



EUROPEAN COMMISSION

FOOD AND AGRICULTURE
ORGANISATION



WORKING DOCUMENT

STRATEGIC PARTNERSHIP

BETWEEN

THE COMMISSION OF THE EUROPEAN COMMUNITIES

AND THE FOOD AND AGRICULTURE ORGANISATION

IN THE FIELD OF DEVELOPMENT AND HUMANITARIAN AFFAIRS

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1. THE STRATEGIC PARTNERSHIP FRAMEWORK

1.1. Introduction

The establishment of Strategic Partnerships with United Nations Agencies, Funds and Programmes is an essential element in enhancing the efficiency of the EU development policy and strengthening the strategic capacities of the UN agencies core mandate, as stated in recent Commission Communications on “*Building an effective partnership with the United Nations in the fields of Development and Humanitarian Affairs*” of May 2001¹ and “*The European Union and the United Nations: the choice of multilateralism*” of 2003². The Food and Agriculture Organisation (FAO) is one of the UN agencies with which the Commission wishes to strengthen its collaboration by means of such a Partnership.

1.2. EC-FAO Cooperation

Formal relations between the European Commission (EC) and the FAO date back to June 1991, when a Framework Co-operation Agreement was concluded in order “*to step up their co-operation in the food and agriculture sectors including fisheries and forestry*”. The European Community became a member of FAO a few months later in November 1991, setting an important precedent since for the first time the EC became member of an organisation belonging to the UN system.

EC/FAO co-operation has continually increased over the years and particularly since 1993 with the conclusion of a Technical Co-operation Agreement in the fields of aid and technical assistance to developing countries. Since 1993, technical co-operation has resulted in the approval and implementation of 97 projects for a total budget of approximately € 108 million. The projects have been financed mainly by the European Development Fund, ALA Financial and Technical Co-operation, or by the Food Security Budget Line.

Most of the projects have provided technical assistance to developing countries in the field of food security, agriculture, forestry and fisheries. Thirty-two projects were running in 2003, for a total budget of € 59,6 million. The breakdown by activity during the period includes agricultural production and support systems (47%), food information and early warning systems (20%), forestry (20%), animal health and production (9%) and fisheries (4%).

In terms of geographical distribution 43% of the projects are being implemented in Africa and the Near East, 37% in Asia, 4% in Latin America and the Caribbean, and the remaining 16% are interregional.

A new “Financial and Administrative Framework Agreement (FAFA)” between the EC and FAO was concluded in July 2003. The new agreement builds upon the 2001 Communication and acknowledges the specific nature of the UN as a partner and not just

¹ COM(2001)231final, 2.5.2001

² COM(2003)526

another contractor. It is also heavily influenced by the new EC financial regulation, and in particular gives flesh to the notion of joint management, i.e. multi-donor actions with pooled funding. This agreement will allow both parties to make full use of the possibilities offered by this new concept, and provide a sound basis for even stronger relations with the selected strategic partners. The new Agreement replaces the previous 1993 Technical Co-operation Agreement.

Not surprisingly, the FAO was selected by the Commission as a possible strategic partner. The conclusion of a Strategic Partnership between the Commission and the FAO will further consolidate this long and well established tradition of mutual cooperation as well as increase the quality of their collaboration in the pursuit of a common goal: alleviating rural poverty and hunger in developing countries.

The Commission has already started preliminary discussions with FAO to identify areas of particular interest where the FAO may have a comparative advantage as a partner. In this context, the FAO has prepared a document, the “Comprehensive Technical Report” with information on areas and programmes of possible interest to the EC.

Such areas in the development and rehabilitation assistance cover a wide range of activities of direct concern for the Commission (e.g.: food security, trade and development, agriculture, forestry, fisheries, animal health, sustainable development and/ or statistical co-operation). Several Directorates General are involved in the establishment of the EC/FAO Strategic Partnership and are part of the Commission inter-service team that has produced the present Working Document.

1.3. Objectives and modalities for an EC / FAO Strategic Partnership.

The European Commission and the FAO are already close partners in promoting development and rehabilitation all over the world. The Strategic Partnership will reinforce their synergy and help both organizations to work towards the shared Millennium Development Goals of reducing poverty and halving the number of hungry persons by 2015. The goal of the Strategic Partnership is to improve the impact and efficiency of assistance provided by the Commission as well as by the FAO, in benefit of developing countries, in particular the poorest. In that perspective, its specific objectives are:

- To strengthen FAO's strategic capacities in the core areas of its mandate, for pursuing the priorities of food security and rural poverty reduction, as set out in the United Nations Millenium Declaration.
- To reinforce the involvement of the EC in the upstream policy dialogue in the fields of mutual interest.
- To progress towards broader consensus on the fundamental objectives and strategies of development co-operation in the relevant areas, allowing for an active endeavour by both institutions to improve the coherence of their approaches.

- To facilitate complementarity of actions of both institutions.
- To provide a more transparent, financially predictable and easier to monitor framework for cooperation between the EC and the FAO.

In the areas identified below for specific focus of EC / FAO collaboration under the Strategic Partnership, there will be two main types of cooperation modalities: policy dialogue and operational activities.

