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REPORT

on the proposal for a Council regulation amending Regulation (EC) No 1290/2005 on the financing of the common agricultural policy and Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) as regards food distribution to the most deprived persons in the Community
(COM(2008)0563 – C6-0353/2008 – 2008/0183(CNS))

Committee on Agriculture and Rural Development

Rapporteur: Czesław Adam Siekierski

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend the common position
- *** Assent procedure
majority of Parliament's component Members except in cases covered by Articles 105, 107, 161 and 300 of the EC Treaty and Article 7 of the EU Treaty
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend the common position
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission.)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. In the case of amending acts, passages in an existing provision that the Commission has left unchanged, but that Parliament wishes to amend, are highlighted in **bold**. Any deletions that Parliament wishes to make in passages of this kind are indicated thus: [...]. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). Suggested corrections of this kind are subject to the agreement of the departments concerned.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council regulation amending Regulation (EC) No 1290/2005 on the financing of the common agricultural policy and Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) as regards food distribution to the most deprived persons in the Community
(COM(2008)0563 – C6-0353/2008 – 2008/0183(CNS))**

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2008)0563),
 - having regard to Article 37 of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0353/2008),
 - having regard to Rule 51 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development and the opinion of the Committee on Regional Development (A6-0091/2009),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
 3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
 4. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
 5. Instructs its President to forward its position to the Council and Commission.

Amendment 1

Proposal for a regulation – amending act

Recital 1

Text proposed by the Commission

(1) Council Regulation (EEC) No 3730/87 of 10 December 1987 laying down the general rules for the supply of food from intervention stocks to designated

Amendment

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organisations for distribution to the most deprived persons in the Community, subsequently repealed and integrated into Council Regulation (EC) No 1234/2007, has provided a reliable source of food for distribution to the most deprived persons of the Community for more than two decades.

organisations for distribution to the most deprived persons in the Community, subsequently repealed and integrated into Council Regulation (EC) No 1234/ 2007, has provided a reliable source of food for distribution to the most deprived persons of the Community for more than two decades ***and has positively contributed to the cohesion of EU regions by reducing economic and social disparities between regions which have different levels of development.***

Amendment 2

Proposal for a regulation – amending act Recital 2

Text proposed by the Commission

(2) The objectives of the Common Agricultural Policy (CAP) as defined in Article 33(1) of the Treaty include stabilising the markets as well as ensuring that supplies reach consumers at reasonable prices. Over the years the food distribution plans implemented under the scheme have successfully underpinned the fulfilment of both objectives and, by reducing the food insecurity of the most deprived persons in the Community, have proven to be an essential tool contributing to guarantee broad availability of food within the Community while reducing the intervention stocks.

Amendment

(2) The objectives of the Common Agricultural Policy (CAP) as defined in Article 33(1) of the Treaty include stabilising the markets as well as ensuring that supplies reach consumers at reasonable prices. Over the years the food distribution plans implemented under the scheme have successfully underpinned the fulfilment of both objectives and, by reducing the food insecurity of the most deprived persons in the Community, have proven to be an essential tool contributing to guarantee broad availability of food within the Community while reducing the intervention stocks. ***The new European food aid scheme for the most deprived persons has to continue guaranteeing the aims of the CAP and to help achieve cohesion objectives by ensuring balanced, harmonious sustainable development for all regions.***

Amendment 3

Proposal for a regulation – amending act Recital 5

Text proposed by the Commission

(5) The current food distribution scheme relies on the distribution of products from Community intervention stocks supplemented, on a temporary basis, by purchases on the market. However, ***successive reforms of the CAP and favourable developments of producer prices have resulted in a progressive reduction in intervention stocks, as well as the range of products available.***

Consequently, market purchases should also be made a permanent source of supply for the scheme to complement intervention stocks, where suitable intervention stocks are not available.

Amendment

(5) The current food distribution scheme relies on the distribution of products from Community intervention stocks supplemented, on a temporary basis, by purchases on the market. However, ***increasing strains in the world market for primary agricultural products and the phasing out of tools for the orientation of production and stocks applied under successive reforms of the CAP, have reduced the EU's food self-sufficiency in terms of the quantity and range of products available and its capacity to respond to the food needs of its most deprived citizens or to any food crises or international speculation. Nevertheless, a public authority cannot halt from one day to the next a programme which has already been launched.*** . Consequently, market purchases should also be made a permanent source of supply for the scheme to complement intervention stocks, where suitable intervention stocks are not available. ***Purchases on the market should be effected in a competitive manner, while encouraging the purchase of products of Community origin.***

