## MAROŠ ŠEFČOVIČ

VICE-PRESIDENT OF THE EUROPEAN COMMISSION

Brussels, 2 2 FEV. 2011 C/2011/1084 final

Lord Roper Chairman of the European Union Select Committee House of Lords

Dear Lord Roper,

I would like to thank you for forwarding the reasoned opinion of the House of Lords on the Commission proposal for a Regulation of the European Parliament and of the Council amending Council Regulations (EC) No 1290/2005 and (EC) No 1234/2007, as regards the distribution of food products to the most deprived persons in the Union {COM (2010) 486 final}.

The report notes the increasing reliance of this scheme on market purchases following the decline in intervention stocks and emphasises its social dimension, claiming that this falls within the remit of Member States. It states that there is no compelling argument to suggest that the European Union is better placed than Member States to ensure a food supply to its most deprived citizens and, building on this, concludes that the proposed Regulation does not comply with the principle of subsidiarity.

In responding to your report, I would like to draw your attention to the following elements:

First, the Commission takes very seriously the Treaty obligation (article 5 of Protocol 2) to motivate its proposals in light of the subsidiarity and proportionality principles. In preparation of this proposal the Commission carried out an impact assessment in  $2008^l$ , in which it analysed subsidiarity in terms of value added and the necessity for the intervention by the EU in this field.

The purpose of the European Programme of Food Aid for the Most Deprived Persons is twofold. While it certainly seeks to fulfil the Common Agricultural Policy's Treaty objective of ensuring that food reaches consumers at reasonable prices (in this case, at no charge) it also has a primary role in the disposal of public intervention stocks of agricultural products.

In fact, 87% of the resources devoted to food procurement in the programme's 2010 plan were sourced through intervention stocks. In the recently adopted plan for 2011, this share will rise to 97%.<sup>2</sup>

While the days of butter mountains and wine lakes are long gone, intervention remains an important market stabilisation tool, offering a safety net against price volatility. The management of intervention at EU level is entirely the responsibility of the European

<sup>1</sup> http://ec.europa.eu/agriculture/markets/freefood/fullimpact\_en.pdf

<sup>&</sup>lt;sup>2</sup> Commission Regulation (EU) No 945/2010

Commission. Under the aegis of the Common Agricultural Policy, the food aid programme for the most deprived offers the perfect foil for this mechanism and remains the single largest outlet for intervention stocks.

It is therefore the Commission's view that the proposal's merits lie in its dual contribution to two of the objectives of the Common Agricultural Policy as enshrined in the Treaty, namely, market stabilisation and ensuring that supplies reach consumers at reasonable prices. In this scheme, both goals go hand in hand and cannot be considered separately.

The 2008 impact assessment considered various options for the programme's future, ranging from the maintenance of the status quo to the termination of the programme.

The report on the impact assessment's work noted the scale of the food insecurity problem within the European Union. It emphasised that the food aid programme did not seek to replace or substitute private or national actions, but rather to complement and underpin them. It is our experience in many participating Member States, in particular those where no food distribution previously existed, that the initiation of the EU programme has had what could be described as a snowball effect, enabling the development of various types of locally-based social aid programmes.

This view was largely supported by the internet-based public consultation referred to in your report and the NGO community across participating Member States.

I would also like to emphasise the extent to which responsibility for implementing the Programme is delegated to the participating Member States, in recognition of the subsidiarity principle.

First, it is entirely the responsibility of the Member State concerned to identify the target population to which it wishes to direct the food aid. This they usually do in consultation with charities or public authorities with the appropriate local knowledge.

Second, the Commission agrees entirely with the report's statement (paragraph 8) that "there is no reason why the Union is better placed to organise the purchase of products from the market than Member States." I would emphasise that the Union has no role in purchasing products from the market; this is entirely the responsibility of the Member States.

Finally, it is true that social structures and support mechanisms for the most needy are widely divergent among the Member States. Some, like the United Kingdom, have well-developed networks, with a tradition of providing food to those in need. In many others, particularly in the younger Member States, no such structures existed. In these cases, the Programme has been instrumental in enabling appropriate support structures to be established. For the Commission this programme is a good example of the practical demonstration of solidarity between Member States in addressing a common problem.

The Commission appreciates the efforts of the House of Lords in producing this report and looks forward to continuing the policy dialogue in future on this and other subjects.

Yours sincerely,

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