

## ROADMAP

Title of the initiative: <b>Communication 'An EU policy framework to assist developing countries addressing agriculture and food security challenges'</b>	
Type of initiative (CWP/Catalogue/Comitology): <b>CWP</b>	
Lead DG/contact person/details: DG Development and relations with African, Caribbean and Pacific States	
Expected date of adoption of the initiative (month/year): <b>31/03/2010</b>	
Date of modification:	24/03/2010
Version No:	2

### Initial IA screening & planning of further work

#### **A. Context and problem definition**

(i) What is the political context of the initiative? (ii) How does this initiative relate to past and possible future initiatives, and to other EU policies?

The political context in which the envisaged EU policy on food security will be developed is characterised by chronic and increasing food insecurity. This remains one of the main challenges to developing countries' sustainable development and to the achievement of the Millennium Development Goals (MDGs), particularly MDG1 relating to poverty and hunger. Addressing the problem is particularly difficult since food insecurity is the result of the interplay of a series of factors operating at different levels including poverty; war and civil conflicts; environmental degradation and climate change; low productivity of crop and livestock systems; limited or insufficient access to food because of poverty, physical barriers and gender inequalities; low levels of education; etc.

The past years have been characterised by unprecedented challenges for both developed and developing countries, spurred by fluctuations in food and fuel prices in 2006-2008 and by the financial crisis and the global economic slowdown. For the poorest and most vulnerable countries, the effects of the crises not only compounded development challenges but also put at risk the gains achieved to date in relation to the MDGs, as growth stagnates, transfers are reduced and poverty increases<sup>1</sup>.

#### ***Ongoing international initiatives***

Several international initiatives have recently been launched to improve the coordination and coherence of international strategies and reform existing institutions including the UN system at large, the FAO and the Committee on Food Security (CFS). In the wake of the food crisis, new initiatives have also been launched to share best practices, coordinate actions, improve resource management and implement coordinated responses (UN High Level Task Force on the Global Food Security Crisis; the Global Partnership on Agriculture and Food Security and Nutrition (GPAFSN), which received widespread support, notably following the G8 Summit in L'Aquila in July 2009).

All of these international initiatives have received the full support and active contributions of the EU and its Member States.

---

<sup>1</sup> European Commission Communication "Supporting Developing Countries in coping with the crisis" COM (2009) 160

## *EU initiatives*

The European Community approach to food security was based on Council Regulation 1292/1996 on food aid policy and food aid management and special operations in support of food security. The regulation was repealed with the entry into force of the Development Cooperation Instrument in 2007. Although the principles underlining the 1996 Regulation still stand, recent developments and current challenges require a common food security policy for the EU and its Member States, which would further strengthen EU leadership in the global food security agenda, and improve the effectiveness of EU assistance.

Within the broader development policy framework, food security is amongst the areas of priority for Community action in the European Consensus for Development. The Joint EU-Africa Strategy, which was adopted in Lisbon in 2007, includes food security under the MDGs Partnership.

In terms of available financial instruments, at the Commission level, short-to-medium term assistance can be provided through the Instrument for Stability and by the Food Facility (€1 billion, temporary instrument, i.e. 2009-2011); in the medium-to-long term through geographical programmes, as defined in the Country Strategy Papers, as well as the Food Security Thematic Programme (more than €500 million in 2008 and 2009). Humanitarian interventions, which can also contribute to food security objectives, are funded under the Humanitarian Instrument.

In addition to development cooperation several EU policies have potential impact on food security in the poorest countries, notably in the areas of trade, agriculture, fisheries and research. Both at policy and implementation level a lot of efforts are currently being undertaken to ensure consistency between these policies and the EU objective of reducing poverty and hunger in the world. Examples of effective coordination among different policies can be found - amongst others - in the support provided by the EU to increase developing countries' capacity to comply with European and international Sanitary and Phytosanitary Standards (SPS)<sup>2</sup> and in the research area, with the European Initiative on Agricultural Research for Development (2009-2013).

What are the main problems identified?
--

As mentioned above, food insecurity remains one of the biggest challenges to developing countries' sustainable development and to progress towards several MDGs. In addition to these general challenges, there are a number of *specific problems* for the EU in assisting developing countries tackling food insecurity. The following are the main problems that the proposed policy intends to target:

(1) Need to better focus EU development assistance on countries where hunger and malnutrition are most severe and persistent. This is particularly relevant in view of the assessment of progress on the Millennium Development Goals taking place in September 2010 and the ensuing recommendations for action until 2015.

