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REPORT

on Special Report No 1/2012 (2011 discharge): 'Effectiveness of European Union development aid for food security in sub-Saharan Africa' (C7-0093/2012 – 2012/2059(DEC))

Committee on Budgetary Control

Rapporteur: Bart Staes

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations, in the context of the 2011 Commission discharge, concerning Special Report No 1/2012 of the Court of Auditors entitled "Effectiveness of European Union development aid for food security in sub-Saharan Africa" (C7-0093/2012 – 2012/2059(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2011¹,
- having regard to Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community ("Overseas Association Decision")²;
- having regard to Special Report No 1/2012 of the Court of Auditors entitled "Effectiveness of European Union development aid for food security in sub-Saharan Africa",
- having regard to the outcome document on the OECD high level meeting on Aid Effectiveness in Busan of December 2011, where partnership and effectiveness are key elements;
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Articles 164, 165 and 166 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁴, and in particular Articles 145, 146 and 147 thereof,
- 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 countries⁵,
- having regard to its resolution of 27 September 2011 on an EU policy framework to assist developing countries in addressing food security challenges⁶,

¹ OJ L 68, 15.3.2011.

² OJ L 109, 26.4.2007, p. 33.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 248, 16.9.2002, p. 1.

⁵ OJ L 354, 31.12.2008, p. 62.

⁶ Texts Adopted, P7_TA(2011)0410.

- having regard to Rules 76 and 112 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A7-0400/2012),
- A. whereas the special reports by the Court of Auditors are examined by Parliament during the annual discharge procedure;
- B. whereas the special reports of the Court of Auditors provide information on issues of concern related to the implementation of expenditure, and are thus a tool for Parliament in the exercise of its role as the discharge authority;
1. Welcomes the Court of Auditors' report and its overall conclusion that Union development aid for food security in sub-Saharan Africa is, for the most part, effective and that it makes an important contribution towards achieving food security in partner countries which do not yet have a sustainable and secure agricultural sector; notes, however, that according to the Court of Auditors, there is scope for significant improvement in a number of areas;
 2. Notes with satisfaction the Court of Auditors' finding that where food security is part of the European Development Fund (EDF) strategy, Union development aid is highly relevant to the needs and priorities of sub-Saharan Africa and that the Commission focused Union development aid on countries with the highest number of undernourished people;
 3. Agrees with the Court of Auditors that a greater focus on food security is necessary in the Union's development assistance;
 4. Deplores that for the tenth EDF, food security, agriculture and rural development have been selected for fewer partner countries as a focal sector than for the ninth EDF and that several food-insecure countries have received little or no Union development aid in this area; agrees with the Court of Auditors that this is inconsistent with the critical situation as regards Millennium Development Goal 1: Eradicate extreme poverty and hunger and the increased priority that the EDF was expected to give to food security; calls on the Commission and Member States to give more attention to this area when drawing up the EDF country strategy papers and to allocate more funding for this purpose;
 5. Supports the Court of Auditors' recommendation for a structured assessment of the food security situation in each country and a systematic consideration of the potential scope for relevant Union support by the European External Action Service (EEAS) and the Commission's programming of Union development aid; calls on the Commission's Directorate-General for Development and Cooperation – EuropeAid to ensure the incorporation of data and analyses by the field offices of the Directorate-General for Humanitarian Aid and Civil Protection and from other sources and to help ensure that effective early warning systems for food insecurity are in place; also calls on the EEAS to help ensure that corresponding government capacity is built to run those systems in a

sustainable manner, and that prevention strategies are implemented, fostering the resilience of the most vulnerable;

