COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 30 March 2009
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COMMISSION DECISION

of 30 March 2009

for implementing the facility for rapid response to soaring food prices in developing countries to be financed under Article 21 02 03 of the general budget of the European Communities in 2008-2010

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THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Regulation (EC) No 1337/2008 of the European Parliament and of the Council establishing a facility for rapid response to soaring food prices in developing countries[1], and in particular Article 1(6) and Article 3(1) and (4) thereof,

Whereas:

(1) On 16 December 2008 the European Parliament and the Council adopted Regulation (EC) N° 1337/2008. This Regulation (hereafter referred to as the Food Facility Regulation) establishes a financing instrument for rapid response to soaring food prices in developing countries (hereafter referred to as the Food Facility) and requires the Commission to implement projects, programmes and other actions as described under the Regulation.

(2) The measures to be taken should help developing countries by encouraging a positive supply response from the agricultural sector in developing countries in the coming seasons, by responding rapidly to immediate needs of the countries and their populations and mitigating the negative effects arising from the volatility of food prices in line with global food security objectives. In addition, they should help by strengthening the productive capacity and governance of the agricultural sector to enhance the sustainability of interventions, thus preventing as far as possible further food insecurity situations. Beyond their immediate expected effects on food security, these measures will also contribute towards achieving the Millennium Development Goals, particularly MDG1, with its targets for the reduction of poverty and hunger.

(3) The Commission is required to present an overall plan for the use of the facility, including a list of target countries and the balance between eligible entities, and adopt it in accordance with the procedure referred to in Article 13(2) of the Food Facility Regulation. The Committee referred to in Article 13(1) of the Food Facility regulation must give an opinion on this overall plan before 1 May 2009.

(4) The measures to be supported from the Food Facility should be additional and complementary to those financed from other assistance instruments, and should support country-owned food security priorities and plans.

(5) The overall plan covered by this decision is in accordance with the opinion given by the Committee referred to in Article 13(1) of the Food Facility Regulation.

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[1] OJ L354/62, 31.12.2008, p 62

HAS DECIDED AS FOLLOWS:

Article 1

The overall plan for the use of the resources for implementing the Food Facility Regulation in Annex 1 to this Decision is adopted.

Article 2

Changes to the overall plan, affecting country allocations, eligible entities or modalities, up to a cumulative amount not exceeding 5% of the reference amount of the Food Facility, may be made in the light of changed circumstances, provided these changes do not significantly alter the nature of the overall plan.

Done at Brussels,

For the Commission
Louis Michel
Member of the Commission

ANNEX 1

Food Facility - Overall Plan for Implementation

1. Introduction

In December 2008, the European Parliament and the Council adopted a Regulation establishing a facility for rapid response to soaring food prices in developing countries[2]. This Regulation provides for implementation of this 'Food Facility' in the amount of € 1 billion and provides that an overall plan for its use, including a list of target countries and the allocation of resources between eligible entities, has to be presented by the Commission and obtain the opinion of the appropriate Committee before 1 May 2009[3].

2. Budgetary context

€ 1 billion is available from the Community budget for the Food Facility, spread out over a three-year budgetary period: 2008-2010 for commitment appropriations and 2009-2011 for payment appropriations. The breakdown over budget years is as follows (in € million):

Years	Commitment Appropriations	Payment Appropriations
2008	262	-
2009	568	450
2010	170	350
2011[4]	-	200
Total	1000	1000

Out of the €1 billion for the Food Facility, a maximum of 2% (€20 million) will be set aside for administrative support measures. €980 million will therefore be available for programming operational response measures in developing countries.

3. Target Countries and Regions

The Food Facility Regulation provides that measures must benefit developing countries, as defined by OECD/DAC, and their populations (Article 1(2)). To optimise the impact of the Regulation, resources are also to be concentrated on a limited number of high-priority target countries, identified on the basis of a set of indicative criteria laid down in the annex to the Regulation (Article 1(4)).

In addition to direct country-level support, the Regulation makes reference to programmes of a regional or cross-border nature.

On the basis of the indicative criteria set out in the Annex to the Food Facility Regulation, the following 50 priority countries should receive assistance from the Food Facility:

Country	**Region**	**Country**	**Region**

[2] Regulation (EC) No 1337/2008 of 16 December 2008.

