



FY 2005 Title XII Report to Congress

This report is submitted pursuant to Section 300 of the Foreign Assistance Act of 1961 (the act), as amended by the Famine Prevention and Freedom from Hunger Improvement Act of 2000

INTRODUCTION

The Act calls upon the United States to mobilize the capacities of the U.S. land-grant and other eligible universities and their public and private sector partners in order to achieve the mutual goals among nations of ensuring food security, human health, agricultural growth, trade expansion, and the wise and sustainable use of natural resources. In addition, the United States should involve these universities and their partners in the planning, development, implementation, and administration of United States agriculture programs and contract research and the implementation of collaborative research support programs and other research collaboration led by these universities.

Section 300 of the Act calls for a report to be transmitted to Congress, not later than September 1 of each year, that:

- (i) details the activities carried out pursuant to this title during the preceding fiscal year;
- (ii) contains a projection of programs and activities to be conducted during the subsequent five fiscal years;
- (iii) contains a summary of the activities of the Board¹ established pursuant to section 298 of this title; and
- (iv) may include the separate views of the Board with respect to any aspect of the programs conducted or proposed to be conducted under this title.

Section 298(e) of the Act also states that “the Board shall be consulted in the preparation of the annual report required by Section 300 of this title”. USAID has prepared this report in consultation with BIFAD. The report is organized according to the above four components specified in the legislation.

EXECUTIVE SUMMARY

I. FY 2005 Program

United States Foreign Assistance to Agriculture

¹ The “Board” is the Board for International Food and Agricultural Development established in Section 298 of the Act.

USAID, along with the Department of Agriculture, State Department, and Department of the Treasury provide significant foreign assistance to agriculture. Total United States Government foreign assistance to agriculture in FY 2005 totaled approximately \$1.73 billion (see Table One). Activities were carried out in over fifty countries and in 10 sub-regions.

USAID Agriculture Programs

FY 2005 was the first year that USAID's new agricultural strategy – *Linking Producers to Markets* – was put into full operation. The strategy establishes the parameters for Agency work in agriculture that helps build and sustain democratic, well-governed states that respond to the needs of their people.

USAID Pillar Bureau Agriculture Programs

Agency technical leadership in agriculture is a key responsibility for the Bureau for Economic Growth, Agriculture and Trade (EGAT). During FY 2005, EGAT programmed \$87.6 million in agricultural activities. Its programs supported activities that granted degrees to 84 students; had 218 students continuing in long term training; provided 702 agriculturalists² with professional training programs; and undertook dissemination activities that reached 65,532 producers, government officials, university staff, agribusiness workers, and other agriculture-related workers through conferences, workshops, and in-field training.

The Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA) allocated \$429.9 million in FY 2005 to development programs (see Table Two). The Food for Peace (FFP) Office programmed \$330 million for bilateral development (non-emergency) programs (Table Five), most having an agriculture component; \$10 million for the John Ogonowski Farmer to Farmer Program; and an additional \$16.325 million for other agricultural activities. The Office of Foreign Disaster Assistance (OFDA) funded \$66.862 million for agricultural mitigation activities; and the Office of Private and Voluntary Cooperation (PVC) funded \$6.787 million for agriculture.

USAID Regional Bureau Agriculture Programs

The majority of agriculture programs are implemented in the field. In FY 2005 over \$1.1 billion in agricultural funds were either programmed at the country-level (PL 480 Title II development) or allocated to USAID's regional bureaus for disbursement to the missions.

- Africa Bureau allocated \$187.2 million (Table Six) to agriculture activities in Africa. An additional \$167.4 million (Table Five) in development activities was programmed by DCHA's Food for Peace Office in 21 countries: Angola, Benin, Burkina Faso, Cape Verde, Chad, Central African Republic, Eritrea, Ethiopia, Ghana, Guinea, Kenya, Madagascar, Malawi, Mauritania, Mozambique, Niger, Rwanda, Senegal, Sierra Leone, Uganda, Zambia and one regional mission, West Africa.

² Section 296(h) of the Act defines agriculturalists as "farmers, herders, and livestock producers, individuals who fish and others employed in cultivating and harvesting food resources from salt and fresh waters, individuals who cultivate trees and shrubs and harvest nontimber forest products, as well as the processors, managers, teachers, extension specialists, researchers, policy makers, and others who are engaged in the food, feed, and fiber system and its relationships to natural resources".

- ANE Bureau allocated \$427.9 million (Table Seven) for agriculture programs in the region including \$131.4 million for Iraq, \$92.8 million for Afghanistan; and \$169.9 million for the Middle East (\$62.2 million, Egypt; \$50 million, Jordan; \$7.5 million Lebanon; and \$50.5 million, West Bank/Gaza).³ In addition, DCHA's Food for Peace Office allocated \$64.4 million (Table Five) for three development programs (Bangladesh, India, and Indonesia).
- E&E Bureau disbursed \$81.7 million (Table Eight) for agriculture programs. Ukraine had the largest program with \$30.2 million appropriated for agriculture activities. DCHA's Food for Peace Office provided an additional \$9.4 million (Table Five) for one development program in the region (Tajikistan).
- LAC Bureau programmed \$89.6 million (Table Nine) for agriculture programs in the region. DCHA's Food for Peace Office programmed an additional \$88.6 million (Table Five) in development activities in six countries (Bolivia, Guatemala, Haiti, Honduras, Nicaragua, and Peru).

II. Programs and Activities Over the Next Five Years

Over the next five years, USAID will mobilize the capacities of U.S. universities and their public and private sector partners to strengthen institutions for agriculture, build human capacity, undertake collaborative research on agricultural development constraints, and provide technical assistance to the field. These programs will build on current successes as well as identify new ways of doing transformational development.

- In **rebuilding countries**, Agency university programs will assist in revitalizing those agricultural institutions damaged by conflict and neglect and create new agricultural institutions as needed. These programs are critical in providing up-to-date information, equipment, and skill building to governments. Both institutional and human capacity-building efforts will be at the core of interventions. In countries still in conflict, networks between countries will be established so that scientists, civil society, and the private sector can link to regional and international agricultural institutions with the aim of maintaining agricultural capacity within country.
- In **developing countries**, USAID will draw upon U.S. universities' long-term associations with national universities and government institutions to test and deliver proven technologies to local communities. Universities are also well-placed to deliver policy-relevant research results and to shape national policies to improve the enabling environment for seed distribution, fertilizer subsidies, biotechnology regulation, and a range of environmental issues. In developing countries, human and institutional capacity building is essential. U.S. universities will maintain their collaboration with nascent institutions and provide training in

³ The West Bank/Gaza agriculture project, Palestinian Agribusiness Partnership Activity (PAPA) was put on hold April 7, 2006. On September 1, 2006 the contractor was informed that approved activities may be resumed.

critical fields of agricultural and environmental sciences, develop curricula for advanced study appropriate to country needs, and build laboratory resources.

- In **transforming countries**, U.S. universities at both the national and regional levels have a critical role to play in strengthening institutional capacity and enhancing agricultural market systems. The focus in these countries and regions is on working with both the public and the private sectors, building technical expertise in the identification of high-value crops for regional and international markets and private partnerships in order to expand into areas of value-added processing.
- In **sustaining partnership countries**, USAID support to U.S. universities will grow partnerships as well as undertake professional exchanges and joint exploration of emerging issues in the global agricultural system. These countries, which have well-established agricultural institutions and markets, gain from collaborative university relationships that enhance their capacity to develop cutting-edge technologies and adopt transformative policies.

