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Background Paper

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Better Foreign Assistance, Fewer Hungry People

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Better, more effective U.S. poverty-focused development assistance is critical to reducing hunger and poverty around the world. Bread for the World, as a collective Christian voice urging our nation's decision makers to end hunger at home and abroad, is working to make poverty-focused assistance more efficient and more effective. Bread for the World Institute's annual Hunger Reports—particularly the 2011 report, *Our Common Interest: Ending Hunger and Malnutrition*, and the 2009 report, *Global Development: Charting a New Course*—offer recommendations on how to accomplish this.

Since 2008, Bread has helped generate momentum in Congress and within the administration for foreign assistance reform. In 2010, the Obama administration launched its own reform initiative based on Bread's work.

This year, Bread's main campaign, our Offering of Letters, again urges Congress to make U.S. foreign assistance more effective in reducing poverty. How is the United States moving toward policies that will bring more rapid progress against hunger and poverty? And how will changes in foreign aid that are already under way improve the lives of hungry and poor people?

Meeting the Needs and Wants of Local People

A key component of this year's Offering of Letters is urging Congress to ensure that U.S. foreign assistance meets the needs and wants of local people and communities. Many donor countries have begun to shift their thinking about what's needed for effective development assistance—moving toward the principle of country ownership, or the idea that a country should plan and lead its own development according to its own priorities.

In the past, donors sometimes made broad generalizations about the people and the economies of developing countries and assumed that experts from industrialized countries already knew what poor people needed and wanted. Development “models” went in and out of fashion.



Villagers in Bangladesh used U.S. foreign assistance to build a barrier wall against flooding that regularly inundates the area where they live.

Todd Post

But what might be called the era of “donor ownership” tended to produce cookie-cutter development assistance programs that often failed to bring lasting improvements to local families and communities. With nearly 1 billion people, with different historical and geographical contexts and beliefs and from countries facing barriers to development—it's unlikely that a one-size-fits-all plan would prove the best way to end hunger and poverty for everyone. When the international community came together to discuss how to scale up successful development approaches—adopting the Paris Declaration on Aid Effectiveness in 2005 and following up with the Accra Agenda for Action—country ownership was identified as a necessary principle of effective development.

In 2010, following comprehensive reviews of current U.S. policies and programs, the Obama administration released a set of recommendations for strengthening the impact of U.S.



A Sudanese farmer harvests sorghum grown from seeds donated by the U.N. Food and Agriculture Organization.

U.N. Photo/Fred Noy

foreign assistance. Several of these reflect Bread's priorities in our advocacy for foreign assistance reform.

The administration's recently established global hunger and food security initiative, Feed the Future, signals its commitment to country ownership with a policy of viewing host countries as customers. Feed the Future describes its approach as supporting partner countries in developing and implementing country-led agriculture, nutrition, and food security plans.

Feed the Future funding is targeted to countries with widespread hunger, an agriculture-based economy, and anticipated food security strategies. The two main objectives are improved nutrition and inclusive growth in countries' agricultural sectors—achieved by addressing the underlying causes of hunger. It promises longer-term commitment and stronger accountability for its programs.

Making aid more transparent and accountable, along with strengthening program evaluation in order to identify “best practices” for future programs, are key elements of our 2011 Offering of Letters. These help point the way to meeting the needs and wants of local people.

Make U.S. Assistance More Transparent and Accountable

What should be a simple task—compiling a list of the development programs being funded by particular U.S. agencies in a given country—is actually quite difficult under our current aid system. According to *Ownership in Practice: The Key to Smart Development*, a 2009 report by Oxfam America, sometimes not even the U.S. ambassador is aware of all the U.S.-supported programs in his or her host country. Clearly,

incomplete or inaccurate information can only hinder efforts to plan and coordinate programs.

