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EFFECTIVENESS OF EUROPEAN UNION  
DEVELOPMENT AID FOR FOOD  
SECURITY IN SUB-SAHARAN AFRICA



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# EFFECTIVENESS OF EUROPEAN UNION DEVELOPMENT AID FOR FOOD SECURITY IN SUB-SAHARAN AFRICA

(pursuant to Article 287(4), second subparagraph, TFEU)

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## **REPLY OF THE COMMISSION**

# GLOSSARY

**ACP:** African, Caribbean and Pacific States

**AGP:** Agricultural Growth Programme

**Agri:** Agriculture

**CAADP:** Comprehensive Africa Agriculture Development Programme

**CBT:** Community-Based Treatment

**CSPs:** Country Strategy Papers

**DCI:** Development Cooperation Instrument

**DEVCO:** Directorate-General for Development and Cooperation — EuropeAid

**DPRPR:** Decentralised Programme for Rural Poverty Reduction

**ECHO:** Directorate-General for Humanitarian Aid and Civil Protection

**EDF:** European Development Fund

**EDPRS:** Economic Development and Poverty Reduction Strategy

**FAO:** Food and Agriculture Organisation

**FIDP:** Farm Income Diversification Programme

**FISP:** Farm Input Subsidy Programme

**FS:** Food Security

**FSLB:** Food Security Budget Line

**FSTP:** Food Security Thematic Programme

**GBS:** General Budget Support

**GHI:** Global Hunger Index

**HIV/AIDS:** Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome

**IFPRI:** International Food Policy Research Institute

**INFSSS:** Integrated Nutrition and Food Security Surveillance System

**LRRD:** Linking Relief, Rehabilitation and Development

**MDG:** Millennium Development Goal

**MDG1:** Millennium Development Goal 1 (Eradicate extreme poverty and hunger)

**MDG4:** Millennium Development Goal 4 (Reduce child mortality)

**MDG5:** Millennium Development Goal 5 (Improve maternal health)

**NGO:** Non-Governmental Organisation

**NIP:** National Indicative Programme

**OCTs:** Overseas Countries and Territories

**ODA:** Official Development Assistance

**OECD:** Organisation for Economic Cooperation and Development

**PASDEP:** Plan for Accelerated Sustained Development to End Poverty

**RD:** Rural Development

**ROM:** Results-Oriented Monitoring

**SBS:** Sector Budget Support Programme

**SNNPR:** Southern Nations, Nationalities and People's Region

**SPTA:** Strategic Plan for the Transformation of Agriculture

**UN:** United Nations

## EXECUTIVE SUMMARY

### I.

Food security is a major problem in sub-Saharan Africa, where 30 % of the population suffer from hunger.

### II.

The Court examined whether European Union (EU) development aid for food security in sub-Saharan Africa is effective: whether EU development aid for food security is relevant to the countries' needs and priorities and whether the EU interventions are effective. The audit focused on EU direct development support for the three dimensions of food security, i.e. food availability, access to food and utilisation of food (nutrition). It did not examine whether food security was mainstreamed in all relevant areas of EU cooperation, such as health, education, or water and sanitation.

### III.

The Court concludes that EU development aid for food security in sub-Saharan Africa is mostly effective and makes an important contribution to achieving food security. However, there is scope for significant improvement in several areas.

### IV.

In countries where food security is part of the EDF cooperation strategy, EU development aid is highly relevant to needs and priorities. The Commission focused its development aid on countries with the highest number of undernourished people. However, the Commission did not sufficiently consider the potential scope for EU support in other countries which also suffer from chronic food insecurity and are off track or late as regards the achievement of Millennium Development Goal 1 (Eradicate extreme poverty and hunger) (MDG1).

### V.

The European Development Fund (EDF) and the Food Security Thematic Programme (FSTP) complement each other. The Food Facility, set up in order to react to the impact of the 2007–08 food price crisis, was not designed to address long-term food price volatility.

### VI.

EU aid properly addresses countries' needs and priorities as regards food availability and access to food. However, the Commission has not placed adequate emphasis on nutrition and could have done more to encourage countries to set up appropriate nutrition policies and programmes at an earlier stage. The Commission has recently taken a number of initiatives to address this problem.

### VII.

EU interventions are mostly effective. They are well designed, are based on a sound knowledge of needs and priorities, and involve close dialogue with the governments of the partner countries and a wide range of stakeholders. Often, however, the interventions do not set sufficiently clear objectives. They are also sometimes overly ambitious, in particular in the case of Non-Governmental Organisation (NGO) projects. Interventions aim to achieve long-lasting results by empowering local populations to address the underlying causes of food insecurity, mainly by increasing agricultural production and promoting income-earning activities.



## EXECUTIVE SUMMARY

### VIII.

The interventions in most cases improve availability of and access to food for beneficiaries. They help to increase and diversify agricultural production and incomes, and support safety-net programmes for the most vulnerable. Half of the interventions have reasonable prospects of being sustainable, but continued results are less clear for the other half. Large government agricultural and social transfer programmes are not financially sustainable and largely depend on continued donor support.

### IX.

The Court makes the following recommendations to improve the effectiveness of EU development aid for food security in sub-Saharan Africa:

- (a) For the programming period after 2013, the Commission and the European External Action Service should carry out a structured assessment of the food security situation in each country and systematically consider the potential scope for EU support in this area.
- (b) The Commission should examine, possibly with other development partners, the feasibility of a permanent instrument for financing urgent and supplementary measures that may be required to address the consequences of potential future food crises in developing countries.
- (c) The Commission and the European External Action Service should give adequate priority to nutrition when defining the cooperation strategy, identifying and designing interventions, and using policy dialogue with partner governments, notably in the framework of budget support programmes.
- (d) The Commission should set out intervention objectives that are sufficiently precise and measurable through performance indicators. It should ensure that the objectives are achievable by better assessing the risks and assumptions concerning the successful implementation of interventions.
- (e) The Commission should better support the financial sustainability of agricultural and social transfer programmes. In doing so, the Commission should:
  - (i) place more emphasis on the development of effective agricultural extension services, post-harvest infrastructure and rural credit;
  - (ii) ensure that social transfer programmes provide for adequate support to the development of income-earning capacities of the beneficiaries.

# INTRODUCTION

## DEFINITION OF FOOD SECURITY

1. Food security has been defined as a condition where 'all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life'<sup>1</sup>. It is generally seen as having three distinct dimensions which need to be fulfilled simultaneously and in a stable manner over time:
  - (a) food availability at national and regional levels;
  - (b) physical and economic access to food at household level; and
  - (c) nutrition, i.e. food utilisation at individual level.

<sup>1</sup> 'Rome Declaration on World Food Security' and 'World Food Summit Plan of Action', Food and Agriculture Organisation (FAO), 1996.

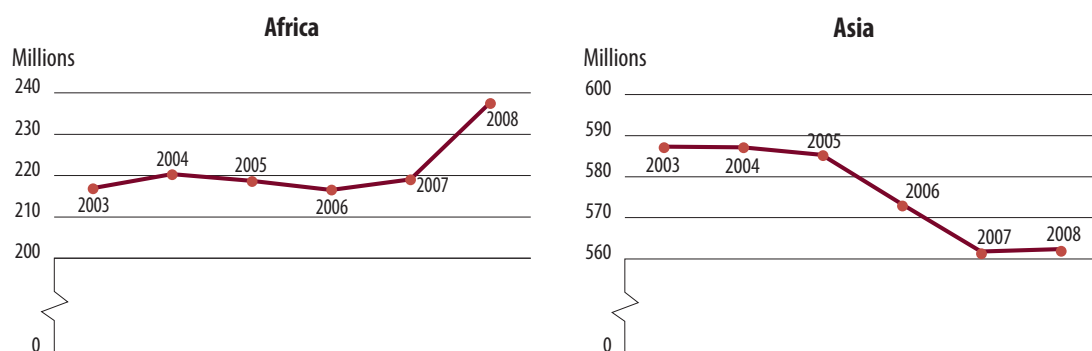
<sup>2</sup> Undernourishment or chronic hunger is the status of persons whose food intake regularly provides less than their minimum energy requirements. The average minimum energy requirement per person is about 1 800 kcal per day. The exact requirement is determined by a person's age, body size, pregnancy and lactation (Source: FAO, see [www.fao.org/hunger/en](http://www.fao.org/hunger/en)).

## PERSISTENT FOOD INSECURITY IN SUB-SAHARAN AFRICA

2. Food security has long been, and still is, a global problem with an estimated 1 billion people in the world suffering from hunger<sup>2</sup> (see **Figure 1**). This figure fell during the early 1990s and stood at just over 800 million around the mid-1990s. Over the last decade, the total has been increasing again, especially following the sudden sharp increase in food prices all around the world in 2007 and 2008 and following the subsequent economic crisis of 2008–09.

FIGURE 1

## NUMBER OF PEOPLE WHO SUFFER FROM HUNGER

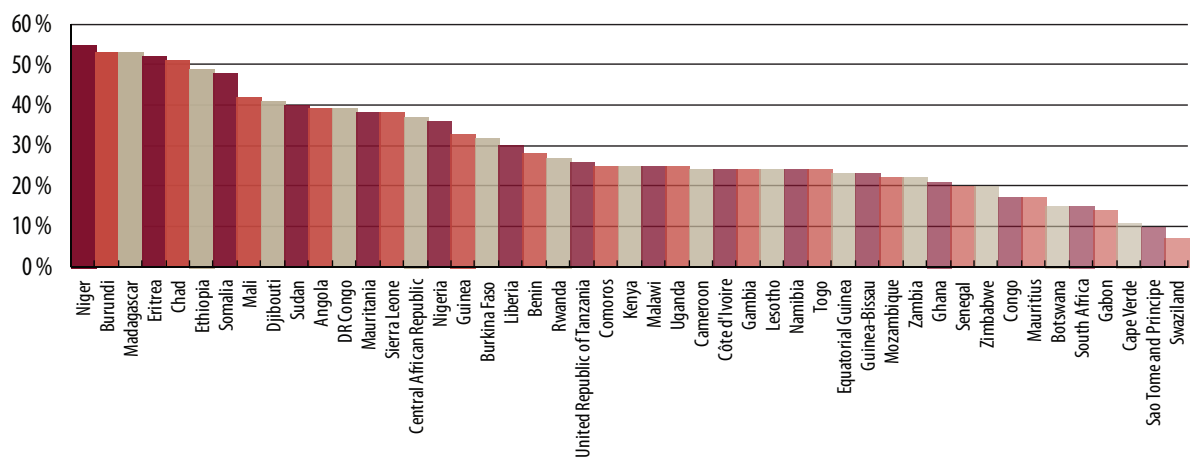


Source: Food and Agriculture Organisation.

3. The problem is still particularly serious and persistent in south Asia and sub-Saharan Africa. The largest number of people suffering from hunger live in south Asia, where some progress has, however, been made in particular during the 1990s. Scope for further progress is greatest in sub-Saharan Africa, where the number of people suffering from hunger is higher than in 1990, reaching 239 million in 2010, i.e. 30 % of the total population (see the map in **Annex I**).
4. In September 2011, after two consecutive poor rainy seasons, the Horn of Africa suffered from the worst drought in 60 years, leading to a severe food crisis with pre-famine conditions in certain parts of Kenya and Somalia. The combination of sharp rises in food prices, excessive live-stock mortality, conflicts and restricted humanitarian access have deteriorated the food security situation of more than 12 million people and increased malnutrition and mortality rates among children.

FIGURE 2

### MALNUTRITION OF CHILDREN UNDER THE AGE OF FIVE IN SUB-SAHARAN AFRICA: PREVALENCE OF UNDERWEIGHT



Source: ECA based on Food and Agriculture Organisation data.

5. Sub-Saharan Africa is in a situation of chronic malnutrition with persistently high rates, particularly for children (see **Figure 2**<sup>3</sup>). According to the Food and Agriculture Organisation's (FAO) latest surveys, an average of 47 % of children under five years of age suffer from chronic malnutrition (stunting<sup>4</sup>), 30 % are underweight<sup>5</sup>, and acute protein energy malnutrition (wasting<sup>6</sup>) — associated with a high death rate — affects 9 % of children. Adults also suffer from malnutrition, with an average of 12 % of women affected. The most harmful effects of malnutrition occur during pregnancy and the first two years of life. Its impact on physical and cognitive development is irreversible and it is a main cause of mother and child death and of disease among children under five.
6. **Annexes II to IV** give an overview of the food security situation in Ethiopia, Malawi and Rwanda, which were visited by the Court as part of its audit (see paragraph 16).

## MAIN FACTORS OF FOOD INSECURITY

7. Many factors, which are all causes of poverty and lack of development, contribute to food insecurity:
- (a) **Low agricultural productivity:** in sub-Saharan Africa, 70–80 % of the population is rural and lives on subsistence agriculture<sup>7</sup>. Productivity has been growing at no more than 1–2 % per year, a rate not even sufficient to keep up with an annual population growth rate of 2,2 %<sup>8</sup>. The small size of farm holdings, over-reliance on rain-fed agriculture and inadequate access to productive inputs (seeds, fertilisers, pesticides) are among the main reasons.
  - (b) **Low rate of investment and decreasing share of donor aid allocated to agriculture and rural development:** developing countries allocate on average 5 % of their national budget to agriculture and rural development, i.e. much less than the 10 % target set in the Maputo Declaration (see paragraph 9)<sup>9</sup>. In sub-Saharan Africa, donors alike have neglected the sector with agriculture receiving only 8 % of sector-specific official development assistance in 2009, compared to 16 % in 1996 (see **Figure 3**).
  - (c) **Poor purchasing power:** due to scarce employment and income-generating opportunities and the absence of social transfer mechanisms, the poor frequently lack the means to buy food.

<sup>3</sup> The data refers to the latest survey year for each country.

<sup>4</sup> Stunting: height by age is a measure of linear growth and as such an indicator of long-term effects of undernutrition not affected by seasonal changes.

<sup>5</sup> Underweight: weight by age combines information from stunting and wasting. Children can be underweight because they are stunted, wasted or both.

<sup>6</sup> Wasting: height by weight is an indication of the current nutritional status of a child and reflects recent nutritional intake and/or episode of illness. Severe wasting is often linked to an acute shortage of food.

<sup>7</sup> Source: World Bank and FAO.

<sup>8</sup> Source: United Nations Population Fund.

