

Agriculture, rural development and food security

in EU development cooperation

13th June 2012

DG Development and Cooperation – EuropeAid
Rural Development, Food Security and Nutrition

Food insecurity in the world

Some facts and figures

- **Almost 1 billion people remain hungry**, affecting human development, social and political stability, and progress towards achieving the MDGs
- Under-nutrition is the leading cause of child death, has irreversible consequences on mental and physical development, lessening future productivity and thus future contribution to economic growth
- 2-3% of GDP lost to under-nutrition

More facts and figures

- Additional factors worsen the situation and present further challenges to finding a sustainable solution:
 - *Growing population (2 billion more mouths to feed by 2050), pressures on limited natural resources (land, water), climate change, price volatility, conflict, gender inequality, lack of adequate social protection, lack of sufficient resilience building and disaster risk reduction, access to land, poor nutrition, etc.*
- → recent examples of crises in the Horn of Africa and the Sahel

What is the EU doing?

EU engagement at political level:

- Sustainable agriculture and food and nutrition security : priority of EU Commissioner for Development
- With EU Member States : plan to implement EU policy through enhancing coherence, coordination and accountability of EU actions on food security
- EU contributes to keeping this at the top of the international development agenda: G20, SUN, Rio+20 and G8
- This year's G8 had food security at top of the agenda → launch of 'New Alliance' at Camp David in May
 - Recognising the important role the domestic and international private sector can play in agriculture in Africa through
 - Responsible investments
 - Partnership ("alliance") between African governments, donors and private sector

EU engagement at political level:

- A systematic priority issue in dialogues at country level (next programming phase of EU assistance: 2014-2020)
- Comprehensive Africa Agriculture Development Programme (CAADP) agenda.
- EU seeks to enhance partnerships with private sector, farmers' organisations, civil society

Financial commitments:

- Currently around €800 - €1 billion for agriculture and food security annually
- Specific G8 commitment in 2009: L'Aquila Food Security Initiative – \$3.8 billion for 2010-2012 (almost \$4 billion committed by EU over 2010-2011 alone)
- Other instruments came on top of this (e.g. €1 billion Food Facility) and humanitarian assistance excluded

Our support focuses on:

Agriculture:

- Focus on small-scale farmers
- Ecologically efficient intensification
- Sustainable resource use
- Research and technology transfer
- Value-chain approach

Our support focuses on:

Food Security is also:

- Safety nets/public works programmes
- Information systems
- Nutrition
- Infrastructure provision for accessibility (markets, services)

EU programmes:

- Bilateral country programmes (2008-2013, over €1 billion to Africa in support of agriculture/food security)
- Global/continental/regional programmes (Food Security Thematic Programme, €250 million/annum)
- €1 billion Food Facility (2009-2011, rapid response to worst-affected countries following food price crisis '07/'08)
- Commodity-based programmes (sugar, bananas)
- €1 billion MDG Initiative (includes particular focus on eradication of hunger and malnutrition – MDG 1c)
- Supporting the Horn of Africa's REsilience (SHARE)
- Tackling the root causes of food insecurity in the Sahel
- European Neighbourhood Programme for Agriculture and Rural Development (ENPARD)
- New Alliance to support actions in 3 countries (Ethiopia, Tanzania and Ghana)

What type of support does the EU provide?

- Support to the public sector through budget support, sector budget support and individual projects
- Support to global public goods (e.g. international research)
- Support public-private partnerships
- Support to non-state actors

You also provide key input!

- Technical assistance/expertise to improve national capacities
- Strengthening professional organisations
- Projects
 - Managing projects
 - Evaluating projects
 - Implementing projects (e.g. rural feeder roads)
 - Providing equipment

Opportunities for the private sector?

Opportunities for the private sector

In the Agenda for Change, the EU,

- Identifies agriculture and food security as one of two main focal sectors of EU development cooperation in the coming years
- It also recognises the pivotal role of the private sector to achieve inclusive and sustainable growth

And, besides support to the public sector, it

- Is keen to enhance public-private partnerships

Opportunities for the private sector

Strengthening the business environment, regional integration and global markets

- There's a need for substantial private domestic and foreign investment and improvements in infrastructure
- Therefore, the EU is developing new ways to engage with the private sector
 - to leverage private sector activity and resources for delivering public goods
 - explore up-front grant funding and risk-sharing mechanisms to catalyse public-private partnerships and private investment

...Continued

- Investments needed along the whole chain (from access to seeds to infrastructure, from storage facilities to transport facilities, from training to safety nets, etc.)
- Strong domestic private sector, and supportive international private sector
- Voluntary Guidelines on Responsible Governance of Land Tenure and principles for Responsible Agricultural Investments
- Regulatory – SPS

