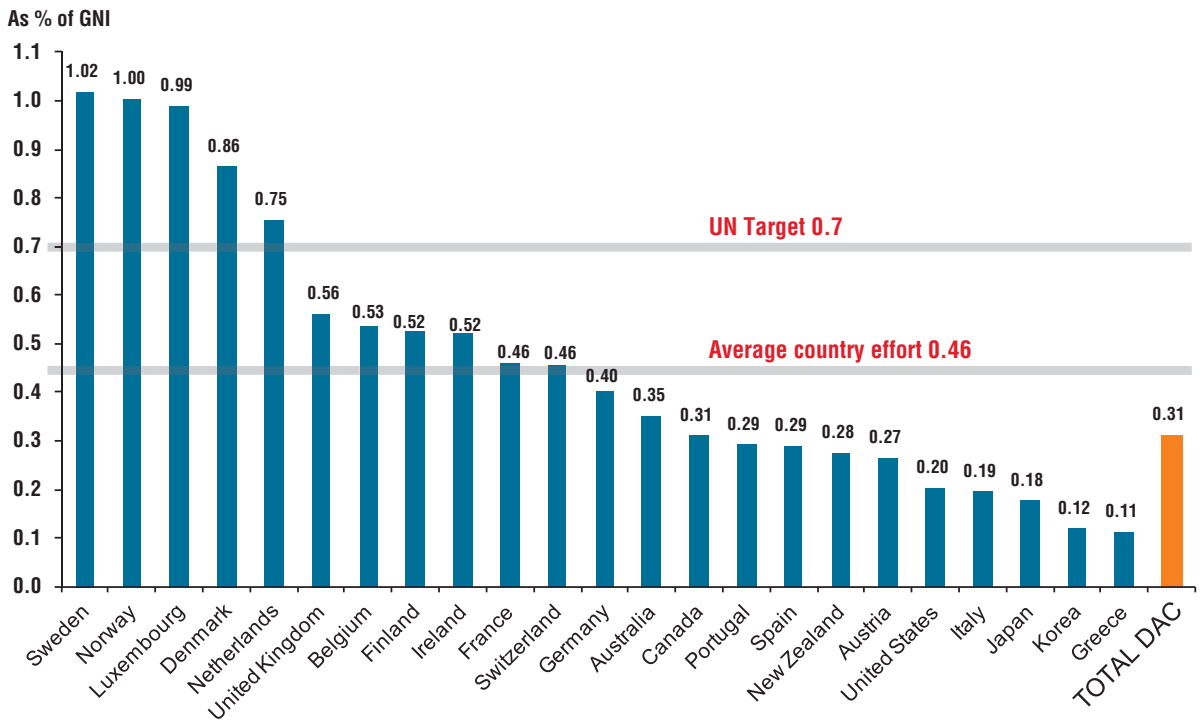
Chinese investment in African infrastructure increased from **$4.5 billion in 2007** to **$9 billion in 2010,** making it the fastest growing external source of infrastructure financing.[4]

represented 0.31 percent of their Gross National Income (GNI).[10] MDG 8 calls for raising this figure to 0.7 percent of GNI. In 2011, however, only five OECD countries reached this target. (See Figure 2.2.) A great deal of concern is being expressed about the number of poor countries that are not on track to meet MDGs 1-7—even though, as explained earlier, these are global goals, not national-level goals—but poor countries are not nearly as far off the mark on MDGs 1-7 as rich countries are on meeting the development assistance target of MDG 8.

"Over the past decade, 9 of the 10 countries with the largest gains in human development have been in sub-Saharan Africa."

Partnership in MDG 8 encompasses more than just increasing development assistance levels. (See Table 2.1.) For people stuck at the very bottom of their country's economy, aid is critical to creating the conditions in which they can benefit from the other components of partnership, such as market access and a "rule-based, predictable, non-discriminatory trading and financial system."[11] Consider the difficulties facing a subsistence farmer living in a remote corner of a desperately poor country, surviving on $1.25 per day or less. The fact that MDG 8 leads to her country's gaining duty-free, quota-free access to markets in developed countries may only be relevant at all if she has access to good seeds, irrigation, and a road to get to the nearest market town, and/or if her children survive to age 5 and can attend an accessible school. For the poorest of the poor, development assistance programs support these essentials.

Figure 2.2 **Net ODA in 2011 - as a Percentage of GNI**



Source: OECD, 2012

Geography of Change: Monterrey, Rome, Paris, and Accra

The International Conference on Financing for Development, the first in the series of influential meetings took place in 2002 in Monterrey, Mexico. The governments of participating developing countries agreed to adopt "sound" economic policies, improve standards of governance, and invest more of their own resources to reduce poverty and meet the other MDGs. In return, donor countries agreed not only to provide more aid, but also to improve its quality. For example, they pledged to improve donor coordination. Studies show that government officials in many developing countries spend thousands of hours every year duplicating processes to meet varying donor requirements. A 2010 report by the OECD estimates that lack of donor coordination wastes, on average, $5 billion a year.[12]

Table 2.1 **Targets for MDG8**

1.	Develop further an open, rule-based, predictable, non-discriminatory trading and financial system.
2.	Address the special needs of least developed countries.
3.	Address the special needs of landlocked developing countries and small-island developing states.
4.	Deal comprehensively with the debt problems of developing countries.
5.	In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.
6.	In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.

Source: UNDP

It was at the Monterrey Summit that President George W. Bush announced his plan to launch the Millennium Challenge Account (MCA) that would give U.S. foreign assistance to low-income countries with a record of good governance. Accounts were administered by the Millennium Challenge Corporation (MCC), a new U.S. agency established in 2004. The MCC has been successful in supporting good governments in low-income countries and funding the priorities that these countries set.

The 2002 meeting in Monterrey, followed by the 2003 High-Level Forum on Harmonization in Rome, set in motion a paradigm shift: aligning aid with a recipient country's own development agenda became the new norm. The "donor knows best" model was already under assault in some quarters by the time the MDGs were adopted. In the late 1990s, some donors experimented with country-led development in exchange for debt forgiveness. As debt relief expanded after the year 2000, it was based on poverty reduction strategy papers (PRSPs) that the recipient country developed, sometimes with input from civil society organizations in the country. The PRSPs became the basis for all World Bank and IMF operations in the recipient low-income countries. PRSPs were supposed to allow developing countries an opportunity to drive their own development agendas, even though the World Bank and other aid donors played a major role in writing them.[13] Nevertheless, the new "country-led" paradigm was slowly taking shape. It continued to evolve into the new century.

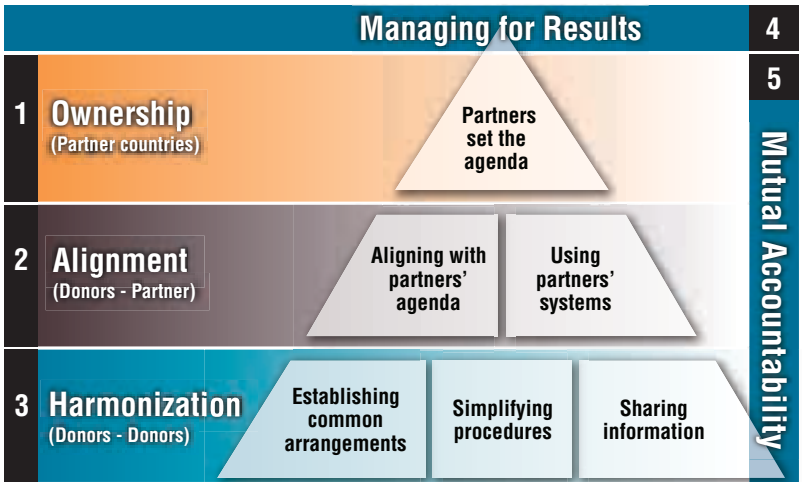
"For people stuck at the very bottom of their country's economy, aid is critical to creating the conditions in which they can benefit from the other components of partnership."

