

# The Food Facility

## A rapid response from the European Union

EuropeAid



EUROPEAN  
COMMISSION

European Commission  
EuropeAid Co-operation Office  
Tel.: (+32) 02 299 11 11  
B-1049 Brussels – BELGIUM

***Europe Direct is a service to help you find answers  
to your questions about the European Union.***

**Freephone number (\*):  
00 800 6 7 8 9 10 11**

(\*) Certain mobile telephone operators do not allow access to 00 800 numbers or these calls may be billed.

**More information on the internet**

**[http://ec.europa.eu/europeaid/how/finance/food-facility\\_en.htm](http://ec.europa.eu/europeaid/how/finance/food-facility_en.htm)**

<http://europa.eu/>

[http://ec.europa.eu/europeaid/index\\_en.htm](http://ec.europa.eu/europeaid/index_en.htm)

<http://ec.europa.eu/europeaid/auction-floor>

The European Union's Food Facility booklet is available in EN, ES and FR.

Cataloguing data can be found at the end of this publication.

Conception/pre-press: Tipik Communication Agency

**Photographic credits:**

p.5, p.11, p.13: © FAO/Desmond Kwande

p.6, p.7, p.16-17: © FAO/Asim Hafeez

p. 7, p.18: © FAO/GianLuigi Guercia

p.8, p.10: © FAO/Sailendra Kharel

p.12: © WFP/Juan Carlos Durán

Luxembourg: Publications Office of the European Union, 2010

© European Union, 2010

Reproduction is authorised provided the source is acknowledged.

The information provided in this publication is valid at the time of publication.

Printed in Belgium, June 2010

PRINTED ON RECYCLED PAPER

# The Food Facility

## The EU rapid response to the food crisis

**T**he recent and overlapping global crises have had dramatic consequences in most developing countries. In the face of these challenges, the European Union, with the rapid launch of a €1 billion Food Facility, proved to be a major player and a driving force in tackling the food price rises of 2007-2008. By raising the productivity and incomes of smallholder farmers, fast and tangible results have already been delivered across the fifty worst affected developing countries. But the food crisis is not over in many poor countries where local food prices have not come down and remain volatile. It is our duty to keep the momentum and expand the quick and lasting impact of the Food Facility. It remains also of utmost importance to increase and accelerate our collective efforts to assist developing countries to fight hunger in the longer term. Food security, agriculture and rural development are at the heart of the European Union's assistance to developing countries. The commitments made in 2009, at the L'Aquila and Pittsburgh Summits, amount to 22 billion USD with the European Commission alone contributing 3.8 billion USD. Building on the Food Facility's experience represents a great opportunity to boost investments in agricultural development and to progress in achieving the elimination of poverty and hunger. This is a promise we cannot fail to keep.



**Andris Piebalgs**  
European Commissioner  
for Development

**T**he increase of food prices in 2007 and 2008 pushed the most vulnerable people in developing countries deeper into poverty. While the food crisis was a wake-up call to the international community to get agriculture back on the global agenda, for the poorest populations who spend up to 80% of their household budgets on food, life has become even more precarious. Adopted in December 2008 to offset the dramatic consequences of high food prices in Africa, Asia, Latin America and the Middle East, the EU's €1 billion Food Facility is impacting positively on the lives of more than 50 million vulnerable people. It is fostering local food production and productivity gains, strengthening farmer-based organisations, developing rural infrastructures and services, facilitating linkages to markets and improving smallholders' livelihoods. A striking illustration of the EU's commitment to scale up its support, the Food Facility has become its highest-profile ongoing development assistance programme. Its implementation in record time was possible as a result of exemplary levels of cooperation and coordination involving a wide spectrum of other players, including UN agencies, grassroots organisations, EU Member States and partner countries. I believe the lessons learned from this unprecedented initiative will contribute to deliver more effective and appropriate responses to food security. A decisive challenge in a world where over one billion people are suffering from hunger.

**Koos Richelle**  
Director General EuropeAid



# A rapid response

The volatility of food prices in 2007-2008 accompanied by the energy and financial crisis put millions of people in the world's poorest countries at extreme risk from hunger and malnutrition.

