

Coordination of the Eurasian Regional Cooperation on Food Security and Agriculture

Introduction

Food security issues rivet more and more attention due to economic trends, marked at the beginning of this millennium - volatility of agricultural markets and food prices, crop yield reduction, a slowdown in agricultural production and continued growth in demand for food. It is also combined with environmental issues such as climate change and limited natural resources. Despite the progress made over the last two decades in the fight against hunger and malnutrition, chronic hunger still affects about 800 million people. According to reports, 171 million children under the age of five suffer from chronic malnutrition (stunting), nearly 104 million of them are underweight and about 55 million suffer from acute malnutrition. It should be noted that a shortage of micronutrients or "hidden hunger" in the world are facing more than two billion people, which hinders the development of human potential and the socio-economic development and does not allow to break the vicious circle of malnutrition and underdevelopment. At the same time, the number of overweight and obesity are estimated at 1.4 billion and 500 million people respectively.* However, the slowdown of agricultural production growth, reduction of productivity and yield of the agricultural sector (crops, livestock, forestry and fisheries), puts challenges on food security. The growth of the agricultural sector is one of the most effective means to reduce poverty and achieve food security.

Nowadays the world has recognized that the improvement of food security and its stability is determined not only the responsibility of the state, it goes beyond it, and depends largely on the trade, infrastructure and environmental issues. National borders constitute an obstacle to market interaction between the entities and economic actors and rational use of natural resources such as water. Climate change and limited natural resources raise concerns on further sustainability of agriculture and food security. Regional integration between the countries and the formation of a single space contributes to the creation of larger markets, both for producers and consumers, and helps to share knowledge and information for strengthening capacity for rational use of natural resources and face climate change challenges. Attempts in this area are undertaken by the European Union (EU), CIS and Eurasian Economic Union (EEU) covering EuroAsia.

The overall objective of this paper is to provide an overview, general analysis and recommendations for regional and state policy makers in undertaking the progressive adaptation of existing food and agricultural systems to line with international standards taking into account their specifics and ongoing regional cooperation arrangements. These arrangements are partly done under CIS framework and strategic decisions, and started to be realized through Eurasian integration in the form of Eurasian Economic Union (EEU). The paper might be useful to national governments, bilateral and multilateral agencies providing support and advisory services on agricultural and trade policies, institutional building on logistics, infrastructure and phytosanitary (SPS) issues. The paper is mainly focused on the CIS countries but many of the findings will be relevant to other transition economies, in the frame of possible use of regional integration in particular in the frame of EEU. It also assumes that the WTO rules and requirements are basis for such integration and cooperation.

Specifics of the Region

The issues of food security and development of the related sectors of economy in the region have been raised a number of times and reflected in the official documents such as "The Concept on Food

Security of CIS”. Adopted by the leaders of the states- members of CIS; 19 November 2010 or the CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future [COM(2010) 672, for European Union (EU) countries. At the same time majority of the region’s countries have developed their strategic documents on food security at the national levels. Nevertheless, it should be noted that all of them are based on the agriculture development and policy issues. The latter requires find ways of regional and sub-regional cooperation. However, further deepening of cooperation should consider the specifics of the region, sub-regions and countries itself in this area. Analysis shows that the overall picture of the food security and nutrition status are characterized as diverse and challenging.

The Europe and Central Asia region (ECA) is on track on achieving the target MDG 1C with undernourishment at less than 5¹ percent, the lowest among other regions. The main drivers of the progress towards the MDG 1C are rapid economic growth, labour productivity improved policy measures, expanded trade, higher foreign capital inflows, and the region’s longstanding strengths in human capital. By reviewing the progress towards MDG 1C it needs to be outlined the specificities and human development challenges of the region where the absolute number of undernourished people is still around 6 million.²

The ECA **region is highly diverse**. It includes high income countries of the Western Europe, middle income countries of the Central Europe and middle and low income countries in the Eastern Europe, Caucasus and Central Asia (CCA). Overall, there are two groups of countries to classify the state of food security. The first group consists of middle, upper middle income and high income countries that managed to eliminated extreme poverty to a large extent. This group is dominated by developed Western European countries, the new EU member states from Central Europe. The second group includes the relatively less advanced transition economies of South Eastern Europe (SEE), European CIS and CCA. In general these countries have been also succeeding in the pursuit of the MDGs.

Regional **trends of poverty and hunger eradication are heterogeneous and mixed**. In the ECA region the level of undernourishment in 90s had increased from 8 percent (baseline 1990-92) to 8.5 percent in 2000 (2000-02) due to challenges faced in transition process to market economy in a number of the countries that led to setbacks in development, serious hardship, displacement and social stress. During that period (1990 - 2000) a marked increase of undernourishment was noticed in Tajikistan and Uzbekistan: from 28.1 to 39.5 percent and from less than 5 percent to 14.4 percent in 2000, respectively.

In terms of **food availability the region produces enough food to feed its population and among the key exporters of food**. At the same time the progress on hunger eradication and malnutrition differs from country to country due to substantial disparities, ongoing demographic shifts, social inequality, poor function of institutions and governance, and natural factors. The Caucasus countries achieved the MDG 1C target as early as 2006. The Republic of Moldova, Turkmenistan, and Kyrgyzstan have also achieved this goal. However, there is a concern about Tajikistan where the high rate of undernourishment (the percentage of the population with a caloric intake below the minimum dietary energy requirement) estimated at 18.2 percent in 2014-2016 compared to 28.2 percent in 1990-1992 is hampering the achievement MDG 1C.

¹ The classification of FAO <5% (less than 5) meaning it is very low

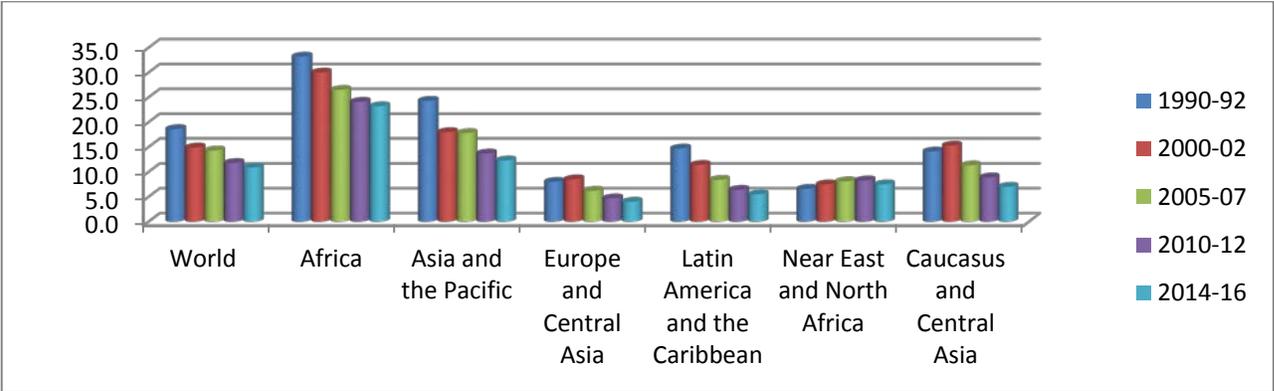
² FAO, SOFI 2015, Rome, 2015

The region, gradually experiencing receding famine, but **still faces malnutrition issues such as micronutrient deficiencies, overweight and obesity**. Along with significant rate of food loss and waste in the region, overweight and obesity raise a concern for most countries of the region. It is combined with the state of child stunting in Central Asian countries, and an iodine deficiency, especially in Eastern Europe. The challenges related to food access, stability, and utilization are still pressing, and may stay in the future. Continued progress towards the MDGs in the remaining year is essential to provide a solid foundation for the post-2015 development agenda.

Current food security situation of food security in the ECA Region

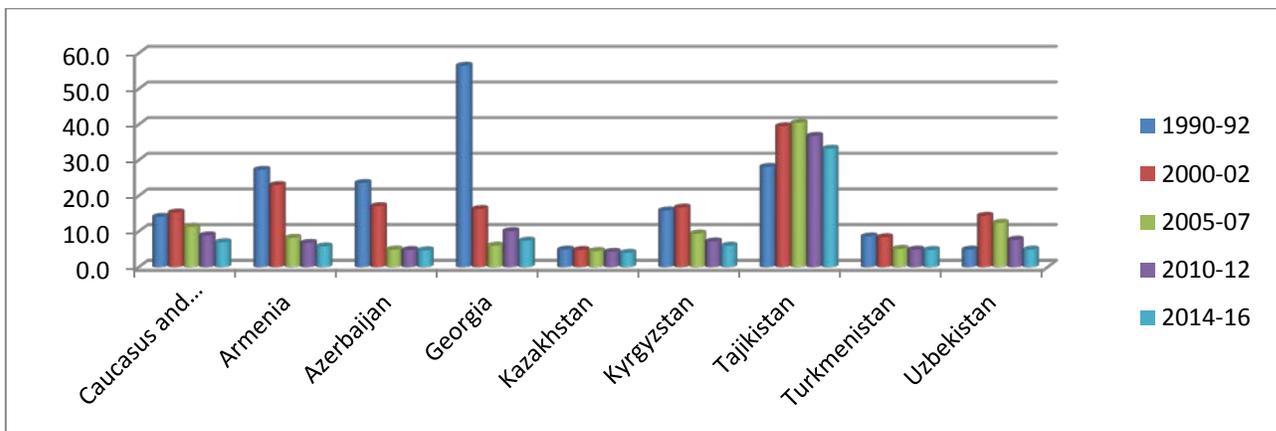
The ECA Region has shown a positive trend in the reduction of undernourishment for last 25 years since 1990. The level of undernourishment is less than 5 percent (very low by FAO classification). The Region has achieved the hunger target of MDGs and close on succeeding on WFS goals³ in spite of challenges faced in early 90s. Since early 90s of last century the region has been facing instability in a number of countries due to collapse of command economy system and transition to a market economy. As a result in the ECA region during in early 2000s one out of five people living on less than USD 2.15 a day compared with fewer than one in twenty-five a decade earlier.⁴ The sharp increase in poverty was driven in large part by the collapse in incomes and resulted in undernourishment increase by 0.5 percent or 1.6 million people during 1990 -2000. With the stabilization of the socio-economic situation by 2000 and after the region has recovered in the current year and it is on track to achieving hunger target of the Millennium Development Goals (goal MDG 1C of the MDGs) by halving the proportion of undernourished people estimated in 1990. (see Fugire 1)

Figure 1. Prevalence of undernourishment worldwide, by the regions and CCA subregion (1990-2014),%



³ WFS (World Food Summit) goals' measurement is in the absolute number of people, while MDG 1C measurement is the proportion of hunger people in percentage

⁴ World Bank: Growth, Poverty, and Inequality: Eastern Europe and Former Soviet Union. 2005



Source: FAO, SOFI 2015

Overall, the food security situation differs widely among countries of the region. The vast majority of undernourished people live in the countries of CCA, which is more vulnerable subregion in terms of poverty and food insecurity. In the countries of CCA the prevalence of undernourishment as a proportion is 7 percent or above the threshold of less than 5 percent (2014-16) with the highest level in Tajikistan which is 33 percent. It is obvious that the country is unable to achieving the hunger target goal MDG 1C.

