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**As submitted to the**

**COMMITTEE ON THE BUDGET  
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Mr. Chairman, and distinguished members of the Budget Committee, it is a pleasure and an honor to testify before you today. Before I begin, Mr. Chairman, I want to acknowledge your committee's role and leadership in the cause of fighting hunger and malnutrition around the world. All of your work is one reason WFP can provide life-saving food and assistance to 90 million people this year; 80 percent of whom are women and children. That includes three million people in Darfur alone who depend on WFP for the only daily sustenance they receive.

Your role, however, is never more important than today – as we need a bold new approach to food assistance in the face of a global food crisis that is hitting the world's most vulnerable hardest.

It is important that members of this committee hear what I hear all over the world in refugee camps, villages, HIV/AIDS clinics, schools, slums, and orphanages that I visit: Thank you, America. The American people provide more than half of the world's total food assistance and this is understood and appreciated by those who receive the benefits. This is a noble legacy carried on year after year and it will never be forgotten or taken for granted. Your efforts have meant so much. But I am here today to ask for more.

Mr. Chairman, two weeks ago the US Department of Agriculture reported that some 130 million additional people have joined the ranks of the hungry due to the global food crisis. These numbers are but the latest articulation of a hunger crisis without borders. As I am sure the members of this committee know all too well, high food and fuel prices are taking a toll on your constituents right here in

America. But imagine what these prices mean to the world's poorest – the so-called bottom billion living on less than \$1 a day.

Without unified global action, the world's bottom billion could become the world's bottom two billion, as their purchasing power is cut in half from soaring food and fuel prices. This is a silent tsunami hitting the world's most vulnerable, 80 percent of whom are women and children.

Of course, we are all consumers when it comes to food. Food is so basic to human survival that its denial is a denial of life itself. Some say there are only seven meals between civilization and anarchy – at the seventh meal lost, all begins to fall apart as people are reduced to fending for survival. Ensuring access to adequate, affordable food and nutrition is certainly one of the fundamental roles of government, and, indeed, of civilization itself.

Today, the global food supply system is groaning under the strain of sky-rocketing demand, the soaring cost of inputs, depleted stocks, crop loss due to drought, floods and severe weather, and increasing demand on the use of food for energy and other supplies. Last June, I warned we were facing a perfect storm for the world's most vulnerable. Today, I believe we are in the eye of that storm.

News reports and images from deadly riots in Haiti, triggering the collapse of the government, and elsewhere throughout the globe, are stark reminders that food insecurity threatens not only the hungry but peace and stability itself.

Much of the global reaction – panic-buying, hoarding, speculation, price controls and export restrictions – threaten to exacerbate the problem. In fact, thirty countries have imposed new food export restrictions, making it difficult for WFP and many others to procure and deliver food to areas of need.

Since mid 2007, we have seen the most aggressive pattern ever of global price increases for basic food commodities. In the five years from 2002 to 2007, we at WFP faced a 50 percent increase in the cost of procuring food for our programs. In only nine short months, between June 2007 and February 2008, we saw another 50 percent increase.

I will give an example: On March 3, WFP bought rice at \$430 a metric ton. Five short weeks later the price had jumped to \$780 a metric ton and two weeks later it reached \$1000 a metric ton. We have seen similar skyrocketing prices for other staples like corn, wheat, and vegetable oil.

As you all know well, this is pinching consumers hard even in highly developed nations. But imagine the more than one billion people in the world living on \$1 a

day, already spending most of their income on food, trying to keep up. Not even the best governance on earth can overcome such odds. Stock and cash reserves in these nations are being drawn down to all-time lows as in Liberia, Senegal and other countries. And just when the world needed WFP most, we were able to serve fewer people than ever.

Let me illustrate the impact that soaring food prices has had on WFP. WFP reaches up to 20 million children a year with life-saving meals at school. Thousands of schoolchildren receive nutritious porridge in a red cup like the one I carry across the world, and that belonged to Lillian from Rwanda. For those of you who have visited our school feeding programs, you know that for many of the children, this is their most precious possession as it is the only cup of food they can rely on all day. By January of this year, just simply due to soaring food prices, we were able to fill this cup only 60 percent with the same contribution. Many children had 40 percent less porridge; 40 percent fewer kilo calories; 40 percent fewer nutrients; and stomachs that were 40 percent less full. That nutritional chasm will have long-term consequences for those children, as we know.

WFP has been working closely with the Secretary-General's task force on the food crisis and with the World Bank to help those nations hardest hit. For example, early this year, the Government of Afghanistan asked us at WFP to support an additional 5 million people thrust by soaring food prices into the ranks of the hungry. But with food prices expected, as the World Bank predicts, to be with us at least through 2012, the crisis is not easing. A few weeks ago, the Government asked us to extend this assistance for at least another 12 months. Clearly, the food crisis is affecting more people for longer than expected in an already fragile nation.