III. Summary of the Board for International Food and Agricultural Development (BIFAD) Activities

During FY 2005, BIFAD held three meetings – its 142nd on October 13, 2004 in Des Moines, Iowa to coincide with the awarding of the World Food Prize, the 143rd on February 3, 2005 and 144th on May 19, 2005, both in Washington, D.C. In FY 2005, BIFAD and USAID collaborated on the restructuring and on-going management of the Collaborative Research Support Program (CRSP); the revitalization of USAID-sponsored long-term training in the agricultural sciences, with particular emphasis on Africa; addressing the emerging area of horticulture in the Agency's research program; and strengthening USAID-university relations and joint efforts on research priority setting. At the encouragement of BIFAD, the Agency initiated an Intergovernmental Personnel Act (IPA) with a U.S. Land Grant University to second a senior faculty member to the EGAT Agriculture Office as a senior advisor for university relations and agricultural research, outreach and training.

I. FY 2005 Program

United States Foreign Assistance to Agriculture

USAID is one of four government agencies and departments with foreign assistance programs in agriculture. The Agency, along with the Department of Agriculture and the State Department, provides technical assistance, enables policy reform, bolsters host country capacity, and leverages other donors. The Department of the Treasury's foreign assistance provides funds for the international financial institutions including the International Fund for Agricultural Development (IFAD). In FY 2005, United States foreign assistance to agriculture totaled approximately \$1.73 billion (Table One).

Table One: FY 2005 United States Foreign Assistance for Agriculture (thousand \$)

	FY 2005
Department/Agency	
State	156,341
Treasury	14,900
USAID	1,306,613
USDA	255,413
Total	1,733,267

USAID Agriculture Programs

FY 2005 was the first year that USAID's new agricultural strategy – *Linking Producers to Markets* – was put into full operation. The strategy established the parameters for Agency work in agriculture to help build and sustain democratic, well-governed states that respond to the needs of their people. It focuses on addressing the challenges of food insecurity, rural poverty, weak markets, and natural resource degradation by:

- expanding trade opportunities by improving the trade capacity of producers and rural industries;
- improving the social, economic, and environmental sustainability of agriculture;
- mobilizing science and technology and fostering capacity for innovation; and
- strengthening agricultural training and education, outreach, and adaptive research.

The Agency supported agriculture activities in over fifty countries and in 10 sub-regions. Approximately \$1.3 billion (Table Two) was invested in agriculture activities in FY 2005 to address the strategic objectives (SOs) of USAID's field missions, regional bureaus, and the pillar (central) bureaus of Economic Growth, Agriculture and Trade (EGAT) and Democracy, Conflict, and

Humanitarian Assistance (DCHA). In Africa, additional objectives were identified for focus countries and regional programs under the President’s Initiative to End Hunger in Africa (IEHA).

Following the guidance set out in the Act and supplementals, support for FY 2005 agriculture programs was allocated to the Agency’s Bureaus from the following funding accounts:

- Development Assistance Account (DA)
- Economic Support Fund (ESF)
- Food for Peace Title II Development (PL 480)
- International Disaster and Famine Assistance (IDFA)
- Assistance to Eastern Europe and the Baltic States (AEEB)
- Assistance to Independent States of the Former Soviet Union (Freedom Support Act, FSA)
- Andean Counter-drug Initiative (ACI)
- Iraq Relief and Reconstruction (IRRF) Supplemental

In FY 2005, 60.2 percent of Agency agricultural funds were allocated to the regional bureaus (Table Two).

Table Two: FY 2005 USAID Agriculture Appropriations for Agriculture by Bureau (\$ thousand)

	FY 2005
Africa Bureau	187,224
ANE Bureau	427,910
E&E Bureau	81,746
LAC Bureau	89,613
EGAT Bureau	87,643
DCHA Bureau	429,974
PPC Bureau	1,503
GDA	1,000
USAID Total	1,306,613
<p>ANE (Asia and the Near East); E&E (Europe and Eurasia); LAC (Latin America and the Caribbean); EGAT (Economic Growth, Agriculture and Trade); DCHA (Democracy, Conflict, and Humanitarian Assistance); PPC (Policy and Program Coordination); GDA (Global Development Alliance)</p> <p>In FY 2003 the Agency broadened its source of agriculture funds to include some portions of environment funds after biodiversity and energy funds have been removed. This aligns funding spigots with Title XII’s definition of agriculture. In FY 2005 the Agency began reporting by appropriated funding levels rather than obligated funding levels.</p>	

USAID Pillar Bureau Agriculture Programs

EGAT Economic Growth, Agriculture and Trade Bureau

Agency technical leadership in agriculture is a key responsibility for EGAT. Within EGAT, the principal offices with agriculture portfolios are the Offices of Agriculture (EGAT/AG), Environment and Science Policy (EGAT/ESP), and Natural Resources Management (EGAT/NRM). In FY 2005, the Bureau allocated \$87.6 million to agriculture programs (Table Two).

The Office of Agriculture oversees the Agency's policies and strategies, reports on the Title XII Programs, and supports the Secretariat for the Board for International Food and Agriculture Development (BIFAD) and its subcommittee, the Strategic Partnership for Agricultural Research and Education (SPARE). The office also manages two peer-reviewed competitive grant programs, the U.S.-Israel Cooperative Development Research (CDR) Program and the Middle East Regional Cooperation (MERC) Program. The Agriculture Office funds the Collaborative Research Support Programs (CRSPs), which, in addition to research and institution building, support long- and short-term training.

The Office of Environment and Science Policy manages the U.S. engagement with the Consultative Group on International Agricultural Research (CGIAR). In FY 2005, USAID was the largest contributor to the CGIAR. The fifteen CGIAR centers mobilize agricultural science to reduce poverty, foster human well-being, promote agricultural growth, and protect the environment. American researchers, from U.S. universities and other research institutes, are active in the CGIAR system as scientists, managers, directors, and board members, and share in the accomplishments of the system. EGAT/ESP also manages a Linkage program where American scientists based at U.S. universities and other advanced research institutes collaborate on over 80 cooperative research projects with CGIAR scientists.

EGAT/ESP provides leadership in agricultural biotechnology with the goal of developing products for the benefit of smallholder producers in developing countries. Much of this research is accomplished through a variety of projects in technology and policy development that involve partnerships with major U.S. universities and other public sector institutions.

The Office of Natural Resources Management works to improve natural resource management and conservation across diverse landscapes, promote governance and mitigation of natural resource conflicts, and increase economic opportunities through sustainable production, marketing, and trade of natural resource-based products and services.

Four other EGAT offices—Economic Growth, Poverty Reduction, Education, and Energy and Information Technology—have activities that address development constraints to agriculture-led economic growth, which include:

- Low agricultural productivity;
- Inappropriate policies;
- Degraded soils;
- Lack of infrastructure;
- Smallholder vulnerability to weather and economic shocks;
- Poor access to markets; and
- Limited market price information.

