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EUROPEAN COMMISSION

FOOD SECURITY THEMATIC PROGRAMME

THEMATIC STRATEGY PAPER

and

MULTIANNUAL INDICATIVE PROGRAMME

2007-2010

EXPLANATORY MEMORANDUM

The new Food Security Thematic Programme (FSTP) is a concrete sign of the Community's continuous commitment towards achieving MDG1 on hunger, which is looking elusive as 2015 approaches, particularly in Sub-Saharan Africa. The Communication "Advancing the Food Security Agenda to Achieve the MDGs" (COM(2006)21) laid the foundations for the present FSTP strategy. The Development Cooperation Instrument (DCI) is the legal basis for the FSTP.

The objective of the FSTP strategy, under the DCI, is "to improve food security in favour of the poorest and the most vulnerable and contribute to achieving the first MDG, through a set of actions which ensure overall coherence, complementarity and continuity of Community interventions, including in the area of transition from relief to development". The FSTP objective is to be pursued during the period 2007-2010 through the following strategic priorities:

- (1) Supporting the delivery of international public goods contributing to food security: research and technology: this component aims to support pro-poor and demand-driven agricultural research and technology and improve its outreach and dissemination. For this component and in order to ensure that the Commission funding to the CGIAR can continue to be allocated in full respect of the Financial Regulation, EC funds for CGIAR, that up to 2005 were channelled through the World Bank, will in 2007 and beyond, be channelled through another organisation. For this purpose, the Commission is currently negotiating with the International Fund for Agricultural Development (IFAD) which, being a UN body has adhered to the Financial and Administrative Framework Agreement between the EC and the UN (FAFA) since 2004. Moreover, the new programme will as far as possible compensate the loss of the 2006 allocation for the CGIAR, in 2007.
- (2) Linking information and decision making to improve food security response strategies: this component aims to strengthen national and regional stakeholders' capacities to produce and analyse food security information, with a view to designing effective response strategies to prevent food crises and reduce chronic food insecurity.
- (3) Exploiting the potential of continental and regional approaches to improve food security: this component aims to support regional initiatives in Asia and Latin America and continental/regional priorities set in a new AU-EU partnership with Africa (disaster and risk reduction, agricultural policy development and harmonisation, sustainable management of natural resources).
- (4) Addressing food security in exceptional situations of transition, and in fragile and failed states: this component aims to link relief, rehabilitation and development. It will support the most vulnerable in protecting and recovering livelihood assets, while improving self-reliance and crisis prevention.
- (5) Promoting innovation to combat food insecurity: this component aims to foster innovative practices and approaches to food security and their South-South up-scaling/dissemination. A special, final allocation is earmarked for countries in Asia, Latin America and Neighbourhood countries phasing out food security assistance.

(6) Fostering advocacy and advancement of the food security agenda, harmonisation and alignment with development partners and donors: this component aims to promote food security at international level and aid effectiveness, in line with the OECD Paris Declaration.

The total financial allocation for the period 2007-2010 is €925m, of which, in line with art. 38 of the proposal for the regulation establishing a financing instrument for development cooperation (DCI), €30.6m have been foreseen to finance activities that benefit ENPI countries.

FOOD SECURITY THEMATIC PROGRAMME

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List of Acronyms

AAP	Annual Action Programme
ACP	African, Caribbean and Pacific
AIDCO	EuropeAid Cooperation Office
ARD	Agricultural Research for Development
AU	African Union
BL	Budget Line
CAADP	Comprehensive Africa Agricultural Development Programme
CGIAR	Consultative Group on International Agricultural Research
CSP	Country Strategy Paper
CTA	Technical Centre for Agriculture and Rural Cooperation
DAC	Development Aid Committee
DCI	Development Cooperation Instrument
DEV	Development Directorate-General
DPP	Disaster Preparedness and Prevention
EC	European Commission
ECHO	European Commission Office of Humanitarian Aid
EDF	European Development Fund (Cotonou Agreement)
EECCA	Eastern Europe-Caucasus-Central Asia
EIARD	European Initiative for Agricultural Research for Development
ENPI	European Neighbourhood and Partnership Instrument
EPA	Economic Partnership Agreement
FAO	Food and Agriculture Organisation of the United Nations
FS	Food Security
FSBL	Food Security Budget Line
FSTP	Food Security Thematic Programme
GDPRD	Global Donor Platform for Rural Development
GFAR	Global Forum for Agricultural Research
IAASTD	International Assessment of Agriculture Science and Technology for Development
ICRC	International Committee of the Red Cross
INCO	International RTD Cooperation
JRC	Joint Research Centre (EC)
LRRD	Linking Relief, Rehabilitation and Development
MDG	Millennium Development Goals
MIP	Multi-annual Indicative Programme
NARS	National Agricultural Research Systems
NEPAD	New Partnerships for African Development
NGO	Non-Governmental Organisation
NIP	National Indicative Programme
NSA	Non-State Actors
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PRSP	Poverty Reduction Strategy Paper
RECs	Regional Economic Communities
RELEX	External Relations Directorate-General
RSP	Regional Strategy Paper
RTD	EC Directorate General Research and Technological Development
TA	Technical Assistance
UN	United Nations
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East

WFP
WFS

World Food Programme
World Food Summit

Executive Summary

The new Food Security Thematic Programme (FSTP) is a concrete sign of the Community's continuous commitment towards achieving MDG1 on hunger, which is looking elusive as 2015 approaches, particularly in Sub-Saharan Africa. The Communication "Advancing the Food Security Agenda to Achieve the MDGs" (COM(2006)21) laid the foundations for the present FSTP strategy. The Development Cooperation Instrument (DCI) is the legal basis for the FSTP.

The EC food security policy, which has continued to guide Community action in the fight against hunger since 1996, could not be fully implemented without the new thematic instrument, because: (i) the geographical instruments do not address the global, continental and, to a certain extent, regional dimensions of food security; and (ii) following the phase-out of humanitarian assistance, they cannot fully operate in exceptional circumstances of transition and in failed, fragile states, to link relief, rehabilitation and development (LRRD).

The objective of the FSTP strategy, under the DCI, is "to improve food security in favour of the poorest and the most vulnerable and contribute to achieving the first MDG, through a set of actions which ensure overall coherence, complementarity and continuity of Community interventions, including in the area of transition from relief to development". The FSTP objective is to be pursued during the period 2007-2010 through the following strategic priorities:

- (1) Supporting the delivery of international public goods contributing to food security: research and technology: this component aims to support pro-poor and demand-driven agricultural research and technology and improve its outreach and dissemination.
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- (5) Promoting innovation to combat food insecurity: this component aims to foster innovative practices and approaches to food security and their South-South upscaling/dissemination. A special, final allocation is earmarked for countries in Asia, Latin America and Neighbourhood countries phasing out food security assistance.
- (6) Fostering advocacy and advancement of the food security agenda, harmonisation and alignment with development partners and donors: this component aims to promote food security at international level and aid effectiveness, in line with the OECD Paris Declaration.

The main partners are global players in the field of food security, such as the UN system, research institutions and networks like the CGIAR, donor and civil society organisations and platforms, continental organisations of states such as the African Union and the NEPAD, regional economic communities and regional organisations and institutions, including non-state actors, civil society/NGOs and, in specific situations, national governments.

The total financial allocation for the period 2007-2010 is €925m, of which, in line with art. 38 of the proposal for the regulation establishing a financing instrument for development cooperation (DCI), €30.6m have been foreseen to finance activities that benefit ENPI countries.

FOOD SECURITY THEMATIC STRATEGY PAPER

1. INTRODUCTION

There is every justification for addressing food insecurity.¹ It is enshrined in the first Millennium Development Goal that the number of people suffering from hunger has to be halved between 1990 and 2015. It is now estimated that 815 million people are 'chronically' food-insecure in the developing world, with a further 5-10% of the population at risk from 'acute' food insecurity, driven by natural and man-made crises.