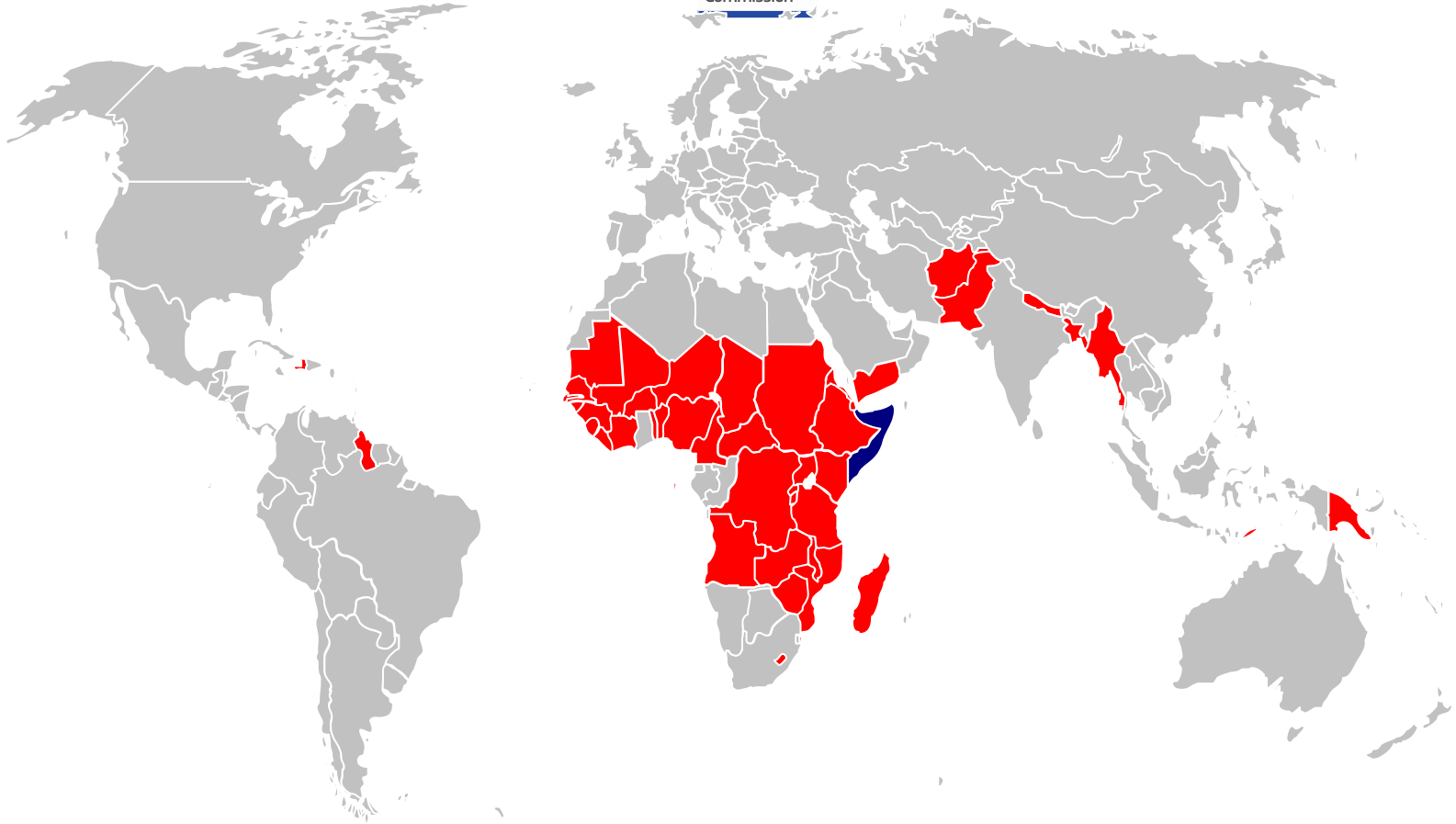
Where are we focusing our support?

Evidence based approach

« Evidence based » Programming & « Agenda for Change » Compliance

- In support of Delegations, a list of 25 technical and quantitative indicators provided to identify needs
- « Red flags » approach on list of indicators

1. Development indicators
2. Food and Nutrition Security indicators
3. Agriculture in the economy
4. Environmental indicators
5. Agenda for Change indicators