A 2005 meeting in Paris sought to advance the agenda set forth in Monterrey and Rome. *The Paris Declaration on Aid Effectiveness* took bolder steps to build a more authentic model of country-led development. *The Paris Declaration* principles went further than those of any

previous agreement to outline what was needed for new, 21st-century partnerships: (1) aid-recipient countries own their development agenda, (2) donors align aid programs with country-led strategies, (3) donors harmonize their activities in an aid-recipient country, (4) all parties agree to a higher standard of accountability, and (5) development programs improve systems to measure and evaluate results.

More than 100 signatories—donor governments, developing country governments, multilateral institutions, and regional development banks—agreed to work toward these principles. Seven years later, the *Paris Declaration* remains more of a visionary document than an operational one. By their own accounting, OECD countries have met only one of its 13 targets, with moderate progress on seven others.[14]

Figure 2.3 **Paris Principles on Aid Effectiveness**



Source: OECD/DAC

In 2008, at a follow-up meeting in Accra, Ghana, another stakeholder group asserted itself and gained recognition for its role in achieving the MDGs. This was civil society, the name commonly given to the broad range of global, national, and local nongovernmental organizations (NGOs); it includes, for example, indigenous groups, charitable organizations, faith-based organizations, professional associations, and foundations.[15] In the *Accra Agenda for Action*, donors and developing country governments committed to working with civil society, recognizing that civil society increases aid effectiveness by "ensuring the poorest, those who are supposed to benefit from aid, get their voices heard in the development process."[16]

Civil society organizations that work directly with marginalized groups know the realities of whether development resources meant to help poor people are reaching them. Civil society often implements aid programs; in addition, it plays a role in holding government accountable and drawing public attention to government's performance. Of course, not all governments appreciate being held accountable. In some developing countries, civil society actors are frequently under duress or subject to various forms of intimidation because of their adversarial relationship with government.

Monterrey, Rome, Paris, and Accra are all milestones in an evolving partnership between rich and poor countries, between government and civil society. They are signs of the growing recognition that long-term sustainable development will require all stakeholders working together. This is important to keep in mind as a post-2015 framework on global development goals is negotiated. The MDGs first took shape as a plan developed by donor agencies.[17] They were later adopted by all nations of the world at the U.N. General Assembly. Developing countries were not involved at the outset. Neither was civil society. It would be difficult now to imagine a post-2015 framework being formulated in the same manner as the MDGs were.

CAPACITY BUILDING IN FRAGILE AND CONFLICT-AFFECTED COUNTRIES

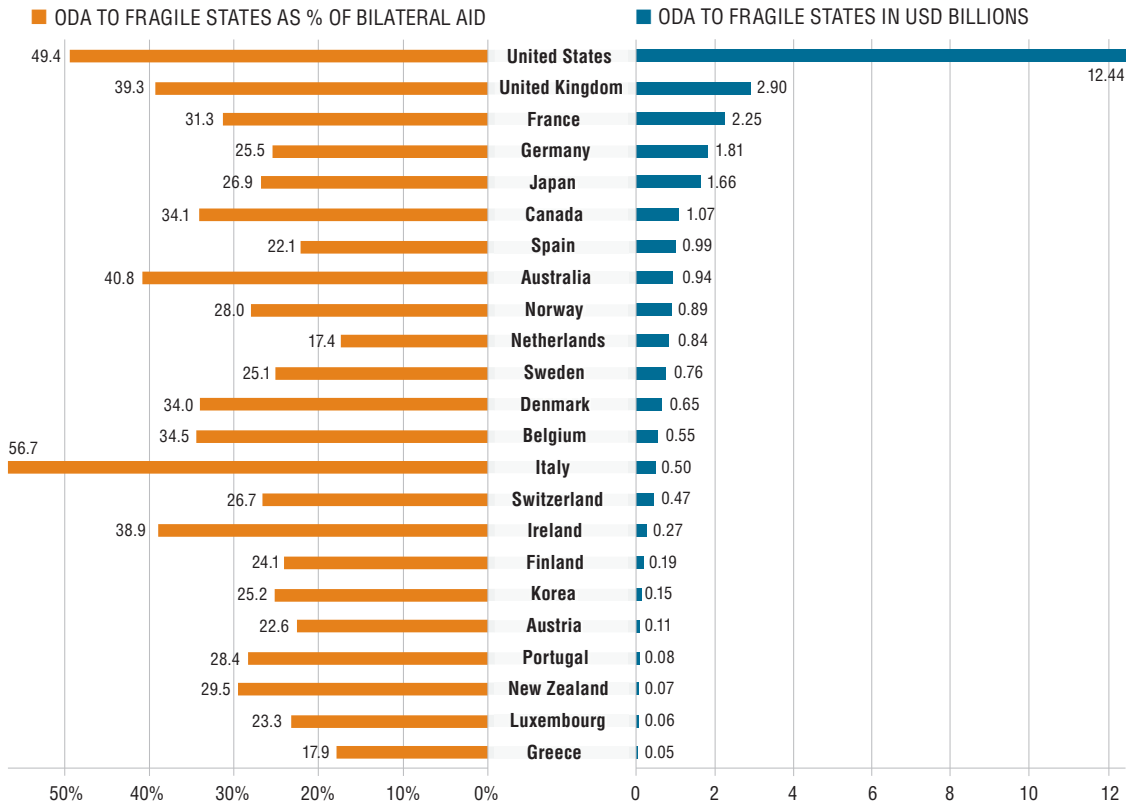
Fragile and conflict-affected states, where partnerships are a true test of how committed donors are to country-led development, receive more aid per capita than the average developing country.[18]

One of the targets in the *Paris Declaration on Aid Effectiveness* is to strengthen developing country systems that are necessary to manage donor resources, most importantly financial management capabilities. Donors may not have much confidence in systems that have been shattered and service delivery mechanisms made dysfunctional by protracted civil conflict. Under these conditions, a very cautious approach may be most appropriate. But whatever conditions exist, donors must not divert their attention from capacity building, even if it's literally starting from rubble.

If donors bypass or ignore systems in fragile or conflicted-affected states, they only perpetuate the image of a government incapable of running a country. This is dangerous because in such countries, achieving a durable peace is the primary objective: the odds are roughly 50-50 that a country will relapse into conflict within five years of ending hostilities.[19]

Capacity building isn't anathema to peace building; rather it goes hand in hand and helps to give peace a chance.

Figure 2.4 **Official Development Assistance (ODA) to Fragile States (2009)**



Source: OECD, 2011

South-South Cooperation: Enter the New Partners

Another big change since the MDGs were adopted is the growing number of new bilateral donors, the resources they provide, and their impact on development. Brazil, Russia, India, China and South Africa, the so-called BRICS, get most of the attention. It is not clear how much aid they are providing because they do not report it as OECD countries do, but it is estimated that before the global financial crisis, aid from all non-OECD countries combined reached more than $11billion a year.[20] In 2010, OECD countries provided $128.7 billion.[21] This seemingly wide gap in amounts of assistance can lead observers to underestimate the influence of non-OECD countries.

"The new donors have had recent experience with some of the same social and economic challenges as the countries where they provide aid, which conveys a certain status that "northern" donors cannot match."

South-South cooperation is a term sometimes used to describe the relationship between these new donors and the countries where they operate. "South-South" is not simply about where countries lie on the world map. The new donors have had recent experience with some of the same social and economic challenges as the countries where they provide aid, which conveys a certain status that "northern" donors cannot match.