Policy dialogue (including exchange of information) should clearly be the essential element of the strengthening of collaboration between the EC and FAO. It will contribute to improved coherence between both institutions in terms of policy approaches in priority fields, in favour of the developing countries which both institutions seek to support. To maximize impact of operational activities to be developed jointly between the Commission and FAO, it is important that such policy dialogue leads to agreed common principles in the relevant areas. Regular exchanges at political and technical levels will be organised to discuss common approaches, indicators, etc., in the various areas identified. This will involve joint discussions and consultations with the relevant experts. It should be carried out at headquarters, at regional and at country levels.

Collaboration via **operational activities** will be established in the areas of common interest, where there is added value, relevant impact potential, and adequate capacity of FAO, with regards to the EC's activities. Whereas policy dialogue (and related information sharing) is at the heart of EC / FAO collaboration in any area, operational activities are not necessarily present in all areas of collaboration. Financing for such activities could be provided through different budget sources, which will progressively be identified.

The implication of field offices and delegations of both organisations will be an essential feature of the Strategic Partnership.

1.4. The EU policy framework on food security and rural development.

The European Community's Development Policy adopted in November 2000 sets poverty reduction as its main objective³. At a global level, the Millennium Development Goals were adopted as a way of making concrete the common commitment of poverty reduction. The Doha Development Agenda, the Monterey Consensus, the Johannesburg Declaration all support the EU resolution to work in this direction. The "World Food Summit: five years later" Declaration particularly strengthened the food security focus of the Commission's commitment to poverty reduction.

Considering that the greatest part of the poor live in rural areas, and that agriculture is a key engine of economic growth, one of the six main areas on which the EU is focussing its

³ The European Community's Development Policy – Statement by the Council and the Commission, November 2000

development policy is food security and sustainable rural development. In 2002, the Commission outlined its approach to rural development in a Communication entitled “*Fighting rural poverty: European Community policy and approach to rural development and sustainable natural resources management in developing countries*”⁴. It stresses the multisectoral character of rural development and the linkages between poverty reduction and livelihoods in rural areas. It emphasises the importance of decentralised institutions and access to land and assets for the sustainable development of rural areas. Progressing towards this objective implies implementing strategies, which encompass the economic activities of rural populations (agriculture, livestock, fisheries and forestry), all sectors which contribute to shaping their living conditions, and those which provide for a sound management of natural resources, as well as developing the institutions which are necessary to implement these strategies. In this perspective, support for trade development and actions to enhance the competitiveness of rural economies is also particularly important.

1.5. Comparative advantages of FAO.

Since its inception in 1945, the **Food and Agriculture Organization** has worked to reduce poverty and hunger by promoting agricultural development and the pursuit of food security. It represents a “*centre of excellence*” in the field of normative work and operational activities on agriculture, food security, fishing, forestry and sustainable rural development. The FAO acts as an international forum for debate on food and agricultural issues, collects and disseminates information, provides policy and planning advice to individual governments and can also offer direct development assistance in areas within its competence.

Generally, the advantages of FAO lie mainly in its capacity for close collaboration with stakeholders and institutions close to the relevant implementation level (thanks e.g. to its network of headquarter and decentralized infrastructure at the country, sub regional and regional levels), in its recognition as a neutral forum, bringing countries and stakeholders together through different means, to discuss technical and policy issues and in its management of extensive data bases, analytical capacity, and dissemination channels, which are references in the field of agricultural and related information

Consequently, FAO’s technical expertise together with its political neutrality enable it to support the formulation and implementation of policies, strategies, programmes and projects, as well as to provide analysis and advice on policies and institutions, in the field of sustainable agricultural and rural development. A special element of the added value of FAO lies in capitalizing and sharing the benefits from lessons learned across different country situations through enhanced inter-divisional technical and operational collaboration.

⁴ COM(2002) 429 final

Further, its specialized departments and functions, its national coverage in individual countries and regions, its capacity to carry out food security assessments based on sound information system, its specialized expertise and experience in relief and rehabilitation, provide FAO with an added value over other agencies in protracted crisis situations.

1.6. Commission proposals for main areas of collaboration

Against this background, the following five broad areas of cooperation have been identified, and will be further discussed with the FAO:

- i. Food security
- ii. Sustainable rural development and agricultural policies
- iii. Food safety and quality
- iv. Natural resources management⁵
- v. Statistical cooperation and information exchange

2. AREA 1: FOOD SECURITY

The European Community's Development Policy has identified food security as one of the six priority areas where the EC will concentrate its development assistance. It is therefore at the heart of the EC's approach to poverty reduction. Food security is a multi-dimensional concept covering problems of food availability, access to food, vulnerability to food shortages, and individual nutrition. There is a close relationship between the food security agenda and strategies for poverty reduction and sustainable regional and national development. It is essential to tackle poverty in order to provide households with the means to access food. Local trade of basic agricultural products, agricultural production and employment, and adequate use of food are important components of food security.

Within this area, the EC / FAO Partnership should cover two complementary sub-areas:

- Food security in development programmes.
- Relief and rehabilitation for food security.

⁵ Natural resources management has been identified as a specific area of cooperation, but environmental aspects will also be given due consideration in all areas of cooperation, in accordance with the crosscutting nature of this issue.

