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## **REPORT**

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

Committee on Development

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### PR\_INI

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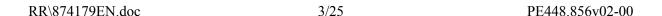
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#### MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

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 realisation of the right to adequate food in the context of national food security',
- having regard to the interagency report for the G20 on food price volatility entitled 'Price Volatility in Food and Agricultural Markets: Policy Responses', which was submitted to the French presidency of the G20 on 2 June 2011,
- having regard to the 'EU land policy guidelines' from November 2004,
- having regard to the OECD-FAO Agricultural Outlook 2011-2020, published jointly by the OECD and the FAO on 17 June 2011,



- 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 Commission Communication entitled 'The CAP towards 2020',
- having regard to the most recent FAO Biannual Food Outlook Report (June, 2011),
- 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 the United Nations Convention on the Law of the Sea of 1982,
- having regard to the FAO Code of Conduct for Responsible Fisheries of 1995,
- having regard to the FAO annual review The State of the World Fisheries and Aquaculture 2010,
- 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 -

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

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

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

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

Proposal for agricultural development and food security in Africa<sup>1</sup>,

- having regard to its resolution of 13 January 2009 on the Common Agricultural Policy and Global Food Security<sup>2</sup>,
- having regard to its resolution of 26 November 2009 on the FAO Summit and food security<sup>3</sup>,
- having regard to its resolution of 18 May 2010 on the EU Coherence for Development policy and the Official Development Assistance Plus concept<sup>4</sup>,
- having regard to the ACP-EU Joint Parliamentary Assembly resolution on food security adopted in Kinshasa on 4 December 2010<sup>5</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 the report entitled 'Agroecology and the Right to Food' by the UN's Special Rapporteur on the right to food, presented before the UN Human Rights Council on 8 March 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,
- having regard to the report of the Committee on Development and the opinion of the Committee on Agriculture and Rural Development (A7-0284/2011),
- A. whereas the number of people suffering from hunger amounted to 925 million in 2010 according to the FAO; whereas, globally, underweight prevalence in children under 5 years old is at 26 percent and more than one third of under-five child deaths are attributable to undernutrition; whereas only half of all developing countries (62 out of 118) are on track to achieve the MDG target; whereas the global economic downturn and rising food and fuel prices have worsened the food situation in many developing countries, especially the least-developed countries, thus partly setting back the last decade's progress on poverty reduction,
- B. whereas hunger and malnutrition are the main causes of human mortality and the greatest threats to world peace and security,
- C. whereas, according to the recent publication of January 2011 by the FAO Food Price Index, there has been a month-on-month rise in food prices since August 2010, following a trend over the last ten years, with levels now higher than during the food price peak of 2008; whereas the volatility of commodity prices is impacting greatly on low income

<sup>&</sup>lt;sup>1</sup> OJ C 297E, 20.11.2008, p. 201.

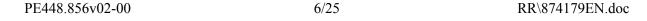
<sup>&</sup>lt;sup>2</sup> OJ C 46E, 24.2.2010, p. 10.

<sup>&</sup>lt;sup>3</sup> OJ C 285E, 21.10.2010, p. 69.

<sup>&</sup>lt;sup>4</sup> OJ C 161E, 31.5.2011, p.47.

<sup>&</sup>lt;sup>5</sup> Text adopted, ACP-EU/100.879/10/fin.