Amendment 4

Proposal for a regulation – amending act Recital 6

Text proposed by the Commission

(6) A Community scheme cannot constitute the sole response to the growing needs for food aid in the Community. National policies implemented by public

Amendment

(6) A Community scheme cannot constitute the sole response to the growing needs for food aid in the Community. National policies implemented by public

administrations and the mobilisation of civil society are equally necessary to provide food security for the most deprived. A Community scheme with a strong cohesive element might, however, serve as a model for the distribution of food to the most deprived, help create synergies and encourage public and private initiatives aimed at increasing the food security of persons in need. Furthermore, given the geographical dispersion of the reduced available intervention stocks in the Member States, it can contribute to their best use. The Community scheme should therefore also be without prejudice to any such national policies.

administrations and the mobilisation of civil society are equally necessary to provide food security for the most deprived. A Community scheme with a strong cohesive element might, however, serve as a model for the distribution of food to the most deprived, ***especially in the less developed regions***, help create synergies and encourage public and private initiatives aimed at increasing the food security of persons in need. Furthermore, given the geographical dispersion of the reduced available intervention stocks in the Member States, it can contribute to their best use. The Community scheme should therefore also be without prejudice to any such national policies.

Justification

It would be useful for the programme to target the less developed regions as a matter of priority, since they are in greater need of food distribution.

Amendment 5

Proposal for a regulation – amending act Recital 7

Text proposed by the Commission

(7) In order to fully benefit from the cohesive dimension of the Community scheme and reinforce the synergies thereby created, and in order to ensure proper planning, provision should be made for Member States to co-finance the food distribution programme. Maximum Community co-financing rates should be provided for and the Community financial contribution should be added to the list of measures eligible for financing by the European Agricultural Guarantee Fund (EAGF) set out in Article 3(1) of Council Regulation (EC) No 1290/2005. Higher co-financing rates should apply in the first years of application of the revised scheme in order to ensure the continued high take-up of funds, the gradual phase

Amendment

deleted

in of co-financing, to allow for a smooth transition and to avoid the risk of discontinuation of the scheme due to a possible lack of resources.

Justification

The draftsman proposes to have full EU financing for the food aid assistance programmes as some Member States will not be able to participate in the scheme when co-financing rates apply. Problems may arise particularly in Member States with low per capita income or whose budgets are facing financial difficulties.

Amendment 6

**Proposal for a regulation – amending act
Recital 8**

Text proposed by la Commission

(8) The **rate of the** contribution from the EAGF should be set taking into account the situation of Member States eligible for funding from the Cohesion Fund, as listed in Annex I to Commission Decision 2006/596/EC or in subsequent relevant decisions, in order to strengthen the economic and social cohesion of the Community.

Amendment

(8) The contribution from the EAGF should be set taking into account the situation of Member States eligible for funding from the Cohesion Fund, as listed in Annex I to Commission Decision 2006/596/EC or in subsequent relevant decisions, in order to strengthen the economic and social cohesion of the Community.

Justification

The draftsman proposes to have full EU financing for the food aid assistance programmes as some Member States will not be able to participate in the scheme when co-financing rates apply. Problems may arise particularly in Member States with low per capita income or whose budgets are facing financial difficulties.

Amendment 7

**Proposal for a regulation – amending act
Recital 9**

Text proposed by the Commission

Experience has shown that certain

Amendment

(9) Experience has shown that certain

improvements in the management of this scheme are desirable, in particular to provide Member States and designated organisations with a longer term perspective through multi-annual plans. The Commission should therefore establish three-year-plans for the implementation of the scheme, based on the Member States requests to be communicated to the Commission and other information considered relevant by the Commission. Member States should base their requests in terms of food products to be distributed within any three-year-plan on national food **distribution** programmes setting out their objectives and priorities for food distribution to the most deprived persons. The Commission should define an objective methodology for allocating available funds.

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Justification

A three-year plan cannot predict the potential effects on the fabric of society of exceptional circumstances such as climate change. Account must be taken of events such as the present economic crisis whose impact had not been foreseen.

Amendment 8

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 1

Text proposed by the Commission

1. Products in intervention stocks shall be made available or food products shall be purchased on the market so that food products may be distributed to the most deprived persons in the Community through organisations designated by

Amendment

1. Products in intervention stocks shall be made available or food products ***of Community origin*** shall be purchased on the market, ***with preference given to locally-produced fresh food products***, so that food products may be distributed to the most deprived persons in the Community

Member States.

Food products shall be purchased in the market only where intervention stocks suitable for the food distribution scheme are not available.

through organisations designated by Member States.