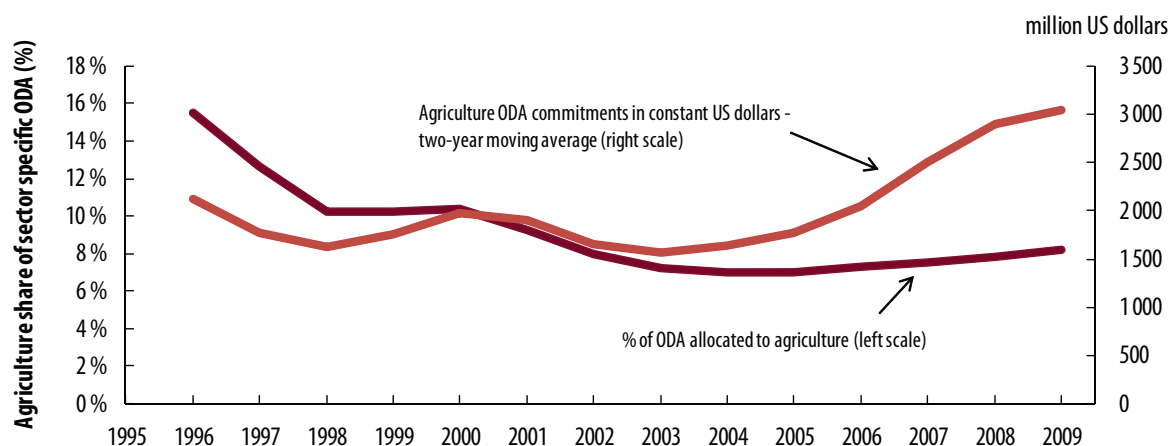
<sup>9</sup> Some countries do achieve or exceed this target, such as Malawi and Ethiopia.

- (d) **Inadequate storage, processing and distribution infrastructure:** these factors hinder physical access to food at household level.
- (e) **Insufficient food intake and inappropriate dietary practices:** such factors contribute to malnutrition. They are linked to a lack of education about proper nutrition or insufficient diversity of food sources, inadequate healthcare, inadequate access to drinking water and sanitation facilities, or illiteracy among women.
- (f) **Factors which are largely beyond the control of individual developing countries:**
- (i) victims of natural or man-made disasters are often forced to leave their homes and farms and are faced with the threat not just of hunger but of outright starvation;
  - (ii) the links between the financial markets and speculation within agricultural futures markets, as well as the development of bio-fuels contribute to the unavailability of food and to price increases. They also involve large-scale acquisition of arable land in sub-Saharan Africa by foreign companies and governments<sup>10</sup>, which do not necessarily guarantee that African national interests are respected.

<sup>10</sup> According to the FAO, between 2004 and early 2009, at least 2,5 million hectares were transferred from local users to foreign investors in five African countries alone (Ethiopia, Ghana, Madagascar, Mali and Sudan).

FIGURE 3

### ANNUAL OFFICIAL DEVELOPMENT ASSISTANCE (ODA) COMMITMENTS IN SUB-SAHARAN AFRICA: OVERALL TRENDS AND SHARE ALLOCATED TO AGRICULTURE



Source: Organisation for Economic Cooperation and Development (OECD).

## INTERNATIONAL AND EU AGENDAS ON FOOD SECURITY

8. In November 1996, the World Food Summit in Rome adopted a Declaration and Plan of Action on World Food Security. It pledged an ongoing effort to eradicate hunger in all countries with the target of reducing by half the number of undernourished people by no later than 2015. The central place which food security occupies in the development cooperation agenda has been recognised in Millennium Development Goal 1 (MDG1) adopted in September 2000 by the General Assembly of the United Nations<sup>11</sup>.
9. At the Second Ordinary Assembly of the African Union in July 2003, African Heads of State and Government endorsed the Maputo Declaration on Agriculture and Food Security in Africa. They committed themselves to strengthening the development of agriculture and related value added activities, rural development and food security at national and regional levels and pledged to allocate 10 % of their national budget to agriculture by 2008. The Comprehensive Africa Agriculture Development Programme (CAADP) aims to eliminate hunger and reduce poverty through agriculture and sets an agricultural annual growth target of 6 %.
10. The European Consensus on Development of December 2005<sup>12</sup> (hereafter 'the European Consensus') selects agriculture, rural development and food security as one of the areas on which EU development aid will concentrate. In relation to agriculture, the focus is on access to resources (land, water, finance), competitiveness on regional and international markets and risk management, as well as global agricultural research. Concerning food security, the focus is on prevention, safety nets, improving access to resources, the quality of nutrition and capacity development.
11. In March 2010, the Commission issued a communication to the Council and the European Parliament on an EU policy framework to assist developing countries in addressing food security challenges<sup>13</sup>. In view of the uneven and insufficient progress towards achieving food security and MDG1, it aims to set a comprehensive approach for the EU and its Member States in the fight against world hunger and malnutrition. It aims for:
  - (a) accelerated agricultural growth, with a focus on ecologically efficient agricultural intensification for smallholder farmers, and in particular women;

<sup>11</sup> MDG1 sets as indicators for monitoring progress the prevalence of underweight children under five years of age and the proportion of the population below a minimum level of dietary energy consumption. Food security also plays an important role in relation to MDG4 (Reduce the mortality rate for the under fives by two thirds between 1990 and 2015) and MDG5 (Reduce the maternal mortality rate by three quarters between 1990 and 2015).

<sup>12</sup> Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus' (OJ C 46, 24.2.2006, p. 1).

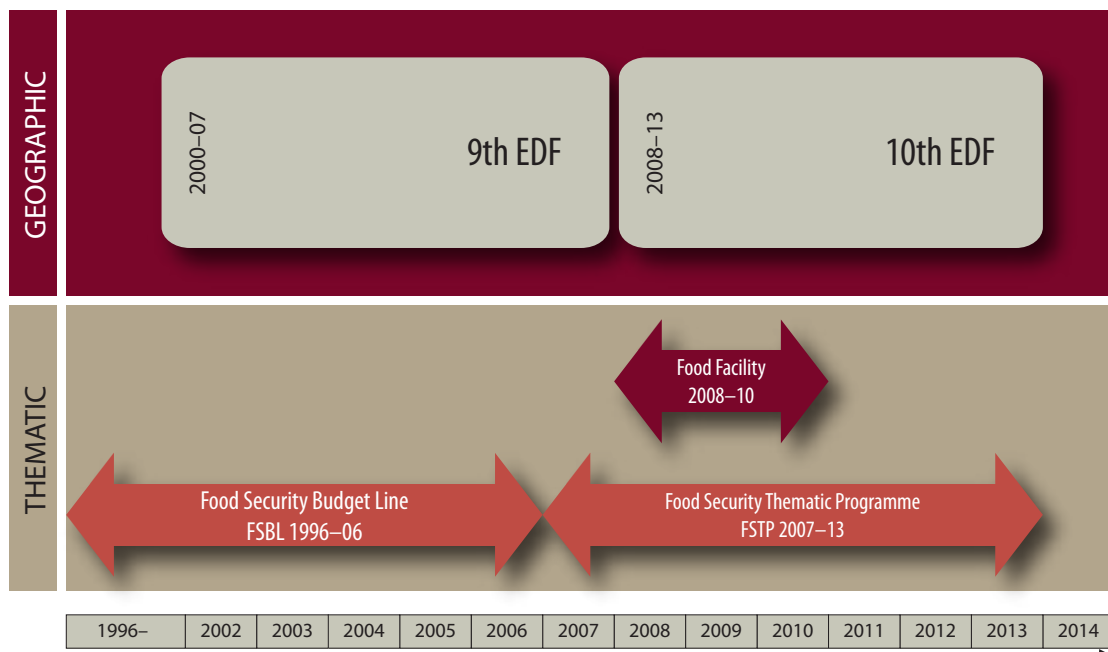
<sup>13</sup> COM(2010) 127 final of 31 March 2010.

- (b) improved access to food through employment and income-earning activities;
- (c) the formulation of nutrition policies and strategies and the setting-up of coordination mechanisms between agriculture, health, education and social protection sectors; and
- (d) improved crisis prevention and management, in particular by establishing close links between humanitarian and development actors and effective national or regional early-warning systems.

**12.** In sub-Saharan Africa, the Commission has used four main instruments since 1996 to fund interventions in the area of food security (see **Figure 4**):

**FIGURE 4**

**OVERVIEW OF MAIN EU FUNDING SOURCES FOR FOOD SECURITY IN SUB-SAHARAN AFRICA (COMMITMENT PERIODS)**



Source: European Court of Auditors.

- (a) as a geographical instrument, the EDF<sup>14</sup> is the prime framework for cooperation with individual sub-Saharan countries. Direct support for food security is given to countries where either food security, agriculture or rural development is selected as a focal sector for cooperation in the CSP<sup>15</sup> and national indicative programme (NIP). Funding can also be provided, albeit in more limited amounts, under the non-focal areas of EDF support or under the so-called 'B-allocation' which is destined to cover unforeseen needs;
- (b) three thematic instruments have been financed through the general budget of the European Union (the 'general budget'):
- (i) during the period 1996–2006, a Food Security Budget Line (FSBL)<sup>16</sup> was established to finance three main types of interventions at country level:
- food aid, where operations are mainly short-term;
  - long-term financial or technical assistance in support of food security (e.g. supply of seeds, tools and other inputs essential to the production of food crops);
  - early-warning systems and storage systems;

<sup>14</sup> The EDF is the main instrument for providing EU aid for development to the African, Caribbean and Pacific (ACP) States and overseas countries and territories (OCTs). It is funded by the Member States. For further details on the specific characteristics of the EDF see paragraphs 2 to 8 of the 2010 Annual Report of the Court on the EDFs (OJ C 326, 10.11.2011, p. 251).

<sup>15</sup> The Country Strategy Paper, prepared by the ACP State or OCT concerned and the EU, is drawn up for every EDF programming period and sets the general orientations for cooperation. The CSP includes a country diagnosis and the EU response strategy through the choice of focal and non-focal sectors, with focal sectors representing the priority areas of support.

<sup>16</sup> Council Regulation (EC) No 1292/96 of 27 June 1996 on food-aid policy and food-aid management and special operations in support of food security (OJ L 166, 5.7.1996, p. 1).





- (ii) the FSTP under the Development Cooperation Instrument (DCI)<sup>17</sup> covers the period 2007–13. The main feature of the instrument is its focus on the regional, continental and global levels in order to support research and technology for agriculture and sustainable management of natural resources and ecosystems, strengthen the links between food security information/early-warning systems and the development of effective response strategies and exploit the potential of continental and regional approaches for food security. It may also intervene at country level in certain circumstances;
- (iii) in December 2008, the Food Facility<sup>18</sup> was established to provide a rapid response to the crisis caused by volatile food prices in developing countries. The primary objectives of the Food Facility were to increase agricultural production, to mitigate the adverse effects of food price rises on local populations and to strengthen the productive capacities and governance of the agricultural sector to enhance the sustainability of interventions. It provides for support to improve access to agricultural inputs and services and to safety-net measures.

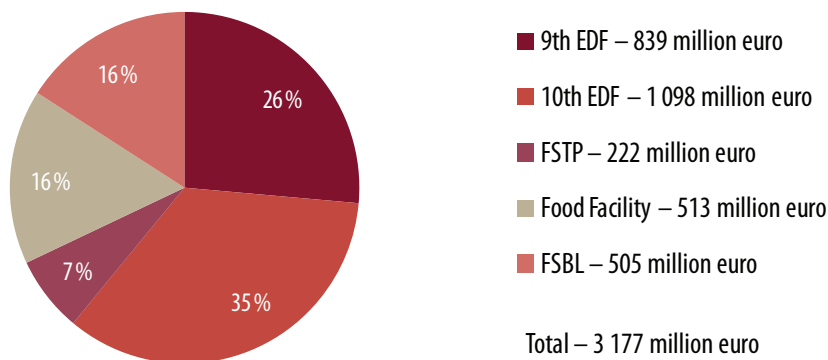
<sup>17</sup> Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation (OJ L 378, 27.12.2006, p. 41).

<sup>18</sup> Regulation (EC) No 1337/2008 of the European Parliament and of the Council of 16 December 2008 establishing a facility for rapid response to soaring food prices in developing countries (OJ L 354, 31.12.2008, p. 62).

- 13.** As **Figure 5** shows, the financial allocations for food security to sub-Saharan Africa for the period 2002–10 under the four instruments mentioned in paragraph 12 amounts to 3 177 million euro.

**FIGURE 5**

**EU AID FOR FOOD SECURITY IN SUB-SAHARAN AFRICA FROM 2002 TO 2010**



Source: European Court of Auditors.

## AUDIT SCOPE AND APPROACH

- 14.** The Court's audit sought to assess the effectiveness of EU development aid for food security in sub-Saharan Africa, which is the region where food insecurity is particularly serious (see paragraphs 4 to 6). The audit focused on two key questions:
- (a) Is EU development aid for food security relevant to the countries' needs and priorities?
  - (b) Are EU interventions effective?
- 15.** The audit focused on EU direct development support for the three dimensions of food security, i.e. food availability, access to food and nutritional utilisation of food over the period 2002–10. It focused on interventions supported at country level under the four geographic and thematic instruments mentioned in paragraph 12. The audit did not include an examination of:
- (a) whether food security was mainstreamed in interventions in other sectors (such as health, education, water and sanitation, peace and stability or trade);
  - (b) interventions at regional, continental and global levels; and
  - (c) emergency and humanitarian aid.
- 16.** The audit was carried out between May 2010 and April 2011. It involved:
- (a) a review of policy documents and interviews at the Commission in Brussels;
  - (b) a review of the design and implementation of the FSTP and the Food Facility<sup>19</sup>;
  - (c) visits to three countries which had food security, agriculture and/or rural development as a focal sector under both the 9th and 10th EDFs: Ethiopia, Malawi and Rwanda. During those visits, the Court's auditors interviewed EU delegation staff, representatives of national authorities, other donors, NGOs and beneficiaries. They also reviewed 22 interventions to assess the extent to which they were relevant to the beneficiaries' needs and priorities and had achieved or were likely to achieve their objectives; the interventions were scored on the basis of the Commission's results-oriented monitoring (ROM) methodology (see **Annex V**);

<sup>19</sup> Concerning the FSBL, see the Court's Special Report No 2/2003 on the implementation of the food security policy in developing countries financed by the general budget of the European Union (OJ C 93, 17.4.2003, p. 1).

- (d) a documentary review of EU cooperation strategies on food security in three other countries which had food security, agriculture and/or rural development as a focal sector under both the 9th and 10th EDFs: Burundi, Eritrea and Niger;
- (e) a review of EU support for food security in 10 countries which also experience chronic food insecurity but did not have food security, agriculture and/or rural development as a focal sector under both the 9th and 10th EDFs: Botswana, Cameroon, the Democratic Republic of the Congo, Gambia, Lesotho, Liberia, Mali, Swaziland, Tanzania and Zambia.

**17.** *Table 1* presents the amounts of EU development aid for food security financed from 2002 to 2010 under the four instruments mentioned in paragraph 12 in the 16 countries in the audit sample.