- countries and the poorest and most vulnerable and marginalised segments of the populations of developing countries,
- D. whereas global demand for agricultural products is expected to increase by 70 % by 2050 which will need to be produced using less water and pesticides, with less agricultural land available and applying sustainable agro-ecological production methods, while the world's population is forecast to reach nine billion by then; whereas food insecurity is further exacerbated by speculation on commodities, land degradation, water scarcity, climate change, global land acquisitions and land tenure insecurity, particularly for the poorest and most vulnerable segments of the population, global seed monopolies, demands for agro-fuels and energy-related policies,
- E. whereas 85 % of the world's assessed fish stocks are either fully exploited, overexploited or depleted, and whereas the dependency on fish as a source of animal protein in low-income food-deficit countries is at least 20 %, according to FAO's 'The State of the World Fisheries and Aquaculture 2010',
- F. 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, but having regard also to the importance of investing in rural non-farm sector growth and job creation,
- G. whereas evidence shows the potential of small- and medium-scale agricultural systems in increasing overall food production; whereas focusing only on export production in developing countries tends to have negative impacts, especially on women as smallholder farmers,
- H. whereas the defence of private property and the rule of law are basic requisites with a view to raising private investment in agriculture,
- I. whereas owing to lack of access to loans or microcredit for investment in improved seeds, fertilisers and irrigation mechanisms, small-scale farmers in developing countries face serious obstacles to increased agricultural output; whereas the state plays a crucial role in sustainable development and in building up production and processing capacities,
- J. whereas the share of official development assistance (ODA) allocated to agriculture internationally has fallen dramatically over the last three decades,
- K. 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 and on small and medium-sized family farms, particularly those run by women, has been difficult to measure, considers that further extension of this Food Facility, or additional allocation of funding to it, should not be automatic, but decided based on an independent impact assessment of the funds disbursements' efficiency in improving food security in all the beneficiary countries,
- L. whereas the consequences of undernutrition, such as poor foetal growth or stunting in the



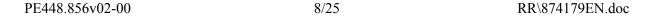


- first two years of life, lead to irreversible damage, including shorter adult height, lower attained schooling, reduced adult income and decreased offspring birth weight, must still be seen as a major problem for sustainable development in many countries of the south,
- M. whereas there has been a renewed political emphasis on food security since 2008 which has led to a multiplication of initiatives at the international level, which calls for a comprehensive global strategy,

## <u>EU policy framework on food and nutrition security: a human-rights-based approach to</u> sustainable 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 and nutritious food a reality;
- 2. Emphasises that political stability is the prerequisite for improved food security, and therefore calls on all the parties involved to show the political will needed to guarantee that stability;
- 3. Welcomes the Commission communication on an EU policy framework to assist developing countries in addressing food security challenges; considers, however, that the world food crisis represents, in addition to a humanitarian disaster on an unprecedented scale, a major threat to peace and security worldwide, and that, even though credit should be given to the Commission's commitment to seeking out solutions that could lift a billion people out of extreme poverty, the European Union and the Member States must, as a matter of urgency, make new investments in agriculture and rural development, above all in view of the new CAP text, introducing dedicated mechanisms for building sufficiently large world stocks of basic foodstuffs, removing their own barriers to trade, and reducing the debt of the countries most affected; believes that the Commission should take greater account of the question of food security in some countries when calculating development aid;
- 4. Welcomes the two communications from the Commission on humanitarian food assistance and food security; calls for the two communications to be implemented in a coherent and coordinated way in order to better address the root causes of hunger, malnutrition and food insecurity, along with the issue of food distribution amongst and within countries, with a particular focus on the poorest and marginalised segments of society; calls on the Member States to support the process of the development of the implementation plan in support of the Food Security Policy Framework and to adopt it once completed; welcomes the fact that special attention is paid to those who are hardest hit in disasters, namely women and children; considers that when a crisis occurs, it is essential to ensure the community's capacity to obtain food in the short and the long term ;recalls that emergency mechanisms must not be a long-term solution; expresses deep concerns about the negative effects of such mechanisms, especially on local economies; emphasises that a sustainable development policy should be based on long-term and cooperation approaches;

