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**Beyond Aid: Financing Agriculture in ACP countries**

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**Halving Hunger: Still Possible? Building a rescue package to set the MDGs back on track**  
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***Executive Summary***

Oxfam report “Halving Hunger: Still Possible? Building a rescue package to set the MDGs back on track” has just been released. Head of States and of Government will meet next week in New York in order to review progress on the Millennium Development Goals (MDGs). This report wants to contribute to the debate. It sets out what needs to be done to get MDG 1 – specifically the third target of halving hunger – back on track. As one of the most off-track MDGs – along with maternal health and water and sanitation goals – this must be one of the top priorities for investment and urgent action this year. The report provides a comprehensive analysis and recommendations on how to achieve the MDGs target on hunger. The presentation at the Brussels Rural Development Briefings will focus more specifically on the issues related with aid and public investments for food security and agriculture.

Several reasons explain why the MDGs target on hunger is off-track. First of all, from the 1980s the agricultural sector in developing countries began to be abandoned by national governments with the consequence of drastic cuts in public spending. Also donors began to withdraw at the same pace leaving productive sectors in the hands of the markets. As a result, agricultural productivity stagnated. The unfair rules of international trade did the rest. The 2007/8 food price crisis increased dramatically the number of hungry people. What is worse is that the factors that drove the previous price hikes are still there, so prices may rise again. As if this were not enough, climate change is rapidly pushing the poorest people to the limits of subsistence.

To get back on track to meet the MDG target on hunger by 2015, the root causes of hunger must be urgently addressed. Without comprehensive reforms of national and global policies on food, agriculture, trade and climate change, no plan to fight hunger – however ambitious – will succeed. But in addition to political changes, the financial gap must be bridged, with more and better investment.

There has been a series of summits and declarations since 1996. However, political leaders seem to be much more willing to announce commitments rather than to fulfil them - much less to be held accountable for delivering what they have promised.

In July 2009, 13 donors agreed the L’Aquila Food Security Initiative to mobilize more than \$20bn over 3 years. However, a large proportion of these funds have turned out to be nothing more than recycled promises. Only around \$4bn represents new money. The scale of L’Aquila commitments is not adequate to achieve the MDGs target on hunger by 2015. Oxfam has calculated that the increase in investment needed to reach the goal of halving hunger by 2015 is \$75bn per year. Half of these resources should be channelled into agriculture and rural development, and the other half to food assistance, social protection and nutrition programmes. Applying the principle of shared responsibility, half of these new resources should come from international aid and the other half from developing countries.

Not only is the quantity of aid insufficient, but the quality and effectiveness of aid has not improved enough either. The Rome Principles for Sustainable Global Food Security (designed to ensure national leadership, co-ordination and predictable funding), adopted at the 2009 World Summit on Food Security, are far from being implemented in the field, and aid agencies are still reluctant to abandon the project approach.

Oxfam recommends that, in order to set the MDGs target on hunger back on track, all governments, North and South, and international agencies: 1) Coordinate action under a twin-track approach; 3) Support the reformed Committee on World Food Security as the key forum for policy guidance and

coordination of global action to address global food governance and the root causes of hunger and malnutrition; 3) Establish a coordination and accountability mechanism for global financing, guided by the CFS;

Developing country governments must lead the effort and be the first to invest more to free their people from hunger and malnutrition. Oxfam recommends that developing countries governments: 1) Increase public spending on agriculture and food security, targeting women, smallholders and the most vulnerable consumers; 2) Develop (or enhance) national and regional costed plans; 3) Fully include the voice and participation of civil society stakeholders – in particular, women, smallholders, agricultural workers and the poorest groups in decision-making; 4) Adopt policies on food and agriculture, social protection, trade and investment that respect the right to food and are coherent with hunger reduction objectives.

Developed country governments have a key role to play and should: 1) Dramatically increase ODA for food security, agriculture and nutrition by at least \$37.5bn a year, without taking resources away from other crucial sectors; 2) Support national and regional country-led plans, improve coordination and support capacity building to ensure efficient delivery of aid, channelling through budgetary support wherever possible; 3) Contribute individually to this collective effort based on each country's own financial capability; 4) Leverage additional financing; 5) Foster policy coherence; 6) Make immediately available the funds needed for adapting to climate change in developing countries, over and above existing ODA commitments.