The EC Food Security policy established in 1996 under Council Regulation (EC) No 1292/96 continues to guide the Commission's action in the fight against hunger. The EC is a leading international donor in Food Security, in particular through the Food Security and Food Aid budget line (FSBL), which, since 1996, has provided €500m/year (on average) for country programmes (direct aid), global initiatives, civil society programmes and food aid (indirect aid). This comprehensive instrument will cease to exist following the reform of EC external assistance under the Financial Perspectives 2007-2013.

From 2007 onwards, country programmes aimed at eradicating chronic poverty, which were previously financed by the FSBL, will be supported through the geographical instruments, i.e. the Development Cooperation Instrument (DCI), the European Neighbourhood and Partnership Instrument (ENPI) and the European Development Fund (EDF). The Humanitarian Instrument will address food crises (crisis and immediate post-crisis situations) and deliver food aid where necessary and appropriate. The new Food Security Thematic Programme (FSTP) under the DCI, in complementarity with others programmes, will ensure overall coherence in the approach to food security and continuity of assistance in the transition from relief to development. Coordination with other thematic programmes, such as "Investing in People" and "Environment and sustainable management of natural resources, including Energy", and the the Seventh Framework Programme for research and technological development (FP7) will be ensured in order to maximise the impact of combined Community instruments. The FSTP will enhance the visibility of the EC's commitment to global food security. It will address food security at global, continental and regional levels, complement the geographical programmes and come to the fore where geographical instruments cannot fully operate. The FSTP will play an important role in advocating at international level that increased attention be paid to food security and in fostering harmonisation and alignment in accordance with the OECD Paris Declaration on Aid Effectiveness.

The proper combination of instruments is essential to ensure the Linking of Relief with Rehabilitation and Development.² Indeed, the global, continental and regional programmes funded by the thematic instrument need to be coordinated with national programmes and vice versa. The FSTP will complement Regional Indicative Programmes whenever the regional dimension is part of a wider geographical context (multi-regional, continental, global levels)

¹ Food Security can be defined as a condition where "all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life" - Rome Declaration on World Food Security and World Food Summit Plan of Action. FAO, 1996.

² LRRD is defined as: "Rehabilitation programmes which gradually take over the relief/emergency aid to stabilise the economic and social situation and to facilitate the transition towards a medium and long-term development strategy" (COM(2001)153 final).

and whenever the thematic programme has a comparative advantage over the geographical instrument.

The Commission outlined the new Food Security Thematic Programme (FSTP) in the Communication to the Council and the European Parliament: "A thematic strategy for food security – Advancing the food security agenda to achieve the MDGs" (COM(2006)21). The Communication lays the foundations for the present Thematic Strategy Paper and Multiannual Indicative Programme 2007-2010. The legal basis for the FSTP is the Development Cooperation Instrument (DCI).

2. ANALYSIS OF THE INTERNATIONAL SITUATION, THE EC POLICY FRAMEWORK, NEEDS AND OTHER DONOR ACTIVITIES

2.1. The World Food Security Situation

Worldwide, food insecurity is both a cause and a consequence of absolute poverty. According to the FAO,³ the goals of reducing poverty and hunger by half set by the 1996 World Food Summit⁴ and the 2000 Millennium Summit remain elusive as 2015 approaches, despite significant progress, particularly in Latin America and Asia. Preliminary FAO data for the period 2002-2004 show that the number of hungry people worldwide has not substantially decreased in the last decade (from 884 to 864 million). Two thirds of the undernourished are in Asia (558 million), a quarter in Africa (222 million), 6% in Latin America and the Caribbean and 4.4% in former Soviet Union countries. Examining current trends: (i) in Latin America and the Caribbean, MDG1 is likely to be attained if the current pace of reducing hunger is maintained; (ii) in the Asia-Pacific region, the goal is reachable if the pace is accelerated somewhat; (iii) in the Near East and North Africa, the prevalence of hunger - albeit low - is on the increase, requiring a reversal of the current trend; and (iv) in Sub-Saharan Africa, progress towards hunger reduction has so far been very slow, and needs to speed up dramatically.

Therefore, in order to attain the WFS and MDG goals, national governments and the international community should enhance their commitment to food security by improving aid effectiveness and increasing financial resources. Given the multi-sector nature and complexity of food security, data on ODA spending on food security are difficult to determine. Aggregating OECD data⁵ on food aid/food security assistance with data on agriculture and basic health, it emerges that, both at global and at EU level, spending on food security has actually declined compared to the levels of 1990, while global ODA has increased.

An MDG1 indicator⁶ confirms that those suffering most from hunger and its consequences are women and children: their nutritional status needs to be improved as a matter of priority, by tackling in particular the so-called "hidden hunger" (a lack of micro-nutrients, which severely affects physical and mental capacities). Among the chronically food-insecure the highest proportion are the very poorest people, such as the landless, small farmers, pastoralists and

³ The State of Food Insecurity in the World, 2005

⁴ The WFS established the more ambitious goal of halving the number of hungry people (absolute numbers), compared to MDG1 which aims to cut the proportion of hungry people by half.

⁵ Information provided by the IFPRI

⁶ Prevalence of underweight children under five years of age (FAO - 2005 State of Food Insecurity Report)

fisherfolk. Acute and chronic disasters, such as conflicts and pandemics (HIV-AIDS), exacerbate food insecurity.

Conflict, corruption and inequalities, non-sustainable management of natural resources, environmental degradation and natural disasters contribute significantly to food insecurity and set back the efforts to eradicate poverty and hunger. Hunger and poverty, in turn, can provide fertile ground for conflict and make preparedness to cope with disasters more difficult. Promoting the MDGs in humanitarian emergencies and post-conflict situations can help to establish a sound foundation for development over the long term.

2.2. EC policy agenda and main partners

The policy agenda

The EC development policy outlined in the ‘‘European Consensus on Development’’⁷ focuses on the attainment of the MDGs and addresses food insecurity as a priority in the fight against poverty. It further associates food security, among others, with rural and agricultural development and with the sustainable management of natural resources. In addition to emphasising the importance of territorial development for food security, the EU Consensus advocates paying greater attention to situations of transition (post-crisis, protracted and complex crises) and fragile/failed states.

The EC food security policy, which was positively evaluated in 2004, has evolved from the simple delivery of food aid into support for broad-based food security strategies at national, regional and global level. According to EC policy, food security is multi-disciplinary and involves three dimensions: (i) availability of food (at national and regional levels); (ii) access to food (by households); and (iii) food use and nutritional adequacy (at individual level). EC food aid⁸ is a cash-based, untied instrument limited to humanitarian and food crises. Gender aspects are particularly relevant since women, who, despite their multiple roles as food producers, household managers, care givers and income generators, continue to be the most vulnerable to food insecurity.

The 2005 EU Strategy for Africa restates the importance of addressing food security in the frame of pro-poor growth and agricultural development. A new EU partnership with Africa on agricultural development is being drawn up to translate the commitments of the EU Strategy for Africa into action. The new partnership will be a strategic framework aiming to address the challenges of African agriculture at regional and continental levels, in line with African policy principles and approaches, and is intended to have an effect on agricultural production, poverty reduction, food security and natural resource management. The Economic Partnership Agreements (EPAs), which should enter into force in 2008, are expected to be designed in such a way that they will have a positive effect on food security prospects in EPA regions.

In the field of agricultural research for development (ARD), the Commission revised its strategy in 2004 (Annex II). At policy level, commitment to the poorest regions - Sub-Saharan Africa and Asia – has been confirmed. The EC will focus its support for ARD on: (i) research coordination/facilitation at national, regional and global levels; and (ii) research implementation at regional and global levels.