[3] Article 3(1)

[4] If necessary and subject to the authorisation of the Budgetary Authority in each annual budgetary procedure, payments will be made in years following 2011

Afghanistan	Asia	Lesotho	Africa
Bangladesh	Asia	Liberia	Africa
Benin	Africa	Madagascar	Africa
Bolivia	Latin-America	Malawi	Africa
Burkina Faso	Africa	Mali	Africa
Burundi	Africa	Mauritania	Africa
Burma/Myanmar	Asia	Mozambique	Africa
Cambodia	Asia	Nepal	Asia
Central African Republic	Africa	Nicaragua	Latin-America
Comoros	Africa	Niger	Africa
Cuba	Caribbean	OPT (Palestine)	Middle-East
Democratic Republic of Congo	Africa	Pakistan	Asia
Eritrea	Africa	Philippines	Asia
Ethiopia	Africa	Rwanda	Africa
Gambia	Africa	Sao Tomé e Principe	Africa
Ghana	Africa	Senegal	Africa
Guatemala	Latin-America	Sierra Leone	Africa
Guinea Bissau	Africa	Somalia	Africa
Guinea	Africa	Sri Lanka	Asia
Haiti	Caribbean	Tajikistan	Asia
Honduras	Latin-America	Tanzania	Africa
Jamaica	Caribbean	Togo	Africa
Kenya	Africa	Yemen	Middle-East
Kyrgyz Republic	Asia	Zambia	Africa
Laos	Asia	Zimbabwe	Africa

Indicative financial allocations to countries have been made on the basis of two factors: (i) a factor based on the same numerical variables that were used in the country selection exercise, and (ii) a population factor. These allocations form the basis for the programming of activities, but do not constitute entitlements for the countries concerned.

4. Programming of the Food Facility

In the overall programming of the Food Facility, 90.7% of resources are allocated to the country level; 6% are earmarked for interventions of a regional nature, while 1.3% are kept as a reserve for new circumstances, to be decided upon in the course of 2009 or early 2010. A maximum of 2% is set aside for administrative support measures[5].

Taking into account the budgetary parameters, the characteristics of the Food Facility and the various response needs, the following overall programming is envisaged:

Operational response measures	Total Amount (€ million)	Commitments 2009	Commitments 2010
Country-level measures	906.7	746.7	160
Regional-level measures	60	60	-
Reserve	13.3[6]	13.3	0
Total	980	820	160

More details of the programming per country are provided in Appendix 1.

At the country level, the following distribution pattern applies[7]:

[5] Regulation 1337/2008, art. 3 (4).

[6] Of which 12.65 for the call for proposals

- International Organisations – approximately € 550 million
- Call for Proposals for eligible entities, including notably Non-State Actors (NSAs) and Member States bodies - approximately € 200 million
- National projects and programmes (including budget support) – approximately € 170 million

One Call for Proposals for eligible entities will be organised in the first half of 2009 for implementation of the Food facility in target countries selected from the 50 priority countries. The indicative list of target countries for the Call for Proposals with the indicative amounts per country is given in Appendix 2.

The Call for Proposals will require a minimum level of co-financing for each action. This co-financing can range indicatively from 50% for certain eligible entities, for example Member States bodies, to 10% for not for profit EU NSAs or NSAs based and operating in the target countries. The exact list of target countries and eligible entities, including their required level of co-financing, will be provided in the guidelines of the Call for Proposals; however international organisations[8] are not entitled to participate.

During the preparation of the centralized Call to be organised and published by the Commission Headquarters and before launching it, the Commission will take appropriate initiatives at eligible countries level to facilitate in an effective, coherent and coordinated manner the understanding of the needs to be addressed by the Call. The result of these initiatives will be used in the selection process.

A restricted call procedure, that is a two steps procedure, will be used for selecting the proposals under this Call, in order to minimise the administrative burden for all applicants. The proposals may cover one or several countries.

The method of calculation of the required level of co-financing referred to above will use the flexibility allowed by the Financial Regulation.

At the regional level, contracts will be concluded with those Regional Organisations fulfilling the criteria for Contribution Agreements.

5. Modifications

This overall plan for implementation of the Food Facility may be modified in the event of changed circumstances and in the light of new or additional information becoming available.[9]

The Food Facility Management Committee and the European Parliament will be informed of all changes to the overall plan. Substantial changes in the plan will be subject to the procedure referred to in article 3 (1) of the Food Facility Regulation. Cumulative changes to the overall plan, affecting country allocations, eligible entities or modalities, not exceeding 5% of the reference amount of the Food Facility, shall not be considered substantial, provided they do not significantly alter the nature of the overall plan[10].