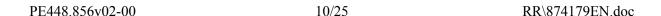
- 5. Stresses the importance of strengthening the link between relief, rehabilitation and development; calls for more resources to be deployed in order to ensure the continuity of aid and for the debate to focus on the flexibility and complementarity of existing financial instruments; advocates enhanced dialogue and coordination between humanitarian organisations and development agencies;
- 6. Calls on the EU to assess the development impact of its CAP reform proposals in order to improve coherence between the CAP and EU development policy objectives;
- 7. Calls on the EU to increase support in favour of sustainable smallholder, peasant and medium-scale agriculture producing, primarily, for local consumption in its development aid programmes and to invest in participatory nationally led plans which should be implemented on a local level in cooperation with farmers and their representatives, local and regional authorities and civil society organisations; emphasises the need for increased public investments in research for sustainable agro-ecological production systems that also improve the productivity and competitiveness of the agricultural and rural sector;
- 8. Insists on the need for a partnership approach with the whole range of development stakeholders on food security, in particular local and regional authorities and civil society organisations; underlines the fact that because of their proximity to the territories and local populations, and their capacity to coordinate actions from different actors, the local and regional authorities play an essential role as an intermediary and a development platform; emphasises that the Structured Dialogue between the Institutions and civil society organisations should be extended to food security issues;
- 9. Calls on the Commission, the Member States and other development aid donors, including NGOs, to target their investment more closely on the agricultural sector in order to provide local people with a reason not to move elsewhere;
- 10. Reiterates the importance of promoting agriculture in the developing world and the importance of allocating an appropriate share of EU overseas development assistance (ODA) to the agriculture sector; regrets that there has been a dramatic reduction in the level of development aid allocated to agriculture since the 1980s and welcomes the recognition of the need to reverse this trend; calls on the Commission to prioritise agriculture in its development aid, including assistance to farmers in accessing markets;
- 11. Recalls that since less-favoured communities tend to derive their subsistence from agriculture, the development of sustainable agriculture and serious consideration of the assessments in the IAASTD is a necessary condition for realising Millennium Development Goal 1; believes that small farming in particular can offer a response to the challenge of food security by means of strengthening the vital role played by women, via on-the-spot processing and the widespread use of loans and microcredits, and involving small producers' cooperatives as key players in the definition of effective agricultural and commercial policies;
- 12. Points out that the development of the farming sector requires long-term investment throughout the entire value chain, from producer to consumer, which means providing the





- necessary infrastructure, such as roads, market linkages and information on the markets themselves and on the scope for product diversification;
- 13. Believes that a support strategy for developing countries must include a plan for education and training, oriented towards job creation, which will enable young people to study sustainable agricultural science with a view to developing better-quality, specialised and sustainable forms of production, thus containing the drift from the countryside and reducing poverty;
- 14. Emphasises, in that connection, how important it is that farmers, in addition to meeting their own food needs, should generate the income they need for education and investment;
- 15. Stresses that it is crucial to involve local agricultural organisations in the different stages of implementing an agricultural policy in the developing countries, and that the European Union should therefore strive to strengthen local associations, so as to ensure that the interests of local communities are protected;
- 16. Agrees that EU assistance programmes should focus on sustainable, primarily small- and medium- scale food production, as recommended in the IAASTD report, and on approaches that strengthen biodiversity, prevent the degradation of fertile land and promote low-external-input (LEI) practices while increasing agricultural output in developing countries, which can be achieved through better access for smallholders and medium-scale farmers to loans and microcredits with fair interest rates and conditions;
- 17. Considers that the EU should contribute to promoting the use of seeds from local varieties which are adapted to climatic conditions in developing countries and which can be easily stored, traded and supplied to farmers, as they are free of intellectual property rights;
- 18. Calls on the EU and developing countries to develop joint research and training capacities in sustainable farming methods and new technologies, notably through public-private partnerships and joint ventures, including producing value addition at the point of food collection and storage through packaging and processing;
- 19. Insists on the need to reinforce research on a basis of public funding and to transmit know-how in the field of sustainable agriculture, promoting activities which strengthen the position of smallholder farmers in optimising agri-outputs, adapting to the challenges posed by climate change and the increased demand on resources;
- 20. Calls for the establishment of mechanisms that protect forests, indigenous people, wetlands and traditional agricultural practices in exporting third countries.
- 21. Considers, in view of the growing global population and increasing pressure on natural resources, that it is essential to establish more sustainable, energy-saving and efficient forms of production at world level; demands that the allocation of aid by the EU and Member States be tied to the development of sustainable and energy self-sufficient agricultural production systems, and that a part of this aid contribute to the setting up of