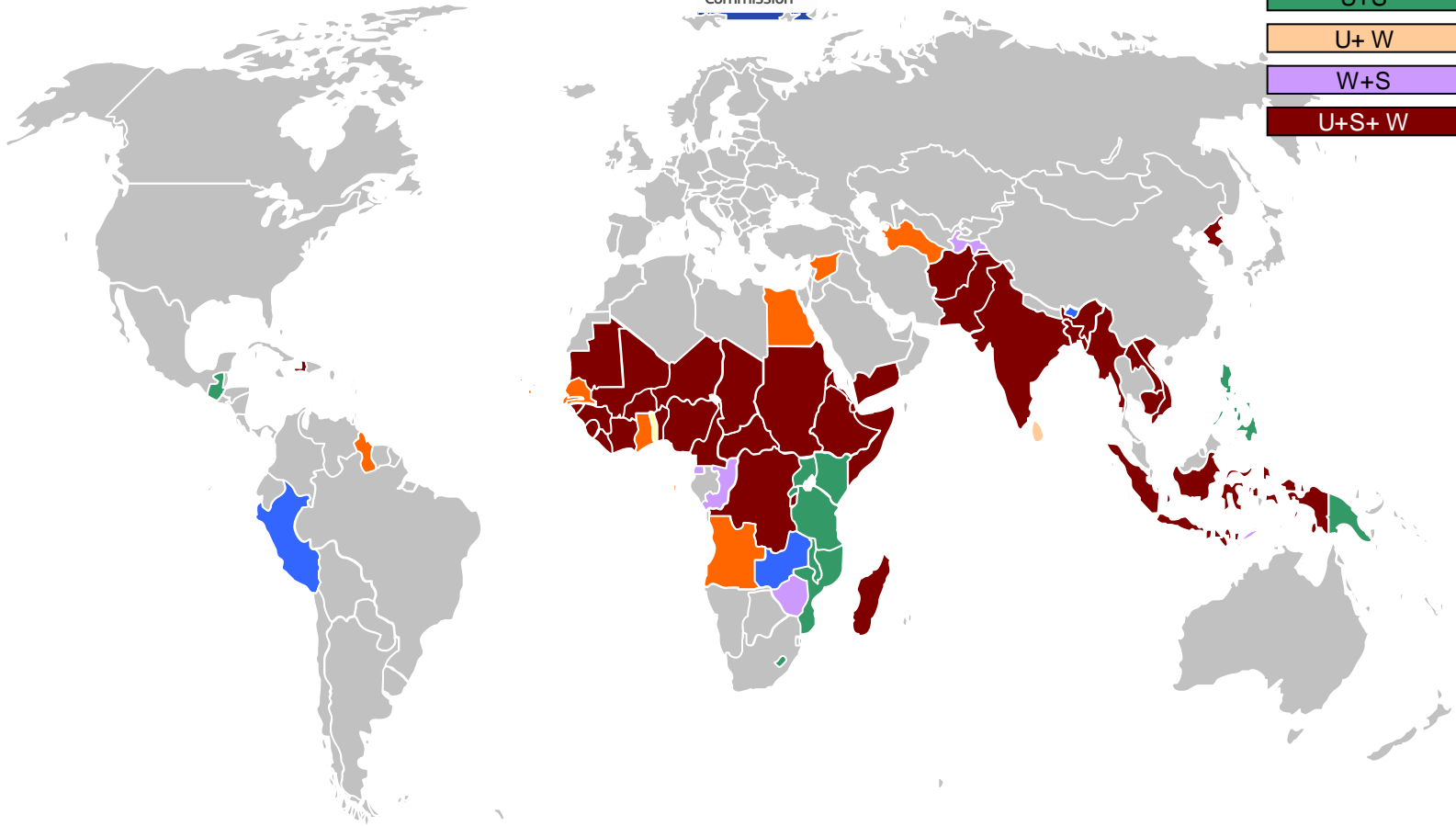
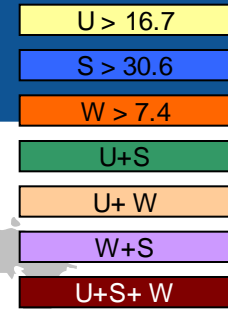
1. Human Development Index HDI - Countries with Low HDI (< 510)
(red = confirmed data; blue partial data)
2. (UNDP 2011)