To provide a coordinated response to the global food crisis, the United Nations Secretary-General established a High-Level Task Force which developed a Comprehensive Framework for Action in July 2008. This included a joint strategy and action plan to ease the immediate plight of the world's poorest populations and to build up their resilience to similar price shocks in the future.

The European Union responded rapidly by adapting and mobilising its resources for providing emergency humanitarian assistance and longer-term development aid.

Today, **1.02 billion people** – or about one sixth of humanity – **suffer from malnutrition.**

Most of the poor and hungry people in the world live in **rural areas**, where agriculture constitutes the main economic activity.

**Small-scale farming** is dominant: about 85% of farmers in developing countries work on **less than two hectares of land.**

*Activities funded by the Food Facility are impacting positively on the lives of more than 50 million of the most vulnerable people in Africa, Asia, Latin America and the Middle-East.*

Yet the nature and the scale of the crisis required action going beyond the normal scope of existing instruments.

## **Bridging the gap**

The EU's €1 billion Food Facility is a swift and specific response to help in the short and medium-term millions of people in the worst-affected countries.

The programme bridges the gap between providing emergency relief and long-term development support. Its objectives are to mobilise farmers and smallholders in target countries to increase agricultural productivity, and secure access to food for the most vulnerable.

The European Commission cooperated with international organisations like the UN and other donors more closely than ever before to launch the first projects in record time.



*Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.*

# The fast track



9 July 2008

Leaders of G8 summit in Japan call for action to counter the impact of food price surge and to **increase global food security**. The European Commission proposes a **€1 billion Food Facility** to support agriculture in developing countries.

1 January 2009



The Regulation comes into force.

16 December 2008

The EU adopts a Regulation establishing a **Food Facility** to provide a **rapid response to soaring food prices in developing countries**.

29 April 2009

A second set of projects is adopted for a total of **€393.8 million**, including a **€200 million** call for proposals open in particular to non-state actors, the private sector and aid agencies of EU Member States.

30 March 2009

A first set of projects is adopted for a total value of **€313.9 million**. It covers 23 developing countries in all the regions of the world, 14 of them in Africa.



**9 December 2009**

A third set of projects is adopted for a total value of **€129.7 million**, including budget support measures, a regional project in Africa, and additional funds for contracts under the call for proposals.

**22 April 2010**

A last set of projects was adopted for a total value of **€145.3 million**, including regional projects and budget support.

**31 December 2009**

Joint efforts were translated rapidly, efficiently and transparently into action. By the end of 2009, **€456 million** – nearly half the Food Facility budget – had already been **paid out**.

**31 December 2011**

Completion of all contracts.



A woman with dark hair, wearing a pink and purple striped sari, is looking towards a basket of fresh green vegetables. She has a concerned or thoughtful expression. The basket is filled with large green leaves, possibly spinach or chard. The background is a plain, reddish-brown wall.

*Faced with a new situation,  
the EU had to innovate  
to respond in  
a meaningful way*

# An unprecedented initiative

The European Union, even in times of severe economic difficulties, remained strongly committed to poverty reduction in developing countries and by the end of 2008 reacted to the unfolding crisis with an effective and wide-ranging response.

The Food Facility was set up in just five months to address the effects of soaring food prices on those developing countries worst affected. Never before had a programme of this size been prepared and launched in such a short time.

## Three years to show results

The Food Facility complements the European Union's current development policy instruments. It runs until 31 December 2010 with operations ending 12 months later. While this initiative raised high expectations, the very tight timeframe has made its implementation particularly challenging for the European Commission and its implementing partners.

The urgency of the food price crisis and the need to activate delivery channels as quickly as possible led the Commission to innovate by developing new types of partnerships and expanding existing ones.

Programming, identification and implementation phases were managed in a record time thanks to a strong collaboration between the Commission and the

UN agencies that have existing frameworks for policy dialogue and assistance projects already in place that could be easily supported and scaled up.

