

**Statement by Roger Winter, Assistant Administrator
Bureau for Democracy, Conflict and Humanitarian Assistance
U.S. Agency for International Development
Before the Senate Subcommittee on
Oversight of Government Management, Restructuring and the District of Columbia
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Thank you, Mr. Chairman, for giving me the opportunity to come here today and address the important issues that you raised.

Introduction

The U.S. Agency for International Development (USAID) is responsible for managing the Title II and III programs under Public Law (P.L.) 480. The legislation which was enacted almost 50 years ago forms the basis for our current policies on food aid and food security.

P.L. 480 calls upon the United States to use its abundant agricultural resources and food processing capabilities to enhance food security in the developing world through the provision of culturally acceptable, nutritious food commodities to those in need. As this Subcommittee is aware, the United States consistently provides about 50 percent of the food aid worldwide, more than any other country.

Globally, more than 815 million people today are chronically undernourished. For the United States, reducing the number of chronically undernourished throughout the world is both a humanitarian concern and a strategic goal. Food resources are given to help those in need in an effort to eliminate the food insecurity that fuels political instability and environmental degradation. This Administration remains committed to maintaining leadership in providing food aid and in addressing the needs of hungry people worldwide.

Title II & Title III Programs

Before I address the questions asked by the subcommittee, let me give you a brief summary of the P.L. 480 programs. I will focus on the programs of the U.S. Agency for International Development, while my colleague from the U.S. Department of Agriculture will address the programs implemented by her Agency.

The U.S. Agency for International Development provides food assistance under P.L. 480 Title II and Title III. Title II is used to promote food security both in emergency and non-emergency situations and is the primary resource of the United States for responding expeditiously to the critical needs of populations in emergency situations.

Through the Office of Food for Peace, USAID seeks to ensure that food aid is provided to the right people, in the right places, at the right times, and in the right ways. Vulnerable groups receiving food aid are those who, because of natural or man-made disasters - including prolonged civil strife - require food assistance to survive and recover from the emergencies.

Beneficiaries include internally displaced people, refugees, resettled or new returnees, and vulnerable resident populations. In FY 2001, USAID reached over 33 million beneficiaries. Last year most of the emergency food aid went to sub-Saharan Africa for protracted complex emergencies in Ethiopia, Sudan, Kenya, Angola, Tanzania, and the Democratic Republic of Congo. Over \$29 million of emergency food aid was provided to help meet the critical needs in Afghanistan.

Both Title II emergency and non-emergency programs are implemented primarily by U.S. private voluntary organizations and through the United Nations World Food Program.

P.L. 480 Title II non-emergency programs constitute the single largest source of USAID funding focused on food security. This program supports demonstrable increases in food security, through addressing improvement in household nutrition and agricultural productivity. The private voluntary programs are fully integrated into USAID's developmental programming via USAID missions in 72 countries. This allows USAID to capitalize on its knowledge, experience and investment in global health, education and agriculture, and allows Title II assistance to have a multiplier effect on the populations that it reaches.

P.L. 480 Title III is a government-to-government program and in the past it provided USAID with an opportunity to address policy constraints within the context of national governments' food security and overall

development objectives. The Title III program is currently unfunded. The Administration has determined that it is more effective to pursue these objectives through other programs, as described below.

Concerns of the Subcommittee

I would now like to address the specific issues and questions raised by the Subcommittee. I will begin by addressing your second question on current trends in global hunger, which is particularly relevant given that the World Food Summit (Five years later) begins next week in Rome. I will then follow with short explanations for the first question, relating to phasing out surplus commodities, and the third question concerning the Administration's proposed food aid reforms.

Current Trends in Global Hunger

As I mentioned previously, more than 815 million people are chronically undernourished. The Administration recognizes that global hunger remains a shared world priority, and we will reaffirm the World Food Summit's goal of cutting in half the number of hungry people in the World by 2015.

Since the early 1990s, only one out of three countries has reduced its number of hungry people. In the rest of the developing countries, the number of hungry people has either not been reduced significantly or has actually risen, especially in much of sub-Saharan Africa. This trend is expected to continue because of the increase in the world's population and the pressures placed on natural resources as well as the prevalence of civil conflict and HIV/AIDS.

Sadly, even as we acknowledge the substantial contribution made by the U.S. Government toward meeting global hunger, man-made humanitarian crises in Sudan, West Africa and Afghanistan, for example, show no clear signs of ending. In addition, natural disasters, such as the drought that is currently looming in southern Africa, continue to destabilize livelihoods and precipitate the need for substantial requirements for emergency food assistance.

What once were seen as sporadic natural disasters are occurring with increased frequency and regularity in certain regions where governments are ill prepared to mitigate the impact of climatic and other natural phenomena. Unfortunately, the trend seems to be holding and we see no reduction in the number of people affected by these emergencies. In fact, our analysis indicates that we will see an increase in the number of chronically malnourished people due to the spread of HIV/AIDS.