6. Notes that after the 2008 food crisis, which severely affected many sub-Saharan African countries, food prices have gradually returned to previous levels and that volatility and speculation is likely to continue; calls on the Commission to elaborate upon response strategies for different contingencies, making any relevant proposals; calls on the Commission to also take note of the fact that gradually rising food prices is part of a marked, long-term upward trend, rather than a short-term issue and consequently, it requires a long-term holistic strategy, directly linked to broader development goals; calls for the inclusion of a new Food Facility or a comparable mechanism in the multi-annual financial framework for the years 2014 to 2020 to ensure the Union's ability to respond swiftly to new food crises using similar funds, given the unpredictability of new food crises and the increased volatility of food prices; believes that financial speculation exacerbates food price volatility and that it is, therefore, also necessary to take effective action against such speculation, including the regulation and control of derivative markets;
7. Deplores the fact that, despite strong economic growth, one quarter of the population of sub-Saharan Africa still suffers from malnutrition; points out that the region has the technology, the knowledge and the natural resources to change this; stresses that peace, democracy and political stability is essential since access to land and markets, property rights and education will allow for the increased influence and accountability of governments and of public authorities;
8. Notes the shortcomings highlighted by the Court of Auditors in the coordination of the use of resources allocated under the EDF and the 'food security' budget line for the period 1996 to 2006; calls on the Commission to harmonise the objectives of the two instruments, with a view to ensuring that they complement one another and that the funds in question are used as effectively as possible;
9. Considers that the Commission should take systematic account of the food security situation and chronic food insecurity, in particular when implementing Union development policy;
10. Stresses the importance of strengthening the link between relief, rehabilitation and development in order to ensure the effectiveness of aid; reiterates the importance of allocating an appropriate share of Union 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 calls on the Commission to prioritise agriculture in its development aid, including assistance to farmers in accessing markets; points out that development assistance is part of a larger scheme where trade, remittances and other sources of income are today more important than the total ODA payments for most developing countries, and that the common agricultural policy hinders a free and fair trade with emerging markets;
11. Stresses that the whole food chain, from farm to fork, must be addressed in order to enhance the resilience of the agricultural sector; believes that long-term political commitments by governments in sub-Saharan Africa are necessary to reduce the

vulnerability of the agricultural sector; points out that temporary subsidies, in the form of seeds that withstand extreme weather conditions, can serve as an important safety net for small-scale farmers and families who would otherwise be severely affected; stresses the importance of early warnings and preventive work on sanitation, seed and feed for animals; deplors that violence and insecurity is an obstacle to a food secure future;

12. Stresses the need to refocus on food policy beyond food aid, inter-donor and donor-recipient cooperation with enhanced local partnership at European and global level, as well as the crucial role of partner countries in providing the basic requirements for any significant progress in this sector, such as internal peace and investment in rural infrastructure; further stresses that long-term social and economic development requires sustainable sources of income other than aid; considers that free and fair trade relations between Europe and developing countries, in line with World Trade Organization principles, is key to strengthening food security and accelerating human development in sub-Saharan Africa;
13. Agrees with the Court of Auditors that a longer implementation period for the Food Facility (2008 to 2010) would have been more appropriate, given its objectives and the existing financing gap between the end of its programming period and the next EDF programming period (from 2014); stresses the importance of ensuring the continuity of aid given the continuous volatility and high level of commodity prices; stresses the need to seek, in close coordination with the World Food Programme, the Food and Agriculture Organization of the United Nations and the International Fund for Agricultural Development, complementarity and synergy between the Union food security programmes and programmes of those and other international donors;
14. Is deeply concerned at the Court of Auditors' finding that nutrition has been neglected and finds this worrying as malnutrition has extremely harmful consequences, in particular if it occurs during pregnancy or during the first two years of life, and may lead to irreversible damage; points out that malnutrition is an obstacle to human development, inflicting irreversible damage on individuals and imposing large economic and social losses on countries; welcomes the resolve of the Commission expressed in its Communication on an EU policy framework to assist developing countries in addressing food security challenges (COM(2010)0127) to integrate the nutritional dimension into Union programmes; reiterates its call on the Commission to draw up a specific Communication on this dimension and to integrate sound and multi-sectoral nutrition strategies into its development policy; points out that one of the most crucial and cost-effective interventions is the empowerment of women, which is a far-reaching way to help households prioritise healthcare and child nutrition;
15. Notes the Court of Auditors' finding that Union interventions have generally been well designed and achieve most of their intended results, but regrets that the quality of objectives were variable and difficult to measure, due to the absence of performance indicators, and the sustainability of results were questionable in half of the audited interventions; calls on the Commission to set more realistic and measurable objectives for the interventions and to improve their definition in the general budget support programmes, where special attention should be given to encouraging entrepreneurship among the growing young population and addressing the discrimination against women

in the agricultural sector;

16. Remains convinced of the importance of scaling up the nutritional aspect of development aid for food security and requests the Commission to provide a written report on its progress on this by spring 2013;
17. Notes that the overall impact of Union action on food security is also determined by the Union's policies on agriculture, fisheries, energy and trade; stresses the need to ensure Policy Coherence for Development, in accordance with Article 208 of the Treaty on the Functioning of the European Union, and that those policies should embody and comply with the "do no harm" principle;
18. Agrees with the Court of Auditors that the Commission should strive to better support the financial sustainability of agriculture and social transfer programmes;
19. Instructs its President to forward this resolution to the Council, the Commission and the Court of Auditors.