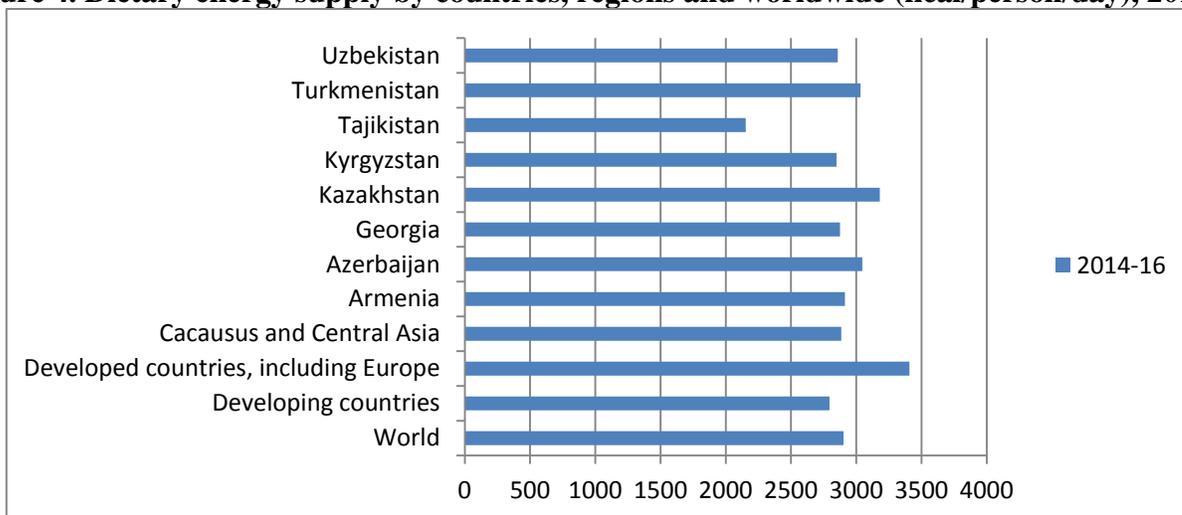
At the same time the region is at risk not reach the goal of the World Food Summit (WFS), aiming to halve the total absolute number of people suffering hunger. The total undernourished number of people is the smallest compared with the rest of the world or 5.9 million in 2014-16 (SOFI 2015) out of which almost 50 percent live in Tajikistan. Thus, the undernourishment still remains of concern. In terms of the progress towards WFS goals the total undernourished number of people in the region has decreased by only 40 percent driven by population growth and instability factors in the end of last century.

The assessment of food security requires the consideration of four dimensions of food and nutrition security: food availability, food access, utilization and stability. Food availability is characterized by a number of indicators, namely average dietary energy supply, value of food production including the agriculture sector as a key for food supply, dietary energy supply, share of dietary energy supply derived from cereals, roots and tubers, average protein supply and average protein supply of animal origin.

Food availability has considerably improved in the ECA region in particular in the transition economies where the majority of vulnerable and poor people registered. Economic growth and a steady increase of agriculture have supported the region as one of leading food exporter to feed the world.

On average the ECA region has already attained a high level of daily food energy supply (DES). About two-thirds of its population live in countries with a DES of around 3400 (kcal/person/day), in the CCA subregion it is 2885 (kcal/person/day) or close to the world average is 2902(kcal/person/day); (see figure 4)

Figure 4. Dietary energy supply by countries, regions and worldwide (kcal/person/day), 2014-

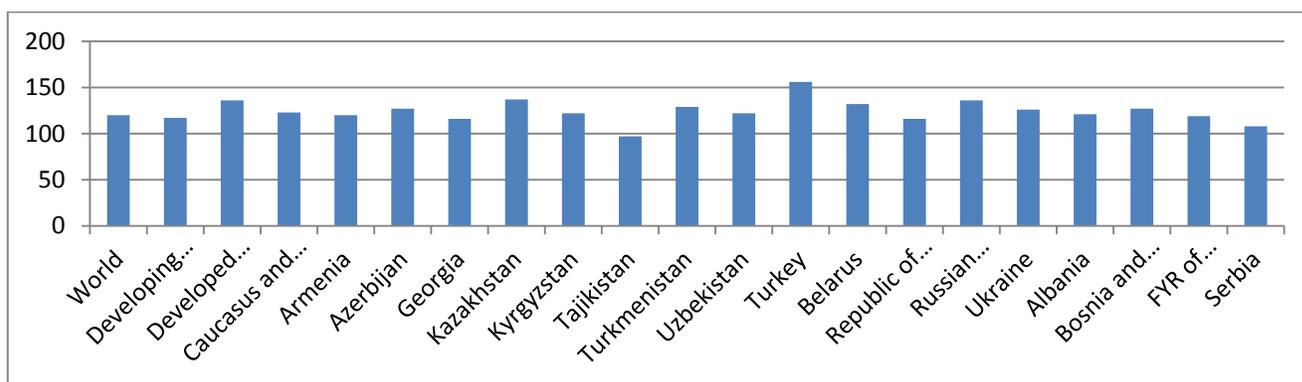


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Source: FAO, SOFI 2015

According to the latest estimates, most countries of the ECA region, including developed EU members, CIS and South East Europe except Tajikistan, demonstrate adequate level of food intake in calories. In Tajikistan, where the MDGs hunger target and WFS goals are expected not to be achieved by the end of 2015, the average dietary energy supply adequacy below the average level in the world (2014-16). Thus, overall in the region undernourishment measured in caloric intake is not of concern except Tajikistan where it is inadequate (97) and below the average world level (see figure 5).

Figure 5. Average dietary energy supply adequacy (%), 2014-16



Source: FAO, SOFI 2015

Average dietary energy adequacy reflects food supply depending on the ability of the agricultural and food sector to supply food products. In the region the average value of food production has been steadily increasing over last twenty years. In the CCA subregion and European CIS, an increase has been observed from early 2000s. Between 2000-02 and 2012-14, the value of agricultural production per capita in CCA increased by 30 percent⁵ (FAO, SOFI 2014), more than doubled the rate of global growth. Protein supply has also been progressively increasing since 2000 with a growth rate of 16 percent (twice as high as that in other European CIS). Although agricultural production has

⁵ FAO, SOFI 2015, Rome

significantly increased both in ECA and CCA, situation in Tajikistan and Georgia remains of concern. Both countries have the value food production per capita (in USD) at the lowest level in the subregion; it is much below the average world level (USD 311 p/c) and close to the average estimate of USD 149 for least developed countries. Tajikistan has also scored alarmingly low on “depth of food deficit” indicator, which is used to measure the number of calories needed to lift the undernourished from their status if everything else constant. Tajikistan’s food deficit averaged 245 kcal per person per day (2012-14) though it is above the level for the least developed countries.

The figure above shows the level of food adequacy measured as an actual average dietary energy supply over the average dietary energy requirement and expressed in calories per capita per day.

The ECA region is one of leading food exporters in the world. Therefore, a growth of the agricultural and food production in the region is extremely important for the provision of food supply globally by providing to the world market over 37 percent of the total grains, 48 percent of wheat, and 44 percent of barley.

