



Strategic Review

FEED THE FUTURE
November 17, 2010

This presentation represents the preliminary strategic direction of a multi-year, whole-of-government, U.S. strategy to address food security in a Feed the Future country or region. It describes partner country progress and outlines how U.S. investments will align in support of partner country priorities. This document has not yet been approved or funded but will form the basis of a multi-year strategy in development.

Part 1: Context

- The Facts
- Key Challenges
- Vulnerabilities

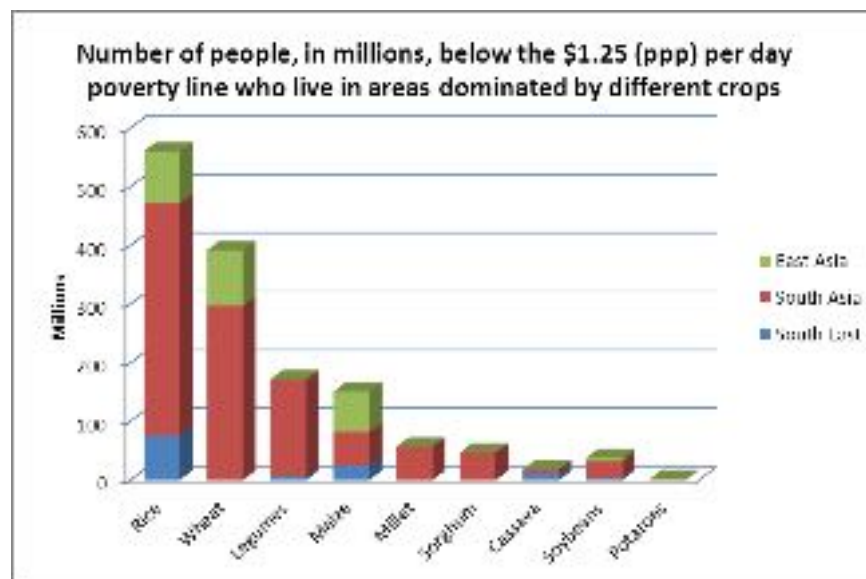
Part 2: Program Description

- Geographic Focus
- Institutional Partnership
- Strategic Choice
- Focus Areas
- Outcomes
- Cross-cutting Themes
- Coordination

Part 1: Context

Putting Food Security into Context: **The Asia Facts**

- Asia is home to about 63% of the world's malnourished, 84 million (8%) in Southeast (SE) Asia ¹
- Rice is most important for the poor both in terms of calories and income ²
- The poor spend over half their food budget on rice ³



Source: "Never an Empty Bowl: Sustaining Food Security in Asia"
IRRI and Asia Society, September 2010

- Elasticity of poverty with respect to rice prices is high: a 20% reduction in rice prices is associated with a 15% decline in poverty in Asia. Also, as rice prices fall, the poor spend a higher portion of their income on non-grain foods, improving nutrition ⁴

¹ FAO, "The State of Food Insecurity in the World 2009." (2009)

^{2,3} IRRI and Asia Society, "Never an Empty Bowl: Sustaining Food Security in Asia." (September 2010)

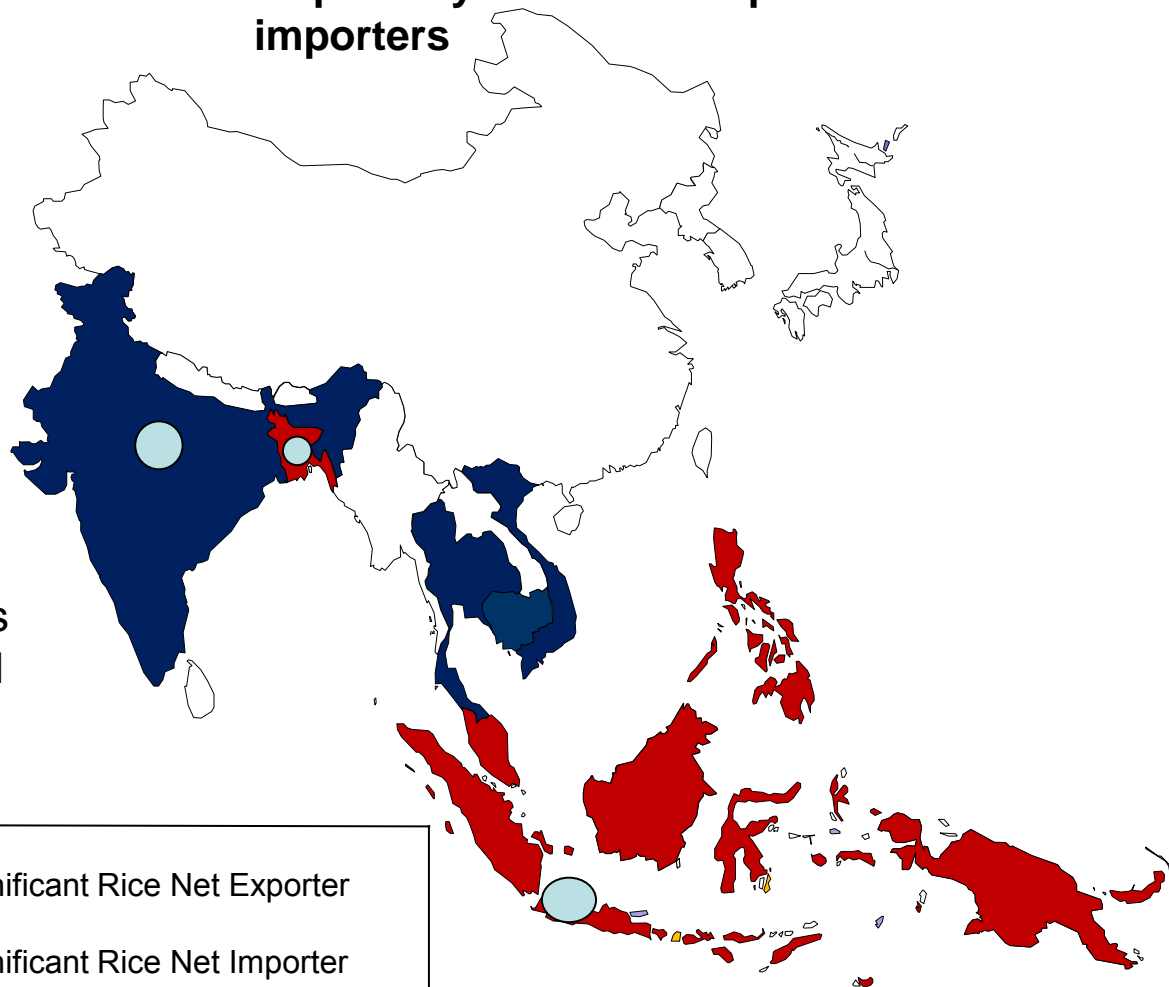
⁴ Global Rice Science Partnership, "Proposal for a Consortium Research Program." (2010)