Through its decisions based on country needs and assessments, the Food Facility secured the commitment of target countries to the principle of project ownership which is an essential element for its success.

## Zimbabwe

### SUPPLYING INPUTS FOR FARMERS

The European Union and the UN's Food and Agriculture Organisation have joined efforts to supply 176 000 small-scale farmers with 26 000 tonnes of seeds and fertilisers – representing between 10% and 15% of communal farmers in the country.

With good seasonal rain, timely implementation and effective coordination, this project could almost double traditional food production in the regions concerned.

**Budget €15 million**



Woman farmer working in the field. Durlung, Nepal

### Three types of activities targeted

Projects financed under the Food Facility reflect the specific nature of the initiative which required speedy project identification and launch, plus a short time-span for implementation. It focused on three types of eligible activities.

In concrete terms, they involved:

- providing local farmers with better access to agricultural inputs and services including fertilisers, seeds and training;
- safety-net schemes to maintain or increase agricultural production capacity, and to address the basic food needs of the most vulnerable people, including children;
- other small-scale measures such as microcredit, investment, equipment, infrastructure and storage as well as vocational training and support for agricultural professionals.

The Food Facility has been particularly effective due, in no small part, to the way it has involved a range of UN agencies and other actors, and the manner in which it has been coordinated and put into practice, building on national needs and plans.

## Nepal

### POST-CONFLICT SUPPORT

To mitigate the effects of volatile food prices and to prevent seasonal hunger among the poorest agricultural households, 250 000 beneficiaries have timely access to adequate food through a food and cash for assets scheme.

Activities include the construction and repair of essential infrastructure and community assets like roads, trails, bridges, culverts, small irrigation, and post-harvest storage facilities.

**Budget €9 million**

# Choosing the right delivery channel



Food Facility implementing partners include UN agencies such as the FAO, WFP, IFAD, UNRWA, UNDP, UNICEF, UNOPS, UNFPA, and the World Bank. Projects are also implemented by regional bodies, non-governmental organisations, private sector actors, Member States' aid agencies, and national governments.

The Food Facility opted for four delivery channels, each involving different sets of partners according to their comparative advantages.

## International organisations

Like the EU, the UN and other international organisations were already running development projects and programmes in countries around the world, including many of those worst-hit by the food price crisis. These organisations, headed by the UN and its agencies, are managing the biggest share of Food Facility projects. Projects with international organisations were based on proposals

## Guatemala

### SHIELDING CHILDREN, PREGNANT WOMEN AND NURSING MOTHERS

In Guatemala, the Food Facility is funding a WFP/FAO project to protect children, pregnant women and nursing mothers from the impact of high food prices by improving market deliveries and subsistence production.

Food-for-work, food-for-training and food-for-asset activities are improving the living conditions of 210 000 vulnerable beneficiaries and the productive system of 8 000 subsistence farmers in target rural areas.

**Budget €10.8 million**



A young girl collecting a WFP programme lunch. Moro Moro, Bolivia.

## Laos

### MORE AND BETTER QUALITY RICE

The Food Facility helps 20 000 rice farming households to increase rapidly the quantity and stability of supplies of good quality milled rice. In order to assist smallholders to produce high-quality paddy rice, the activities are based on a value-chain approach to leverage the capabilities of private-sector rice millers. The project also improves the external environment for growth of the rice sector through capacity development and policy dialogue.

**Budget €2 million**

### CALL FOR PROPOSALS

The call was launched on 26 May, 2009.

**800** concept notes for individual proposals were received.

**275** pre-selected proposals were developed into full applications by 22 September 2009.

Of these, **133** were awarded a financing grant.

**Budget €218 million**

from the latter and subject to a range of checks and reviews. The EU delegations in target countries played a decisive role in project evaluation and control.

#### Call for proposals

The European Commission organised a call for proposals open to NGOs, private sector actors and aid agencies from Member States.

The call – which selected projects to be carried out in 35 developing countries – attracted a high number of participants.

Unfortunately, due to budget limitations, many high-quality proposals could not get financial support. To give them a new chance and facilitate matches between investors and project developers, the European Commission launched the “Auction Floor” initiative.



