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## **DRAFT REPORT**

on an EU policy framework to assist developing countries in addressing food security challenges  
(2010/2100(INI))

Committee on Development

Rapporteur: Gabriele Zimmer

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on an EU policy framework to assist developing countries in addressing food security challenges (2010/2100(INI))

*The European Parliament,*

- having regard to the obligations contained in the UN International Covenant on Economic, Social and Cultural Rights, particularly Article 11 thereof on the right to food, to which all EU Member States are party,
- having regard to the 1996 World Food Summit (Rome declaration) objective of reducing by half the number of people suffering from hunger by 2015,
- having regard to the Millennium Development Goals (MDGs), adopted at the Millennium Summit of the United Nations in September 2000, and in particular to Millennium Development Goal 1 on the principle of the eradication of extreme poverty and hunger,
- having regard to the Special Session of the UN Human Rights Council of 22 May 2008 in Geneva, on ‘The negative impact on the realisation of the right to food of the worsening of the world food crisis, caused *inter alia* by the soaring food prices’,
- having regard to the Joint Statement by the Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the European Commission on the humanitarian aid of the European Union entitled ‘The European Consensus on Humanitarian Aid’,
- having regard to the Food Aid Convention signed in London on 13 April 1999, whose objectives are to contribute to world food security and to improve the ability of the international community to respond to emergency food situations and other food needs of developing countries,
- having regard to the declaration of the World Summit on Food Security of 2009 and the preparation by the FAO of the ‘Voluntary Guidelines on Responsible Governance of Tenure of Land and other Natural Resources’,
- having regard to the FAO ‘Voluntary guidelines to support the progressive realization of the right to adequate food in the context of national food security’,
- having regard to the ‘EU land policy guidelines’ from November 2004,
- having regard to the Maputo Declaration on Agriculture and Food Security signed in 2003, in which African governments committed themselves to allocate a minimum of 10% of their annual national budgets to agriculture,
- having regard to the World Bank’s World Development Report 2008: ‘Agriculture for Development’,
- having regard to the International Assessment of Agricultural Knowledge, Science and

Technology for Development (IAASTD) report published on 15 April 2008,

- having regard to the L’Aquila Joint Statement on Global Food Security adopted on 10 July 2009,
- having regard to the UN Social Protection Floor Initiative,
- having regard to Regulation (EC) No 1337/2008 of the European Parliament and of the Council of 16 December 2008 establishing a facility for rapid response to soaring food prices in developing countries<sup>1</sup>,
- having regard to the Communication from the Commission to the Council and the European Parliament on ‘An EU policy framework to assist developing countries in addressing food security challenges’ (COM(2010)0127) adopted on 31 March 2010 and to the Council Conclusions adopted on 10 May 2010,
- having regard to the Communication from the Commission to the Council and the European Parliament on ‘Humanitarian Food Assistance’ (COM(2010)126) adopted on 31 March 2010 and to the Council Conclusions adopted on 10 May 2010,
- having regard to its resolution of 25 October 2007 on rising feed and food prices<sup>2</sup>, to its resolution of 22 May 2008 on rising food prices in the EU and the developing countries<sup>3</sup>, as well as to its resolution of 17 February 2011 on rising food prices<sup>4</sup>,
- having regard to its resolution of 29 November 2007 on advancing African agriculture - Proposal for agricultural development and food security in Africa<sup>5</sup>,
- having regard to its resolution of 13 January 2009 on the Common Agricultural Policy and Global Food Security<sup>6</sup>,
- having regard to its resolution of 26 November 2009 on the FAO Summit and food security<sup>7</sup>,
- having regard to the ACP-EU Joint Parliamentary Assembly resolution on food security adopted in Kinshasa on 4 December 2010<sup>8</sup>,
- having regard to the eight recommendations to the G20 published by the UN Special Rapporteur on the right to food on 29 January 2011,
- having regard to Article 208 of the Treaty on the Functioning of the European Union,
- having regard to Rule 48 of its Rules of Procedure,

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<sup>1</sup> OJ L 354, 31.12.2008, p. 62.