---

<sup>2</sup> Just to name some of these initiatives: Strengthening Fisheries Project; PIP Quality and conformity Fruits and Vegetables phase 1 and 2; Strengthening Food Safety Systems through SPS Measures; a Regional Cooperation Programme on Highly Pathogenic and Emerging Diseases (HPED) for the ASEAN and SAARC region; 'Better Training for Safer Food'; etc.

(2) Need to improve aid effectiveness on food security: the EU and its Member States together form the world's largest donor on food security. Better streamlining of instruments and applying division of labour and other principles is likely to address the effectiveness of the European aid on the ground. This is particularly crucial in the context of the current financial crisis and economic slowdown, where it is imperative to maximise existing resources and the potential of current and future food security investments.

(3) There is a need to reassess and rebalance the European approach to food security, which has traditionally focused on increasing food availability rather than access to food by households and appropriate (quality and quantity) food intake and utilisation at individual level. The current European approach also does not adequately and comprehensively reflect new priorities in the food security agenda (such as food safety and nutrition; food crisis prevention and management; role of safety nets and social protection policies in promoting food security; the impact of biofuels on food production production and the use and impact of new technologies; etc.).

Who is affected?

The proposed actions would involve Commission services in Brussels, EU Delegations, Member States and EU partner/developing countries, notably the most food insecure and vulnerable ones. Impacts are also expected on existing multilateral organisations and, in general, on the global governance system.

(i) Is EU action justified on grounds of subsidiarity? (ii) Why can the objectives of the proposed action not be achieved sufficiently by Member States (necessity test)? (iii) As a result of this, can objectives be better achieved by action by the Community (test of EU Value Added)?

Presently, several EU Member States have in place policies and strategies on food security. However, these strategies tend to focus on specific aspects of food security (such as supply-side constraints in the agricultural sector; nutrition; rights-based approaches to food security; etc.) and do not cover all four dimensions – or pillars – of food security: food availability, access to food, food intake and utilisation (covering nutrition, food quality and safety) and crisis prevention and management.

The recent food crisis showed that a coordinated initiative by the EU – through the mobilisation of €1 billion in the form of the Food Facility<sup>3</sup> – was both expedient and relevant, obtaining the scale necessary for the required assistance, as well as the visibility and goodwill not reachable through individual actions of Member States. This in turn provides the EU with additional leverage in its relations with UN agencies involved in food security and in the international arena.

The proposed EU policy framework intends to provide common policy lines which will further help the EU and its Member States in food security discussions with third organisations, including in the Committee on World Food Security, and in enhancing effectiveness of aid. In the spirit of the EU Consensus on Development, it will provide agreed principles for coordinating the EU and Member States' visions, voices and actions and thus maximise existing and future efforts and resources.

---

<sup>3</sup> See Regulations EC 1337/2008 of 16 December 2008 establishing a facility for rapid response to soaring food prices in developing countries.

## **B. Objectives of EU initiative**

What are the main policy objectives?

The overall objective will be to contribute to poverty eradication and pursue attainment of the MDGs (particularly MDG 1) in the context of sustainable development. The specific objective would be to increase food security in developing countries by addressing four pillars: 1) increasing availability of food; 2) improving access to food; 3) improving nutritional adequacy of food intake; and 4) improving crisis prevention and management as distinct from humanitarian responses.

While there are numerous potential areas of intervention to enhance global food security, a strategic focus will be necessary to maximise effectiveness of food security investments. In order to do so, the EU food security approach should focus on three key areas: a) supporting national and regional agriculture and food security policies and strategies; b) harmonising EU interventions; and c) improving the coherence of the international governance system. In addition, coherence between existing emergency and development instruments will be ensured through linking relief, rehabilitation and development (LRRD).

Do the objectives imply developing EU policy in new areas or in areas of strategic importance?

The proposed policy does not imply developing new policies but intends to strengthen the pertinence and impact of existing policy areas, and improving the coherence amongst them.

The proposed policy could set the ground for the development of a new policy framework on nutrition. This framework, however, would encompass already existing elements.

## **C. Options**

(i) What are the policy options? (ii) What legislative or 'soft law' instruments could be considered? (iii) Would any legislative initiatives go beyond routine up-date of existing legislation?

**Option 1:** Current status quo: no policy framework for the European Community; EU Member States developing/revisiting their policies. No revision of current aid architecture on food security.

**Option 2:** Develop a Communication proposing a new policy framework for the EU only (not covering Member States' assistance). This option would resolve the problem of the lack of political guidelines for EU interventions and also of the need to rebalance the current EU approach to food security by taking into account new issues and priorities (such as nutrition, etc.).