2.1. Food security in development programmes.

Food security is often a major goal within poverty reduction and rural development programmes. It requires a multi-dimensional approach, as well as flexibility in order to adapt strategies to site-specific situations.

One particular and essential aspect in the fight against immediate and longer term food insecurity in individual countries and regions, and in the capacity to enhance the formulation of food security policies, is the setting up of reliable information systems on food security indicators. The information system should provide both early warning data vital for preparedness measures, monitor changes in the food security situation and design interventions to enable appropriate and effective action and policy initiatives.

In particular the aim should be to link current local and national capacities to generate food security information to a broader multi-sectoral analysis of food insecurity and poverty, and to incorporate this into cross-sectoral policy and programme formulation.

Policy dialogue in this area will pave the way for common, coherent approaches and synergies and should cover all aspects of the food security policy. In particular, regular technical exchanges could help to identify the specific information needs of EC and other partners (e.g. national authorities) and share experiences on important aspects (indicators, etc.) of the various components of the food security policy.

This area has an important **operational dimension**, in the form of the second phase of the **EC/FAO Programme for Food Security**; “*Food Security Information for Action*”. The proposed programme is expected to lead to the formulation of improved food security strategies, policies and programmes under different country scenarios: countries with chronic food insecurity, protracted crises, and economic transformation. It covers the design of interventions to address both chronic and temporary food insecurity and vulnerability. The activities of the programme will focus on four cross-cutting themes: i) Awareness raising about poverty/food insecurity linkages, ii) Strengthened technical capacity and institution building, iii) Methodological guidelines and training materials, and iv) Information for food policy and programme formulation (including: food insecurity and vulnerability information and mapping systems as a tool to analyse food security indicators, and to enhance food security policy formulation; support to needs assessments; support to information processing). These features and envisioned activities correspond to the focus of this second phase of the EC / FAO Programme for Food Security, but may evolve according to the future needs and approaches.

The Programme is being implemented by FAO headquarters, in close collaboration with EuropeAid, and in cooperation with local/regional FAO Representations and EC Delegations. A joint high-level EC/FAO Steering Committee will meet at least once a year to review the overall progress of implementation, discuss future activities, and ensure a strategic perspective.

The Programme provides for a three-year framework. The geographical focus is essentially on Africa and Central Asia.

Another component of the operational dimension of this sub-area would consist in the provision of ad hoc technical assistance (capacity building, training, studies, or other modalities) in the field of food security to national administrations and stakeholders, where local expertise needs to be strengthened. Such actions can cover all developing countries where food security is a part of the Commission's cooperation programmes.

2.2. Relief and rehabilitation in the field of food security.

The need to address food security is particularly critical in situations of humanitarian crises, emergencies and complex protracted crises, as well as in situations of transition following a conflict. In order to combat food insecurity in such situations, it is essential to save, restore and enhance agricultural-based livelihoods, to reduce vulnerability, increase availability of food and facilitate exit from dependence on food aid.

Interventions in this field comprise national and regional projects adapted to specific situations, and include activities to restore agricultural production, such as the provision of seeds and tools, seed multiplication, boat and fishing gear repair, support to animal health and production, pest control, rehabilitation of roads and irrigation systems, capacity building and training.

In the framework of the Strategic Partnership, **policy dialogue** in this area is essential to ensure the compatibility of approaches to rehabilitation between the Commission's and FAO's activities. In order to ensure a proper linking between relief and rehabilitation activities, a regular and structured dialogue must be sought at both headquarters and country level where scope for synergies is to be explored further in accordance with the Commission Communication of 2001 on "*Linking Relief Rehabilitation and Development – an Assessment*", addressing in particular the decision making procedures, implementing partners and the ability to mobilise resources through appropriate instruments. The mechanisms and nature of the dialogue is to be determined according to the specific country programmes with progress reports to be provided in the more general framework of the policy dialogue under the Strategic Partnership.

Since this area is a transition zone between food aid and agricultural development, regular dialogue is also necessary to ensure complementarity and coordination in the roles and activities of the FAO and the World Food Programme, which will both establish a Strategic Partnership with the Commission.

Operational activities in this area can be envisaged in the form of continued support by the Commission to the emergency and rehabilitation operations of carried out by FAO, including coordination activities, interventions in specific crisis situations and on an ad hoc

basis in accordance with an assessment of needs and FAO's comparative advantages in implementing food security activities.

3. AREA 2: SUSTAINABLE RURAL DEVELOPMENT AND AGRICULTURAL POLICIES

The Commission Communication on "*Fighting rural poverty*", already mentioned, highlights that, in order to tackle rural poverty it is necessary to support the wide range of sectors that make up the rural economy. The agricultural sector is a particular priority because it contributes substantially to national income, exports, employment, investment/savings, it forms the basis of the livelihoods of the majority of the rural poor, and it stimulates the growth of the non-farm sector.

Within the wider area of agricultural policies and systems, the EC / FAO Partnership should cover specific aspects in the following sub-areas:

- Development of sustainable agricultural policies.
- Rural institutions and participatory development.
- Agricultural commodities.
- Livestock.
- Land policy.
- Agricultural trade.

