



United States Department of State

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Thematic Discussion: Africa

Check Against Delivery

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Thank you, Mr. Chairman. The U.S. delegation would like to commend the panel on the excellent and stimulating presentations. We note that many of the issues discussed during yesterday's and today's sessions are being negotiated in other fora. Therefore, the U.S. delegation wishes to intervene on the topic of economic growth in Africa with a focus on agriculture.

We certainly agree with the panel that with almost two-thirds of Africa's population living in rural areas - and thus directly or indirectly dependent on agriculture for food, employment and income - sustained growth in agriculture is crucial to reversing the trends in hunger and poverty, and in stimulating broad-based, pro-poor economic growth. Currently, the problem of hunger in Africa is being exacerbated with higher food prices

The United States partners with African governments, regional economic communities, and private sector organizations through Presidential Initiatives and other programs to promote economic growth in Africa. These include the Initiative to End Hunger in Africa (IEHA), the African Global Competitiveness Initiative, and the Millennium Challenge Corporation, and the African Growth and Opportunity Act.

IEHA is the vehicle through which the United States meets its G-8 commitments, contributing \$1 billion over 5 years, to support the African Union's New Partnership for Africa's Development (NEPAD)'s Comprehensive Africa Agriculture Development Program (CAADP). IEHA works with African entrepreneurs, including farmers, agribusinesses, and their associations, to improve their business skills and ability to participate in policy reform processes, to enable them to access technology and finance, and to find link to markets. These have led to on-the-ground results that make a real difference in peoples' lives. In 2007 more than 18 million individuals benefited from IEHA.

In 2007, in collaboration with our development partners, IEHA made significant progress in aligning with and supporting CAADP. CAADP is African – led by and owned by Africans. It is the largest, most ambitious agricultural reform process ever undertaken in Africa and it is achieving results:

- African governments are increasing their funding for and policy attention to agriculture;
- Development partners, governments, and regional economic communities are coordinating efforts to design comprehensive agriculture development programs at the country and regional levels that are evidenced based, and these stakeholders are also identifying investment priorities and policies that will increase agricultural growth;
- Strategic programs are being funded and implemented by governments and development partners through bilateral and multilateral programs. And a multi-donor CAADP trust fund managed by the World Bank has been established;
- A CAADP partners' platform, composed of development partners and African leaders, meets every six months to assess progress, undertake sector peer review, and set priorities;
- Agriculture growth rates are continuing to increase with averages reaching close to the six percent target rate; and
- Several countries included in IEHA - Ghana, Uganda, and Mozambique - are expected to achieve the MDG1 of reducing poverty and hunger by half by 2015. Agricultural growth has been a major driver of poverty reduction in these countries.

While progress is being made, much more needs to be done. Development partners, the regional economic communities, and countries need to accelerate the implementation of CAADP.

The Millennium Challenge Corporation (MCC) also provides significant financial support to eight sub-Saharan countries (soon to be 10) for country-determined investments in poverty reduction and economic growth currently totaling approximately \$3.1 billion. Most of these countries have elected to use MCC funds for agriculture and rural development activities that support national development strategies and that contribute to the CAADP.

The African Global Competitiveness Initiative (AGCI), a \$200 million, five-year Presidential Initiative supports the African Growth and Opportunity Act (AGOA) by helping reduce obstacles to export competitiveness. AGOA legislation provides trade preferences to countries that are making progress in economic, legal, and human rights reforms. Under AGOA, eligible countries can export almost any product to the United States duty-free.

Please see case studies for more details on these Presidential Initiatives and programs.

Key lessons learned:

1. An integrated and comprehensive approach to investments in agriculture - improved policy, technology and links to markets - can increase productivity and

trade which has a direct impact on rural incomes, and on reduction in hunger and poverty. CAADP provides the comprehensive framework. We agree with the panel that while exports to the United States and Europe are important there is a huge potential in getting regional markets to function especially for the major staples, including livestock. COMESA is currently designing a program on regional staple market development for East and Southern Africa.

2. Increasing agricultural productivity and incomes requires focusing on critical policies and priority areas of investment. This further requires building analytical capacity so that African governments and the private sector have the data on which to base investment and policy decisions.
3. Raising agricultural productivity is very feasible in Africa.
4. Solving the problem of hunger and poverty requires the commitment, leadership, and engagement of host government leaders. African leaders are committed.
5. Farmer and producer organization play a key role in increasing agricultural productivity. They can do joint purchasing of inputs and bulking of the output from many small farmers and help them meet the quality standards of the market.
6. Women play a major role in African agriculture. If we are to be successful in increasing agricultural growth we must pay more attention to their role and integrate them in to every aspect of what we do.

The United States through these initiatives is helping Africans build their capacity to manage their economic growth processes that will, in turn, enable African countries to meet their Millennium Development Goals.

Thank you.