U.S. universities are key partners in implementing EGAT's agriculture programs. During FY 2005, USAID mobilized:

- the University of California-Davis, Michigan State University, the University of Georgia, the University of Nebraska, Oregon State University, the University of Wisconsin, the University of Hawaii, and Virginia Tech to manage nine collaborative research support programs (CRSPs) addressing constraints in global livestock; beans and cowpeas; peanuts; sorghum and millet; aquaculture; access to sustainable input markets; soil management; integrated pest management; and sustainable agriculture and natural resources management;
- Michigan State University, Louisiana State University, and Rutgers University to manage partnerships for food industry development in fruits and vegetables; meat, seafood and poultry; and natural products;
- Ohio State University, Michigan State University, Montana State University, and the University of California-Davis to implement three long-term training pilots and one research fellows program;
- Cornell University to manage the agricultural biotechnology support project;
- Michigan State University to manage the food security III project; and
- the University of Rhode Island and Florida International University to provide technical assistance to missions through field support programs on coastal communities and ecosystems and the management of water resources.

In addition, 14 U.S. universities (North Carolina University for Agriculture & Technology, Purdue University, University of California-Davis, Colorado State University, Indiana University, Ohio State University, Oregon State University, Prairie View A&M University, University of Vermont, University of Wisconsin, Michigan State University, Texas A&M University, Auburn University, Duke University) have been mobilized as subcontractors on two mission support contracts – environmental policy and institutional strengthening (EPIQ) and rural and agricultural incomes with a sustainable environment (RAISE Plus).

A major form of technical assistance provided through the U.S. universities and other partners is long and short-term training. During FY 2005, a total of 84 students received degrees; 218 students were in long-term training; 702 agriculturalists were in professional training programs; and 65,532 producers, government officials, university staff, agribusiness workers, and other agriculture-related workers participated in conferences, workshops, and in-field training (Tables Three and Four).

Table Three. Number of FY 2005 Short-Term Training Participants in EGAT Agriculture Programs

Participants	Conferences, Workshops, In-field training	Professional Training
Female	26,776	235
Male	38,738	467
Total	65,532	702
Professional training is all learning of one month or more undertaken to improve performance.		

Table Four. Number of FY 2005 Long-Term Training Participants in EGAT Agriculture Programs

	Degree Training					
	Degree Awarded FY 2005			In Degree Training FY 2005		
	Ph.D.	M.S.	B.S.	Ph.D.	M.S.	B.S.
Students						
Female	9	19	7	41	26	6
Male	9	30	10	64	76	5
Total	18	49	17	105	102	11

DCHA Democracy, Conflict and Humanitarian Assistance Bureau

The DCHA Bureau is the first responder to crises and the first step to initiating long-term development. The bureau's agriculture activities help to prevent crises in rural areas, save lives and alleviate suffering through food security programs, and provide economic opportunities for people adversely affected by poverty, conflict, natural disasters and a breakdown of government services. In FY 2005, the bureau allocated \$429.9 million to recovery and development programs, most with an agriculture component (Table Two). Three offices support agricultural programs. The Office of Private and Voluntary Cooperation (PVC) serves as a center of learning to enhance the capacity of non-government organizations (NGOs) in the delivery of development services, including agriculture. In FY 2005, the Office programmed \$6.787 million for agriculture capacity enhancement.

The Office of Foreign Disaster Assistance (OFDA), whose key responsibility is facilitating and coordinating U.S. government emergency assistance overseas, funds mitigation activities to reduce the impact of recurrent natural disasters. It programmed \$66.862 million for agricultural mitigation activities in FY 2005. Responding to the unique vulnerabilities of pastoralists in the Horn of Africa, OFDA supported a regional initiative to strengthen pastoral communities' abilities to withstand crises. This multi-sectoral strategy focuses on increasing food security, improving natural resource and water management systems, and developing processing enterprises. In FY 2005, OFDA mobilized the capacities of the Feinstein International Center at Tufts University to support this program. The Center's project focuses on strengthening market linkages, improving veterinary services, and developing emergency response standards for livestock interventions.

The Office of Food for Peace (FFP) is responsible for P.L. 480 Title II which supports emergency food aid programs, development and transition programs, and the John Ogonowski Farmer-to-Farmer Program (which is implemented by EGAT's Office of Agriculture). In FY 2005, the Office programmed \$330 million for P.L. 480 Title II development and transition programs; \$10 million for the Farmer-to-Farmer Program; and \$16.325 million for other agriculture programs. FFP finalized its 2006-2010 Strategic Plan in FY 2005. The new strategy has a single strategic objective (SO), *food insecurity in vulnerable populations reduced*, which breaks down the artificial distinctions between emergency and non-emergency (development) programs of its earlier strategic plans which had an SO for emergency programs and a separate SO for development and transition programs. The focus on vulnerability makes it easier for programs dealing with emergencies to encompass activities that address the underlying causes of emergencies and for development programs to incorporate activities that will help vulnerable people improve their ability to prevent and cope with future food emergencies.

In addition to its global programs, the FFP Office allocated \$330 million to development programs in 31 countries, most of which have an agriculture component (Table Five).

**Table Five. FY 2005 PL 480 Title II Development Program Allocations
(million \$)**

Region	Country	Development	Region	Country	Development
Africa	Total	167.4	Africa (cont)	Uganda	18.6
	Angola	2.6		West Africa Regional	2.8
	Benin	2.6		Zambia	3.8
	Burkina Faso	15.7			
	Cape Verde	4.0	Asia/Near East	Total	64.4
	Chad	3.2		Bangladesh	19.9
	Eritrea	1.4		India	37.8
	Ethiopia	13.7		Indonesia	6.7
	Ghana	18.7			
	Guinea	5.4	Europe/Eurasia	Total	9.4
	Kenya	10.6		Tajikistan	9.4
	Madagascar	11.8			
	Malawi	10.5	Latin America/ Caribbean	Total	88.6
	Mauritania	4.8		Bolivia	15.3
	Mozambique	8.9		Guatemala	15.1
	Niger	7.1		Haiti	30.9
	Rwanda	8.9		Honduras	12.1
	Senegal	2.3		Nicaragua	8.9
	Sierra Leone	10.0		Peru	6.3

USAID Regional Bureau Agriculture Programs

The majority of agriculture programs are implemented in the field. In FY 2005 over \$1.1 billion in agriculture funds were either programmed at the country-level (PL 480 Title II development) or allocated to the regional bureaus for disbursement to the missions.

AFR Africa Bureau

Through sustained investments in agriculture-based programs that are carried out in conjunction with programs to improve health, education, infrastructure, environment, and public policy management, USAID is providing options for reversing the trends of hunger and poverty in Africa. The President's Initiative to End Hunger in Africa (IEHA), provides a market-

Table Six. FY 2005 Africa Agriculture Appropriations per \$1,000	
	Total
Bilateral	
Angola	388
Benin	0

oriented and smallholder-based growth strategy to increase rural incomes.

In FY 2005, the United States joined other G-8 donors in pledging support to “Ending the Cycle of Famine” in Africa, working with the Africa Union’s New Economic Partnership for African Development (NEPAD) to invest in long-term support to increase food security. NEPAD’s Comprehensive Africa Agriculture Development Program (CAADP) provides the framework for investments in the targeted areas of sustainable land and water management; rural infrastructure and trade-related capacities for market access; food supply and reduced hunger; and agricultural research and technology dissemination. At the September 2005 United Nations General Assembly, USAID committed to assisting in the acceleration of CAADP implementation through alignment of its ongoing IEHA Program with CAADP.

