

**Commentary**

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**CREATING FUTURE LEADERS: BIFAD AND USAID DIALOGUE ON  
HUMAN AND INSTITUTIONAL CAPACITY**

**PANEL RESPONSE TO PRESENTATIONS AND INNOVATIVE IDEAS  
*“Needs and Reflections”***

**By**



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### INTRODUCTION

I am honored to respond to BIFAD and USAID's new efforts to hopefully help begin to advance Human Capacity and Institutional Development (HICD) in the agricultural sector for USAID's Feed the Future FTF program. After a quarter century of country and donor neglect to agricultural development worldwide and particularly HICD writ broadly, while global economic and trade structures changed so radically, this high-level BIFAD led initiative forms an initial platform to a hopefully better world. Under the new economic paradigm, the emerging economic development experiences demonstrate that in the small to medium-sized agrarian-based economies, comprehensively targeted HICD support forms the only means to advance sustained, broad-based economic growth, the main means to reduce food insecurity.

My participation is to share some reflections on this HICD initiative based on my extensive and varied development-related experiences in over 25 countries. Firstly, during USAID's agricultural "golden era," I worked on agricultural development issues in multiple countries and retired as the Agency's Director of Agriculture. Subsequently, during the last 20 plus years, my engagement with agriculture continued under multiple consulting assignments. I have been intimately involved with HICD issues, including the CRSP model; strategic planning and program development for four major agricultural universities; and the broader HICD support agenda for research, extension, and education systems and sector planning and policy projects. For four FTF countries in Africa (2) and LAC (2), I have done substantive programming planning work.

From these experiences, increasingly during recent decades, producers, business leaders, government officials, and academicians have lamented USAID's precipitous and prolonged disengagement from investing in HICD, once the Agency's flagship component. From this abrupt exodus, with no alternative approaches and also the neglect from over many years by their governments, country capacities to confront increasingly more challenging competitiveness and trade obstacles have been seriously constrained. These challenges go beyond the narrower, more technological constraints to advance the Green Revolution.

Evolving from President Obama's bold leadership response to the 2008 Global Food Crisis and the USG's huge reversal of the exodus trend from agriculture, and USAID Administrator R. Shah's request to BIFAD and the subsequent HICD Review directed by BIFAD's Chair B. Deaton, the USG is hopefully positioning our exceptional national capacities to substantively advance from the current, generally speaking, sub-optimal structures. My review focuses on helping this HICD initiative to more fully understand and respond to the radically altered economic structures and inappropriate institutions such that strategically coordinated support is further rallied from senior levels of the US and FTF countries. From this overview, three inter-connected strategic themes are presented to hopefully advance actual program design for the "new era" HICD enterprise required to confront vexing poverty issues. This discussion also provides materials to help respond to the numerous long-term shortcomings from earlier

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institutional capacity building experiences cited in the HICD Review (page 16) and to respond directly to the core elements of the *Presidential Policy on Global Development*.

### OVERARCHING ECONOMIC AND INSTUTIONAL STRUCTURES AND ECONOMIC CONSEQUENCES

Beginning 30 years ago USAID commenced its radical disengagement from agricultural development, the historic vehicle for economic development. Gradually however, on an unanticipated front, the long prevailing protectionist, import substitution macro-economic super structure--within which agriculture had always been the most protected economic sector, slowly commenced to fade from the horizon. This was replaced by the rapidly evolving “Washington Consensus”—the macro-economic structure around which “all boats would rise” due to the improved policy environment, related IMF Structural Adjustment loans, and fiscal reforms which resulted in large disproportionate cuts to public and donor support to agriculture over an extended period. Ironically, at the same time, the WTO’s Uruguay Round provided the developing countries of the tropics unprecedented agricultural trade opportunities, leading to 283 worldwide agreements, plus 200 currently under negotiation. Most small and medium countries, with their agro-ecological diversity and bountiful land and labor assets, were suddenly blessed with a huge opening for growing demands for more remunerative fresh and processed agricultural products. Unfortunately, the required sector conversion process to competitively respond did not strategically or substantively confront the need to strategically address outmoded sector-related economic policies and put in place the new support structures and services that would be required to compete and gain.