Map of key Asian rice exporters and importers

ASIAN RICE MARKET

The Southeast Asia region is

- Home to two of the world's largest rice exporters (Thailand and Vietnam)
- Also home to the largest importers (the Philippines, and –historically– Indonesia)
- Surrounded by the two giants of global food production and consumption (China and India)



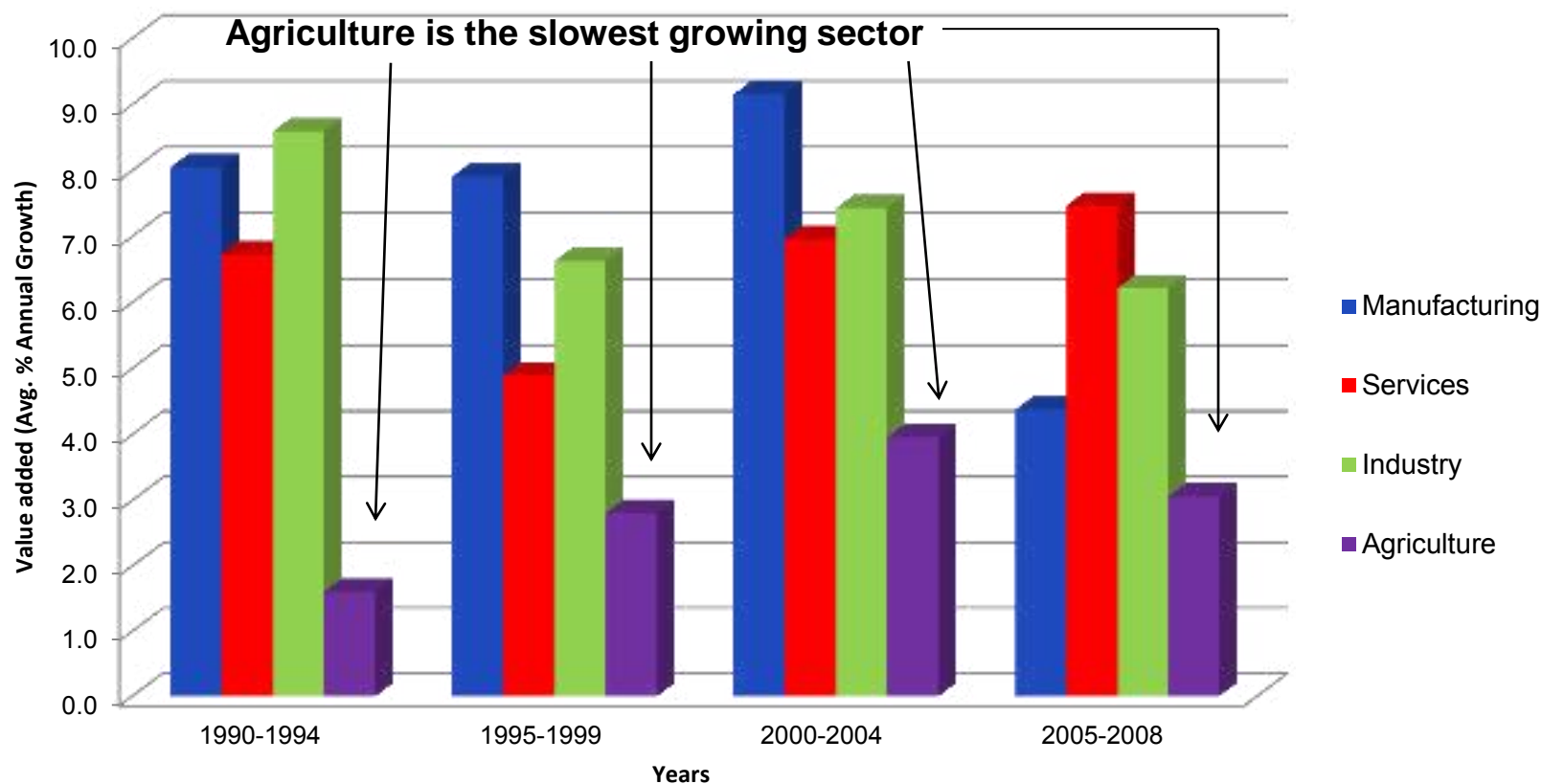
- Significant Rice Net Exporter
- Significant Rice Net Importer
- Food Riots Took Place in 2007/08

