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ERADICATING EXTREME POVERTY AND HUNGER**

**HOW CAN POLICY COHERENCE IN AGRICULTURE CONTRIBUTE TO  
THE ERADICATION OF EXTREME POVERTY AND HUNGER?**

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**Abstract**

*This paper on the eradication of poverty and hunger attempts to offer some insights into how policy coherence can play a significant role in addressing these twin problems affecting the developing world. Specifically, it highlights the state of poverty and hunger in the world today, identifies the role of policy coherence in addressing these problems, before going on to emphasise the roles and responsibilities of the key actors in the policy sphere: governments in developing countries, governments in developed countries, the international community as a whole, the private sector, and civil society - both in developing countries and in OECD countries. The paper draws out a number of conclusions on policy coherence in agriculture, namely: if there are going to be genuine benefits for the poorest of the poor from agricultural policy coherence there needs to be differentiation between the needs and economic structures of developing countries and the least developed countries; there needs to be greater emphasis on the policy decisions of national governments in developing countries; and policy sequencing is an essential component in an effective and productive policy coherence framework.*

**Introduction**

The first Millennium Development Goal (MDG) is aimed at eliminating poverty and hunger in the world. It has two targets – to halve between 1990 and 2015 (a) the proportion of people whose income is less than \$1 a day and (b) the proportion of people who suffer from hunger. Achievement of MDG 1 would underpin the achievement of the other MDGs, of which there are eight in total.

The question I try to answer in this paper is what role policy coherence can make to achieve the halving of hunger by 2015, as set down in MDG 1. I had the honour of serving on the Millennium Project's Hunger Task Force (HTF), along with two fellow participants in this Global Forum, Joachim von Braun of the International Food Policy Research Institute (IFPRI) and Kevin Cleaver of the World Bank. The Task Force proposed a detailed policy agenda for the achievement of this objective. This paper draws on the work of the Hunger Task Force and on the experience of my own organisation, Concern Worldwide, which has been working to fight famine and hunger and to promote development for the 37 years of its existence.

The paper has four sections:

I start by discussing hunger in the world today – its location, scale and nature, and its costs in human, economic and social terms.

I then attempt to define what aspects of policy coherence are relevant to an agenda for halving world hunger by 2015.

I discuss a number of overarching factors such as conflict, governance and HIV/AIDS on which progress must be made if policies aimed at eliminating hunger are to have any chance of success.

The main section of the paper identifies the actors who are key to achieving the Hunger MDG and the policies which I believe they should implement if it is to be achieved. The key actors are the governments of developing and developed countries; the UN and the international community; the private sector and civil society, both with developing countries and internationally. The proposed policies are those which, based on available evidence, have worked in a range of different circumstances.

### **Hunger in today's world.**

We need to start from an understanding of the scale and nature of hunger in today's world.

The HTF report noted that, over the past 20 years, the proportion of the world's population who are hungry declined from one fifth to one sixth. But today, over 800 million people, mainly in the developing world, are still acutely or chronically hungry. Most of them are in Asia, particularly India (221 million) and China (142 million). In both these countries and in other countries in Asia, rapid economic growth is contributing to a significant reduction in the number of hungry people. This is not the case for Sub Saharan Africa, which has 204 million hungry people and is the only region in the world where hunger is increasing. If current trends continue, this region will fail to meet the MDG on halving hunger. Because this is the region with the most acute problem, my paper will focus to a considerable degree on the specific policy requirements of Africa in meeting the MDG.

Further analysis from the HTF classifies the hungry into four main categories which include farm households (400 million), rural landless households (176 million), urban households (160 million), and herders, fishers and forest dependent households (64 million) (HTF: 2005).

The causes of hunger are multifaceted and include poverty, low production, poor education of mothers, climatic factors and poor water and sanitation. The situation in Africa is aggravated by falling levels of per capita cereal production, which is now 10% less than in 1960, and rapid population growth. Policy failure, macroeconomic instability, lack of support for agriculture and collapse of infrastructure have also contributed to the decline in food production.

Hunger is generally classified according to three forms: acute, chronic and hidden.

Acute hunger involves severe undernourishment over a distinct period, is reflected in wasting and starvation, and is caused by emergency situations which require immediate food aid. Acute hunger is what grabs the headlines – this year we remembered the Ethiopian famine of 20 years ago and we had to deal with a severe food crisis in Niger. Unless urgent action is taken, I fear we may see similar scenes in the coming months in Malawi and Zimbabwe. But, terrible as it is, acute hunger represents less than 10% of the hungry.