Between the mid-1980s and 2006, total donor support declined from \$10 billion to \$6 billion with USAID observing greater cuts in percentage terms and large technical staff reductions--one of its special attribute at the country level. Public sector R&D budgets were flat at only 0.5% of sector GDP (1% being the gold standard) and worsened. In Africa, between 2000 and 2008, negative budget growth for R&D occurred and within these cuts, budgets for extension and related outreach services were particularly reduced. Declining support to agricultural universities did not permit the curriculum revisions for the radically changing times for the agriculture and food sectors. USAID’s comprehensive 2013 study, *Towards USAID Re-engaging in Supporting National Agricultural Research Systems in the Developing World* speaks pointedly to the alarming “retirement tsunami” experience as previously USAID-funded advanced degree holders retired, while services “struggled with severe and often permanent organizational and managerial problems” as countries tried to cope with truly formidable problems.

By late 1990, yield growth rates for cereal crops, the traditionally assisted crops, declined from 2% to 1%, generating a series of insidious, seldom brought together consequences. In the FTF countries, the agricultural work force comprises 76% of the national work force (albeit the least remunerative economic sector) and forms the largest GDP generator (with low remunerative cereals forming its principal sub sector).

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The sector, as currently configured, is characterized by the low value production systems generating the lowest returns to labor and forming the principal limitation to wage and job growth. This creates a huge anchor on a country's national salary structure, the main cause of poverty and growing inequalities particularly in the rural sector.

Historically, via productivity growth, Economic Structural Transformation (EST) "pushes" labor from agriculture to more remunerative industrial and service sectors. At the same time, the sector's share of the total GDP declines -- defined only in terms of total farm gate product sales and not the inter-sectoral values and sales generated from diverse inputs. Alarming, as revealed in my multi-country research for USAID, due to sustained neglect and inattention not only to R&D and related HICD needs but also to policy and strategic planning assistance, by the late 1990s, the EST process had stalled with the alarming evidence of agriculture's contribution to GDP actually increasing. The consequences of the perpetuation of this intractable malady, due to inappropriate attention or piecemeal interventions, is revealed by the World Bank showing the "average" poor person income in a low income country of 78 cents a day in 2010, compared with 74 cents a day in 1981. The consequences of the gnawing, seldom confronted trend and ensuing desperation mainly by rural residents over a considerable period, is the notable spike in increased illegal immigration, violence and social strife, illicit drug trafficking and production, environmental degradation, and also, food insecurity.

The 2008 global food crisis created a special opportunity and the USG responded with FTF as an unprecedented support initiative. However, to generalize in the context of this EST SOS indicator, countries and donors were slow to aggressively and strategically confront the profound structural issues observed within the world's agrarian-based economies. BIFAD's bold new initiative in HICD with particular emphasis on the "institutional side," provides the much needed comprehensive re-entry point and program intervention to advance new era support structures. Key focus areas include research, extension, education support to address human and institutional capacity development needs across the whole food sector. Also key will be ensuring adequate attention is provided to strategic planning and policy analysis services, ironically the key areas of USAID's earlier HICD portfolio.

### **STRATEGIC THEMES FOR UPGRADING HICD IMPACTS TO GENERATE GREATER GLOBAL WELL BEING**

This program rationale helps program designers to frame the actual HICD Program. It will help advance HICD as the quintessential component to achieve FTF's sustainability objectives, advance "Inclusive Agricultural Development," and it's recently proclaimed USAID Mission Statement to eliminate extreme poverty by 2030.

While the university focus is of extraordinary importance as one important base, the HICD Review astutely notes the need to for extensive US university science and technology capacities to be linked with national systems and local producer and

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agribusiness services such that this effort could and should also impact upon the national systems. To confront this need and the formidable sector-related issues flagged, this HICD effort should also serve as the initial re-entry conduit for much needed, strategically coordinated complementary policy and enabling environment and sector support programs and services. From the broader provision of new analytical skills, technologies and improved knowledge, and support services, much needed impacts across producer, agribusiness, governmental, donor and foundation bases could be leveraged. However, if left to languish, the producer and business confidence levels will continue to deteriorate, thus further disincentivizing farmer and private sector investment in agriculture required to help production units sustainably advance farm diversification.

From this evolving broader approach, greater wage and job growth can over time be facilitated through the improvement of farm and sector productivity, sector competitiveness enhancement, and the broader range of more remunerative products linked to value-added, inter-sectoral agro-processing and service activities. The realities of the opportunities and consequences of expanding markets locally, regionally, or internationally and to a growing number of product competitors importing to local markets, must be appreciated and internalized in a strategic context while the requisite reforms advance in a facilitating way.