3.1. Development of sustainable agricultural policies.

Appropriate sustainable agricultural policies and strategies are essential to stimulate the potential for development of the agricultural sector and its contribution to poverty reduction. They should aim at creating a stable and transparent macro-economic environment, to enable sustainable agricultural growth, while ensuring equitable social development and sustainable management of natural resources. The existence of coherent and well targeted agricultural policies and strategies is also a pre-requisite for sector programme support. Indeed the EC, like other donors, is moving away from funding standalone projects towards supporting sector programmes, based on the Government's sector expenditure framework covering all financing requirements of a particular sector, as well as policy and institutional reforms. The sector wide approach offers important advantages over traditional projects in terms of building country ownership, strengthening donor coordination and addressing sector policy and public expenditure issues in a more comprehensive and sustainable way.

In the sub-area of agricultural policies, the Strategic Partnership should cover both policy dialogue between the Commission and FAO, and operational activities.

Policy dialogue would encompass **agricultural sector policies** as a whole, covering i.a. institution building, decentralization, access to resources (land, credit, agricultural inputs, infrastructure...), access to opportunities (extension services, markets, technologies...), the specific problems faced by women or HIV affected households, investment in

infrastructures and public goods such as research, alternative agricultural systems, etc. While policy dialogue is essential between the two institutions, policy development exercises have to include a focus on strategies and promising practices from field cases.

One of the components of this policy dialogue should be **agricultural research for development**, an area in which the Commission and the FAO participate jointly within several fora (CGIAR, GFAR, etc.). The EC (DG Research) already hosts the EIARD Secretariat, which facilitates the coordination of European Agricultural Research for Development (ARD) policies and support for ARD. Since the EC and the FAO both support the CGIAR and the GFAR, there would be benefit to all parties from greater collaboration on ARD policies. The dialogue on agricultural research should be articulated with the four bi-regional dialogues that EC has opened between the EU and the regional member states (E & SE Asia; Latin America & the Caribbean; ACP; Mediterranean), which could be strengthened with the inclusion of FAO through the Strategic Partnership.

Operational activities to be undertaken in the framework of the Partnership would consist in the provision of short term expertise to national administrations in developing countries, on policy development and implementation. This support, which will be of particular relevance in the designing and implementation of sector programmes, should cover both specific policy issues as well as methodological and process issues. The expertise of the Investment Centre of FAO in particular could be usefully exploited in that field.

3.2 Rural institutions and participatory development

Effective and transparent local institutions, both in the public sector and at community level, are at the heart of decentralisation and therefore a crucial component of the development of rural areas. Decentralised institutions should be designed and operated to ensure in particular: i) that development process are participatory and equitable, ii) that resources are allocated to priorities identified by the beneficiaries and iii) that systems are in place to ensure transparency in the allocation and management of resources. Local institution development in Sub-Saharan Africa is occurring under conditions that seek pluralism among actors and decentralization of services, and stronger stakeholder and community participation.

Impartial and highly qualified technical assistance can be instrumental to support the establishment of appropriate decentralised systems through i) identifying the conditions and opportunities for their development, ii) building the capacity of local communities and organisations to engage in the process and iii) monitoring its efficiency and transparency and ensuring that local institutions and systems respond to their primary objective: bringing the allocation and management of public funds closer to the beneficiaries, and facilitating the development of organizations and of social capital in districts and communities.

In its **policy dialogue** with FAO the EC will seek to develop a common understanding on principles for engaging with national administrations and community based organisations in supporting the development of local institutions and capacities among rural communities, as well as methodologies and indicators to evaluate success.

Within the Framework of the Partnership **operational activities** may consist in the provision of short term expertise to develop and support the implementation of policies and approaches to decentralisation and local institutional development.

3.3. Agricultural commodities.

Agricultural commodities are important for many developing countries. Commodities are the major source of employment and cash income for the rural poor, thereby holding a direct relation with food security. Commodities also contribute to the government's budget and indirectly to the spending of poverty reduction programs. Commodities are the most important source of foreign exchange, thereby holding the key to strategic imports, including for food security.

Several factors undermine the agricultural commodity sectors in commodity dependent developing countries. There is need for these countries to develop national commodity strategies and adequate action to cope with the challenges facing their sector, e.g. the long term price decline, the effects of price volatility and the possibilities to diversify income sources. The international community and the international corporate sector both have a role to play to support commodity dependent developing countries. As to the Commission, it is committed to collaborating with these countries to improve the situation of their agricultural commodities sectors, as it has announced in its comprehensive proposal for an "*EU Action Plan*" on agricultural commodity chains⁶, complemented with a specific proposal for an EU-Africa cotton partnership⁷.

Beyond **general policy dialogue** with the Commodity and Trade Division of FAO and other relevant FAO services, the Strategic Partnership would cover **operational activities** in relation to both the agricultural commodities and the cotton Action Plans.

With respect to commodities, the EC is in the process of establishing a multi-donor **Commodity Cooperation Programme** with several International Organisations. The cooperation programmes with international organisations will be linked and complementary. The cooperation programme with FAO could support the implementation of the EU Action Plan on agricultural commodities on the following tentative components: i) assistance to national commodity strategies; ii) assistance to develop non traditional agricultural exports iii) design of strategies for diversification in commodity areas at risk; iv) national trade policy development.