The vast majority of hungry people are chronically undernourished. Chronic hunger resulting in malnutrition is caused by a lack of access to the right quantity and quality of food as well as other health related factors. It leads to under weight and stunting, most notably in children. Stunting, in particular, is an indication of the long term nutritional situation of the population. An increase in child mortality brought on by associated diseases often occurs. In an analysis of the target population Concern has dealt with in Eritrea over the past four years, 32% of the children were stunted.

Hidden hunger refers to micronutrient and/ or vitamin deficiencies found in vast numbers of people who otherwise have access to adequate calories and protein. It affects more than 2 billion people.

The costs of hunger manifest themselves in different ways. The human costs are the most shocking. Underweight status is the leading cause of human mortality and morbidity. Of the total number of 852 million who are hungry, over 300 million are children. An estimated 60 per cent of deaths of children less than five years of age in the developing world – from all causes, particularly diarrhoea, malaria, measles – are associated with under nutrition. Between 5-6 million children under 5 die each year from these preventable diseases. Undernutrition in childhood leaves a legacy of physical and mental retardation which can last for generations. At adult level, there is a clear inter-linkage between undernutrition, HIV/AIDS and tuberculosis.

The economic and social costs of hunger are evident in many different areas of society: diminished labour inefficiency, greater susceptibility to illness, intergenerational transmission of poor nutritional status, risk adverse behaviour and a decline in national economic performance. On the latter, it has been estimated that hunger costs developing countries 6– 10 percent in labour productivity annually (HTF: 2005).

### **What role can Policy Coherence play to achieve MDG 1.**

Faced with a problem on this scale, what role can policy coherence play in fighting hunger and in achieving MDG 1? What aspects of policy coherence are important in working towards this objective?

The OECD's recent report 'Policy Coherence for Development' states that "achieving policy coherence is a process through which governments make efforts to design policies that take account of the interests of other policy communities, minimise conflicts, maximise synergies and avoid unintended incoherence" (OECD: 2005: 17).

I will offer an interpretation of this in layman's language. My proposed definition of policy coherence is 'doing the right thing with the right people in the right sequence'.

This definition immediately raises a question of what is a 'right' policy? My answer is based on the evidence available to me as to what policies have been effective in reducing hunger and in achieving development. This is what the Global Forum is ultimately about – to discuss experiences and models from which we can learn and apply to our own national or local circumstances so that resources can be used more effectively and development achieved more quickly and in a sustainable way.

The discussion on policy coherence for development has predominantly focused on how OECD agricultural policies and international agricultural trade policy have been incoherent with the national development policies of developing countries and with the development cooperation – aid – policies of OECD countries.

I would contend that this focus does not capture key elements of policy necessary to achieve the Hunger MDG. It is significant that the HTF saw trade liberalisation in agriculture as being of second order importance in the hierarchy of policy priorities in order to achieve the Hunger MDG. Louise Fresco of FAO contends that policy coherence is based on three related myths:

Myth 1. We can actually achieve policy coherence

Myth 2. Once policy coherence is achieved, everything will fall into place.

Myth 3. Policy coherence is about trade policies of developed or OECD countries.

In my view, the version of policy coherence necessary to achieve the Hunger MDG needs to be a more complex and multilayered version than the more narrowly trade and development policy focused concept which has dominated the discourse. This broader concept of coherence needs to recognise the relative importance of domestic and international policy, the need for policy differentiation to reflect the differences between developing countries and the importance of policy sequencing and synergies. I will discuss each of these factors in turn.

### **The importance of national policy.**

The critical importance of national policy in achieving development needs to be more clearly recognised. Faced with a similar international trade and policy environment, there are considerable differences in economic performance between developing countries. The reasons for this must be better understood and the lessons drawn from it.

The greater emphasis on African leadership we have seen in recent times is a welcome and significant development. This is recognised by the African Union (AU) and by the establishment of the New Economic Partnership for African Development (NEPAD). Only with high governance standards, a commitment to democracy and an emphasis on the rule of law can genuine change take place in Africa. Ultimately, the only people who can achieve real change in Africa are Africans themselves. The Blair Commission on Africa, which included a number of African leaders, also stressed this point.

In the short term, leadership for the development of any country must come from within, driven by domestic stakeholders and policy makers. The failure of too many projects and programmes in the past, due to a lack of ownership, has taught us this simple fact. Similarly, in the short term, developing country governments must adopt development strategies bold enough to meet the MDGs.

But if the primacy of national policy needs to be recognised, the need for external assistance to those leaders and policy makers who are genuinely seeking to achieve development should also be acknowledged. One critical aspect of this assistance relate to human resources for development.