New donors can be described as supporting the idea of country-led development, but in their own ways. In general, aid is provided to national governments directly, without conditions attached—a welcome change for officials in recipient countries used to frustrating conditions imposed by OECD donors. Equality and mutual benefit are tenets of South-South cooperation, enshrined in an agreement reached by 29 heads of African and Asian countries at the Bandung Conference in Indonesia in 1955.[22] Yes, 1955—which may seem like ancient history to those who see Paris and Accra as the benchmarks of a new aid-effectiveness agenda. However, it is not ancient history to many countries in the global South. The Bandung declaration is still quite relevant and helps explain why some new donors bristle at the traditional donor-recipient paradigm.

Most of the focus around this new class of donors has been trained on China, the largest donor and one of the least transparent in the group. The London-based NGO Publish What You Fund ranks China third from the bottom in aid transparency.[23] As early as 2008, China had aid projects operating in 86 countries.[24] OECD countries generally separate aid from their trade and

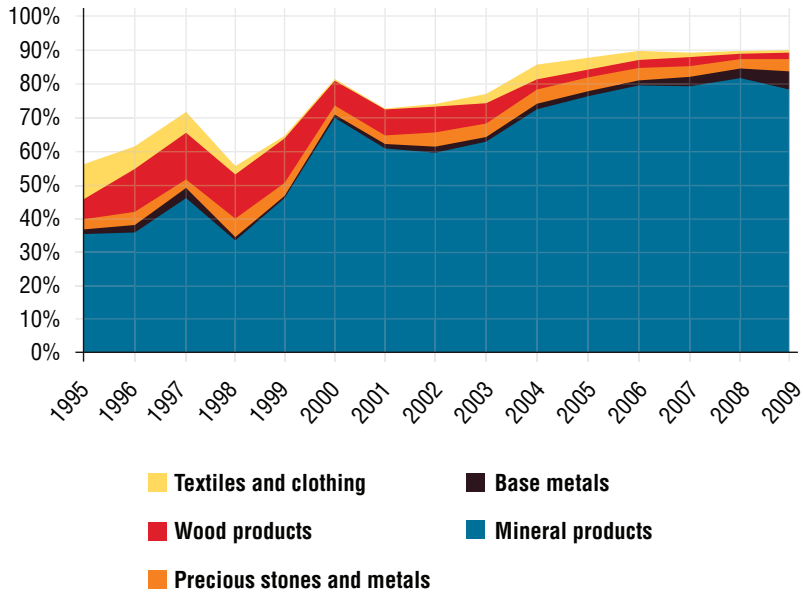

Derek Schwabe

Travelers use a new, shorter road between the cities of Freetown and Makeni in Sierra Leone. The road is being built by a Chinese company with assistance from the Chinese government.

investment agendas. For China (and some other new donors), the partnership with developing countries is best understood in terms of a three-legged stool that includes aid, trade, and investment.[25] This is one reason why it would be a miscalculation to consider aid alone when gauging the impact and influence of South-South cooperation.

Chinese investments in Africa have risen by an average of 46 percent per year over the last decade,[26] and China has become Africa's fastest-growing external source of financing for infrastructure.[27] In recent decades, OECD countries have pulled back on investing in infrastructure development, giving China and other non-OECD countries more influence, particularly since African governments realize that poor infrastructure is one of their main barriers to development and trade. China may not be the ideal partner African leaders want, but it's a partner that is listening to what they are asking for.

Figure 2.5 **Composition of China's Imports from Africa, 1995-2009 (% of total imports)**



Source: Trade Law Center for Southern Africa (TRALAC) China-Africa Data, 2010

China is often criticized by western NGOs for using its role as an aid donor to gain access to the rich supply of minerals and other natural resources in Africa. China has developed the unflattering reputation of a "land grabber."[28] Land grabbing has expanded at an alarming rate, and it is not just China doing the grabbing or African countries where it is happening. It is estimated that since 2000, up to 500 million acres (a little more than three times the size of Texas) have been purchased or leased by outside investors in developing countries,[29] many on terms that are extraordinarily favorable to the investor. The people living on this land, mainly smallholder farmers, are routinely displaced without compensation, in clear violation of their rights.

China's stated policy of not interfering in other countries' internal affairs[30] may prove to be unworkable as its presence in Africa deepens. The countries that China is relying on for the natural resources vital to its own continued growth could become far more unstable places to do business if poverty, hunger, and inequality continue unchecked. This is already becoming an issue for China in Sudan and South Sudan because of the very tense relationship between the two countries. China has invested heavily in both countries, primarily to obtain rights to some of their large oil reserves, and would risk significant loss of capital if the two countries were to go to war, as they almost did in 2012. A war between Sudan and South Sudan could also escalate into a regional war, involving other countries where China is heavily invested.

Rendezvous in Busan

South Korea's transformation from one of the poorest countries in the world in the 1950s to a member of the OECD by the 2000s makes it a powerful symbol of the potential impact of effective aid. For decades, the United States, Japan, and other donors provided Korea with a steady stream of financial support and equally significant assistance in capacity building.[31] Between 1962 and 1971, for example, 7,000 Koreans received training abroad, and from this group have come many of the country's leaders in government, business, and academia.

"Aid as an institution of global development is evolving rapidly to reflect geopolitical realities—and so must the next set of global development goals."

The South Korean government and the United States did not always agree on the conditions attached to U.S. assistance. The Korean government wanted to focus on large-scale economic infrastructure, while the United States favored building up small and medium-size enterprises. It rejected the government's request for financing a road project to connect the main port at Busan with the country's major population centers, so the government spent a quarter of the entire national budget to build the road itself. Seven years after its completion, South Korea's national income had quadrupled.[32] Thus, it was particularly appropriate for the December 2011 Fourth High-Level Meeting on Aid Effectiveness to be held in Busan, Korea. Busan is now one of the busiest port cities in the world, and its success demonstrates why country-led development should be more than a slogan.

In Busan, South Korea, site of the Fourth High-Level Meeting on Aid Effectiveness in 2011, activists draw attention to the building blocks of aid and their instability as the meeting gets underway.

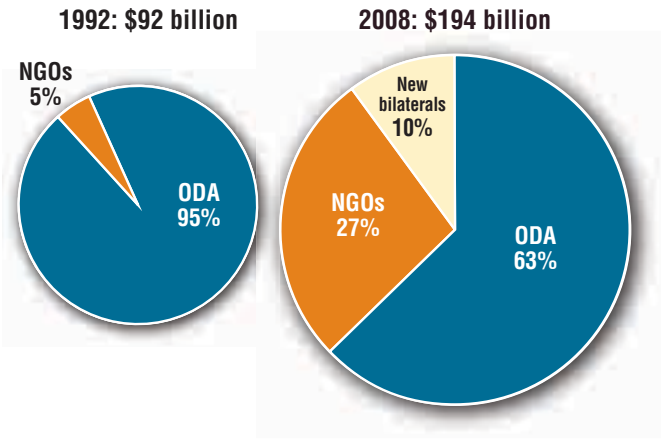
In the early 1990s, the traditional group of donor nations provided 95 percent of all development aid. Fifteen years later, their share had fallen to 63 percent and has continued to decline since then.[33] (See Figure 2.6.) Nontraditional donors have contributed to the overall volume of resources available for development, but they tend to operate independently. As with the OECD countries, their lack of coordination can be a problem. One of the objectives of the Busan forum was to engage with the BRICS and other non-OECD donor countries to find areas of common ground on the *Paris Declaration* and the *Accra Agenda*. Because they were not present for the negotiations and signing of the two agreements, non-OECD countries have shown little interest in embracing them.

To the list of nontraditional donors, we must add philanthropies, international and national NGOs, faith-based organizations, corporations, professional associations, academic institutions, and more.[34] "Thousands of actors are playing different ball games on the same field with no referee," write Jean-Michel Severino and Olivier Ray, researchers who study the development assistance landscape.[35]

Busan was the first in the series of high-level development forums to acknowledge the role of the private sector. Private sector investments in poor countries are on the rise. Some of the private-sector investment is specifically designed to make money and serve a social purpose. "Social-impact investments" could reach $500 billion per year by the next decade, according to a 2009 report from the Monitor Institute.[36] With one eye on development and the other on profitmaking, social-impact investments have the potential to fuel economic growth that creates jobs and lowers poverty rates.