Source: U.S. International Trade Commission
Trade Map

Putting Food Security into Context: **Key Challenges in Asia**



Productivity Growth in Association of Southeast Asian Nations (ASEAN) by Sector

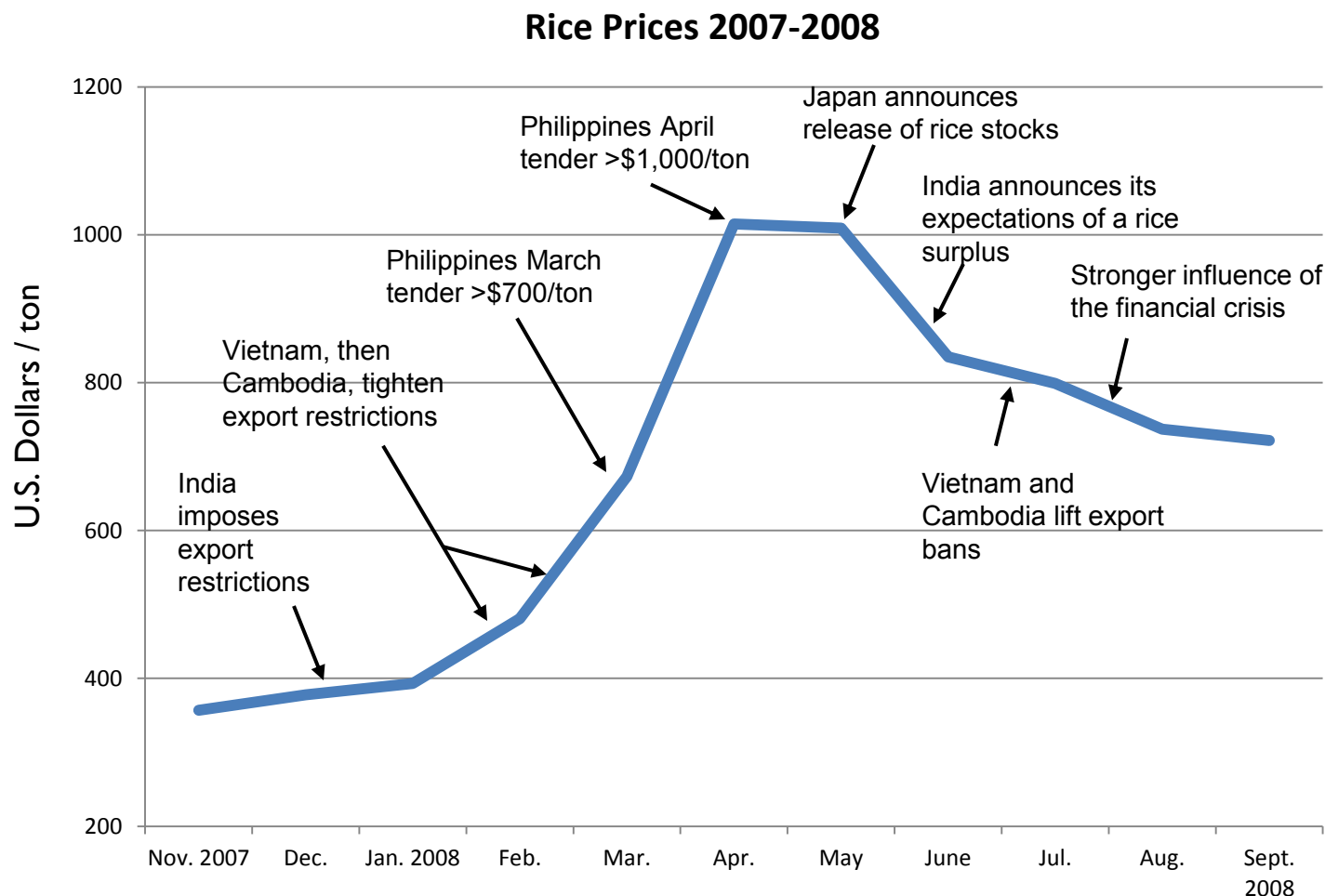


Source: World Bank, World Development Indicators

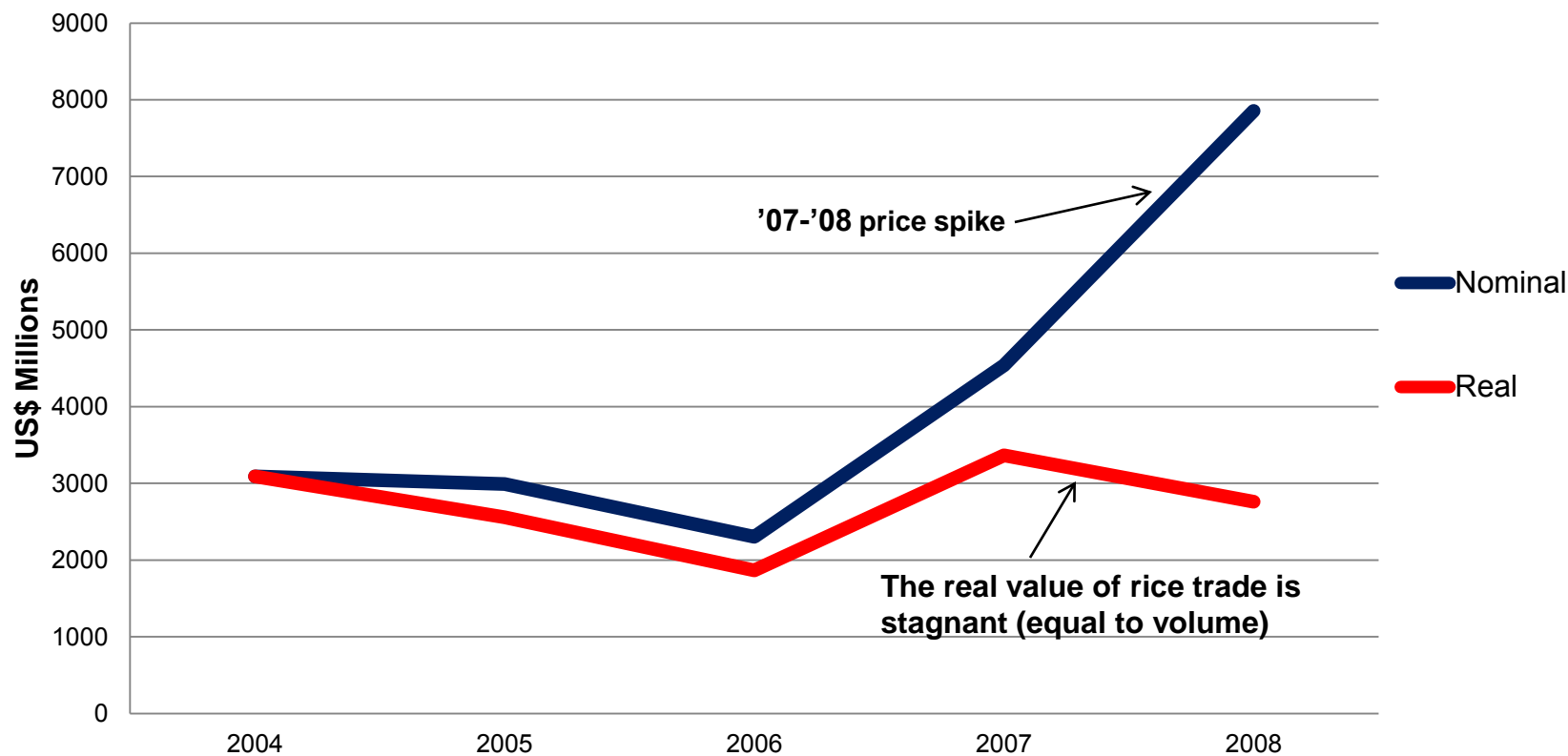
Putting Food Security into Context:

I. The 2007-2008 Crisis - Asia was the Epicenter

- “The crisis occurred not because rice supply was insufficient within the region to satisfy demand. Instead, it was primarily due to a sudden change in the trade policies of the rice exporting countries...” (*Trusting Trade and the Private Sector – Policy Reforms, Private Investment in Food Supply and Cross Border Trade Facilitation*, ASEAN Secretariat, the World Bank, Asian Development Bank, and FAO, May 2010)
- India, Vietnam, Cambodia, and Indonesia temporarily suspended rice exports; Thailand suggested that major rice exporters form a cartel
- Food deficit countries (e.g. Philippines and Indonesia) lower trade barriers only when they experience immediate need
- Government-run supply chains and price supports for many basic staples crowd out private sector investment
- Lack of regional cooperation – which is the key to facilitate trade and investment in productivity-enhancing technologies