The Foreign Assistance Dashboard, a new initiative of the U.S. Agency for International Development (USAID), seeks to make it easier to get a comprehensive picture of the development programs funded by the U.S. government. Currently the Dashboard contains data from USAID and the State Department; plans call for adding information from the many other agencies that implement U.S. development and humanitarian programs in various parts of the world.

A separate U.S. development program, the Millennium Challenge Account (MCA), supports low-income and lower-middle-income countries that govern democratically and invest in their people. Participating countries develop multi-year funding proposals for projects designed to spur economic growth through efforts to help low-income people earn a living. Bread's 2003 Offering of Letters urged Congress to establish the MCA. Bread members also supported provisions to focus MCA efforts on reducing poverty and the initiative's funding.

The MCA requires partner governments to solicit and incorporate the opinions of local communities, from designing programs to implementing and evaluating them. There are well-established strategies for making accurate information about programs publicly available, because this is integral to the MCA's consultative and participatory approach.

Improving U.S. aid transparency and accountability has the added advantage of enabling us to reinforce rather than inadvertently hinder similar efforts by partner countries. Indonesia is one of a growing number of countries focusing on improving public information. When the government released detailed information about the federal budget, including the sources and purposes of its international development assistance, it started a trend of sorts. Local newspapers published the schedule of upcoming district budget planning meetings; officials in two cities distributed posters with annual budget information; and the council of the town of Boyolali even voted to require local government to publicize all development activities funded under its budget. By providing clear information on our development funding, the United States can help local communities hold their governments accountable for development spending.

Improve Evaluation and Identify “Best Practices”

In January 2011, USAID announced a new, greatly strengthened policy on evaluating the impact of the projects it funds. USAID Administrator Rajiv Shah described it as

“an ambitious recommitment to learn as we ‘do’. ... We can learn more systemically from our work. ... We’ll be successful if and when the evaluation work of USAID contributes to greater development effectiveness.”

For its part, the MCA has more rigorous evaluation policies than may be typical of development projects. Final evaluations take place well after a project ends. Daniel Yohannes, chief executive officer of the Millennium Challenge Corporation (MCC), which administers MCA programs, noted that typical evaluations contain factual information about program activities. For example, MCA-Honduras worked with the Honduran government to set aside resources for road maintenance so that the roads built during the MCA project will be sustainable. Yohannes said that although some funders might include such information in a final report, “To us, these are interim results Because when we talk about results, we talk about ... how it’s going to impact the income of our partner countries.”

Sheila Herrling, MCC’s vice president of policy and evaluation, added: “With both livelihoods and large amounts of money on the table, it really matters that we know what works and what does not work.”

Asking and answering questions such as “To what extent has country ownership actually been put into practice?” and “Are there ways of improving the process?” can not only strengthen a program’s long-term impact but identify strategies that will improve future programs. Marco Bogran of MCA-Honduras commented that development assistance is also “about transforming systems...we wanted to develop new ways of doing things. ... I’ve always said that actually

it’s not about how many roads we built; it’s about whether Honduras can now build roads in a cost-efficient fashion. We couldn’t do that before.”

The administration’s Feed the Future initiative has also been designed to measure progress carefully. The program’s benefits are expected to reach communities, households, and individuals. Feed the Future’s overarching goal is to reduce global hunger and poverty in a sustainable way, by addressing root causes and adopting proven methods of making a lasting impact. Thus, a program’s success will be gauged by indicators such as a reduction in the proportion of children who are underweight.

Working with Local Communities, Responding to Local Realities

Making development assistance more effective in reducing poverty also requires that development workers are able to work closely with people in host countries and respond to changing conditions there.

However, donor ownership in lieu of country ownership limits flexibility by narrowing the decision-making powers of other donor country staff in the field—particularly by deciding in advance how funding may be used. U.S. development assistance is increasingly being set aside for specified activities by members of Congress or officials based in Washington, DC. In 2008, for instance, the USAID budgets for Mozambique and Cambodia were 100 percent committed to specific programs.