TABLE 1

### EU DEVELOPMENT AID FOR FOOD SECURITY FROM 2002 TO 2010 IN THE 16 COUNTRIES IN THE AUDIT SAMPLE

(million euro)

Country	9th EDF	10th EDF	FSBL	Food Facility	FSTP	Other budget lines	Total
<i>Countries where food security was supported under a focal sector for the 9th and 10th EDFs</i>							
Ethiopia	78,0	146,2	36,2	44,6	2,2	3,7	310,9
Malawi	76,3	62,0	63,7	18,5	3,3	-	223,8
Niger	53,1	39,4	21,8	19,6	-	4,9	138,8
Rwanda	64,0	40,0	4,4	15,6	-	12,1	136,2
Burundi	74,8	6,1	9,2	14,4	9,1	3,0	116,6
Eritrea	7,9	4,9	20,4	13,6	6,3	13,6	66,6
<i>Countries where food security was not supported under a focal sector for the 9th and 10th EDFs</i>							
DR Congo	34,7	-	26,3	39,8	21,6	2,3	124,8
Zambia	16,6	26,6	4,3	15,4	2,0	-	64,9
Mali	1,8	20,5	8,0	26,3	0,1	2,0	58,7
Liberia	-	22,7	5,7	14,1	8,0	2,7	53,3
Tanzania	8,0	5,0	-	31,7	-	-	44,6
Cameroon	10,4	18,7	-	2,5	-	1,3	32,9
Swaziland	25,7	0,9	-	-	-	3,0	29,6
Gambia	-	2,6	-	5,5	-	-	8,1
Lesotho	2,0	-	-	5,4	-	-	7,4
Botswana	4,0	-	-	-	-	-	4,0
<b>TOTAL</b>	<b>457,2</b>	<b>395,7</b>	<b>200,0</b>	<b>266,9</b>	<b>52,6</b>	<b>48,7</b>	<b>1 421,1</b>

Source: European Court of Auditors.

## OBSERVATIONS

### EU DEVELOPMENT AID FOR FOOD SECURITY IS RELEVANT BUT NEEDS TO FOLLOW A MORE COMPREHENSIVE APPROACH

- 18.** This section addresses the question of whether EU development aid for food security is relevant to the countries' needs and priorities. The Court examined whether:
- (a) EDF cooperation strategies consider the food security situation in the countries concerned;
  - (b) the Commission uses the FSTP and the Food Facility in a complementary manner with the EDF; and
  - (c) the EU interventions are relevant to the countries' needs and priorities.

### WHILE IT FOCUSED ON RELEVANT COUNTRIES, THE COMMISSION DID NOT SUFFICIENTLY CONSIDER FOOD SECURITY WHEN DRAWING UP THE EDF COOPERATION STRATEGIES FOR OTHER FOOD-INSECURE COUNTRIES

- 19.** *Table 2* indicates the state of the hunger situation and the trend towards achieving MDG1 in sub-Saharan countries. It also identifies the countries where direct development aid to food security was provided under food security, agriculture and/or rural development focal sectors for the 9th and 10th EDFs.
- 20.** For the period 1996–2006 the FSBL was intended to be the main Commission instrument for providing EU assistance for food security and approximately 80 % of the funding provided under the FSBL was channelled through financing agreements with national governments<sup>20</sup>. However, at the same time, some countries receiving FSBL funds also had food security or a related area as a focal sector in their CSP and therefore also received significant funding from the EDF.

<sup>20</sup> Annex III to Thematic Strategy Paper and Multiannual Indicative Programme 2007–2010 (European Commission, document C/2007/1924, 4 May 2007). The remaining funding was channelled through NGOs (15 %) and international organisations (5 %).

TABLE 2

### FOOD SECURITY-RELATED FOCAL SECTORS OF EU COOPERATION UNDER THE 9TH AND 10TH EDFS AND THE STATE OF FOOD INSECURITY IN SUB-SAHARAN AFRICA

Country	Undernourished people		GHI 2010	MDG1 trend	Focal sector 9th EDF	Focal sector 10th EDF
	Millions	%				
DR Congo	41,9	69	Extremely alarming	Off track	Agri	-
Ethiopia	31,6	41	Alarming	On track	FS	RD-FS
Tanzania	13,7	34	Alarming	Off track	-	-
Kenya	11,2	31	Serious	Late	RD	Agri-RD
Nigeria	9,2	6	Serious	Achieved	-	-
Sudan	8,8	22	Alarming	On track	FS	-
Mozambique	8,1	38	Alarming	On track	FS-Agri	Agri-RD
Angola	7,1	41	Alarming	On track	FS	RD
Uganda	6,1	21	Serious	Off track	RD	RD
Zambia	5,2	43	Alarming	Off track	-	-
Burundi	4,7	62	Extremely alarming	Off track	RD	Rehab-RD
Madagascar	4,5	25	Alarming	Off track	RD	RD-Agri-FS
Cameroon	3,9	21	Serious	On track	-	-
Malawi	3,9	28	Serious	On track	RD	Agri-FS
Chad	3,8	37	Extremely alarming	On track	-	-
Zimbabwe	3,7	30	Alarming	Late	-	-
Rwanda	3,1	34	Alarming	Late	RD	RD
Eritrea	3,0	64	Extremely alarming	Late	-	FS
Côte d'Ivoire	2,8	14	Serious	Late	RD	-
Niger	2,7	20	Alarming	On track	RD-FS	RD
Senegal	2,0	17	Serious	Late	-	-
Togo	1,8	30	Alarming	On track	-	-
Sierra Leone	1,8	35	Alarming	Late	-	-
Central Afr. Rep.	1,7	40	Alarming	Late	-	-
Guinea	1,6	17	Serious	Late	-	-

	Increasing/deteriorating/off track
	Decreasing/improving
	No increase

FS: food security

Agri: agriculture

RD: rural development

GHI: Global Hunger Index

Rehab: rehabilitation

TABLE 2

**FOOD SECURITY RELATED FOCAL SECTORS OF EU COOPERATION UNDER THE 9TH AND 10TH EDFS AND THE STATE OF FOOD INSECURITY IN SUB-SAHARAN AFRICA**

Country	Undernourished people		GHI 2010	MDG1 trend	Focal sector 9th EDF	Focal sector 10th EDF
	Millions	%				
Mali	1,5	12	Serious	Achieved	-	-
Ghana	1,2	5	Serious	Achieved	RD	-
Burkina Faso	1,2	9	Alarming	On track	FS	-
Liberia	1,2	33	Alarming	Off track	-	-
Benin	1,0	12	Serious	On track	-	-
Botswana	0,5	25	Serious	Off track	-	-
Congo	0,5	15	Serious	Achieved	-	-
Namibia	0,4	19	Serious	On track	RD	RD
Lesotho	0,3	14	Serious	Late	-	-
Gambia	0,3	19	Serious	Off track	RD	-
Swaziland	0,2	18	Serious	Off track	-	-
Mauritania	0,2	7	Serious	On track	-	-
Mauritius	0,1	5	Moderate	On track	-	-
Cape Verde	No data		No data	No data	-	-
Comoros	No data		Alarming	No data	-	-
Djibouti	No data		Alarming	No data	-	-
Equatorial Guinea	No data		No data	No data	-	-
Guinea-Bissau	No data		Alarming	No data	-	-
São Tomé and Príncipe	No data		No data	No data	-	-
Seychelles	No data		No data	No data	-	-
Somalia	No data		No data	No data	-	-
South Africa	No data		No data	No data	-	-

	Increasing/deteriorating/off track	FS: food security
	Decreasing/improving	Agri: agriculture
	No increase	RD: rural development
		GHI: Global Hunger Index
		Rehab: rehabilitation

Source: European Court of Auditors based on data from *The state of food insecurity in the world 2010*. The Global Hunger index 2010 and FAO 'Progress on MDG 1' and the CSPs for the 9th and 10th EDFs. [http://www.fao.org/fileadmin/templates/es/Hunger\\_Portal/MDG\\_Progress\\_per\\_country.pdf](http://www.fao.org/fileadmin/templates/es/Hunger_Portal/MDG_Progress_per_country.pdf)

- 21.** Since 2007, the approach is that EU funding for food security at country level should come from the geographical instruments, i.e. the EDF in the case of sub-Saharan African countries. Countries are expected to integrate their food security policies into the overall national development plan while the Commission aims to direct its response strategy at national level through one planning document, i.e. the CSP, rather than a series of fragmented instruments. This approach reflects a recommendation in the Court's Special Report No 2/2003 on the implementation of the food security policy in developing countries financed by the general budget of the European Union<sup>21</sup>.
- 22.** As **Table 2** shows, food security has been consistently part of the EDF cooperation strategy in 11 countries under both the 9th and 10th EDFs. This focus is relevant since these countries are among those with the highest number of undernourished people and most of them have an 'alarming' to 'extremely alarming' Global Hunger Index<sup>22</sup> rating. About half of these countries are also late or off track as regards the achievement of MDG1.
- 23.** However, this table also shows that food security, agriculture and rural development have been selected as a focal sector less frequently for the 10th EDF (12 countries) than for the 9th EDF (17 countries). This evolution is inconsistent with the critical situation as regards MDG1, which is among the most off-track MDGs, and the increased priority that the EDF was expected to give to food security when it was decided to move away from the national level of support provided under the FSBL.
- 24.** In a number of countries such as the Democratic Republic of the Congo, Sudan, Chad, Zimbabwe, Sierra Leone and Liberia, EU support for food security was mainly channelled through the FSTP. These countries are considered as being in protracted crisis and it is the purpose of the FSTP to support the linking relief, rehabilitation and development (LRRD) process or to intervene in countries where the geographical instrument is not functioning as it should due to exceptional circumstances (see paragraphs 29 and 30).

<sup>21</sup> OJ C 93, 17.4.2003, p. 1.

<sup>22</sup> The Global Hunger Index (GHI) is a multidimensional statistical tool developed by the International Food Policy Research Institute (IFPRI) to describe a country's situation. It combines three equally weighted indicators: (i) the proportion of undernourished people as a percentage of the population; (ii) the prevalence of underweight children under the age of five; and (iii) the mortality rate of children under the age of five. It scores the countries on a 100-point scale with 0 being the best score ('no hunger') and 100 being the worst, although neither of these extremes is reached in practice. Values less than 5.0 reflect low hunger, values between 5.0 and 9.9 reflect moderate hunger, values between 10.0 and 19.9 indicate a serious problem, values between 20.0 and 29.9 are alarming and values of 30.0 or higher are extremely alarming.



25. However, several other countries, which are not in such a situation but also suffer from chronic food insecurity and are off track or late as regards the achievement of MDG1, received little or no EU development aid in that area. This is, for example, the case of Tanzania, Zambia, Botswana, Lesotho, Gambia and Swaziland. The division of labour with other development partners cannot be a sufficient explanation since it is widely acknowledged<sup>23</sup> that agriculture and nutrition do not receive adequate attention and funding from the donor community.
26. The Court acknowledges that the Commission does not have sole responsibility for defining the EDF cooperation strategy and selecting interventions, which have to be done in partnership with the partner country and in coordination and complementarity with other development partners. However, the Court found that the Commission did not give sufficient attention to food security when drawing up the EDF cooperation strategy in the countries mentioned in paragraph 25, notably for the 10th EDF. As indicated in its Special Report No 2/2003 (paragraph 90), the Court considers that the CSPs should explicitly include the concept of food security. This is not the case for the CSPs of the abovementioned countries which do not provide an appropriate assessment of the state of food insecurity, its causes and the country's needs in relation to all three food security dimensions (see **Box 1**).

<sup>23</sup> In particular by the World Bank, the FAO, the International Fund for Agricultural Development, as well as the Commission, which states that 'the drop in agriculture's share of public development aid and its lower ranking in the priorities of developing countries have served to exacerbate the situation' (*Food security: understanding and meeting the challenge of poverty*, p. 5, October 2009).

#### BOX 1

### INADEQUATE FOOD SECURITY ASSESSMENTS IN MOST OF THE CSPs

Out of the 10 CSPs reviewed, two (Zambia and the Democratic Republic of the Congo) do not mention the countries' respectively alarming and extremely alarming food insecurity status. The importance of agriculture for rural livelihoods is highlighted in several CSPs, but without making the link with food security in order to identify the key strategic issues of food availability problems, the extent to which households can afford basic food needs and the impact of insufficient food crop production on nutritional status. While all CSPs contain a poverty analysis section, only two (Lesotho and Mali) assess the impact of poverty on access to food. As regards nutrition, the under-fives' malnutrition rate is provided only in three CSPs (Mali, Tanzania and Zambia). Food security needs and priorities are seldom mentioned, and only two CSPs (Liberia and Mali) describe the actions needed to improve national food security.

- 27.** At the September 2010 High Level Meeting of the UN General Assembly, President Barroso announced that the EU had launched an MDG initiative of 1 billion euro, financed from unallocated EDF reserves, to foster progress in ACP countries on those MDGs which are furthest from being achieved, including MDG1<sup>24</sup>. Whilst this renewed emphasis on food security is appropriate, it confirms that there was scope for higher priority to be given during the programming of the 10th EDF.

<sup>24</sup> This funding is intended for the most committed and needy countries. The MDG initiative has two components: one of 300 million euro reserved for 'well performing' countries according to the outcome of the mid-term review of the 10th EDF CSPs, and a second one of 700 million euro open to all EDF countries.



**THE FOOD SECURITY THEMATIC PROGRAMME OFFERS GOOD COMPLEMENTARITY TO THE EDF BUT THERE ARE LIMITATIONS IN THE DESIGN OF THE FOOD FACILITY IN THE FACE OF ONGOING FOOD PRICE VOLATILITY**

**THE FOOD SECURITY THEMATIC PROGRAMME**

- 28.** The FSTP was given more limited scope than the previous FSBL, which improves the coherence of EU external assistance instruments, notably the complementarity to the EDF. The main feature of the new approach used for the FSTP is its focus on the regional, continental and global levels.
- 29.** The FSTP's main use at country level has been to support the linking relief, rehabilitation and development (LRRD) process in countries to complement Humanitarian Aid and Civil Protection DG (ECHO) relief operations and provide a bridge to future development interventions (e.g. Sudan and Sierra Leone). It provides a more flexible source of funding than the CSPs under the EDF which have a long programming framework and generally limited scope for the revision of strategy during the mid-term review process.
- 30.** The FSTP also intervenes in countries which also suffer from particular food insecurity but where the fact that the EDF is not functioning as it should due to political circumstances has meant that it has not been possible to establish a CSP (e.g. Somalia and Zimbabwe), or where in practice the national government does not exercise authority over its full territory (e.g. the Democratic Republic of the Congo).
- 31.** For the period of the 2011–13 Multiannual Indicative Programme<sup>25</sup> the FSTP has taken on a new complementary role at country level. It is being used to provide additional funding for certain countries with chronic food insecurity but which have not selected food security as a focal sector under the 10th EDF. The Commission is now prepared to allocate FSTP funding to such countries if food security policy is a priority for the government and is likely to be selected as a priority for EU cooperation for the next programming period starting in 2014. This approach reflects the fact that food security and/or related areas have been less frequently selected as a focal sector for the 10th EDF than had been expected after the termination of the FSBL (see paragraphs 23 and 25).