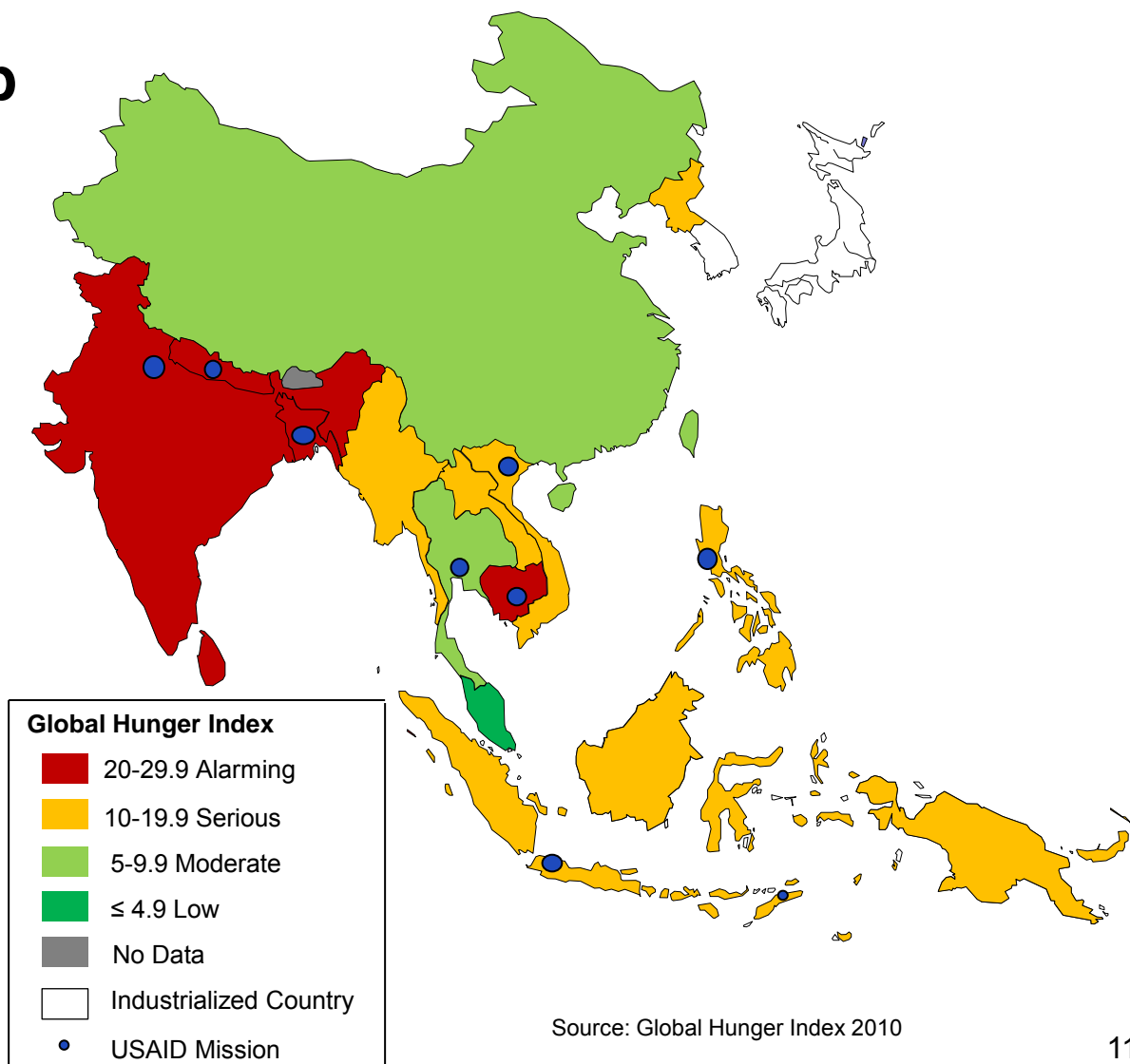
ASEAN Intra-Regional Exports of Rice



Source: ASEAN Secretariat (2009c:197) and IMF Primary Commodity Prices Index

Vulnerability Map

- Asian countries with highest global hunger scores of severity (Cambodia, Nepal, Bangladesh), are potential Feed the Future focus countries already
- Several countries that rank as “seriously” vulnerable do not have a USAID mission. There is a strong need for a regional program to focus on these countries



Part 2: Program Description

Southeast Asia

Strategic focus on Southeast Asia makes sense :

- Two of the three largest rice exporters and the largest importer nation
- Five “seriously vulnerable” countries according to the Global Hunger Index (Laos, Vietnam, Timor Leste, Indonesia, Philippines)
- Most South Asian food security concern countries already have FTF resources and programs in place (e.g. India, Nepal, Bangladesh)
- Currently, China is addressing its own vulnerabilities



Map of Southeast Asia

Source: www.dallasfed.org/eyi/global/0203china.html



Regional Partnership

Association of Southeast Asian Nations (ASEAN)

- *Brunei*
- *Indonesia*
- *Cambodia*
- *Philippines*
- *Thailand*
- *Burma*
- *Laos*
- *Malaysia*
- *Singapore*
- *Vietnam*

