

ANALYSIS-G8 promise a \$20 bln chance to beat odds on hunger

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Source: Reuters

* \$20 bln promise goes back to funding farming basics

* Patience required to see foreign farm aid pay off

* U.S. Congress may be lukewarm to food aid reform

By Roberta Rampton

WASHINGTON, July 17 (Reuters) - Last week's promise by the world's wealthiest nations to spend \$20 billion on impoverished farmers represents a chance to tackle chronic hunger, but leaders face daunting odds to make the pledge count.

The back-to-basics three-year commitment by G8 governments to aid small farmers in Africa and parts of Asia -- sparked in part by riots and hoarding during last year's food price spike -- represents an about-face in focus, aid experts said.

Instead of counting on shipments of food from donors, particularly the United States, to feed the more than 1 billion chronically hungry people in the world, leaders want to help more smallholder farmers feed themselves and their neighbors. [ID:nLA547470]

Development experts say \$20 billion won't be enough to fix decades of neglect by governments of poor and rich countries alike. But they believe with enough leadership, it could significantly shift momentum in the right direction.

"This is really a very fundamental rearticulation of what it takes to achieve poverty reduction, hunger reduction, and increase economic stability in poor countries," said Christopher Barrett, a development economist at Cornell University.

There are few details of how the money will be spent [ID:nLA648234], and it's likely that not all the commitments will be "fresh" government spending.

But it could boost initiatives that give farmers seed, fertilizer, irrigation and infrastructure to get crops to market, as well as agricultural research to create seeds better suited to local conditions, and agricultural education.

Foreign farm aid has dwindled in the 40 years since the "Green Revolution" began boosting farm output in southeast Asia.

Donor countries shifted emphasis to what Barrett called "shiny and new" development projects that address laudable causes like HIV/AIDS, but sidestep hunger and poverty.

"Basic, common-sensical things don't have a lot of cachet. There's nothing sexy and innovative about it," Barrett said.

In place of development aid came food hand-outs. The United States, the world's largest aid donor, now spends 20 times as much on buying and shipping food aid to Africa as it has on farm aid, the Chicago Council on Global Affairs has said.

The G8 plan aims to rebalance farm aid and food aid, said Jim McDonald, vice-president for policy and program at Bread for the World, an aid advocacy group.

While more farm aid investment could yield rich returns in reducing hunger, it will take patience and years of sustained funding before research and education projects pay off.

Leaders will be tested to stay the course, said Mark Suzman, an official with the Gates Foundation, one of several major philanthropists targeting farm aid in recent years.

"Agriculture gets you enormous bang for your development dollar," Suzman said.

The lack of immediate results combined with pressing and massive domestic spending priorities could restrain enthusiasm in Congress -- responsible for doling out U.S. aid money -- for the G8 promise, particularly ahead of elections next year.

"I know that foreign aid generally is not really popular, in terms of the politics of it," said Dan Glickman, former U.S. Secretary of Agriculture who also spent 18 years in Congress.

Americans support the concept of foreign farm aid, according to polling commissioned by the Chicago Council, where Glickman is co-chair of a food security initiative.

But they want to make sure it's not wasted. That sentiment long helped justify the U.S. focus on food aid shipped from American farmers on American ships, McDonald said.

"The idea (was) 'Foreign aid is well-spent because actually most of it stays in the United States,'" he said.

Shippers, processors and farmers who benefit from traditional food aid shipments could pressure Congress to avoid some needed reforms, McDonald and others said.

Still, several bills wending their way through Congress would authorize extra spending on foreign farm aid and overhaul the way America manages its foreign aid. [ID:nN25336125] [ID:nN24417894]

On a global level, the \$20 billion will require coordination and stewardship so it doesn't evaporate -- like previous G8 aid promises -- and is smartly distributed.

"If they can actually get all the countries plus (the United States) to deliver on that G8 commitment, that would be remarkable," said Mary Chambliss, an international food aid consultant and former U.S. Agriculture Department official.

The plan is expected to be fleshed out at the G20 summit in Pittsburgh in late September. But with more than 1 billion people going hungry, the world can't wait for leaders to take quick action, experts said.

"The main thing on this is it needs leadership, it needs sustainability, it needs follow-through," Glickman said. (Editing by David Gregorio)



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