<sup>25</sup> European Commission, document C/2010/9263 of 21 December 2010.

### THE FOOD FACILITY

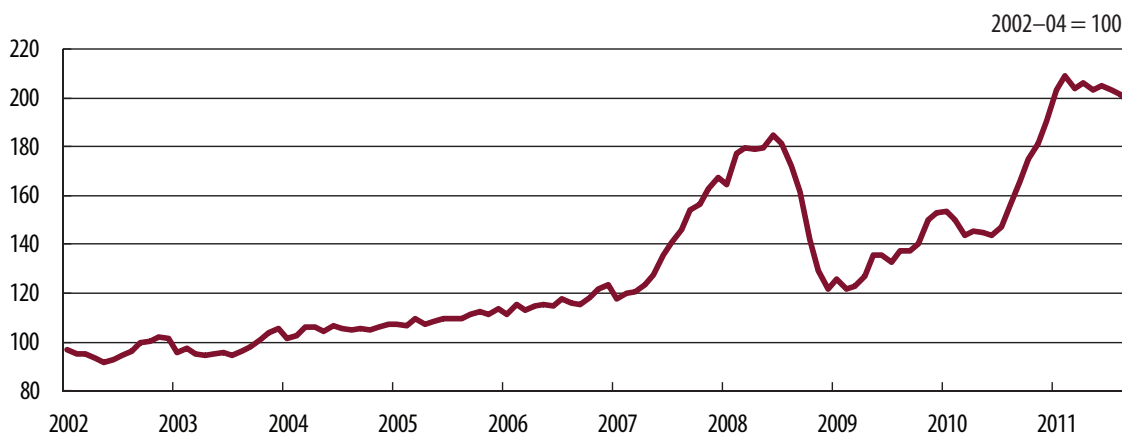
- 32.** The Food Facility was to provide a rapid response to the 2007–08 crisis caused by volatile food prices in developing countries. Given the significant preparatory work which had to be done by the Commission and the interinstitutional procedures required to put the instrument in place, setting up the Food Facility in 10 months was a considerable achievement by the Commission<sup>26</sup>. On the other hand, in an international crisis situation much can change over the course of 10 months and food prices actually fell sharply during the second half of 2008 before implementation of the Food Facility began (see **Figure 6**).
- 33.** In addition, the Food Facility was only programmed for a short time period (2008–10) although it was recognised that ‘all the data for the outlook on the food markets lead to the conclusion that the high volatility of food prices could continue in the years to come’<sup>27</sup>. Indeed, although food prices fell steeply in the second half of 2008, they have since been rising steadily again and in the first months of 2011 reached new record highs (see **Figure 6**). This makes it questionable whether a ‘one-off’ ad hoc response to a rise in food prices was appropriate for dealing with price rises which seem likely not to be a short-term shock but part of a marked, long-term upward trend.

<sup>26</sup> Following the Commission’s communication of 20 May 2008 on ‘Tackling the challenge of rising food prices — Directions for EU action’ (COM(2008) 321 final of 20 May 2008) and the European Parliament resolution of 22 May 2008 on rising food prices in the EU and the developing countries (P6\_TA(2008)0229), Regulation (EC) No 1337/2008 was adopted on 16 December 2008. On 30 March 2009, the Commission adopted the decision for implementing the Food Facility.

<sup>27</sup> Recital 1 of Regulation (EC) No 1337/2008.

FIGURE 6

### FAO FOOD PRICE INDEX 2002–11



Source: FAO Monthly Real Food Price Indices January 2002 to September 2011.

- 34.** Although the rationale for the Food Facility was to complement EU development policy instruments by primarily addressing the period between emergency aid and medium- to long-term development cooperation<sup>28</sup>, this is not reflected in the timeframe set for the Food Facility. Interventions were required to start over the period 2009-10. This leaves a gap, as far as EU development cooperation is concerned, of at least two years until the next programming period for longer-term development cooperation under the EDF CSPs. A longer implementation period would have been more appropriate given the objectives of the Food Facility.

<sup>28</sup> Recital 2 and Article 1(1) of Regulation (EC) No 1337/2008.

<sup>29</sup> Burundi, Eritrea, Ethiopia, Malawi, Niger and Rwanda.

#### **EU INTERVENTIONS ARE RELEVANT TO THE COUNTRIES' NEEDS AND PRIORITIES BUT NUTRITION HAS BEEN NEGLECTED**

- 35.** The Court examined whether, in the six countries under review where food security, agriculture or rural development was a focal sector for EU cooperation under the 9th and 10th EDFs<sup>29</sup>, EU interventions:
- (a) address the country's needs and priorities in relation to the three dimensions of food security; and
  - (b) target the most vulnerable groups. The relevance of the 22 interventions examined was scored on the basis of the Commission's results-oriented monitoring (ROM) methodology (see **Annex V**). The scores are set out in **Annex VI**.

#### **THE THREE DIMENSIONS OF FOOD SECURITY**

- 36.** In all six countries, the interventions financed under the EDF and the general budget are relevant to the needs and priorities set out in the national poverty reduction strategies and food security-related sector strategies. Overall, the main focus has been on the availability of and access to food. Little attention has been given to nutrition.

#### FOOD AVAILABILITY

- 37.** Concerning availability, the interventions aim to support the national efforts to increase the production of food crops by raising productivity, notably through increased and better use of essential agricultural inputs (mainly improved seeds and fertilisers), agricultural diversification, small-scale irrigation schemes, sustainable management of natural resources (e.g. water) and improved access to rural credit and extension services. In Ethiopia, Malawi and Niger, support was also provided for the national crisis prevention and management mechanisms (see **Box 2**).
- 38.** The cooperation strategies under the 9th and 10th EDFs do not address the availability dimension in Ethiopia, although the CSPs acknowledge that raising agricultural productivity and production is one pillar of the government's Food Security Policy and Plan for Accelerated Sustained Development to End Poverty (PASDEP) to achieve long-term food security and economic growth. In addition, few donors support the Agricultural Growth Programme (AGP), which is faced with a significant funding gap. The Commission has financed some NGO projects under the FSBL and the Food Facility, but these were short-term and small-scale responses which are not commensurate with the country's needs.

#### BOX 2

#### FOOD AVAILABILITY

Malawi's strategic priorities are to stimulate agricultural production through diversification to more drought-resistant crops, small-scale irrigation and better functioning of the National Food Reserve Agency. The EU and other development partners support the Farm Input Subsidy programme (FISP), which is the largest government programme in the country and accounts for about 10 % of the national budget. The FISP provides smallholder and subsistence farmers, representing 90 % of the population, with subsidised fertiliser and improved maize seeds. This helped increase maize production and make the country maize self-sufficient for the last four years.

#### ACCESS TO FOOD

39. The interventions aim to improve economic, physical and social access to food. They generally support the development of farm and non-farm income earning activities, the development of farmers' organisations and the improvement of rural infrastructure, notably roads and market facilities. The Commission also supports safety-net interventions, such as public works programmes which provide income-earning opportunities for households with little or no agricultural land. For the most vulnerable households, often with no working capacity, the Commission supports social transfer programmes which provide non-contributory cash transfers (e.g. in Ethiopia and Rwanda) (see **Box 3**).

<sup>30</sup> For Burundi and Rwanda, the focal sector is rural development.

#### NUTRITION

40. In none of the six countries under review is nutrition addressed under the 9th and 10th EDFs cooperation strategies and interventions. This is of particular concern in the case of Ethiopia, Eritrea, Malawi and Niger, which all have food security as a focal sector for EU cooperation<sup>30</sup> and where progress cannot be achieved unless all three food security dimensions are given appropriate attention.

#### BOX 3

#### ACCESS TO FOOD

In Ethiopia, the Productive Safety-Net Programme (PSNP) provides predictable and stable transfers of cash and food to 8,3 million beneficiaries in chronic food-deficit areas in order to improve their access to food and reduce the country's dependency on emergency food aid. Transfers are conditional on beneficiaries working on public works programmes, except for vulnerable groups for whom transfers are made on an unconditional basis. The cost of the PSNP for the period 2005–14 is 3 600 million US dollars, mainly funded by development partners.

In Rwanda, the sector budget support programme for social protection funded from the 10th EDF supports the implementation of the social protection strategy. One objective of this strategy is to establish a system of non-contributory cash transfer programmes that (a) provide all elderly people and their households with a guaranteed minimum income; (b) provide essential financial assistance for the most vulnerable families not in receipt of support from other cash transfer programmes; and (c) enable the government to respond quickly and efficiently to emergencies.

- 41.** In addition, except for Malawi and Niger, few interventions have been financed under the thematic programmes. Insufficient attention to and funding for nutrition is not a recent feature of EU external aid. This issue was already raised in July 2004 by the evaluation of the FSBL<sup>31</sup> and in September 2009 by the mid-term review of the FSTP<sup>32</sup>. It is of considerable concern given the harmful effects of malnutrition (see paragraph 5).
- 42.** The fight against malnutrition was given insufficient priority by the governments in these six countries which have only started to set up policies and programmes in this area since 2007–09<sup>33</sup>. The Commission has not been proactive to encourage them to set up such policies and programmes at an earlier stage and increase opportunities for EU support. The 9th and 10th EDF CSPs are generally weak as regards the assessment of chronic malnutrition; whilst some CSPs mention the problem, they do not analyse the causes, needs and priorities to be addressed.
- 43.** Also, the Commission has not used its policy dialogue to raise the issue of malnutrition with the partner governments. This may be more difficult in certain countries where hunger and malnutrition are politically highly sensitive areas and where governments are reluctant to engage with development partners on these issues (e.g. Eritrea and Niger). However, this would be possible in countries where policy dialogue is good, notably where appropriate dialogue frameworks have been set up in relation to budget support programmes (e.g. Rwanda).
- 44.** The Commission has recently taken a number of initiatives in order better to address the question of nutrition. In March 2010, it adopted a communication which establishes a comprehensive approach to addressing food security (see paragraph 11). It stresses the scale of malnutrition and sets as a priority for EU support the formulation of nutrition policies and strategies and the setting up of coordination mechanisms between the agriculture, health, education and social protection sectors. The Commission has also issued guidance for its staff on how to integrate nutrition when programming aid and designing interventions<sup>34</sup>, and in 2010 it established a specialist technical assistance team to provide advice.

<sup>31</sup> 'Thematic evaluation of food aid policy and food aid management and special operations in support of food security', July 2004.

<sup>32</sup> Food Security Thematic Programme, Mid Term Review (2007–2009), Final Report, September 2009.

<sup>33</sup> Malawi and Ethiopia adopted their national nutrition strategy in 2007 and 2008, respectively. In Rwanda, a national emergency programme to eliminate malnutrition was established and a Task Force on Nutrition created in 2009. Niger has had a national contingency plan concerning food security crisis prevention and nutrition since 2007. In Burundi, a working group was set up recently on the initiative of the World Food Programme with the aim to create a national forum on food security and nutrition. Eritrea's 2004 national food security strategy acknowledges the problem of malnutrition but focuses on access and availability.

<sup>34</sup> Concept note 'Enhancing EC's contribution to address maternal and child undernutrition causes', January 2009.



45. In cases where the Commission has supported nutrition, assistance is generally channelled either through the UN system or, in most cases, through NGO projects. The projects' objectives relate to the prevention and detection of malnutrition at household and community levels. Activities such as educational sessions on diet diversification, cooking sessions, community kitchens and herbal gardens, school gardens, measurement sessions for children and community supplementary feeding centres are covered by the projects. Some projects tackle the treatment of malnutrition either through the community-based treatment (CBT)<sup>35</sup> approach or through health services. Other projects cover urban malnutrition through innovative approaches such as bio-intensive gardening and small-scale dairy production (see **Box 4**).

#### TARGETING THE MOST VULNERABLE GROUPS

46. In countries where the majority of the population depends on subsistence agriculture and is faced with food insecurity, targeting those who are in the greatest need of support is a challenge. Developing countries frequently do not have reliable demographic and financial information on individual households and lack the administrative capacity to implement targeting procedures. There is also a risk that the targeting of government programmes may be based on non-poverty-related criteria. Some of the neediest may be excluded from community-based exercises for reasons such as their low status in the community or the remoteness of their homes.

<sup>35</sup> A joint statement by the World Health Organisation, the World Food Programme, the United Nations System Standing Committee on Nutrition and the United Nations Children's Fund on community-based management of severe acute malnutrition explains the CBT approach as follows: 'large numbers of children with severe acute malnutrition can be treated in their communities without being admitted to a health facility or a therapeutic feeding centre. The community-based approach involves timely detection of severe acute malnutrition in the community and provision of treatment for those without medical complications with ready-to-use therapeutic foods or other nutrient-dense foods at home.'

#### BOX 4

#### NUTRITION

'Green health — backyard gardening to increase food production among vulnerable households' is an NGO project funded by the Food Facility in the rural area of the district of Zomba in Malawi. The project targets 5 000 vulnerable people living with human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) who particularly suffer in the event of poor food intake. Its objective is to promote backyard gardening in order to increase participants' own food production and improve their nutritional status and general health. Activities include training in simple, affordable and sustainable systems to increase food production, the management of water resources and the provision of horticultural inputs. As regards nutrition, the project provides training on how to grow nutritious and immune-boosting vegetables, fruits, trees and herbs. Demonstration gardens and cooking sessions are held to promote new crops and new ways to use old crops.

47. Within these constraints, the Court found that in the three countries visited during its audit (Ethiopia, Malawi and Rwanda) the targeting mechanisms were mostly effective (see **Box 5**). The Commission's interventions concentrate on the most food insecure regions and sections of the population. Agricultural interventions are well targeted at poor smallholder farmers who have the will and potential to increase and diversify their production; however, sometimes they do not assess properly whether the beneficiaries have the technical and financial capacity to get into the intended agri-business activities. Safety nets, social protection programmes and nutrition-related interventions are directed towards the needs of the poorest and most vulnerable groups, e.g. women, orphans, households headed by children, marginalised communities, and HIV/AIDS-infected and affected households.

### **EU INTERVENTIONS ARE MOSTLY EFFECTIVE BUT SUSTAINABILITY IS OFTEN AN ISSUE**

48. This section addresses the question of whether in the three visited countries (i) EU interventions are well designed; (ii) their planned results are achieved; and (iii) the results are or are likely to be sustainable. The design, results and sustainability of the 22 interventions examined were scored on the basis of the Commission's results-oriented monitoring (ROM) methodology (see **Annex V**). The scores are set out in **Annex VI**.