While under FTF and building from earlier CRSP efforts, a broader range of product-specific science and technology networks have been established; however, as the HICD Review states, these fall short of today's more elevated and severe national needs. USAID's FTF country-level project focus is usually on specific regional and commodity value chains. Much more is needed strategically and institutionally to substantively advance the sector reforms to "catch up" and hopefully advance. To build from the HICD Review and to help advance the subsequent program document, three inter-connected themes are offered. The discussion is followed by some possible activities to help advance the proposal.

### **Creating a sustainable country-level partnership**

The new economic paradigm is upon the world and small and medium countries are increasingly vulnerable due to their poorly positioned agricultural sector's capacities to compete and gain. Although the HICD Review highlights many earlier university-led experiences, we also know of many sub-optimal and non-sustainable partnerships due to limited funding, inattention to policy and/or institutional reforms, or changing USAID or country-level priorities.

Most senior-level officials admit privately to their much weakened national structures and the requisite need to quickly mount the substantive enabling policy reforms and comprehensive long-term new era rebuilding process now required. They admit to the implicit complexities and are keenly aware of the national institutional deterioration. All profess that the challenges, while formidable, must be confronted but hopefully buttressed by the appropriate knowledge and technical support and related HICD services they currently lack. A long-term perspective is needed to the internal realities.

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Effective implementation of the internal reforms will likely surpass presidential campaign slogans, constitutionally defined terms in office, and changing donor solutions and pursuits not always responsive to the core issues. All are convinced of the intrinsic value of the need for and investments in a sustained commitment to a US-supported link with our highly respected system covering a breadth of critical needs essential to commence much needed “Economic Structural Transformation.”

This HICD-led reform process is required to reduce farm-level risks and mobilize producer “sweat equity” and agribusiness investments, while at the same time, mobilizing national confidences for the much needed, but usually languishing national support base to invest in agriculture and HICD, to thereby begin to reduce traditional donor dependencies.

Respectful of the multiple issues that might/must be confronted and the implicit sensitivities and need for stimulating long-term national interest, some examples of HICD program pre-introduction and preparation activities are offered: 1) Review country-level national economic and strategic plans and business community equivalents; 2) Utilizing the ongoing in-country contacts associated with current Innovation Laboratories, conduct a standardized questionnaire/survey of broad and topic-specific HICD-related support needs observed in their country, and key policy and institutional support recommendations and needs; 3) In preparation of the initial county visit, outline a hypothetical outline discussion of the national economic situation and trends, role of a dynamic agricultural sector and HICD and related institutional issues around which, a country-level HICD exploratory mission could be conducted, 4) Review the more readily available studies regarding capacity needs for national NARS; 5) Cultivate US State Department awareness via presentations; 5) Conduct initial HICD program concept meeting with USAID/mission level officials and with the respective Embassy staff; and 6) Utilizing this information and other as needed, commence the program design work and highly interactive processes with host country officials and leaders. Although on a different topical area, in these deliberations it may begin to become apparent that, given the broader program construct of this expanded HICD approach to supporting FTF, consider the formation of a high-level independent HICD steering Committee to conduct review and advisory services.

### **A demand-driven, multifaceted HICD service institution is needed**

The appropriate meshing of the teaching, research, technical assistance, and planning and special analytical skills and services that the participating countries need and that HICD could provide, must be meshed with actual country needs and market prospects. The CRSPs and Innovation Lab experiences have provided some interesting contributions. Africa has benefitted from recent major investments to increase advanced agricultural degree holders. How these and other related activities mesh more systematically with national priorities and market opportunities is not that apparent and scattered approaches do not forge the critical mass base to respond to the myriad of accumulated problems. Current realities and approaches require a greater understanding of the broad prospects to advance market-responsive, sector productivity and value-

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added, inter-sectoral opportunities. Access to the best or “next to” skills and services and employing these in the most effective and efficient way becomes critical.