<sup>2</sup> OJ C 263E, 16.10.2008, p. 621.

<sup>3</sup> OJ C 279E, 19.11.2009, p. 71.

<sup>4</sup> Text adopted, P7\_TA(2011)0071.

<sup>5</sup> OJ C 297E, 20.11.2008, p. 201.

<sup>6</sup> OJ C 46E, 24.2.2010, p. 10.

<sup>7</sup> OJ C 285E, 21.10.2010, p. 69.

<sup>8</sup> Text adopted, ACP-EU/100.879/10/fin.

- having regard to the report of the Committee on Development and to the opinion of the Committee on Agriculture and Rural Development (A7-0000/2011),
- A. whereas the number of undernourished people amounted to 925 million in 2010 according to the FAO,
- B. whereas food prices have risen steadily since August 2010; whereas the volatility of commodity prices is impacting greatly on low income countries,
- C. whereas global demand for agricultural products is expected to increase by 70% by 2050; whereas food insecurity is further exacerbated by speculation on commodities, land degradation, water scarcity, climate change, global land acquisitions, demands for agro-fuels and energy-related policies,
- D. whereas agriculture provides employment and a livelihood for more than 70 % of the labour force, mainly women, in developing countries; whereas the World Bank estimates that growth in the agricultural sector is twice as effective at reducing poverty as growth in other sectors,
- E. whereas evidence shows the potential of smallholder agricultural systems in increasing overall food production; whereas focussing on export production in developing countries has negative impacts on women as smallholder farmers,
- F. whereas strong State capacities are crucial for sustainable development and for building up production and processing capacities,
- G. whereas the share of official development assistance (ODA) allocated to agriculture internationally has fallen dramatically over the last three decades,
- H. whereas the EU has responded quickly to the 2008 food crisis through the creation of the Food Facility; whereas the impact of such measures on the structural causes of hunger and food insecurity has been difficult to measure,

**EU policy framework on food and nutrition security: a human rights based-approach to sustainable smallholder agriculture**

1. Stresses that the number of people suffering from hunger is unacceptable and regrets that the overall international efforts have so far fallen short of achieving MDG 1; calls for urgent steps to be taken to fulfil internationally binding commitments and make the right to adequate food a reality;
2. Welcomes the coherence of the two Communications from the Commission on humanitarian food assistance and food security; calls for stronger coordination in order to better address the root causes of hunger and food insecurity;
3. Calls on the EU to increase support in favour of agriculture in its development aid programmes and to invest in nationally led plans; emphasises the need for increased public investments in research for sustainable agro-ecological production systems;

4. Agrees that EU assistance programmes should focus on sustainable small-scale food production and that priority should be given to ‘ecologically-efficient’ approaches that strengthen biodiversity, prevent the degradation of fertile land, promote agro-ecological and low-external-input (LEI) practices, and excludes GMOs;
5. Stresses that the fair integration of smallholder farmers in the value chain context can only be successful if conditions are created to facilitate their access to the means of production, processing and trade opportunities;
6. Calls on the Commission to support agro-processing capacities in partner countries in order to reduce post-harvest losses, extend the shelf-life of food and create decent work for the local population;
7. Recalls that access to adequate food is a universal human right; urges partner countries to implement the FAO voluntary guidelines on the right to food; calls on the EU and partner countries to establish monitoring mechanisms that ensure the effective implementation of right to food policies;
8. Calls for the recognition of the concept of food sovereignty, defined as the capacity of a country or a region to democratically implement its own agricultural and food policies, priorities and strategies;
9. Welcomes the resolve to integrate the nutritional dimension into EU programmes; calls on the Commission to draw up a specific Communication on this dimension; calls for the permanent inclusion of the nutrition aspect in food security policies and interventions in the agriculture sector;
10. Calls on the Commission to recognise the fundamental role of women, as smallholder farmers, in food security, and to invest in programmes which specifically support them;
11. Urges the EU to support the UN social protection floor initiative, which would help satisfy the basic food needs of impoverished populations;