#### **BOX 5**

### **TARGETING OF INTERVENTIONS**

The government of Rwanda is firmly committed to poverty reduction and has strengthened this focus in the Economic Development and Poverty Reduction Strategy (EDPRS) adopted in 2007. Targeting of beneficiaries under the ninth EDF-funded Decentralised Programme for Rural Poverty Reduction (DPRPR) follows a community-based approach ('Ubudehe') based on the traditional Rwandan system of solidarity. It follows a collective process at village level to classify households according to seven poverty levels and select priority households for support. The government is now using this approach for its social protection programmes.

**EU INTERVENTIONS ARE OVERALL WELL DESIGNED, ALTHOUGH OFTEN WITH INSUFFICIENTLY CLEAR OR OVERLY AMBITIOUS OBJECTIVES**

- 49.** Almost all reviewed interventions are based on a sound knowledge of the situation, the main causes of chronic food deficit and malnutrition, the most affected and vulnerable areas and sections of the population, and the main needs and priorities to be addressed:
- (a) government-led interventions are designed in close cooperation between the ministries involved and the EU delegation, and in some cases other donors;
  - (b) the long field experience of NGOs is instrumental in the design of their interventions, which follows a strongly participatory and demand-led approach involving a wide range of stakeholders, such as decentralised government departments, local authorities and local communities;
  - (c) in most cases workshops are organised to assess needs, and to discuss and explain the activities envisaged, the roles and responsibilities of the main partners and the implementation timetable and arrangements.
- 50.** General budget support (GBS) and sector budget support (SBS) programmes used in Rwanda are based on a sound assessment of the government's macroeconomic policy, public finance management reform programme, and sector policies and strategies concerning agriculture and social protection. As regards the Food Facility-funded GBS programme in Malawi, there is a good analysis of the additional budgetary cost resulting from the increase in fertiliser prices; however, there is no analysis of the food security situation.
- 51.** The quality of the objectives set at the design stage of the interventions is variable. Often they do not comply with all SMART<sup>36</sup> criteria, and are in particular seldom measurable due to the absence of performance indicators setting the targets and/or of a baseline situation against which to measure progress. This hampers the assessment of the achievement of these objectives. However, in some cases the definition of the objectives is improved during the start-up phase of implementation.

<sup>36</sup> Specific, measurable, achievable, relevant and timed.

- 52.** The objectives are also sometimes overly ambitious, in particular in the case of NGO projects which have modest budgets and a relatively short implementation period. This was particularly true of NGO projects funded under the Food Facility: they had approximately 20 months for implementation, which in practice was reduced to more like 15 months as the first months were given over to procurement and other preparatory activities. In some cases, the interventions are based on unreasonable assumptions concerning the conditions necessary for successful implementation, e.g. the institutional and management capacities of the national or local authorities, the quality of rural infrastructure or the availability of suitable staff (e.g. nutritionists and extension workers).
- 53.** Budget support programmes in Malawi and Rwanda make reference to the objectives of the national poverty reduction strategies and sector policies and programmes. They do not state how they aim to contribute to the governments' objectives. In its Special Report No 11/2010<sup>37</sup>, the Court recommended that the Commission should improve the definition of the objectives of GBS programmes.
- 54.** Performance indicators used for budget support programmes in Rwanda are specific, measurable, achievable and time-bound. They are also relevant but there is duplication between the different budget support programmes which all focus on one programme in the Strategic Plan for the Transformation of Agriculture (SPTA), under which significant progress is being made. No indicator is linked to other government agricultural programmes where progress is lagging behind, notably in the area of institutional development, and of storage, processing and distribution infrastructure. This insufficient complementarity between budget support programmes is not an effective approach to the policy dialogue.
- 55.** The GBS programme in Malawi was to be disbursed by way of a single fixed tranche, with no performance-related conditions/indicators or policy dialogue requirements related to food security. This reduces the potential benefits in providing aid through budget support rather than through the funding of specific projects.

<sup>37</sup> Recommendations 1(c) and 1(d) of Special Report No 11/2010 'The Commission's management of general budget support in ACP, Latin American and Asian countries'.

- 56.** Sustainability is well embedded in the design of the interventions. These aim to achieve long-lasting results by empowering local populations to address the underlying causes of food insecurity, mainly by increasing agricultural production and promoting income-earning activities. They are aligned with the national or local development plans and, as indicated in paragraph 49, involve the stakeholders concerned at all stages of implementation, thus encouraging ownership. Most of the interventions envisage an exit strategy with assets and responsibility for continuing the activities being formally handed over to local structures (see **Box 6**).

## BOX 6

### THE DESIGN OF INTERVENTIONS

#### GOOD PRACTICE

The design of the Farm Income Diversification Programme (FIDP) is geared towards empowering communities to improve their food security situation in a sustainable manner. The FIDP's approach favours its sustainability:

- the government of Malawi has strong ownership of the project, which is implemented through the country's decentralised structure;
- the FIDP is demand-driven, stimulating ownership by and empowering communities. The FIDP provides start-up inputs and best practices for farmers who first demonstrated the capacity to form clubs and who are willing to start new activities to diversify their income;
- capacity building is provided at various levels (district, extension workers, lead farmers, ministries and universities) and the FIDP uses lead farmers to train and support the other farmers.

#### WEAK PRACTICE

'Promoting urban agriculture' is a project which aims to improve the nutrition and health situation of HIV/AIDS-affected people in Addis Ababa. It was designed by an NGO and local partners which have a thorough knowledge of urban agriculture activities. The project was based on reasonable assumptions regarding the food security situation. However, some risks, such as the difficulty of obtaining farm inputs and land from the local authorities, were underestimated. The land issue proved to be a major obstacle in the implementation phase, eventually forcing the project to abandon, or significantly reduce, certain activities, such as the construction of three vegetable centres for the HIV associations targeted by the project.

## EU INTERVENTIONS ACHIEVE MOST OF THEIR INTENDED RESULTS

- 57.** The Court cannot assess the extent to which the EU budget support programmes in Malawi and Rwanda have contributed to the results of the governments' programmes since there are multiple and complex intervening factors and there is not yet an established evaluation methodology<sup>38</sup>. For these reasons, no score is given in **Annex VI** to these programmes. However, in these highly aid-dependent countries, the EU budget support programmes have provided crucial funding to the national agricultural and social protection programmes.
- 58.** Reviewed interventions are mostly successful in improving the availability of food for beneficiaries: in Malawi and Rwanda, they effectively support the governments' agricultural inputs subsidy programmes and efforts to disseminate new and environmentally sustainable farming practices, and they contribute to the significant increase and diversification of agricultural production and incomes.
- 59.** In all three countries, labour-intensive public works programmes for the construction and maintenance of rural infrastructure (mainly for rural roads, markets and soil and water conservation) provide a source of income for poor populations and improve the distribution of food within the countries; in Ethiopia, such programmes provide more predictable income for beneficiaries and reduce their dependency on emergency food aid. Unconditional cash transfers under safety-net interventions improve the livelihood of the most vulnerable and their capacity to feed themselves.
- 60.** Greater access to more available and diversified food sources is a prerequisite for better nutrition. In addition, the — too few (see paragraphs 40 to 44) — nutrition-focused interventions have been effective at raising awareness among mothers and those caring for children of the causes of malnutrition and providing knowledge of good childcare and feeding practices. In Ethiopia, country-wide screening campaigns make it possible to detect and treat cases of severe acute malnutrition among children under the age of five.

<sup>38</sup> Paragraphs 86 and 87 of Special Report No 11/2010.

- 61.** The main factors which negatively affected the performance of interventions were:
- (a) weaknesses in project design, notably overly ambitious objectives, unreasonable assumptions or ad hoc project structure not involving local institutions in the implementation of activities;
  - (b) limited government interest in certain activities, e.g. nutritional support; and
  - (c) delays which have not made it possible to implement all the planned activities (see **Box 7**).

**BOX 7**

## THE RESULTS OF INTERVENTIONS

### GOOD PRACTICE

The Decentralised Programme for Rural Poverty Reduction (DPRPR) in Rwanda was a country-wide success. Several projects financed by the DPRPR, such as the radical terraces, the distribution of seeds, fertilisers and livestock, and the construction of roads, bridges and markets, increased the availability and diversity of food. Access to food was also increased through income-generating activities. The project's independent evaluation noted that 96 % of the beneficiaries consider that they are less poor at the end of the project than before and only 10 % still have difficulty feeding their families, as against 97 % before the project. A notable effect of DPRPR was the change in mentality it introduced in rural areas. With the confidence gained from the success of their projects, farmers took the initiative to create new projects that were neither envisaged nor financed by the DPRPR, such as rural credit, professional training and the construction of houses for the most vulnerable.

### WEAK PRACTICE

Due to inadequate project design and insufficient government ownership, the Sustainable Nutrition Rehabilitation Programme in Malawi failed to increase the capacity of the Nutrition Rehabilitation Units to continue operating the Integrated Nutrition and Food Security Surveillance System (INFSSS). The project partially achieved its intended results: monthly bulletins were issued during the project although with a seven- to eight-month delay and data on malnourished children were gathered by only half of the sentinel sites. Soon after the end of the project, data stopped being collected and the INFSSS was no longer operational.

## THE SUSTAINABILITY OF RESULTS IS OFTEN AN ISSUE

- 62.** The prospects for sustainability are good for half of the interventions but there are fewer guarantees of continued results for the other half. In general, there is strong ownership by the governments which have a clear willingness to continue to implement the programmes at the end of the EU intervention, as well as by the beneficiaries who have seen a positive change in their livelihood and food security situation and have acquired the capacity and motivation to maintain and develop their activities.
- 63.** Large government agricultural and social transfer programmes represent a high budgetary burden for these countries<sup>39</sup> and their funding depends on continued significant donor support. Inadequate access to effective agricultural extension services, post-harvest facilities (storage, processing and marketing) and rural credit remain as obstacles for many farmers to expanding their activities and achieving economic sustainability. Until farmers can afford to buy agricultural inputs at market prices the gradual reduction of currently high subsidies (e.g. 50 % in Rwanda) is an option that is difficult for the governments to consider in order to keep the costs of such programmes manageable. Inadequate support to the promotion of productive capabilities of beneficiaries is one reason for the low exit rates from and, hence, the high cost of some social protection programmes (see **Box 8**).

<sup>39</sup> In Malawi, the Farm Input Subsidy Programme accounted for 10 % of the 2009 national budget and 71 % of the agriculture budget.





- 64.** The implementation period of NGO projects is sometimes too short to ensure that the beneficiaries have acquired the capacity to use the new agricultural or nutrition practices introduced. There is also often limited willingness or capacity on the part of government or local institutions to take over the activities or provide support after the project has been phased out.

**BOX 8**
**THE SUSTAINABILITY OF RESULTS**
**GOOD PRACTICE**

The 'Improved food production for home and market in Arba Minch Zuria Woreda and Chench Woreda in the Southern Nations, Nationalities and People's Region (SNNPR) of Ethiopia' programme has very good prospects of sustainability since it has:

- (a) a participatory project design promoting ownership among target local farm households and local government beneficiaries. The needs are identified locally and an implementation agreement is signed with the regional authorities;
- (b) a clearly defined exit strategy with a set of specific activities addressing the handover of the project practices and outputs;
- (c) a sort of self-generating scheme based on a revolving fund, not reliant on future funding, which will help farmers access inputs in a more affordable way; and
- (d) institutional support is ensured from the start of the project and capacity-building activities are provided to local government offices and district and zone technical offices for the Cooperatives Union and individual farmers.

**WEAK PRACTICE**

The Ethiopian government and communities have strong ownership of the Productive Safety-Net Programme, but financial sustainability is a major issue. Due to unrealistic objectives and inadequate complementary income-generating support, only 6 % of beneficiaries 'graduated' from the programme up to 2010, i.e. earned their livelihood and no longer needed support from the programme. The 'Household asset building' component has been redesigned for the following phase, but with insufficient financial resources.

## CONCLUSIONS AND RECOMMENDATIONS

- 65.** The Court concludes that EU development aid for food security in sub-Saharan Africa is mostly effective.
- 66.** The EU development aid makes an important contribution to the progress made by partner countries towards achieving food security:
- (a) the EU is a prominent international actor in terms of food security in quite a number of sub-Saharan African countries, and provides effective support as regards food availability and access to food;
  - (b) EU development aid is highly relevant to the countries' needs and priorities and there is good complementarity between the EDF and the FSTP;
  - (c) the Food Facility was set up in a reasonably short period of time and represents a considerable additional EU commitment towards improving food security in developing countries;
  - (d) EU interventions are mostly well designed, achieve most of their intended results and half of them have reasonable prospects of being sustainable.
- 67.** However, there is scope for significant improvement in several areas:
- (a) given the scale of food insecurity in the region and what is generally acknowledged as an insufficient level of funding for agriculture and nutrition by the donor community, the Commission did not sufficiently consider the potential scope for EU support in other countries which are also faced with chronic food insecurity and are off track or late as regards the achievement of MDG1;
  - (b) the Commission did not give adequate priority to nutrition and could have done more to encourage the countries to set up appropriate nutrition policies and programmes at an earlier stage;
  - (c) the Food Facility was not designed to address long-term food price volatility and does not provide the intended complementarity with the EDF;
  - (d) the interventions' objectives are often insufficiently clear and sometimes overly ambitious;
  - (e) despite strong ownership by partner governments and beneficiaries, large government agricultural and social transfer programmes are not financially sustainable and depend on continued significant donor support.

- 68.** The Court makes the following recommendations to improve the effectiveness of the EU development aid for food security in sub-Saharan Africa:

#### RECOMMENDATION 1

For the programming period after 2013, the Commission and the European External Action Service should carry out a structured assessment of the food security situation in each country and systematically consider the potential scope for EU support in this area.

#### RECOMMENDATION 2

The Commission and the European External Action Service should examine, possibly with other development partners, the feasibility of a permanent instrument for financing urgent and supplementary measures that may be required to address the consequences of potential future food crises in developing countries.

#### RECOMMENDATION 3

The Commission and the European External Action Service should give adequate priority to nutrition when defining the cooperation strategy, identifying and designing interventions, and using policy dialogue with partner governments, notably in the framework of budget support programmes.

#### RECOMMENDATION 4

The Commission should set out intervention objectives that are sufficiently precise and measurable through performance indicators. It should ensure that the objectives are achievable by better assessing the risks and assumptions concerning the successful implementation of interventions.


**RECOMMENDATION 5**

The Commission should better support the financial sustainability of agriculture and social transfer programmes. In doing so, the Commission should:

- (a) place more emphasis on the development of effective agricultural extension services, post-harvest infrastructure and rural credit;
- (b) ensure that social transfer programmes provide for adequate support to the development of income-earning capacities of the beneficiaries.