⁶ COM(2004)089

⁷ COM(2004)087

The cooperation programme would also include FAO support to the implementation of the **“EU-Africa cotton partnership”**, in particular in the following fields: i) sectoral and trade policies; ii) supply chain performance; iii) sustainable integrated cotton production practices. Both cooperation programmes are still under examination.

3.4. Livestock, environment and development.

Livestock is a particularly important asset for the rural poor because they provide income and food, as well as draught power and fertiliser. Demand for livestock products is growing rapidly in the developing world as a result of rising incomes and urbanisation. The major policy challenge will be to ensure that this growth will benefit the poor, and can be accommodated in an environmentally sustainable manner. Increased attention to livestock-environment interactions is of critical importance in sustaining the world's resource base. The EC policy and strategy for the livestock sector focuses on improving pro-poor livestock services, enhancing market access, strengthening producer associations, providing demand driven research, tackling animal diseases, addressing environmental and food safety issues and ensuring the sustainable management of grazing lands.

The **operational activities** of the Strategic Partnership in the sub-area of livestock would focus on the **international initiative on “Livestock, environment and development”**. It is hosted by FAO and promotes multidisciplinary research and development, increases awareness among key stakeholders of the complex interactions of human needs, animal production and the sustainability of global natural resources. It improves communication and enhances the relevance of research and development issues related to livestock environment interactions. Focusing on the livestock-associated environmental problems, some hotspots stand out: wildlife / biodiversity, deforestation, involution of farming systems, industrial pollution, global environmental effects, and land degradation.

The objective of the activities that could be entrusted to FAO within this initiative are the following: i) to assist in capacity building and the dissemination of results, baseline information and resource intelligence; ii) to support decision-making on livestock environment issues, support mainstreaming of livestock and environment issues in donor operations, and assist in the formulation of national action plans; iii) to facilitate international pilot development programmes and assist in carrying out additional studies on livestock environment issues.

3.5. Land policy.

Another key issue faced by developing countries is the review of their land policy and the design and implementation of sound, pro-poor land reform and redistribution programmes. The recent working document published by the Commission (Draft “EU Land policy guidelines”) outlines the characteristics of pro-poor land policies which the EU intends to support: based on participatory processes and: i) explicitly targeted at improving and

securing access for the rural poor; ii) respecting the existing set of rights; iii) comprehensive (i.e. address tenure security in both rural and urban areas); iv) providing a framework for the co-existence of multiple tenure systems and gradual evolution towards increasing security.

In addition to **policy dialogue** with the Land Tenure Service and other relevant Departments in FAO, the Strategic Partnership would seek to develop **operational activities** where FAO could i.a: i) provide expertise to policy formulation, drafting of legislation, institutional building; ii) support capacity building of national staff and in local organisations; iii) facilitate participatory policy development processes.

3.6. Agricultural trade

Enhancing trade has the potential to contribute to economic growth and to poverty reduction in developing countries, as outlined in the Commission Communication on *“Trade and development - Assisting developing countries to benefit from trade”*

Considering the existence of other UN agencies in the field of trade and development, the EC / FAO Strategic Partnership should focus on the comparative advantage of FAO in the following sub-areas: trade-related sanitary and phytosanitary issues (SPS), trade in the agricultural sector, training in agriculture trade negotiations. **Policy dialogue** should focus on trade and agriculture, on enhancing participation of the agricultural sector of developing countries in the world trading system, with a view to poverty reduction, and on SPS issues. **Operational activities** could include: i) **training in trade negotiations** in the field of agriculture and more specifically SPS; ii) more general co-operation in the area of SPS; this cooperation should be channelled to train developing countries on the SPS Agreement and its trade implications and obligations, and to facilitate the design and implementation in these countries of measures to overcome potential SPS export problems iii) training programmes in the field of agricultural trade (“Umbrella II” programme carried out by FAO).

4. AREA 3: FOOD SAFETY AND QUALITY.

Recent events have heightened public awareness of food safety issues. Food safety is important for consumers as well as for enhancing international trade, and hence indirectly for producers affected by food safety related restrictions on commercialisation. It is thus an issue to be approached through the whole food chain, from producers to consumers, which justifies integrating certain plant health and animal health issues in the general area of food safety. For developing countries, the challenges of improving food safety are particularly acute, as well as the consequences in terms of health, trade and ultimately livelihoods. Broader food quality encompasses additional issues of importance for both food security and agricultural development, amongst which the nutritional aspects of food products, organic foods, eco-compatible production systems and the use of geographical indications to develop specific markets.

Within the wider area of food safety and quality, the EC / FAO Partnership should cover specific aspects in the following sub-areas:

- Integrated approach to food safety and quality (food chain approach);
- Phytosanitary issues.
- Animal health and animal products.