21

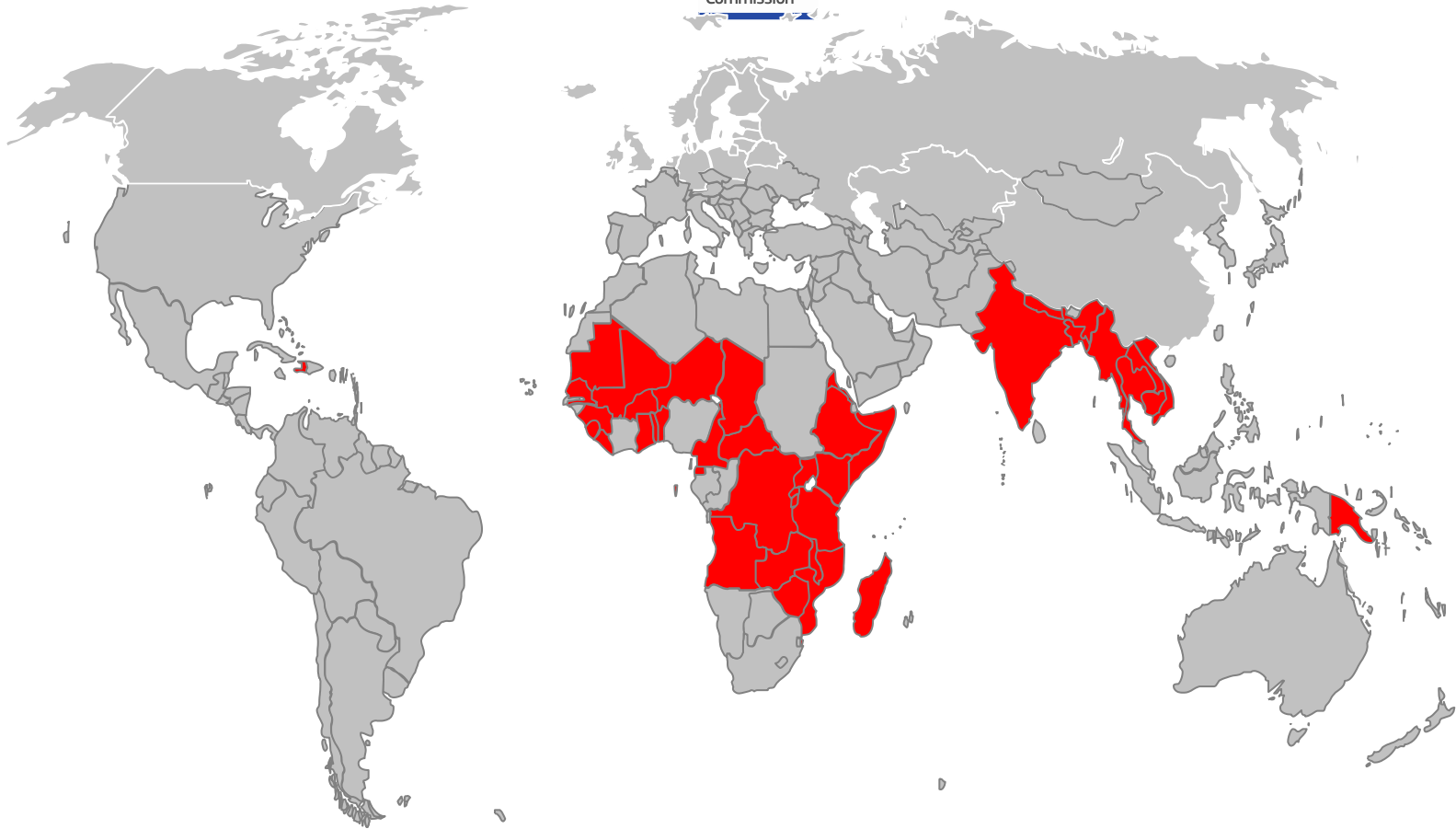


22



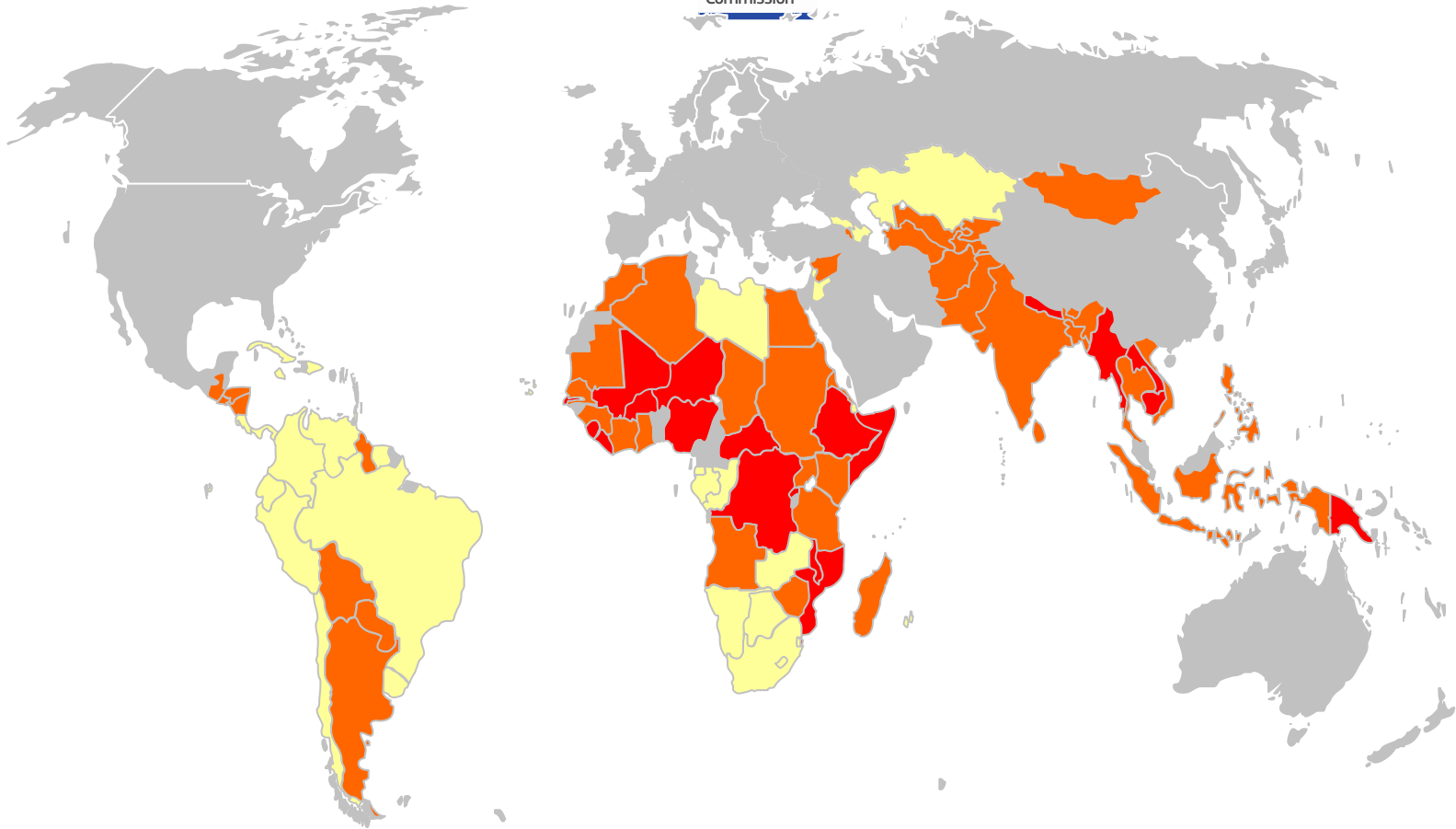
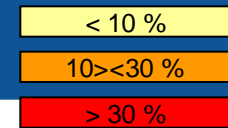
4. Nutrition % children under 5 years old : Underweight, Stunting, Wasting and combinations

(UNICEF: Progress on Child and Maternal Nutrition, 2009)