At the same time reducing of **food losses and waste in most countries of ECA region is a significant additional resource for food availability.** FAO estimates that the ECA region is the second in the world region with regard to food losses and waste (280 kg/person per year) and it is one third lost at consumption level while two thirds lost through a whole food chain. Increased in-house baking by supermarkets and other retail outlets in recent years will likely reduce such waste further. Middle and low income countries see relatively higher levels of loss and waste during this phase, estimated at approximately 3 percent and 7 percent respectively. The CCA countries wasted around 2.5 percent of their available calories. Purchasing capacity and consumer preferences for fresh bread and other cereals products result in nearly 25 percent wastage of cereals products by high income consumers. Levels of waste fall to 8.5 percent in middle income countries and to 5 percent in low income countries.⁶ (FAO REU Food Losses and Waste, 2014)

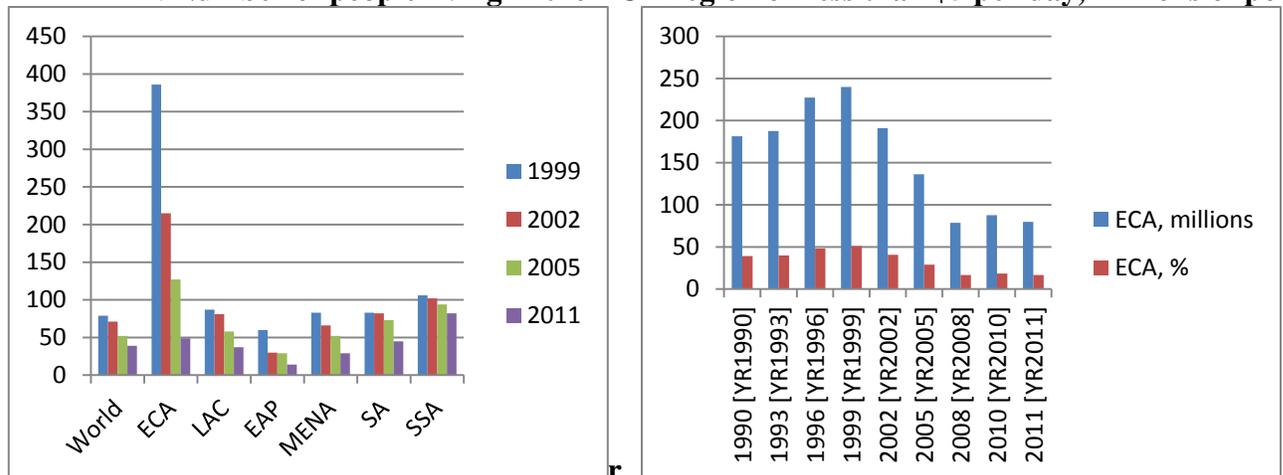
Food access: steady economic growth and a more than twice decline in extreme poverty have contributed to improved access for better food security and nutrition in the ECA region. During the last two decades the stable economic growth in the region has supported agriculture and food production which has been growing faster than the growth rate of the population and food consumption resulting in improving access to food. Access to food depends mainly on level of income, ratio of food expenditures in household budgets, food prices, and infrastructural issues. The prevalence of people living in extreme poverty (on less than 1,25 dollars a day) and the absolute number of people suffering poverty have declined threefold: from 7.15 million to 2.35 million people.⁷

Figure 7.A. Progress of extreme poverty reduction by regions and worldwide: 1990-2011(1990=100%)

⁶ FAO REU Food Losses and Waste, 2014

⁷ World Bank, PovcalNet and Poverty and Equity Data; online

B. Number of people living in the ECA region on less than \$5 per day, millions of people



World Bank, PoveclNet and Poverty and Euiqty Data; online

The figure above shows **the sharp increase of extreme poverty in the ECA region until 2002 followed by its steady decline since then it has decreased by 51 percent from the poverty level in 1990.**

Even though that the level of extreme poverty in the region is recorded at the lowest level in the world, it should be noted that extreme poverty line shows the numbers of hunger people but don't include those at risk, i.e. vulnerable groups. At the same time for the ECA region the risk of food security should be measured according to the level of expenditure estimated at \$5 per day due to climate conditions and living costs. Therefore, it is considered that the level of poverty on less than \$5 per day is more applicable. Over last two decades it has declined more than twice but still around 16.6 percent or 79.7 million people (see figure 7).

The level of poverty differs across the region and remains of concern in particular for the countries with high level of food import dependency and vulnerability to food price fluctuation observed since 2007 (Figure 8). In addition the ECA region is still struggling to return to robust growth following a short rebound after the global economic crisis in 2008. A slowdown in the pace of structural reforms, accompanied by tepid growth in the global economy and uncertainty arising from the conflict in Ukraine, continue to cloud the outlook⁸. Hence, **poverty is expected to remain as the key constraint to the improvement of household food security, primarily in CCA sub-region where the majority of poor live.**

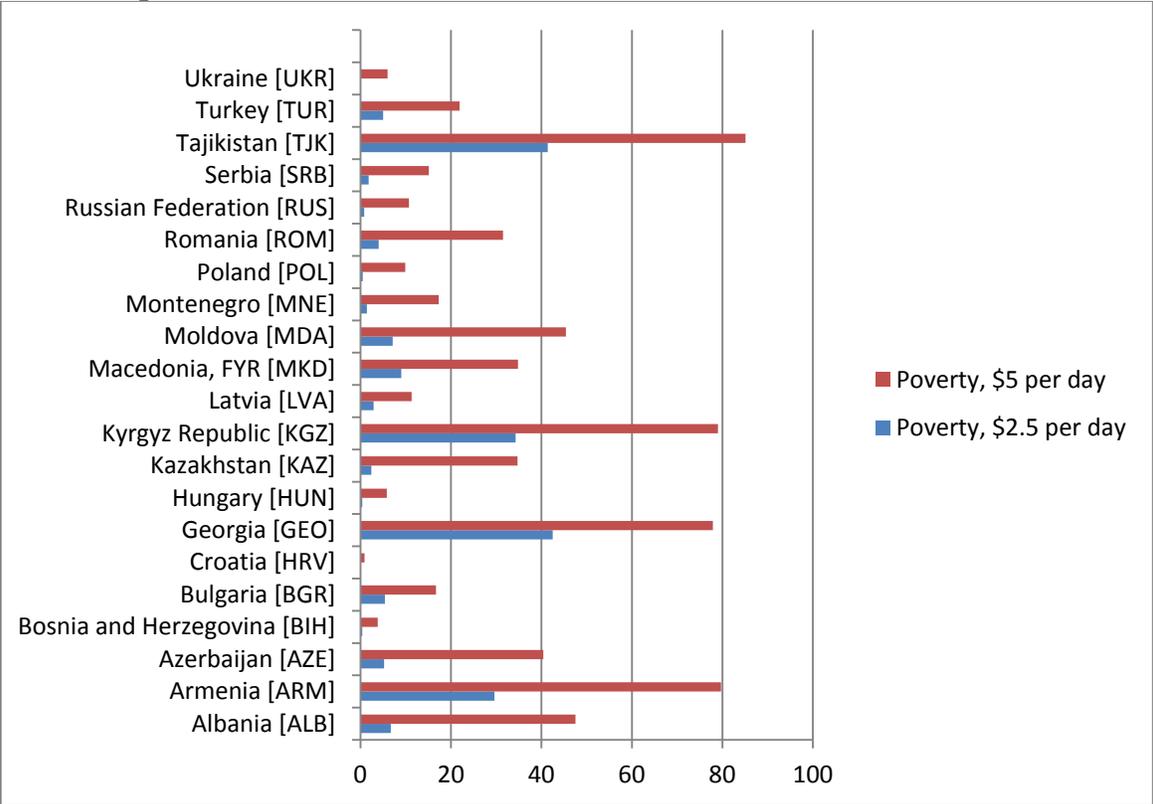
One aspects of food access is the share of household income spent on food. In most CCA countries, household final consumption expenditure on food consumed at home accounted for more than 30 percent of household budget in 2012⁹). In comparison, the average German consumer spends about 10 percent, while Czech spends 13 percent. The poorest segments of the population tend to spend a much higher percentage of their incomes on food, therefore, the nutritional value and diversity of regional diets is a pressing problem.

⁸ World Bank, ECA brief, October 19,2014; webpage www.worldbank.org

⁹ State of Food and Agriculture in the Region, Including Future Prospects and Emerging , FAO REU, 2014, Figure 2, page

Despite of a significant decline of poor people numbers or more than twice compared with 1990, the vulnerable groups including children, elderly, women, disables remain relatively high.

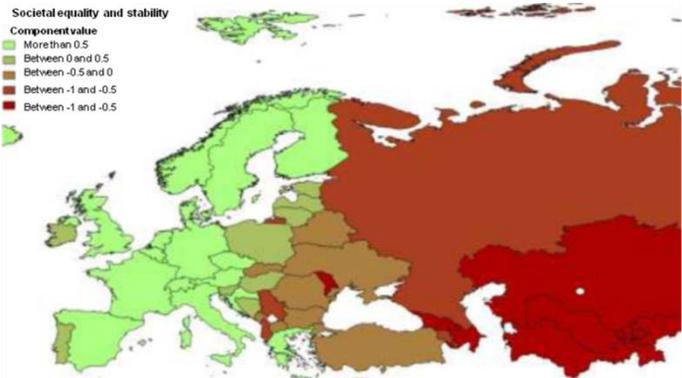
Figure 8. Number of people living in the selected countries of on less than \$2,5 and \$5 p/d, millions of poor



Source: adopted from PovecalNet, World Bank, online

Increasing inequality is one of the main concerns in provision of food security in the ECA countries. It is mainly registered in the Eastern Europe and CCA countries (see figure 11).

Figure 11 . Social Inequalities and Instability in the ECA region



Source The Triple Burden of Malnutrition in Europe and central Asia, Sara Capacci and others, FAO, REU , 2014

Inequality has increased considerably in most countries in the region since the last two decades. This is a particularly socially divisive issue in view of the low level of income inequality before the transition. The difference in income and wealth between the richest and poorest segments of society has grown rapidly and reached high levels within the lifetime of a single generation. Similar disparities exist among regions, notably between rural and urban areas. The level of inequality across the ECA region varies between 26.5 (Belarus) and 41.4 percent (Georgia) measured by Gini coefficient¹⁰. Additional steps are needed to target those groups who are suffering the most from inequalities that hinders the advantages of full MDG achievement.

Stability. One feature that hindered the development of the region over the past 25 years was the instability. Since early 1990s, the instability was manifested by changing economic systems in most the countries in the region, while from the beginning of the 21st century wide swings in food prices and the sharp fluctuation in agricultural production caused by unfavourable weather and climate change. The volatility of food prices impacts purchasing power of populations in particular in the countries depending on import (food import over the total merchandise import): Georgia (71,6%), Armenia (55,7%), Tajikistan (43,8%), Albania (40,7%), Azerbaijan (38%), Bosnia and Herzegovina (37,4%), FYR of Macedonia (29,5 %), Kyrgyzstan (23,7%)* (SOFI 2014). In the CCA subregion 7 out of 8 countries are net food importers. High reliance on imports makes those countries vulnerable to fluctuations in foreign supply and international prices. Volatility of food prices increased since 2000 and remains of concern for food consumers and small farmers.