Food products *of Community origin* shall be purchased in the market only where intervention stocks suitable for the food distribution scheme are not available.

Amendment 9

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 2

Text proposed by la Commission

2. Member States wishing to participate in the scheme shall communicate to the Commission national food **distribution** programmes, containing requests for amounts of food products to be distributed during a three-year period and other relevant information.

Amendment

2. Member States wishing to participate in the scheme shall communicate to the Commission national food **aid assistance** programmes, containing **details of their main characteristics and objectives, the organisations concerned, the** requests for amounts of food products to be distributed during a three-year period and other relevant information.

Justification

Most existing national programmes for food to the most deprived persons go beyond distribution only. The wording "aid assistance" better reflects the existing initiatives. Furthermore it should be better defined what information the national programmes should contain.

Amendment 10

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 3 – subparagraph 2

Text proposed by la Commission

The three-year plan shall set out annual financial allocations by the Community per Member State **and minimum annual**

Amendment

The three-year plan shall set out annual financial allocations by the Community per Member State, determined by the

financial contributions of Member States, determined by the Commission in accordance with a methodology to be set out in the implementing rules adopted in accordance with Article 43(g). Allocations for the second and third year of the programme shall be indicative. Member States participating in the scheme shall confirm every year the requests referred to in paragraph 2. Following these confirmations, the Commission shall decide each subsequent year on the definitive allocations, within the limits of the appropriations available in the budget.

Commission in accordance with a methodology to be set out in the implementing rules adopted in accordance with Article 43(g). Allocations for the second and third year of the programme shall be indicative. Member States participating in the scheme shall confirm every year the requests referred to in paragraph 2. Following these confirmations, the Commission shall decide each subsequent year on the definitive allocations, within the limits of the appropriations available in the budget.

Justification

The draftsman proposes to have full EU financing for the food aid assistance programmes as some Member States will not be able to participate in the scheme when co-financing rates apply. Problems may arise particularly in Member States with low per capita income or whose budgets are facing financial difficulties.

Amendment 11

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 4 – subparagraph 3a (new)

Text proposed by the Commission

Amendment

Those organisations shall display an information panel at distribution points, or attach a sticker to mobile distribution units, indicating that the association is a recipient of the European food aid programme. This shall be the means of informing beneficiaries that they are receiving Community support.

Justification

The system of marking products should be scrapped. Attaching the European logo to products causes added expense: for dairy products this is estimated at 10% of the price of the product, for pasta 3%. These savings could be reinvested in the purchase of food products. Nor is this

marking a traceability tool, as the associations are in any case obliged to ensure the traceability of contents, which is supervised by the payment agencies.

Amendment 12

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 5 – point b

Text proposed by la Commission

(b) keep the Commission informed ***in a timely manner*** on developments affecting the implementation of the food distribution programmes.

Amendment

(b) keep the Commission informed on developments affecting the implementation of the food distribution programmes.

Justification

If specification is needed, a clear specification should be taken up in the implementing rules. The current formulation "Timely manner" is too vague and therefore should be deleted.

Amendment 13

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 6 – subparagraph 1 – point b

Text proposed by the Commission

(b) the cost of food products purchased on the market.

Amendment

(b) the cost of food products purchased on the market ***on the basis of competitive procedures***.

Justification

The programme must not be allowed to lead to abuses in the context of purchasing on the market.

Amendment 14

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 6 – subparagraph 2 – point b

Text proposed by the Commission

Amendment

(b) costs of transport of food products and administrative costs for the designated organisations directly linked with the implementation of the scheme.

(b) costs of transport **and storage** of food products and administrative costs for the designated organisations directly linked with the implementation of the scheme.

Justification

Transport costs could be reduced by setting up intermediate transit points between the supplier and the local association. Transport costs would be reduced by combining dispatches of foods by several charitable associations working in the same region. Major savings would be made by this pooling of resources, as the cost of transport can vary by a factor of 1 to 7 depending on the number of palettes delivered.

Amendment 15

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 6 a (new)

Text proposed by the Commission

Amendment

6a. The Member States shall set a ceiling, corresponding to the percentage of products purchased or bartered, for all transport, storage and administrative costs (including communication costs), taking account of local conditions where necessary. The financial provision shall be divided by the Member States between these three items of expenditure. All appropriations not used under this provision may be reallocated to the purchase of food.

Justification

Up to 4.5% of total PEAD transport costs are paid for. This system is unsatisfactory as suppliers make the most of the opportunities offered by this standard rate regardless of the actual cost, and any cost savings made cannot be redirected towards the purchase of food products. Member States should be given the leeway to divide the funding between transport, storage and administrative costs in order to limit expenditure and make checks easier.