⁷ COM(2005)311

⁸ The EU Community and its Member States provide food aid in compliance with minimum annual commitments under the Food Aid Convention (Art.III (e))

Main strategic and implementing partners: The Commission has so far established formal strategic partnerships in food security with major UN organisations like the FAO and WFP. In the field of agricultural research, the CGIAR⁹ is the main partner for the global component. The European policy towards the CGIAR, and more broadly to ARD, is coordinated within EIARD.¹⁰

The role of civil society organisations and non-state actors (e.g. NGOs, local communities, universities, professional and private associations, etc.) as partners is, and will continue to be, of primary importance as strategic allies in advocacy, as prime partners in the design and implementation of this Programme, particularly in situations of transition and instability, and as promoters of innovation. The Commission is committed to supporting civil society - at all levels - and strengthening the role of non-state actors in food security.

Main donor partners: The US is a major player in the field of food security and more particularly as a provider of food aid, almost exclusively in kind. Canada, Australia, Japan, Switzerland, Norway and EU Member States are also important donors. Through the FSTP, the EC aims to foster cooperation and coordination within the donor community at EU, international and local levels, with a view to policy harmonisation and alignment according to the Paris Declaration on aid effectiveness.

Main development partners: The main development partners within the FSTP are continental and regional organisations, particularly in Africa (African Union, Regional Economic Communities). Cooperation with national administrations will be mostly indirect, via global, continental and regional programmes. Local authorities and civil society will be key partners, especially in situations of post-crisis and state failure/fragility.

3. OPERATIONS FINANCED IN THE PAST AND LESSONS LEARNED

3.1. Implementation of the Food Security Policy

The EC is a leading international donor in Food Security: since 1996, €4 900m has been allocated through the Food Security and Food Aid Budget Line alone. In addition, food aid has also been delivered through the Humanitarian Instrument (roughly from €50m to €100m per year) and longer-term development assistance provided through geographical instruments, clustered together with rural and agricultural development (€650m from the 9th EDF A allocation). A detailed breakdown of allocations is provided in Annex III.

The FSBL provided programme/project funds to a selected number of countries with the aim of addressing the root causes of food insecurity through adequate strategies and programmes, including support for reforms in agriculture and social protection. Target countries for such direct support were clustered in three groups: crisis/post-crisis situations (e.g. Afghanistan, Somalia); chronic food insecurity (e.g. Ethiopia, Bangladesh, Bolivia); and economies in transition (EECA: Eastern Europe-Caucasus-Central Asia).

The FSBL also supported global programmes through UN agencies, such as the FAO in the field of food security information systems, and through the CGIAR for agricultural research.

⁹ CGIAR: Consultative Group on International Agricultural Research

¹⁰ European Initiative for Agricultural Research for Development (COM(97)126 final), involving 25 EU Member States, Norway, Switzerland and the European Commission

Funding was provided for food operations in countries in a situation of crisis and post-crisis mainly through the WFP, UNRWA and the ICRC. NGOs received grants for projects for supporting post-crisis recovery/rehabilitation and development.

Despite levels of commitments and payments close to 100% and a performance which was positively evaluated in 2004, the overall budget of the FSBL has steadily decreased over the years, reflecting a general policy shift towards other priority areas of assistance.

3.2. Evaluations and lessons learnt

The 2004 external evaluation of the EC Food Security Policy and Budget Line was very positive as regards overall impact, thereby confirming the validity of the EC policy and underlining the added value of its focus on LRRD, multi-stakeholder partnerships and the mix of different implementation instruments.

On the negative side, the evaluation also identified four main areas for improvement: (i) LRRD: adopt a more systemic approach to LRRD and translate it more effectively into the operational phase; (ii) poverty focus: integrate food security more systematically in Poverty Reduction Strategies; (iii) policy/strategy development: establish long-term policy dialogue on food security with partners; and (iv) policy coherence: improve coherence by integrating food security in EC Country and Regional Strategy Papers (CSPs/RSP). Those recommendations apply to the whole set of assistance instruments, including the FSTP.

In particular as regards LRRD, the experience drawn from countries in protracted and complex crises, such as Somalia and Sudan, is particularly valuable. Experience has shown that LRRD, especially in the above-mentioned situations, is rarely a linear process and more often a "contiguum" than a "continuum". As early as possible at the relief stage, a strategic approach to follow-up assistance needs to be devised, taking into account the various possible scenarios.

There has been a considerable amount of work at EC level on the evaluation and impact assessment of the CGIAR. In 1997, the EC evaluated its previous CGIAR investments, considered the EC investment centre by centre and included a detailed review of their programmes and developmental impact, concluding that EC investment in agricultural research through the CGIAR had been extremely profitable. An evaluation of the Food Security Budget Line was carried out in 2004. Food Security indirect aid (including aid channelled through CGIAR) was evaluated as satisfactory or very satisfactory as regards relevance, effectiveness, impact, and internal/external coherence and fair as regards efficiency and sustainability. The Commission has regularly monitored EC-funded CGIAR projects since 2002. Six projects have been monitored and evaluated each year (more than 50% of the projects have been reviewed up to now). In the vast majority of cases the evaluation was satisfactory or highly satisfactory. More recently the EC commissioned a report on "Added Value of Global Partnerships and Global Funds to Development Cooperation", in particular from the specific standpoint of the EC. CGIAR is one of the two programmes to have been reviewed and one of the conclusions was that CGIAR research is an example of clear public good with a global impact that only an international institution can afford to invest in. The report states that over the long term the impact is clearly there.

More generally, recent studies have shown that investment in International ARD in the CGIAR system yields cost-benefit ratios from 1.9 (based on the most restrictive assumptions)

up to 17.3 (for the most inclusive estimates). Rates of return on Agricultural R&D expenditures in Africa and Asia have been found to be 18% and 26% respectively.¹¹

The main lesson learnt is that among the various rural investment categories, agricultural research for development can give very high benefits, provided that: (i) there is careful identification of needs, priorities and opportunities; and (ii) it is conceived as one component of agricultural development, taking into account the necessary links with other components (e.g. extension, inputs supply, credit, markets, institutional and organisational development, infrastructure investment, capacity building, land).

Moreover, in 2006, the Commission could no longer use the World Bank Trust Fund for delivering its funds to the CGIAR. Therefore and in order to ensure that the Commission funding to the CGIAR continue to be allocated in full respect of the Financial Regulation, the Commission will be using in 2007 and beyond a new channel for the funds and for this purpose is currently negotiating with the International Fund for Agricultural Development (IFAD).

Recently, financial risk management techniques have been applied for food security purposes in Africa. Currently, a pilot drought (index) insurance for food security coverage in Ethiopia is in operation, and this has shown the feasibility, in principle, of using index insurance in Africa for such purposes.¹² In Malawi, the Government used call options in 2005/06 to secure a fixed purchase price for maize on the South African food exchange, which has ensured an affordable import price in the wake of the severe 2005 production shortfall in the country. Such risk management tools, although promising, are still in the early stages of application and will need analysis, further development and scaling-up to provide greater risk coverage. Specific evaluations and lessons learnt will be taken into account in designing the different programmes to be funded by the FSTP.

4. THE THEMATIC STRATEGY

This strategy is drawn up in response to food security problems, which, according to the principle of subsidiarity, cannot be addressed adequately and efficiently by other EC cooperation instruments.

4.1. Objective

The objective of the FSTP is to improve food security for the poorest and most vulnerable¹³ and to help achieve the first MDG, through a set of actions which ensure overall coherence,

¹¹ Thirle C., Lin L., and Piesse J.,2003, "The Impact of Research-led Agricultural Productivity Growth on Poverty Reduction in Africa, Asia and Latin America." World Development Vol. 31, N 12, Elsevier; Meinzen-Dick R., Adato M., Haddad L.,and Hazell P., "Science and Poverty. An Interdisciplinary Assessment of the Impact of Agricultural Research". IFPRI, Washington 2004; Raitzer, D (2003) "Benefit-cost meta-analysis of investment in the International Agricultural Research Centres of the CGIAR". Science Council Secretariat. Rome, Italy: FAO; EC commissioned study on "Added Value of Global Partnerships and Global Funds to Development Cooperation", April 2005. -

¹² Insurance that will trigger a payout when rainfall in a selected part of Ethiopia remains below a predetermined threshold. The payout should be quick and allow assistance to over 60 000 families, thus avoiding distress sale of assets.