Building from the above discussion, HICD program responsiveness to national needs and challenges particularly on the economic and poverty reduction fronts, become critical. However, to help to at least have some clearer perspectives for the national audience and further partners of the likely needs, some initial illustrative points are listed: 1) Review the findings of the above mentioned activities, particularly regarding the national plans and private sector market prospects and also studies on producer-level dynamics and illustrative farm budgets; 2) Page 16 of the HICD Review provides a brief discussion on the core institutional development needs and inputs which will have to be studied carefully; 3) As recommended in the HICD Review, the diluted national systems (“NARS”) will require strengthening. To advance this effort, the requisite support and collaboration needs may conflict with the respective institutional charters and thus must look for the appropriate accommodations; 4) The realities of considerable “yield gap” studies for traditional cereal crops point to the need for innovative technology outreach/extension assistance to begin to influence national and donor programs; 5) Review curriculum development, research agenda and activities and special training, and also staff and curriculum development and initial support needs for the NARS; 6) Based on this review, greater specificity and program content can be developed. However, to get an initial illustrative impression of the magnitude of priority needs, substantive work will likely be required in agricultural economics, agribusiness, and rural sociology and also in fruit and vegetable and animal science, soil management, water conservation, integrated pest management, post harvest and food science technology, approaches to national conscience raising, and institution building; and 7) Extension outreach training and services for training of trainers, youth-specific training programs and vocational agriculture to confront the “youth boom” and limited off farm employment prospects, and short courses for national extension personnel, and interactions with private sector input suppliers, producer associations, and NGOs. Productive experiences and product supply bases for broader applications should also be obtained from existing USAID and other donor projects.

Critically needed, broader multidisciplinary tasks will be needed for strategic planning and policy development and enabling environment, macro and sector policy compatibilities, trade competitiveness, design of public/private-private/public institutions, and natural resources management.

### **Focus on re-gaining long-term university “best and brightest” faculty interests and commitments**

This institutional base becomes the fulcrum, energizing force for program success in this highly visible global initiative. The HICD Review speaks candidly about the considerable erosion of the “Golden Era’s Giants.” This group made truly important contributions based on their exceptional intellect and interest, passionate leadership and considerable commitments, and their graduate students’ sustained research and numerous publications analyzing the more complex issues of that day. These multiple skills produced the historically important “first generation” wave of talents and

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products of the Green Revolution. Earlier mention was made of the thousands of previously trained country-level leaders now readying for the “old soldiers home.” In effect, at the critical juncture described regarding Economic Structural Transformation and the notable erosion of core HICD services, the only base for helping the US and the world to advance from the increasingly perilous situation described, is to help mobilize the needed second and third generation of “Champions to be” and the institutional support base needed within the national structure to ensure national services and contributions are provided in the most efficient way.

While some faculty members are excited about the special HICD opportunities being discussed, there is also a keen understanding of many earlier but unrealized efforts which generate some skepticism regarding the viability, sustainability, and vitality of a university career in international agricultural development. This requisite new era skill bases covering: 1) substantive knowledge; 2) extensive professional network; 3) multi-cultural empathy; 4) appreciation and acceptance of the “development process;” and 5) basic trade craft are not universally shared. Meeting the expected recruitment targets with the appropriate experience in the expected range of talents and services serious and staffing up for the varied specialized services could become a challenge.

Some possible activities to confront this issue include: 1) Perhaps from the few remaining “giants,” mentorship activities, workshops, and sharing of materials; 2) USAID and the USG must work diligently to instill the importance of this historic reset mission to a broad spectrum of the faculty members and graduate students; 3) There will be a need to quickly and aggressively confront a series of important related Recommendation (#5, 6, and 7 for example) identified by the HICD Review which require attention to accomplish this special mission; and 4) Perhaps, conduct an informal survey to ascertain, based on the characteristics and training required, what levels may be mobilized.

## CONCLUSION

In today’s world, institutional capacity building forms one of the most challenging and important development activities. Although agriculture benefited considerably from an earlier and sustained high- level initiative, the historic re-entry now envisioned will be particularly challenging due to the daunting macro-structural and sector-related maladies, national and donor neglect, the pervasive political economy realities evolving for decades, and the new learning curve after a long hiatus. The achievement of FTF’s objectives requires considerable attention to improve: 1) producer and agribusiness knowledge and skill levels; 2) sector and macro policy complementarities; 3) improved, cost effective public and private support services all tied to the HICD agenda; and 4) mobilizing the highest level support bases.

The HICD Review process now commences an important phase during this “high stakes” re-entry period. Special considerations will be required so that national economic, social, and political needs can be advanced and the maximum gains provided via these new era, US university/FTF country-level linkages.



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I hope you find my observations helpful in mobilizing the highest support needed at multiple levels and that from the points covered, sustainable broad-based economic impacts begin to be observed.