Amendment 16

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 7 – subparagraph 1

Text proposed by la Commission

Amendment

7. The Community shall **co-finance** the eligible costs under the scheme.

7. The Community shall **finance** the eligible costs under the scheme.

Justification

The draftsman proposes to have full EU financing for the food aid assistance programmes as some Member States will not be able to participate in the scheme when co-financing rates apply. Problems may arise particularly in Member States with low per capita income or whose budgets are facing financial difficulties.

Amendment 17

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 7 – subparagraph 2 – introductory part

Text proposed by la Commission

Amendment

The Community co-financing rate shall not exceed: **deleted**

Justification

The draftsman proposes to have full EU financing for the food aid assistance programmes as some Member States will not be able to participate in the scheme when co-financing rates apply. Problems may arise particularly in Member States with low per capita income or whose budgets are facing financial difficulties.

Amendment 18

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 7 – subparagraph 2 – point a

Text proposed by la Commission

Amendment

(a) for the three-year plan starting on 1 January 2010, 75% of the eligible costs, or 85% of the eligible costs in the Member States eligible for funding from the Cohesion Fund for the period 2007-2013, as listed in Annex I to Commission Decision 2006/596/EC; **deleted**

Justification

The draftsman proposes to have full EU financing for the food aid assistance programmes as some Member States will not be able to participate in the scheme when co-financing rates apply. Problems may arise particularly in Member States with low per capita income or whose budgets are facing financial difficulties.

Amendment 19

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 7 – subparagraph 2 – point b

Text proposed by la Commission

Amendment

(b) for subsequent three year plans, 50% of the eligible costs, or 75% of the eligible costs in the Member States eligible for funding from the Cohesion Fund in a given year, as listed in Annex I to Decision 2006/596/EC and in subsequent decisions. **deleted**

Justification

The draftsman proposes to have full EU financing for the food aid assistance programmes as some Member States will not be able to participate in the scheme when co-financing rates apply. Problems may arise particularly in Member States with low per capita income or whose budgets are facing financial difficulties.

Amendment 20

Proposal for a regulation – amending act

Article 2 – point 3

Regulation (EC) No 1234/2007

Article 184 – point 9

Text proposed by the Commission

"(9) by **31 December 2012**, at the latest, to the European Parliament and the Council on the application of the scheme for food distribution to the most deprived persons in the Community provided for in Article 27, together with any appropriate proposals."

Amendment

"(9) by **31 December 2011**, at the latest, to the European Parliament and the Council on the application of the scheme for food distribution to the most deprived persons in the Community provided for in Article 27, together with **a proposal for a decision on continuation of the scheme after the current financing period and any other** appropriate proposals **necessary**."

Justification

The draftsman finds that reporting should be at an earlier stage in time as on basis of evaluating the scheme a decision for the subsequent years (new financial perspectives as from 2013 on) need to be taken.

EXPLANATORY STATEMENT

Introduction

Tackling poverty is one of the most serious problems facing the European Union. According to Eurostat figures, in 2006 nearly 79 million people were threatened with poverty in the EU-25, including 43 million people at risk of malnutrition. This group includes the homeless, families in difficulty, the unemployed, single parents, migrants, asylum seekers, people of advanced age or with limited resources, and disabled children. The Member States which joined the European Union in 2004 and 2007 are facing a particularly difficult situation. In some countries poverty affects around 20% of the population. In Poland and Germany alone 11 million and 9 million people respectively face the threat of poverty. These data clearly show that the need for food assistance is quite high.

It should be remembered that the transformations which have taken place in the countries which recently joined the EU have produced major stratification of income among their societies. This is particularly true in some of these countries, where disparities in income and living standards are growing all the time. Families living in small towns and inhabitants of rural areas are particularly affected by poverty. There are growing numbers of people who cannot afford the basic necessities of life.

During its 22 years of existence the Food Distribution Programme for the most deprived persons in the Community has contributed to the achievement of two major aims of the CAP, namely helping to stabilise markets by reducing intervention stocks and ensuring the necessary food supplies for the Union's poorest inhabitants.

Needless to say, this programme cannot resolve the problem of malnutrition and poverty among EU citizens, but it certainly helps to keep them in check. According to available data, in 2006 more than 13 million people from 15 Member States benefited from this programme. Subsequently, in 2008, 19 Member States took part in a voluntary project with a budget of €30 5 million. However, with 43 million people in need of support, this is still inadequate.