The importance of having the capacity to frame and to administer policy needs more explicit recognition. In many of the poorest countries there are terrible capacity weaknesses. That capacity has been deeply compromised by the HIV/AIDS pandemic which is undermining the human capital base. At another level, the strains on inadequate capacity are further exacerbated by the differing administrative and reporting demands of donors.

### **Policy differentiation**

It is essential to differentiate between those developing economies which are increasingly integrating into the world economy and those least development countries (LDCs) which remain marginalised from it. This latter group of countries have a minimal share of world trade and have a limited capacity, for the foreseeable future, to engage in international trade, even with the most favourable trading arrangements. Many of these countries are in Sub Saharan Africa and are the countries where Concern works. They require a combination of safety nets - to deal with food crises or chronic food insecurity,- long term investment in basic social services such as health and education, and measures to boost the productive capacity of their economies. Because of current structural economic weakness and a

completely inadequate tax base, international development assistance will have to provide additional resources to these countries for the medium term future.

As I will discuss later, the WTO recognises the necessity for special and differential treatment for the poorest developing countries. According to the UN classification, 77 countries fall into the category of 'least developed' and 32 of these are members of the WTO. Current talks accepting that need longer time frames – and an aid for trade arrangement.

#### *Policy sequencing*

Debates on policy coherence frequently pay inadequate attention to the need to specify what sequence of policies which will provide the best basis for development. This is an important practical issue as politicians and policy makers are faced with choices as to what balance between short and long term policy measures can secure development.

The HTF recognised the importance of this sequencing issue. It attempted to identify the priority actions which need to be taken immediately and simultaneously if the hunger MDG is to be achieved. It focused on 'entry points', those first order interventions that are essential to start certain processes of transformation. These should then be followed by many other second order interventions which can only be addressed after the 'entry points' have been successfully addressed (Arnold: 2004).

The Task Force also identified a number of synergistic interventions in that they addressed the hunger problem in more ways than one, or triggered additional innovations which further strengthened anti-hunger efforts and contributed to other MDGs.

### **The Overarching Issues**

The HTF made a series of policy recommendations across three main headings: global level interventions, national level interventions, and community level interventions. The rest of this paper will broadly reflect this approach, drawing particular attention to the connections and symmetries between the three areas.

But the Task Force clearly recognised that there is a wider political and economic framework within which these recommendations will be implemented. Three elements within that framework are key if the specific recommendations dealing with hunger are to have any chance of being implemented. These elements relate to conflict, governance and the disease burden, including HIV/AIDS.

Concern works in many countries either currently experiencing conflict or where there has been conflict in the relatively recent past. Conflict is one of the greatest impediments to development in these countries and conflict resolution can be the key to the commencement of the development process. Conflict directly impacts on the level of hunger and food insecurity.

I could give many examples from my personal experience. Between 1998 and 2005, it is estimated that between 3 to 5 million people have died from conflict, disease and hunger in the Democratic Republic of Congo (DRC). This has occurred in a country richly endowed with natural resources. But because of conflict, the infrastructure – roads, schools, hospitals – has been destroyed and, in parts of the country, the economy reduced to subsistence.

In Darfur in Sudan, over 2 million people are in camps, driven from their villages by conflict and fear. For many of these people, this is their third year in camps, which are sustained by a massive humanitarian operation from the international community. Unless there is a political

settlement which improves security and allows people return to their villages, this operation will stretch into the foreseeable future.

Emergency food situations are increasingly being driven by man-made factors. Whereas human induced disasters contributed to only about 10% of total emergencies in 1984, by the end of the century they were a determining factor in more than 50% of cases. Preventing / minimising conflict and its impact requires new political arrangements at international level, as highlighted by the recent proposals of Kofi Annan for the reform of the UN, including the establishment of a Peacebuilding Commission and more resources for conflict prevention and resolution.

Improving governance goes beyond the obvious point of trying to tackle corruption. It involves positive things like encouraging a spirit of democracy. It means more than elections, it means a political culture in which citizens and minority groups have rights, and where civil society organisations have the space to flourish. As Amartya Sen highlighted in his seminal analysis, famine in the twentieth century only happened in countries without genuinely accountable administrations. This has implications for aid programmes aimed at achieving the hunger MDG. Donors must be prepared to make long term investments in supporting accountable governance arrangements and in building governmental and administrative capacity.

There is an obvious link between health, poverty and hunger. These conditions represent a vicious cycle out of which it is extremely difficult to break. The HIV/AIDS pandemic is a history changing event and there needs to be a far greater consciousness of the devastating impact it is currently having, particularly - but by no means exclusively - in Sub Saharan Africa.