Busan did not produce a "grand bargain" with all donors agreeing on one agenda for aid effectiveness. The *Busan Partnership for Effective Development* highlights "opportunities presented by diverse approaches to development cooperation."[37] OECD countries remain committed to the *Paris Principles* and *Accra Agenda*. The BRICS did not go that far, but they did agree to work with the OECD to improve international governance of the aid system.

Figure 2.6 **Total Development Assistance, 1992 and 2008**



Source: World Bank Institute's calculations based on OECD/DAC (2008) and Hudson Institute (2009).

Seasoned aid watchers still consider the Busan meeting a success: it brought together a diverse cast of stakeholders who agreed to continue to work together to make aid more effective in achieving the MDGs. As we head towards 2015 and the need to make decisions about what should come after the MDGs, it is possible that Busan may become a reference point to show that it is less important to agree on everything than to agree on the main thing: better development outcomes. Aid as an institution of global development is evolving rapidly to reflect geopolitical realities—and so must the next set of global development goals.

Partnership in a Rapidly Changing World

In the United Nations' MDG progress report for 2012, U.N. Secretary General Ban Ki-moon writes that continued progress in poverty reduction and other development outcomes depends on the global partnership for development.[38] To achieve lasting progress against hunger and poverty, partners have to be adaptable to changing circumstances. In the years ahead, we can count on many new challenges and the need to adapt. Because of climate change, for example, there is now understanding about how to build a sustainable agriculture system, ensure an adequate global food supply, and help the most vulnerable people (and that includes "climate refugees"). The global partnership for development must continue to evolve and rise to such challenges.

High and volatile food prices are a problem that has arisen in the past few years and demands a sustained response from rich and poor countries alike. Such price shocks were not anticipated when the MDGs were launched, since food prices had been depressed for

BOX 2.2

PUBLIC-PRIVATE PARTNERSHIPS: IS THIS THE NEW NORMAL?

by Faustine Wabwire

In May 2012 at the G-8 Summit in Camp David, Maryland, President Obama launched the New Alliance for Food Security and Nutrition, a commitment by G-8 nations, some African countries and private-sector partners to lift 50 million people out of poverty over the next 10 years through inclusive and sustained agricultural growth. This is one attempt to address development challenges with additional private sector investment. For the New Alliance to deliver on sustainable poverty reduction goals, its implementation should be guided by the following principles:

Fulfill and sustain public investment in agriculture and nutrition

Public investment in agriculture and nutrition security is critical and cannot be replaced by the private sector. Agricultural development requires public goods such as public agricultural research, extension services and infrastructure. Improvements in nutritional status require investments in health and social protection systems as well as ensuring that food systems deliver a diverse and nutritious diet. Finally, public financing is critical to establishing an enabling environment for small-scale producers by allowing private investment to flow to these actors directly. Such investments can include infrastructure to facilitate market functioning and improved regulatory environments.

"The goal of partnerships should be to identify common ground between different actors and to combine their skills, resources and expertise."

Aim investments and enabling policies at smallholder farmers and producers

In Africa, for example, small-scale farmers are the dominant private sector actors in agriculture, accounting for over 70 percent of agricultural production and over 75 percent of agricultural labor. Enabling policies and investments should therefore be directed at enhancing the effectiveness of small-scale and family farmers' on-farm investments, while taking care not to erode their assets, know-how, and autonomy. In particular, investments and policies should pay attention to the needs and role of women, promote sustainable farming methods, improve diet diversification and nutrition outcomes, support small-scale producer-led research, and increase resilience to climate change and other shocks.

Involve local civil society, especially smallholder farmers' organizations, as leaders

Experience shows that country ownership—a process through which countries decide and direct their own development paths—is the foundation of sustainable development. Participation of both citizens and government leads to better targeting of resources, strengthened accountability, and ultimately increased sustainability and success. In spite of this

reality, local civil society is still not sufficiently involved in agriculture decision-making. As the New Alliance takes shape, G-8 members and host countries must strengthen and formalize the participation and leadership of local civil society. Civil society must be represented on the New Alliance Leadership Council at the global level and in each consultation group and structure at the country level.


UN Photo/David Ohana

Secretary-General Ban Ki-moon (left) walks with Barack Obama, President of the United States, outside the 37th G-8 Summit in Deauville, France.

Follow clear standards of accountability for responsible investment

New Alliance private sector partners, like donors, must be transparent about current and committed levels of funding and be guided by country-led plans. Such commitments must include accountability mechanisms to ensure that private sector action contributes to sustainable, poverty-reduction goals. The New Alliance country frameworks commit G-8 members to alignment with country plans, yet similar commitments from the private sector are absent. G-8 members, including the U.S. Government, and host countries must push private sector actors to align with strong established standards and plans and be held accountable for it.

Address gender equity, nutritional, environmental sustainability, and climate change

Women are at the nexus of agriculture and nutrition. Women not only prepare food, but also are the main agricultural producers in many low-income countries. The G-8 and the New Alliance should prioritize improved nutritional outcomes and produce a clear overall target and timelines to achieving them. Similarly, the New Alliance plans should specifically break out environmental sustainability and climate response goals, to be measured along country-defined indicators of success.

The goal of partnerships should be to identify common ground between different actors and to combine their skills, resources and expertise. Partnerships for development should focus on the many areas where actors, including private and public institutions, companies and civil society organizations, can engage in win–win relationships around development objectives such as poverty reduction, health, education, access to opportunities and service delivery.

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most of the1990s. Back then, when rapid price increases occurred, they were caused by a localized drought or other natural disaster and were therefore isolated in one country or region.

But global food prices began to climb in the 2000s. They spiked in 2007-2008, and then fell somewhat in 2009. The cycle was repeated in 2010-2011, again creating an urgent need to help people most vulnerable to hunger. The severe drought across the grain belt of the United States during the summer of 2012 portends another price spike in subsequent months as stocks are depleted, meaning another rough ride for food-importing countries and for many poor people.[39] Experts predict food prices will remain volatile for at least the next decade.[40]

"Experts predict food prices will remain volatile for at least the next decade."

What can we learn from the first round of price shocks in 2007-2008? The worst-affected countries were net food importers, where hunger and malnutrition rates soared. In the majority of these countries, households with children younger than 2 were found to be consuming significantly fewer calories than before the rapid price increases began.[41] This is particularly important since, as mentioned in Chapter 1, proper nutrition between pregnancy and a child's second birthday is a necessary foundation for achieving all of the MDGs.

In the United States, the average family spends about 10 percent of its income on food.[42] In contrast, poor families in the developing world spend 50-80 percent of their incomes on food.[43]

BOX 2.3

COOPERATION WITHIN THE G-20

This chapter focuses on the challenges of aligning the aid agendas of traditional and nontraditional donors. Countries that make up the Group of 20 (G-20) consist of both traditional and nontraditional donors. G-8 countries are part of the G-20, as are the BRICS.