Apart from its benefits in reducing poverty among the Union's most deprived citizens, food distribution changes their relationship and attitude towards the European Union and the Common Agricultural Policy. Accordingly, any attempt to abolish the programme or limit its financial resources could produce an adverse public reaction, bolstering the ranks of the Eurosceptics.

European Commission's proposal

The Commission proposes a revision of the food distribution programme based on the following elements:

- **Two sources of supply.** Food may be sourced either from intervention stocks or from the market. The latter would no longer be limited to situations of temporary unavailability of intervention stocks. However, priority will be given to the use of suitable intervention stocks where these are available.

- **Wider variety of foods to be distributed.** In order to improve the nutritional balance of the food provided by the programme, the products distributed would no longer be limited to those for which intervention applies. The food would be chosen by Member State authorities on the basis of nutritional criteria and distributed in cooperation with civil society partners.
- **Long-term perspective.** Food distribution activities require long-term planning and careful preparation by the national authorities and civil society partners concerned. In order to enhance its efficiency, the Community food distribution plan would be established for three years. The amounts of aid for the second and third years would only be indicative and would have to be subsequently confirmed by the budgetary authority.
- **Clearer priorities.** Member States would base their aid requests on national food distribution programmes, setting out their objectives and priorities for food distribution to the most deprived.
- **Co-financing.** The introduction of co-financing would underpin the cohesion dimension of the scheme, ensure proper planning and reinforce synergies. To help make for a smooth introduction and a continued high take-up of the Community funding made available, Community co-financing rates would be 75% and 85% in Cohesion Member States for the 2010/12 plan. Subsequently, as of the 2013/15 plan, the Community co-financing rates would be, respectively 50% and 75%.
- **Reinforcing monitoring and reporting.** Reporting obligations at various levels would be increased and include a report from the Commission to the European Parliament and the Council by 31 December 2012, at the latest.

Position of the European Parliament

In its declaration of 4 April 2006 on supplying approved charities working to implement the European food aid programme for the most deprived, the European Parliament expressed its concern about the future of the European food aid programme for the most deprived and, in acknowledgement of the need to meet their food requirements, called on the Commission and the Council to put the European food aid programme on a permanent footing.

More recently, on 22 May 2008, the European Parliament adopted a resolution on rising food prices in the EU and the developing countries, in which it stresses the fundamental nature of the right to food and the need to improve access for all people at all times to enough food for an active, healthy life.

The draftsman welcomes the fact that the European Commission recognises the importance of an EU food aid assistance (distribution) programme. He also welcomes the Commission's proposal to improve the structure for selecting products supplied under the programme. This will certainly make it possible to meet existing needs more effectively. With regard to the need to considerably reduce intervention buying, food earmarked for assistance to the most deprived must also come from market purchases. However, this does not alter the fact that the bulk of the programme must still come from reserves deriving from intervention in the agricultural markets. The rapporteur believes that the food distribution programme for the most deprived should continue to be an element of the Common Agricultural Policy, even if there is reduced reliance on products obtained from intervention buying.

The CAP affects the food market on the one hand by ensuring appropriate supplies of food products and, on the other, by influencing price levels. Persons with the lowest incomes are particularly vulnerable to price fluctuations and the EU food distribution programme is an effective tool for influencing the CAP in such a way as to improve the situation of such people. At the same time, it will stimulate internal demand through a programme to reduce reliance on support instruments in the Community's agricultural markets, (e.g. intervention purchases, private storage, export refunds).

The draftsman shares the opinion of the Commission on setting clear priorities and long-term planning. Extending the programme for three years will help to make the expenditure of available resources more effective. In addition, it will ensure constant supplies of food, particularly during the periods of greatest need, namely autumn and winter. Notes however that due to the fact that budgetary means are only secured and restricted to the 2007-2013 financial perspectives period an earlier moment for evaluating is necessary. Therefore proposes to have the reporting moment before the decisions on the new financial perspectives after 2013.

Furthermore the draftsman disagrees with the proposed co-financing percentages. Introducing a requirement for co-financing the programme might prompt some Member States to limit their participation in the programme or withdraw from it. This is particularly true of Member States with low per capita incomes and whose budgets are experiencing financial difficulties. This is particularly relevant at present when there is a worldwide financial crisis whose effects are being felt evident in the European economy.

Therefore the draftsman proposes to have a full EU financing for the food aid assistance programmes.