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7 These amounts include the reserve allocation

8 Regulation 1337/2008, Article 4(1d)

9 Joint Declaration of the European Parliament, the Council and the Commission with respect to article 3 (1).

10 The cumulative changes may not lead to an allocation to International and Regional Organisations greater than 65% of the reference amount of the Food Facility.

APPENDICES

Appendix 1 - Overview of programming per country

			Amount of Support (€ million) through:		
Target Country	**Indicative Allocation (€ million)**	**International Organisations (IOs) involved**	**IOs**	**Call for Proposals**	**partner countries (incl. through budget support)**
Afghanistan	24.2	FAO	14.0	10.2	
Bangladesh	50	WFP, UNDP, FAO	35.0	15.0	
Benin	12.9	WB	6.8	6.1	
Bolivia	9.55	WFP	1.8		7.75
Burkina Faso	23.7	FAO	18.7	5.0	
Burundi	13.4	IFAD, FAO	10.0	3.4	
Burma/Myanmar	24.4	UNOPS	24.4		
Cambodia	17.2	FAO	11.2	6.0	
Central African Republic	10.0	FAO	10.0		
Comoros	3.6				3.6
Cuba	11.7	UNDP	11.7		
Democratic Republic of Congo	40.6	FAO	10.0	4.6	26.0
Eritrea	12.8	FAO, UNDP	8.4	4.4	
Ethiopia	45.4	WB	20.0	13.0	12.4
Gambia	5.5	WB	5.5		
Ghana	20.9			5.9	15.0
Guatemala	15	FAO/WFP	11.0	4.0	
Guinea Bissau	8.4	FAO, WB	6.0	2.4	
Guinea	13.5			13.5	
Haiti	15.8	FAO	10.0		5.8
Honduras	9.9	WB	9.9		
Jamaica	5.9	FAO	5.9		
Kenya	31.2	WB, FAO	24.0	7.2	
Kyrgyz Republic	7	WB	7.0		
Laos	10.8	WB	5.0	5.8	
Lesotho	6	FAO	4.0	2.0	
Liberia	10.9	UNDP	10.9		
Madagascar	21.8	IFAD/FAO	12.5	3.0	6.3
Malawi	17.9			2.0	15.9
Mali	22.1	WB, UNICEF	22.1		
Mauritania	7.6			7.6	
Mozambique	23.2	FAO, IFAD	13.5	4.5	5.2
Nepal	23.3	FAO/WFP	17.3	6.0	
Nicaragua	7.15	FAO	3	4.15	
Niger	19.2	FAO, UNICEF	6.0	3.2	10.0
OPT (Palestine)	39.7	UNRWA	39.7		

Pakistan	50	FAO/WFP	40.0	10.0	
Philippines	31.9	WFP, FAO, IFAD	20.6	11.3	
Rwanda	15.6				15.6
Sao Tomé e Principe	2.1			2.1	
Senegal	14.5	WFP	10.9	3.6	
Sierra Leone	16.2	FAO, WFP	16.2		
Somalia	14.4	FAO, AUC/IBAR	14.4		
Sri Lanka	5.2	FAO	5.2		
Tajikistan	15.5	WB	7.75		7.75
Tanzania	32.4			12.4	20.0
Togo	13.7	FAO	2.5	3.0	8.2
Yemen	21.3	WB	18.3	3.0	
Zambia	16.3	FAO	7.5	3.0	5.8
Zimbabwe	15.4	FAO	15.4		
TOTAL	906.7		554.05	187.35	165.30

Appendix 2 – Indicative list of countries to be covered by the Call for Proposals

Country	**Indicative Amount (€ million)**
Afghanistan	10.2
Bangladesh	15.0
Benin	6.1
Burkina Faso	5.0
Burundi	3.4
Cambodia	6.0
Democratic Republic of Congo	4.6
Eritrea	4.4
Ethiopia	13.0
Ghana	5.9
Guatemala	4.0
Guinea Bissau	2.4
Guinea	13.5
Haiti	pm
Kenya	7.2
Laos	5.8
Lesotho	2.0
Liberia	pm
Madagascar	3.0
Malawi	2.0
Mali	pm
Mauritania	7.6
Mozambique	4.5
Nepal	6.0
Nicaragua	4.15
Niger	3.2
Pakistan	10.0
Philippines	11.3
Sao Tome e Principe	2.1
Senegal	3.6
Sierra Leone	pm
Tanzania	12.4
Togo	3.0
Yemen	3.0
Zambia	3.0
Sum before reserve allocation[11]	*187.35*
Allocation from 'reserve'	12.65
GRAND TOTAL	**200.00**

[11] The four countries with a "pm" will be served from this reserve, with a balanced distribution