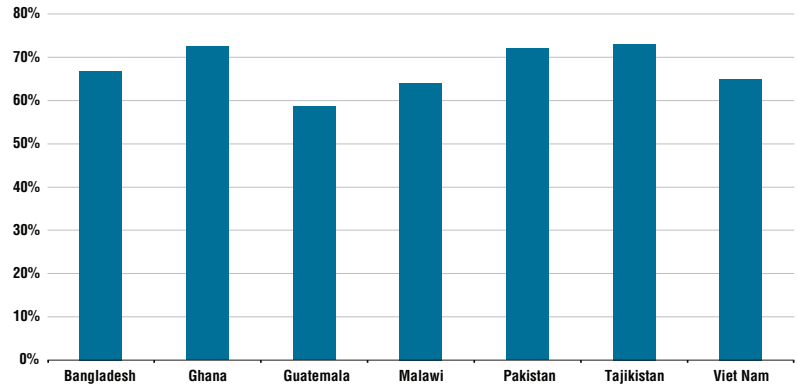
There is room within the G-20 space for cooperation against hunger and poverty. For example, high and volatile food prices are at the top of G-20 agenda. At a June 2011 meeting, agriculture ministers of the G-20 countries called for more transparency in commodity markets and committed their countries to collectively establish an early warning system that would collect information on food stocks, crop supply and demand levels. The ministers agreed also "to ensure that national food-based safety nets can work at times when food prices rise sharply and governments cannot access the food required for these safety nets at an affordable price."[44]

Infrastructure is another item on the G-20 development agenda.[45] Infrastructure is an important prerequisite for making more progress on all MDGs, yet infrastructure development has been largely absent from the partnership rubric in the MDG framework. As mentioned above, donor support for infrastructure development is a top priority of most developing country governments. There are specific infrastructure challenges related to agricultural development, such as storage facilities to eliminate crop losses, and challenges related to health systems, such as training more health workers. Cross-sector infrastructure challenges include collecting, analyzing, and disseminating data, while the many physical infrastructure challenges include building roads to reach areas without access to services.

(See Figure 2.7.) Any bump in prices forces them to make difficult choices. The diet of poor families is almost entirely corn, wheat or rice, and the prices of these basic grains have been especially volatile. The nutritional quality of their diet deteriorates as they forego nutrient-rich foods and consume mostly staples. Adults cope by cutting their portion sizes and number of meals per day. Usually, women in the household cut their consumption first, followed by other adults, before the rationing reaches the children. Children may be pulled out of school and sent to work to earn income. Urgent health care may nonetheless have to be postponed. To stave off worse hunger, the family may have to sell off assets such as livestock or tools—a desperate strategy since these may be their only safety net in an emergency.

During the crisis of 2007-2008, rioting broke out in dozens of countries. Prices eventually stabilized, but then surged again in 2010-11, leading to uprisings in Tunisia, Egypt, and Libya. The Arab Spring wasn't caused by high food prices alone, but hunger pushed people past the edge of their tolerance for a bitter status quo.[46]

Figure 2.7 **Poor People Spend Much of their Income on Food**



Note: Percentage of household budget spent on food by the lowest expenditure quintile of the population.
Source: FAO, 2011

"Given the complex web of factors influencing global food security," says Shenggen Fan, executive director of the International Food Policy Research Institute, "governments of developed and developing countries, as well as international organizations, must use a comprehensive approach to prevent a food crisis reoccurrence."[47] A comprehensive approach means working on short and long-term responses at once and addressing both supply- and demand-side issues.[48]

Supply-Side Response

The logical way of ensuring that food supplies are sufficient to avoid volatile prices is agricultural development. Although the world is currently producing enough food to feed everyone, the problem is that not enough of it is being produced by smallholder farmers in developing countries. Rural poor people earn most of their income from agriculture. They are food producers, but they actually consume more food than they produce. As food producers, they might be able to benefit from high prices, but not if the inputs are unavailable or if rising costs of the inputs makes it impossible for them to scale up production. In other words, to produce more they have to be able to spend more upfront on supplies, but they don't have the extra resources to spend on inputs because they are too poor. It's a vicious cycle.

Some countries, such as Malawi, used donor support and/or their own resources to subsidize input costs for poor farmers. Compared to its neighbors, Malawi came through the 2007-2008 food-price spikes with a smaller increase in hunger rates than its neighbors; the fertilizer subsidies provided to smallholders are acknowledged as a key reason for this. But

there is some debate as to whether this is sustainable because the subsidies consume such a large share of the government's budget.[49]

In 2009, one of the top issues on the agenda at the Group of 8 (G-8) meeting in L'Aquila, Italy, was global hunger and volatile food prices. The G-8 countries include the wealthiest of those in the OECD. Led by the United States, G-8 leaders pledged $22 billion in agricultural development assistance for low-income countries where smallholder farmers and their families dominate the ranks of hungry people. Assistance for agriculture had plummeted during previous decades, partly as a result of stagnating global food prices.

Table 2.2 **Growth in Agriculture Surpasses Growth in Other Sectors for Reducing Poverty**

AGRICULTURE	EFFECT	POVERTY INDICATOR	OTHER SECTORS
Agricultural GDP growth per agricultural worker	is 2.9 times more effective	in increasing the average income of the poorest 20%	than growth in nonagricultural GDP.
Agricultural GDP growth per capita	is 2.7 times more effective	in reducing the extreme poverty rate	than nonagricultural growth.
Agricultural GDP growth	is 2.9 times more effective	in reducing the extreme poverty rate	than growth in manufacturing.
Agricultural GDP growth	is 3 times more effective	in increasing household spending in the poorest households	than nonagricultural growth.
Agricultural GDP growth	is 4 times more effective	in reducing the extreme poverty rate	than nonagricultural growth.
	and 1.3 times more effective	in reducing the $2 a day poverty rate	than nonagricultural growth.

Source: UNDP, 2012

Agricultural development assistance delivers the biggest bang for the buck when it is focused on women. Gender inequality in the agricultural sector is a fact of life that remains largely unchanged. Donors definitely pay lip service to the critical importance of targeting women in agriculture, but a 2011 OECD report showed that only 5 percent of the aid directed to the agricultural sector specifically focused on programs to promote women's participation.[50] In the subset of official development assistance dedicated to agriculture, food, and nutrition, the nutrition component accounts for just 3 percent of the total.[51] This is very short-sighted given the conclusive evidence of the paramount importance of maternal and child nutrition on lifelong development outcomes.

Tailoring a combination of agricultural support and nutrition education for women would increase productivity and reduce malnutrition at the same time, because women are more likely than men to spend any new income on their family's nutritional needs.[52] Agricultural development puts more money in women's hands, and nutrition education teaches them how to spend that money more effectively on their family's well-being. Feed the Future, the U.S. government's global hunger and food security initiative, which was launched after L'Aquila, has embraced these ideas and is working to implement them.

Demand-Side Response

Social protection is the logical demand-side response to the problem of food-price volatility. (See "Meet the New Bottom Billion" starting on page 41 for additional discussion of social protection.) The best examples of progress in tackling malnutrition, according to Save the Children, are in countries that have invested in effective social protection policies.[53] An example would be a safety-net program designed to guarantee all pregnant and lactating

mothers access to nutritious food. The expansion of social protection has also become part of the World Bank's response to the surge in grain prices. All high-income countries—and most middle-income countries now—have created nutrition safety nets, and they are becoming more common in low-income countries, but the coverage is woefully inadequate to meet existing needs. Three out of five people do not participate in a safety-net program in developing countries as a whole; and in the poorest countries, four out of five are not covered.[54]

Today, the majority of poor people live in middle-income countries. Upper-middle-income countries (commonly defined as those with per-capita incomes between $4,000 and $12,000)[55] can expand safety-net programs without donor support. Brazil has demonstrated that not only can it be done, but it is also affordable. The government provides cash transfers to 46 million people at a cost of only 0.5 percent of GDP.[56] The idea is to put resources in people's hands so they can purchase enough food to maintain a nutritious diet. Cash transfer programs are popular across Latin America, and reviews of several in the region have shown that they lead to more diverse diets and reductions in malnutrition.[57] Moreover, these are generally conditional cash transfers, which require visits to a health care provider or regular school attendance, improving the likelihood of achieving nutrition goals.

"Agricultural development puts more money in women's hands, and nutrition education teaches them how to spend that money more effectively on their family's well-being."