12.2.2009

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Agriculture and Rural Development

on the proposal for a Council regulation amending Regulation (EC) No 1290/2005 on the financing of the common agricultural policy and Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) as regards food distribution to the most deprived persons in the Community
(COM(2008)0563 – C6-0353/2008 – 2008/0183(CNS))

Rapporteur: Florencio Luque Aguilar

SHORT JUSTIFICATION

Because of the economic crisis that Europe is undergoing, the number of people living below the poverty line is set to rise in the next few years; the present figure already stands at 16% of the total population (80 million). Given that the scenario is one of crisis, it is therefore vital to provide continuity in the Community aid programme serving to supply food to the most needy.

However, the fact of phasing out intervention stocks also does away with an arrangement that has to date proved a very useful way of supplying food to the most deprived persons in the Community while guaranteeing stable prices for European producers.

Under the Commission's proposed new programme, food is to be supplied to the most needy primarily in the form of purchases made directly on the market. Although this has the advantage of widening the range of products available for distribution, thus helping those who are most deprived to eat a more balanced diet, it does entail some drawbacks.

In particular, it does nothing to safeguard Community preference, in spite of the fact that farmers in the Member States are the protagonists of the common agricultural policy and the driving force of the economy in many rural areas. One point to bear in mind is that the new scheme falls under the CAP and will accordingly need to be kept as closely in line as possible with the principles of that policy, taking into account in addition that European farmers and stockbreeders play a central role in rural development.

Secondly, the Commission proposal is for the first time introducing mandatory co-financing into the European programme, thus posing the risk that some Member States might not be able to meet the full cost.

One alternative to the proposal, and a way to prevent the launch of the programme being impeded on account of co-financing, might be to limit the scope of Member States' contributions so that the expenditure to be topped up would account for no more than 40% of the Community allocation, a percentage equivalent to the additional budget needed for next year. This would at least ensure that earlier measures could continue. The Commission is seeking an increase of €200 m in the budget for the scheme in 2009, raising the total to €500 m, to which national contributions would be added.

Co-financing of the programme is the most worrying aspect for the charities called upon to distribute food, since they fear that it might pose an obstacle to the continuity of measures begun in the past. Furthermore, the cost could increase over the next few years as a result of the upward trend in food prices.

AMENDMENTS

The Committee on Regional Development calls on the Committee on Agriculture and Rural Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation – amending act Recital 1

Text proposed by the Commission

(1) Council Regulation (EEC) No 3730/87 of 10 December 1987 laying down the general rules for the supply of food from intervention stocks to designated organisations for distribution to the most deprived persons in the Community, subsequently repealed and integrated into Council Regulation (EC) No 1234/2007, has provided a reliable source of food for distribution to the most deprived persons of the Community for more than two decades.

Amendment

(1) Council Regulation (EEC) No 3730/87 of 10 December 1987 laying down the general rules for the supply of food from intervention stocks to designated organisations for distribution to the most deprived persons in the Community, subsequently repealed and integrated into Council Regulation (EC) No 1234/ 2007, has provided a reliable source of food for distribution to the most deprived persons of the Community for more than two decades ***and has positively contributed to the cohesion of EU regions by reducing economic and social disparities between regions which have different levels of development.***

Amendment 2

Proposal for a regulation – amending act Recital 2

Text proposed by the Commission

(2) The objectives of the Common Agricultural Policy (CAP) as defined in Article 33(1) of the Treaty include stabilising the markets as well as ensuring that supplies reach consumers at reasonable prices. Over the years the food distribution plans implemented under the scheme have successfully underpinned the fulfilment of both objectives and, by reducing the food insecurity of the most deprived persons in the Community, have proven to be an essential tool contributing to *guarantee* broad availability of food within the Community while reducing the intervention stocks.

Amendment

(2) The objectives of the Common Agricultural Policy (CAP) as defined in Article 33(1) of the Treaty include stabilising the markets as well as ensuring that supplies reach consumers at reasonable prices. Over the years the food distribution plans implemented under the scheme have successfully underpinned the fulfilment of both objectives and, by reducing the food insecurity of the most deprived persons in the Community, have proven to be an essential tool contributing to *guaranteeing* broad availability of food within the Community while reducing the intervention stocks. ***The new European food aid scheme for the most deprived persons has to continue guaranteeing the aims of the CAP and to help achieve cohesion objectives by ensuring balanced, harmonious sustainable development for all regions.***

Amendment 3

Proposal for a regulation – amending act Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) To ensure the continuation of measures already taken, and to prevent co-financing of the programme from impeding its optimal implementation, the financial provisions adopted should be geared more closely to the need to avert an excessive drain on Member States' budgets.

Justification

Most Member States are calling for the full cost of the programme to be charged to the Community budget. The rapporteur's amendment puts forward a compromise.