¹³ E.g. children, in particular those under 5 years of age, women, landless and food-insecure smallholder farmers, pastoralists and fisherfolk, HIV-AIDS affected, discriminated groups and ethnic minorities, displaced people.

complementarity and continuity of Community assistance, including in the transition from relief to development.

The FSTP objective is to be pursued through the following strategic priorities: (1) supporting the delivery of international public goods contributing directly to food security: research and technology; (2) linking information and decision-making to improve food security strategies; (3) exploiting the potential of continental and regional approaches to improve food security; (4) addressing food security in exceptional situations of transition, and in fragile and failed states; (5) promoting innovation to combating food insecurity; and (6) fostering advocacy and advancement of the food security agenda and harmonisation and alignment with development partners and donors.

4.2. Strategic Priorities

The respective article in the DCI, which reflects the content of COM(2006)21, identifies the strategic priorities highlighted in this section of the document. These strategic priorities were selected by matching the need to ensure assistance continuity and the opportunity for innovation, on the basis of lessons learnt. The background and rationale behind the choice of each strategic priority are described in the dedicated chapters below. All components are supposed to mutually reinforce each other and special attention will be devoted to establishing operational links at the stages of programme formulation and implementation.

4.2.1 *Supporting the delivery of international public goods contributing to food security: research and technology*

The EC recognises the importance of investing in the provision of international public goods.¹⁴ In particular, research for agriculture and sustainable management of natural resources (including land, water, soils, and natural vegetation) and ecosystems has a demonstrated impact on poverty reduction and food security. In order to maximise impacts, especially for Sub-Saharan Africa, past experience shows there is a clear need to move from a supply-based approach to a demand-based one, building partnerships between scientists, poor smallholder farmers and other main stakeholders.¹⁵

This intervention strategy therefore aims to support ARD, as defined in the EC ARD strategy and in particular those research priorities that might be addressed at regional and global levels: 1) sustaining biodiversity for current and future generations; 2) producing more and better food at lower cost through genetic improvements; 3) reducing rural poverty through agricultural diversification and emerging opportunities for high-value commodities and products; 4) promoting poverty alleviation and sustainable management of water, land and forest resources; and 5) improving policies and facilitating institutional innovation to support sustainable reduction of poverty and hunger. The EC strategy builds on long-established cooperation with the CGIAR, but intends to open it up to new partners to improve outreach and the impact of research. The programme will have a specific focus on Africa, taking into consideration the recent EU Strategy for Africa, where agricultural research is explicitly mentioned. Coherence and synergy with the component on innovative approaches will be

¹⁴ As defined by the International Task Force on Global Public Goods: International public goods address issues that: i) are important to the international community, ii) cannot, or will not, be adequately addressed by individual countries acting alone, and therefore iii) are addressed collectively on a multilateral basis, by both developed and developing countries.

¹⁵ OECD 2006, Promoting Pro-Poor Growth through Agriculture – DAC Guidelines and Reference Series

ensured (4.2.5). Moreover, the FSTP will take advantage of two decades of international and scientific cooperation through successive Research and Technology Framework Programmes, in particular through their international component (INCO).

4.2.2. Linking information and decision-making to improve food security response strategies

The increasing number of food crises, particularly in Africa, shows that prevention and response mechanisms need to be improved in order to address the determinants and the dynamic nature of food insecurity, at both national and regional levels. In particular, the link between the analysis of short, medium and long-term needs and response mechanisms should be strengthened in order to avoid any repeated mobilisation of emergency assistance and food aid. Moreover, an effort should be made to harmonise donors' and governments' approaches, considering the number and diversity of aid measures in the field of food security information and early warning systems, at the different geographical levels.

The thematic strategy aims to address this problem by supporting governments, regional organisations, other development partners concerned and the international community more broadly, in an effort to strengthen the links between food security information/early warning systems and the development of effective response strategies.

The thematic strategy builds on long-term EC funding in this field, in partnership, among others, with the FAO as the leading international agency. Compared to earlier EC-funded programmes, where support was mainly provided to governments, the regional level will become pivotal in food crisis prevention. This is particularly relevant in Africa, where the EC intends to support information and early warning, which were identified by the AU and NEPAD as priorities for action in support of policy development. Working at regional level should make it possible, on the one hand, to accommodate the national level better (e.g. coordinated support for countries, exchange of experiences, economies of scale, etc.) and, on the other, to provide a platform to link up with the continental and global levels (e.g. coherence of methodologies and response strategies). It will also strengthen the food security monitoring capacities of regional organisations.

To improve linkages between the production of information and the development of effective response strategies, the thematic strategy will pay particular attention to building the capacity of public administrations and non-state actors. It will support, on request, countries that are committed to strengthening their analytical capacity and to developing/improving food security policies and strategies so as to reflect food security more in their PRSP priorities.

A multi-partner (UN agencies, NGOs, specialised institutions) and possibly multi-donor approach (in particular, by EU Member States) is essential. The FSTP provides a concrete opportunity for harmonising and aligning the efforts of development partners, in accordance with the principles of subsidiarity and comparative advantage.

4.2.3. Exploiting the potential of continental and regional approaches to improve food security

A) Africa

A new partnership on agricultural development with Africa identifies the key challenges for a sustainable contribution by African agriculture to food security, and outlines a response

strategy focusing on the regional and continental levels. The FSTP will support components of the Partnership with high potential impact on food security in Africa.

These components include:

(i) Disaster and Risk reduction: African producers are exposed to a range of risks relating to price instability, natural disasters, diseases, conflicts, and uncertainty of access to resources and markets. Their largely unprotected exposure leads to high levels of vulnerability, affects production decisions and reduces access to finance. The negative effects on vulnerable population groups, mainly in terms of food insecurity, can be managed more effectively through a series of measures, including market-based risk reduction instruments, ranging from the use of futures markets to (index) insurance products. In addition, in several countries strategic food/food security reserves are used as a means of mitigating structural and/or fluctuation effects. The FSTP will help to capitalise on the lessons learnt from the experience gained in establishing safety nets and in food security reserve management; it will also assist in improving and expanding, where appropriate, the use of such market-based risk management instruments to reduce vulnerabilities, mainly those associated with adverse weather conditions.

(ii) Agricultural policy development and harmonisation: there is a need to improve the position of agriculture and food security in the development policy agenda at national, regional and continental levels and to work towards harmonisation. Moreover, efforts to improve agricultural sector governance have to contend with strong challenges: clarification of roles, strengthening of institutions, responsiveness to market developments, etc. This response area will aid capacity-building at regional and continental level, and will help civil society organisations to integrate agricultural and food security concerns into national policies and strategies, and to foster improvements in governance.

(iii) Sustainable management of natural resources: In many parts of Africa, the natural resource base for food production is affected by processes of soil degradation, water scarcity and its unsustainable use, deforestation, overfishing, overgrazing, etc. Increasing population pressure, technologies applied in unsuitable situations, badly managed or inappropriate access regimes, droughts and general insecurity of access to resources all adversely affect the productivity of the natural resource base for agriculture, livestock, forestry and fisheries and thereby for food security. Within this area, the sustainable use of natural resources will be supported in various dimensions, with the focus on policy and governance, and on management and institutional arrangements for natural resource use.

B) Asia and Latin America

Chronic malnutrition remains a severe problem in a number of countries of Asia and Latin America, notably due to lack of access to land and other natural resources. Even when food resources are available, the generally high levels of poverty often mean that the poorest and most vulnerable segments of the population cannot afford them. Although situations show great differences across the continents, a number of countries will remain highly dependent on assistance for food security in the coming years.

Support for regional approaches in Asia and Latin America has not been sufficiently developed under previous assistance instruments. Consequently, regional approaches could be formulated with stakeholders under the new Thematic Programme in 2007-2008. Regional programmes will, as far as possible, add support to Asian and Latin American regional

organisations' strategies and plans. The EC will adapt its aid to the specific regional context, in correlation with the national contexts, and will encourage political and sector dialogue, including with the private sector, civil society and NGOs. This multi-dimensional aspect of food security is particularly well-developed in regions like the Andean Community and Central America, where regional integration is better developed and more dynamic.