The link between food insecurity and HIV/AIDS is most destructive at community level. HIV/AIDS affects the most productive working age groups and has major implications for food security Sub-Saharan Africa where 70- 80% of the population depend on small-scale subsistence agriculture. Since 1985 about 7 million African agricultural workers have died from AIDS in the 25 most affected countries, and 16 million deaths are likely in the next two decades. Tackling the HIV/AIDS pandemic is, quite simply, an imperative of global human security (Arnold, 2004). Similarly there needs to be greater investments in preventing diseases such as tuberculosis and malaria.

Without significant improvements in each of these areas – conflict, governance and the disease burden – progress in working towards the Hunger MDG will be compromised, even if good policies are followed across a range of other sectors.

### **The Agenda to achieve the Hunger MDG.**

As already indicated, the HTF proposed a broad range of policy measures, at global, national and community levels, which it believed are necessary if the Hunger MDG is to be achieved. The broad policy recommendations fall under the following headings:

- Move from political commitment to action
- Reform policies and create an enabling environment
- Increase the agricultural productivity of food-insecure farmers
- Improve nutrition for the chronically hungry and vulnerable

- Reduce vulnerability of the acutely hungry through productive safety nets
- Increase incomes and make markets work for the poor
- Restore and conserve the natural resources essential for food security.

Under each of these headings there are a range of more detailed recommendations. However, rather than repeat the HTF recommendations in this paper, I will instead pinpoint what I believe are the priority policies which each of the key actors – governments of developing and developed countries, donors, the international community, the private sector and civil society – should adopt in order to achieve the Hunger MDG. As stated above, I base these priorities on what I understand is the evidence of what has worked. Other people will have other priorities and other evidence – and if there is a better set of priority policies so be it.

### **Governments of developing countries**

The priority policies for developing countries should include:

- Increased investment in agricultural and rural development
- Investment in basic infrastructure
- Investment in education and health systems relevant to the Hunger MDG
- Nutrition interventions

### *Agriculture*

Three quarters of the world's poor are estimated to live in rural areas and depend on agriculture, either directly or indirectly, for their incomes and food security. In most African economies 30% - 50% of national income and 70% of total employment comes from the agriculture. Furthermore, various studies have shown that the industrial sector in Africa has generally underperformed relative to the agricultural sector. Since 1980, growth within the agricultural sector has been on average 2.5% per annum, compared to only 1.2% in the industrial sector (Hazell: 2005).

A successful agricultural sector can have a huge impact on incomes as a whole – on farms directly, on the local economy through secondary linkages, and at national level. If rapid agricultural growth leads to reduced prices for food and raw materials, the real incomes of the urban poor are raised (Matthews: 2005). Agricultural development can contribute to the overall growth of an economy through supplying food and inputs to the industrial sector, generating foreign exchange and providing a domestic market for non-agricultural goods and services.

However, over the past number of decades growth in agricultural production in many developing countries has been disappointing. The overall agricultural trade surplus of developing countries has virtually disappeared and the outlook to 2030 suggests that they will, as a group, become net importers of agricultural commodities, and especially of temperate-zone commodities. The least developed countries (LDCs) became net importers of agricultural products as early as the mid-1980s, due to the operation of global comparative advantage, and because of poorly-designed policy. Too often developing countries effectively taxed their agricultural sectors, and it is only recently that this bias against agriculture in development strategies is gradually being overcome (Arnold: 2004). Even now, a surprising

number of poor African countries give only limited priority to agricultural and rural development in their Poverty Reduction Strategy Papers (PRSPs). This should be rectified.

The HTF made a number of key recommendations for the development of domestic agriculture. It recognises the key role the government has in providing macroeconomic stability. There is much evidence, especially from the 1980s, to show that macroeconomic stability is a crucial underpinning if agricultural development policies are to succeed. On specific agricultural policy, the HTF recommends that African governments should, at a minimum, meet the NEPAD target of spending 10% of their total budget on agriculture and rural development, there should be increased access to land for the poor, reduced internal and external barriers to trade, the linking of nutrition and hunger interventions, and the promotion of female empowerment (HTF: 2005).

If these recommendations are supported over the long term, the potential for many developing countries could be significant. It is projected that over the next two decades, the world's population will increase by 24% to reach 7.5 billion in 2020. Virtually all of this growth will take place in developing countries, with much of it in urban areas. This will have profound effects on food preferences and demands. IFPRI projects that between 1997 and 2020, global demand for cereals will increase by 35%, and for meat by 57%, with almost all of this increase being accounted for by developing countries (Arnold: 2002).