Amendment 4

Proposal for a regulation – amending act Recital 5

Text proposed by the Commission

(5) The current food distribution scheme relies on the distribution of products from Community intervention stocks supplemented, on a temporary basis, by purchases on the market. However, ***successive reforms of the CAP and favourable developments of producer prices have resulted in a progressive reduction in intervention stocks, as well as the range of products available.***

Consequently, market purchases should also be made a permanent source of supply for the scheme to complement intervention stocks, where suitable intervention stocks are not available.

Amendment

5) The current food distribution scheme relies on the distribution of products from Community intervention stocks supplemented, on a temporary basis, by purchases on the market. However, ***increasing strains in the world market for primary agricultural products and the phasing out of tools for the orientation of production and stocks applied under successive reforms of the CAP, have reduced the EU's food self-sufficiency in terms of the quantity and range of products available and its capacity to respond to the food needs of its most deprived citizens or to any food crises or international speculation.*** Consequently, market purchases should also be made a permanent source of supply for the scheme to complement intervention stocks, where suitable intervention stocks are not available.

Justification

Successive reforms of the CAP have led to a reduction in intervention tools, but the main causes of the reduction in stocks and the range of products available are the expansion in world demand for food and non-food agricultural products and increasing speculation (cf. food riots, etc.)

Amendment 5

Proposal for a regulation – amending act
Recital 5

Text proposed by the Commission

(5) The current food distribution scheme relies on the distribution of products from Community intervention stocks supplemented, on a temporary basis, by purchases on the market. However, successive reforms of the CAP and favourable developments of producer prices have resulted in a progressive reduction in intervention stocks, as well as the range of products available. Consequently, market purchases should also be made a permanent source of supply for the scheme to complement intervention stocks, ***where suitable intervention stocks are not available.***

Amendment

(5) The current food distribution scheme relies on the distribution of products from Community intervention stocks supplemented, on a temporary basis, by purchases on the market. However, successive reforms of the CAP and favourable developments of producer prices have resulted in a progressive reduction in intervention stocks, as well as the range of products available. Consequently, market purchases should also be made a permanent source of supply for the scheme to complement intervention stocks, ***with preference given to locally produced fresh food products.***

Justification

The food distribution scheme should pay special attention to the quality of the food products distributed to the most deprived. Hence the call for purchases of healthy, fresh food products on the local markets. This contributes to the sustainable production, processing, distribution and consumption of food.

Amendment 6

Proposal for a regulation – amending act
Article 2 – point 1
Regulation (EC) No 1234/2007
Article 27 – paragraph 1

Text proposed by the Commission

1. Products in intervention stocks shall be made available or food products shall be purchased on the market so that food products may be distributed to the most deprived persons in the Community through organisations designated by Member States.

Food products shall be purchased in the market only where intervention stocks suitable for the food distribution scheme

Amendment

1. Products in intervention stocks shall be made available or food products ***of Community origin*** shall be purchased on the market, ***with preference given to locally-produced fresh food products***, so that food products may be distributed to the most deprived persons in the Community through organisations designated by Member States.

are not available.

Amendment 7

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 7 – subparagraph 1

Text proposed by the Commission

Amendment

7. The Community shall co-finance the eligible costs under the scheme.

7. For the purposes of financing the scheme, the proportion of the Community allocation to be supplemented by contributions from Member States shall not exceed 40%.

Justification

En los últimos años la Unión Europea ha invertido en torno a 300 millones de euros para ayuda alimentaria, dotación que ha sido íntegramente financiada por el presupuesto comunitario. Para el próximo año la Comisión prevé, sin embargo, un presupuesto de 500 millones de euros. Las organizaciones caritativas temen que la propuesta de la Comisión de cofinanciar la totalidad del programa obstaculice su aplicación en algunos Estados miembros. La enmienda del ponente pretende, por lo tanto, garantizar la continuidad de las acciones emprendidas en el pasado, limitando la co-financiación al 40 % de la dotación comunitaria, porcentaje que equivale actualmente al aumento en 200 millones de euros previsto por la Comisión para el 2009.