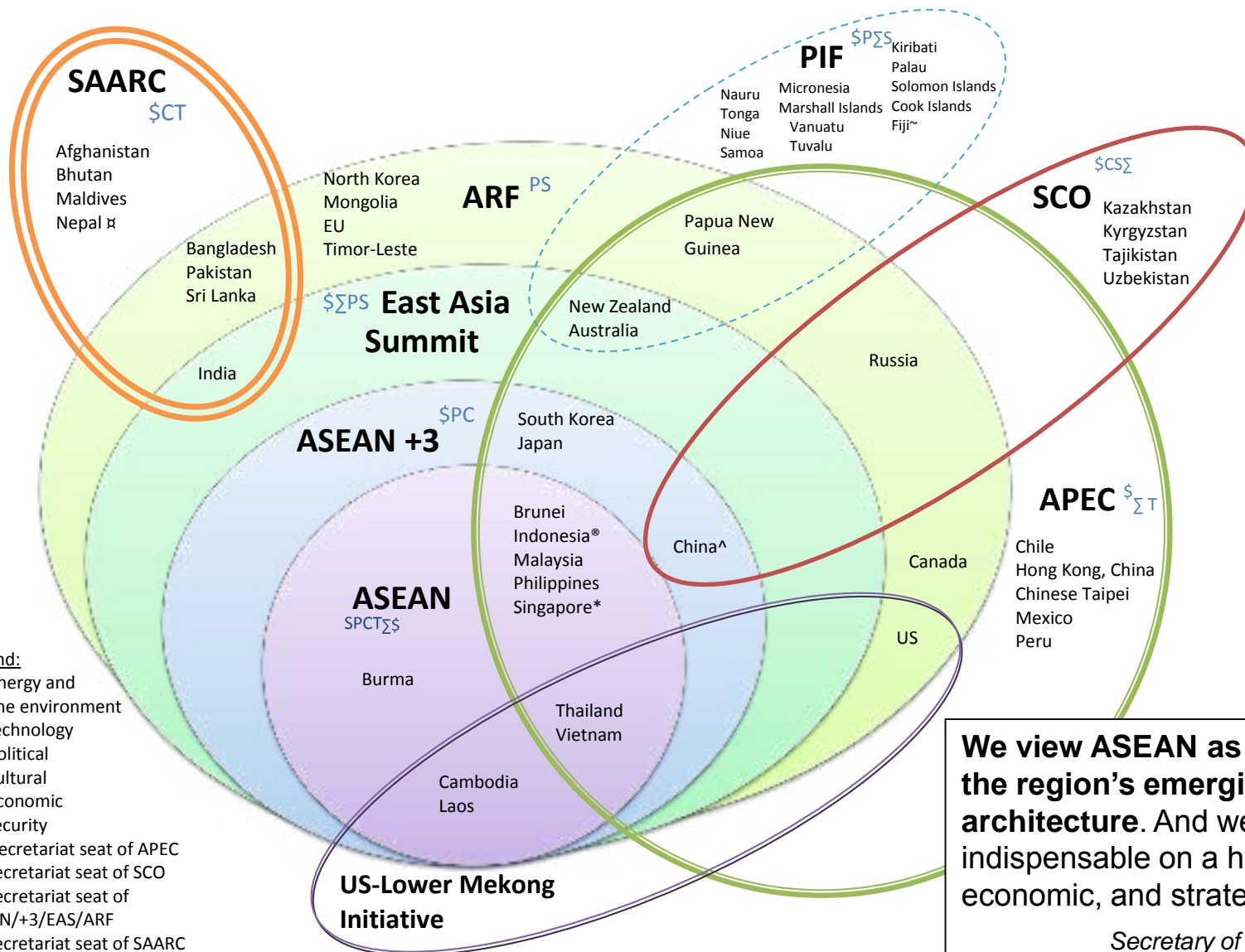
Commitment to Agriculture Transformation:

- ASEAN Integrated Food Security (AIFS) framework and Strategic Plan of Action (SPA-FS) – October 2008
- Ability to coordinate efforts and pressure compliance among member countries
- Unique position to implement national food security policies that are in line with the spirit of ASEAN regionalism
- Appropriate leverage to strengthen and expand existing ASEAN food security mechanisms



Secretary of State Hillary Clinton shaking hands with ASEAN Secretary General Dr. Surin Pitsuwan