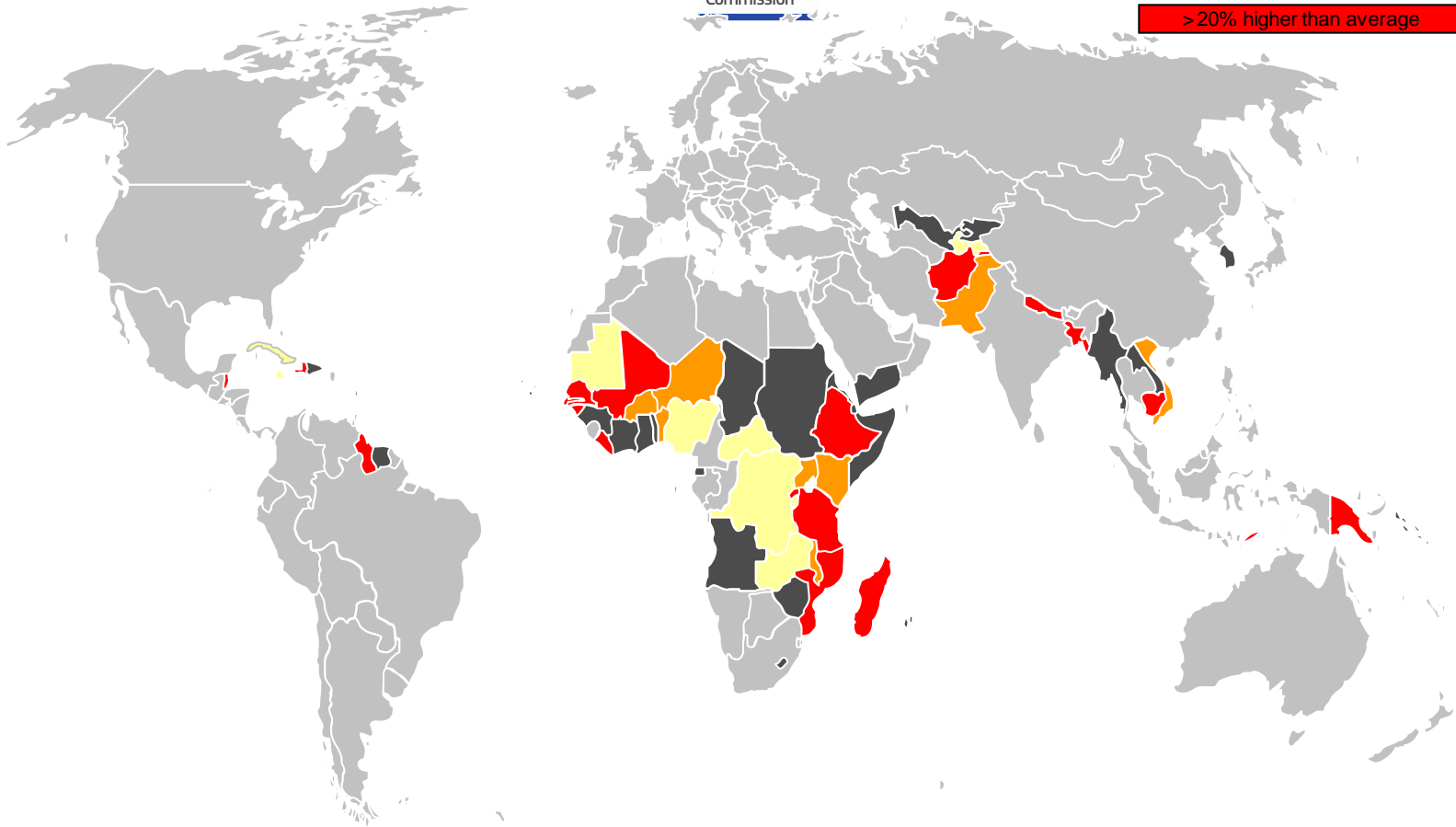
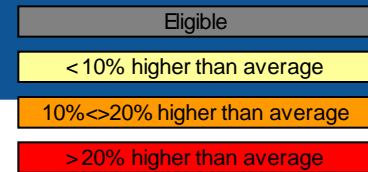
5. Agricultural employment (% of total employment)

IFAD RPR 2011 (closest 2007)