In the 21st century, both food availability and food access are mainly influenced by the impact of natural, climatic and socio-political factors leading to sharp fluctuations or instability. Climate change is an emerging concern and its impacts on agricultural systems and rural economies are already evident throughout the ECA region. By the World Bank study the nature of these impacts varies widely and there are 17 countries with the relatively high index of vulnerability (higher than 10) to climate change: Tajikistan, Albania, Kyrgyzstan, Armenia, Georgia, Uzbekistan, Azerbaijan, Turkmenistan, Turkey, Moldova, Serbia, Former Yugoslavian Republic of Macedonia, Russia, Bulgaria, Bosnia and Herzegovina, Kazakhstan, Romania¹¹. Even though, some ECA countries have had an advantage of certain opportunities that help in the hunger eradication. However, further impact of this factor pushed a need for the development of technology and new approaches in their agricultural sectors for strengthening their ability to cope with current climate variability.

Nutrition. Economic growth and human development require well nourished populations who can learn new skills, think critically and contribute to their communities. Despite the decrease in hunger during the recent year's, demographic growth and persisting disparities have prevented much improvement in nutrition of vulnerable and poor groups of population. In all ECA countries sufficient calorie availability mitigates food security problems, however, **malnutrition still persists in terms of micronutrient deficiencies, inadequate qualities of diets, rising prevalence of overweight and obesity and overnutrition.** It is observed across the region in many middle-income and even low income countries. Adequate nutrition is essential in early childhood to ensure healthy growth, proper organ formation and function, a strong immune system, and neurological and cognitive development. It begins even earlier with the nutrition of pregnant and nursing mothers. Considering progress on nutrition in the region since 1990 it should be noted that there is a significant decline in a number of proportion of children affected by wasting and underweight. Both

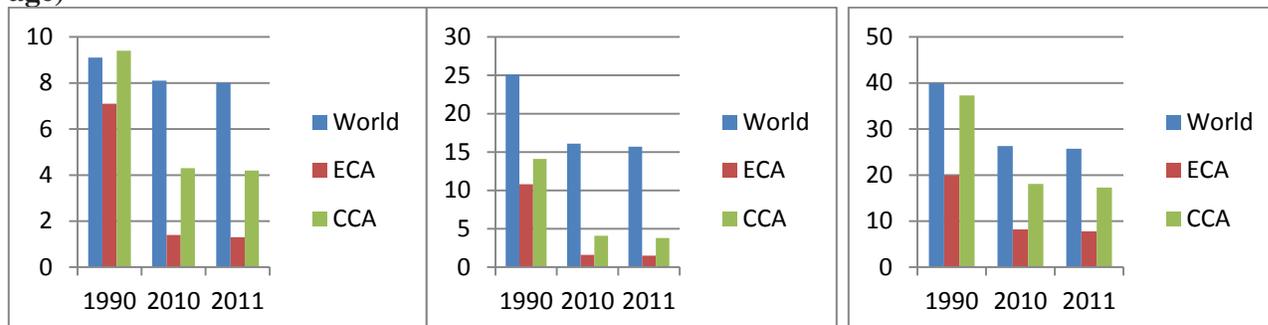
¹⁰World Bank, World Development Indicators, 2014, <http://databank.worldbank.org/data/home.aspx>

¹¹Looking beyond the Horizon. [How Climate Change Impacts and Adaptation Responses. Reshape Agriculture in Eastern Europe and Central Asia](#), William R. Sutton and other, World Bank, 2013,

indicators have significantly declined over last twenty years and remain well below the average world level (see figure 9).

Figure 9. Prevalence of wasting, underweight, and stunting (children under 5, %) in ECA, CCA and worldwide¹²

Wasting (low weight for height) Underweight (low weight for age) Stunting (low height for age)



*Child Malnutrition, UNICEF-WHO-The World Bank, Joint Child Malnutrition Estimates, 2012

At the same time **the level of stunting, anemia and micro nutrient deficiency in children under five years remains alarming in several countries across the region** in spite of overall decrease of average levels (see figure 9). The prevalence of stunting in children under five-years of age in ECA and CCA has decreased more than twice to 7.8 and 17.3 respectively (2011) but remains relatively high. In ECA the total number of stunting children under 5 is about 4.3 million, out of which one third of it lives in the CCA countries¹³. Stunting among children under five is alarmingly high in Azerbaijan (26.8% in 2006) and Tajikistan (39.2 %; 2007). Overall, the average percentage of stunted children (under five years old) in the CCA sub-region is more than twice times higher than in the ECA in a whole. In European part of the region Albania and Turkey show comparatively high levels of stunting among children at 23.1 and 15.62 percent, respectively.

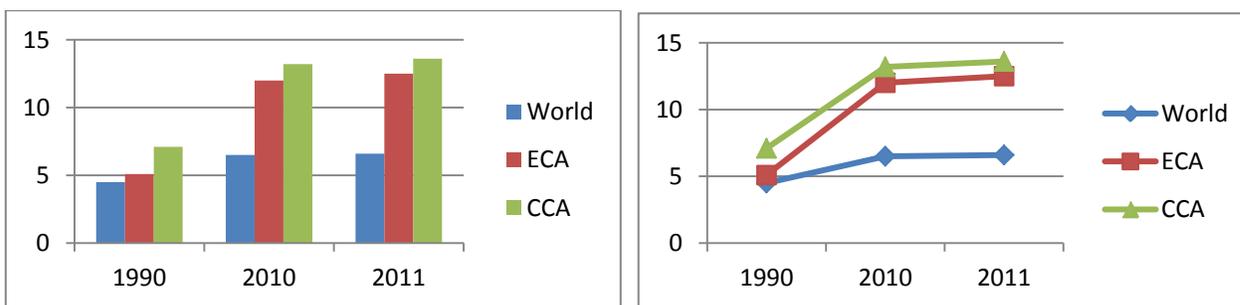
An alarming level of anaemia in children under 5 across the region is observed at the highest presence in Armenia (34.4%), Azerbaijan (35.2 %), Kyrgyzstan (35.8%), and Uzbekistan (43.2%). It has been also marked in Georgia, Bosnia and Herzegovina, Bulgaria, Moldova, Tajikistan (between 26 and 28 %). To large extent the nutritional status of children depends on the health of women. The prevalence of anaemia among pregnant women has been steadily decreasing since 1990 but not halved. It still remains at a high level in Armenia (27.6%), Azerbaijan (30.7 percent), Bosnia and Herzegovina (26.6%), Cyprus (30,9 %), Kyrgyzstan (29.9%), Moldova (27.5%), Tajikistan (27.8%), Turkmenistan (31,8), and Uzbekistan (34,8%)*

One common trend in the region is the increasing number of overweight people (see figure 10)

Figure 10: Prevalence of overweight and obesity in ECA, CCA and worldwide: 1990,1999, 2011, %

¹² Child Malnutrition, UNICEF-WHO-The World Bank, Joint Child Malnutrition Estimates, 2012;

¹³ Child Malnutrition, UNICEF-WHO-The World Bank, Joint Child Malnutrition Estimates, 2012

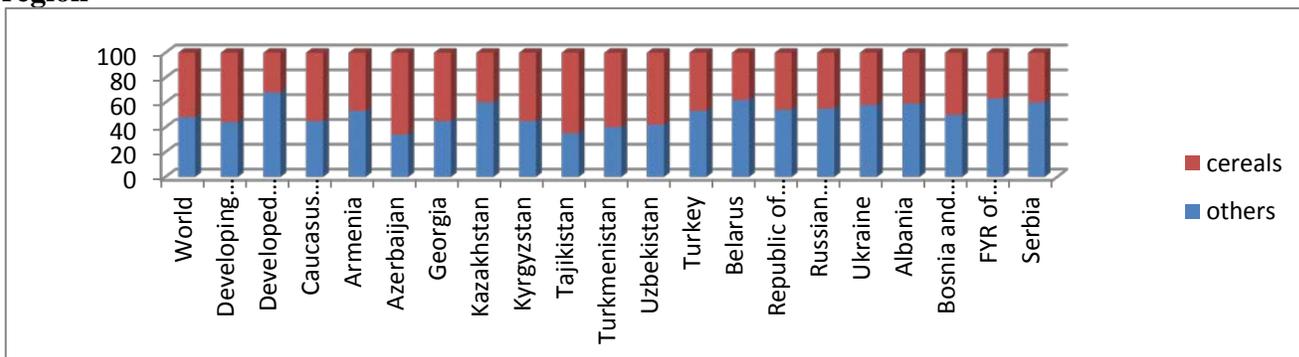


Source: Child Malnutrition, UNICEF-WHO-The World Bank, Joint Child Malnutrition Estimates, 2012.

The percentage of overweight and obese people in almost all countries of the region exceeds considerably the world’s average, which is 34.1 percent. About 48 percent of people in the CCA countries and more than 50 percent in both European CIS and Balkans are considered overweight or obese. In Bosnia and Herzegovina, and Turkey this figure exceeds 60 percent. It increases the risk of diet-related, non-communicable diseases and would put a pressure on healthcare facilities, especially in the poorer countries already limited in financial resources.

Furthermore, in a number of the countries, diets remain rather monotonous (see figure 10). In the majority countries of the region energy derived cereals is over 40 percent of food consumption, and in a number of countries it is even above this number, namely in Azerbaijan (63 percent), Tajikistan (62 percent), Turkmenistan (59 percent), Uzbekistan (58 percent), Georgia (58 percent), Kyrgyzstan (54 percent), Bosnia and Herzegovina (50 percent), Turkey (47 percent), the Russian Federation (45 percent), Belarus (43 percent), Ukraine (43 percent), Bulgaria (43 percent), Albania (41 percent), and Poland (41 percent)^{14,15}.