In FY 2005, Africa Bureau programmed \$187.2 million (Table Six) to agriculture activities in Africa. An additional \$167.4 million (Table Five) in development activities was programmed by DCHA’s Food for Peace Office in twenty countries (Angola, Benin, Burkina Faso, Cape Verde, Chad, Eritrea, Ethiopia, Ghana, Guinea, Kenya, Madagascar, Malawi, Mauritania, Mozambique, Niger, Rwanda, Senegal, Sierra Leone, Uganda, Zambia) and one regional mission (West Africa).

U.S. universities are mobilized by USAID missions to assist in tackling agriculture development constraints. Iowa State University, in collaboration with the International Crop Research Institute for the Semi-Arid Tropics (ICRISAT); the Southern African Development Community (SADC) Seed Security Network; and the Food, Agriculture, and National Resources Policy Analysis Network (FANRPAN), for instance, has developed and disseminated seed certification manuals which are now being used by national seed certification boards in SADC member countries with funding from the South Africa mission during FY 2005.

Burundi	0
DRC	2,548
Eritrea	7
Ethiopia	43,657*
Ghana	5,823
Guinea	610
Kenya	6,837
Liberia	903
Madagascar	677
Malawi	3,423
Mali	10644
Mozambique	10,267
Namibia	564
Nigeria	3,494
Rwanda	1,216
Senegal	4,359
Sierra Leone	993
Somalia	0
South Africa	4,875
Sudan	35,600
Tanzania	1,512
Uganda	10,862
Zambia	4,097
Zimbabwe	0
Regional	
East Africa	13,865*
Central Africa	570
Southern Africa	4,941
West Africa	7,514
Africa-Wide	6,978
Total	187,224
*Includes \$34.224 million Famine Funds of which \$29.224 million was for Ethiopia and \$5 million East Africa. In FY 2003 the Agency broadened its source of agricultural funds to include some portions of environment funding after biodiversity and energy have been removed. This aligns funding spigots with Title XII’s definition of agriculture. In FY 2005 the Agency began reporting by appropriated funding levels rather than obligated funding levels.	

ANE Asia and the Near East Bureau

Agriculture is critical to livelihoods in the ANE region. About 62 percent of the population lives in rural areas and 58 percent earn a living from agriculture. Throughout the region, rural areas are characterized by a lack of opportunity, few jobs, and poverty, which creates the potential for religious extremism and terrorism. In response, ANE agricultural programs seek to increase agricultural diversification and agribusiness development.

In rebuilding countries, ANE agriculture objectives include restoration or recovery to previous levels of production and productivity, support for near-term reform, and other steps to improve food security and promote stability. In developing and transforming countries, the Bureau provides technical assistance and limited financial support to increase rural incomes through demand-led agro-enterprise development, promotion of competitive agricultural production, and linking the rural sector to domestic, regional and global markets.

In FY 2005, the ANE Bureau programmed \$427.9 million (Table Seven) for agriculture programs in the region including \$131.4 million for Iraq, \$92.8 million for Afghanistan; and \$169.9 million for the Middle East (\$62.2 million, Egypt; \$50 million, Jordan; \$7.5 million Lebanon; and \$50.5 million, West Bank/Gaza). In addition, DCHA's FFP development programmed \$64.4 million (Table Five) in three countries (Bangladesh, India, and Indonesia).

A major partner in the Bureau's agriculture programs is the U.S. university community. The University of Arizona, through the International Arid Lands Consortium, provides technical assistance to the Government of Jordan; University of Illinois-educated Pakistani faculty deliver comprehensive training programs to Afghan agriculturalists at the land grant-type university in Peshawar, Pakistan; and six land-grant universities (Illinois, Purdue, Minnesota, Ohio State, Florida, and Lincoln) work with five Egyptian universities to upgrade the technical content of courses and provide technical assistance on active teaching-learning methods.

Table Seven. FY 2005 ANE Agriculture Appropriations per \$1,000

	Total
Bilateral	
Afghanistan	92,832
Bangladesh	3,781
Cambodia	0
East Timor	0
Egypt	62,199
India	9,300
Indonesia	2,613
Iraq	131,420
Jordan	50,000
Lebanon	7,500
Mongolia	0
Morocco	0
Nepal	850
Pakistan	1,000
Philippines	7,376
Sri Lanka	0
Thailand	0
Vietnam	0
West Bank/Gaza	50,500
Yemen	485
Regional	
ANE Reg'n'l	3,364
Asia Regional	4,690
Total	427,910

In FY 2003 the Agency broadened its source of agriculture funds to include some portions of environment funds after biodiversity and energy have been removed. This aligns funding spigots with Title XII's definition of agriculture. In FY 2005 the Agency began reporting by appropriated funding levels rather than obligated funding levels.

E&E Europe and Eurasia Bureau

USAID’s priority in the E&E region is to assist Eastern Europe and Eurasia countries in their transition to sustainable democracies and open market economies. Though there has been clear progress in strengthening economic governance and the competitiveness of the private sector in most of these countries in recent years, many challenges remain. The major constraints facing the region’s economies are weak implementation of economic policy reforms and weak economic governance.

To address these challenges, E&E bureau programs focused on strengthening economic governance to improve the transparency of government services to businesses; enhancing the efficiency of the movement of goods across borders; expanding the capacity of local governments to affect economic development; improving small and medium enterprise development and competitiveness through enhanced supply and value chains; improving financial risk management; restructuring ineffective public pension systems; and tackling money laundering and other financial crime.

In FY 2005 the Bureau programmed \$81.7 million (Table Eight) in agriculture activities. Ukraine had the largest program with \$30.2 million appropriated for agriculture. DCHA’s Food for Peace Office provided an additional \$9.4 million (Table Five) for development activities in Tajikistan.

U.S. universities have been mobilized by USAID missions to provide support. Activities include:

Table Eight. E&E Agriculture Appropriations per \$1,000	
	Total
Bilateral	
Albania	1,120
Armenia	8,693
Azerbaijan	3,950
Bosnia & Herzegovina	0
Bulgaria	1,226
Croatia	2,628
Georgia	6,566
Kazakhstan	380
Kosovo	2,500
Kyrgyzstan	1,120
Macedonia	2,207
Moldova	2,283
Montenegro	4,357
Romania	5,550
Russia	965
Serbia	2,471
Tajikistan	1,251
Turkmenistan	100
Ukraine	30,231
Uzbekistan	2,662
Regional	
Central Asian Republics	375
Europe	643
Eurasia	468
Total	81,746

- Pennsylvania State University provides Kazakh State Agro Technical University with a visiting professor to teach qualification advancement courses in agribusiness. Together, the two universities provide agriculture sector policy guidance to the Ministries of Education and Agriculture.
- USAID/Ukraine, through the “Improving Income of Private Ukrainian Agricultural Producers through Agricultural Extension” project being implemented by Louisiana State University (LSU), developed and is currently piloting a university-based extension service in three regions of the country. The project is playing a key role in the government’s adoption of legal statutes enabling state support for extension services. LSU is also assisting three partner universities in incorporating extension curricula into their degree programs.
- And, in Albania, significant progress is being made in assisting small farms to expand herds and increase dairy production. In FY 2005, income-earning opportunities were expanded for small farmers and other rural entrepreneurs by improving milk quality and yields. The project is contributing to the rationalization of Albania’s milk and meat industries.