- facilities for generating renewable energy (for example based on wind and sun) and good water management;
- 22. Stresses that in the context of the UN Climate Change Fund negotiations the EU should push to ensure that a substantial part of the monies allocated to developing countries is effectively used to reinforce local agricultural policies, with due regard for sustainable social and environmental development;
- 23. Stresses that if smallholder farmers, especially women, in developing countries are to become not only sustainable, but are to also fulfil their production potential they must have greater access to microcredit, including non-profit microcredit, for investment in improved seeds, fertilisers and irrigation mechanisms and the necessary range of crop protection tools to protect their harvests from pests and diseases;
- 24. Emphasises the importance of scaling up both nutrition-specific and nutrition-sensitive activities and policies and to better align donor interventions in this sector at country, EU, and international level;
- 25. Stresses the need to give small farmers in developing countries greater access to property rights, allowing small land owners to prove ownership and as such posses collateral for the loans required to elevate their production;
- 26. Calls on the Commission to support the development of agro-processing capacities in partner countries in order to reduce post-harvest losses, extend the shelf-life and preservation of food and develop better storage facilities, thus preventing losses from spoiling, which are currently very high in developing countries worldwide, improve local market access and create decent work for the local population; calls on the EU and its Member States to make every effort to facilitate the transfer to developing countries of technology, expertise and support for capacity building;
- 27. Calls on the Commission to take into account the role of arid and semi-arid lands (ASAL), with a special focus on livestock, since the largest supply of meat for the more urbanised areas is provided by the ASAL regions;
- 28. 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;
- 29. Recalls that agricultural development must be grounded in the right to food and the right to produce food; insists that the EU must recognise and defend the necessity for developing countries to achieve food security (both in quantitative and qualitative terms), and their right to be as self-sufficient as possible; underlines in this regard the EU commitment to gradually phase out export subsidies, in parallel with similar measures being taken by WTO partners; stresses in parallel the need for ensuring equal access of local populations to food in these countries;
- 30. Recalls the importance of the food security concept, defined as the capacity of a country or a region to democratically implement its own agricultural and food policies, priorities and strategies by means of a sustainable agricultural model; recalls that current



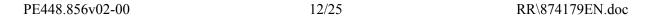


- production capacities in some developing countries may not cover needs and that achieving long-term food security requires a reduction in import dependencies by building up these domestic capacities;
- 31. Recalls the importance of an approach to food security governance which entails a global framework that refocuses on food policy beyond food aid, inter-donor and donor recipient cooperation with enhanced local partnership, as well as the crucial role of recipient country policies in committing to provide basic public goods such as internal peace and investment in rural infrastructure;
- 32. 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;
- 33. Calls on the Commission to recognise the fundamental role of women, as smallholder farmers, in food and nutrition security, and to invest in programmes which specifically support them; recalls that women's importance in achieving nutrition security for themselves and their children has still to be properly acknowledged and, therefore, that women's livelihoods have to be secured and knowledge about adequate nutrition increased; insists that the EU strategy should also focus on the implementation of actions to ensure that the most vulnerable, especially in rural areas, can benefit from agriculture training opportunities, education on nutrition, good health and work conditions and a safety net if it is needed;
- 34. Calls on the Commission and international organisations such as the FAO to continue their ongoing consultation processes with global civil society and non-state actors, in particular with farmers', fishermen's and breeders' organisations, the involvement and contribution of whom is vital with a view to adopting specific measures to improve food production;
- 35. Takes the view that, in the light of FAO population projections indicating that, by 2025, more than half of the developing world's population (some 3.5 thousand million people) will be living in urban areas, a policy of support for urban horticulture could offer a pathway out of poverty, given the low start-up costs, short production cycles and high yields per unit of time, land and water, and could make the new cities greener;
- 36. Urges the EU to support the UN social protection floor initiative, which would help satisfy the basic food needs of impoverished populations by providing poor and vulnerable people, including those with disabilities, with a basic allowance which enables them to obtain the most essential basic foodstuffs and with essential services in order to strengthen food security and improve nutrition fundamental elements for the realisation of a human rights-based approach;
- 37. Urges the Commission to focus on undernutrition, particularly maternal and infant undernutrition, and to integrate sound and multi-sectoral nutrition strategies into its development policy;

- 38. Highlights the statement by the UN Special Rapporteur on the right to food that farmer participation is vital to the success of agroecological practices and stimulates continued learning for farmers; therefore encourages food producers in the developing countries to become involved in global and local NGOs and farmers' cooperatives;
- 39. Calls on the Commission and the Council to promote and work towards the implementation of innovative financial instruments, such as an international tax on financial transactions; recalls that these instruments should be additional to the UN goal of 0.7% of GNI devoted to development cooperation; emphasises, at the same time, the need for developing countries to step up their own efforts in the area of taxation, mainly as regards tax collection and the fight against tax evasion;