The Scaling Up Nutrition (SUN) movement, a global multi-stakeholder effort, offers another model. SUN seeks to build partnerships among government, civil society, the private sector and academic institutions, and is driven by the participating countries themselves with support from donors. The SUN Movement is focused on implementing evidence-based

Table 2.3 **Focusing on the Household: Mother- and Child-Centered Interventions to Reduce Malnutrition and its Impacts**

INTERVENTION	MOTHER-CENTERED	CHILD-CENTERED
Prevention	Hand washing and other sanitary measures for improved hygiene	Breastfeeding for newborns at delivery
	Iodization of salt or iodized oil capsules for household use	Complementary feeding between the ages of 6 and 24 months, in addition to continued breastfeeding
	Fortification of staple foods, complementary foods and condiments	Zinc supplements for infants and children
	Micronutrient supplementation (for example, calcium and vitamin A)	Fortification and supplementation with vitamin A for children ages 6–59 months
	Individual and group counseling to promote exclusive breastfeeding for a child's first six months	Iodization of salt or iodized oil capsules for household use
	Supplements of iron and folic acid for pregnant women	Hand washing and other measures for improved hygiene
	Behavioral change campaigns, such as to reduce tobacco use and indoor air pollution or to promote use of insecticide-treated bednets	Insecticide-treated bednets
Treatment	Deworming during pregnancy	Management of diarrhea through zinc intake complemented with oral rehydration solution for infants and children
		Treatment of severe acute malnutrition with ready-to-use therapeutic foods for children under age five
		Treatment of moderate acute malnutrition with fortified foods for children under age five
		Deworming

Source: UNDP, 2012

BOX 2.4

A PARTNERSHIP TO SCALE UP NUTRITION

by Scott Bleggi

Thirty low-income and lower middle-income countries have joined a movement to Scale Up Nutrition (SUN), one that Secretary of State Hillary Rodham Clinton has described as "a model of how to implement successfully the principles that the international community affirmed at the High-Level Forums for Aid Effectiveness in Paris and Accra."[58] Of the 30 SUN countries, 20 are from sub-Saharan Africa.

The SUN movement should not be confused with an aid program. It is a collaborative effort with a common goal: supporting country-led efforts. SUN encourages participation by a range of domestic stakeholders in government, civil society, business, and research groups, as well as international partner organizations operating in-country. Stakeholders are advising national governments how to scale up nutritional interventions to support realization of the MDGs, and governments are committing both resources and high-level leadership to this end.


Laura Elizabeth Pohl

Rajiv Shah, USAID Administrator, gives a closing speech at the "Scaling up Nutrition: Calling All Champions" conference in the U.S. Senate Dirksen Office Building in Washington, D.C., on Thursday, May 17, 2012.

The focus of the SUN movement is the critical 1,000-day window between pregnancy and a child's second birthday. Approximately 3 million children younger than age 5 die every year as a direct result of malnutrition, and 200 million others live with nutritional deficiencies that threaten their health and future.

There's never been any doubt that child malnutrition is a tragedy for children and their families. What the global community has not recognized as clearly until recently is that malnutrition is a *cause* of poverty, not just a *result* of poverty. It drains billions of dollars in lost productivity and healthcare costs from developing countries.

The MDGs cannot be achieved without urgent attention to nutrition. The costs of inaction—as measured by child mortality, compromised life chances, and reduced economic productivity—are unacceptably high. The stakes are high and so are the returns. The Copenhagen Consensus, a panel of Nobel Prize laureates in economics, reported in 2012 that fighting malnutrition in young children is the best investment that policymakers can make to improve global health and development.[59]

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nutrition interventions and integrating nutrition goals across sectors. Existing safety nets in low-income countries provide the foundation for scaling up, but blanket coverage is not possible without donor support. National governments in low-income countries can develop investment plans similar to those that a number of countries have prepared for the use of the agricultural development assistance pledged by G-8 countries in L'Aquila.

Ethiopia's Productive Safety Net Program (PSNP) is one of the best examples of a low-income country working with donors to expand its social protection. The PSNP combines food and cash transfers and it includes public works projects for local communities; participants are employed to help rehabilitate environmentally degraded areas to increase agricultural output. Supported by 10 donors, the PSNP is country-led in the best sense, with the donors agreeing to harmonize their policies and work jointly with the government on implementation. One important expression of the commitment to country ownership is that donors are channeling resources through the government's financial and procurement systems.[60] Many people are still not covered by the program, but this doesn't take away from what has been achieved.


Todd Post

Poverty and malnutrition are common in pastoralist communities of Ethiopia. Because of their nomadic lifestyle it has been difficult to include them in the Productive Safety Net Program.

Ethiopia is in the Horn of Africa, where hunger, food shortages, and malnutrition are chronic problems. In 2011, the worst drought in 60 years struck the Horn countries.[61] Famine was declared in Somalia, where millions of children experienced severe malnutrition and tens of thousands perished. Ethiopia certainly experienced its share of suffering, but lost far fewer children to the drought than it might have—especially given the country's long history of famine and other food emergencies. In earlier decades, under a previous government, Ethiopia might have experienced suffering and death on a scale similar to Somalia. The current government is committed to working with its partners in the donor community, and the donors are committed to working with this government, which has shown it can be held accountable for responsible use of development assistance.

Hope and Promise in Africa

Partnership is, of course, a two-way street. Low-income countries have to do their part. And they have, for the most part, despite harsh reminders of how fragile progress is, such as the setback experienced during the food-price crisis. None of the recent progress in human

development that has been made in Africa, mentioned at the beginning of this chapter, would have been possible without the leadership of top officials committed to reducing poverty. Donors can reward good governance, but they cannot mandate it.

In 2001, African leaders formalized their own vision of partnership in the New Partnership for Africa's Development (NEPAD), in which leaders from across the continent pledged to reduce poverty and put Africa on a sustainable development path.[62] From 2001-2010, according to the IMF, six of the fastest growing economies in the world were in sub-Saharan Africa, and steady growth in the region is expected to continue over the current decade.[63] At some point in the next decade, Africa's growth rate, counting every country on the continent, could surpass Asia's[64]—a notion that would have seemed unthinkable a decade ago. Africa already has more middle-class households than India.[65] By 2014, the number of households on the continent earning $5,000 or more could exceed 100 million. The $5,000 threshold is significant because this is the point at which households can afford to begin spending more than half of their income on nonfood items.[66] "Africa's rising consumption will create more demand for local products," explain scholars at the McKinsey Global Institute, "sparking a cycle of increasing domestic growth."[67]

"Since the turn of the century, Africa has transformed itself from the 'Hopeless Continent' to the 'Continent of Hope.'"

— Kofi Annan, former U.N. Secretary General

By 2050, 1 in 3 children will be born in sub-Saharan Africa.