In FY 2003 the Agency broadened its source of agriculture funds to include some portions of environment funds after biodiversity and energy funds have been removed. This aligns funding spigots with Title XII’s definition of agriculture. In FY 2005 the Agency began reporting by appropriated funding levels rather than obligated funding levels.

LAC Latin America and the Caribbean Bureau

The countries in the Latin America and Caribbean (LAC) region are vitally important to the national security of the United States. Economic growth in the region has been disappointing, and large segments of the population have yet to enjoy the benefits of economic growth because they lack access to the economic, financial, and social opportunities needed to improve livelihoods.

Achievement of more equitable economic growth and sustained poverty reduction requires a predictable and enabling trade and investment climate, more secure property rights, and improved access for the poor, particularly in the rural sector, to productive assets. In FY 2005, LAC Bureau funded \$89.6 million (Table Nine) for agriculture programs in the region. DCHA’s Food for Peace Office programmed an additional \$88.6 million (Table Five) in development activities in six countries (Bolivia, Guatemala, Haiti, Honduras, Nicaragua, and Peru).

Table Nine. LAC Agriculture Appropriations per \$1,000 Total	
	Total
Bilateral	
Bolivia	2,141
Brazil	0
Colombia	32,893
Dominican Republic	342
Ecuador	9,360
El Salvador	7,430
Guatemala	3,239
Haiti	15,187
Honduras	4,014
Jamaica	1,970
Mexico	344

Key USAID interventions for rural areas include helping countries to address treaty obligations and administration issues (e.g., customs, rules of origin, and sanitary and phytosanitary measures); supporting efforts toward economic and political integration (e.g., harmonization of products and other standards, customs procedures); and promoting sustainable access of small and medium-sized enterprises to new market opportunities. This includes enterprises engaged in the production and value-added processing of high-value crops and services with potential to export to niche markets.

In FY 2005, USAID missions mobilized:

- Michigan State University's Partnership for Food Industry Development project which helped increase sales of fruits and vegetables by over \$17 million in Nicaragua (\$4 million in local/regional market sales and \$13 million in sales to the United States and Canada).
- The University of Wisconsin's Broadening Access to Sustainable Input Systems Collaborative Research Support Program to collaborate with the Peru mission on an investigation of the risks inherent in agricultural activities that result in a low level of financial transactions in this sector.
- The University of Georgia's Peanut Collaborative Research Support Program to work with the oilseed growers association in Bolivia to develop their capacity to support research on peanuts. The association has developed improved peanut varieties and technologies, and USAID Bolivia is funding the dissemination of these technologies to farmers in Valles and Chacos.

Nicaragua	5,323
Panama	0
Paraguay	0
Peru	2,438
Regional	
Caribbean	1,238
Central America	2,208
LAC	1,486
Total	89,613

In FY 2003 the Agency broadened its source of agriculture funds to include some portions of environment funds after biodiversity and energy funds have been removed. This aligns funding spigots with Title XII's definition of agriculture. In FY 2005 the Agency began reporting by appropriated funding levels rather than obligated funding levels.

II. Programs and Activities Over the Next Five Years

Over the next five years, USAID plans to work with U.S. universities and their public and private sector partners to strengthen institutions for agriculture and build human capacity throughout the developing world. These programs aim to build on current successes and identify new ways of promoting development. Agricultural research intends to identify the parameters for productivity increases, thereby enabling people around the globe to grow and sell agricultural products more effectively, feed their families, and earn higher incomes while protecting the environment. Research

on agricultural policy aims to strengthen the enabling environment that helps agribusinesses to prosper. By funding both research and development interventions, USAID will work to ensure that research results inform future development projects.

USAID plans to continue a partnership that has built agricultural research and training institutions, shaped ministries, and promoted the international agricultural research and development agenda for over forty years, beginning in the 1960s when U.S. universities built the Indian national agricultural university system, to the present, where they are helping to rebuild Afghanistan's agricultural universities. Working with the U.S. university community over the next five years builds on two proven successes of Agency's agriculture programs. Investments in agricultural research have yielded significant returns, with conservative estimates at 40 percent, and higher for new technologies.⁴ At the same time, analyses point to the growing importance of investing in higher education to enable developing countries to compete successfully in an increasingly knowledge-based global economy.⁵

Improving the enabling environment for economic growth and poverty reduction through institutional and human capacity building remains a high priority for the Agency, not only in the sciences, but also in trade, policy analysis, institutional management, gender analysis, and many other areas. The Commission on Africa asserts that "capacity building and accountability are primary areas of change that influence all sectors and programs".⁶ Capacity building provides high returns and is a major comparative advantage of U.S. foreign assistance. Human and institutional capacity building needs vary by region and country type. In rebuilding countries, the Agency plans to focus on revitalizing institutions long plagued by conflict and on building human capacity. In developing and transforming countries, many of which are in Africa, the Agency intends to emphasize short-term training and on strengthening government institutions and universities. In sustaining partnership countries, where significant expertise and capacity already exists, the emphasis will likely be on partnerships and scientific networks to enable and encourage existing centers to head in new directions.

USAID will work with its U.S. university partners to assess their role and contribution in helping the Agency implement its foreign assistance program. University programs and potential future

⁴ Pinstrup-Anderson, Per, Mattias Lundberg, and James L. Garrett 1995 "Foreign Assistance to Agriculture: A Win Win Proposition" Washington, DC: International Food Policy Research Institute.

⁵ Bloom, David, David Canning, and Kevin Chan 2006 "Higher Education and Economic Development in Africa" Washington, DC: World Bank, Human Development Sector, Africa Region.

⁶ Commission for Africa 2005 "Our Common Interest" Report of the Commission for Africa. London, UK: Commission for Africa. (March) <http://www.commissionforafrica.org/english/report/introduction.html>.

programs that can respond to particular country category agricultural constraints are illustrated below.

In **rebuilding countries**, Agency university programs can help improve public sector legitimacy and effectiveness. These programs can assist in revitalizing those agricultural institutions damaged by conflict and neglect and create new agricultural institutions as needed. These programs are critical in providing up-to-date information, capacity, and skill building to governments. Both institutional and human capacity-building efforts will be at the core of interventions.

In countries still in conflict, networks between countries may be established so that scientists, civil society, and the private sector can link to regional and international agricultural institutions with the aim of maintaining agricultural capacity within country. Bringing in state-of-the-art knowledge of global agriculture, such as the value-chain approach, can speed economic recovery through targeted strengthening of local research and extension capacity.