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

- 40. Expresses its concern that 2008, the year of the global food crisis, was also the greatest wheat-producing year in world history, and emphasises against this background the negative role of speculation on commodity price indexes;
- 41. 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;
- 42. Stresses that recently a host of other unpredictable factors have also negatively impacted upon stability in the food markets, including the catastrophe in Japan, an unprecedented wave of political unrest engulfing many countries in North Africa and the Near East, another strong increase in oil prices, and prolonged uncertainty in financial markets and in the global economy have all had an impact;
- 43. Believes that financial speculation and increased liberalisation of financial markets and trade in agricultural products greatly contribute to price volatility and that regulatory mechanisms are needed to ensure a degree of market stability; considers that market transparency should be improved to ensure fair remuneration for farmers and a viable sector that will deliver food security; calls in particular for clear identification of actors involved in the food trade and for an in-depth analysis of transmission mechanisms of speculation on food products on local and world markets;
- 44. Urges the Commission and the Members States to take concrete action to effectively tackle financial speculation on grain and food;
- 45. Believes that commodity derivatives are different from other financial derivatives and that access to this market should be better regulated;
- 46. Believes that the European Union should take steps to restore world food stocks, which after reaching record lows in 2007 have contributed to speculation which has been affecting the prices of agricultural products at world level, with alarming effects on developing countries;



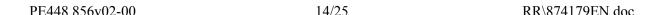


- 47. Calls for the increase, better management and storage of physical grain and food reserves at national and regional level and a strengthening of international coordination and monitoring, thereby countering food price volatility and enabling a better and faster response to food crises;
- 48. Expresses deep concern regarding the large-scale land acquisitions that are currently carried out by foreign investors in developing countries, which is also to the detriment of local smallholder and medium-scale farmers and to local, regional and national food security; therefore calls on the EU to encourage governments of developing countries to commit to land reform in order to secure the land titles of indigenous farmers and small and medium farmers, especially women, and to prevent land-grabbing practices by corporations;
- 49. Stresses that the land should be accessible to all and that it is necessary to protect the land, tenancy and land use rights of small local farmers and the access of local communities to natural resources, in order to prevent further land takeovers, as is already happening to an alarming extent in certain regions of the world, especially Africa;
- 50. Hopes that European aid and action programmes will make the most of local farmers' knowledge of food production;
- 51. Encourages the adoption of the FAO voluntary guidelines on land acquisitions and ensuring their participatory implementation, 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 parliaments and elected representatives of local and regional authorities after consultation of civil society;
- 52. Considers it necessary to ensure that local communities and institutions have the negotiating powers and capacities enabling them to develop local farming; proposes drawing up a code of conduct to urge investors to focus their efforts on raising agricultural productivity and improving the livelihoods of local communities;
- 53. Draws attention to the acquisition not only of land but also of fishing licences that is practised by foreign investors; stresses the need for transparency and allowing participation in the contract negotiations for national parliaments and civil society, as well as the need to keep a list of agreements concluded in the public domain;
- 54. Calls for the establishment of mechanisms which prevent the 'pricing out' of local farmers and their ability to produce food for local populations;
- 55. Reminds the Commission and partner countries of the positive effects of agro-ecological production systems regarding climate change mitigation and that long-term food security relies on dealing with the environmental impact of production, so that natural resources and food supplies are protected; stresses, however, that the main purpose of agricultural aid to regions with urgent food insecurity or hunger must be to increase food production and access to food;

- 56. Welcomes the efforts of the G20 in tackling price volatility and food security;
- 57. Expresses its deep concerns regarding the decline of natural resources and the maintaining of effective conditions for agricultural production, including soil quality, water access and the prevention of environmental pollution; insists on the fact that all stakeholders, particularly farmers, local and regional authorities and civil society organisations, should play a significant role in the development of a sustainable agricultural development strategy;

