



**2008 Clinton Global Initiative Annual Meeting
Poverty Alleviation: Food Security and Poverty: Part 2
Clinton Global Initiative
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RAJ SHAH: Hello and welcome back. Clearly from the discussion, this has been rich, lively and fun and so we look forward to hearing your thoughts and your ideas because there's so much wonderful expertise in the room. But we have a brief amount of time and you all submitted some very, very good questions. So what we want to do is address one question.

I'm going to give each of our three panelists a minute each to address a critical issue and that is, there's a debate in agriculture around intensification, it takes many different forms, but the basic idea that you should use more and better seeds along with fertilizers and improved ways to manage subfertility to increase production on per acre or per hectare basis is often debated.

We have a bit of that debate and we got that question about "Is organic production more appropriate and more efficient?" Should we not use certain types of seed technologies? Where do we draw the line and so I'd like for our panelists to address that and I'm going to start with Ken. If you take one minute and share your thoughts and then we'll go from there.

KEN LEE: Okay, so for us as marketers and especially as we contemplate moving to European markets as well as serving North American markets, the idea of marketing GMO-type seeds just won't fly. So there's nothing to indicate anywhere that

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there's an appetite for these kinds of varieties. It's in direct contradiction, jeopardizes people's organic certification if there is GMO involved.

Now, if it's a matter of feeding poor deficit, food deficit countries and you can create those yields only through that method; then by all means. But as I alluded to before, the system of resin intensification is one that allows anyone to grow any kind of seeds. It's, again, based on land management, improvement of the soil and actually improvement of root structures for the plant.

So I'll just pick one thing about SRI because I promised you I'd tell you a little about it. SRI does not flood the fields. So this is totally contrary to what everyone thinks how rice should be grown and when you flood the fields, you create these hypoxic situations where the plant can't breathe. So obviously we can't breathe under water but plants can because they have adapted.

So rice is not an aquatic plant but it's actually learned to live in those conditions. But at the crucial moment when the plant is actually flowering and blossoming, when the seed is actually forming, that's when the root systems are dying. About 75 percent of them degenerate as my understanding and so, the SRI method improves yields because it's just a healthier environment.

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RAJ SHAH: Ken, without getting into too much detail on that, it is safe to say it is a different form of production.

KEN LEE: It is.

RAJ SHAH: That is, it's not considered intensification and yet could be highly productive. With that, Namanga could you address the point.

NAMANGA NGONGI: Yes. The question of GMOs, I think is more emotional than technical but let me just say that AGRA is not supporting or pushing for GMOs. AGRA is supporting and pushing for a conventional [inaudible] which we are doing and training a lot of African scientists to be able to breed their crops and increase yields from one metric ton per hectare to two to three metric tons per hectare feasible on the conventional [inaudible].

But let us not forget that the biotechnology and the whole [inaudible] always have great potential and that we'll reach a point in which that debate has to be carried out at the country levels with capacity to be able to organize production systems within the African countries. But I don't think -

RAJ SHAH: This is a, this is a tough topic to stick to one minute and I apologize but Eleni you talk to farmers all the time. What do they say?

ELENI Z. GABRE-MADHIN: Well, in my view we have to go back to the idea that farmers are essentially entrepreneurs. They're in the market just like you and I to make, to get a

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fair shake, feed their families, educate their children and improve their lives.

So I think what's really important is to get away from that debate and really think about what it is that we can do to empower farmers, a level of the playing field, give them information, enforce contracts so they get a fair shake in the market and that's really, I think, what we should be focused on.

RAJ SHAH: Wonderful. And Secretary Albright, you got a different question that is a very important one. So, could you share your thoughts?

MADELEINE ALBRIGHT: Well, this has to do primarily with the issue of subsidies to American farmers and European farmers and what does it really do. It's really the opposite of a fair shake. I think that people think that farmers are getting an unfair shake by getting subsidies and by, in fact, being supported.

I think the real problem comes down to if you look at subsidies in many ways are used as an excuse for blocking a trade agreements in many ways. I think it is most unfortunate and it makes a division between North South that is unnecessary and that one of the questions here is how can be there a win-win situation?

The bottom line is there is not enough food in the world and there is a way to use some of the products from the

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developed world to feed starving people. On the other hand there has to be a way that it does not undercut production in the developing countries itself. So that it isn't as if there isn't need for it but my personal opinion, and trade is the single most difficult subject especially to discuss during a political season but I think we can't use subsidies as an excuse.