Over the next five years, USAID's university programs in rebuilding countries may undertake the following activities:

Rebuilding Countries	
Agricultural Sector Productivity	
Research and Technology Dissemination	Assist ministries such as the Ministry of Higher Education or Ministry of Agriculture in building capacity in agricultural and veterinary science education through faculty and college curriculum development, distance learning and facility rehabilitation.
Land and Water Management	Assist ministries and other local partners undertake impact assessments of displaced people's impact on land, forest and water resources, diagnose land and water issues, design policy options, and provide technical assistance for policy implementation.
Rural and Agricultural Finance	Identify innovative approaches to restart or to increase financial flows to small producers.
Agribusiness and Producer Organizations	Develop demand-driven (market-oriented) producer associations or cooperatives for inputs and outputs marketing which, by organizing around an economic motive, can reach across the conflict divide.
Market and Trade Capacity	Work with local partners to design, implement and evaluate policies, programs and institutions that strengthen markets including communications, finance and transport infrastructure.
Emerging Agricultural Threats	Build ministry capacity in the detection and management of threats such as desert locusts and avian influenza.
Agricultural Safety Nets and Livelihood Services	Undertake collaborative research to identify thresholds for recovery in a variety of rebuilding contexts and develop innovations to assist rural

	and agricultural households to maintain/regain productive capacity (including assets) and smooth income and food consumption.
Agricultural Enabling Environment	
Agricultural Resource Policy	Build country capacity to identify tenure issues and processes for resolving competing claims to land/forest/water resources for displaced people and for reintegrating ex-combatants.
Food Policy	Help develop a comprehensive food policy encompassing current and future food security needs, production and trade opportunities, health and nutrition targets, and pro-poor market access.
Agricultural Markets and Regulatory Policy	Begin dialogue on agricultural input market reform and private sector development.
Public Investment Policy	With local public and private partners, identify production and marketing bottlenecks and constraints that targeted public sector investments could remove and advise on financial planning and/or cost recovery.

In **developing countries**, USAID may draw upon U.S. universities' long-term associations with national universities and government institutions to test and deliver proven technologies in local communities. Universities are also well-placed to deliver policy-relevant research results and to shape national policies to improve the enabling environment for seed distribution, fertilizer subsidies, biotechnology regulation, and a range of environmental issues. In developing countries, human and institutional capacity building is essential. U.S. universities will likely maintain their collaboration with nascent institutions and provide training in critical fields of agricultural and environmental sciences, develop curricula for advanced study appropriate to country needs, and build laboratory resources.

Over the next five years, USAID's university programs in rebuilding countries may undertake the following activities:

Developing Countries	
Agricultural Sector Productivity	
Research and Technology Dissemination	Build institutional and human capacity in research, extension, and community development through agriculture.
Land and Water Management	Undertake collaborative research to identify the types of communities that participate successfully in environmental services programs, to see who gains most from the implementation of these programs, and to determine which institutional arrangements enhance benefits for the poor.
Rural and Agricultural Finance	Accelerate technology adoption by increasing farmers' income with marketing strategies such as the "warrantage" system or inventory credit systems, which lend farmers money so that they can pay their

	expenses at harvest while retaining ownership of the grain.
Agribusiness and Producer Organizations	Organize training and exchange tours to link producers with exporters and policy makers, in part to enable producers to acquire knowledge on positioning themselves for profitability in the agricultural marketing industry.
Market and Trade Capacity	Develop markets in remote areas including cottage industries to use local crops in school feeding programs and expand the private sector's role in input and output markets.
Emerging Agricultural Threats	Continue collaborative research on food safety and threats to human and animal nutrition such as avian influenza and the uncontrolled exposure to human aflatoxicosis through the presence of the toxin in foods.
Agricultural Safety Nets and Livelihood Services	Address the consequences of natural disasters on rural families by identifying successful approaches to development and disaster assistance to help the most vulnerable households. Investigate effective mechanisms to reduce risk and vulnerability for poor households.
Agricultural Enabling Environment	
Agricultural Resource Policy	Identify the institutional conditions and interactions that will deliver benefits equitably to local people while sustaining natural resources.
Food Policy	Continue long-term applied research and policy dialogue on 1) food systems performance, 2) household income/livelihood dynamics, and 3) food security/natural resource management interactions.

Developing Countries	
Agricultural Enabling Environment (continued)	
Agricultural Markets and Regulatory Policy	Continue outreach on agricultural input market reform and private sector development. Build government capacity to meet international grades and standards and SPS requirements.
Public Investment Policy	With local public and private partners, identify production and marketing bottlenecks and constraints that targeted public sector investments could remove and advise on financial planning and/or cost recovery.

In **transforming countries**, U.S. universities at both the national and regional levels have a critical role to play in strengthening institutional capacity and enhancing agricultural market systems. The focus in these countries and regions is on working with both the public and the private sectors, building technical expertise in the identification of high-value crops for regional and international markets and private partnerships in order to expand into areas of value-added processing. University programs will likely work with established local institutions, supporting networks of scientists and enhancing human and institutional capacity. Fellowship programs such as the BIFAD Long-Term Training and the Borlaug Fellowship programs will provide young scientists with access to state-of-the-art degree programs and establish career-long networks. Because of their relatively well-established infrastructures, transforming countries often develop technologies that have applicability in other countries. Targeted efforts to remove technical or policy constraints in these countries can have large payoffs for producers and the national economy.

Over the next five years, USAID's university programs in transforming countries may undertake the following activities:

Transforming Countries	
Agricultural Sector Productivity	
Research and Technology Dissemination	Assist research institutes in establishing new linkages with the private sector through the introduction of high-value alternative crops and adding value by identifying quality food products with extended shelf lives and potential for export.
Land and Water Management	Build producer capacity to use monitoring technology that provides timely information on forage conditions in order to increase lead time for herder groups and policy makers to make risk-mitigation decisions.
Rural and Agricultural Finance	Assist in financial sector deepening including sustainable agricultural and rural finance that reaches even remote areas and provides a wide range of products and services (insurances, savings, etc.).
Agribusiness and Producer	Support the creation of new business entities and promotion of

Organizations	existing small businesses that produce commodity-based food products for a wide range of markets.
Market and Trade Capacity	Improve niche production (e.g., specialty coffee) among small and medium-scale farmers and assist in establishing niche linkages with global markets.

Transforming Countries	
Agricultural Sector Productivity (continued)	
Emerging Agricultural Threats	Train government and university staff and farmers in highly pathogenic avian influenza (HPAI) detection, surveillance, treatment, and control at the farm level.
Agricultural Safety Nets and Livelihood Services	Build national and local government capacity to develop and manage sustainable safety net programs.
Agricultural Enabling Environment	
Agricultural Resource Policy	Assist in the rationalization of a system for resolving conflict between agricultural and natural resource management land use and forest/mineral concessions and enforcing forest/mining policy.
Food Policy	Strengthen the capacity of local institutions to conduct their own policy design and impact assessments and to advocate for new policy reform.
Agricultural Markets and Regulatory Policy	Strengthen sustainable agricultural market information systems (MIS) through the provision of near real-time data on market conditions.
Public Investment Policy	With local public and private partners, identify production and marketing bottlenecks and constraints that targeted public sector investments could remove and advise on financial planning and/or cost recovery.

In **sustaining partnership** countries, USAID support to U.S. universities aims to grow partnerships as well as undertake professional exchanges and joint exploration of emerging issues in the global agricultural system. These countries, which have well-established agricultural institutions and markets, gain from collaborative university relationships that enhance their capacity to develop cutting-edge technologies and adopt transformative policies. Agency university programs in sustaining countries have the capacity to bring previously excluded groups into these globalizing economies and expand already successful areas of production and marketing into new markets.

U.S. university programs in sustaining partnership countries may undertake over the next five years to:

Sustaining Partnership Countries	
Agricultural Sector Productivity	
Research and Technology Dissemination	Strengthen linkages between research communities and end-users of research with a focus regional networks that establish permanent linkages between the researchers and resource-poor and small-scale farmers.
Land and Water	Strengthen country capacity to implement loan guarantee programs

Management	for farmers undertaking sound soil and water management.
Rural and Agricultural Finance	Increase country capacity to address rural and agricultural finance issues through activities such as development of a virtual center for the analysis and support of rural/agricultural finance markets.