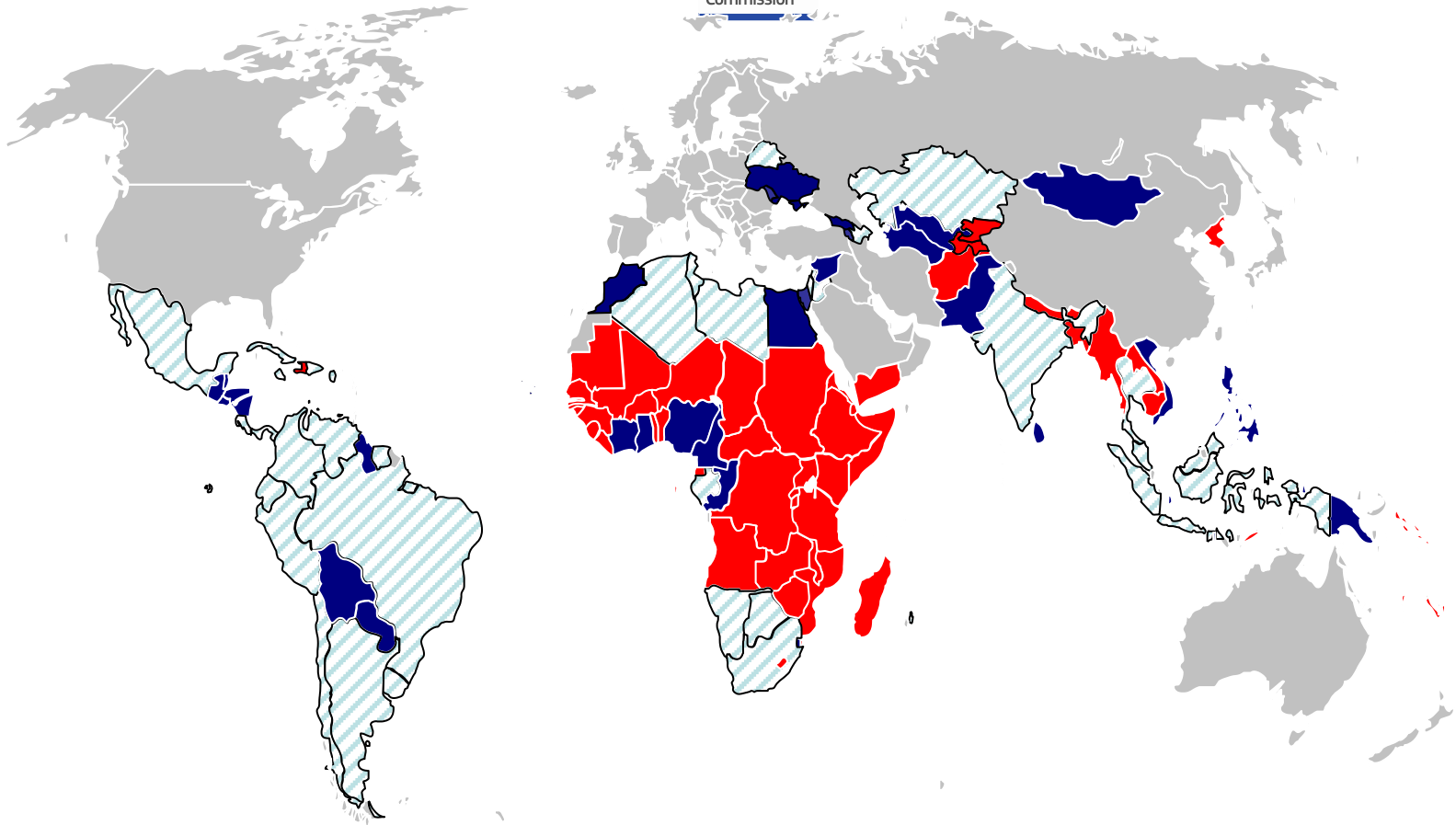


6. Value added of the Agriculture (as % of GDP)

WB 2011



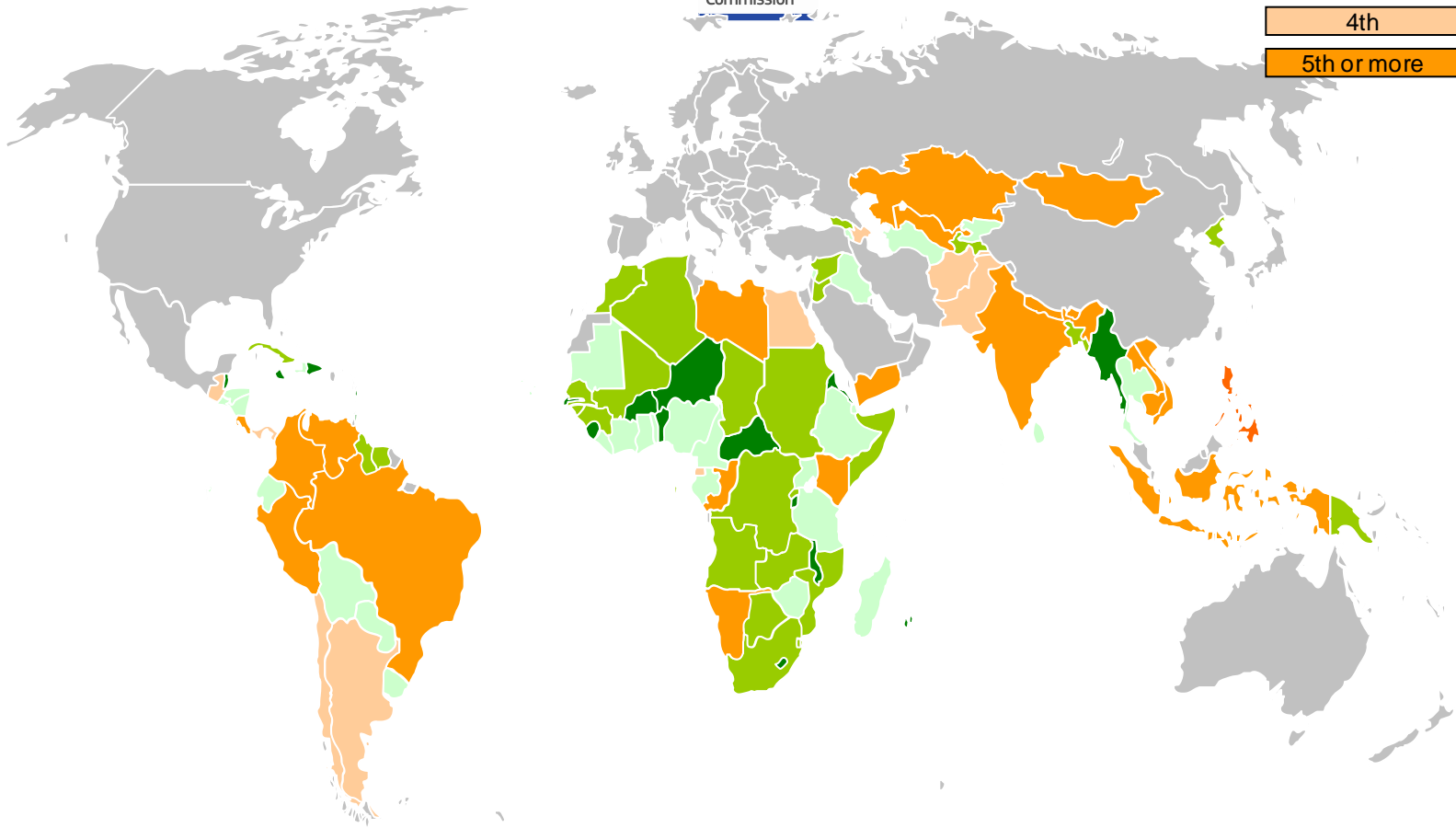
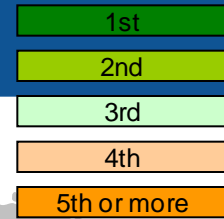
7. GCCA Scores (0 = Lowest priority, 10 = highest priority) – average for the concerned list of countries: 4.27