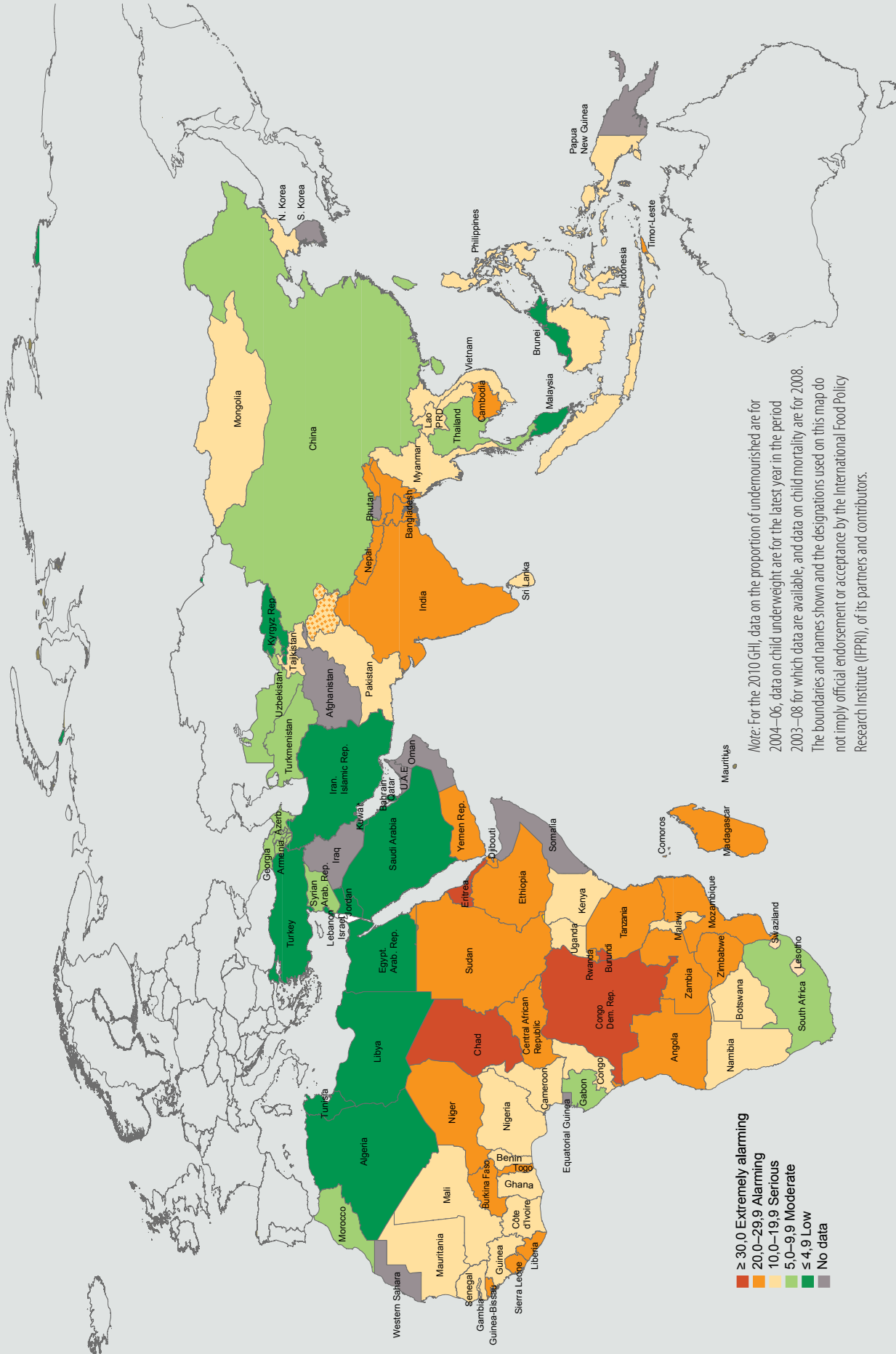
This Report was adopted by Chamber III, headed by Mr Karel PINXTEN, Member of the Court of Auditors, in Luxembourg at its meeting of 10 January 2012.

*For the Court of Auditors*



Vítor Manuel da SILVA CALDEIRA  
*President*

MAP OF THE FOOD SECURITY SITUATION IN SUB-SAHARAN AFRICA AND SOUTH ASIA



Note: For the 2010 GHI, data on the proportion of undernourished are for 2004–06, data on child underweight are for the latest year in the period 2003–08 for which data are available, and data on child mortality are for 2008. The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the International Food Policy Research Institute (IFPRI), of its partners and contributors.

Source: Adapted and reproduced with permission from the International Food Policy Research Institute (<http://www.ifpri.org>). This map is based on data from the Food and Agriculture Organisation of the United Nations, the United Nations Children's Fund, MEASURE DHS (Demographic and Health Surveys), and the World Health Organisation. The report from which this map comes can be found online at <http://www.ifpri.org/publication/2009-global-hunger-index>.

## OVERVIEW OF THE FOOD SECURITY SITUATION IN ETHIOPIA

Food insecurity is a persistent problem in Ethiopia. Despite continuous support from the donor community over the last 20 years, the number of people in need of food assistance increased from 6,7 million in 1994 to 12,6 million in 2010<sup>1</sup>. The main causes of food insecurity are the high population growth rate (annual average of 2 million people) which, combined with the reliance on small-size and rain-fed agricultural holdings, results in unsustainable pressure on land<sup>2</sup> and soil erosion. This in turn reduces agricultural productivity and yields. Insecurity of land tenure by farmers is another important cause of food insecurity. Land is the property of the state and farmers have usufruct rights, which both discourage and hamper access to the loans necessary to undertake productive investments. Inefficiency of domestic markets and inadequate transport infrastructure pushes up food prices, further hindering access to food. Furthermore, it also complicates the physical distribution from surplus to deficit production areas, thereby increasing the need for food imports.

While national agricultural production has increased over the last five years<sup>3</sup>, Ethiopia is still dependent on commercial food imports and food aid. For example, food aid imports averaged 700 000 tonnes over the past decade<sup>4</sup>. Nevertheless, there are no reliable figures on the national food gap due to significant discrepancies (up to 40 %)<sup>4</sup> between the national crop production data published by the Ministry of Agriculture and by the Central Statistical Agency.

Ethiopia's population is currently estimated at 77,5 million people, 85 % of whom depend on agriculture as their primary source of livelihood. Agriculture's contribution to the national gross domestic product (GDP) is 45 % and its development is therefore essential for poverty reduction. Since its first comprehensive strategy for the agricultural sector<sup>5</sup>, the government of Ethiopia has supported agricultural production and productivity as the main means of attaining food sufficiency and boosting economic growth.

Food security has been a priority under the national poverty reduction strategies. The Sustainable Development and Poverty Reduction Paper (PRSP) covering the period 2002–05 recognised the need to improve food availability and access. The PRSP was followed by the Plan for Accelerated Sustained Development to End Poverty (PASDEP), which covered the period 2005–10 and included food security policy as part of its agricultural development policy. This priority was maintained in the current poverty reduction strategy for the period 2010–15, the Growth and Transformation Plan.

<sup>1</sup> Ethiopia's Disaster Prevention and Preparedness Agency, time series data 2010.

<sup>2</sup> According to the EU delegation, more than one third of households farm less than 0,5 hectares.

<sup>3</sup> According to the Commission's draft MTR of the 10th CSP carried out in 2009: 'Cereals production rose from a post-drought level of 10 million tonnes in 2004 to over 16 million tonnes in 2007 and 2008.'

<sup>4</sup> EC 10th EDF CSP diagnosis study on rural development and food security.

<sup>5</sup> Agriculture development-led industrialisation strategy, 1993.

The first food security policy adopted in 2001 aimed to increase the availability of food, improve access to food and strengthen emergency response capabilities. This policy stressed the government's intention to move from food-aid relief towards a more predictable and development-oriented support. In 2003, a Government-Donor Coalition for Food Security agreed on the design of the Productive Safety-Net Programme (PSNP). Since 2005, the PSNP has provided conditional and unconditional cash and/or food transfers for approximately 8 million people who would otherwise need food aid through emergency appeals. Its aim is to improve access to food while safeguarding the productive assets of vulnerable households.

The food security policy is implemented through the Food Security Programmes (FSPs), which have so far covered the periods 2005–10 and 2010–14. The FSP has four pillars: (i) the PSNP; (ii) voluntary population resettlement; (iii) the household asset-building programme (HAB); and (iv) the complementary investment programme for rural infrastructure.

As for the nutrition situation, the MDG-related indicators are lagging behind<sup>6</sup>. The first national nutrition strategy was adopted in 2008 and is being implemented by the Ministry of Health through the national nutrition programme for 2008–13. Its aim is to reduce the scale of malnutrition in Ethiopia, especially amongst children under the age of five and pregnant and lactating women.

<sup>6</sup> According to the government of Ethiopia's PASDEP progress reports from 2007 and 2009 MOFED — Matrix Table 1, the indicator on prevalence of underweight children under the age of five is close to 40 % while the MDG target is 30 %.

## OVERVIEW OF THE FOOD SECURITY SITUATION IN MALAWI

Malawi's economy is dominated by agriculture, which represents 35 % of national GDP and employs 85 % of the workforce, most of whom are smallholders and subsistence farmers. The main food crop is maize, which takes 75 % of cropland, tobacco being the main cash crop. Smallholder agriculture thus plays a crucial role in the economic development of the country, but low productivity is slowing down the overall pace of development and has become the main cause of poverty and food insecurity.

Low agricultural productivity is due to several structural constraints such as: (i) population density (the highest in Africa) which, combined with the small<sup>7</sup> size of rain-fed agricultural holdings, results in soil degradation; (ii) the lack of rural credit, which hinders smallholders' access to productive assets such as land and inputs; (iii) poor market access and inadequate infrastructure, which increase transaction costs and food prices; and (iv) limited off-farm employment, which directs the population towards environmentally unsustainable coping strategies (i.e. deforestation).

Available data indicate that 70 % of all households in Malawi run out of their own self-produced food between three to four months prior to the next harvest<sup>8</sup>. Food insecurity in Malawi is also a problem of access to food. In 2005, 22 % of the population was ultra-poor, meaning that one in every five people could not afford a minimum basic diet<sup>9</sup>. As for the nutrition situation, the lack of food access and an unbalanced diet based mainly on maize are the major causes of chronic malnutrition. Between 60 % and 70 % of caloric intake comes from maize, with the result that 43 % of the under-fives are stunted, 22 % are underweight and 5 % suffer from acute malnutrition<sup>10</sup>.

The Malawi Growth and Development Strategy (MGDS) covering the period 2006–11 includes agriculture and food security as well as prevention and the management of nutrition disorders among its priorities. The government's objective for food security is 'to make Malawi a hunger-free nation'. The medium-term expected outcome is that 'food will be available for all Malawians in sufficient quantities and qualities, at affordable prices'. The strategies defined to achieve this outcome are based on increased agricultural productivity, functioning crop markets, reduced food-aid dependency, effective early-warning systems, income-generating activities, coordination of food aid and imports, and the construction of silos to improve storage capacity. These strategies were further developed in more operational plans in the food security policy adopted in 2006.

<sup>7</sup> According to USAID's food security programme for 2008–14, three out of four farmers cultivate less than a hectare and 40 % of holdings are less than half a hectare.

<sup>8</sup> Economics Association of Malawi and Ministry of Agriculture, 'Can Malawi reverse the growing chronic and acute food and nutrition insecurity?', concept note for a regional conference on food and nutrition security, 19–21 June 2006.

<sup>9</sup> Malawi Integrated Household Survey, 2004/05.

<sup>10</sup> UN System High-Level Task Force for the Global Food Security Crisis, country report 23 February to 4 March 2010.



The government's commitment to improving food security is reflected in its budgetary priorities. In 2009, 14 % of the national budget was allocated to agriculture, most of which (71 %) for the Farm Input Subsidy Programme (FISP). The FISP<sup>11</sup> was launched in 2005 and is the largest programme in the country. It is part of the National Safety-Net Strategy<sup>12</sup> (NSNS) and provides smallholder and subsistence farmers with subsidised fertiliser and improved maize seeds which, combined with good rains, have increased maize production, making the country maize sufficient for the last four years<sup>13</sup>.

In its national nutrition policy and strategy adopted in 2007<sup>14</sup>, the government of Malawi recognised that this issue had so far received insufficient attention. This policy seeks to enhance the response to malnutrition with a focus in the following three areas: (i) prevention and control of the most common nutrition disorders among women, men, boys and girls in Malawi by 2012; (ii) increased access to timely and effective management of the most common nutrition disorders; and (iii) an enabling environment for the effective implementation of nutrition services and programmes.

<sup>11</sup> The FISP is currently funded by the government of Malawi (for the fertiliser component), plus the Commission, DfID, Ireland and Norway (for the seed component).

<sup>12</sup> The NSNS was adopted in 2002 and has four main components: public works programme; targeted input programme; targeted nutrition programme and direct transfers programme.

<sup>13</sup> UN System High-Level Task Force for the Global Food Security Crisis, country report 23 February to 4 March 2010. The self-sufficiency level is set at 2,3 million tonnes.

<sup>14</sup> The national nutrition policy and strategic plan, 2007–12.

## OVERVIEW OF THE FOOD SECURITY SITUATION IN RWANDA

Rwanda suffered greatly from the 1994 genocide. After a rehabilitation period, the country has undertaken major steps on the path to recovery. Rwanda's priorities are embodied in Rwanda Vision 2020, which was issued in July 2000 after a national consultation process which lasted two years.

The agricultural sector employs 80 % of the population, mainly in subsistence agriculture, and accounts for 42 % of GDP. Vision 2020's aim is to transform Rwanda from a subsistence agriculture economy to a knowledge-based society, adopting a 'pro-poor' approach to combat hunger and poverty. Rwanda's first Poverty Reduction Strategy Paper (PRSP) (2002–05) focused on reconstruction and rehabilitation. Despite rapid and sustained economic growth during this transition period, limited progress in poverty and inequality reduction was achieved. This led to a redefinition of priorities under the second Economic Development and Poverty Reduction Strategy (EDPRS) which covers the period 2008–12. One priority under 'Agriculture' is to develop a food security strategy.

Despite strong political will and impressive results, Rwanda is still in a difficult situation regarding food insecurity, ranked 64 out of 84 countries in the 2010 Global Hunger Index. The country is in a food deficit<sup>15</sup> situation and the population is highly vulnerable to food insecurity with 40 % of people undernourished. Rwanda is unlikely to achieve the MDG1 targets for poverty and undernourishment. Indeed, the MDG1 poverty indicator (percentage of population below the national poverty line) decreased from 60,4 % (baseline in 2000) to 56,9 % in 2006, struggling to achieve the 2015 target of 30,2 %. Similarly, the MDG1 child malnutrition indicator (percentage of underweight children under five) was 22,5 % in 2006, better than the 2000 baseline rate of 24,5 %, but lagging behind the 2015 target of 14,5 %.