6.11.2012

OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Committee on Budgetary Control

on the European Court of Auditors: Special Report No. 1/2012 – Effectiveness of European Union development aid for food security in Sub-Saharan Africa
(C7-0093/2012 – 2012/2059(DEC))

Rapporteur: Enrique Guerrero Salom

SUGGESTIONS

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

1. Stresses the imperative need to intensify efforts to improve food security in the face of continued hunger, malnutrition and vulnerability in many sub-Saharan African and other developing countries and the hugely insufficient progress towards the achievement of the Millennium Development Goal 1 to eradicate extreme poverty and hunger;
2. Agrees with the Court of Auditors that a greater focus on food security is necessary in the EU's development assistance;
3. Supports the Court of Auditors recommendation for a structured assessment of the food security situation in each country and systematic consideration of the potential scope for relevant EU support during the EEAS and the Commission's programming of EU development aid; calls on DEVCO to ensure the incorporation of data and analyses from ECHO's field offices and from other sources and to help ensure that effective early warning systems for food insecurity are in place; also calls on the EEAS to help ensure that corresponding government capacity is built to run these systems in a sustainable manner, and that prevention strategies are implemented, fostering the resilience of the most vulnerable;
4. Notes that after the 2008 food crisis, which severely affected different sub-Saharan African countries, food prices have gradually returned to similar levels and that volatility and speculation are likely to continue; calls on the Commission to elaborate response strategies for different contingencies, making any relevant proposals; calls on the Commission to also take note of the fact that the gradually rising food prices is part of a marked, long-term upward trend, rather than a short-term shock and consequently, it

requires a longer-term holistic strategy directly linked to the broader development goals; calls for the inclusion in the 2014-2020 MFF of a new Food Facility or a comparable mechanism ensuring the EU's ability to swiftly respond to new food crises using similar funds, given the predictability of new food crises and the increased volatility of food prices; believes that financial speculation exacerbates food price volatility and that it is therefore also necessary to take effective action against such speculation, including through regulation and control of derivative markets;

5. Remains convinced of the importance of scaling up the nutrition aspect of development aid for food security and requests the Commission to provide a written report on its progress on this by spring 2013;
6. Welcomes the Commission's intention to continuously improve the targeting of beneficiaries and to fix realistic, precise and measurable objectives for its food security interventions;
7. Shares the Court of Auditors' conclusions on the need to increase small- and medium-sized farmers' access to information and education, as well as to credits; agrees also on the need to invest in post-harvest infrastructure; believes that build-up at different levels of adequate food reserves should be facilitated;
8. Notes that the overall impact of EU action on food security is also determined by the EU's policies on agriculture, fisheries, energy and trade; stresses the need to ensure Policy Coherence for Development, in accordance with article 208 TFEU, and that these policies should embody and comply with the "do no harm" principle.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	5.11.2012
Result of final vote	+: 24 -: 0 0: 0
Members present for the final vote	Thijs Berman, Ricardo Cortés Lastra, Véronique De Keyser, Leonidas Donskis, Charles Goerens, Mikael Gustafsson, Eva Joly, Miguel Angel Martínez Martínez, Gay Mitchell, Norbert Neuser, Bill Newton Dunn, Maurice Ponga, Birgit Schnieber-Jastram, Michèle Striffler, Alf Svensson, Eleni Theoharous, Ivo Vajgl, Iva Zanicchi
Substitute(s) present for the final vote	Kriton Arsenis, Philippe Boulland, Edvard Kožušník, Bart Staes
Substitute(s) under Rule 187(2) present for the final vote	Edit Bauer, Jarosław Leszek Wałęsa

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	15.11.2012
Result of final vote	+: 19 -: 0 0: 1
Members present for the final vote	Marta Andreasen, Jean-Pierre Audy, Zuzana Brzobohatá, Andrea Češková, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Gerben-Jan Gerbrandy, Ingeborg Gräßle, Iliana Ivanova, Jan Mulder, Aldo Patriciello, Crescenzo Rivellini, Theodoros Skylakakis, Bart Staes, Georgios Stavrakakis
Substitute(s) present for the final vote	Cornelis de Jong, Ivailo Kalfin, Olle Schmidt, Derek Vaughan