Sustaining Partnership Countries	
Agricultural Sector Productivity (continued)	
Agribusiness and Producer Organizations	Strengthen private sector capacity to support the creation of new small business entities and promote existing small businesses the produce value-added food products.
Market and Trade Capacity	Disseminate state of the art food safety materials to scientists to improve their understanding of the science and regulations associated with international markets.
Emerging Agricultural Threats	Increase country capacity through collaborative research and the establishment of hub and satellite plant disease diagnostic centers to detect, diagnose and manage diseases of agricultural plants.
Agricultural Safety Nets and Livelihood Services	Collaborative research on best practices and lessons learned to reduce rural and agricultural households' risks and vulnerabilities.
Agricultural Enabling Environment	
Agricultural Resource Policy	Collaborate on the development of sustainable financing schemes for forest and biodiversity conservation.
Food Policy	Assist countries to develop comprehensive policy reform lessons-learned and to work with local institutions to engage with the private sector in policy development.
Agricultural Markets and Regulatory Policy	Continue collaborative research on the growth of supermarkets and their potential and challenges for small farmers and agricultural workers.
Public Investment Policy	With local public and private partners, identify production and marketing bottlenecks and constraints that targeted public sector investments could remove and advise on financial planning and/or cost recovery.

III. Summary of BIFAD Activities

BIFAD – the Board for International Food and Agriculture Development – was authorized in 1975 under Title XII – Famine Prevention and Freedom from Hunger (P.L. 94-161) – of the Foreign Assistance Act of 1961, as amended. Title XII mobilizes the capacities of U.S. land-grant and other eligible universities and their public and private sector partners to ensure food security, human health, agricultural growth, trade expansion, and the wise and sustainable use of natural resources. BIFAD's primary roles are to advise and assist the USAID Administrator on agricultural and food security issues including the administration, implementation, and monitoring of U.S. university-led Title XII activities.

During FY 2005, BIFAD held three meetings – its 142nd on October 13, 2004 in Des Moines, Iowa, the 143rd on February 3, 2005 and 144th on May 19, 2005, both in Washington, D.C. The Des Moines meeting was held in conjunction with the awarding of the 2004 World Food Prize to Professor Yuan Longping of China and Dr. Monty Jones of Sierra Leone for their work on hybrid rice development in China and West Africa, respectively.

In FY 2005, BIFAD provided advice to the Agency on: the restructuring and on-going management of the Collaborative Research Support Program (CRSP) that mobilizes U.S. universities, their public and private sector partners, and collaborating institutions in the developing world to address agricultural development constraints; the revitalization of USAID-sponsored long-term training in the agricultural sciences, with particular emphasis on Africa; university implementation and compliance with the Agency's participant training database and tracking system (TraiNet), and J-1 visa requirements; and addressing the inadequate attention being accorded to horticulture in the Agency's research program.

Also in FY 2005, with the encouragement and support of BIFAD, the Agency initiated an Intergovernmental Personnel Act (IPA) with a U.S. Land Grant University to second a senior

BIFAD Members, FY 2005

- M. Peter McPherson, *Chair*
Former President, Michigan State University
- Mike Deegan
Former President and CEO, ACDI/VOCA
- William DeLauder
President Emeritus, Delaware State University
- Carol Lewis
Dean, University of Alaska
- Anthony Laos
President and General Manager, Stauffer Seeds
- Stewart Iverson, Jr.
Majority Leader of the Iowa State Senate
- Sharron Quisenberry
Dean, Virginia Polytechnic Institute and State University

BIFAD Secretariat

John Swanson
Title XII Federal Officer
U.S. Agency for International Development

SPARE Members, FY 2005

- Winfrey Clarke, *Chair* (to September 30, 2006)
Virginia State University
- Bobby D. Moser (to September 30, 2008)
Ohio State University
- Robert Paarlberg (to September 30, 2009) *Wellesley College & Harvard University*
- Sandra Russo (to September 30, 2008)
University of Florida
- Jane Gleason (to September 30, 2007)
Development Alternatives, Inc.
- John Thomas (to September 30, 2007)
U.S. Agency for International Development
- David Hess (to September 30, 2006)
U.S. Agency for International Development

SPARE Observers

- John R. Vreyens, *University of Minnesota*
(for the Board on Agriculture of the National Association of State Universities and Land Grant Colleges)
- Anthony Laos, *Stauffer Seeds (for BIFAD)*

faculty member to the EGAT Agriculture Office as a senior advisor for university relations and agricultural research, outreach and training. At its May 19, 2005 meeting, BIFAD recommended that the Agency hire, in addition to the IPA, a senior Agency agricultural scientist whose responsibilities would include oversight and research priority setting of the CRSP portfolio.

SPARE Secretariat

Susan Thompson, *U.S. Agency for International Development*

Strategic Partnership for Agricultural Research and Education (SPARE)

To carry out its mandate, BIFAD draws on the efforts of its working subcommittee, the Strategic Partnership for Agricultural Research and Education (SPARE). SPARE brings together leaders and experts from the university community, the private sector and USAID to provide guidance and oversight to the agricultural research and education activities of USAID. SPARE undertakes strategic planning, program conceptualization, monitoring/evaluation, and priority setting for the agricultural research and educational agenda of the Agency.

In FY 2005 SPARE:

- Advised BIFAD in its effort to secure the appointment of an EGAT Senior Agricultural and Natural Resources Management Science Advisor. The creation of this position would provide USAID the in-house capacity to incorporate science-based solutions in the development of its agricultural agenda.
- Reviewed drafts of the Agency's revised portfolio of CRSP research and advocated in favor of rebuilding the Agency's long-term training portfolio in agriculture and related disciplines, with a particular focus on cost-effective models for accomplishing this goal.
- Assessed options for a CRSP governance structure, including the possible creation of a CRSP Board.
- Undertook a study of opportunities for the U.S. university community to more fully and productively work with USAID in carrying out program and project monitoring and evaluation, and began discussions toward this end with the Center for Development Information and Evaluation (CDIE), the Agency unit with principal responsibility for monitoring and evaluation.
- Launched a process to track, in a more systematic way, USAID budgetary outlays for agriculture

and related areas in order to maintain a record of commitment by the Agency to agriculture as part of its overall development agenda.

- Commissioned a study on the working relationship between the university community and private sector contractors in the implementation of the Agency's agricultural programs. The study was undertaken at the request of BIFAD in response to universities' concerns that they frequently find themselves excluded from implementation of projects for which they were included in private sector-led tender proposals.

**Separate Views of the Board for International Food and Agriculture Development on
USAID's 2005 Title XII Report to Congress**

from

Peter McPherson 

Chairman of the Board for International Food and Agriculture Development (BIFAD),
Administrator of USAID, 1981-87

As chair of BIFAD, I am providing these additional comments to the BIFAD annual report, prepared by USAID. I appreciate the significant efforts of Ambassador Randall Tobias to strengthen the management of USAID programs. Moreover I have the greatest respect for the dedication and hard work of the employees at USAID. The views expressed in this response are held by a large number of people at USAID and many others in the development community. They are views expressed by USAID and the Administration at budget hearings in recent years and from time to time by people on the Hill. I respectfully ask that these views be seriously considered.