**Effective measures against food price volatility and uncontrolled land acquisition: limit speculation in food and agricultural commodity markets**

12. Draws attention to the structural causes of price volatility and strongly emphasises that speculation on derivatives of essential food commodities has significantly worsened price volatility; endorses the conclusions of the UN Special Rapporteur on the right to food regarding the role played by large investors in influencing commodities price indexes;
13. Urges the Commission and the Member States to take concrete action to effectively tackle financial speculation on grain and food;
14. Believes that commodity derivatives are different from other financial derivatives and that access to this market should be restricted and the market better regulated;
15. Calls for the increase and better management of physical grain reserves to counter food price volatility,

16. Expresses deep concern regarding the large-scale land acquisitions that are currently carried out by foreign investors in developing countries to the detriment of local smallholder farmers that need to be better protected;
17. Encourages the adoption of the FAO voluntary guidelines on land acquisitions, but also calls for strict binding national and international regulations on land acquisitions; stresses that contract negotiations should be made transparent allowing for the participation of civil society;
18. Calls for the establishment of mechanisms which prevent the ‘pricing out’ of local farmers and their ability to produce food for local populations;
19. Reminds the Commission and partner countries of the positive effects of agro-ecological production systems regarding climate change mitigation;

**Policy Coherence for Development: impact of EU policies on global food security**

20. Recalls that the right to food has to take absolute precedence over energy security objectives; calls for the freezing of EU energy strategy targets until further impact assessments have been undertaken;
21. Urges the adoption of a more global perspective in the design of the CAP post-2013 which should adhere to the principle of ‘do no harm’ to food markets in developing countries;
22. Calls on the Commission to carry out a CAP impact assessment that will analyse its external impact on international food markets and food security in developing countries;
23. Calls for the complete phasing-out of export subsidies as well as for the removal of all other incentives in the CAP which result in trade-distorting measures;
24. Calls for reforms that will expand market access opportunities for developing countries and allow them to perform competitively in their own national and regional markets;
25. Reiterates concerns over the EU’s trade strategy which fails to provide a pro-development approach; calls therefore for fair and balanced trade agreements, as they are an essential element of a global food security response;
26. Urges the Commission to focus on development concerns in the ongoing EPA negotiations and to grant more flexibility to developing countries as to trade rules; demands that the Commission takes a strong pro-development position in WTO negotiations and works towards the completion of the Doha Round; calls on the Commission to apply a human rights-based approach to international trade negotiations and to apply human rights impact assessments to agreements with third countries;
27. Instructs its President to forward this resolution to the Council and the Commission.

## EXPLANATORY STATEMENT

Food insecurity is challenging the achievement of the Millennium Development Goals, especially in sub-Saharan Africa and the least developed countries. At the MDG Summit in September 2010, it was reported that progress towards the achievement of the hunger targets had clearly been insufficient. According to FAO, the estimate of hungry people in 2010 was 925 million, down from 1 023 million in 2009 but still more than the number of undernourished people in 2008 (about 815 million). There is strong evidence that food price increases during the last few months have already augmented that number even if there is still no official number available by FAO.

New challenges, including the growing threat of food speculation, climate change, global land acquisitions, bio-fuels, loss of biodiversity, land degradation and pressures on water, have contributed to further affect the state of food security in the world. In this context, the current problems around hunger and malnutrition have led to a rethink of the food security approach not only at the EU but also at the global level.