Food availability has significantly increased since 2006 mainly due to improved yields for the main crops as well as favourable climatic conditions. Under Vision 2020, alongside the poverty reduction strategies, Strategic Plans for the Transformation of Agriculture (SPTA I and II) were adopted with the Crop Intensification Programme (CIP) being a key programme aiming to increase agricultural productivity in high-potential food crops and ensure food security and self-sufficiency. Food availability as a whole has improved, but there are concerns about the production of key food security crops. While yield had increased for several main crops (maize, rice and wheat), the production of several other key food security crops (sweet potatoes, beans, bananas, cassava and sorghum) had been declining since 2000.

<sup>15</sup> The figures in the Ministry of Agriculture's latest Food Balance Sheet (January–June 2010) indicate a food surplus. However, the following needs to be considered: (i) the post-harvest losses rate used for the calculation is 15 %, while a 30 % rate would have been more realistic since no major improvements have been noted in post-harvest losses; (ii) the reliability of the crop assessments is questionable.

Access to food remains a challenge. Improvement in poverty rates and inequality did not follow the pace of Rwanda's rapid economic growth: the proportion of the population living below the national poverty line only slightly decreased from 60,4 % in 2000 to 56,9 % 2006, with extreme poverty falling only from 41,3 % to 36,9 %. Coupled with high poverty, increasingly high food prices<sup>16</sup> hinder access to food for the most vulnerable people, notably those who have no or little land. The main challenges are access to scarce wage labour and access to land, which is becoming more and more difficult due to increasing demographic pressure. In order to address this issue, the government is piloting Vision 2020 *Umurenge* programme (VUP), a flagship of the EDPRS, in the poorest two sectors in each district. VUP is a highly decentralised integrated rural-development programme designed to accelerate extreme poverty reduction by targeting the neediest people. It is implemented through three components: (i) public works, planned through community-based participatory approaches; (ii) credit packages for cooperatives and small and medium-sized enterprises to foster entrepreneurship and off-farm employment opportunities; and (iii) direct support for those unable to participate in public works and those without the productive capacity to qualify for credit packages. The government decided to scale up VUP to cover the whole country with a social protection strategy that was adopted in January 2011.

Rwanda is in a situation of chronic malnutrition with persistently high rates, particularly for children. According to the Rwanda Demographic and Health Survey carried out in 2005, 45 % of children under five years of age suffer from chronic malnutrition (stunting<sup>17</sup>), 22 % are underweight<sup>18</sup>, and acute protein energy malnutrition (wasting<sup>19</sup>), which is associated with a high death rate, affects 4 % of children. Malnutrition also affects adults: 6,5 % of women are malnourished, with the highest rate of 8,8 % in the Southern Province where 4 % are severely malnourished<sup>20</sup>. Malnutrition contributes to about 50 % of infant and child morbidity and mortality<sup>21</sup>.

<sup>16</sup> According to the Rwanda Statistical Yearbook 2009, with 2003 as a 100 baseline, the change in the Consumer Price Index in December 2008 was as follows: bread and cereals: 223; meat: 190; fish: 207; vegetables: 192 and food and non-alcoholic beverages: 200. Since 2006, the government has succeeded in significantly decreasing the inflation rate.

<sup>17</sup> Stunting: Height by age is a measure of linear growth and as such an indicator of long-term effects of undernutrition not affected by seasonal changes.

<sup>18</sup> Underweight: Weight by age combines information from stunting and wasting. Children can be underweight because they are stunted, wasted or both.

<sup>19</sup> Wasting: Height by weight is an indication of the current nutritional status of a child and reflects recent nutritional intake and/or episodes of illness. Severe wasting is often linked to acute food shortage.

<sup>20</sup> According the 2009 Country Food Security and Vulnerability Analysis (WFP).

<sup>21</sup> Ministry of Health, Report on the First National Nutrition Summit held in Kigali from 24 to 26 November 2009.

According to the national nutrition policy adopted in 2007, the root causes of malnutrition in Rwanda include inadequate institutional support for nutrition interventions, lack of ownership and control over family resources, and low literacy rates, particularly among women. In areas with high food production where the produce is often sold to increase household income, malnutrition is due to imbalanced or non-diversified diets, as well as inappropriate food storage practices which lead to food shortage during the lean season. The national nutrition policy asserts the multisectoral dimension of nutrition, and its importance in a country's economic growth and in the achievement of the MDGs. It acknowledges the insufficient financial support (0,5 % of the national budget) and political interest given to nutrition, both by the government and development partners (apart from UNICEF). In 2009, after the President of Rwanda had decided that nutrition was to become a national priority, a national emergency programme to eliminate malnutrition was established and a Task Force on Nutrition was created under the Agriculture Sector Working Group to ensure close collaboration between the Ministry of Health, the Ministry of Local Government, other government organisations, UN agencies, development partners and several nationally based NGOs.

## SCORING METHODOLOGY

For the purpose of the audit, the scoring of relevance, design, results and sustainability was based on the Commission's results-oriented monitoring (ROM) methodology. The criteria used are listed below.

Relevance	
A	Clearly embedded in national policies and EC strategy, responds to Paris Declaration commitments on ownership, alignment and harmonisation, is highly relevant to needs of target group.
B	Fits well into national policies and EC strategy (without always being explicit), reasonably compatible with Paris Declaration commitments, relevant to target group's needs.
C	There are some issues/problems regarding consistency with national and EC policies, Paris Declaration or relevance to targeting.
D	Contradictions with national policies or EC strategy, Paris Declaration commitments, relevance of needs is questionable. Major adaptations needed.
Design	
A	Clear and well-structured logframe; feasible and consistent vertical logic of objectives; adequate SMART OVI's (objectively verifiable indicators); risks and assumptions clearly identified and managed; exit strategy in place.
B	Adequate intervention logic although it might need some improvements regarding hierarchy of objectives, OVI's, risks and assumptions.
C	Problems with intervention logic may affect performance of project and capacity to monitor and evaluate progress; improvements necessary.
D	Intervention logic is faulty and requires major revision for the project to have a chance of success.
Results	
⇒ <b>For closed projects</b>	
A	Benefits and capacities drawn from results are available, of good quality and used by all target groups.
B	Outcomes are mostly good quality, available and used by most target groups. Room for improvement exists, however without a serious impact on effectiveness.
C	Some benefits are available, but not always of the best quality. Improvements are necessary to ensure the project can achieve its purpose in terms of quality, reach and availability.
D	Outcomes are not available in most cases and are of poor quality. Major changes are required in order to attain results.
⇒ <b>For ongoing projects</b>	
A	Full achievement of results is likely in terms of quality and coverage. Negative effects have been mitigated.
B	Results will be achieved with minor limitations; negative effects have not caused much harm.
C	Results will be achieved only partially among other things because of negative effects to which management was not able to fully adapt. Corrective measures have to be taken to improve ability to achieve results.
D	Project will not achieve its purpose unless major, fundamental remedial action is taken.

Sustainability	
⇒ <b>Financial/economic sustainability</b>	
A	Potentially very good; costs for services and maintenance are covered or affordable; external factors will not change that.
B	Likely to be good, but problems might arise namely from changing external economic factors.
C	Problems need to be addressed regarding financial sustainability either in terms of institutional or target-group costs or changing economic context.
D	Very questionable unless major changes are made.
⇒ <b>Level of ownership</b>	
A	Local structures and institutions are strongly involved in all stages of implementation and are committed to continue producing and using results after the end of EC funding.
B	Implementation is based in large part on local structures and institutions which are also involved to some degree in decision-making. Likelihood of sustainability is good, but there is room for improvement.
C	Project uses mainly ad hoc arrangements and not enough local structures and institutions to ensure sustainability. Continued results are not guaranteed. Corrective measures are needed.
D	Project depends completely on ad hoc structures with no prospect of sustainability. Fundamental changes are needed to enable sustainability.

## SCORES OF THE AUDITED INTERVENTIONS

Interventions	Type of project	Amount (million euro)	EU instrument	Period	Relevance	Design	Results	Sustainability <sup>4</sup>
<b>RWANDA</b>								
General and sector budget support programmes (6 programmes)	Government	336,10	EDF + EU budget (Food Facility)	2002–10	B	B	<sup>1</sup>	<sup>1</sup>
Programme Décentralisé de Réduction de la Pauvreté Rurale (PDRPR)	Government	34,00	EDF	2004–08	A	B	B	A
'Améliorer la sécurité alimentaire des fermiers, principale composante de la population, par le renforcement du secteur agricole'	NGO	0,54	EU budget (DCI)	2010–15	A	B	<sup>2</sup>	<sup>2</sup>
'Projet de développement intégré en milieu rural'	NGO	0,75	EU budget (NGO)	2006–08	A	C	B	C
Reconciliation and peace building through food and income security, Gitarama	NGO	0,72	EU budget (NGO)	2003–07	A	B	B	B
<b>ETHIOPIA</b>								
Productive safety-net programme	Government	157,72	EDF + EU budget (FSBL)	2005–14	A	B	B	C
Pastoralist food security partnership project	NGO	1,02	EU budget (FSBL)	2006–10	A	B	B	B
Promoting urban agriculture	NGO	0,25	EU budget (NGO)	2006–10	A	C	B	C
Improved food production for home and market in Arba Minch Zuria Woreda and Chenchu Woreda in SNNPR Region of Ethiopia	NGO	1,09	EU budget (Food Facility)	2009–11	A	B	B	A
Building resilient pastoralist communities	NGO	2,24	EU budget (Food Facility)	2009–11	B	B	<sup>2</sup>	<sup>2</sup>
Support for the nutrition programme	Unicef	7,60	EU budget (FSBL)	2006–08	A	B	B	B

Interventions	Type of project	Amount (million euro)	EU instrument	Period	Relevance	Design	Results	Sustainability <sup>4</sup>
<b>MALAWI</b>								
Food security programme 2004–06	Government	45,00	EU budget (FSBL)	2004–14	A	B	C	C
Food Facility budget support	Government	15,90	EU budget (Food Facility)	2009–10	A	C	<sup>1</sup>	<sup>1</sup>
Income generation public works programme	Government	25,00	EDF	2005–11	A	C	B	B
Green health — Backyard gardening to increase food production among vulnerable households	NGO	1,56	EU budget (Food Facility)	2010–12	A	B	<sup>2</sup>	<sup>2</sup>
Farm Income Diversification Programme — FIDP	Government	36,50	EDF	2005–16	B	B	<sup>3</sup>	C
Sustainable Nutrition Rehabilitation (SNR)	Government and NGO	1,50	EDF	2006–07	National component			
					A	C	C	D
	4 NGOs	4,70		2006–10	EU component			
					A	B	C	C
<b>TOTAL</b>		<b>672,20</b>						

<sup>1</sup> The Court cannot assess the extent to which the EU budget support programmes have contributed to the results of the governments' programmes since there are multiple and complex intervening factors and no suitable evaluation methodology yet exists.

<sup>2</sup> The intervention is at a too early stage of implementation to be assessed.

<sup>3</sup> Adequate data not available due to weaknesses in the monitoring and evaluation system.

<sup>4</sup> The overall score for sustainability results from the combination of the scores for financial/economic sustainability and for the level of ownership.



# REPLY OF THE COMMISSION

## EXECUTIVE SUMMARY

### II.

The Court focused its audit on three dimensions of food security (availability, access, nutrition) to which stability elements contribute. Stability has become more prominent over the years in the EU policy framework (as a fourth dimension). This has been restated in the 2010 food security policy (COM(2010) 127). Significant amounts relevant to food security are also channelled through: (i) food assistance; (ii) instruments such as V-Flex interventions established to tackle the impact of food price rises on the national budget; and (iii) supra-national levels (global, continental and regional), which are not part of this audit.

### IV.

The Commission welcomes the Court's finding that EU development aid for food security is highly relevant to needs and priorities.

A number of other elements than the hunger/MDG1 situation come into consideration when programming EU assistance, not least the aid effectiveness agenda, i.e. alignment to policies and priorities of beneficiary countries, harmonisation, and division of labour between donors. When programming EDF10, the Commission had to reduce the focal sectors to two, among those in which it had a recognised comparative advantage. However, the Commission acknowledges that more systematic attention should have been given to food security, notably with the termination of the FSBL.

### V.

The Commission welcomes the recognition by the Court of the complementarity of the FSTP and EDF. The Food Facility aimed at addressing food price rises in the short term. It was an ad hoc instrument to react to the soaring food prices of 2007/08. It was the first time in several decades that food prices started to rise. The Food Facility did not intend to address food price evolution (neither rise nor volatility), in the longer term.

## REPLY OF THE COMMISSION

### VI.

The Commission considers that nutrition has not been given sufficient attention. However, since 2008, the importance of nutrition has been stressed and the Commission has become a very proactive actor in this area.

Recent scientific evidence (2008) has shown that nutrition strategies which tackle the immediate and underlying causes of undernutrition are effective, especially during pregnancy and early childhood. In line with this evidence, and based on feedback from delegations, the Commission, in recent years, has stepped up its commitment to fight undernutrition through: (1) increased financial support, (2) greater, proactive engagement in national and international coordination, (3) strengthened technical capacity with the creation of (i) a nutrition advisory service and (ii) the development of technical guidance.

By and large, the Commission has been leading the renewed priority given to nutrition, both at political and operational levels.

### VII.

The Commission welcomes the Court's appreciation in respect of the quality of EU interventions. The Commission acknowledges that on occasions the project objectives could be clearer and more realistic, especially in the case of some NGO projects.

NGOs have an added value for food security in terms of operating at grass-roots level, including in areas where the administration is absent, outreach to marginalised communities, improving sector governance and using innovative approaches.

### VIII.

Agriculture and social transfer systems need time to develop and, as such, sustainability beyond a project cycle is an issue. A longer-term funding commitment in successive phases should be envisaged.

The sustainability of large agricultural and social protection programmes depends on government budgetary allocations, as well as on the number of target beneficiaries. Sustainability can be enhanced by reducing the size of the target group (clear aim of the Ethiopian government) or guaranteeing budgetary allocations (e.g. for key social services). The sustainability of not having such large programmes in place should also be considered, i.e. the situation of vulnerable groups in Ethiopia before the PSNP and aid delivery prior to PSNP).

### IX. (a)

The Commission fully agrees with this recommendation.

### IX. (b)

The Commission agrees to examine this possibility. High volatility will remain a feature of food prices in the future. The Commission believes that a multi-pronged approach will be required including to support partner countries to factor food price volatility in their own food security policies and addressing the issue at various levels and through various instruments, a number of them being outside the remit of development cooperation. In the future multi-annual financial framework (MFF) 2014–20 the capacity for response to crises should be enhanced.

### IX. (c)

The Commission agrees to give adequate priority to nutrition. It has already taken steps to ensure that undernutrition is addressed in EU external assistance through a reference document, specialist advisory services and action at political level (such as with the 'Scaling-up nutrition' (SUN) initiative, UN Standing Committee on Nutrition, donor coordination with EU Member States, the USA and Canada, etc.) and policy level (EU food security policy, policy dialogue with partner countries).