In the Horn of Africa, prolonged drought and civil unrest in some areas are being exacerbated by stubbornly high food prices. In Somalia, WFP expects that the number of people it feeds will climb from more than one million per month to 3.5 million by December. In Ethiopia, we are expanding our emergency program by an additional 3.7 million people in addition to the four million already in need under our existing program. Based on recent assessments, WFP will need to reach 14.3 million people in the Horn of Africa region this year – constituting almost 20 percent of our work worldwide.

Mr. Chairman, together, these challenges have culminated in a global crisis that requires US leadership. As you know better than anyone, that leadership begins here in this committee, as you set the priorities for all the work of the US government here and abroad.

Mr. Chairman, I am asking you to pause and understand that I am not here to ask for a one-time hand-out for this difficult moment. I am asking the committee to consider making global food assistance a higher priority so that we might get ahead of the hunger curve. I recognize that this is no small request.

### A REVOLUTION IN FOOD AID

Before I elaborate, let me give some background now on WFP and where we stand in meeting these challenges and the things we are doing and will do to address them.

The World Food Programme was created by the nations of the world, as the world's urgent hunger institution. When all else fails, you turn to us to prevent life-threatening food and nutrition vulnerability.

Today, we manage a global lifeline that can reach any corner of the world in 48 hours – as we did during the war in Lebanon, and after cyclones hit Bangladesh and also Myanmar. WFP deploys thousands of planes, ships, helicopters, barges and, when needed, donkeys, camels and elephants. Our motto is: nothing comes between WFP and a hungry child.

We are the logistics coordinators for the UN system, delivering not only food, but an array of life-saving goods, including medicines, for dozens of partners. WFP provides global services, such as our Humanitarian Air Service, which ferries 400,000 humanitarian and development workers in and out of disaster zones each year – including 10,000 aid workers to and from Darfur each month.

WFP is 100 percent voluntarily funded; receiving no core or assessed funds from any source. In this way, we are unique in the UN system.

WFP has been undergoing a revolution in how it does business in order to respond to new challenges. When WFP was founded back in the early 1960s, it was a surplus food program with the nations of the world sharing their extra bounty when they had it. Times have changed; there are virtually no surpluses available globally.

Today, more than half of our budget is based on cash, allowing us to purchase food from local farmers throughout the developing world. Last year we spent \$612 million – 80 percent of our cash – buying food in 69 different developing nations, helping break the cycle of hunger at its root.

The food we buy locally is used for emergency interventions as well as for safety net programs, such as school feeding. Each year, WFP provides school meals for 20 million children throughout the developing world – thanks to generous funding of the McGovern-Dole program. We have learned that if a school meal or take-home ration is provided to girls, it virtually guarantees that parents who would never do so otherwise, allow their girls to attend school. It is the most effective human rights program for girls I have ever seen.

We seek to ensure our hunger responses are supportive of local markets and farmers whenever possible. Let me mention an example:

In Senegal – a food deficit nation – there is a surplus of salt but most of the salt for local consumption is not iodized. WFP has contracted with 7,000 village salt producers – most of whom are women – and worked with the Micronutrient Initiative to ensure access to training and equipment needed to iodize the salt. Now they have a sure income from their sales to WFP, and now the salt they sell locally is iodized, helping prevent goiter, which President Wade has called one of the biggest health challenges in Senegal. This is the type of win-win solution that can help break the cycle of hunger and undernutrition at its root.

Building on these successes, WFP is launching a bold initiative to enhance our local purchasing program called Purchase for Progress, or P4P. It is designed to use WFP's purchasing power to help break the cycle of poverty and hunger among poor farmers – essentially bolstering the incomes and agriculture know-how of farmers through the markets.

The World Food Program will also incorporate best practices globally on affordable access to vital nutrition, especially among the most nutritionally vulnerable, in particular children under two years of age, who carry the burden of undernutrition for life both physically and mentally. We are asking not only if the cup is full, but what is in the cup? These "smart" interventions are the critical foundation for nations to beat the cycle of hunger and poverty.

The initiatives I have been describing are included in WFP's new Strategic Plan, approved in June by our Board. They mark a historic shift from WFP being a food aid agency to what we are calling a food assistance agency. By this we mean that, in all of our operations, we will ask how our interventions meet not only the critical emergency needs, but, whenever possible, help ensure that we break the cycle of hunger at its roots. In this Strategic Plan, WFP has introduced a more nuanced set of tools that allows us to ask what is causing the hunger and which interventions would be most appropriate to address those conditions.