Amendment 8

Proposal for a regulation – amending act

Article 2 – point 1

Regulation (EC) No 1234/2007

Article 27 – paragraph 7 – subparagraph 2 – introductory phrase

Text proposed by the Commission

Amendment

The Community co-financing rate shall not exceed:

The Community co-financing rate, **for measures whose total funding accounts for not more than 40% of the Community allocation**, shall not exceed:

Justification

En los últimos años la Unión Europea ha invertido en torno a 300 millones de euros para

ayuda alimentaria, dotación que ha sido íntegramente financiada por el presupuesto comunitario. Para el próximo año la Comisión prevé, sin embargo, un presupuesto de 500 millones de euros. Las organizaciones caritativas temen que la propuesta de la Comisión de cofinanciar la totalidad del programa obstaculice su aplicación en algunos Estados miembros. La enmienda del ponente pretende, por lo tanto, garantizar la continuidad de las acciones emprendidas en el pasado, limitando la co-financiación al 40 % de la dotación comunitaria, porcentaje que equivale actualmente al aumento en 200 millones de euros previsto por la Comisión para el 2009.

PROCEDURE

Title	Food distribution to the most deprived persons in the Community (amendment of the Single CMO Regulation)						
References	COM(2008)0563 – C6-0353/2008 – 2008/0183(CNS)						
Committee responsible	AGRI						
Opinion by Date announced in plenary	REGI 21.10.2008						
Drafts(wo)man Date appointed	Florencio Luque Aguilar 2.12.2008						
Discussed in committee	20.1.2009						
Date adopted	12.2.2009						
Result of final vote	<table> <tr> <td>+: </td><td>41</td></tr> <tr> <td>–: </td><td>0</td></tr> <tr> <td>0: </td><td>3</td></tr> </table>	+:	41	–:	0	0:	3
+:	41						
–:	0						
0:	3						
Members present for the final vote	Emmanouil Angelakas, Stavros Arnaoutakis, Elspeth Attwooll, Rolf Berend, Victor Boştinaru, Wolfgang Bulfon, Giorgio Carollo, Bairbre de Brún, Gerardo Galeote, Iratxe García Pérez, Monica Giuntini, Ambroise Guellec, Gábor Harangozó, Filiz Hakaeva Hyusmenova, Mieczysław Edmund Janowski, Gisela Kallenbach, Evgeni Kirilov, Miloš Koterec, Constanze Angela Krehl, Florencio Luque Aguilar, Jamila Madeira, Iosif Matula, Miroslav Mikolášik, Lambert van Nistelrooij, Jan Olbrycht, Maria Petre, Markus Pieper, Giovanni Robusti, Wojciech Roszkowski, Bernard Soulage, Catherine Stihler, Margie Sudre, Oldřich Vlasák						
Substitute(s) present for the final vote	Emanuel Jardim Fernandes, Stanisław Jałowiecki, Zita Pleštinská, Samuli Pohjamo, Christa Prets, Flaviu Călin Rus, Richard Seeber, László Surján, Iuliu Winkler						
Substitute(s) under Rule 178(2) present for the final vote	Sepp Kusstatscher, Toine Manders						

PROCEDURE

Title	Food distribution to the most deprived persons in the Community (amendment of the Single CMO Regulation)		
References	COM(2008)0563 – C6-0353/2008 – 2008/0183(CNS)		
Date of consulting Parliament	15.10.2008		
Committee responsible Date announced in plenary	AGRI 21.10.2008		
Committee(s) asked for opinion(s) Date announced in plenary	BUDG 21.10.2008	CONT 21.10.2008	REGI 21.10.2008
Not delivering opinions Date of decision	BUDG 5.11.2008	CONT 4.11.2008	
Rapporteur(s) Date appointed	Czesław Adam Siekierski 6.10.2008		
Discussed in committee	10.11.2008	19.1.2009	17.2.2009
Date adopted	17.2.2009		
Result of final vote	+: 29 -: 7 0: 0		
Members present for the final vote	Vincenzo Aita, Niels Busk, Luis Manuel Capoulas Santos, Giovanna Corda, Joseph Daul, Albert Deß, Carmen Fraga Estévez, Lutz Goepel, Friedrich-Wilhelm Graefe zu Baringdorf, Esther Herranz García, Lily Jacobs, Elisabeth Jeggle, Heinz Kindermann, Vincenzo Lavarra, Stéphane Le Foll, Véronique Mathieu, Mairead McGuinness, Rosa Miguélez Ramos, James Nicholson, María Isabel Salinas García, Sebastiano Sanzarello, Agnes Schierhuber, Willem Schuth, Czesław Adam Siekierski, Alyn Smith, Petya Stavreva, Donato Tommaso Veraldi		
Substitute(s) present for the final vote	Katerina Batzeli, Esther De Lange, Ilda Figueiredo, Wiesław Stefan Kuc, Roselyne Lefrançois, Astrid Lulling, Catherine Neris, Maria Petre, Markus Pieper, Struan Stevenson		
Substitute(s) under Rule 178(2) present for the final vote	Hélène Goudin, Mieczysław Edmund Janowski		