### IX. (d)

The Commission agrees with the recommendation. It has, over the past years, undertaken significant efforts in developing methodological guidance and reinforcing quality through quality support groups.

# REPLY OF THE COMMISSION

The Commission will seek to maximise impact by sharpening its targeting of beneficiaries. Methodologies and technologies available to target and reach vulnerable groups have improved in recent years and will be put to use.

## IX. (e)

The Commission agrees with this recommendation. These are some of the areas of intervention highlighted in the EU food security policy (COM(2010) 127).

## INTRODUCTION

### 1.

The Court focused its audit on three dimensions of food security (availability, access and nutrition) to which stability elements contribute. Stability has become more prominent over the years in the EU policy framework (as a fourth dimension). This has been restated in the 2010 food security policy (COM(2010) 127).

### 7.

The Commission shares the Court's analysis of the factors contributing to food insecurity but wishes to emphasise as well the more political dimensions of food insecurity which affect disproportionately specific population groups, such as nomads and ethnic minorities.

The Democratic Republic of the Congo is another example of the negative impact of political instability on food security, with malnutrition rates of 69 %, as indicated in Table 2 of the report.

### 7. (b)

This low rate of investment has been recognised by the international community and led to the commitment undertaken under the L'Aquila Food Security Initiative (AFSI) to substantially increase official development assistance (ODA) to food security.

### 7. (f) (ii)

Evidence on the role of speculation in price volatility and the impact of bio-fuels on food prices remains inconclusive but warrants adequate monitoring.

## AUDIT SCOPE AND APPROACH

### 17.

The Commission agrees with the order of magnitude proposed in the table but wishes to point out the difficulties encountered in establishing precise amounts allocated to food security. As indicated by the Court in paragraph 15, food security is an objective of a multisectoral nature. For example some interventions relevant to nutrition may be found under 'health', or 'water and sanitation'. Furthermore it may be only part of the intervention objectives.

## OBSERVATIONS

The Commission agrees that the comprehensive approach to food security needs to be applied in a more systematic way.

### 19.

A number of other elements than the hunger/MDG1 situation come into consideration when programming EU assistance, not least the aid effectiveness agenda, i.e. alignment to policies and priorities of beneficiary countries, harmonisation, and division of labour between donors. When programming EDF10, the Commission had to reduce the focal sectors to two, among those in which it had a recognised comparative advantage. However, the Commission acknowledges that more systematic attention should have been given to food security, notably with the termination of the FSBL.

### 22.

The Commission welcomes the Court observation that food security has consistently been part of the EDF cooperation strategy in 11 countries, in both the 9th and 10th EDFs.

### 23.

See the Commission's reply to paragraph 19.

## REPLY OF THE COMMISSION

### 25.

There are other factors coming into consideration at programming. For example, in Botswana, a middle income country, the choice of human resources development as a focal sector was in line with the government development strategies to diversify the economy from over-reliance on the mining sector, allowing for a broader based growth. In other countries, the lack of sound and consistent agricultural and/or food security policy constrained the choice of these areas as focal sectors. Selecting this area for EU support would have led to inefficient use of public resources.

### 26.

The Commission recognises the need for a more systematic assessment of the food security situation and a more explicit link between the selected focal sectors and food security issues, irrespective of whether food security is a focal sector or not.

### Box 1

See the Commission's reply to paragraph 26.

### 27.

Food security has, since the food crisis, gained attention from the entire international community, as a worldwide challenge, and is now a top priority of the G8/G20.

### 32.

The Commission is pleased with the positive assessment of the speed at which the Commission set up the Food Facility.

### 33.

At the time of the design of the Food Facility, there was little indication that the food price rise would become a recurrent issue. It was generally believed that the FFF (fuel, food and financial) crisis would be short-lived. It appears now that food prices are remaining volatile and high. However the Food Facility was envisaged as a short-term response to the 2008 crisis, to be relayed by other instruments in the longer term.

### 34.

See the Commission's reply to paragraph 33.

### 36.

The Commission considers that nutrition has not been given sufficient attention. However, since 2008, the importance of nutrition has been stressed and the Commission has become a very proactive actor in this area.

See also the Commission's reply to paragraph VI.

### 38.

In Ethiopia it was a deliberate choice to support the productive safety-net programme (PSNP) and hence privilege the access dimension, which improves the food security situation for a maximum number of people per euro spent.

### 39.

Access to food has gained importance in EU interventions. While the recognition of the issue within partner countries is important, the Commission has also promoted, and is promoting, this recognition by developing together with some Members States and with active contributions from EU delegations, methodological guidance on social transfers as a tool to enhance access to food.

### 40./42. Common reply

The Commission considers that nutrition has not been given sufficient attention. However, since 2008, the importance of nutrition has been stressed and the Commission has become a very proactive actor in this area.

## REPLY OF THE COMMISSION

Recent scientific evidence (2008) has shown that nutrition strategies which tackle the immediate and underlying causes of undernutrition are effective, especially during pregnancy and early childhood. In line with this evidence, and based on feedback from delegations, the Commission, in recent years, has stepped up its commitment to fight undernutrition through: (1) increased financial support, (2) greater, proactive engagement in national and international coordination, (3) strengthened technical capacity with the creation of (i) a nutrition advisory service and (ii) the development of technical guidance.

By and large, the Commission has been leading the renewed priority given to nutrition, both at political and operational levels.

### 43.

The respective importance given to the various dimensions of food security in the agenda of the government of Rwanda (GoR), as well as of the Commission, has evolved over time.

In the years following the genocide in Rwanda, priority was given to recovery, with tremendous challenges to face in terms of rehabilitation (infrastructures, human capacity, administration...) and food availability. As the GoR has started in the recent past recognising the extent of malnutrition and the importance of confronting the issue of food security, the Commission has aligned in its response strategy to support the GoR's various initiatives in relation to food security.

Besides, recognition by partner countries of undernutrition is a strong political statement that not all of them choose to make.

### 47.

The Commission welcomes the Court's observation. The Commission would like to stress that, while the capacity of the beneficiaries may have been an issue on specific projects, significant support is directed at building this capacity. Most safety-net programmes indeed have a strong capacity-building component aiming at enhancing the ability of the beneficiary to generate revenue and at their 'graduation' from programme support, and progressively from poverty.

### 50.

For the Food Facility, the main concern of the Commission was to tackle the impact of the price of fertilisers on food production and food prices.

### 51.

While the Commission does not disagree with the Court concerning the audited interventions, the Commission's results-oriented monitoring (ROM) reports show overall an improvement. However the definition of SMART performance indicators is particularly challenging for food security where results depend also on external factors (e.g. climate).

### 52.

The Commission recognises that some NGO projects objectives may be overstated. Yet these projects deliver actual results on the ground.

As the NGOs have demonstrated over the years, through their strong anchorage in the field, to be effective and efficient, the Commission considers their contribution in the implementation of the food security measures as very important.

### 53.

The Commission has replied to Special Report No 11/2010 that 'the revised guidelines will provide more detailed guidance on the intervention logic underlying the general budget support programmes in order to better articulate the link between objectives and results'. This would apply to sector budget support programmes as well.

### 54.

This paragraph links well with Recommendation 6 (Dialogue) of the Court of Auditors Special Report on global budget support (No 11/2010). At the occasion of this report, the Commission acknowledges the need to reinforce its strategic approach to policy dialogue.

However, in the case of Rwanda, in the particular context of rebuilding the country, the cooperation between the authorities and the Commission is very fruitful and focused, as the Court recognises.

## REPLY OF THE COMMISSION

**55.**

The GBS programme in Malawi was to be disbursed by way of a single fixed tranche with conditionalities related to fiscal reforms. The objective was to reduce the fiscal gap due to the important increase of prices for fertiliser that the government provides as part of a farm input programme. The EU intervention was key in maintaining the current level of agricultural production, for food security reasons.

### Box 6 – Weak practice

Food security interventions often take place in difficult, if not hostile, environments, trying to reach marginal groups, and are therefore per se more risky operations, yet worth undertaking and achieving significant results at small costs.

With growing urbanisation, urban agriculture plays a more important role in food security, in particular for HIV patients.

**61.**

The Commission agrees that the factors listed by the Court can negatively affect the performance of projects. These factors would affect projects in all sectors. Commission methodologies have been, and are being, updated to reflect this and ensure better assessment of these elements. For instance during a quality review of projects Commission staff are invited to pay specific attention to overambition, ownership, risk assessment and demand-led technical cooperation.

### Box 7 — Weak practice

The Commission wishes to draw the attention to the fact that data collection in Malawi has been resumed with funding from the multiannual food security programme 2004–06, albeit with a different approach which puts more emphasis on decentralised structures.

**63.**

The Commission accepts this observation. These are some of the areas of intervention highlighted in the food security policy (COM(2010) 127).

### Box 8 — Weak practice

The Commission recognises that graduation is a complex issue, where the conditions for success depend on external factors, especially economic growth.

## CONCLUSIONS AND RECOMMENDATIONS

**65.**

The Commission welcomes the Court's report and notes with satisfaction that the Court concludes that EU development aid to food security in sub-Saharan Africa is mostly effective and makes an important contribution to progress in achieving food security in partner countries. The Commission agrees that there are areas for improvements, notably:

- systematic attention to food security in the next programming exercise;
- an adequate consideration to nutrition;
- a more systematic application of its comprehensive approach to food security.

The Commission wants to stress that steps have been, and are being taken, in these directions.

**67. (a)**

A number of other elements than the hunger/MDG1 situation come into consideration when programming EU assistance, not least the aid effectiveness agenda, i.e. alignment to policies and priorities of beneficiary countries, harmonisation, and division of labour between donors. When programming EDF10, the Commission had to reduce the focal sectors to two, among those in which it had a recognised comparative advantage. However, the Commission acknowledges that more systematic attention should have been given to food security, notably with the termination of the FSBL.

## REPLY OF THE COMMISSION

### 67. (b)

The Commission considers that nutrition has not been given sufficient attention. However, since 2008, the importance of nutrition has been stressed and the Commission has become a very proactive actor in this area.

Recent scientific evidence (2008) has shown that nutrition strategies which tackle the immediate and underlying causes of undernutrition are effective, especially during pregnancy and early childhood. In line with this evidence, and based on feedback from delegations, the Commission, in recent years, has stepped up its commitment to fight undernutrition through: (1) increased financial support, (2) greater, proactive engagement in national and international coordination, (3) strengthened technical capacity with the creation of (i) a nutrition advisory service and (ii) the development of technical guidance.

By and large, the Commission has been leading the renewed priority given to nutrition, both at political and operational levels.

### 67. (c)

The Food Facility aimed at addressing food price rises in the short term. It was an ad hoc instrument to react to the soaring food prices of 2007/08. It was the first time in several decades that food prices started to rise. The Food Facility did not intend to address food price evolution (neither rise nor volatility) in the longer term.

### 67. (d)

The Commission acknowledges that on occasions the project objectives could be clearer and more realistic, especially in the case of some NGO projects.

### 67. (e)

Agriculture and social transfer systems need time to develop and, as such, sustainability beyond a project cycle is an issue. A longer-term funding commitment in successive phases should be envisaged.

The sustainability of large agricultural and social protection programmes depends on government budgetary allocations, as well as on the number of target beneficiaries. Sustainability can be enhanced by reducing the size of the target group (clear aim of the Ethiopian government) or guaranteeing budgetary allocations (e.g. for key social services). The sustainability of not having such large programmes in place should also be considered (i.e. the situation of vulnerable groups in Ethiopia before the PSNP and aid delivery prior to PSNP).

### Recommendation 1

The Commission fully agrees with this recommendation.

### Recommendation 2

The Commission agrees to examine this possibility. High volatility will remain a feature of food prices in the future. The Commission believes that a multi-pronged approach will be required including to support partner countries to factor food price volatility in their own food security policies and addressing the issue at various levels and through various instruments, a number of them being outside the remit of development cooperation. In the future multi-annual financial framework (MFF) 2014–20 the capacity for response to crises should be enhanced.

### Recommendation 3

The Commission agrees to give adequate priority to nutrition. It has already taken steps to ensure that undernutrition is addressed in EU external assistance through a reference document, specialist advisory services and action at political level (such as with the 'Scaling-up nutrition' (SUN) initiative, UN Standing Committee on Nutrition, donor coordination with EU Member States, the USA and Canada, etc.) and policy level (EU food security policy, policy dialogue with partner countries).

## REPLY OF THE COMMISSION

### **Recommendation 4**

The Commission agrees with the recommendation. It has, over the past years, undertaken significant efforts in developing methodological guidance and reinforcing quality through quality support groups.

The Commission will seek to maximise impact by sharpening its targeting of beneficiaries. Methodologies and technologies available to target and reach vulnerable groups have improved in recent years and will be put to use.

### **Recommendation 5**

The Commission agrees with this recommendation. These are some of the areas of intervention highlighted in the EU food security policy (COM(2010) 127).





European Court of Auditors

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FOOD INSECURITY IS A PERSISTENT PROBLEM IN SUB-SAHARAN AFRICA: HUNGER AFFECTS 30 % OF THE POPULATION AND NEARLY HALF OF THE CHILDREN SUFFER FROM CHRONIC MALNUTRITION. THE COURT EXAMINED WHETHER EUROPEAN UNION (EU) DEVELOPMENT AID FOR FOOD SECURITY IN SUB-SAHARAN AFRICA IS EFFECTIVE, I.E. WHETHER IT ADDRESSES THE COUNTRIES' NEEDS AND PRIORITIES AND THE EU INTERVENTIONS ACHIEVE THEIR OBJECTIVES. THE AUDIT FOCUSED ON EU DIRECT DEVELOPMENT SUPPORT FOR THE THREE DIMENSIONS OF FOOD SECURITY, I.E. FOOD AVAILABILITY, ACCESS TO FOOD AND FOOD UTILISATION OR NUTRITION.

THE COURT CONCLUDES THAT EU DEVELOPMENT AID FOR FOOD SECURITY IN SUB-SAHARAN AFRICA IS MOSTLY EFFECTIVE, HIGHLY RELEVANT TO COUNTRIES' NEEDS AND PRIORITIES, AND MAKES AN IMPORTANT CONTRIBUTION TO ACHIEVING FOOD SECURITY. HOWEVER, THERE IS SCOPE FOR SIGNIFICANT IMPROVEMENT IN SEVERAL AREAS, SUCH AS BETTER ASSESSING THE POTENTIAL SCOPE FOR SUPPORT IN CHRONIC FOOD INSECURE COUNTRIES, GIVING ADEQUATE PRIORITY TO NUTRITION AND IMPROVING THE SUSTAINABILITY OF THE INTERVENTIONS.



EUROPEAN COURT OF AUDITORS



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