However, as stated recently by Hazell (2005), such broad-based outcomes can only be achieved if the whole of the agricultural sector, rather than just small subsections such as high value exports, is developed. In this case also, there needs to be serious analysis and differentiation between the hugely disparate countries on the African continent. What is true for the resource rich, and infrastructurally well developed (relatively), is not necessarily pertinent for the land locked and resource poor.

#### *Basic infrastructure*

Many developing countries have major infrastructural deficits which need to be addressed if their productive and export capacity is to be strengthened. This will require major commitments on the part of developing countries, as well as donors. The Africa Commission stated that these investments should be focussed on everything from "rural roads and small-scale irrigation to regional highways, railways, larger power projects and Information & Communications Technology (ICT)". IFPRI has shown that investment in rural roads is crucial to development. Drawing on evidence from China, they concluded that "in terms of poverty reduction, low-quality roads raise far more rural and urban poor above the poverty line per yuan invested than ... high-quality roads"(IFPRI, 2005). However, beyond simply roads, railways and ports, there needs to be the establishment of institutions dedicated to freeing up trade between suppliers and their respective markets not only at the national level, but also at the regional and local levels. Similarly trade supporting bodies need to be established at regional level between trading partners.

#### Health and Education systems

As discussed earlier, there needs to be investments in both the health and education systems of developing countries to guarantee and strengthen the sustainability of investments made in the economy as a whole, and in agriculture in particular. As highlighted by the Millennium Project, "*practical investments and policies for a functioning health system include training and retaining competent, motivated health workers, strengthening management systems, providing adequate supplies of drugs, and building clinics and laboratory facilities*" (Millennium Project: 2005: 29). IFPRI analysis shows that there are very high returns from investing in girls' education.

### *Nutrition interventions*

If the cycle of disease and poverty is to be broken, malnutrition, particularly in the under-5s, has to be tackled. As already highlighted, undernutrition in childhood leaves a legacy of physical and mental retardation which can last for generations. Research shows a clear link between malnutrition, anaemia, cognitive function and school performance. Improving nutrition is therefore key not only to the Hunger MDG, but to six of the eight MDGs. The HTF makes very clear and specific recommendations in this area: promote mother and infant nutrition (as primary carers, women are particularly important for improving nutritional levels); reduce malnutrition among school-age children and adolescents; and reduce the prevalence of infectious diseases that contribute to malnutrition.

### **Governments of Developed Countries**

The priorities for donor governments should be the following:

- Increase the quantity and quality of aid.
- Increase aid to agricultural and rural development
- Invest in long term institutional capacity building in developing countries
- Improve donor coherence

### Quantity and Quality of Aid

A number of important commitments have been made during 2005 by the donor community, at the G8 Summit in Gleneagles and the UN Summit in New York, to increase aid to developing countries and to reduce the debt burden on a number of heavily indebted countries. The OECD's development Assistance Committee (DAC) should monitor how these commitments are being delivered on.

The Millennium Project's report 'Investing in Development' estimated the total cost of achieving the MDGs by 2015 and the contribution required of OECD countries through their aid programmes. It estimated that ODA for direct MDG support will need to rise to \$73 billion in 2006 and \$135 billion in 2015 if all countries are to meet the MDGs. It recommended that developed countries should meet the UN's aid target of 0.7% of GNP and that increased aid and debt relief should be targeted specifically at meeting the MDGs.

However, to increase aid alone is insufficient, improvements in the quality and effectiveness of aid is also necessary. Aid needs to be more predictable, targeted at long term needs, untied and donated on the basis of need rather than not political orientation. Country-level needs should be approached systematically by donors and fit within the country owned PRSP.

### *Aid to agriculture*

As already stated, agricultural and rural development should get higher support in national development strategies of poor countries. This should also be reflected in aid allocations from donors.

A brief analysis of aid to agriculture shows that official donations have been steadily falling over the past twenty years. Overall DAC bilateral aid to agriculture has fallen from 12% of total bilateral aid in 1980-81 to 6% of the total in 2000-2001. For individual donors, the fall is even more striking. For Canada, the decrease was from 22 to 4%; for New Zealand, from 25 to 3%; for the Netherlands, from 21 to 3% and for the United States from 18 to 4%. The multilateral institutions have also reduced aid flows to agriculture, from 35% of their total flows in 1980-81 to 7% in 2000-01 (Matthews, 2005: 38).

**Table 1. Aid to agriculture by donor and share in total aid; commitments, 1980-2001**

	1980-81	1985-86	1990-91	1995-96	2000-01	2000-01
	% of donor total					\$ million
Total DAC	12	12	7	8	6	2,569
Total multilateral	35	30	25	16	10	1,541
Total	16	16	10	10	7	4,110

*Source:* Matthews (2005) OECD (2004b).