RAJ SHAH: And I'm going to build on that and suggest it is, we can't use debates around which technology is most appropriate, which policy or subsidy framework is most appropriate as an excuse not to act.

You've seen and heard many different examples from our panelists that are successful programs that work at different levels of scale but help smallholder farmers – the people who are the most vulnerable and the most likely to go hungry in this current crisis – build a long-term and sustainable path out of poverty.

And they do it themselves and our panelists have shown that those things can work and so it's great to have debate and discussion, but at the end of the day, we need to really think about what's pragmatic, what works, how can we get those things to work at greater scale and can we make sure we're always being true to our goal of serving smallholder farmers letting them make decisions and letting them improve their lives.

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So in that spirit, we'd love to hear your thoughts and your recommendations and then we'll have a few moments to react to that. Jane?

JANE: Let me share with you the themes. These are the themes that have come from the tables and once again, we're reminded that the audience matches the quality of the panel. It's clear from these that, yes, you were deeply engaged in the financial services panel, that you're anticipating the information and poverty panel and that you're doing anything to make Madeleine Albright happy. [Laughter]

The first one says that government and industry should focus on infrastructure; roads, land, capital, needed for productivity and distribution of goods. The second speaks to access to capital, that we should increase small farmers access to finance for agricultural investments for the inputs they need and for irrigation.

The third, anticipating the information panel, that we should leverage information technology to strengthen the entire value chain. And the fourth was all for Madeleine Albright, and that is that we institute legal protections for women's land ownership and income asset management.

Now, two gems. The first is that we develop mechanisms that share risk between providers and suppliers. And the second is that private, public and the NGO, the social sector, needs to collaborate to develop new microinsurance products -

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you were listening yesterday - for farmers to protect against shocks especially in the context of climate change.

RAJ SHAH: Wonderful. I'm going to ask Namanga to address the first point about infrastructure and Namanga you are now operating in almost 16 Sub-Saharan African countries. Many have a very low infrastructure base in terms of road access for rural populations. Is that a barrier to your work and how are you working with partners to solve and address that?

NAMANGA NGONI: Clearly, infrastructure for a state of infrastructure in Africa is a major, major hindrance to rapid adoption of technologies because to the average farmer, say in a country like say Malawi, you used to walk probably something like 40 kilometers - not walk but travel 40 kilometers - to get to the nearest AGRA dealers because they could not come closer to the villages. But by improving infrastructure you can actually, even without doing anything else, you would be able to probably increase significantly production in Africa.

Infrastructure is not just roads. Maybe people will normally focus on roads. Not just roads, it's market, market structures, places to be. It's a small-scale indication just to have the capacity to be able to get water to the farm. But that's a very critical investment that needs to be made.

Fortunately, many countries are now giving more attention to developing infrastructure and recently, I think

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one of the major and matching donors in the world, the Chinese have taken a major step in trying to increase, improve infrastructure in several African countries. I will say that's a very major step forward. Yes.

RAJ SHAH: Thank you. Eleni, you are creating a commodity exchange in an environment that is challenging to say the least. How do the farmers that participate in providing, supplying and contracting with the exchange access credit and access financial services, and are there any lessons or thoughts you have from that experience as to how to address the challenge of bringing financial services to small and very vulnerable farmers who worry an awful lot, as they should, about risk?

ELENI Z. GABRE-MADHIN: OK, well thank you, Raj. Two things; one is that I always say that small farmers in Africa are the largest creditors because they often don't get paid for several weeks. When they come to the market, they deposit their grain or product with a trader who repays them two, three weeks later, and with our system as I've mentioned already with the clearing in payment system, they get paid the next morning after trade. So that's a huge boon to farmers able to have much more access to their own capital.

The second is that once we – because farmers lack collateral, they can't obtain bank loans. And so in the banking system that requires collateral finance, then what

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we're trying to do is set up a way that they can use their grain or product commodity deposited in a warehouse as backing for a bank loan. So that's the inventory credit system and that's able to be launched through this exchange and we're about to do that.

RAJ SHAH: Those are, those are great examples. Ken, how do your farmers get access to the financial services they need in order to participate in your, now international, supply chain?

KEN LEE: Well, actually a lot of our farmers, I don't think they're getting aid. I think they're just doing with what they have and I think the great thing about SRI that I want to get back to is it's not a technology. It's something that's a mind shift for people to think differently and there are no barriers to entry. So there's not any capital required to buy stuff to do more, to gain more yield.