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

- 58. 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;
- 59. Believes that food security should not be jeopardised by the development of agrofuels; calls therefore for a balanced approach that gives priority to the new generation of agrofuels using farm and forestry waste (straw and other crop waste, animal manure, biogas, etc.) instead of food crops, to avoid a situation of competition between food and energy production; considers also that the EU should make sure that agrofuel imports from developing countries respect sustainability criteria;
- 60. 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;
- 61. 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
- 62. Urges the Commission to investigate the problem of food waste inside the EU, as up to 40 % of the available food, including food produced in developing countries and exported to the EU, is thought to be thrown in the dustbin, and to propose effective measures to tackle the problem and improve consumption patterns;
- 63. 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;
- 64. Insists that the Commission make sure that the external dimension of the current reform of the Common Fisheries Policy is mainstreamed with EU development policies;
- 65. Calls on the Commission to ensure that the FAO Code of Conduct for Responsible Fisheries is being respected in countries where the EU has Fisheries Partnership Agreements, especially regarding the recommendation to grant preferential access for local artisanal fishers to resources;
- 66. Emphasises that the fisheries sector in many countries is crucial for employment and food security and that all developing countries should therefore be eligible for EU sector support for the development of their own sustainable fisheries industry, research, control





- and enforcement to combat illegal, unreported and unregulated fisheries;
- 67. 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;
- 68. Recalls that the European Union should ensure maximum consistency between its cooperation and development policies and its trade policies, taking account of the needs and concerns both of the EU Member States and of the developing countries;
- 69. Believes that the EU should support regional integration and the sustainable development of local agrofood markets in developing countries and especially regional commercial agreements promoting the development of viable and sustainable production and processing capacities at local level, and dedicate a substantial part of its development aid to this purpose;
- 70. Reiterates concerns that the EU's trade strategy which sometimes fails to provide a prodevelopment approach; calls therefore for fair and pro-development trade agreements, as they are an essential element of a global food security response;
- 71. Recalls that food security requires coherence and coordination of the various sectoral policies at EU level, namely development policy, the CAP, the common trade policy, energy policy and research programmes;
- 72. Believes that the Commission should support protein crops in the European Union so as to give the Union greater autonomy, thus contributing to the diversification of agriculture in the developing countries, which often have agricultural policies operating purely on the basis of exports and access to external markets, to the detriment of the wellbeing and needs of local communities;
- 73. Urges the Commission to focus on development concerns in the ongoing EPA negotiations, broaden developing countries' room for manoeuvre with regard to trade rules and, in particular, apply safeguard clauses in order to achieve endogenous, sustainable development of economic capacity in developing countries; recalls that developing countries' use of export restrictions and infant industry protection are development tools that can be used to enhance local production and food security; demands that the Commission takes a strong pro-development position in WTO negotiations; 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;
- 74. Calls on the Commission and the Member States to support a needs-based convention in which the level of donors' food assistance commitments are linked to people's needs and guaranteed local purchase volumes in recipient countries;
- 75. Expresses its deep concern about the lack of transparency, of information provided and of participation of relevant stakeholders in the current FAC negotiations;
- 76. 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.

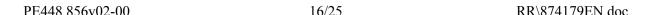
The Rapporteur wants to assert that the European Institutions as well as the Member States still have not put the eradication of poverty, hunger and malnutrition as the first point on their agendas or as a medium and long-term objective in their policy strategies, despite strong commitments regarding 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 focusing 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 derivates, 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

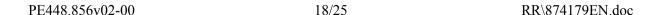
The Rapporteur would like to recall that food security should not be jeopardised by the growing demand of agro-fuels and situations of competition between food and energy production have to be avoided. Therefore, the energy strategies of the EU should be frozen until its possible negative impacts on 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.

## OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on Development

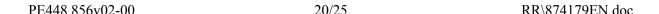
on an EU policy framework to assist developing countries in addressing food security challenges (2010/2100(INI))

Rapporteur: Marc Tarabella

#### **SUGGESTIONS**

The Committee on Agriculture and Rural Development calls on the Committee on Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

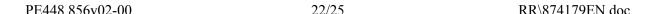
- 1. Welcomes the Commission communication on an EU policy framework to assist developing countries in addressing food security challenges; considers, however, that the world food crisis represents, in addition to a humanitarian disaster on an unprecedented scale, a major threat to peace and security worldwide, and that, even though credit should be given to the Commission's commitment to seeking out solutions that could lift a billion people out of extreme poverty, the European Union and the Member States must, as a matter of urgency, make new investments in agriculture and rural development, above all in view of the new CAP text, introducing dedicated mechanisms for building sufficiently large world stocks of basic foodstuffs, removing their own barriers to trade, and reducing the debt of the countries most affected; believes that the Commission should take greater account of the question of food security in some countries when calculating development aid;
- 2. Recalls that the European Union should ensure maximum consistency between its cooperation and development policies and its trade policies, taking account of the needs and concerns both of the EU Member States and of the developing countries;
- 3. Emphasises that political stability is the prerequisite for improved food security, and therefore calls on all the parties involved to show the political will needed to guarantee



that stability;