Source: nathaninc.com



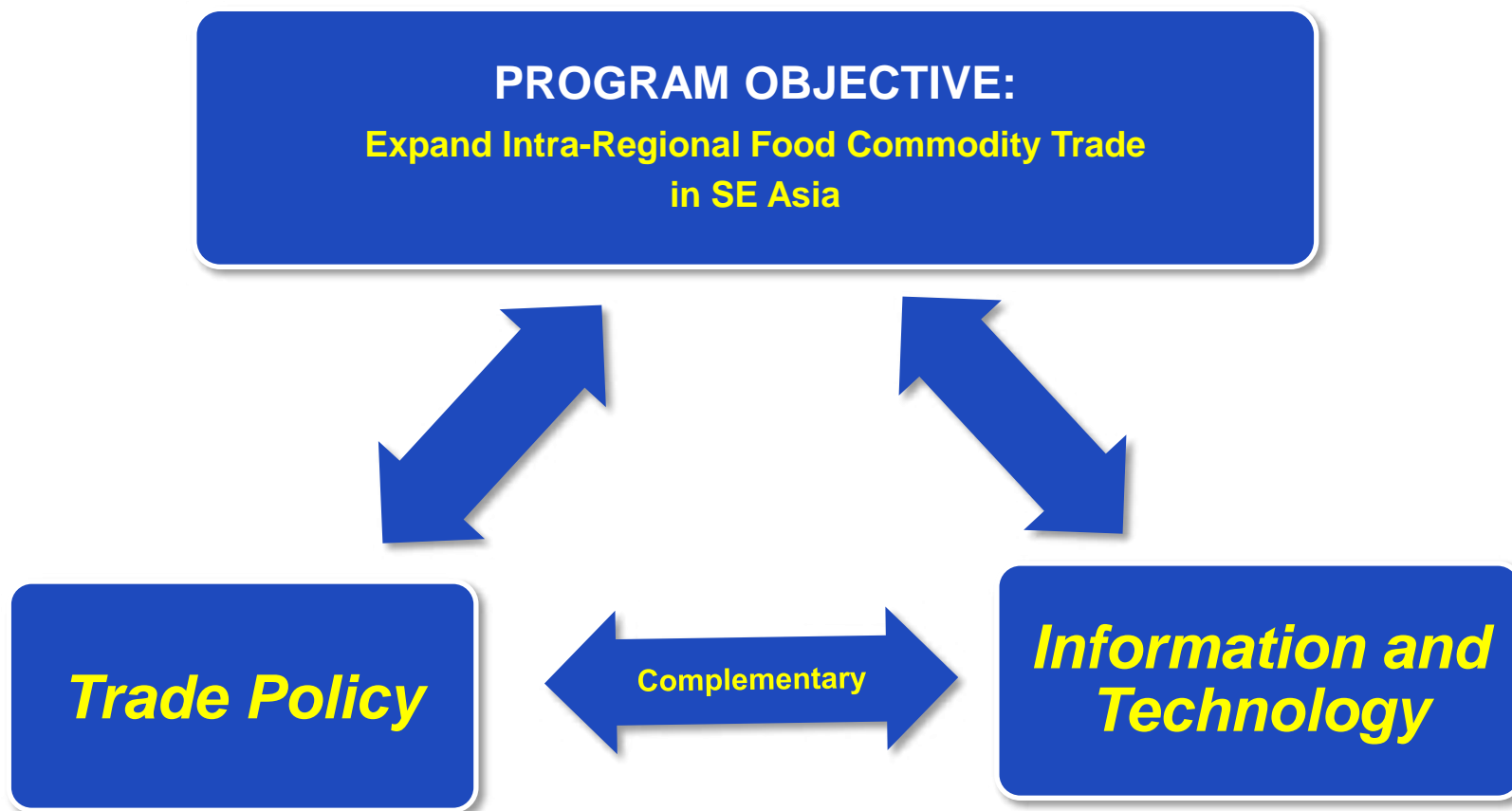
Legend:

- Σ : energy and the environment
- T : technology
- P : political
- C : cultural
- $\$$: economic
- S : security
- * : secretariat seat of APEC
- \wedge : secretariat seat of SCO
- \circledast : secretariat seat of ASEAN/+3/EAS/ARF
- \mathfrak{A} : secretariat seat of SAARC
- \sim : secretariat seat of PIFF