4.1. Integrated approach to food safety (food chain approach)

Enhanced safety of foodstuffs in developing countries plays an important role in several components of the development policy of the EU, in particular the trade, agriculture and health components. The Strategic Partnership in this sub-area would have a major component of **policy dialogue**, to favour synergies in the Commission's and the FAO's approaches to food safety issues. Considering the specificities of issues related to food quality and its potential impacts on agricultural development and food security, a distinct but complementary policy dialogue should also be established in this field. Some of the more specific issues to be covered in this dialogue, with a clear focus on developing countries, are:

For food safety:

- Concepts of sustainability in relation to food production and safety.
- Safety of the food supply chain (e.g. traceability, emerging pathogens, cost effective detection methods), together with consumer education/awareness.
- Long term, low level exposure to chemicals and toxins via food consumption.
- Regulatory aspects related to research in food safety (including intellectual property related issues and others).

For food quality:

- Multilateral platforms on nutritional issues (e.g. malnutrition, infant food).
- Definition and protection of geographical indications for agricultural products as an opportunity for development.
- Alternative agricultural systems, placing emphasis on food quality.
- Production and commercialisation of organic food.
- Eco-compatible agricultural production systems, including good agricultural practices.

In addition, specific **operational activities** could be envisaged with the following objectives:

- Cooperation with developing countries in the field of food safety, including joint conferences and co-operation with research networks like the **ESCORENA networks**.

These could be reinforced through their participation in Framework Programme activities (Marie Curie grants, SSA grants).

- Sharing of experiences in management of food safety, through the Global Fora of Food Safety Regulators, which provide the opportunity for food safety regulators from around the world to jointly discuss food safety issues that are of common concern. In 2004 the focus will be on strengthening of official food control services, and the epidemic-surveillance of food-borne diseases and food safety rapid alert systems.

4.2. Food safety and phytosanitary issues.

Proper management of pesticides or other agricultural chemicals mean increased revenues for the farmer, through lower costs and increased opportunities for trade in agricultural produce (due to fewer residues), as well as important health benefits and lower threats for the environment. The (FAO) International Code of Conduct on the Distribution and Use of Pesticides sets the appropriate Framework for potential activities. The Commission has been actively supporting initiatives in this field, such as integrated pest management programmes, the African Stockpile initiative, or different programmes in the field of Maximum Pesticide Residue Levels (MRL). On a more global level, the EU is committed to proper chemicals management through its participation in the Rotterdam Convention, within which a capacity building programme is under development, and in the International Plant Protection Convention, which aims at preventing the spread and introduction of pests and to promote appropriate measures for their control.

Policy dialogue on all these aspect is certainly relevant within the Strategic Partnership. Certain **operational activities** that could also be envisaged are:

- Supporting countries in implementing the **FAO Code of Conduct** and related Conventions programmes. The collaboration could comprise: i) providing expertise to capacity building, policy formulation, drafting national legislation, ii) providing technical advice for the introduction of monitoring and control regimes, iii) facilitation of participatory policy development processes involving all stakeholders.
- Developing pre-normative technical guidelines to facilitate the use of **pesticide residue data** from one crop to set values for another and to enhance the use of residues data from one country or region to help set standards in others. The EU has a limited set of guidelines but it is poor for tropical crops and for pre-harvest applications. FAO, using expert consultations and working groups, has the potential to improve it and make it globally functional. This would in addition facilitate the setting of MRLs for tropical crops by Codex and by the Commission, thus improving trading opportunities for these crops.
- Providing support and expertise to countries in order to allow them to deliver appropriate data in the EU/Codex processes for fixing **Maximum Residue Levels** of pesticides.

- Extending the scope of implementation of **Integrated Pest Management** programmes, in particular through a second phase of a large EU-FAO project on IPM for cotton cultivation in Asia. It would be extended to new crops as well as new more countries.
- Implementing **obsolete pesticide disposal** and management measures, as foreseen in the framework of the African Stockpile Programme and other similar programmes. Limited support (€ 1 million) has already been provided for pilot/enabling activities.

4.3. Food safety and animal health.

Different concerns related to the safety of foods of animal origin have prompted a close scrutiny of animal husbandry systems, from the perspective of food safety, and has led to safety standards, which have an impact on public health as well as on trading opportunities for animal produce. In addition in case of serious outbreaks of animal diseases, there are major negative impacts on the livelihoods of the poor and on livestock dependent regions. The Commission has been supporting developing countries to design and implement collaborative strategies, including emergency preparedness, and coordinated actions to prevent and fight such hazards.

The Strategic Partnership should include an **enhanced policy dialogue** in particular on **livestock transboundary diseases** and other animal health issues. It could also develop **operational activities** with the objective of improving coordination and coherence in the field of animal health within countries and regions, at policy and implementation levels. This could cover mainly Africa and Asia, and developing countries at the boundary of the EU, and take the form of long term cooperation, through elaboration of strategic alternatives, epidemiological models, but also provision of short and long term expertise.

5. AREA 4: NATURAL RESOURCES MANAGEMENT.

Natural resources management covers a wide range of areas and has highly relevant implications for the overall poverty reduction objective of the development policy of the EU. Within the wider area of natural resources management, the EC / FAO Partnership should cover specific aspects in the following sub-areas:

- Land degradation, desertification.
- Water management.
- Fisheries.
- Forests
- Agricultural biodiversity

5.1. Land degradation, desertification.

The importance of **sustainable land use** for fighting hunger and poverty has been recognised and addressed through development co-operation for many years. The United

Nations Convention on Combating Desertification (UNCCD), of which the EU is a Party, was developed as a tool to assist in the achievement of sustainable land use. Desertification counteracts investments in development. The world-wide loss in income in the agricultural sector due to desertification is roughly equivalent to the annual investment in development through ODA. Hence the crucial importance of ensuring that the UNCCD principles are integrated into the mainstream of development co-operation, both on the side of donors and of partner countries.