**Option 3:** Prepare a Communication establishing a set of shared (EU and Member States) principles on new issues in the food security agenda and on the architecture of aid instruments in relation to food security. This option is expected to catalyse efforts and potentially mobilise additional resources of the EU and Member States in order to effectively contribute to accelerate progress towards the MDGs (and, in particular,

MDG1). It would also foster coherence between various EU-Member States initiatives and policies having an impact on food security.

*None of the options would imply legislative initiatives. The existing regulations on thematic budgets led by different DGs and the cooperation strategies with third countries would remain the appropriate frameworks. The proposed Communication would enhance coherence around common principles, and guidance on operational arrangements to enhance cooperation, synergies and possibly joint initiatives between the European Commission, EU Member States and EU positions in international fora on food security.*

Does the action proposed in the options cut across several policy areas or impact on action taken/planned by other Commission departments?

The action proposed cuts across other policy areas apart from development and external relations: notably, environment, climate action, agriculture, fisheries, health, energy, trade and research.

Explain how the options respect the proportionality principle

A Communication is a non-binding instrument and serves only as guidance for implementation in external cooperation and related international dimensions of internal policies, where the competence is shared between the European Commission and the Member States.

#### **D. Initial assessment of impacts**

What are the significant impacts likely to result from each policy option (cf. list of impacts in the Impact Assessment Guidelines pages 32-37), even if these impacts would materialise only after subsequent Commission initiatives?

##### Political impact

Strong political commitment from partner countries and donors as well as the active engagement of non state actors and vulnerable groups is crucial to put food security high on the agenda and to mainstream food security across relevant policy areas.

**Option 1:** A ‘status quo’ scenario would do little to increase the policy profile of food security either within the EC/EU or in developing countries. It would lead to a loss of visibility of chronic food insecurity as a global challenge, especially with the stabilisation of global food prices. This is due to the fact that at present there is no policy framework for the European Commission and that policies and/or strategies developed by Member States focus only on specific aspects of the food security problem (such as nutrition, agricultural production, etc.). Given the multidimensional nature of the food security challenge, establishing comprehensive frameworks should be a priority.

**Option 2:** The option of an EU-only policy would provide the framework for strengthening the dialogue on food security between the Commission and partner countries, in particular when developing, evaluating and revising Country and Regional Strategy Papers. This could indeed strengthen the policy profile of food security and make it a more prioritised issue for developing countries. It would still be an incomplete

approach, however, since it would be done in isolation by the EU and would still have only limited political impact.

**Option 3:** An EU and its Member States policy would fully support the EU advocacy role, both internally and externally, to prioritise food security. A joint EU-Member States message would provide the critical influence needed to secure food security the priority place it deserves in developing countries' agendas and help to remediate the lack of political commitment.

#### Economic impact

It is widely recognised that the outcomes of food insecurity and malnutrition - especially under-nutrition - (disability, premature death, attributable risk of ill health, illness, impaired physical and mental development) lower individuals' and societies' economic potential and contribute to the perpetuation of poverty. Workers who experienced hunger as children create a workforce pool that is less competitive, with lower levels of educational and technical skills, and seriously constrained human capital. For donors, investing in food security could lead, in the medium-to-long term, to less intervention costs needed to spur macro-economic growth.

**Option 1:** In a status quo scenario, the EU and its Member States would continue to support food security interventions that could be successful in assisting groups of vulnerable people or households, through - for instance - provision of agricultural inputs. More generalised benefits could be researched in the case of programmes aiming at providing public goods – such as knowledge or information. However, most of the existing interventions are likely to continue to focus on some aspects of the food security problem without tackling them in a comprehensive manner. Furthermore, the macroeconomic impacts of food insecurity can be such that whole countries and regions may suffer for considerable time and such large scale impacts cannot be addressed solely on a programme/project basis. This indicates the limits of the current situation and the need for more strategic and 'political' solutions.

**Option 2:** An EU policy could be more instrumental and strategic by combining targeted interventions with the prioritisation of food security in partner countries' policies and planning. It could also more comprehensively address the problem of malnutrition and the impact that it has on the economic potential of a country. However, as demonstrated by the recent food crisis, in addressing large scale critical situations, the Commission cannot and should not work on its own.

**Option 3:** An EU-Member States policy would allow the EU and its Member States to have a more coordinated approach in a number of areas, making use of both Commission and EU Member States' experiences and tools to help prevent and mitigate economic losses in developing countries and loss of donor investment. Well-coordinated action would be more effective, more strategic and more anticipatory.

#### Social impact

Food insecurity is often linked to poverty, lack of social and financial safety nets, poor health and disability. This link is often complex and in order to break the vicious cycle of poverty and vulnerability an adequate set of policies is required.