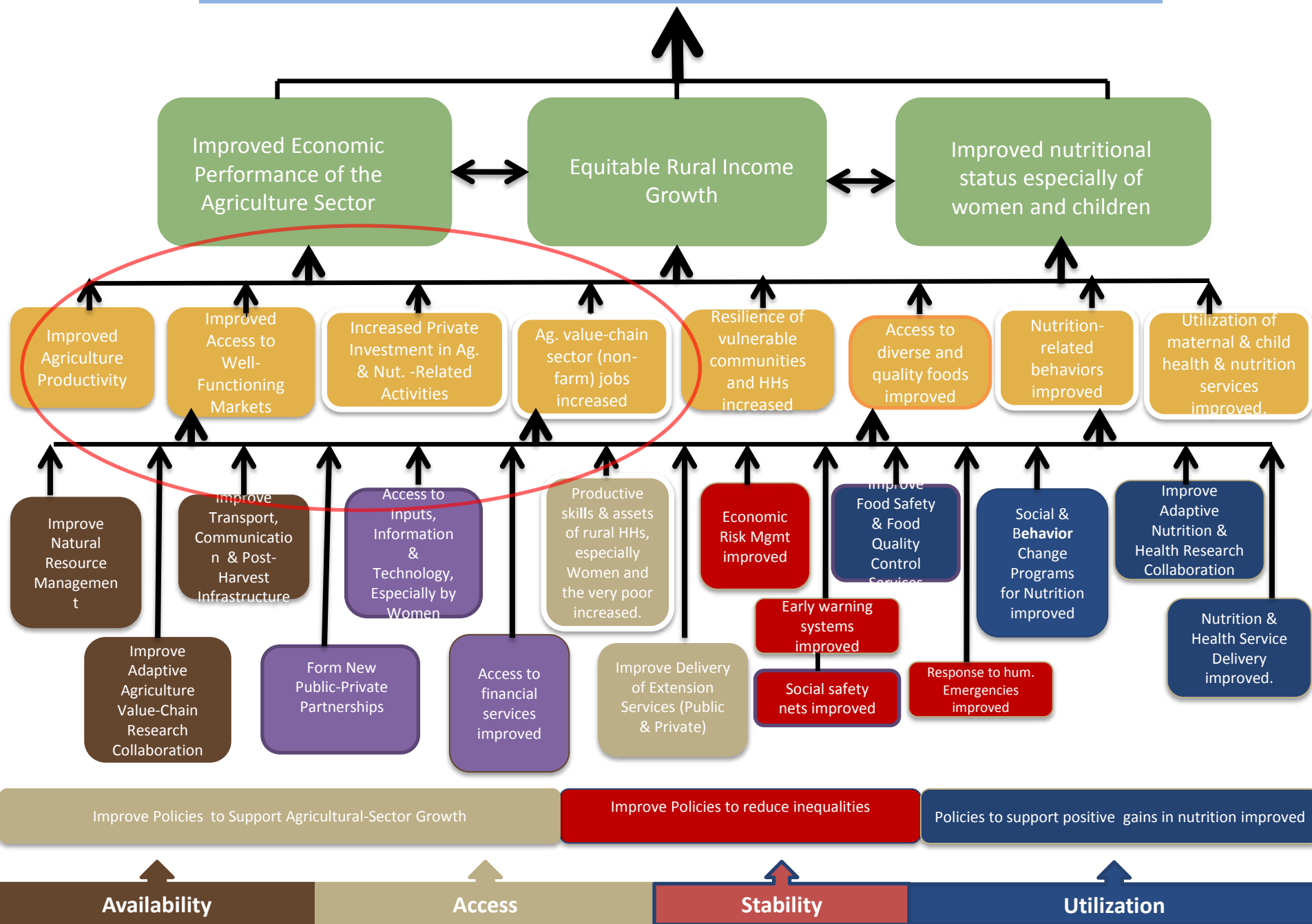
We view ASEAN as a fulcrum for the region's emerging regional architecture. And we see it as indispensable on a host of political, economic, and strategic matters.

Secretary of State Hillary Clinton
East-West Center, October 28, 2010

Problems to be Addressed



GOAL: Sustainably Reduce Global Poverty and Hunger



Enabling Environment for Trade Enhanced

Results:

Improved efficiency of agricultural supply chain through improved and harmonized agricultural policies and commodity trade regulations

Access to Information and Technologies Increased

Results:

Increased regional learning and information exchanges; new productive technologies introduced and commercialized in the region

Methodology

Regional coordination through the ASEAN Secretariat; strategic alliances with the private sector

Drilling Down

Improve Enabling Environment for Trade

- Harmonize regulatory environment for agriculture
- Harmonize quality and safety standards [sanitary and phytosanitary (SPS), maximum residue levels (MRL), regulatory framework for biotech]
- Assist ASEAN to coordinate, monitor and evaluate the Strategic Plan of Action for Food Security (SPA-FS)
- Monitor ASEAN Free Trade Area (AFTA), ASEAN Trade in Goods Agreement (ATIGA), ASEAN Sub-Committee on Women (ASW)

Increase Access to Information and New Technologies

- Facilitate ASEAN engagement with the private sector
- Support South-South Cooperation
- Expand institutional capacity for food security information collection and dissemination
- Support introduction and expansion of crop insurance
- Promote access to new agricultural technologies

Outcomes

- Increased food trade through harmonized regional policies, improved capacity to comply with standards and strengthened regional collaboration
- Root cause of the 2007-08 food price crisis in Southeast Asia addressed
- Strengthened ASEAN secretariat; enhanced ASEAN integration and cooperation; increased private sector engagement in regional agriculture

Proposed Engagement : Cross-cutting Themes

Climate Change: New seed varieties will be more climate resilient and water efficient; partnerships will be instrumental in piloting new adaption strategies

Institutional Capacity Building: Regional Development Mission for Asia (RDMA) will strengthen the ASEAN platform for improving regional food security

Gender: Take into account the disparate impacts of regional policies

Stakeholder Outreach

- ASEAN Food Security Conference: The Role of the Private Sector; Singapore, 2010; Direct consultations with ASEAN Secretary General Surin Pitsuwan
- ADB/FAO/IFAD/USAID Food Security Investment Forum for Asia and the Pacific; Manila 2010
- RDMA meetings with private sector entities
- Consultations with United States Government Agencies

Building on Current RDMA Programs

- **Technical Assistance to ASEAN** is already assisting regional integration
- **ASEAN Single Window** project is facilitating regional trade by creating a single submission point for customs documents
- **Laos World Trade Organization Accession** project helping the last non-member in the region through trade regulatory and policy related assistance
- **RDMA Environment Office** has ongoing project in natural resource management, sustainable landscapes, and adaptation
- **VALUE Chain Project** enhancing the productivity of the region's textile and apparel supply chains