4.2.4. Addressing food security in exceptional situations of transition, and in fragile and failed states

The transition from relief to rehabilitation and development is often a “grey area” where greater coordination of instruments is required. It is also rarely a linear process because of the high vulnerability of the extremely poor. Failure to address such vulnerability leads to the repeated mobilisation of emergency support when humanitarian conditions deteriorate.

The “EU Consensus on Development” underlines the need to pay greater attention to transition and complex crisis situations, difficult partnerships and fragile and failed states, where food insecurity is almost invariably a serious concern.

The objective of this component of the Programme is therefore to ensure that food security is addressed in those countries and areas where geographical instruments cannot fully operate for various reasons. Examples of such countries where the state is failed or fragile are Somalia, Zimbabwe and North Korea. The FSTP is designed to provide temporary support in the transition from crisis situations covered by the humanitarian instrument and long-term development assistance provided by the geographical instruments (DCI, EDF, ENPI) when the situation stabilises. While aid will be primarily national and sub-national, regional post-crisis aid might be required in exceptional situations where no other form of assistance is available.

This component is in line with the EC approach to LRRD and incorporates both lessons learnt in the 2004 FSBL evaluation and the 2003-2004 LRRD inter-service group, and experience in Sudan, Somalia, etc. It will support actions to implement specific LRRD country strategies, the purpose of which is to:

(i) protect, maintain and recover productive and social assets vital for food security, to allow economic reintegration and longer-term rehabilitation; (ii) address vulnerability to shocks and strengthen people's resilience through support for crisis prevention and management; (iii) improve food security, and nutrition in particular, of particularly disadvantaged and marginalised groups; and (iv) strengthen/consolidate local institutions and emerging central ones.

4.2.5. Promoting innovation to combat food insecurity

This component is designed to stimulate and capture innovative and locally owned, sustainable solutions to current and future food security challenges. It provides an opportunity not only for civil society and other non-state groups, but also for different public and private institutions to develop, test and disseminate best practices and innovations, which may eventually be scaled up or replicated in other areas.

An indicative list of themes for this component, as set out in Annex IV, covers a broad range of issues (e.g. nutrition, HIV-AIDS and food security; social safety nets; access to land; impact of climate change on food security, etc.). The programme will support innovative food security policies, strategies and approaches and their replication, and South-South

dissemination. Coherence and synergy with the component on agricultural research should be ensured.

Initiatives to motivate governments and partners could be financed by the FSTP in order to develop a programme approach to food security, in cases where the latter does not exist and geographical instruments are not in a position to provide support.

A number of chronically food-insecure Asian, Central Asian, Middle-Eastern, Latin American and European Neighbourhood countries will be supported through a special allocation to facilitate the transition towards long-term development assistance, which should be provided in the next CSPs/NIPs.

4.2.6. Fostering advocacy and advancement of the food security agenda; harmonisation and alignment with development partners and donors

The state of world food insecurity calls for more instruments and resources to continue and improve advocacy, awareness raising and education on food security. A dedicated budget is therefore allocated to sponsor initiatives of international relevance, aimed at keeping food security high on the international agenda.

There is also scope for intensifying the policy dialogue on food security with development partners (EU Member States in particular), civil society organisations and non-state actors (e.g. professional organisations). Strengthening networking and thematic platforms will be another objective of this component, which is consistent with the EC's commitment to implementing the Paris Declaration on Aid Effectiveness and other international commitments with donor partners (e.g. GDPRD,¹⁶ EIARD, etc.).

5. MULTIANNUAL INDICATIVE PROGRAMME (MIP) 2007-2010

This MIP will cover the first four years of implementation of the Food Security Thematic Programme. In line with Article 15 of the DCI, which reflects the content of COM(2006)21, and the Food Security Thematic Strategy Paper, it provides guidance for the formulation of Annual Action Programmes (AAPs), which will ensure that complementarity with geographical, humanitarian and other thematic instruments is maximised.

Activities undertaken under the MIP will be monitored on a regular basis and at different levels. The Results-Oriented Monitoring System, currently in use for geographical programmes, will also be applied to the FSTP. Furthermore, the MIP will be evaluated in 2009, to provide input for the preparation of the thematic strategy for 2011-2013.

The MIP also determines indicative financial allocations per component, which might vary among and within themselves by 20%. In accordance with the indicative financial reference amount laid down in the DCI, the average yearly amount in the period 2007-2010 is €230m (current prices). In line with art. 38 of the proposal for the Regulation establishing a financing instrument for development cooperation (DCI), €30.6m have been foreseen to finance activities that benefit ENPI countries during the period 2007-2010.

¹⁶

The Global Donor Platform for Rural Development (GDPRD) is an alliance of 26 donors, international organisations and financial institutions aimed at eradicating rural poverty and fostering rural growth.

A ring-fenced total allocation for ENPI countries of €30.6m for the same period (see Annex V).

5.1 Strategic Priorities

5.1.1. *Supporting the delivery of international public goods contributing to food security: research and technology*

The objective of the programme is to reduce food insecurity and promote agricultural development through the delivery of global/international public goods in the area of agricultural research. The programme will operate at two levels: 1) global and 2) continental/regional.

The expected results will contribute to: i) deliver pro-poor scientific, technological innovations and policies; ii) develop research programmes, capacity and institution building, thus responding to beneficiaries' needs; iii) enhance the active role of low-income smallholder farmers in research programmes; iv) exchange information, experience and knowledge, through scientific networks and (multi-)stakeholder platforms (e.g. GFAR¹⁷ and its continental and regional stakeholders), and v) generate complementarity and synergy with research programmes and activities financed through the 7th Framework Programme on research, technological development and dissemination.

Main indicators are: i) the availability of innovative pro-poor agricultural technologies, contributing to an integrated and sustainable use of land, water, soils and natural vegetation; ii) the availability of innovative pro-poor agricultural policies iii) the adoption of innovative pro-poor sustainable agricultural technologies and policies; iv) the degree of participation of farmers, local communities and other stakeholders in research programmes; and v) the quality and effectiveness of scientific networks and (multi-)stakeholder platforms on ARD.

The programme will be mainly implemented by greater strategic cooperation on ARD with the Consultative Group on International Agricultural Research (CGIAR).¹⁸ The EC support for CGIAR will focus on a limited number of the new strategic priorities adopted for the period 2005-2015¹⁹ and will take into account lessons learnt from previous and ongoing monitoring and evaluation exercises. The share of the allocation to existing and new programmes involving several centres and/or non-CGIAR stakeholders (System-Wide Programmes and Challenge Programmes) will be up to 50% of the total CGIAR allocation. The share of allocation benefiting Africa will be increased to 40-45%.

The programme may also be implemented through advanced research institutes, international agricultural research centres, organisations/initiatives which provide global scientific advice or perform scientific evaluations, and regional and sub-regional research institutions.

¹⁷ The Global Forum on Agricultural Research for Development (GFAR) is the only global stakeholder-led initiative providing a neutral forum for the discussion of strategic issues in agricultural research for development (ARD). The seven GFAR stakeholders are: National Agricultural Research Systems (NARS), international agricultural research centres, advanced research institutes, farmers' organisations, NGOs, private sector, and donors and development agencies. The GFAR Secretariat is hosted by FAO, and the GFAR Donor Support Group is chaired by IFAD.

¹⁸ The CGIAR is the only multi-donor and multi-centre agricultural research global system which has an unrivalled comparative advantage in providing Global/International Public Goods in many research topics which are relevant for food security and poverty reduction.

¹⁹ Prioritising process is ongoing

Support for continental, regional and sub-regional programmes and institutions which coordinate and support national agricultural research systems could include the drafting and implementation of action plans, as required by the Framework for African Agricultural Productivity (FAAP), to address the challenges of the African Union's New Partnerships for African Development (AU-NEPAD)/Comprehensive Africa Agricultural Development Programme (CAADP).