8. Differentiation

OECD List of ODA Recipients





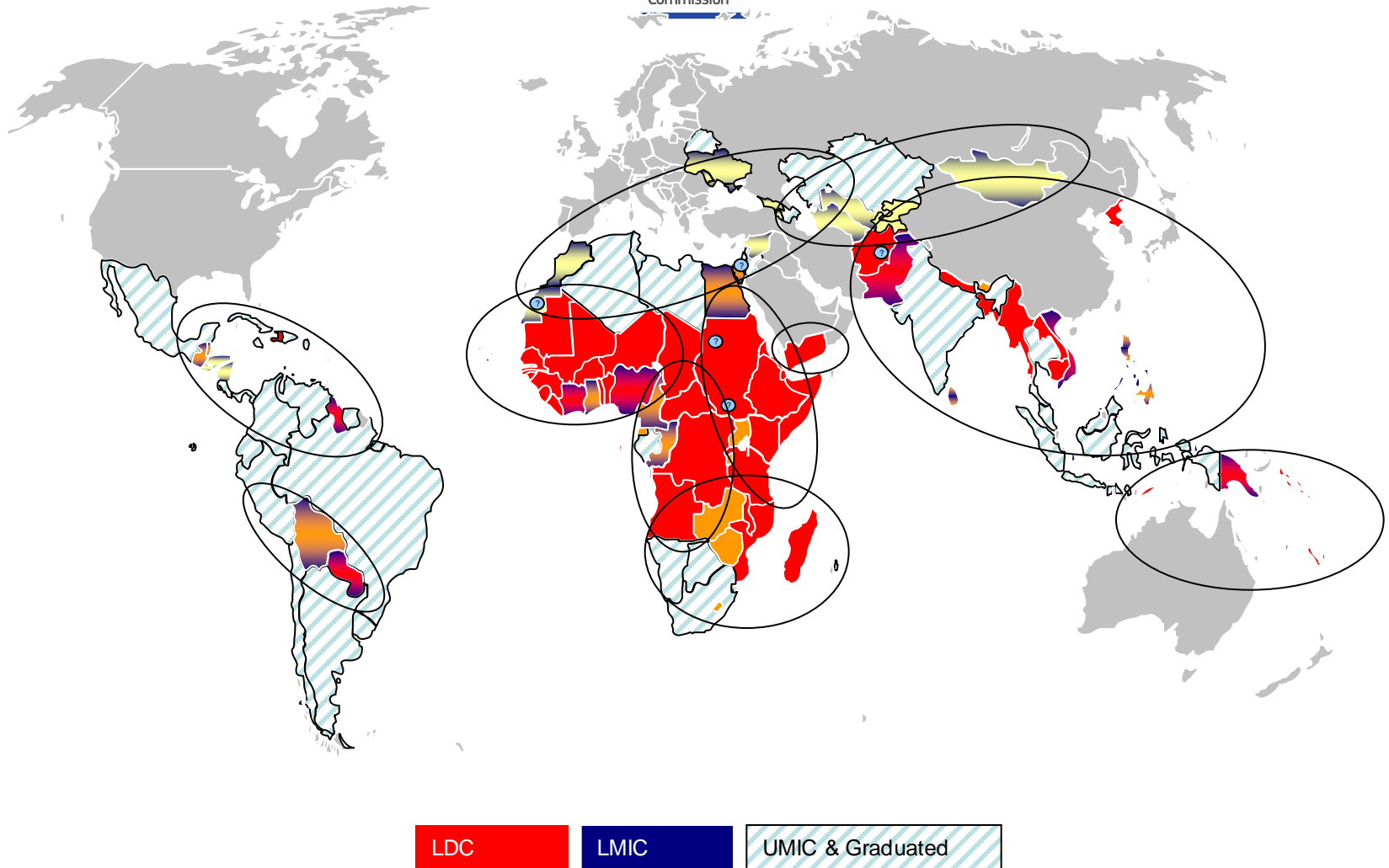
9. EU as a donor (place - Bilateral)

OECD/WB 2011



+ Consecutive years of crisis (FAO 2009)