Woman farmer leaving a distribution centre with seeds and fertiliser. Zimbabwe.

### Budget support

Where feasible within the timeframe and cooperation context, this mode of implementation has been chosen and budget support was directly channelled to the beneficiary governments. The Food Facility has earmarked €94 million for this delivery channel.

### African regional programmes

The budget planned for actions at regional level is €60 million. As a first stage, a series of activities is being implemented in support of the livestock sector in the majority of member countries of the African Union. Projects belong to an African regional programme dealing with animal vaccines, quality and availability of seeds, and rice, maize and millet production.

## Rwanda

### BACKING FOR FERTILISER PROGRAMME

The Food Facility provides the Rwandan government with direct budget support to ensure the availability and the sustainable use of fertilisers for smallholder farmers.

To increase Rwandan food production, the project sets two ambitious goals: the integration of crops and livestock on the one hand, and the better use of appropriate agricultural technologies and practices on the other.

**Budget €15.5 million**

## African Union

### EU JOINS THE AFRICAN UNION TO PROTECT LIVESTOCK FROM NEGLECTED ANIMAL DISEASES

The Food Facility supports the African Union/Inter-African Bureau for Animal Resources (AU/IBAR) to provide vaccines to poor farmers and reduce the incidence of animal diseases.

More than a billion people around the world living in poverty depend on livestock for their livelihoods, including 300 million people in Africa. An estimated 25% of livestock in Africa die every year from diseases. Poor and marginalised farming households are hit disproportionately hard by these losses since they can least afford to pay for vaccines.

**Budget €20 million**

# Resources and beneficiaries

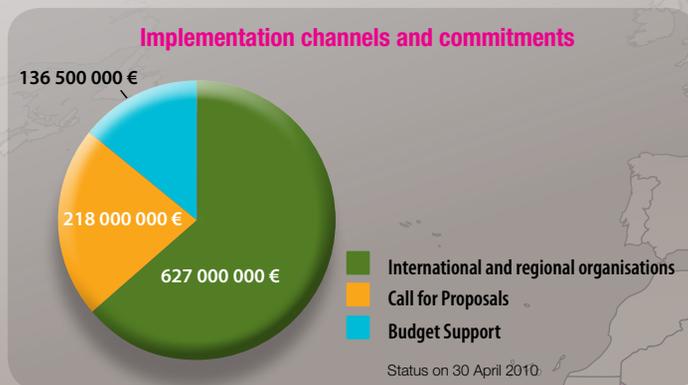
The Food Facility is the EU's highest-profile ongoing development assistance activity

85% committed in first year

By April 2010, contracts had been signed for projects worth more than **€837 million**. More than half this budget, **€470 million**, had already been spent by that date.

## Resources and implementation channels

Projects implemented in partnership with international organisations account for the largest share.