The programme could also support relevant actions to implement the forthcoming (2007) Communication on "Building an integrated Strategy for International Cooperation in S&T" and Africa's Science and Technology Consolidated Plan of Action.

Total Budget 2007-2010: €233,1m (Global level, including CGIAR, €158,1m; continental/regional levels €75m)

5.1.2 *Linking information and decision-making to improve food security response strategies*

This global programme aims to strengthen the weak link between the production of food security information and appropriate response strategies, which is highlighted by recurrent food crises, particularly in Africa. It builds on earlier programmes and lessons learnt, developing a new regional focus, particularly in Africa, and putting more emphasis on analysis and response strategy development.

The objective of the programme is to strengthen national and regional stakeholders' (public and non-state actors') capacities in the areas of food security analysis, policy/strategy design, monitoring and evaluation, in order to prevent food crises more effectively and reduce chronic food insecurity.

Expected results are: (i) tools for food security analysis are designed/improved/harmonised and disseminated (e.g. the Integrated Humanitarian and Food Security Classification Phase) where required; (ii) improved continental (AU), regional and national capacities result in more effective, harmonised food security policies/strategies; and (iii) collaboration with donors and international agencies is improved and aligned more on national, regional and continental policy priorities. Main indicators are: (i) number of users of analysis and strategy development tools; (ii) number and quality of national and regional demand-driven policies developed/reviewed; (iii) number of "non-food aid" responses to food security problems; (iv) degree of attention devoted to food security at national, regional and continental levels, resulting in better prevention of food crises and improvement of food security indicators; (v) degree of consistency in methodologies and responses at national, regional and continental levels; and (vi) number of joint programmes and partnerships.

The programme will operate: a) at horizontal, global level: developing, testing and disseminating tools and methodologies, undertaking and disseminating global and thematic analyses and lessons learnt, using satellite imagery and other technologies, policy-maker networking, etc.; and b) at continental/regional level: the programme will cooperate with and support continental (e.g. AU) and regional institutions in Africa (in Western, Eastern and Southern Africa), Asia and Latin America; national administrations will receive technical assistance and support through the regional level to improve national information systems, analysis and policy/strategy development capacities.

The programme's complexity requires the establishment of multi-stakeholder collaboration and partnerships with UN (FAO and WFP in particular) agencies, international expert

institutions and NGOs, based on specific thematic and geographical competencies. The EC Joint Research Centre (JRC) and the ACP-EU Technical Centre for Agricultural and Rural Cooperation (CTA) might contribute to the programme, according to their mandates.

Multi-donor collaboration, involving in particular EU Member States in the spirit of the "EU Consensus on Development", will be encouraged. This is expected to substantially enhance harmonisation, particularly in the field of information and early warning systems.

Total Budget 2007-2010: €65m

5.1.3 *Exploiting the potential of the continental and regional approach to improve food security*

Considering the comparative advantage and value added of the regional/continental organisations, three programmes will be launched under the 2007-2010 MIP, in Africa, Asia and Latin America, with the focus on continental/regional areas of intervention.

A) Africa

The FSTP will support the following three sub-components of a new partnership framework with Africa on agricultural development: (i) disaster and risk reduction; (ii) policy development and harmonisation; and (iii) sustainable management of natural resources.

Disaster and Risk Reduction

The objective is to improve the management of price and production risk related to external shocks through: (i) scaling up, where feasible, the use of market-based instruments to reduce risks related to food price and producer income; and (ii) capitalising on lessons learnt from risk reduction instruments and systems (including safety net programmes, food security reserves, market-based instruments).

As a result, the targeted institutions will have greater capacity to select, use and manage the risk reduction instruments appropriately. Indicators include: (i) the number of food-security-related market-based deals that are concluded, (ii) their coverage in terms of food-insecure populations, and (iii) the production and dissemination of risk management guidelines.

Areas of intervention could include: (i) providing capacity building to public and private stakeholders, (ii) conducting research & development on novel instruments; (iii) supporting information dissemination, awareness raising and exchanges of best practices; and (iv) aiding the implementation of pilot initiatives.

Potential implementing partners are international organisations (such as the World Bank, FAO and WFP) with expertise in the management of these instruments, plus continental (AUC, NEPAD) and regional organisations that can play a role in the coordination, harmonisation, advocacy and exchange of lessons learned.

Policy development and harmonisation

The objective is to support food security and agricultural development to make them key parts of the development agenda at national, regional and continental levels.

Results will be 1) greater capacity of the relevant institutions to engage in policy development and 2) policy agendas that reflect the pivotal role of agriculture and food security in poverty reduction. Indicators include: (i) the number of PRSPs or comparable documents that place agriculture and food security at the heart of poverty reduction; and (ii) the increase in food security and agriculture-focused activities of centres of excellence and regional organisations.

Areas of intervention could include: (i) capacity building and institutional strengthening of the relevant organisations in policy and strategy development (national, regional levels), (ii) capacity building in the coordination and harmonisation/alignment of national policies and strategies, (iii) capacity and institutional development of the AUC's political and facilitation role, and (iv) capacity and institution building of civil society organisations in policy dialogue (such as regional labour unions and farmers' organisations).

Implementing partners will be the AUC, NEPAD and RECs and other relevant organisations with expertise in this field

Sustainable management of natural resources

The objective is to improve policy and governance on natural resource management, combining environmental sustainability with profitable utilisation and poverty reduction.

Results will be: (i) strengthened capacity among regional and continental organisations to engage in policy development and implementation programmes; and (ii) improved coordination/harmonisation of management regimes and/or the establishment of cross-border management regimes. Indicators will include: (i) the number of cross-border natural resource management initiatives taken; and (ii) the number of capacity building activities in natural resource management undertaken by stronger institutions.

Areas of intervention could include: (i) capacity building in policy coordination and harmonisation (including on cross-border resources), (ii) strengthening cross-border resource management bodies; (iii) learning lessons and dissemination of good practice on sustainable resource use; and (iv) peer review of management regimes and their effectiveness in improving natural resource management.

Implementing partners will be the AUC, RECs and other relevant organisations of civil society with expertise in this field.

B) Regional cooperation in Asia and Latin America

The identification of regional programmes of specific relevance to food security will be addressed in conjunction with stakeholders in 2007 and 2008 and subsequently phased in.

Asia - The programmes to be funded under this component in Asia will target vulnerable groups such as children, women, the disabled and indigenous people in rural and urban areas and will focus, via common themes, on chronic malnutrition problems that are trans-boundary. Themes to be addressed could support food security in specific fields such as agriculture, including formulation of regional agricultural policies and access to land, nutrition, food security safety nets and a common "Laos and Cambodia" strategy on food security. Indicators would include: i) improved nutritional status of the target populations; ii) improvement of surveillance/disaster preparedness systems; and iii) a lower number of malnourished people.

Latin America - The objective of this component is to improve the food security and nutritional conditions of the most vulnerable rural populations (women, children and indigenous people) in the region, through common themes, and to promote regional integration by developing regional food security and harmonising national and local policies. Themes to be addressed include agriculture (also livestock), including regional agricultural policies and access to land, disaster management/preparedness and food security safety nets. Indicators would include: i) improved nutritional status of the target populations, and ii) better surveillance/disaster preparedness systems.

Total Budget 2007-2010: €135m (Africa €100m, Asia €20m, Latin America €15m)

5.1.4. Addressing food insecurity in exceptional situations of transition and in fragile and failed states

The programme addresses food insecurity at national and sub-national level, where EC geographical instruments are not in a position to intervene or operate fully. This component of the programme is particularly geared to the most marginalised and discriminated groups, which are very often the ultra-poor and, hence, food-insecure.

The objective of this component is to achieve timely and sustainable reduction in the food insecurity of vulnerable groups in situations of transition and state failure/fragility, thus enabling them to recover from a crisis situation and to take advantage of development opportunities.