The reasons for the reassignment of aid from agriculture included the high failure rate of agricultural projects, the complexity and risk and the high transactions costs (preparation, supervision and monitoring) involved in agricultural and rural development projects, a dearth of suitably qualified staff, unfavourable domestic policies which discriminated against the agricultural sector, and the increased profile of the poverty alleviation objective which led many donors to give priority to social spending in the areas of health and education (Matthews, 2005: 38). Some of these conditions have now changed and there is a growing recognition among donors that agricultural and rural development should receive a higher priority. The World Bank appears ready to increase its lending portfolio to agricultural and rural development.

There are opportunities for additional aid to support agricultural production, rural infrastructure, the provision of global public goods such as agricultural research, disease control, and water, land and forest management that are aimed at the specific crops and challenges of Least Developed Countries. There is also a greater need for trade-related aid. The increased monitoring of this jointly by the WTO and OECD will ensure that it receives greater prominence in the future (Matthews, 2005: 48).

#### *Institutional Capacity Building*

Institutional capacity building is of crucial importance to developing countries. Long term donor support for the building of national capacity in service- oriented public management is essential. This will require up-front investments in strengthening public sector management through training, information technology, and higher salaries to retain the skill base. It will also require sufficient training and retention of adequate numbers to deliver services on the ground through community health workers and teachers (Millennium Project: 2005: 34).

#### *Donor Coherence*

Beyond the volume and the quality of aid donation, improvements in donor coherence are necessary. Donor coherence involves the adoption of a coordinated approach by all donors, in line with agreed host country policies, with simplified procedures and reliable disbursement of funds. Donor coherence also includes the coordination of policies and programmes across the different branches of a donor government whose decisions impact on developing countries – trade, international finance, foreign policy etc.

Lack of donor coherence is a serious problem for recipient governments. There are too many examples of developing countries being overstretched by excessive donor planning missions. A few years ago, Tanzania, exhausted and tied up by the constant round of visitors from the West, imposed a six-month moratorium on aid visits. To alleviate this problem, Ireland now teams up with like-minded donors - the UK, Holland and some of the Scandinavian countries, on a regular basis.

A good example of the best practice taking place in this field is the 'three ones' policy promoted by UNAIDS. This involves one agreed HIV/AIDS action framework, one national AIDS coordinating authority, and one monitoring and evaluation system. The 'fourth one', yet to be adopted, is one donor planning, financing and accounting process. This approach warrants further support from OECD countries across all policy areas, and focused on country-owned, and comprehensively agreed, Poverty Reduction Strategies in developing countries

### **The International Community.**

Another key actor in the effort to achieve the Hunger MDG is the international community. By this I mean the UN system and the developed and developing countries who negotiate the range of international agreements which shape the international economic and trading environment.

For this paper, I will focus on priorities in two areas – emergency response capacity and the international trading system, negotiations for which occur under the aegis of the World Trade Organisation (WTO).

#### *Emergency response capacity*

After the succession of disasters in 2005 – the Asian tsunami, the food crisis in Niger, Hurricane Katrina in the US and the earthquake in Pakistan – it is apparent the world needs a more effective system of emergency response. The current situation of appealing to donors on an ad-hoc basis for funding which regularly fails to meet commitments is simply not adequate to deal with the complexity and frequency of disasters today. As pointed out by recently by the UN Emergency Coordinator, Jan Egeland:

*“Imagine if your local fire department had to petition the mayor for money every time it needed water to douse a raging fire. That's the predicament faced by anguished humanitarian aid workers when they seek to save lives but have no funds to pay for the water — or medicine, shelter, or food — urgently needed to put out a fire”.*

The UN Secretary General, Kofi Annan, proposed a series of measures to the September UN Summit to meet this need. They included:

Strengthening the overall humanitarian response capacity

Predictable funding for emergency response through the establishment of a \$500 million rolling fund

Improved humanitarian coordination – through organising UN agencies and NGOs into sectoral clusters – e.g. shelter, nutrition, health, - which build the specialised capacity to respond quickly and effectively to disasters.

Decisions taken at the UN Summit and subsequently have gone some way to implementing the Secretary General proposals but more progress is necessary and more resources need be committed.

Trade.

Reform of the agricultural trading system and of OECD policies of domestic agricultural support is clearly important to many developing countries. It is a key demand in the current WTO trade negotiations which will be held in Ministerial session meeting in Hong Kong later this month.

Agricultural exporting developing countries should unambiguously gain from fairer export competition on world markets and from improved access to the markets of developed countries. For net food importing developing countries and for countries who currently have preferential trading arrangements with a major developed country trading bloc, the situation is more complex.