fostering I

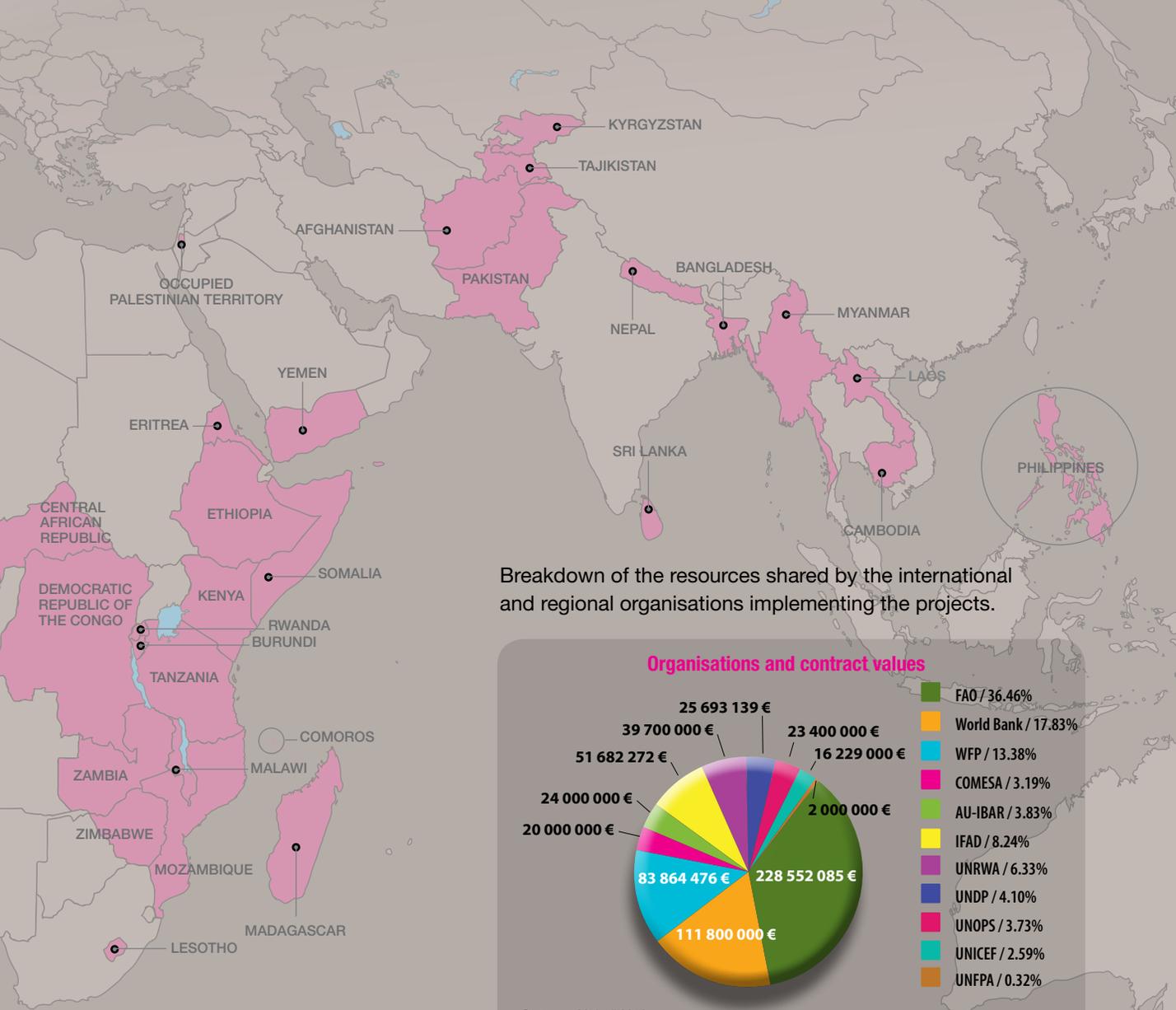
promoting  
natural resources  
management  
facilitating linkages  
to markets  
developing

improving smallholders livelihoods

ensuring access to **quality**  
inputs and services

**local food production and productivity**

strengthening existing  
**farmer-based organisations**



Breakdown of the resources shared by the international and regional organisations implementing the projects.



infrastructures



# Measuring success

The speedy adoption and implementation of the Food Facility demonstrated the EU's ability to respond rapidly and on a large scale to dramatic and damaging food price fluctuations in developing countries.

The Food Facility is a concrete example of a global response to a global challenge. Its implementation across four continents in record time, was only possible as a result of an exemplary degree of international coordination and partnership

involving the European Commission and a wide spectrum of UN agencies, grass-roots organisations, EU Member States and partner countries.

Despite a tight schedule, the Commission is fulfilling its promises without compromising on the quality of its projects. Even if projects were implemented in record time, strict checks and controls were applied through monitoring, evaluation and audit procedures.

In addition, the Commission makes regular use of the Results-Oriented Monitoring (ROM) system to provide external, independent and objective feedback on the performance of cooperation projects.

In the context of the Food Facility, 70% of projects were to be monitored in 2009-2010.

## Mali

### TARGETING ACUTE MALNUTRITION AND MORTALITY

The European Union and UNICEF combined their efforts to reduce acute malnutrition and mortality among a local population of about 3 million vulnerable people, in particular children under five, pregnant women and nursing mothers.