Economic growth and agriculture should be central components of our development program. Because 60 percent of the sub-Saharan population is rural, significant economic growth in Africa cannot occur without great increases in agriculture production. Growth in agricultural productivity is stagnant. The production increases that Africa has achieved are primarily due to farming additional marginal lands. Unfortunately these lands represent ever more fragile lands that are not sustainable and are being quickly degraded. Africa's per acre production levels remain flat, per capita agricultural production has declined and overall production is the lowest in the world. Famine is ever more frequent and intense, shifting donor resources from development to disaster assistance.

There is an excellent recent study that shows that USAID expenditures for African agriculture, defined broadly, were more or less constant between 2000 and 2005 (these figures do not include MCC amounts). That study was done by the Partnership to Cut Hunger and Poverty in Africa and funded by the Rockefeller Foundation. The study also showed the huge increases for health in Africa.⁷ Yet USAID investments in economic growth and agriculture remain consistently low and out of balance with the rest of the Agency's portfolio. It is difficult, as the report indicates, to pull together accurate numbers on funding levels even with the best efforts within or outside USAID. I strongly support the increase in health and child survival funding, but I respectfully argue that the lack of balance misses a critical point. Children and adults must have food as well as medicines to be healthy. Nutrition is strongly linked to human health, and to cognitive and physical development. We need to address not only the survival of children but their future welfare and productivity. It is the productivity, creativity and entrepreneurial capacity of people that drives economic development

⁷ <http://www.africanhunger.org/index.php?location=view.article&id=232>.

and builds democratic and stable societies. Because of the earmarks for medical programs, but none for agriculture and economic development, the latter get an ever shrinking residual of the overall funding at USAID.

It is widely understood on and off Capitol Hill that USAID in the last 10 to 15 years has shifted from a significant development focus to a focus on disaster assistance and immediate needs. Put another way, the program has moved from medium- and long-term commitments to short-term interventions. USAID has become simply a different agency than what the legislation intended. Africa is where we have the best figures on expenditures and in some ways, the greatest challenge. Both donors and developed countries cannot expect sustained change in developing countries without a significant medium- and long-term effort. Since we all recognize sustained efforts to be critical as we look at the history of our country and the rest of the world, why do we omit it in our development agenda?

The lack of support for medium- and long-term efforts in agriculture underscores this shift. Support for agriculture research, human and institutional capacity building is not sufficient to achieve development success. Congress directed through Committee Report language that the important CRSP program be funded for FY06 at \$28 million but USAID allocated \$23 million. Despite the fact that language in the House and Senate reports on the Foreign Operations Appropriation Bill for FY07 calls for \$31 million and \$28 million respectively, indication from USAID is that funds for the CRSPs will be further reduced in FY07 by 26 percent or \$6 million. The International Agriculture Research Centers through the Consultative Group for International Agricultural Research (CGIAR) have been key contributors to agriculture development and natural resource management over the decades. I recall the hard battles I fought in the 1980s to keep the level of support at \$40 million a year in 1980s dollars. This year the figure is \$25M million and further cuts are being discussed. Let me be clear, many good and dedicated people at USAID think these reductions are a mistake but are defeated by the overall earmark/budget allocation process.

Long-term training (degree training to the MS or PhD level) has fallen dramatically because its diffuse and long-term impacts do not compete in this short-term oriented environment. Figures show that the number of people USAID funded for all types of long-term training dropped from more than 9,000 in the 1990s to less than 1,000 presently. Numerous in-depth studies make clear that long-term training is one of our best investments for development and is valuable to U.S. national interests. Anyone working for the State Department in developing countries will tell you the value of people trained in the United States. BIFAD and USAID have developed some pilot training programs that cut costs, are effective, run efficiently and are well regarded by USAID personnel. These programs remain as prototypes, unable to be expanded for lack of funding. The great increases at USAID in K-12 education are excellent, but does anyone believe that a country can build its economy on high school graduates alone in the 21st century's global economy?

Institutional building, including the building of colleges and universities, historically has been a central function of USAID. USAID trained thousands of scientists in the 1970s and 1980s many of whom run their national universities, research institutions, and governments. These individuals, coupled with support for institutional building, created many of the institutions and private sector companies in countries like India, Ethiopia, Morocco, Chile and Philippines that have been responsible for significant advances in agriculture. Much more is needed. Most of these U.S. trained scientists are now on the verge of retirement and their institutions struggle to maintain productivity in the face of low national economic growth.

Trained people are the fundamental core of these institutions and at a time when we need more highly skilled individuals to lead and advance these institutions, USAID is doing less. Building institutional capacity in today's information age is less costly and more effective than in the past, yet the prevailing short-term focus has become a major constraint in achieving such essential development.

If the development community today invests heavily in only the short-term without a balanced commitment to long-term training, we condemn today's investment to tomorrow's failures. The sustainability of development interventions is built on the capacity of well-trained and creative people to grow economies that generate revenues to maintain and enhance our present investments and in the longer-term provide the platform for stable, socially responsible and democratic government. Imbalance in our investment is a recipe for long-term disappointment and failure.

Historically USAID, representing the American people, has been a leader in development matters and it is worth noting that the Agency's move away from agriculture and longer-term efforts appears to have influenced other donors to follow suit. Foundations such as Gates are moving into agriculture in Africa because they see that USAID and others are not doing enough. Given the magnitude of the challenges in development and the importance of success, such efforts should be additive and not supplemental. USAID has a critical lead role to play in this process.

These trends are pertinent to BIFAD and the university community because we deeply believe that long-term investments are as critical to the development process as short-term interventions. As we often see in domestic discussions, there is a healthy tension between long- and short-term visions. Success is achieved when there is a balance; presently the USAID portfolio is seriously unbalanced.

Universities are some of the oldest institutions in our society and they naturally represent long-term and sustainable perspectives. In the United States, public universities have a long history in problem solving, human and institutional capacity building, and commitment to international development. U.S. universities are unrivaled in their ability to train people, create knowledge and build institutions and doing so internationally; they have established long-term links to people, institutions and nations across the globe. These links support U.S. interests economically and culturally. They also are the

main avenues to stable and democratic societies that serve not only human welfare but also our own national security

Title XII was enacted and BIFAD created in part to advise USAID on the issues which are addressed herein. Under the law, BIFAD is to advise and assist the Agency on matters of agriculture development and to assist USAID work in partnership with the U.S. university community to achieve the development goals of the United States Government.

What has occurred is a huge shift in focus by USAID. It has come as a result of many separate decisions made by a number of people over several years. BIFAD advises that best course of action is to begin again to address in a more comprehensive fashion the underlying complexity of development and to consider the broader picture of allocations relative to their impact on development for the world's poor.

This publication is submitted to Congress pursuant to Section 300 of the Foreign Assistance Act of 1961, as amended by the Famine Prevention and Freedom from Hunger Improvement Act of 2000. It was prepared by Susan J. Thompson, Office of Agriculture, Bureau of Economic Growth, Agriculture and Trade. Under grant EDH-A-00-04-00002-00 to the National Association of State Universities and Land Grant Colleges (NASULGC) materials for Section II were gathered from the U.S University Title XII community.