Laura Elizabeth Pohl

African countries rich in natural resources have benefited from soaring prices for oil, minerals, and other commodities, but countries without significant amounts of resources have also experienced strong economic growth. The key reasons for Africa's surge have been the end of hostilities in several countries, increases and improvements in development assistance, and economic reforms that created a more attractive environment for private investment. African governments reduced the average inflation rate from 22 percent in the 1990s to 8 percent after 2000; in addition, they privatized state-owned enterprises, strengthened regulatory and legal systems, and invested in physical and social infrastructure.[68]

Table 2.4 **Under-5 Mortality (per 1,000 live births) in Selected Sub-Saharan African Countries Surveyed Since 2005**

Country	Before	After	Annual % Decline
Senegal	121 (2005)	72 (2010)	9.9
Rwanda	103 (2007)	76 (2010)	9.6
Kenya	115 (2003)	74 (2008)	8.4
Uganda	128 (2006)	90 (2011)	6.8
Ghana	111 (2003)	80 (2008)	6.3
Zambia	168 (2001)	119 (2007)	5.6
Mozambique	152 (2003)	97 (2011)	5.5
Ethiopia	123 (2005)	88 (2011)	5.4
Tanzania	112 (2004)	81 (2010)	5.3
Madagascar	94 (2003)	72 (2008)	5.2
Nigeria	201 (2003)	157 (2008)	4.8
Benin	160 (2001)	125 (2006)	4.8
Niger	274 (1998)	198 (2006)	4.0
Mali	229 (2001)	191 (2006)	3.6
Malawi	133 (2004)	112 (2010)	2.8
Average annual % decline in under-5 mortality			**5.9**

Source: World Bank, 2012

African leaders have also invested in their people. At the turn of the century, many African countries were carrying unmanageable levels of external debt. OECD ledgers count debt relief as part of official development assistance, despite controversies surrounding why and by whom the debts were incurred and who bears responsibility for them. MDG 8 includes a target for debt relief, and debt relief under the Heavily Indebted Poor Countries (HIPC) initiative and the Multilateral Debt Relief initiative has reduced debt burdens on the poorest countries, allowing governments to invest more of their own resources in poverty reduction strategies. This has clearly paid off in sub-Saharan Africa, where, by the late 1990s, some heavily indebted countries were spending more of their national budgets to service external debt than on education and health care combined.

Few examples of leadership on the MDGs are as stunning as the progress in reducing child mortality that has occurred in several sub-Saharan countries. Table 2.4 illustrates the massive improvement since the mid-2000s. Michael Clemens of the Center for Global Development calls this the biggest, best story in development, and it is hard to disagree with his assessment. "In other words," says Clemens, "[the countries in this chart] are collectively reducing child mortality at an annual rate much greater than the rate called for by the MDGs. They are doing this across hundreds of millions of people, across a vast landscape of hundreds of thousands of villages and cities."[69] The subtext of the story is that progress is being driven mostly by the countries' national governments.

In the early 2000s, well before the food-price crisis, African countries recognized the need for a pro-poor growth strategy. In addition to social policies aimed at improving human development, African countries pledged to invest their own resources in agricultural development. The Comprehensive Africa Agricultural Development Program (CAADP) was established in 2003 by leaders of African countries as a framework for coordinated, evidence-based investments in the agriculture sector. The goal of CAADP is to significantly reduce chronic hunger, malnutrition, and poverty by stimulating broad-based and inclusive economic growth. Participating governments made a commitment to increase public investments in agriculture to a minimum of 10 percent of their national budgets. Many governments prepared agricultural development plans, and CAADP helped organize teams of experts from other African countries to critique each country's plan. When the G-8 countries decided to ramp up their investments in African agriculture in 2009, they were able to use agricultural development plans that African leaders had already prepared. This is just one example of how African countries are now taking the lead in their own development planning.

"The roles and responsibilities of partners have to depend on what obstacles stand in the way of achieving the goals."

Aid has the potential to create the environment where trade and private investment can flourish. These are far more powerful forces that can fuel economic development. Developing countries that have achieved middle-income status have done so largely by leveraging aid to build capacity in trade and attract private investment. Asian countries stand out as some of the best examples. Nine of the 13 countries that have sustained 7 percent or higher annual economic growth rates over an astonishing 25 years or more are in Asia,[70] and all of these countries have benefited from a vibrant private sector.

Partnerships to 2015 and Beyond

Five years after the food-price crisis of 2007-2008, the roller coaster of food-price volatility and its punishing impact on poor people has not ended. Achieving sustainable progress against hunger and controlling food-price volatility are linked in ways that no one foresaw a decade ago. Negotiations are expected to begin in 2013 to develop a new set of global development goals to succeed the MDGs. The need to respond to the ongoing problem of food-price volatility must inform how global partnerships are envisioned and structured.

When the MDGs were established, it was assumed that progress against poverty would lead to corresponding rates of progress against hunger and malnutrition. This is illustrated most clearly by the bundling of poverty and hunger targets in MDG 1. As stated earlier, poverty and hunger are not moving in sync: progress against poverty is outpacing progress against hunger and malnutrition. Food-price volatility doesn't explain the entire gap, but it does highlight the disconnection between the two.

Under the rubric of "partnership," the next set of global development goals should include a target to establish universal social protection systems against malnutrition in every country. At a minimum, coverage should include all children at risk of stunting, particularly since stunting is heavily concentrated among the poorest children in developing countries. Gradual expansion of coverage by age would allow time to build the systems and capacity necessary to implement programs at scale.[71] Aid will be necessary to expand coverage, but it will not be sufficient. No donor or combination of donors can end hunger and malnutrition

without partners in developing countries who are committed to leading the way, because the responsibility lies primarily with national governments and their partners in civil society and the private sector.

MDG 8, the global partnership goal, focuses on the responsibilities of OECD countries. But this is no longer a useful way to think about partnership. In the next round of development goals, partnerships should help strengthen local capacity in developing countries. This will lead to more effective country-owned policies and institutions, such as social protection, that build resilience among poor communities and that are ready and able to respond during an economic downturn, natural disaster, or other emergency.

Chapter 1 emphasized that cost is by no means the biggest barrier. See "Do We Dare to Be Optimistic?" starting on page 35. We know which interventions work, and we know they are affordable. What we don't know is whether national governments are prepared to do what it takes to reach everyone. Universality is necessary to begin to overcome another key message of Chapter 1, high levels of inequality. A commitment to universality also makes it simpler for civil society and other stakeholders to hold partners accountable if they fail to follow through.

USAID/ Usman Ghani

A Pakistani woman stitches garments with a sewing machine provided by USAID. With the sewing machine she can earn up to 5,000 rupees a month ($75).

If the problem of food-price volatility were to vanish tomorrow, universal nutrition safety nets would still be the way to go in a new set of global development goals. Safety nets allow people to be more resilient during and after economic shocks, of which food-price volatility is just one example. Shocks resulting from climate change are another example of why vulnerable members of society need this protection. Sub-Saharan Africa and South Asia, by virtue of their size, population, and poverty levels, are "ground zero" for the effects of climate change. Building resilience to climate change is essential to ensuring that progress against hunger and poverty is sustained.

Development goals can be defined with absolute certainty. The roles and responsibilities of partners have to depend on what obstacles stand in the way of achieving the goals. The recent food-prices crises and the risk of ongoing food-price volatility make clear that partnerships to end hunger and poverty go beyond aid. In addition to the impact of climate change on agricultural production and rural livelihoods, population pressures, changing dietary preferences, biofuels policy, trade restrictions and financial speculation have all contributed to a highly unpredictable and uncertain global food market. All of these factors underscore the need for a post 2015 development framework to take an expansive view of partnership. In Chapter 3, we look at global issues we expect will affect how partnerships evolve in the coming decades.

U.S. LEADERSHIP AND GLOBAL DEVELOPMENT GOALS

by Bread for the World Institute

In the remaining years before the Millennium Development Goals (MDGs) expire in 2015, the U.S. government needs to step up support for achieving the goals and be a leader in promoting the next set of global development goals.

The U.S. government is a generous donor in absolute dollars, and its leadership efforts are often in proportion to these contributions. At the 2009 G-8 Summit in L'Aquila, Italy, the U.S. government persuaded other donors to join its initiative to raise significant additional resources for agricultural development and food security programming in the wake of the global food-price crisis of 2007-2008.

"Helping families escape poverty and build better lives for themselves is one of the highest expressions of U.S. goodwill towards developing countries."

Many U.S. development programs support the MDGs and their achievement. The McGovern-Dole Food for Education program, for example, supports increasing primary school attendance, reducing gender inequalities, and improving nutrition outcomes—encapsulating three MDGs in one effort. Its namesakes, former senators Robert Dole and George McGovern, were leaders in opposing political parties. While their politics differed in so many ways, they shared a zero tolerance for child hunger.