- 4. Calls on the Commission, the Member States and other development aid donors, including NGOs, to target their investment more closely on the agricultural sector in order to provide local people with a reason not to move elsewhere;
- 5. Recalls that agricultural development must be grounded in the right to food and the right to produce food; insists that the EU must recognise and defend the necessity for developing countries to achieve food security (both in quantitative and qualitative terms), and their right to be as self-sufficient as possible; underlines in this regard the EU commitment to gradually phase out export subsidies, in parallel with similar measures being taken by WTO partners; stresses in parallel the need for ensuring equal access of local populations to food in these countries;
- 6. Reiterates the importance of promoting agriculture in the developing world and the importance of allocating an appropriate share of EU overseas development assistance (ODA) to the agriculture sector; regrets that there has been a dramatic reduction in the level of development aid allocated to agriculture since the 1980s and welcomes the recognition of the need to reverse this trend; calls on the Commission to prioritise agriculture in its development aid, including assistance to farmers in accessing markets;
- 7. Believes that the European Union should take steps to restore world food stocks, which after reaching record lows in 2007 have contributed to speculation which has been affecting the prices of agricultural products at world level, with alarming effects on developing countries;
- 8. Recalls that since less-favoured communities tend to derive their subsistence from agriculture, the development of sustainable agriculture and serious consideration of the assessments in the IAASTD is a necessary condition for realising Millennium Development Goal 1; believes that small farming in particular can offer a response to the challenge of food security by means of strengthening the vital role played by women, via on-the-spot processing and the widespread use of loans and microcredits, and involving small producers' cooperatives as key players in the definition of effective agricultural and commercial policies;
- 9. Takes the view that, in the light of FAO population projections indicating that, by 2025, more than half of the developing world's population (some 3.5 thousand million people) will be living in urban areas, a policy of support for urban horticulture could offer a pathway out of poverty, given the low start-up costs, short production cycles and high yields per unit of time, land and water, and could make the new cities greener;
- 10. Recalls the importance of an approach to food security governance which entails a global framework that refocuses on food policy beyond food aid, inter-donor and donor recipient cooperation with enhanced local partnership, as well as the crucial role of recipient country policies in committing to provide basic public goods such as internal peace and investment in rural infrastructure;
- 11. Believes that the EU should support regional integration and the sustainable development of local agrofood markets in developing countries and especially regional commercial

- agreements promoting the development of viable and sustainable production and processing capacities at local level, and dedicate a substantial part of its development aid to this purpose;
- 12. Believes that financial speculation and increased liberalisation of financial markets and trade in agricultural products greatly contribute to price volatility and that regulatory mechanisms are needed to ensure a degree of market stability; considers that market transparency should be improved to ensure fair remuneration for farmers and a viable sector that will deliver food security; calls in particular for clear identification of actors involved in the food trade and for an in-depth analysis of transmission mechanisms of speculation on food products on local and world markets;
- 13. Considers, in view of the growing global population and increasing pressure on natural resources, that it is essential to establish more sustainable, energy-saving and efficient forms of production at world level; demands that the allocation of aid by the EU and Member States be tied to the development of sustainable and energy self-sufficient agricultural production systems, and that a part of this aid contribute to the setting up of facilities for generating renewable energy (for example based on wind and sun) and good water management;
- 14. Stresses that in the context of the UN Climate Change Fund negotiations the EU should push to ensure that a substantial part of the monies allocated to developing countries is effectively used to reinforce local agricultural policies, with due regard for sustainable social and environmental development;
- 15. Believes that food security should not be jeopardised by the development of agrofuels; calls therefore for a balanced approach that gives priority to the new generation of agrofuels using farm and forestry waste (straw and other crop waste, animal manure, biogas, etc.) instead of food crops, to avoid a situation of competition between food and energy production; considers also that the EU should make sure that agrofuel imports from developing countries respect sustainability criteria;
- 16. Stresses that the land should be accessible to all and that it is necessary to protect the land, tenancy and land use rights of small local farmers and the access of local communities to natural resources, in order to prevent further land takeovers, as is already happening to an alarming extent in certain regions of the world, especially Africa;
- 17. Considers it necessary to ensure that local communities and institutions have the negotiating powers and capacities enabling them to develop local farming; proposes drawing up a code of conduct to urge investors to focus their efforts on raising agricultural productivity and improving the livelihoods of local communities;
- 18. Points out that the development of the farming sector requires long-term investment throughout the entire value chain, from producer to consumer, which means providing the necessary infrastructure, such as roads, market linkages and information on the markets themselves and on the scope for product diversification;
- 19. Considers that the EU should contribute to promoting the use of seeds from local varieties which are adapted to climatic conditions in developing countries and which can be easily