This earmarking of funds is done with good intentions and for good causes such as basic education, support for orphans, or biodiversity. Proponents may also see this as the only way to ensure that specific items are funded in the uncertain budget climate on Capitol Hill. But earmarking funds clashes with country ownership since recipients cannot use their development assistance for their own top priorities.

Earmarks can also make it more difficult to meet people’s immediate needs. For example, in fall 2009, Kenya experienced a severe drought that left many farmers without sufficient irrigation to grow food crops. But USAID was unable to direct funding to helping farmers get access to water for crops because the water funding was earmarked for clean water for human consumption. There was nothing inherently wrong with the idea of ensuring that people had clean drinking water, but the earmark nonetheless hampered the production of food during a drought. And, as a USAID officer told Oxfam researchers, “You spend your time explaining to the government what you can’t do instead of just doing what’s best for the country.”

A local member of the Guatemalan Alliance to End Hunger distributes a fortified drink mix to families at risk of malnutrition.



Alliance to End Hunger

When decisions about aid allocations are not based on a holistic picture of the country's development priorities and budget, and are not made by people with an intimate knowledge of the local situation, funding is more likely to be skewed or misallocated. For example, two-thirds of Haitians depend on agriculture for their living, but only 1 percent of U.S. development assistance to Haiti between 2006 and 2008 was dedicated to strengthening the agriculture sector. In contrast, 13 percent was for food aid.

Strengthening Nutrition and Agriculture by Considering Gender

An aspect of any local situation that is particularly relevant to effective development programs is gender—meaning how projects are affected by the different roles, rights, responsibilities, and resources of men and women. The nongovernmental organization Women Thrive Worldwide explained that the development community knows from experience that if these differences are not taken into account, “foreign assistance strategies will be less effective at reducing poverty.”

Why do development programs need to consider gender specifically? Two reasons are that the majority of poor people are women (70 percent by some estimates) and that women play a critical role in the health and well-being of their families. Women's importance in agriculture is sometimes underestimated, but the facts show that an integral part of reducing hunger is improving the productivity of female farmers in developing countries. Ensuring that agriculture programs benefit both sexes is also important to improving nutrition: research from several countries indicates that women are more likely to use any additional resources they get for more nutritious foods and other items that benefit their children.

The gender analysis required by the MCA seeks to answer such questions as whether the project will affect men's and women's incomes differently and whether there are likely to be significant gender differences in participation in project activities. For example, women who live near Kafue National Park in Zambia generally have little education and become mothers quite young. Gender analysis revealed that one result is that women are much less likely than men to be members of decision-making bodies—such as those that handle income from wildlife management. Therefore, MCA's Greater Kafue Economic Development Project explicitly included finding ways to ensure that women benefited from the program. This is particularly important since the poorest people in the community are women.



Ending global hunger hinges in large part on providing mothers with the tools and information they need to grow enough food for their families.

Scott Wallace/World Bank

An agriculture program in Nigeria also improved its effectiveness by considering gender. Nigerian officials noted that women produce two-thirds of the country's food crops but have little access to agriculture extension services because of widespread assumptions that men make the key farm management decisions. With support from the World Bank's West Africa program, the agriculture ministry created Women in Agriculture initiatives that were incorporated into existing agricultural extension services. The project doubled the number of female extension agents and tripled the number of women in contact with extension services. Later, female extension agents were able to train their male colleagues in supporting women's agricultural work. More male agents are now working with female farmers. The Women in Agriculture effort not only raised local women's standard of living, but increased overall crop production by small farmers.

Conclusion

Bread is working to ensure that the improvements in foreign aid now under way translate into improvements in the lives of poor people in developing countries. This is why our 2011 Offering of Letters calls on Congress to make foreign aid reforms implemented by the administration a part of U.S. law and to support approaches that are already succeeding in reducing global hunger and poverty.

To read the 2011 Hunger Report, *Our Common Interest: Ending Hunger and Malnutrition*, visit www.hungerreport.org/2011.