Main expected results are: (i) participatory strategic framework to link relief to rehabilitation and development is in place; (ii) productive and social assets, in particular natural resources, vital for food security are protected and recovered; and (iii) vulnerability to shocks is reduced and people's resilience is strengthened at national and local levels. Main indicators are: (i) livelihood assets, such as capital, labour, etc., recovered; (ii) coping strategies consolidated; (iii) resource management improved and (iv) nutritional status improved.

Coordination and harmonisation with the Humanitarian and Geographical Instruments (DCI, ENPI, EDF), together with other donor assistance, will have to be ensured on the basis of strategies which identify assistance priorities for each country, in consultation with local stakeholders. Such strategies will include the phasing-in/phasing-out of assistance based on reliable information and sound analysis obtained by using, wherever possible, the Integrated Food Security and Humanitarian Phase Classification.

In the event of a food crisis involving several countries in a region, a regional response might be required in order to complement national rehabilitation and recovery actions. In such an event, resources may not be available in the Regional Indicative Programme and the FSTP could, if requested, bridge the gap between the emergency and the development response.

Potential implementing partners are principally local and international NGOs and UN agencies. Cooperating at the earliest possible stage with authorities, at all levels, and communities will be of paramount importance to identifying the most appropriate types of assistance.

Only in exceptional circumstances, and in the absence of functional markets and alternative options, may implementing partners use cash allocations to deliver food assistance.

Total Budget 2007-2010: €267.480m (DCI €243m; amount for ENPI countries €24.480m)

5.1.5. *Promoting innovation to combat food insecurity*

Innovative approaches to food insecurity

New challenges require innovative approaches to be stimulated in all areas of food security. Relevant areas, such as nutrition, HIV-AIDS and food security, pro-poor agricultural development and income generation, access to resources (e.g. land, water, capital, etc.), gender and ethnic discrimination, social protection, etc., are listed in Annex IV. However, this list is not exhaustive, and may be reviewed as needs and situations require. The choice of themes will be made according to the priorities of different regions and stakeholders, and defined in the AAPs.

The objective of this component is to address old and new food security challenges through innovative and locally owned, sustainable solutions, which could be scaled up and mainstreamed.

Main results are: (i) innovative sustainable solutions to food insecurity problems, especially as proposed by the food-insecure themselves, are “captured”, encouraged and tested, and South-South replication and dissemination is facilitated; and (ii) preparatory and pilot projects lead to the adoption of a national food security strategy/plan and programme approach. Main indicators are: (i) the number and quality of pilot initiatives proposed; (ii) the number of new approaches and practices adopted/ scaled up/mainstreamed; and (iii) the number of new food security strategies and sector programmes building on pilot and preparatory initiatives.

The programme will support, where possible: (i) initiatives in selected countries proposed by civil society organisations and public institutions; and (ii) specific targeted projects at global and continental/regional level. In particular, options will be explored for contracting an institution with internationally recognised expertise in the field of innovation to provide technical/scientific advice and facilitation services, particularly for South-South exchange and dissemination of experiences and lessons learnt.

Special allocation to chronically food-insecure Asian, Central Asian, Latin American, Middle-Eastern and European Neighbourhood countries (transitional programmes)

A number of chronically food-insecure Asian and Latin American countries (Bangladesh, Cambodia, Laos, Kyrgyzstan, Tajikistan, Yemen, Nicaragua, Bolivia and Honduras) still need further financing at country level for food security programmes aimed at very poor populations. These countries have benefited in the past from significant allocations under multi-annual country programmes from the food security budget line. The poverty and food insecurity conditions prevailing in these countries when the EC food security programme decisions were taken in 2005/6 still persist today. Phasing-out is therefore essential to prevent a major disruption of assistance aimed at addressing food insecurity in those countries.

This component covers the funding of multiannual country programmes, to support strategies and programmes to address the root causes of food insecurity. This also includes support for agricultural reforms and social protection policies and for formulating and testing novel food security approaches. Indicators could include: i) the number of programmes and policies, including innovative approaches; ii) implementation of reforms, social protection schemes and programmes; and iii) reduction in the number of food-insecure people and improved nutritional status.

Twenty (20) per cent (6.1€m) of the total contribution from the ENPI for 2007 will be used in 2007 as a final allocation for multiannual country programmes to help phase-out the planned EC food security assistance for 2005-2007 in the following two countries: Georgia and Armenia..

Total Budget 2007-2010: €159.1m (innovations + global €63m; special final allocation ALA €90m; special allocation for ENPI countries €6.1m)

5.1.6. Fostering advocacy and advancement of the global food security agenda; harmonisation and alignment with development partners and donors

This component of the Programme is designed to support the international food security agenda.

The objective of this component is to enhance the international commitment to food security, while fostering donor harmonisation and alignment of partners' roles.

Main results are: (i) actions under this component make advocacy, awareness raising and education on food security more effective; (ii) donor coordination is improved (EU in particular, e.g. EIARD²⁰ in the research area) and harmonisation and alignment are promoted (e.g. GDPRD, etc.); and (iii) participation of civil society in international policy dialogue and its role more generally is increased. Main indicators could be: (i) key international events/organised or supported; (ii) policy communication material produced and disseminated; (iii) joint initiatives developed with other donors; and (iv) civil society and non-state actors' contribution to the local, national and international policy dialogue.

This component may finance events, initiatives and actions fostering international, South-South and South-North policy dialogue, cooperation/coordination, advocacy, capacity development and sharing of experiences, harmonisation and alignment in the field of food security. These might be implemented through donor coordination instruments, such as the Global Donor Platform for Rural Development,²¹ civil society and non-state actors, international institutions and organisations.

Total Budget 2007-2010: €8m

5.2. Administrative and support expenses

An overall amount of up to €38,372m for the four-year period, in line with the multi-annual financial programming for 2007-2013, is earmarked to support the drafting, implementation, monitoring, evaluation and auditing of the thematic programme. Funds will be made available to recruit experts at Headquarters and in the Delegations. EC Delegations with a key regional role in food security will be bolstered by the recruitment of experts to support programme implementation at regional level and to ensure coordination with national programmes.

²⁰ The purpose of the European Initiative on Agricultural Research for Development (EIARD) is to support Developing Countries in their efforts to enhance the appropriateness and effectiveness of ARD by improving coordination within Europe and between Europe and the South. EIARD was set up in 1997. Its members are the Member States of the European Union, plus Norway, Switzerland and the European Commission, COM(97)126.

²¹ The GDPRD is the only global alliance of donors specifically active in Rural Development. It accounts for over 80% of total ODA in RD. The EC is a member and sits on its steering committee.

Management and support expenditure will be charged on line no. 21 01 04 01. This amount may be used to cover supplementary staff over the whole period, estimated in total at 775 FTE (full-time staff equivalent) for the seven relevant instruments for external assistance - European Neighbourhood and Partnership Instrument (ENPI), Instrument for Stability (IfS), European Instrument for Democracy and Human Rights (EIDHR), Instrument for Nuclear Safety Cooperation (INSC), Industrialised Countries Instrument (ICI), Development Cooperation Instrument (DCI) Instrument for Pre-Accession Assistance (IPA) - , on top of existing staff in place as of 01/04/2006. The estimates of needs in human and administrative resources should be covered within the budget allocated to the managing DG within the framework of the annual allocation procedure"

Total Budget 2007-2010: €38,372m

5.3 Reserve

A reserve is created in order to ensure the financial flexibility of the programme. It could be used in particular for the component "Addressing food insecurity in situations of transition and fragile/failed states", both at country and also at regional level.

Total Budget 2007-2010: €18,994m

ANNEXES

ANNEX I **State of food security in the world: hunger hotspots**

Hunger hotspots of particular concern are mainly in Sub-Saharan Africa, which accounts for 16 of the 18 countries throughout the world with a percentage of undernourished²² population above 35 and a higher rate of chronic malnutrition.²³ According to the FAO report on the state of food and agriculture 2006, "the very limited reduction in the prevalence of undernourishment has been more than offset by population growth, resulting in a large increase in the absolute number of undernourished people".