**Option 1:** Once again the 'status quo' situation can have some local benefits through specific interventions in a (limited) number of areas. But in order to address and mitigate

the whole range of negative social impacts due to food insecurity, a more strategic and holistic approach is needed.

**Option 2:** A revised EU policy could help mainstream food security in partner countries' relevant sector policies thereby limiting both social and economic impacts. But the EU acting on its own would achieve limited results and there would be risks of both duplication of efforts and significant gaps.

**Option 3:** An EU-Member States strategy would make use of EU-Member States collective experience and instruments, while at the same time ensure policy coherence with closely related policy areas such as trade, health and education, etc. in order to minimise social impacts of food insecurity in developing countries. Building on, for example, ongoing safety net programmes, the EU-Member States policy could establish a suitable framework for scaling up EU initiatives and programmes in a coordinated and effective way.

### Environmental impact

Food insecurity is strongly linked to environmental degradation and climate change. In fact this relation is rather complex. On the one hand environmental degradation and climate change are responsible for the increase of production-related shocks and therefore contribute to perpetuate developing countries' vulnerability to crises. On the other hand, food production can also cause environmental degradation and contribute to climate change. However, different production methods have varying effects on climate change and some farming methods are more resilient to climate change than others.

**Option 1:** The impact of a 'status quo' scenario is likely to be rather localised and reactive. It may not be the best way to address the complex reaction between food production and environmental degradation and climate change, which are global problems and need strategic and anticipatory responses.

**Option 2:** A revised EU policy would be more suited to addressing these kinds of challenges and enable important linkages to Commission-led initiatives such as the Global Climate Change Alliance to be made and acted upon.

**Option 3:** An EU-Member States strategy would also commit both the Commission and the EU Member States to work more closely and collaboratively with important food security/environment interfaces such as climate change and should contribute to the development of policies for adapting to climate change.

Could the options have impacts on the EU-Budget (above 5 Mio €) and/or should the IA also serve as the ex-ante evaluation, required by the Financial Regulation?

None of the above mentioned options is expected to have direct impacts on the EU budget above €5 million. Though not strictly linked, an increase in allocation to the Food Security Thematic Programme 2011-13 would be welcome to facilitate accelerated implementation of the preferred policy option (EU policy).

Could the options have significant impacts on (i) simplification, (ii) administrative burden or on (iii) relations with third countries?

The preferred option (EU policy) is directly related with the objective of increasing the EU level of alignment and predictable support, in the field of food security to third

countries. It is likely to reduce significantly the administrative burden of EU development cooperation. It would also aim at increasing coherence, synchronization and even joint actions between EU development cooperation and related policies (research, health, trade, fisheries, and agriculture).

## **E. Planning of further impact assessment work**

When will the impact assessment work start?

An impact assessment was conducted by an external consultant at the end of 2009. However, no formal impact assessment was required, as the Communication does not have an effect on the financial framework.

(i) What information and data are already available? (ii) Will this impact assessment build on already existing impact assessment work or evaluations carried out? (iii) What further information needs to be gathered? (iv) How will this be done (e.g. internally or by an external contractor) and by when?

(v) What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

There is a wide range of publication available on food security matters which is carried out by international organisations (the UN system, notably FAO, WFP, World Bank, etc.), EU Member States, specialised research centres (IFPRI, IIED etc) and NGOs.

Evaluations of EU Food Aid Policy and Food Aid Management and special operations in support of Food Security have been also carried out by EuropeAID Evaluation Unit and provide useful reference.

The consultation processes will complement the gathering of information and analysis.

Which stakeholders & experts have been/will be consulted, how and at what stage?

### Already consulted informally:

-*EC services*: an interservices meeting was organised on 14 July 2009 (DEV, AIDCO, ECHO, MARE, SANCO, TRADE, AGRI) and an ISC (involving also SG, SJ, BUDG, ENV and TREN in addition to the DGs that met in July) was organised from 21 August to 4 September 2009. ISC on the Communication was organised in March 2010 (AGRI, AIDCO, BUDG, CLIMA, COMM, DGT-EDIT, ECFIN, ECHO, ENTR, ENV, JRC, MARE, RELEX, RTD, SANCO, SG, SJ, TRADE).

-*EU Member States*: were informed during the Heads of Agriculture and Rural Development Sections meeting on 23-24 June 2009 and again in November 2009 and February 2010.

-*Spain* (Presidency under which the Communication is planned for adoption and Council Conclusions): meetings with Permanent Representation and meetings with the Deputy Director of Development policies at the Spanish Ministry for Foreign Affairs.

### Further consultations:

Online public consultation as formally required (16th November 2009 – end January 2010).

Ad hoc meetings with selected stakeholders (Member States, think tanks and civil society organisation, private sector).