**Budget €6.8 million**



## Eritrea

### SUPPORT FOR WOMEN HERDERS

The Food Facility supports 105 000 households headed by women in Eritrea who are dependent on animal rearing.

Crop and livestock production techniques are traditional, with little use of modern inputs and a reliance on animal traction and manual labour. The EU-UNDP project helps these women and their families to address food shortage and food security through a better access to inputs, the reduction of animal feed and drinking water deficits, and measures to improve animal health.

**Budget €5 million**

Although results so far are positive, it is too early to assess the overall impact of the Food Facility. The groundwork has been laid for an extensive monitoring and evaluation framework that will allow impacts to be assessed.

But already some lessons can be drawn for the future, both for the EU's aid effort

as well as for the global strategy for hunger eradication.

### The tools of success

A key factor in the success of the programme was the clear consensus on the goal to be achieved and the demonstration of the EU's ability to respond rapidly and on a large scale to the food security crisis. The

## Bangladesh

### PREVENT SEASONAL HUNGER AMONG POOREST RURAL HOUSEHOLDS

To improve farmers' livelihood and ensure food security, the activities aim at extending the capacity of 400 000 agricultural workers/wage labourers in entrepreneurship, developing their skills in small-scale agro-based activities, group farming, food processing, diversified crop production, poultry/cow rearing and other income generating activities.

**Budget €20 million**



Chief Researcher from the Ministry of Agriculture and Food Security checking crop growth and seeds. Santa Monica, Lesotho.

EU showed its capacity to adjust, at very short notice, its priorities and resources to meet unexpected challenges.

The European Commission played a strong key role in coordinating international organisations, streamlining the management

and implementation of projects, strategically working together with international and regional organisations, EU Member States, NGOs, and other implementing partners.

### The best way forward

The European Union and its Member States are, and have been for many years, the most important and reliable players in development assistance. Fast and tangible results show that the Food Facility is already improving the living conditions of smallholder farmers across the targeted countries.

This achievement is due, in large measure, to the way in which the European Commission has used and strengthened existing coordination mechanisms rather than seeking to create international instruments. Future joint efforts within the new EU food security policy framework will further strengthen global coordination and coherence. Both are greatly required in the fight against world hunger.

## Mozambique

### BETTER ACCESS TO FINANCIAL SERVICES, TECHNICAL SUPPORT

The joint project with IFAD, the International Fund for Agricultural Development, enhances agriculture and fisheries productivity. Activities focus on the production of maize, rice, wheat, cassava, potatoes, oils and fish. The project promotes investments throughout the whole value-chain, in the areas of production, post-harvest storage, processing and marketing for domestic and international markets.

**Budget €4.7 million**

The European Union's Food Facility

Luxembourg: Publications Office of the European Union

2010 — 20 pp. — 27x19 cm

ISBN 978-92-79-15393-8

doi:10.2783/34699

#### HOW TO OBTAIN EU PUBLICATIONS

**Free publications:**

- via EU Bookshop (<http://bookshop.europa.eu>);
- at the European Commission's representations or delegations. You can obtain their contact details on the Internet (<http://ec.europa.eu>) or by sending a fax to +352 2929-42758.

**Priced publications:**

- via EU Bookshop (<http://bookshop.europa.eu>).

**Priced subscriptions (e.g. annual series of the *Official Journal of the European Union* and reports of cases before the Court of Justice of the European Union):**

- via one of the sales agents of the Publications Office of the European Union ([http://publications.europa.eu/others/agents/index\\_en.htm](http://publications.europa.eu/others/agents/index_en.htm)).

The EU's Food Facility is a €1 billion rapid response programme launched in January 2009 to help the worst-affected developing countries hit by the surge in global food prices in 2007-2008.

Through this initiative, the EU provides farmers with seeds and other vital inputs, increases the access to local food for the most vulnerable and also encourages local people to develop agricultural infrastructures and services to help raise productivity.

The Food Facility adds a new dimension to the European Union's development assistance.

