

Food distribution to the most deprived persons in the Community

2008/0183(COD) - 17/09/2010 - Modified legislative proposal

The Commission presents an amended proposal for a Regulation amending Council Regulations (EC) No 1290/2005 and (EC) No 1234/2007, as regards distribution of food products to the most deprived persons in the Union.

Background: In this context, in 2008 the Commission proposed a revision of the food distribution programme (*refer to the summary dated 17 September 2008*) based on the following elements:

- two sources of supply: food would be sourced either from intervention stocks or from the market;
- wider variety of foods to be distributed and clearer priorities;
- long-term perspective: the Union food distribution scheme would be established for three years;
- co-financing: Community co-financing rates would be 75% and 85% in Cohesion Member States for the 2010/12 plan. Subsequently, as of the 2013/15 plan, the Community co-financing rates would be, respectively 50% and 75%;
- reinforcing monitoring and reporting.

Opinion of the Commission on the amendments by the European Parliament: in its session of 26 March 2009 in the European Parliament approved its legislative resolution with 425 votes in favour, 71 against and 62 abstentions the report of Mr. Siekierski containing 20 amendments.

The Commission has considered it appropriate to accept a number of wording amendments approved by the European Parliament since they would contribute to complete the description of multitude of aspects embraced by this scheme although, in a certain number of cases, the Commission has opted for a different formulation.

Other amendments introduced in the amended proposal aim to:

- introduce the notion of the Union origin of the foods that in the present amended proposal is retained as a priority that may be decided by Member States when choosing the types of foods to be distributed;
- provide for the obligation for distribution points to clearly display the participation of the Union in the plan, which has been retained by the Commission in this amended proposal with detailed rules to be subsequently adopted;
- state that purchase of food products should be made on the basis of competitive procedures as it is now explicitly indicated in the proposal;
- lay down the reimbursement of storage costs incurred by charitable organisations.

On the other hand, certain amendments could not be accepted because they would have modified the substance of the Commission proposal in a manner not compatible with the objectives presented above. The most important rejection concern the request by the European Parliament to maintain the scheme entirely financed by the Union budget. The Commission is convinced that the introduction of co-financing would reinforce the cohesive dimension of the scheme while ensuring improved planning and management and therefore maintains co-financing in this amended proposal. Nevertheless, following the concerns voiced by the Parliament on this issue, the Commission has substantially reduced in this amended proposal the rates of national co-financing down to 10% for Cohesion Member States and 25% for other Member States and, unlikely in the original proposal, these rates would remain stable over time.

The alignment of the scheme of food distribution for the most deprived persons to the new rules of the Treaty on the Functioning of the European Union (TFEU) consists of a qualifying exercise where the implementing rules adopted by the Commission to secure the smooth execution of the measure are now classified as implementing (Article 291 of the TFEU) or delegated acts (Article 290 of the TFEU).

This amended proposal contains all the essential elements, general principles and programming rules of the scheme that are thus determined by the Legislator.

Delegated acts: this amended proposal provides that the Commission adopts by means of delegated acts the method for calculating the overall allocation of resources including the distribution of intervention stocks and financial means, the definition of the accounting value of products released from intervention stocks as well as the method for the reallocations of resources following possible revisions of the plan. The Commission should adopt provisions requiring the use of tendering procedures for all operations relating to the execution of the plans, provisions on securities to be lodged by applicants and rules on sanctions and reductions to be applied by the Member States in case of non respect of time-limits and other shortcomings.

Implementing acts: in this amended proposal the Legislator confers to the Commission implementing powers for: (i) adopting detailed rules and procedures, adopting and where necessary revise the plans, (ii) the definition of the additional elements to be included in the three-year plans, (iii) the procedures and time limits applicable to withdrawals, (iv) the format of annual implementation reports and national food distribution programmes, (v) the rules for the reimbursement of costs including time limits and financial ceilings the conditions pertaining to the invitation to tender and the conditions applicable to food products and their supply, (vi) the minimal requirements of control programmes, (vii) uniform conditions concerning payment procedures including the tasks to be fulfilled by national intervention agencies and, (viii) the detailed rules on the obligation to display the participation of the Union in this scheme both in the packing and the distribution points.

Budgetary implication: the proposal includes an annual financial ceiling of € 500 millions of the Union's co-finance of the scheme.