The Rapporteur wants to assert that the European Institutions as well as the Member States still have not put the eradication of poverty, hunger and malnutrition as the first point on their agendas or as a medium and long-term objective in their policy strategies, despite strong commitments regarding the enforcement of human rights to food, water, energy, etc. As a consequence, in order to reach the MDGs by 2015 it will be crucial to review, and to change if necessary, all EU strategies, such as Europe 2020, Global Europe, Energy Policy, Strategy for Sustainable Development and the future of EU development cooperation. Furthermore, the Rapporteur calls on the EU and Member States to stand up for their commitments to fight poverty and hunger worldwide within the international organisations such as the World Bank, IMF and WTO.

Additionally, the Rapporteur believes that private institutions and foundations can always complement the work of governmental organisations in developing policies but never replace them because of their lack of democratic accountability. The implementation of a financial transaction tax could be very useful to generate additional funds for the eradication of poverty.

### **1. EU policy framework on food and nutrition security: A human rights based approach to sustainable smallholder agriculture**

In the framework of the renewed debate on food security, the European Commission adopted on 31 March 2010 a new Communication on food security which should constitute the basis for a common framework for action for the EU and its Member States.

On 'Increasing availability of food', the Rapporteur agrees that EU assistance should focus on sustainable small scale food production to increase the availability of food as agriculture still forms the basis of rural economies throughout the developing world. A remodelling of agricultural production systems is necessary, departing from current systems which are highly dependent on external inputs and oil and focussing much more on agro-ecological systems



with low external inputs and adapted to local and regional conditions. Particular attention has to be paid to women and their needs as they constitute the majority amongst smallholder farmers.

On ‘Improving access to food’, the Rapporteur welcomes the clear political choice to propose the ‘right to food’ as a cornerstone of the EU framework. The EU should apply a rights-based approach for the design of policies and country cooperation strategies and cooperation programmes and should support governments to adopt the ‘right to adequate food’ in their constitutions. Additionally, the EU and partner countries have to establish transparent monitoring mechanisms, including the participation of Civil Society Organisations and Local Authorities, in order to guarantee that right to food policies will be properly implemented.

On ‘Improving nutritional adequacy of food intake’, the Rapporteur also believes that more needs to be done to scale up nutrition activities and to better align donor interventions in this sector. To put more importance on the nutritional aspect, the Rapporteur suggests broadening the concept and using the notion of food and nutrition security in the future elaboration of policies and programmes.

In addition to the ‘right to food’ approach, the Rapporteur points out that the concept of food sovereignty could be very useful in significantly reducing hunger worldwide. The concept is defined as the right and the capacity of a country or a region to **democratically** decide about and implement its own agricultural and food policies, priorities and strategies; the concept prioritises local production for local food needs and preserves the diversity of cultures, farmers’ knowledge and production methods. The democratic dimension of the concept allows for the participation and inclusion of all stakeholders interested in and affected by food policies. In this respect, the methodology applied for the Structured Dialogue which has delivered transparent and inclusive results could be used for the application of the food sovereignty concept.

The Rapporteur regrets that the gender aspect is not properly developed in the Communication on food security challenges. Whilst there is a recognition that women play an important role in overcoming food security challenges, the Communication does not provide a real analysis of this role and the measures that could be needed to support them.

The Rapporteur urges the EU to strongly support the UN social protection floor initiative, which would help satisfy the basic food needs of impoverished populations. Essential services (availability and access to public services) and social transfers (paid to the poor and vulnerable to enhance food security and nutrition) are the two main elements helping to realise the human rights approach.

While acknowledging the positive elements included in the new Communication, the Rapporteur regrets that the **root causes of food insecurity** are not properly addressed.