Vulnerability is still very high in Sub-Saharan Africa, where recurrent food crises are the result of a combination of factors, including conflicts, poor governance, adverse climatic conditions and the HIV-AIDS pandemic. These build on a chronic situation of poverty, which is still overwhelmingly rural, despite the growing phenomenon of urban poverty.

Central Africa is the region where food insecurity has most seriously deteriorated over the last decade (undernourishment rate up from 36 to 55%), in particular due to conflict and political instability (e.g. DRC). In Eastern and Southern African, the number of food-insecure remains extremely high, despite an improvement in the percentage of undernourishment (from 46 and 48% respectively down to 40%). In Western Africa, chronic poverty and malnutrition resulting in high vulnerability are prevalent in the Sahel.

Chronic food insecurity in Asia and Latin America appears to be more closely linked to widespread inequality and economic crises. Access to natural resources, land, for example, or capital, is a main concern. In those areas availability of food is generally not as much of a major problem as the ability of the poorest and most vulnerable to buy it at affordable prices.

South Asia shows the highest food insecurity rates on the continent. Chronic poverty is the root cause of hunger in Bangladesh, where one third of the population is undernourished and over 50% of children are underweight.

In Latin and Central America and the Caribbean, food insecurity affects particular countries, e.g. Bolivia (21% undernourished), Nicaragua (27%) and Haiti (47%).

22 **Undernourishment:** describes the status of people whose food intake does not include enough calories (energy) to meet minimum physiological needs (less than an average of 2200 kg/calories food intake)

23 **Malnutrition:** defined as a state in which the physical function of an individual is impaired to the point where he or she can no longer maintain natural bodily capacities such as growth, pregnancy, lactation, learning abilities, physical work and resisting and recovering from disease. Malnutrition is measured not by how much food is eaten but by physical measurements of the body - weight or height - and age.

ANNEX II
Agricultural Research for Development
European Commission Strategy

Introduction

This document is the executive summary of the EC Strategy on Agricultural Research for Development (ARD) drawn up in 2004 by the Commission with the support of European Initiative on Agricultural Research for Development (EIARD) Member States.

Background and Context

This document presents a revised strategy for European Commission support for ARD, noting and incorporating the changes witnessed since the last EC ARD strategy document produced in 2000. The importance of ARD is highlighted within the context of poverty reduction, which is the central objective of EU development policy. This document aims to provide simple, practical and operational guidelines to assist decision-making concerning EC support for ARD in partnership with developing countries and reflects a consensus of, and was written with the support of, the EIARD Member States and Directorates-General AIDCO and RTD.

Key Political, Scientific and Institutional Developments

At political level, commitment to the poorest regions – sub-Saharan Africa and South Asia – has been confirmed. The entry into force of the Cotonou Agreement in 2000 lays the foundation for cooperation between the EU and ACP states, and CSPs/RSPs have been introduced as the vehicle for EC cooperation with developing countries.

At scientific level, significant advances in the field of biotechnology hold great promise for meeting some of the needs of the developing world. The EU set out its policy on biotechnologies in COM(2002)27 - Life Sciences and biotechnology - A Strategy for Europe.

At institutional level, restructuring of the EC's external relations sector led to the creation of AIDCO and devolution of responsibility for much of the project cycle to the in-country delegations. Internal and external coherence among ARD institutions has improved. The Consultative Group on International Agricultural Research (CGIAR) has undergone an extensive process of restructuring and the Global Forum on Agricultural Research (GFAR), along with various regional and sub-regional forums, has also developed and evolved.

Strategy

At European level, the EU Member States, the Commission, Norway and Switzerland coordinate their research activities through the EIARD. Key strategic pointers, particularly the EIARD Guidelines and the EC's specific guiding principles for ARD, focus EC support for ARD on i) research coordination/facilitation functions at national, regional and global levels and ii) research implementation functions at regional and global levels.

This translates into:

- support for setting up/upgrading genuine National Agricultural Research Systems (NARS) at **national** level;
- support for research activities of regional interest and coordination of this research at **regional** level;
- support for coordination and/or implementation of research into international public goods at **global** level.

These strategic choices apply to all EC financial tools that can support ARD:

- geographical budget lines: Asia, Latin America, Neighbourhood countries, including the Mediterranean, etc.;
- thematic budget lines: environment, food security, NGOs, etc.;
- European Development Fund, national, regional and intra-ACP funds; and
- Future support made available by DG Research through the international cooperation within the Research Framework Programme.

Annexe III

ANNEX III

FOOD AID AND FOOD SECURITY INSTRUMENTS IMPLEMENTED IN CHRONIC FOOD INSECURE AND POST-CRISIS COUNTRIES *EC FOOD SECURITY BUDGET LINE*

Amount (Mo €)	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
FOOD AID (food, seeds, tools & transports)	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Contribution Agreement to WFP (only Food Aid)	111,446	110,99	141,47	104	90	98	132	120	110,69	110	105
Grant to NGOs (including Euronaid)	100,337	66,03	50,15	55	48,05	76	60,5	50	24	32	16
Financing Agreement to Others organisations (ICRC,UNRWA, Governments)	117,917	145,54	83,2	13	13,8	15	23	23	21	22	23
Total Food Aid	329,7	322,56	274,82	172	151,85	189	215,5	193	155,69	164	144
FOOD SECURITY											
Financing Agreements to Governments - Food Security											
Direct Aid Programmes	224,287	179,76	240,04	289,5	244,35	203,06	256,94	184	168,5	158,2	194
Grants to NGOs - Food Security Indirect Aid programmes	6,173	21,18	63,44	30	60	60	20	25	48,2	37	52,8
Financing Agreement to International Institutions (FAO, CGIAR)	0	0	0	12,5	1,8	1,94	17,56	22,2	29,7	33	23
Total Food Security	230,46	200,94	303,48	332	306,15	265	294,5	231,2	246,4	228,2	269,8
Total FSBL (including administrative expenses)	560,16	523,5	578,3	504	458	454	510	424,2	402,09	392,2	413,8

Annexe IV
THEMES FOR RESEARCH AND INNOVATION COMPONENTS

- Pro-poor growth-orientated agriculture, fisheries/aquaculture and forestry with the emphasis on low-cost, locally owned, sustainable solutions
- Alternative production methods (e.g. organic agriculture) providing new market opportunities
- Food security and rural/local development (decentralisation, rural-urban linkages, local development and area-based management are priority areas in the new EU policy statement)
- Sustainable management of and access to natural resources (land, water and energy), impact of the degradation of natural resources and of climate change on household and national food security
- Urban and peri-urban food security, landless food-insecure and income diversification through non-agricultural activities and agricultural non-food activities
- Nutrition and the neglected issue of “hidden hunger” (micronutrient deficiencies have an enormous impact on the lives of mothers and children in particular)
- Demographic, labour issues and migration
- Relations between key social issues and food security (social protection and safety nets, HIV-AIDS pandemic, sanitation, the role of education in fostering food security, etc.)
- Gender equity, minorities and ethnic groups usually targeted as extreme poor and food-vulnerable
- Prevention and preparedness strategies to avert food crises or mitigate its effects
- Innovative approaches in Linking Relief, Rehabilitation and Development, in particular in complex and protracted crises.

Annexe V

Food Security Thematic Programme 2007-2010 Budget (million €)

Components	2007	2008	2009	2010	TOT
Research & Technology					
Global level including CGIAR					158,100
Regional institutions					75,000
Global Programmes					
FS Information for Action					65,000
Continental/Regional Pr.					
Africa					100,000
Asia - Latin America					35,000
Advocacy & Policy support					8,000
LRRD					
DCI					243,000
ENPI					24,480
Regional (see reserve)					
Innovative programmes					
Innovation					60,000
Asia-Latin America					90,000
ENPI					6,172
Global					3,000
Reserve					18,994
TOTAL					886,746
Support expenses (BA)					38,372
GRAND TOTAL	206,999	226,229	242,898	248,882	925,008