Overview Food Security



E.g; . Western Africa



European
Commission

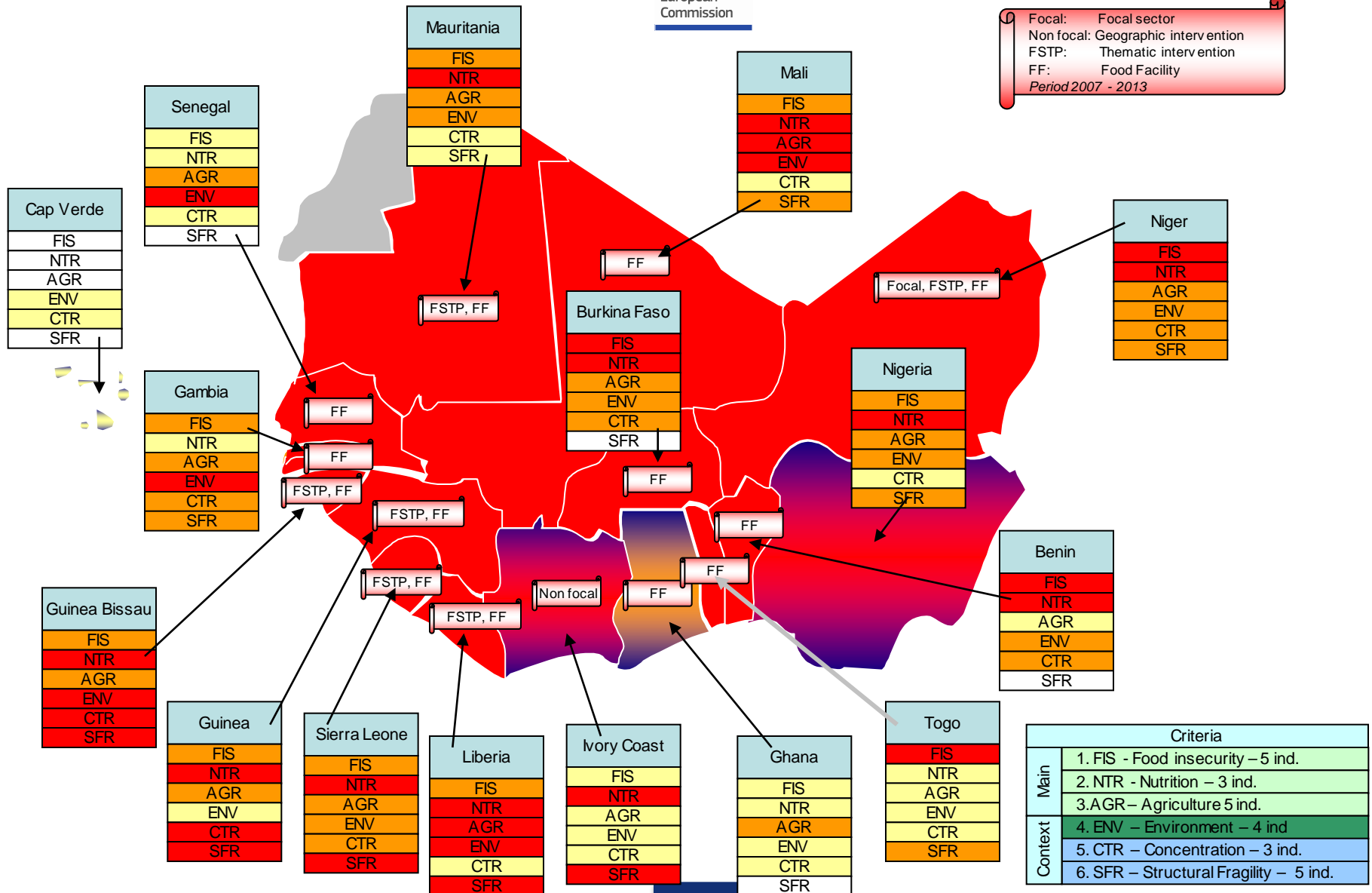
Red indicators 3/3 4/5 5/5

Red indicators 2/3 3/5 2/5

Red indicators 1/3 0/3 1/5 0/5

No data or N/A

Focal: Focal sector
Non focal: Geographic intervention
FSTP: Thematic intervention
FF: Food Facility
Period 2007 - 2013





The "evidence based approach" seems the most appropriate:

- maximise relevance of EC assistance
- higher level of ownership/acceptance
- allows the EC to enhance resilience of countries in chronic crisis

The "evidence based approach" and its financial implications:

- With current information, if Sustainable Agriculture / Food Security represent a third of the PIN of the 50+10 countries, it should lead to an increase of amount committed per year on average
- The exact trend will depend on externalities (natural disasters, conflicts, financial crisis...)



With the relative diminution of thematic programmes (representing 3,1%), the relative share of Food Security in geographical programming document must increase significantly in all options:

- 2007 : 70/30 thematic vs. Geo
- 2013 : 50/50 thematic vs. Geo
- **2014 : 20/80 thematic vs. Geo**

Only geographical response could tackle structural challenges by framing long and short term actions in a structured approach on country by country basis

Even with such amounts, focusing appropriately is central – 1.8 billion € / year = 3.5€ / poor farmer in Africa³



4 pillars of “food security policy” (2010) :

- Increasing availability of food;
- Improving access to food;
- Improving nutritional adequacy of food intake;
- Improving crisis prevention and management

Vast fields of intervention: agricultural, crop and livestock production, fisheries, rural development, social/welfare transfer systems (safety net), ecosystem protection, governance of natural resources, private sector, ICT technologies (food prices), infrastructure (irrigation), trade and markets, tax system, budget and public finances...



Essential to fulfil two main EC commitments

A Budget for Europe 2020: 20 % for climate change and environmental degradation

- Agriculture : first contributor and first affected by climate change and environmental degradation;

Agenda for change: 20 % social inclusion and development

- Access to food and nutritional approach : social sector

BUT ...

**We could have results only with
strong cooperation with Member
States and private sector...**

Thanks you for your attention