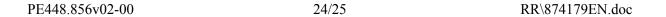




- stored, traded and supplied to farmers, as they are free of intellectual property rights;
- 20. Believes that the Commission should support protein crops in the European Union so as to give the Union greater autonomy, thus contributing to the diversification of agriculture in the developing countries, which often have agricultural policies operating purely on the basis of exports and access to external markets, to the detriment of the wellbeing and needs of local communities;
- 21. Believes that a support strategy for developing countries must include a plan for education and training, oriented towards job creation, which will enable young people to study sustainable agricultural science with a view to developing better-quality, specialised and sustainable forms of production, thus containing the drift from the countryside and reducing poverty;
- 22. Emphasises, in that connection, how important it is that farmers, in addition to meeting their own food needs, should generate the income they need for education and investment;
- 23. Stresses that it is crucial to involve local agricultural organisations in the different stages of implementing an agricultural policy in the developing countries, and that the European Union should therefore strive to strengthen local associations, so as to ensure that the interests of local communities are protected;
- 24. Insists on the need to reinforce research on a basis of public funding and to transmit know-how in the field of sustainable agriculture, promoting activities which strengthen the position of smallholder farmers in optimising agri-outputs, adapting to the challenges posed by climate change and the increased demand on resources;

### **RESULT OF FINAL VOTE IN COMMITTEE**

| Date adopted                             | 15.11.2010  |
|--|---|
| Result of final vote                     | +: 26<br>-: 1<br>0: 2   |
| Members present for the final vote       | John Stuart Agnew, Liam Aylward, Christophe Béchu, José Bové, Luis Manuel Capoulas Santos, Vasilica Viorica Dăncilă, Michel Dantin, Paolo De Castro, Albert Deß, Herbert Dorfmann, Lorenzo Fontana, Béla Glattfelder, Martin Häusling, Esther Herranz García, Peter Jahr, Elisabeth Jeggle, Elisabeth Köstinger, George Lyon, Mairead McGuinness, Rareş-Lucian Niculescu, Georgios Papastamkos, Marit Paulsen, Britta Reimers, Ulrike Rodust, Alfreds Rubiks, Giancarlo Scottà, Sergio Paolo Francesco Silvestris, Alyn Smith, Marc Tarabella |
| Substitute(s) present for the final vote | Luís Paulo Alves, Esther de Lange, Sandra Kalniete, Maria<br>do Céu Patrão Neves, Milan Zver  |



### **RESULT OF FINAL VOTE IN COMMITTEE**

| Date adopted   | 13.7.2011   |  |
|--|---|--|
| Result of final vote                                       | +: 18<br>-: 6<br>0: 0   |  |
| Members present for the final vote                         | Thijs Berman, Michael Cashman, Ricardo Cortés Lastra, Nirj Deva,<br>Leonidas Donskis, András Gyürk, Filip Kaczmarek, Franziska Keller,<br>Miguel Angel Martínez Martínez, Gay Mitchell, Norbert Neuser, Bill<br>Newton Dunn, Maurice Ponga, Birgit Schnieber-Jastram, Michèle<br>Striffler, Alf Svensson, Eleni Theocharous, Patrice Tirolien, Ivo Vajgl,<br>Anna Záborská, Gabriele Zimmer |  |
| Substitute(s) present for the final vote                   | Fiona Hall, Cristian Dan Preda  |  |
| Substitute(s) under Rule 187(2) present for the final vote | Derk Jan Eppink   |  |