Figure 12. Dietary composition of food consumption in the selected countries of the ECA region



*Source: FAO, SOFI 2015

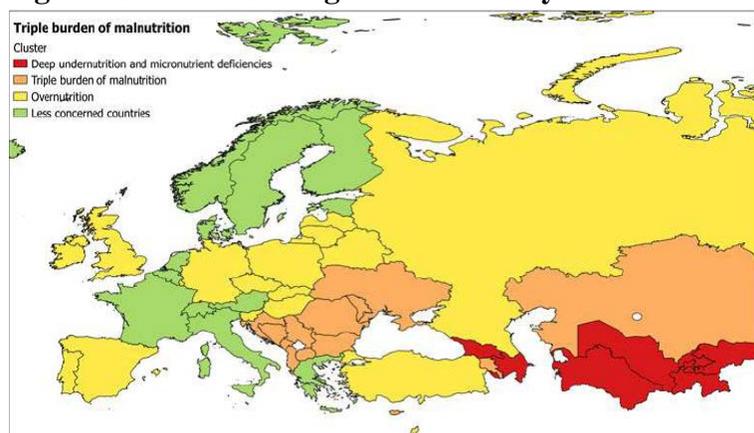
From the point of nutrition state all countries of the ECA region are classified in the following four groups (see figure 13). First group consists of the countries with persisting undernutrition and micro-nutrient deficiencies, and relatively low overnutrition issues (Azerbaijan, Georgia, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan). The second group includes the countries where undernutrition persists and coexists with prevalence of micronutrient deficiencies combined with

¹⁴ FAO, SOFI 2014, 2015, Rome

¹⁵ FAO, SOFI 2015, Rome

relatively higher levels of over nutrition (Albania, Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Kazakhstan, Macedonia, Moldova, Montenegro, Romania, Serbia, and Ukraine). Third group covers the countries where malnutrition and micro-nutrient deficiencies are around or below the overall ECA average but with relatively higher over nutrition (Belarus, Czech Republic, Germany, Hungary, Ireland, Israel, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Russian Federation, Slovakia, Slovenia, Spain, Turkey, United Kingdom). Finally, the fourth group of the countries with less concerned by malnutrition issues is characterized by indicators below the average regional level (Austria, Belgium, Denmark, Estonia, Finland, France, Greece, Iceland, Italy, Netherlands, Norway, Sweden, Switzerland). Even those “less concerned countries” still show an average obesity rate above 20% and overweight and obesity rates around 55%.

Figure 13 . The ECA region countries by dimensions of malnutrition



Source The Triple Burden of Malnutrition in Europe and central Asia, Sara Capacci and others, FAO, REU , 2014

Summary. The ECA region has succeeded in fighting hunger and improving of food security, and it is characterized as the following.

- The region has the lowest level of the undernourishment which is less than 5 % though in Tajikistan it still remains of concern because a half of the region’s undernourished people lives there.
- The level food losses and waste is the second in the world which is distracting food resources from those who really need them, as well as reducing production results.
- A number of other countries in the CCA and SEE are vulnerable due to high import dependency, climate change or insufficient agricultural production.
- The three dimensions of malnutrition (undernutrition, micronutrient deficiency, and overweight and obesity) existing in the ECA region reflect poverty, inequality, impact natural factors, and lack of knowledge and understanding.
- A significant decline of poverty has contributed to improvement of food security. However, poverty, inequality, climate change and natural disasters are constrains and threats for solving malnutrition problems in future.

Thus, adequate policy measures on expanding agricultural investments, the provision of stability and advocacy and education have to be priorities for future the 2015 post development. Despite the heterogeneity of countries in the region the common strategic approaches have to be considered

through strengthening regional integration and taking into account national and local specifics and needs of individual households.

The FAO' twin track approach is still valid by considering short term and long term measures. The short term policy measures have to be focus on mitigation hunger by regular monitoring activities and social protections systems with mainstreaming gender, youth, and children. A critical strategic direction for poverty and inequality reduction requires the long-term policies to improve food security including motivation of economic growth through increased investments in the agricultural sector since agricultural and rural development, food processing and food chain, trade transparency and openness, knowledge and information sharing. A key constraint is poor rural infrastructure and weakness of agro technology aimed to provide stability and environmental protection including conservation agriculture and resistance plants. Investments in public goods including irrigation, roads, education, and research contribute to agricultural growth. Better functioning markets facilitate improved price transmission and supply chain integration, which both help to agrarians in particular small farmers to gain from improvements in market efficiency, improved transport infrastructure and market information systems. All of this is reachable based on partnership of all groups of society under the leadership of state authorities in cooperation with international community. The Government's role is to create an enabling environment for the listed actions as well for new farms and agribusiness by demonstrating commitments and political will.

Agriculture sector in CIS

The agricultural sector is a basis for food supply and responsible for national food security, therefore, sustainable food supply (at least, its basic items) is a sign of a healthy economy. The agricultural sector is the main source of employment in many CIS countries: despite the global trend towards urbanisation (which is also pronounced in the post-Soviet world), the majority of the population still lives in rural areas. Finally, agriculture and agribusiness have a multiplier effect on an economy. For example, according to the input-output balance of Russia, one ruble worth of farm produce generates 1.16 rubles in related industries: mechanical engineering, chemistry, extractive industries, transport and communications. It also allows 23 new jobs to be created in related industries¹. It can be safely said that, due to this multiplier effect, any measures to support agribusiness have a tangible anti-crisis effect.

Figure 14 illustrates the role of agriculture in CIS economies in terms of its share in GDP and total employment. The figure shows that in almost all CIS countries, the percentage of agricultural employment in total employment is significantly higher than the contribution of agriculture to GDP, pointing to its low productivity as compared with other sectors.

Figure 14: Agricultural Value Added, % of GDP*

	1995	2000	2005	2010	2014
Armenia	42,3	25.яHB	20,9	19,2	21,9
Azerbaijan	27,3	17,1	9,9	5,9	5,7
Belarus	17,5	14,2	9,9	10,6	8,9
Georgia	52,2	21,9	16,7	8,4	9,2
Kazakhstan	12,9	8,7	6,8	4,8	4,6
Kyrgyzstan	43,9	36,7	31,9	19,4	17,3
Moldova	33	29	19,5	14,4	15,2

Russia	7,2	6,4	5	3,9	3,9
Tajikistan	38,4	27,4	24	22,1	27,4
Turkmenistan	17,2	24,4	18,8	14,5	14,5
Ukraine	15,4	17,1	10,4	8,3	11,8
Uzbekistan	32,3	34,4	28	19,1	18,8

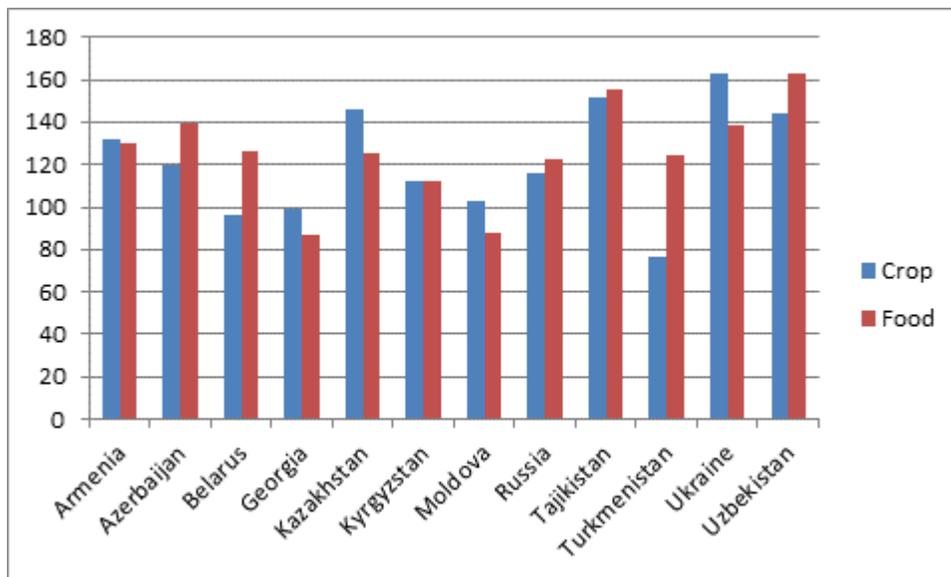
*World Development Indicators, WB, <http://data.worldbank.org/indicator>

In the CIS countries the agriculture sector is paramount of importance since it accounts for over 9 and more percent of the gross domestic product (GDP) for all CIS countries, except for Kazakhstan, the Russian Federation and Azerbaijan where it is 4.6, 3 and 5.7 percent respectively. The agriculture sector is a source of income for millions of people in the region. ON average for last fours years (2010-2014) because employs a large share of the working population in CIS countries—as high as 23 to 39 percent in Armenia, Georgia, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, and Uzbekistan. Moreover from over one third to three quarters of population live in rural areas and depend on agriculture (see the figures below). By the world development indicators the share of rural population (as % of total population in 2014) accounts in Armenia -37, Azerbaijan - 46, Belarus - 47, Georgia - 46, Kazakhstan – 64, Kyrgyzstan -55, Moldova – 26, Russia – 73, Tajikistan – 52, Turkmenistan – 50, Ukraine 31 percent.