This is all part of what I call WFP's 80-80-80 solution: today 80 percent of WFP's cash for not only food, but also land transport is spent locally and 80 percent of WFP's staff is locally hired. This helps build permanent local capacity and knowledge about food security.

WFP provides concrete help, on the ground, in often dangerous and difficult conditions, in a way that few other institutions in the world can, or do. Our staff feeds five million people a day in Sudan which is our biggest operation, as well as in places like Somalia and Afghanistan, delivering food and nutrition, while risking their lives in the line of duty. So far this year, in Darfur alone, 83 of our trucks have been hijacked and 41 of our drivers are still missing in action. This year alone, 13 people have lost their lives in service to WFP – seven in Sudan, five in Somalia and one in Kenya.

Ships carrying our food are attacked by pirates off the coast of Somalia and unless we have naval protection from nations we cannot get that life-saving food into Somalia. We call on all nations to provide these escorts, which have proven an essential and effective deterrent.

This is the daily reality we are dealing with at WFP. But there is no alternative. We must provide humanitarian food assistance to those who are in need. This is one of the oldest, most basic humanitarian instincts the world has – that if someone does not have enough food, to reach out and help those in need. We have seen that hunger can be defeated and local food security can be restored and achieved. The world knows how to do this. But we are facing perhaps our biggest challenge yet.

### RAMPING UP INTERNATIONAL ASSISTANCE

The world – and America – has been generous in helping us to address these challenges. During the past three months, we have gone through an unprecedented resource mobilization effort to cover the soaring cost of food, and to ensure these cups could remain full. We wrote to Heads of State and governments and traveled the globe urging action, testifying before parliaments and raising awareness. And the world came together to stand with those most vulnerable among us. Many in the US House and Senate have been extraordinary champions of this effort. I thank you. Since March, we received \$1 billion in response to a \$755 million appeal to help us cover increased program and operational costs due to high food and fuel prices. The \$1 billion includes a \$500 million donation from the Kingdom of Saudi Arabia. That money is being used to purchase and distribute food in 60 nations.

On June 30, President Bush signed a supplemental appropriation bill sent to him from Congress that included a greatly needed \$850 million to address new emergency needs. By mid July, working with our strong partners at the Department of Agriculture and USAID, we had already mobilized much of that funding to meet urgent needs in 17 countries – much of it headed to the people of Darfur, Somalia, Ethiopia, Afghanistan, Myanmar, and Zimbabwe. By the middle of August a second tranche will be on its way.

Mr. Chairman, as much as we have done, we must do even more. Your committee is critical here, because we are at a juncture when we can no longer handle urgent food needs on an ad hoc emergency basis. Rather, we must understand that more hungry people are coping with higher food prices, posing a greater threat of civil unrest. Getting ahead of this hunger curve will require a step increase in funding that begins right here in this Budget Committee. We have made progress over the past four decades – bringing the overall percentage of the world’s hungry down to 17 percent from 37 percent in the 1960s. But make no mistake: Unless we want to see these important gains reversed, we can no longer address needs on an ad hoc basis. So let me be clear in my request to members of this committee.

- First, we need a strong message to the world that the US will continue to lead global efforts to address hunger. The world looks to the US to provide leadership with reliable, flexible food assistance. Specifically, we need the food aid budgets to be bolstered so that supplemental appropriations are not required year-after-year to fill the red cup for children who are hungry today.
- Second, WFP needs the US to provide more flexibility – both in terms of allowing us to use in-kind contributions where we need them most urgently; and in providing some cash so that we can buy directly from local farmers when people have lost their livelihoods, but food remains available for purchase.
- Finally, we need America’s help ensuring that all governments let us purchase food for humanitarian purposes, exempt these food purchases from export restrictions and extraordinary export taxes, and permit the unhindered and safe movement of humanitarian food within and across borders.

Mr. Chairman, this committee presides over a difficult debate: how to balance the need to provide more food assistance with other pressing needs, both domestic and foreign. You must balance short and long term needs, short and long term domestic needs with strategic and foreign policy interests, all within fierce budget constraints. It is difficult, important work.

As you do this work, I would urge you not to let these difficult choices be treated within a zero sum framework.

The entirety of the US budget for international assistance comprises just 1 percent of the federal budget.

As the world moves forward in continuing to respond to increasing needs from the global food crisis and new emergencies, we need robust and rapid engagement. We need the world to understand that hunger ravages individuals, communities and nations.

Let us decide that hunger is no longer an acceptable part of the human condition. We actually know how to end hunger – many countries have done so. We have the science and technology to end hunger. The question is: do we have the moral and political will to do so?