In light of the decisions taken at the last Conferences of the parties of the UNCCD, which have given prominence to implementation and policy coherence on the ground while promoting the scientific and technological base of the Convention, the Partnership should favour regular **dialogue** between the EC and FAO. A particular focus should be made on the potential strengthening of the Convention's scientific basis through its linking with CGIAR programme. This dialogue would enable both institutions to better understand respective efforts towards the above objectives while enhancing synergies in relation to desertification control activities also with other stakeholders.

5.2. Water management.

The World Summit on Sustainable Development in Johannesburg (WSSD) in 2002, established the need for integrated water resources management plans. The EU launched on this occasion the "Water initiative". The initiative was endorsed at the highest political level with a joint declaration for a new Africa/EU strategic partnership on water affairs and sanitation. A partnership between EU and Eastern Europe, the Caucasus and Central Asia was also endorsed at ministerial level. The EU refined its policy approach to water in the context of development cooperation, with a Communication stressing the need to work within the framework of integrated water resources management, based on a river basin approach. Through the accumulated experience of past research and an explicit commitment in the on-going 6th Framework Programme for EU research, a significant number of science projects are marshalled to support implementing the water-related Millennium Development Goals. Many of these are focused on integrated river basin management, a mainstay of the EUWI.

In a first phase, the Strategic partnership with FAO should focus on a specific aspect of water management, namely **transboundary river basin management**, both by means of **policy dialogue** and of **operational activities**. The latter would aim at supporting the design and implementation of transboundary river basin management schemes, which would contribute to operationalising the goals of the EU Water Initiative. Such collaboration should initially take place in the framework of the Africa/EU strategic partnership on water affairs, and depends on the demand of basin initiatives currently being developed. The experience of FAO is of high relevance to its support to developing countries where harmonization of domestic legislation in transboundary river basins plays an important role in FAO's technical co-operation programme in natural resources.

5.3. Fisheries.

The place of fisheries within the development policy of the EU in relation to poverty reduction is reflected in the Communication issued by the Commission in 2000⁸ and associated Council Resolution of 8 November 2001. This was followed by another Communication on an “*Integrated Framework for Fisheries Partnership Agreements*”⁹ as part of the reform of the Common Fisheries Policy (CFP). Both reiterate internationally agreed principles on aquatic resource-based development, including the FAO Code of Conduct for Responsible Fisheries. Subsequently, as part of the reform process of the Common Fisheries Policy the Commission adopted a Communication in 2002 on an “*Integrated Framework for Fisheries Partnership Agreements (FPA)*”. EU bilateral fisheries relations are gradually moving away from access agreements towards partnership agreements with a view to contribute to responsible and sustainable fishing in the mutual interest of both parties. This reconfirmed the Community’s commitment to contribute to the sustainable development of fishing activities at the international level. The Commission has also committed itself to launch an Action Plan for the improvement of scientific and technical advice on fisheries outside Community waters, to promote responsible and sustainable fishing.

The focus of the Strategic Partnership in this sub-area should be **fisheries management at regional level**, in developing regions. One of the key elements should be practical steps to implement the WSSD commitments and targets, namely to restore depleted fish stocks by 2015, eliminate illegal, unreported and uncontrolled fishing and destructive fishing practices and to establish marine protected areas by 2012. **Policy dialogue** should focus on how to achieve these targets and should be complemented by exchange of information on fishery statistics and information on status and trends of fisheries. It should also be underpinned by possible **operational activities**. For the latter, the geographical scope should be limited to areas where there is no strong regional fisheries body, like in Western Africa. The collaboration could comprise: i) providing expertise to capacity building, policy formulation, drafting national legislation, ii) providing technical advice for the introduction of co-management regimes at regional level, in particular with regard to monitoring, control, surveillance, and enforcement; iii) facilitation of participatory policy development processes involving all stakeholders. Results from joint research with countries of the sub-region, under the INCO programme of the EC, could be knowledge assets together with other projects supporting implementation of the WSSD commitments and targets.

⁸ COM(2000)724

⁹ COM(2002)637 final

5.4. Forests.

In many developing countries forests are a valuable source of income to rural people and a major reservoir of biodiversity. The Commission's strategic framework, its Communication on "*Forest and development: the EC approach*"¹⁰, stresses that sustainable forest management would make a significant contribution to economic, social and environmental development, especially in developing countries. The Communication emphasizes the need for good governance as a prerequisite to ensure sustainable management of forests, and notes that a participatory approach of particular importance given the number of stakeholder groups directly involved. The poverty-environment interface, at the centre of the WSSD agenda, is particularly evident in forestry activities. In Johannesburg the Commission made a strong commitment to work in partnership with developing countries to combat illegal logging and the associated trade in illegally harvested timber. To build on this commitment, the Commission is now implementing an EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT)¹¹. The Commission is taking an active role in helping to shape two major partnerships for forests announced in Johannesburg, the Asia Forest Partnership and the Congo Basin Forest Partnership.