The dissolution of the Soviet Union had dramatic impacts on the economies of the former Soviet republics and brought about major changes in the agricultural sector. Initially, agricultural output dropped to levels far below those of the pre-independence period, but the contraction bottomed out in the late 1990s, and since 2000 the agricultural sector is on track for recovery and growth. Structures of primary production are adjusting to better fit individual countries’ comparative advantages. Most CIS countries run deficits in the trade of agro-food products, and both export and import are dominated by trade with others of them , making them vulnerable to political risks and economic fluctuations within the region. As other transition economies in Central and Eastern Europe join (or prepare to join) the European Union and shift their trading relations toward the west, CIS countries face the risk of a shrinking market, with the resulting failure to tap their full potentials in agricultural production and export. The majority of these countries have joined the World Trade Organization. Five of them, including Azerbaijan, Belarus, Kazakhstan, Turkmenistan (even not applied yet) and Uzbekistan are in various stages of accession. The region’s countries are trying to adapt to the new realities of international competition and rapidly evolving supply chains.

CIS countries have different product mixes as a result of their varied agroclimatic conditions and histories. The main agricultural products in Russia, Ukraine, and Belarus are grains, potatoes, and meat and dairy products. Moldova and Transcaucasia (Armenia, Azerbaijan, and Georgia) have favorable conditions for growing vegetables, fruits, and grains. Wine is the most important high value agricultural product in this region. Main agro-food products in the countries of Central Asia include wheat, animal products, cotton, vegetables, and fruits. For most crops and animal products, the downward trend in production flattened out around the end of 90s last century, and then since early 2000s agricultural production began to grow or stabilize. It is worth noting that crop production has recovered to levels close to or even above the production level immediately following the start of the transition, while for animal products, particularly meat, production has stabilized far below the 1992 level. The contraction in the livestock sector is partly the result of the removal of Soviet-era subsidies for livestock production and a related decline in effective protection.

Figure15: Crop and Food Production Index, 2014 (2004-2006=100)*



FAO, www.fao.org; World Development Indicators, WB, [www. http://data.worldbank.org/indicator](http://data.worldbank.org/indicator)

The above figure illustrates that in general food production has increased significantly except Georgia and Moldova; crop production has slightly different trend and shows an increase in the majority of the focused countries. Thus, without doubt generally increased crop and food production have contributed to improving of food security.

In spite of differences of the CIS countries the agriculture sector with its significantly representation in their economies faces some common problems. Its impact on environment and highly dependence on natural resources identify future perspectives. Along with climate change the main environmental problems are the decline of yields due to deterioration of soil, land degradation, water overuse and pollution of water resources. A rational approach in solving those problems combined with rich land area and labor resources may contribute to sustainable food production and improved livelihoods of population. One of ways to do so is to aggregate capacity and advantages of the countries by developing rational economic policies among themselves and uses the synergy of knowledge and information sharing on relevant innovations and research.

Eperience of regional cooperation The global economy allows even small territories effective use of economies of scale and comparative advantages of specialization. Motivating the openness of markets it works as a positive factor for positive changes in the structure of industries in terms of productivity "remains on the market". However, high vulnerability to excessive risks remain in a form of "global" insurance or redistribution schemes does not exist (lastexample - the global financial crisis of 2008).

Last 50 years (1960-2010) indicate the expansion and strengthening of regional business cycles when regional associations have the resources to implement large-scale projects and are able to with stand the political and legal instability at a lower cost. One of ways is a formation of integration projects as a signal to investors, representing a commitment to a group of countries and creation of a larger economic space which can become a factor of economic growth.

Regional Economic Integration means agreements between groups of countries in a geographic region to reduce and ultimately remove tariff and non-tariff barriers for the free flow of goods,

services and factors of production between each other. GATT and WTO are the biggest association of more than 140 member countries, which strive to reduce the barriers. However, more than regional, WTO has a global perspective. By entering into regional agreements, groups of countries aim to reduce trade barriers more rapidly than can be achieved under WTO. While there have been decreases in the global barriers to trade and investment, the greatest progress had been made on a regional basis. There are many examples in the current popular push on the European Union (EU) and the effects the EU have on a particular business or industry that illustrates this point.

Regional cooperation for a long time is a tool for promoting economic growth and political stability in the world. Successful integration of Europe, under the banner of the European Union has become a lighthouse for many developing countries for regional cooperation and economic integration. National borders between sovereign States constitute an obstacle to market interaction between economic entities and individuals, cross-border infrastructure and optimum cross-border procedures (move). These obstacles may be the result of tariff and other barriers to trade, control of the movement of capital, labor and knowledge.

In Europe there are the two main regional organizations, the European Union (EU) and the Stability Pact for South-Eastern Europe which are aimed to use advantage of regional cooperation. The most bright example is the EU with 27 member states is not only the largest of all the regional organizations but also the union with the most complete and comprehensive program of regional cooperation and integration. In the area of agriculture and food it's basically the Common Agricultural Policy (CAP) which made a significant contribution to European food security for the past five decades. At this stage the CAP is under reforming process in order to make it in line with the realities of tomorrow. Meantime more than 90% of European agricultural payments (such as subsidies) are not related to support production of a product. The use of high standards of production allowed to take a more qualitative approach and strengthened the multifunctional nature of EU policies through the provision of public goods.

In the present CAP the role of market intervention mechanisms are minimized. In the last decade, export subsidies have fallen dramatically (falling CAP level was 0.5% of spending in 2011).

There are other regional organizations and integration forms that work for enhancing the cooperation in order to support sustainability of food security through integrated approach on agricultural, trade policy and research. In 2005 the ECOWAS Heads of States adopted the ECOWAS Agricultural Policy (ECOWAP), as an instrument for the coordination of the Comprehensive Africa Agricultural Development Programme (CAADP), the agricultural component of the New Partnership for Africa's Development (NEPAD), within the region. This policy has a vision of "a modern and sustainable agriculture, based on the effectiveness and efficiency of family farms and the promotion of agricultural enterprises through the involvement of the private sector. Productive and competitive in the intra-Community and International markets, it must ensure food security and remunerative incomes to its workers".

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The implementation of ECOWAS/CAADP is based on the implementation of investment programs at the nationale level (NAIP) as well as at the regional level. The Regional Agricultural Investment Programme (RAIP) consists of six components: the improvement of water management, consisting of (i) the improvement of irrigation, (ii)the integrated management of invasive aquatic plants and (iii) capacity building for organisations in the cross-border basins;the improved management of other shared natural resources, including (i) the organization of transhumance and the planning of the route taken, (ii) the sustainable management of forest resources and (iii) the sustainable management of fish resources; the sustainable development of farms, taking into account (i) the integrated management of soil fertility, (ii) the strengthening of support services provided to producers and (iii) the dissemination of improved technologies; the development eof the different value chains (food, peri-urban agriculture, export crops, short cycle breeding, agro-forestry products, non-industrial fishing and aquaculture), (ii) the development of product processing, (iii) the strengthening of support services provided to operators and (iv) the promotion of national, regional and international trade;

the prevention and management of food crises and other natural catastrophes, focusing on (i) the promotion of early warning systems, (ii) the development of crises management systems, (ii) support for the rehabilitation of zones after crises and (iv) the development of compensation mechanisms/insurance against catastrophes;

institutional strengthening, including (i) the integration of a standard approach, (ii) support for the improvement of agricultural and rural policy and strategy formulation capacities, (iii) the sustainable financing of agriculture, (iv) communication, (v) steering and coordination capacity building and (vi) monitoring and evaluation capacity building.

Another example is a scope of instruments used for the provision of food security is observed in APEC. It includes regional dialogue on the agricultural policy, partnership on food security, consulting council on nutrition, working groups on agriculture, technical assistance, and fishery.

The states of South Asian countries cooperate on food security based within ASEAN or ASEAN, the two agreements, which work directly with food security have been agreed (Tantraporn 2012): Agreement on Food Security, ASEAN emergency rice reserve. A permanent mechanism, ASEAN Framework Agreement on Comprehensive Food Security, is the Strategic Plan of Action on Food Security in the region.

In the current era of globalization, the importance of integration in particular through trade as an engine for economic growth and development has increased. However, CIS countries have remained marginalized in the global trading system and have not been able to effectively use the advantages of regional economic and trade cooperation to achieve sustained economic growth, which would help mitigate the impact of market fluctuations on food and nutrition security.

Enhancing the region’s role in the global trade performance and using trade as an engine for the realization of sustainable development will require, among other things, the diversification and strengthening of production capacity for value added products and the boosting of inter- regional trade.

Except EU within the Eurasian territory there is a number of regional organizations and forms of cooperation covering mainly CIS countries: Eurasian Economic Union (EEU), Eurasian

Development Bank (EADB), the Shanghai Cooperation Organization (SCO), Economic cooperation organization (ECO), Central Asian Regional Cooperation Programme (CAREG), the United Nations Special Programme for the Economies of Central Asia (SPECA), the GUAM Organization for Democracy and Economic Development (GUAM), The figure below demonstrates the structure, forms, and directions of cooperation. In spite of CIS which works mainly in the form of summits, more actively covers the agriculture and food production EEU and EADB.

Regional integration on the Eurasian space of CIS *

	Integration	FSN	Trade	Finance	Infrastruc- ture	Social- Econ	Form	Level	Mechanisms	Agriculture	Participati on
CIS	X	X	X	X	X	X	Agreement	Summit	Consultations	X	Countries
EEU	X	?	X	X	X	X	Treatment	Gs	Consultations	X	5 Countries
EADB	X		X	X		X	Treatment	Gs	Activities	X	5 Countries
SHOS	X						Agreement	Summit	Consultations		8 countries
ECO	X	X		X		X	Treatment	Gs	Activities	X	10 countries
CAREC			X		X	X	Programmes	All	Projects		10 countries
SPECA	X			X		X	Declaration		Forums		7 countries
GUAM			X		X	X	Agreement	Gs	Consultations		4 countries

* Adopted from the article: J. Lönn and O. Piffalo* EADB Annual publication "Regional organizations in CA)

The Eurasian Economic Union (2015) has integrated five member countries and set up a single market for 183 million people. The EEU introduces the free movement of goods, capital, services and people and provides for common transport, agriculture and energy policies, with provisions for a single currency and greater integration in the future. The union operates through supranational and intergovernmental institutions. The supranational institutions are the Eurasian Commission (the executive body), the Court of the EEU (the judicial body) and the Eurasian Development Bank. National governments are usually represented by the Eurasian Commission's Council.