It's all a mind shift and so I didn't want to make it sound like it was an emotional plea and just downplaying GMO; rather, this is something that's being adopted by governments. Like in India, they're saying SRI is a key plank to their food security issues. There are publications saying that this is one of 25 methodologies, ideas that'll change the world. So these are being adopted widely by countries, by farmers all over the world and all continents.

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RAJ SHAH: And I would just add that SRI is one specific strategy. There are many other like conservation tillage and other forms of production that are taking into account how to use resources in a sustainable manner so that people can be successful moving out of poverty and succeed in the long run not just the short term.

Secretary Albright, to conclude, you have told us that this is in fact a crisis. That this is a national security issue and should be considered as such so that we can increase the level of engagement investment and then also shared with us that some of the challenges; trade and subsidy, land reform and global and local country level policies are going to be critical to being successful at scale in the long run.

What words of advice and wisdom do you have for those of us that will continue to fight on this issue in terms of how we can succeed at getting some of those long-term changes around some of those, sometimes seemingly intractable problems?

MADELEINE ALBRIGHT: Well, I have to say this is kind of my pet subject in that what I have found is that the only thing that works is if there is cooperation among various sectors in public policy that normally people operate in kind of silos. And the bottom line is that government can do a lot. There's no question about it but public-private partnerships become absolutely essential so that a variety of corporations that are abroad can in fact help, and then the NGO community.

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And so that combination, I think, is the only thing that works and what always bothers me is that it's very hard to get that cooperation. You wouldn't think it would be but in many ways, the international organization - you know, the world food program depends on food being produced and being able to be bought at prices that are available.

The international energy agencies clearly have something to do with things and I think the bottom line is how you get that kind of cooperation and the trade rounds. You know, I think you started out by pointing to an op-ed that I did with John Pedesta on rice. The bottom line is what was happening and is still happening; the Japanese who have rice were not releasing it.

So it's just one example of the fact that this is a much larger problem and let me just say, and it goes to the statements that we heard this morning, we cannot let the urgent drive out the important. And so it's now, I think, going to be very easy for governments to say, oh, we've got to deal with the current financial crisis.

If we don't deal with these underlying problems that are here, they will come back and bite us next week when it's the crisis of the day when we should be dealing with issues on a long-term basis by this kind of cooperation. [Applause]

RAJ SHAH: Well, I think that's a wonderful theme to conclude on. I'll just draw out two points. One is the

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critical need to think about the long term. We often do let the short term distract us and so even as we provide food aid and assistance to people in an immediate crisis. Please learn more about the examples from our panelists here, and for many of you in the room that I know are creating good long-term innovations that can solve this problem in a sustained way over time.

The second is to heed the Secretary's call and to really build those partnerships. Each of the panelists here haven't always talked about the depth of the partnerships but Eleni's been successful because she's linked with partners, innovators in the private sector and public sector all around the world and is now setting an example for the world. The same is true for Namanga and Ken and, of course, Secretary Albright. So thank you very much and now I think we'll hear more examples of great partnerships with the commitments.

FEMALE SPEAKER: Let's talk about some commitments here. Let first bring up Bill Drayton of Ashoka, one of my best friends [applause]; B.K. Jhavar who is chairman of Usha Martin Limited. [Applause] Thank you for coming up and that actually means your phone needs to be turned off.

They are forming a \$10 million, 10-year commitment with Usha Martin Limited and Krishi Gram Vikas Kendra. They've got this all put out phonetically so I can't possibly understand it. [Laughter] And Ashoka will collaborate on some of India's

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poorest communities in an effort to achieve food security and they are launching a new global model for poverty alleviation.

They will expand their model in one of India's poorest states in an effort to meet the Millennium Development Goals in that region and this is an approach of integrated village development where community members themselves are managing every aspect of sociocultural and economic life. They will increase agricultural productivity by bringing innovative and practical solutions from Ashoka's fellowship program hoping to help 15,000 farmers increase their productivity. So let's applaud them. [Applause]

Thank you. Thanks so much to you both and now I would like Navyn Salem, President of Industrial Revelation to come up. Navyn, I'm sorry. I just got told it's a different order than I thought it was. Instead, we're turning to Ed Scott because we're just sticking to buddies of mine. Ed Scott is founder of the Center for Interfaith Action and Global Poverty. He is joined by Gene Duff, managing director of the Center for Interfaith Action and Global Poverty.

They're working in partnership with Georgetown University and the National Cathedral. Ed commits \$15 million to the creation of this new center for interfaith action on global poverty to coordinate efforts within the interfaith community to increase collaboration among sectors to mobilize

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new resources and to enhance the potential impact of the interfaith community.