Within the Strategic Partnership, **regular dialogue** between the EC and FAO would enable both institutions to enhance synergies in their development policies in relation to forestry, in the fields of forest policy development, enforcement and implementation, with the aim of contributing to sustainable forest management.

In addition, **operational activities** could be designed with the following objectives:

- Strengthen institutional capacities for forest policy implementation in developing countries, through the **National Forest Programme** (NFP) Facility. This multi-donor trust fund is hosted at FAO. NFPs are comprehensive, participatory, sector-wide planning and implementation processes, which are designed to support consensual and participatory policy-making in the forest sector.
- Support **forest law review**. FAO can support developing countries to review their forest legislation, with the aim of promoting sustainable development, biodiversity conservation and poverty reduction, taking in particular into account the interests of forest dependent stakeholders. Such work would also support the broader objectives which are reflected in the development of national forest programmes.

Collaboration in the field of forestry is relevant in Asia and Latin America, as well as in Africa.

¹⁰ COM (1999) 554

¹¹ COM(2003)251

5.5 Agricultural biodiversity

Biodiversity and the ecosystems they support are the living basis for sustainable development. The WSSD noted that "to achieve sustainable agricultural growth, changes are needed for ... building ecological foundation in terms of water, biodiversity, climate, and land". Heads of State and Government at WSSD committed to "achieve by 2010 a significant reduction in the current rate of loss of biological diversity."

The Commission adopted a communication on a Community Biodiversity Strategy in 1998, and on Biodiversity Action Plans in the areas of Conservation of Natural Resources, Agriculture, Fisheries, and Development and Economic Co-operation¹² in 2001. The Strategy focuses on the integration of biodiversity concerns into relevant sectoral policies.

The focus of the Strategic Partnership in this sub-area should be on technical agricultural biodiversity activities, in particular the entry into force of the International Treaty on Plant Genetic Resources for Food and Agriculture (IT-PGRFA), and implementation of the Global Plan of Action for the Conservation and Sustainable Use of Plant Genetic Resources (PGR) for Food and Agriculture. **Operational activities** could be designed to support the following objectives:

- Monitoring of the implementation of the Global Plan of Action. As regards the IT-PGRFA, the capacity of developing countries to effectively manage PGR is generally weak. Characterizing national plant breeding capacities in developing countries and developing effective strategies to enhance capacities, could benefit from the expertise and enormous strengths of public and private sector crop breeding programmes in Europe, many of which have experience in tropical and subtropical ecologies as well as for the regions of countries in transition, where technology and policy assistance is urgently required.
 - Preparation of the Second Report on the State of the World's Plant Genetic Resources for Food and Agriculture
 - Mainstreaming of biodiversity into agricultural strategies, plans and programmes.

6. AREA 5. STATISTICAL COOPERATION AND INFORMATION EXCHANGE.

Reliable, comprehensive and updated information is an essential basis for the elaboration and evaluation of effective policies. Generating such information relies on data bases of high quality. The statistical services of FAO, as well as its data analysis, interpretation and dissemination capacities, are recognised in several areas, with special emphasis on developing countries.

The Strategic Partnership should include statistical cooperation and **information exchange** on a broad scale. The Commission and FAO nevertheless have specific areas of

¹² COM(2001)0162

interest in that field, with a focus on data and information *concerning developing countries*. These areas are:

- Food security statistics from household income-expenditure surveys, food and feed consumption.
- Products with distinctive marks (including “quality labels” like organic farming).
- Pesticide use and evaluations. FAO is in the process of expanding its input statistics to cover pesticides.
- Livestock transboundary diseases.
- Forest cover and trends. FAO has a global mandate and the capacity to monitor and assess global forest resources, and collaboration has been established with the Commission, through the European Environment Agency within Europe and with the Joint Research Centre globally.
- Agro-environmental indicators.
- Official Development Assistance (ODA). i) FAO directly deals with OECD on ODA, but could benefit from the data that refers to the multilateral ODA from EU. ii) After the Maputo Declaration by the African Union, where the African Head of States committed themselves to increase national budgets for agriculture, there is a need to monitor government expenditure by sector, particularly agriculture. The Partnership would offer the opportunity for FAO and the EC to collaborate on this issue, which could be extended to all developing countries. Beyond FAO / EC cooperation, the collaboration of other organizations like WB, IMF, and AFDB could also be sought.
- Fishery statistics and information on status and trends of fisheries.

Beyond the exchange of statistical information, the Partnership may open opportunities for reinforced dialogue on methodologies in the field of statistics. The areas initially identified for enhanced **methodological dialogue** are:

- Capital Stock (Capital formation) for agriculture. FAO is planning in the new phase of its modernization of FAOSTAT to base its database around three important pillars, one of which is Economic Accounts for Agriculture. One of the important components of this pillar is the capital stock formation in agriculture. FAO could benefit significantly from EU experience on this domain.
- Cost of Production. This is an area where FAO has been getting more and more requests from developing countries for capacity building. This is also one of the important requirements for the economic accounts for agriculture. The EU experience on Farm Business Surveys (FADN) could set an example for FAO's work in this area.

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