Since 1 January 2015 the Eurasian Economic Union has started to function for unification of the Eurasian economic space. The basic rules are used in the application of trade measures;

- The principles and requirements for the use of special protective, antidumping and countervailing measures;
- requirements for sectors of the economy of the Member States who intend to apply for the use of trade measures;
- Procedural steps start, conduct and completion of investigations;
- The adoption of price commitments exporters who supply the dumped or subsidized goods;
- Public hearings and notification;
- Terms of decision-making on the use of preliminary and final trade measures;

- The timing of investigations;
- Duration and review of trade measures.

The Eurasian Economic Union of Armenia, Belarus, Kazakhstan, Kyrgyz Republic and the Russian Federation (UCT of the CU) is based on a set of principles, rules and programs applied to economic policy issues, mainly trade in the common customs territory of the Customs Union from third countries, classified according to the unified Foreign Economic Activity Commodity Nomenclature of the Customs Union.

The EEU's primary objectives include the promotion of sustainable development at economic, social and cultural levels, as well as the integration of member- countries' economies as food exporters. Since the EEU was established, its activities have included the main mandatory functions on trade, infrastructure, agricultural policy and natural resources, focused on a number of initiatives for the attainment of these objectives. The effective implementation of organizational functions will enable agriculture and trade to serve as instruments for the attainment of a sustained economic growth and development, including the alleviation of poverty, food and nutritional security.

Improvement and strengthening of the institutional mechanism of coordination in matters of food security and agricultural development as its basis, will allow for taking into account the favorable factors for using synergy effect. One of these factors is complementarities of potential production and the single transport infrastructure between Asia and Europe contributing to the formation and development of the common agricultural market as well as a clear and realistic definition the stages of integration processes in agrarian economy. The formation of such a coordination mechanism also involves the exchange of knowledge and experience in the relevant fields requiring setting up a single information space, which will track, monitor and assess the impact of implemented programs, innovations and emerging situations on the state of food security. Another factor requiring to merge the countries efforts, resources and potentials is to deal with the common environmental and natural resources issues related with low soil productivity, land degradation, and water problems. There is a necessity to develop research and innovations on seeding, crop resistance, conservation agriculture and others. Unfortunately, this area is still not under direct attention of the EEU and CIS policy and institutional bodies though the related strategic documents are adopted at national levels.

The Eurasian Economic Commission (EEC) has developed and introduced a number of trade measures and export-import legislation is based and linked to the Basic Agreement of . In accordance with it the decision making powers have been transferred to EEC. In accordance with the Basic Agreement the application of trade measures for goods of the Customs Union's countries and the measures applied against imports from third countries entering the single customs territory are the same for all the countries of the Customs Union.

Review of the Food Security Policies in the ECA Region

Effective and sustainable strategies and policies is the key for the provision of food and nutrition security. The countries of the Europe and Central Asia (ECA) region have developed their policies and strategies by using three traditional approaches: consumer-oriented with a direct support to consumers and vulnerable groups; producer-oriented policies by using special measures as soft loans, subsidies to input prices, public purchase mechanism; trade-oriented and macroeconomic policies by using trade for motivation export, limitations import, administrative measures, and monetary instruments.

These approaches are used in combination or with prioritization of one of them in accordance with the peculiarities of the economies, potentials and social needs. To some extent the use of three approached

depends on understanding of food security, food self sufficiency, and food sovereignty. It should be clearly stated that the latter is not in the center of the agricultural and food security policy practically in all the countries of the ECA region. In a number of countries of CIS, food security is more considered as food self sufficiency.

In **the CIS Concept of Food Security** adopted by the leaders of the countries- members of CIS ¹⁶ food security is declared as the ability of states to promote their food independency for guaranteeing the physical and economic availability of food for the population. The main objective of the food security policy stated in the Concept is sustainable food supply of the entire population on basic foodstuffs with the greatest possible independence from external sources. Further it says that *food security is the state of the economy of the countries in which their own production has to ensuring food independence not less than 80 percent of the annual demand in food products according to the physiological nutritional standards.* The Concept's mainly advices support measures to producers including soft loans and subsidies to producers, insurance coverage and market interventions. The Concept has also recommended a number of trade –oriented measures for motivation of exports of food product. It has also outlined some organizational and administrative measures. At the same time, the composition of CIS is heterogeneous by countries in terms of their agro-food production which varies dramatically due to natural and climatic conditions, historical specialization, national traditions, and priorities for future development.

Since the concept is advisory in nature, each country conducts its own independent food and agricultural policy, which nevertheless has some characteristics in common, and in this sense can be classified in two groups. The first group includes the countries (**Belarus, Kazakhstan, Kyrgyzstan, the Russian Federation, Tajikistan, and Uzbekistan**)¹⁷ where the approach to food security is more or less common. It considers mainly as food independency (BE, KG, KZ, RU, TJ, TM, UZ), and in majority of them as food self sufficiency to different extent (BE, RU, KZ, TM, UZ). For implementing such an approach the countries have developed relevant legislative documents including laws (KG, TJ, RU, BE) and strategies for their implementation (BE, KZ, KG, RU, TJ, TM, and UZ). The main principle of their approach to reach food independency by using a scope of instruments targeted to producers support by using mainly state support as subsidies to the agricultural inputs, seeds, machinery services. In all of them there is some sort of consumer support which exist in the form of price regulation on bread (KG, TJ, UZ, TM) or variety of staple products, so called social products (BE, RU, KZ, TM). In order to achieve the objective of food security and its targets the countries have been using protectionism measures (BE, RU, KZ); state orders (TM, UZ)¹⁸, elements of price regulation (all of them).

However, it should be outlined that even those countries have some differences in the instruments used for implementation of the main objective. For example, *the highest state support measures are observed in Belarus and Russia although with the WTO accession the latter is going to decrease this level in accordance of the accession commitments.* On the other hand Belarus as a member of the Eurasian Economic Union has been asked to decrease this level in view of harmonization process with the Union. **Kazakhstan** which is a

¹⁶ The Concept on Food Security of CIS. Adopted by the leaders of the states- members of CIS; 19 November 2010

¹⁷ The Concept of National Food Security, Belarus, 10.03.2004; Kyrgyzstan: Food Security Law, No 175, 30.07.2009; National Strategy of Kyrgyzstan on Sustainable Development up to 2017, Food Security Strategy of Kyrgyzstan up to 2017; Russia: The Doctrine on Food Security of the Russian Federation, 30 December 2012; The State Program on Agricultural Development and Agrarian Markets for 2013-2020, 14.07.2012; Kazakhstan's Food Security Law, 2005; Grain Law 2009, Strategy KZ-2050, address by the President, 14.12.2012; Tajikistan: Food Security Program, doc. #72, 02.02.2009, The Law on Food Security Law on FS, # 192, 13.10.2012, The Concept On Agrarian Policy, 31.12.2008.

¹⁸ Turkmenistan: The State Grain Program, Ashgabat 1995; The strategy for 10 years of prosperity, 2000; Uzbekistan: "On Measures to Further Refine the Arrangement of Activities and Develop Farming in Uzbekistan" 22 October 2012, Program of Measures to enhance and advance the food industry for 2012-2015

member of this organization as well follows a way for the provision of seed and food subsidies through the State Agro Corporation and locally managed food price control.

It should be also highlighted the policies pursued by the Member States (**Armenia, Belarus, Kazakhstan, Kyrgyzstan, and the Russian Federation**) of the **Eurasian Economic Union**. A number of trade measures and export-import legislation in general is based and linked to the Basic Agreement of the Eurasian Economic Commission (EEC) effective since 1 July 2010. In accordance with the Basic Agreement *the application of trade measures for goods of the Customs Union's countries and the measures applied against imports from third countries entering the single customs territory are the same for all the countries of the Customs Union*. The single customs tariff of the Customs Union of the Republic of Belarus, Kazakhstan and Russian Federation (UCT of the CU) is a set of rates of import customs duties applied to goods imported into the common customs territory of the Customs Union from third countries

Despite dismantling the centrally planned system last century the above listed countries still use *directive indicators for pushing up the production of certain agricultural product, mainly wheat and cotton* in the countries of the Central Asia. It is largely used in **Turkmenistan and Uzbekistan** though to some extent have been noticed in Tajikistan for cotton production. In such a case the state support measures are expressed in the form of inputs subsidies provided only to the farmers and agrarians dealing with the state orders.

Two countries of CIS, namely **Kyrgyzstan and Tajikistan**, are limited in the financial support measures for their agrarians due to their fiscal situation. In these countries *the donors' support in the implementation of a number of projects in seed development, irrigation, input capitalization as well as food aid is a great complementary to moving with the progress on the main objective: food security through food availability*.

At the same time five countries of FSU (**Armenia, Azerbaijan, Georgia, Moldova and Ukraine**) are involved in the Eastern Partnership with EU (**ENPARD**), and have some *common approaches which are more close to consider as intermediate approach between the first group and other European countries linked to the Common Agriculture Policy (CAP) of the European Union though to different extent*.

Armenia¹⁹ is one of the CIS countries where the Food Security Law has been adopted on 5 June 2002; №3P-338. The law addresses the main directions for the provision of food security: motivation of food production, development of food safety measures, and macroeconomic stabilization.