A recent WTO discussion paper which examined seven evaluations on the possible outcomes of any liberalisation deal pointed out that only two of the evaluations - those of the OECD and the World Bank – concluded that developing countries will be the main beneficiaries of an eventual agreement. (Piermartini, The: 2005). The authors pointed out that the World Bank didn't take into account in its study of the impact of ending preferential agreements that would result from any major progress towards freer trade. In another study, the Institute for International Economics assessed developing countries' share at 20 percent of the total gains of liberalisation against 80 percent for industrialised countries.

Matthews makes the point, "There is a growing awareness that some developing countries, and particularly LDCs, could lose out from OECD country reforms in the short run. Thus the design of liberalisation, its sequencing and the availability of accompanying measures to provide a safety-net or compensation to countries adversely affected are all important issues" (Matthews: 2005: 45)

This points towards the need for a differentiated approach on the behalf of policy makers to distinguish between the different needs of different categories of developing countries. In fact, the Uruguay Round, concluded in 1993, already acknowledged the need for such differentiation in accepting (a) the need for Special and Differentiated Treatment (SDT) for certain developing countries in relation to the general obligations for tariff reduction and market access and (b) the Marrakesh Decision which provided for compensating financing mechanisms for net food – importing countries in the event of higher food prices arising from trade liberalisation. In the event, this Decision has not been implemented.

For the current Doha development round, poorer developing countries need support in two key areas - (a) assistance in developing their capacity to trade and (b) the provision of safety nets which will protect them against shocks arising from the trade liberalisation or other phenomena.

Many of the least developed countries, particularly in Africa, are marginal to the current international trading economy. In terms of increasing their capacity to trade, their priority will be in their domestic economy and within their region. If that capacity can be developed, they can then focus on expanding their international trade.

An 'Aid for Trade' initiative aimed at the Least Developed Country group is reportedly under discussion for the Hong Kong Ministerial Summit. This would be welcome as an indicator that WTO members are serious about making this round a 'development' round.

Aid for Trade assistance could involve infrastructure improvements for roads and waterways; schemes to enable traders to meet international trading standards, like sanitary and health standards; assistance with WTO negotiations, (from funding think tanks to providing IT training for trade analysis); and projects to modernise customs and border procedures.

African governments also need to work in conjunction with each other for trade facilitation, through the African Union and NEPAD. Such bodies can have an essential role to play in encouraging greater trade between countries at regional level. Similarly they can play an important role in lowering South – South trade barriers. Tariff barriers affecting the poorest countries are imposed not just by OECD countries, but by middle-income developing countries. In addition, tariff barriers between poorer developing countries are frequently at high levels.

The provision of safety net arrangements for poor countries should be part of any Doha round outcome. Traditionally food aid has been seen as one such safety net. The Food Aid Convention dates back to the 1960s and requires signatories to the Convention to commit quantities of food or money which can then be used to meet emergency food needs and through programme food aid, support development programmes.

Food aid has become a contentious issue in the current WTO negotiations. Many agricultural exporting developing countries and the EU have called for new disciplines on food aid as part of the Doha Round negotiations, in light of evidence that the USA sometimes uses food aid to dump agricultural surpluses and to attempt to create new markets for its exports. These practices create substantial adverse side-effects in trade that damage the livelihoods of poor farmers and stymie their economic opportunities to develop. A recent OECD study has shown that food aid sourced in donor countries costs 50% more than local purchase of food and 33% more than purchase in third countries.

Whatever the outcome of the WTO negotiations, it is important that sufficient quantities of food aid are available to meet emergency needs. The re-negotiation of the Food aid Convention in 2006 is an opportunity to agree on the future quantities and modalities so that food aid can operate as an effective safety net in the future.

#### *Private sector engagement*

If the MDGs are to be achieved, the private sector must play a key role. Many developing countries have a poorly developed private sector. Political and economic instability, poorly developed legal and financial systems and, in certain cases, corruption explain this situation. Investments are required in many countries to develop the rule of law, to promote anti-corruption measures and to build financial systems.

The private sector has also become increasingly involved in recent years in corporate social responsibility. According the latest research from the World Economic Forum, “the business sector is increasingly coming to the table to actively engage in efforts to achieve the MDGs” (WEF: 2005). This is giving rise to many new models of partnership between the private and public sectors and between the private sector and international non-governmental organisations (NGOs) in pursuit of development objectives.

#### *Local Civil Society Organisations (CSOs)*

Civil society, within developing countries and at international level, has a crucial role to play in achieving the MDGs.