Presidential Leadership and the Millennium Development Goals

Under President George W. Bush's leadership, the U.S. government became the largest bilateral donor to the fight against HIV/AIDS. Although the President's Emergency Program for AIDS Relief (PEPFAR) drove progress on MDG 6—combating infectious diseases, including HIV/AIDS—the Bush administration was reluctant to talk about the MDGs. However, PEPFAR's success and the U.S. government's ongoing historic role in leading the world towards an HIV-free generation is, as Secretary of State Hillary Rodham Clinton pointed out, a role model and platform for other global health initiatives.[1]

Another of President Bush's signature aid programs is the Millennium Challenge Corporation (MCC), an innovative U.S. foreign aid agency that has changed the conversation about how best to deliver U.S. assistance—primarily by its focus on good governance, country ownership, and results. The MCC was a direct response by the Bush administration to the MDGs. The MCC's mandate to reduce poverty through economic growth underpins progress on all of the MDGs.[2]

The MCC makes large-scale grants ("compacts") to developing countries that have established good governance and invest in their people. The compacts fund country-identified and country-led programs to reduce poverty through inclusive, sustainable economic growth. To date, MCC-funded programs have trained nearly 200,000 farmers and brought nearly 100,000 hectares of land under new, improved irrigation. In addition, more than 1,300 kilometers of roads have been constructed and approximately $80 million in agricultural loans has been disbursed.[3]

The longstanding bias against referring to the MDGs and its targets by name appears to be ending. In 2010, the Obama administration released a U.S. strategy to achieve the MDGs.[4] President Obama's two signature programs—Feed the Future and the Global Health Initiative—refer explicitly in their documentation to how they will contribute to achieving the MDGs. With its focus on women farmers and on reducing maternal and child malnutrition, Feed the Future is the centerpiece of U.S. global hunger and food security programs.

President Obama has taken a vigorous approach to rebuilding the U.S. Agency for International Development (USAID), the government's lead development agency, and to making reforms in the development assistance bureaucracy. U.S. development assistance programs are spread across more than two dozen agencies and lack of coordination has been a longstanding problem. The President's Policy Directive on Global Development (PPD), the first such directive in U.S. history, was issued in 2010 and attempts to create more coherence.[5]


UN Photo/Mark Garten

Leaders of the 8 major industrialized countries (G-8), including the Secretary-General of the United Nations attend a working breakfast meeting on the Impact of the Global Financial Crisis on Africa.

The PPD frames development as one of the three pillars of the president's national security strategy, alongside diplomacy and defense. This was in accordance with the Bush administration's emphasis on development assistance as part of its national security strategy. Robert Gates, who served as Secretary of Defense under both presidents, called development assistance the best value for the dollar in promoting U.S. national security.[6]

It is always important to remind people that, in Secretary Gates' words, "Development is a lot cheaper than sending soldiers," but development should also be an end in itself. Helping families escape poverty and build better lives for themselves is one of the highest expressions of U.S. goodwill towards developing countries.

Allocations of resources to development assistance plummeted after the end of the Cold War; apparently, the collapse of the Soviet Union made the fight against global hunger and poverty a lower priority for the United States. This changed dramatically once again in the 2000s, partly because of the MDGs but also because of September 11, 2001. The phasing out of U.S. military operations in Afghanistan must not be accompanied by a cut in development assistance as occurred in many countries after the Cold War.

New Alliances to Defeat Hunger and Poverty

On the eve of the 2012 G-8 meeting at Camp David, President Obama gave a stirring speech in which he stated, "As the wealthiest nation on Earth, I believe the United States has a moral obligation to lead the fight against hunger and malnutrition, and to partner with others."[7] The president used the speech to announce the formation of the New Alliance for Global Food Security and Nutrition. President Obama convinced the G-8 governments to continue to increase agricultural development assistance as they committed to doing at his first G-8 Summit in 2009. The U.S. government also recruited new money from international corporations. Forty-five companies committed to invest $3 billion in African agriculture and nutrition.

"Sustainable development depends on the capacity of local stakeholders: governments, NGOs, and the private sector."

The New Alliance has an ambitious goal—to raise 50 million people out of poverty in 10 years. The initiative will start in three African countries, building on their potential for rapid agricultural growth.[8] Attending the president's speech were the heads of state from the three countries—Ethiopia, Tanzania, and Ghana. These countries were chosen on the basis of the investment plans they have developed, their governments' proven commitment to reducing poverty, and new agreements to facilitate the role of the private sector in agricultural development. The vision of the New Alliance includes expanded contributions from domestic as well as international businesses.

Public-private partnerships such as the New Alliance are bound to make some people nervous. Businesses are driven primarily by the profit motive. Will they necessarily help to achieve the MDGs? On the other hand, many of Africa's democratically elected leaders are eager for private sector development. They want their countries to achieve the sort of economic gains South Korea and Vietnam have achieved, and they believe that a vibrant private sector is crucial.

BREAD FOR THE WORLD AND THE MODERNIZING FOREIGN ASSISTANCE NETWORK

Bread for the World has pushed for improvements in U.S. foreign assistance. An important part of Bread's work on this has been within the Modernizing Foreign Assistance Network (MFAN). MFAN has succeeded in mobilizing support for reform on both sides of the aisle in Congress, and in building broad support for reform principles among the many U.S. nongovernmental groups that work to influence U.S. assistance (often in particular sectors).

The Obama administration has implemented some of the reforms which MFAN has advocated. These include an administration-wide strategy for development cooperation; State Department diplomatic support for development initiatives; increased authority and staffing for USAID; improved systems of transparency and evaluation; and processes to make USAID programs more responsive to local priorities.

We call for rigorous monitoring and evaluation of the partnerships because of such legitimate concerns. The article on page 68 in Chapter 2 suggests principles to guide public-private partnerships. For example, corporations that benefit from partnerships with governments should build the capacity of local businesses. Sustainable development depends on the capacity of local stakeholders: governments, NGOs, and the private sector.

Bono, the Irish rock star and activist, endorsed the New Alliance and said he hoped it would signal "the death of the traditional donor-recipient relationship."[9] Time will tell if this is indeed a death knell. The demise of the traditional donor-recipient relationship has been happening in slow motion for more than a decade, starting with the MDGs and the recognition by donors and recipients alike that the old way of doing development wasn't capable of achieving them.

Figure 2.9 **Zero Hunger Challenge**

Source: UN, 2012

U.S. Leadership Beyond 2015

At the U.N. Conference on Sustainable Development (Rio+20) in summer 2012, the United States agreed to start an intergovernmental process by the fall of 2012 to review how a new set of global development goals will be considered in the post-2015 framework. A new round of global development goals should include a bull's-eye goal: the end of extreme poverty and hunger.

During Rio+20, U.N. Secretary General Ban Ki-moon issued a Zero Hunger Challenge, inviting all countries to "work for a future where every individual has adequate nutrition and where all food systems are resilient."[10] (See Figure 2.9.) He called on all nations to work together to end global hunger. The Zero-Hunger Challenge (and a Zero-Poverty Challenge to go with it) should be folded into the post-2015 development framework.

"The MDGs will expire and a new set of goals will be decided on this administration's watch."

The U.S. government is poised to lead this effort. In 2013, a newly-elected president and Congress will take office. The MDGs will expire and a new set of goals will be decided on this administration's watch. As the 2013 Hunger Report goes to press, we do not know the winner of the 2012 presidential election, but leadership from the White House will be important regardless of the outcome.

At the start of any administration, expectations are high for U.S. leadership in the global arena. Historically, U.S. leadership in the fight against global hunger is unparalleled. Building on U.S. leadership in the fight against global hunger, the administration should seize this opportunity and embrace the Secretary General's Zero-Hunger Challenge.