Azerbaijan²⁰ considers reliable food supply is essential for the stability of food security and social priority. Here the provision of food security is still oriented towards food self-sufficiency in grain. Implementation of tasks from the documents like "The State Programme of the Republic of Azerbaijan on Poverty Reduction and Economic Development for the period of 2003-2005", "The State Program on development of small and medium enterprises in the Republic of Azerbaijan (2002-2005-years)", "Socio-economic development of the regions of the Republic of Azerbaijan Program (2004-2008-years)" and other documents reflecting the provision of financial and technical support to farmers for increasing of the share of local products in the consumption of population. "The socio-economic development program in the Republic of Azerbaijan in 2008-2015 years" primarily aimed at ensuring food security in the region and the elimination of unemployment. The solution of these problems makes the basis of the development strategy of the agricultural sector and closely linked with agricultural sector.

¹⁹ Food security Law of Armenia, adopted 22 June 2002

²⁰ The State Programme on Socio-economic Development of the regions of Azerbaijan for 2009-2013"; "The State Program on Socio-economic Development of the Regions for 2004-2008-years "

In **Georgia**²¹ the issues of food security are linked with overall agriculture policy, free trade is implicitly tied up with the standards in place. In March 2012 the Government of Georgia approved the Strategy for Agricultural Development for 2012-22 years. From the end of that year the state financing of agriculture increased considerably. The government embarked on systemic changes that should give extra stimulus to farmers and agricultural entrepreneurs including VAT exemption. Two other key policy documents are led food security policy: the Agriculture Development Strategy for the period 2015-2020 and the law on Food Safety and Quality adopted in 2005.

In **Moldova**²² the relevant policy documents have been approved during last decade in view of the provision of food security. The National Strategy for Sustainable Development of the Agro-Industrial Complex for 2008–2015 (Government Decision No. 282 of March 11, 2008) is aimed to stabilize and increase the agricultural and food production for improving food availability. The strategy considers food policy to be in compliance with international markets and rules for developing the country; s own production. Therefore, as the complementary other policy documents have been adopted. The first is the National Strategy for Food Safety of the Republic of Moldova, 2011–2015 (Government Decision No. 747 of October 3, 2011) reflects issues on consumers' protection and food quality improvement. The second is Governments' Decision No282 dated 11March 2008 “The subvention system policy for agriculture producers for 2008–2015. Another important strategic document is the National Programme for 2005-2012 “Moldova-Village” (No242, 1 march 2005).

In the majority of remaining ECA countries food security policy is linked and based on the **Common Agriculture Policy (CAP) of EU**. The **European Union** is a leading world power in agricultural trade: It is the largest exporter of processed food, the second largest exporter of dairy and pork and the third largest exporter of poultry and wheat. Many of these products benefit from generous CAP subsidies awarded to European farmers and food processors. At the same time, the EU's free trade agreements (FTAs) force developing countries to open up their markets for European surplus production which has been stimulated by generous CAP support. At the same time many principles and instruments of CAP are under reforming for more streamlining it to be adequate to current needs, in particular small farmers. Despite of three decades of reforms, CAP and its unequal distribution of funds continues to favour a minority of highly rationalized factory farms and export-oriented food processors, whereas the large majority of family farms faces a constant squeeze on producer prices forcing them out of the market.

In 2011 more than 400 people from 34 European countries met from the 16th to 21 August in Krems, Austria to plan the development of a European movement for food sovereignty. The meeting included people from the Atlantic to the Urals and Caucasus, as well as from the Arctic to the Mediterranean. These people included international representatives from diverse social movements and civil society organizations.

Concluding the current food security policy of the ECA region in a whole, it should be outlined that heterogeneity of countries reflects different approaches in instruments used in progressing to eradication hunger and better nutrition. It is mainly based on development of the agriculture sector as a main source of food availability. There is a limited opportunity for harmonization of these policies to large extend unless consideration of CAP of EU as an example of united approach which is also under criticism and requires further reforms. As far as CIS countries are concerned there are historical similarities but much far from efficient consideration of food security as it is considered by FAO and WFS.

²¹ The State Strategy on Agricultural Development of Georgia for 2012-22, Mar 2012; Law of Georgia on Food Safety, No 173, December 2005

²² The National Strategy for Sustainable Development of the Agro-Industrial Complex of Moldova for 2008–2015 (Government Decision No. 282 of March 11, 2008), the National Strategy for Food Safety of the Republic of Moldova, 2011–2015 (Government Decision No. 747 of October 3, 2011)

Conclusions. The region is relatively succeeded in reducing of hunger and improving of nutrition. However, diversity of the region and current factors demonstrates that there are still issues related with food availability, access, consumption, and nutrition due to markets volatility and poverty raising concerns and making food security vulnerable. Despite relatively stable economic growth in recent years, countries in the region remain vulnerable to socio-economic and political changes due to poverty, global economic trends and the financial crisis. In addition, unemployment, food insecurity and malnourishment, low life expectancy, and disease are prevalent across the region. One of the major challenges that EU, EEU and other CIS countries are facing at the dawn of this new century is maintaining stable economic growth and agricultural development. Meeting these challenges will help achieve sustained development of peoples' living conditions as well as better nutrition and food security for all. At present, countries in the region are facing difficulties such as market fluctuations, climate change and increasing inequality in society. The magnitude of the challenges is reflected in a number of factors, including food price shocks, fluctuations in staple food production, and trade policy measures distorting the market, and geopolitical situation.

In order to address these challenges, a multi-dimensional approach is essential; one that addresses both internal and external constraints on development and takes full advantage of regional cooperation. Implementing such a multi-dimensional approach helps to increase the efficiency of production, trade and limited natural resources. It also increases the endowment of knowledge and research potentials. Agriculture, trade, information and knowledge sharing are the key instruments for mitigating challenges and helping to improve people's livelihoods as well as access to nutritional food and preparedness for any shocks.

In light of the above facts, it is clear further strengthening trade and economic cooperation in order to provide stability on food and nutrition security.

In view of the decision arising in the process of regional economic integration issues in the framework of the Eurasian Economic Union it is happening in much a shorter time compared with the experience of other regional integration groups such as the EU, MERCOSUR, NAFTA. At that member states of the Eurasian Economic Union, showed the ability to take on the commitment to limit national sovereignty in both the economic and political spheres in connection with the the creation of supranational bodies of newly founded. Integration of formation that allows them to consistently move on to more advanced formats of integration of free zones trade to economic union and in the future of the monetary union. Development of economic integration in the agri-food area of the Eurasian Economic Union is carried out in different production and economic and organizational conditions among the integrating states. The differences relate to price levels and average monthly wage in agriculture, scope and terms of lending, taxation and insurance agricultures States production crop, livestock and their products, yields of major crops and productivity livestock. Deepening economic integration will contribute to qualitative transformation in the agricultural sector the Eurasian Economic Union by aligning levels of development and strengthening of cooperation between them. Thus, according to the projections of the EEU the agricultural production will grow by 56 percent by 2020 and it is expected to amount of USD to 230 billion*.

In the agricultural sector of the Eurasian Economic Union there is the trend of the predominance of the mutual agricultural trade growth.. However, the agro-food imports products in the states of the Eurasian Economic Union exceeds exports, despite the presence of a significant export potential for

a variety of food products. For the advanced development of the agro-food sector within the EEU it is advisable to create joint supranational institutional structures such as, for example, the Eurasian Center for Monitoring and forecasting of the food situation, the Stabilization Financial fund, the Common Agricultural Commodity Exchange and others. These constituent elements of a supranational institution structure will ensure the effective functioning of organizational and economic mechanism of interaction Eurasian Economic Union, based on the unified system of taxation, credit, insurance, pricing and customs policy, taking into account best practices within the EEU. State of the Eurasian Economic Union in concluding special trade agreements on to -increase the food supply to third countries is envisaged on a number agricultural products, raw materials and food, such as: corn, barley, wheat flour, milk and cream, concentrated, frozen fish, sugar, sunflower and rapeseed oil, and others. The subject to further expansion Eurasian Economic Union by entering into it, and Armenia Kyrgyzstan is necessary to ensure food independence by deepening production specialization and priority increase output of milk and its products, as well as meat cattle with the production and export potential of Belarus.

Thus, as the the basis of food security is the sustainable development of the agriculture sector it is important to:

- invest in research, education and innovation activities for aggregating knowledge, moving it forward, and mitigating challenges. It is right time now to develop regional investment covering all listed activities with innovative approach. This approach contributes to integration in short and long run. It requires steps on the creation common economic space, integrated internal market, single information and research area including the following:
- promote the creation of a single information space and the corresponding Web pages in Russian, covering the issues of food security, nutrition and quality of products and agriculture
- establish a mechanism for regular interaction between the Eurasian Economic Commission, the Eurasian Development Bank, the Eurasian Center for Food Security and the Institute of the Eurasian Economic Union, which allows the involvement of the countries, their governments, national association of producers and consumers, unions and universities and research institutions in structuring the single information space and participation in a dialogue on issues related to food security and agricultural markets.
- conduct regular updated information on food security of the rural economy, including information sharing and providing public access to publications and research.
- organize within the EEU and CIS space discussions on innovative agro technology, food security and nutrition, food value chain, access to markets and infrastructure online and by all other means
- conduct training for representatives of associations of producers and exporters of food, universities and academic institutions on food security, nutrition and food quality, including through the use of teaching materials in electronic form in Russian.
- create a data bank on food production, access and social development of the village, including the exchange of statistical information and the preparation of forecasts, food balance sheets based on a single methodology.

- undertake regular monitoring of the food situation in the countries of the Eurasian Economic Union and CIS, including information on:
 - the dynamics of production, consumption, exports and imports of basic foodstuffs and agricultural products;
 - the adaptation of trade policy in the agricultural sector to the conditions of work in the WTO;
 - measures to strengthen the mutual trade in the framework of the Eurasian Economic Community and to enhance the competitiveness of national products on the markets of third countries.

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