In response to the worsening conditions, the Administration has redoubled its efforts not only to cut hunger in half by 2015, but also to improve nutrition in children under five, and to focus on the elimination of famines. Famines in this day and age are well understood and entirely preventable if the early warning signs are heeded and immediate action is taken by the international community. Let me describe to you some of the initiatives that we are undertaking at USAID to redress these negative trends in global hunger:

First, ***renewed commitment to agriculture and food security in Africa***: Initiatives include the 1998 Africa Seeds of Hope Act, the 2000 Africa Growth and Opportunity Act, and the 2001 Africa Food Security Initiative. These Legislative and Executive Branch initiatives support trade and investment, civic institution building, micro-credit finance, agricultural research and extension, private enterprises in agriculture, community participation in development programming, and entrepreneurial opportunities for women, especially in small-scale agriculture, with particular attention to Africa.

Second, ***agricultural research and biotechnology***: In 2001, the United States contributed approximately \$45 million to the international agricultural research centers in the Consultative Group on International Agricultural Research (CGIAR), approximately \$20 million to Collaborative Research Support Programs (CRSPs), and about \$20 million for biotechnology and biosafety capacity- building in less developed countries.

Third, ***micronutrients***: The United States provides in excess of \$30 million per year to address micronutrient deficiencies of public health importance, including enhancing the quality of diets through fortification, dietary diversification, and other community and household nutrition practices.

The P.L. 480 Title II program, through the Office of Food for Peace, plays a major role in the U.S. plans to reduce hunger and food insecurity. The FY 2003 budget requests a 25 percent increase for Title II to reduce food insecurity and malnutrition in areas especially vulnerable to famine emergencies.

Increasing Food Aid Dependability

Prior to my confirmation, the Administration completed an interagency management review of all U.S. foreign food assistance programs. The food aid review reaffirmed that the broad objective of U.S. food aid is to continue to use the agricultural abundance of the United States to meet the U.S. Government's humanitarian and foreign policy objectives. Based on that premise, the Administration will make adjustments in how food aid programs are implemented in order to improve feeding effectiveness, streamline administrative processes, reduce duplication, and ensure a more dependable level of food aid by reducing the year-to-year reliance upon uncertain surplus commodities.

The Administration has also requested a substantial increase in regular Title II funding for fiscal year 2003 of \$335 million, most of which will be targeted at vulnerable populations in emergency situations. The requested budget increase will allow the United States to maintain its leadership role in providing food aid and should serve as a more dependable resource to respond to emergencies. This change will further increase the transparency in the budget management process, allowing Administration officials and lawmakers to maintain priorities and evaluate program performance.

Program Consolidation and Reallocation

The Administration also plans changes in the service delivery of international food aid programs. It is USAID's belief that, by eliminating the redundant functions of USAID and USDA, wasteful overlap will be eliminated. USDA will be responsible for government-to-government agreements while USAID will administer its programs through private voluntary organizations and the World Food Program.

Another reform initiative under this review includes the elimination of an arcane interagency billing and reimbursement process related to payment of U.S. flag cargo preference costs, ending a duplicative and time-consuming intra-governmental funding mechanism. This change will not impact USAID's continuing compliance with U.S. flag cargo preference legislation. The estimated portion of the increased costs of cargo preference compliance will be directly appropriated to the program agencies, which will save time and money. This change is already included in the FY 2003 budget request.

Food for Education

In closing, let me mention the McGovern-Dole International Food for Education and Child Nutrition program. Food for Education programs ideally aim to provide nutritional benefit, expand access and improve the quality of basic education, especially for girls, in poor countries overseas. From USAID's decades of experience in the field working on education and feeding programs, we are aware that education is one of the best long-term strategies for ending hunger and improving food security. It has been documented time and time again that increased levels of literacy are strongly linked with enhanced agricultural productivity, improved incomes, better infant and child care practices, and longer life expectancy -- all of which are key factors in achieving food security. A 2001 UNICEF report indicates that infants born to mothers with no formal education are twice as likely to die before their first birthday as babies born to mothers with post-primary school education. The McGovern-Dole program has a child nutrition component that also targets preschool children, pregnant and lactating women, and children under five as targeted beneficiaries. Early nutritional investments can dramatically impact the development of children.

USAID has long experience in targeting proven technical approaches in education and health through global field-based programs, and USDA has been implementing the current school-feeding pilot program. The Administration will evaluate the pilot program to determine whether and where school feeding is the most effective way to achieve success in this area and to inform implementation of the additional \$100 million provided in the Farm Bill for FY 2003.

Conclusion

Mr. Chairman, it is my personal hope that, with broader Administration management reform in general and inter-agency food aid reforms specifically, we are poised to address more effectively and efficiently the needs of global hunger. Thank you again for inviting me to discuss USAID's role in the Administration's food aid reform efforts. More importantly, thank you for your longstanding support for USAID's food assistance programs.