## **2. Effective measures against food price volatility and uncontrolled land acquisition: limit speculation in food and agricultural commodity markets**

In March 2011, the FAO Food Price Index was 230 points, 14 points above its peak in 2008 during the food price crisis. It is now widely recognised that speculation played a key role during the 2008 price spike and in the recent increases in food commodity prices. While

holdings in commodity index funds increased from US Dollar 13 Billion in 2003 to US Dollar 317 billion in 2008, basic demand and production only increased about 1.4% in the same period. Furthermore, oil price volatility is directly connected to food price volatility which puts the problem in a wider context. Any solutions will therefore have to take the complexity of the problem into account. The Rapporteur strongly believes that high priority should be given to issues around food price volatility. As a consequence, the Rapporteur calls for effective measures against uncontrolled speculation on food and agricultural commodities. Different solutions can be taken into account such as limiting positions of derivatives, limiting trade possibilities to certain investors aiming at safeguarding agricultural production, stopping over the counter trade possibilities and highly increasing transparency in agricultural markets and trade.

There is also a particular need for securing access to natural resources, especially as land tenure by smallholder farmers is threatened by large-scale land acquisitions made, notably, by foreign agricultural investors. Land acquisitions are often realised without prior consent by local communities and with inadequate or no benefit sharing. As many target countries are weakly governed and the right of land users weakly protected, large-scale acquisitions can increase poverty in rural areas and can lead to expulsions of local populations. The Rapporteur believes that agrarian reform and land redistribution should be reintroduced into the debate as a way to address access to land by smallholder farmers. The Rapporteur also believes that land grabbing to the detriment of the right to food of local communities cannot be accepted and that strict national and international regulation on land acquisition should be developed and adopted.

### **3. Policy Coherence for Development: impact of EU policies on global food security**

#### **a) Agro-Fuels**

The Rapporteur would like to recall that food security should not be jeopardized by the growing demand of agro-fuels and situations of competition between food and energy production have to be avoided. Therefore, the energy strategies of the EU should be frozen until its possible negative impacts on food security policies are ruled out. Furthermore, there is a great danger of further deforestation of rainforest because of the growing demand.

#### **b) The future of EU agriculture policy (CAP)**

The Rapporteur urges the Commission to take into account the external impact of CAP measures on the food security situation in developing countries. Scrutinising the external impact of rule-making under CAP on international food markets and food security in developing countries is and must be fundamental to the EU's obligation to honour its commitments to international fairness and poverty eradication. .

The future CAP should incorporate and adhere to the principle of '**do-no-harm**' to food markets in development countries.

The Rapporteur welcomes the **decrease of export subsidies** and calls for further reforms of the Common Agriculture Policy (CAP) in order to eliminate any remaining trade distorting

measures and to allow developing countries to perform competitively in their own national and regional markets.

### **c) Agriculture and trade**

The Rapporteur reiterates concerns over the EU's trade strategy which focuses on competition and market access for EU products and which fails to provide a pro-development approach. Further reduction of tariffs on agricultural imports from developing countries should be encouraged in order to promote sustained wealth creation and provide real market-access opportunities for those countries, not only for agricultural raw materials but also to processed food products. Developing countries urgently need the development of their own production and processing capacities in order to increase income and create decent work among the local population. This is a basic requirement to effectively fight hunger and poverty in the world. The EU should support the development of local and regional food producers and their capacities to produce, to trade and to compete on local, regional and national markets.

In this context, the so-called Washington Consensus with its focus on liberalisation, deregulation and privatisation has failed. For example, the case of Haiti shows the devastating consequences of that ideology: while Haiti was self-sufficient with rice in the 1970s, applying a 50% tax rate on rice imports, this rate decreased to 3% in the 2000s. As a result, Haiti lost its self-sufficiency and local smallholder producers were eliminated because they could not compete with highly subsidised rice imports. Bill Clinton, in his role as Special Rapporteur on Haiti, declared officially in March 2010 to a Committee of the US Senate that this policy of liberalisation, promoted during his presidency, has proved to be a mistake. In addition, the proposal that industrialised countries will have to feed the poorest countries in the future will not work in the Rapporteur's perspective.

The Rapporteur supports to include principles for safeguarding the right to food into trade agreements between the EU and third countries. Therefore, human rights impact assessments of EU trade, development and foreign policies would be crucial to make the right to food a reality.