The center will enhance accessibility for research. It'll document best faith based and cross sector. It will hold periodic conferences and it will assist in developing operational partnerships within the faith community. Over five years, this commitment will have an impact on millions worldwide. So please applaud them both. [Applause]

Michael Dupree. Michael Dupree, Vice President of Corporate Social Responsibility, Green Mountain Coffee and William Foot. We always call him Willie Foot. So this is going to be hard for me. It's like saying William Jefferson Clinton. It doesn't quite work.

Willie is President and Founder of Root Capital. Green Mountain coffee roasters commits \$450,000 to improve financial literacy and management skills of grassroots businesses in an effort to build long-term financial capacity of entire rural communities. In an effort to continue supporting the coffee growing communities that make up its supply chain, Green Mountain is committing to support to Root Capital's launch of a financial education and training program for 150 organizations in Latin America and Africa.

Root Capital will customize its financial training curricula according to the specific needs of Green Mountain's suppliers. Over the course of five years, we expect the

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commitment will benefit approximately 500,000 people of which 300,000 are children. So please do applaud them. [Applause]
We have to move forward.

Thank you so much. Thank you. And now I will get back in order get Navyn Salem, who is President of Industrial Revelation to make a progress report, if you would. She's President, as I noted, with her father, grandparents and great-grandparents from Tanzania and four young daughters. Come on up. She has decided to focus her commitment on childhood nutrition in the East Africa region. So I'm going to let you tell your story.

NAVYN SALEM: Hello. I would like to thank CGI first of all for this opportunity and urge you just not to check your BlackBerry for just two more minutes. At last year's conference surrounded by brilliant people and big ideas, I found myself trying to figure out what had been missed. When I looked more at the numbers, I realized that malnutrition had affected nearly half of children under the age of five in Sub-Saharan Africa. How had something so big been so neglected?

In the past, a child with malaria or pneumonia would go to the doctor for a treatment at a clinic. If a child came in hungry, there wasn't a treatment and so they would go hungry. What we need to understand is that this is a disease and that there's a small window of opportunity under the age of five

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where, if we don't reach them and if they do survive, they can suffer irreversible effects if not treated.

We now have a solution. It's a ready-to-use therapeutic food called Plumpynut recommended by both the WHO and UNICEF. Plumpynut is a simply peanut paste mixed with vitamins and minerals, sugar, vegetable oil and milk powder; a revolution in the treatment of severe, acute malnutrition; a revolution because it does not need refrigeration or to be mixed with water; a revolution because it can transform a child from near death to certain survival with a 95-percent success rate; a revolution because it places the treatment at home with the mother instead of a costly hospital stay.

Plumpynut is an energy dense food that saves lives like an essential medicine. Last November, I founded a company called Industrial Revelation which is working to produce Plumpynut in Tanzania to serve the entire East African region. Currently, we have pilot programs going on in five regions where the communities are being sensitized.

Mothers are being trained on the use of the product and they are given basic nutritional information. To date, I have secured \$3 million in funding, finalized a joint venture with Nutriset, the parent company of Plumpynut, and have begun construction on a green factory in Dara Salam.

I want to emphasize that we are first treating the most severe cases but working to introduce preventative solutions

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for mild to moderate malnutrition, adults with HIV, and nutritional supplements for children and pregnant mothers. Our factory's also able to support agriculture development by local farming, by sourcing our raw materials all in-country or within the region.

This coming 2009 of June, we will start producing 2,000 metric tons of Plumpynut; – enough to serve 200,000 malnourished children – a chance at healthy and productive life for these kids, and in doing so, eliminate the hardest lesson a mother has to teach her children, how to live with hunger. I often wondered what is the cost of not acting on this commitment. Thank you for your time. [Applause]

FEMALE SPEAKER: Thank you so much and please think, think as you've made your commitments this year about how, whether you would like to provide an update for us next year. It is really important to hear how they are going and what we've learned from them.

I just want to note that while I called a few people in the beginning of this session, this room as I look around it, it's fun to be up stage because I get to see who's here but it is filled with people who've decided to leverage, market these opportunities, leverage markets to achieve their goals, to invest in small businesses and social enterprises.

Harold Rosen is among them. He's founded the Grassroots Business Initiative. But there are a number of you

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here just like Willie, you don't all go by the name Willie, but just like Willie you're doing that kind of work. Please join me in thanking Raj and this entire panel. [Applause]

[END RECORDING]