Within many developing countries, there has been a notable growth in civil society over the past decade. But the record is mixed. In many African countries, governments have not given civil society political space or freedom of expression and action. In other countries, the

capacity of civil society groups is very weak. Part of the international agenda to achieve development should involve encouraging and assisting these governments to create such a space for their own civil society (Arnold, 2004).

Where civil society has the opportunity and capacity to contribute, it can play an immensely important role in working with and helping donors learn about the poorest of the poor. Civil Society organisations (CSOs) can play a key role in targeting the hungry and destitute. They can also assist in improving the understanding of the impact of national and international policies at the level of the household economy. There has been inadequate attention to this level of analysis over the years. It's welcome to see that OECD has begun to do more work at the household level and to value its importance for policy making.

The role of local CSOs has tended to focus on informing the poor of their rights and articulating their voice at national level. The participatory approaches used by such organisations should be supported further. Better information about services which the poor are entitled to is an important part of delivering more effective accountability.

Furthermore, such organisations have a role to play in the area of agricultural development. Public sector resources should be directed towards small farming organisations to help strengthen the local agri-business sectors. Similarly, such support can be used to enable farming organisations to represent their sector, to improve the standards of their marketed output and to access markets (WEF: 2005).

#### *International NGOs*

The past 10-15 years has seen huge structural change in international non-governmental organisations (NGOs). A number have become 'family federations' with a fundraising base spread across many developed countries. As representatives of civil society in developed countries, NGOs have played an important advocacy role in matters of public policy. At a practical level, NGOs are an essential partner with the main UN agencies in responding to humanitarian crises and in promoting long term development.

International NGOs can make an important contribution to the achievement of the Hunger MDG in the following ways:

**Advocacy:** NGOs have played an increasingly important role in recent years in advocating for changes in economic structure and rules which impact on the poor – this year's Global Call for Action against Poverty and the Make Poverty History campaign being a good example. Going forward, NGOs will have a crucial role in holding their governments to account to implement the commitments made to achieve the MDGs.

**Building Capacity with Southern Civil Society:** This is a slow complex and sensitive task which is of immense long term importance.

**New Models of partnership:** I have already referred to new models of partnership emerging between NGOs, governments, the UN agencies and the private sector. These are likely to increase in importance in the future.

**Innovation:** A number of NGOs have now reached a scale and capacity where they can be important agents of innovation in new approaches to meeting humanitarian and development challenges. I would like to provide an example relevant to the Hunger MDG which my organisation, Concern Worldwide, has been involved in.

Concern has developed a new approach to tackling malnutrition, Community Therapeutic Care (CTC), in association with a private consultancy firm, Valid International. CTC is based on public health principles and aims to maximize impact and minimise risk by treating the majority of people suffering from severe acute malnutrition in their homes. It combines the provision of a newly designed “ready-to-use therapeutic food” for the outpatient treatment of severe malnutrition with techniques of population mobilisation and education drawn from development thinking. This generates many positive benefits for those involved in the care and treatment of the patient: fewer hours away from the home, less hours spent travelling to treatment centres, ingredients purchased locally where possible, and training firmly rooted within the community greatly strengthening sustainability.

The CTC approach was field tested in a number of countries with the cooperation of the governments. Results have been carefully monitored, reported on to the international nutrition community and subjected to rigorous peer review. The outcome has been that a number of aid agencies have adopted CTC as their programme approach to tackling malnutrition. A number of governments have also built CTC into their public health systems.

### **Conclusions**

Policy coherence has a key role to play in working towards the achievement of the Hunger MDG – to halve the proportion of people suffering from hunger by 2015. But it needs to be conceived of in a broad way. Thinking of policy coherence solely in terms of agricultural policy, or of the interaction between OECD agricultural policies, OECD development assistance policies and international agricultural trade policy, is not an adequate analytical framework.

A series of overarching factors, including conflict, governance standards and the disease burden including the HIV/AIDS pandemic, determines the overall environment within which more specific sectoral policies aimed at achieving the Hunger MDG are framed. Political decisions and actions aimed at improving the situation in each of these areas are essential to create the enabling environment which will facilitate the halving of hunger over the next decade.

This objective can best be achieved within the vision of partnership which underpins the MDGs. Developing countries must take responsibility and own their development strategies, must improve standards of governance, create an investment climate conducive to investment and provide political space for civil society to contribute to the achievement of the MDGs. Developed countries must increase their aid to achieve the MDGs, must be prepared to commit to long term support for institutional capacity building in governmental services and must create a fairer international trading system which takes account of the needs of developing countries. The private sector and civil society, both within developing countries and internationally, are also key partners in achieving the MDGs. New and exciting models of partnership between the various actors are increasingly being formed and should be able to contribute to the achievement of the MDGs.

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