# THE FOLLOW-UP OF THE IMPLEMENTATION OF THE WORLD FOOD SUMMIT PLAN OF ACTION

#### SECTION I: BACKGROUND INFORMATION

- 1. Country: Poland
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4. Institutional arrangements established for the follow-up of the WFS Plan of Action: entrusting the National Food and Nutrition Institute, gov.research institution with the task of food consumption analyses and WFS Plan of Action Monitoring.

## SECTION II: PRIORITY FOOD SECURITY ISSUES AND THE IMPLEMENTATION OF THE WORLD FOOD SUMMIT PLAN OF ACTION

Food availability in Poland converted into dietary energy used as an indicator of the country's food security amounted to 3397 Calories per person/day in 2001 according to the data derived from the FAOSTAT and was thus well above the national average requirement level. There has been a slight increase in the per caput energy availability since 1996 shown in the attached relevant food security and related indicators (Table).

Domestic agricultural production covers approx. ¾ of the country's needs as reflected in the ratio of the value of agri-food import to the total value of agricultural production (in current prices). This ratio has showed rather slight fluctuations over the second half of the 1990s. Poland remained agri-food net importer over the second half of the 1990s and agri-food export earnings covered in 2002 slightly over than 90% of import outlays.

According to *The State of Food Insecurity in the World 2003*, the number of the undernourished in Poland was estimated at 0.3 million in the period of 1999-2001 and their proportion in total population which numbered over 38 millions was 0,8%. There was no change both in the number and proportion of the undernourished in relation to 1993-1995.

The recent results of the country-wide representative household budget surveys (2002) showed that the average monthly income in the lowest income group of the households surveyed amounted to 103.5 Polish zlotys. This sum converted into USD and adjusted for purchasing power parity was \$ 2.70 per household member per day. In view of the fact that the share of this group in total population covered by the household budget surveys was 6%, the proportion of those living below \$ 1 per day could be rather negligible.

Results of the household budget surveys serve also as the basis for the assessments of the poverty rates. Several poverty lines are used bringing in effect various estimates. An estimate taking into account data collected in the survey conducted in 2002 showed that approx. 18.5% of the participants lived in the families whose monthly per person expenditures were below an amount qualifying, according to Social Assistance Act, to apply for financial benefits from the social assistance system.

Poverty is much more widespread in rural than in urban areas: while approx. 12% of the members of the urban households were in 2002 below the poverty line mentioned above that proportion in rural households amounted to 28%. It is worth to mention that approx. 38% of total population lived in 2002 in rural areas and that proportion had been stable over the 1990s.

Much higher poverty rate in the rural households was due to their considerably lower incomes as compared to urban households. An average monthly per person income in the urban households was in 2002 over 40% higher in relation to that in rural households. Income situation of the rural population and particularly that dependent on agriculture was determined by the unfavourable ratio of the product prices to agricultural input prices: this ratio was 89,7 in 1996 and declined to 65.5 in 2002 (Institute for Agricultural and Food Economics, 2003).

Despite much lower incomes, average food consumption, however, converted into energy was in 2002, like in the former years, higher in rural households, particularly in the farmers' ones. It was predominantly due to the importance of food derived from own agricultural production. According to a special countrywide multidimensional questionnaire survey conducted by the Central Statistical Office in 2001 and supplementing annual household budget surveys, over 70% of the rural households declared the use of such food.

Due to this situation food security issue constitutes rather an element of the national strategies pursued for socioeconomic development and poverty alleviation than a separate specific goal. It is important to stress, however that the "Government Programme to Assist Communes in the School Feeding" was established. Programme has been financed from the

government budget, means of the communes, Agricultural Property Agency of the State Treasury, non-government organisations and private donors.

Free food and meals constitute as well an element of the material assistance provided by the social assistance system.

Despite lack of progress in reduction of the number of undernourished between 1993/95 and 1999/2001 implied WFS target for Poland for 2015, i.e. 0.2 million seems to be fully feasible.

Poland takes part in the activities of an Intergovernmental Working Group for the Elaboration of a Set of Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security.

It participated in the National Demonstration Centre on Food Security and Consumption Statistics held in Sinaia, Romania from the 22 March to 1 April 2004 which aimed at the improvement of the methodology of the estimates on the prevalence of undernourishment.

Thanks to the TCP/POL/8921(a) Project *Household Food Consumption and Anthropometric Survey* Poland was able to identify more thoroughly major nutritional problems of its population and to widen interpretation of the food consumption data derived from the household budget surveys.

## SECTION III: RECOMMENDED ACTIONS FOR EACH COMMITMENT AND MEASURES TAKEN

#### **COMMITMENT I**

The country has changed beyond recognition compared to what it was in 1989 after the fall of communism. It made the transition from the centrally planned to a market economy. The liberalisation of the economic activity and the democratisation of government institutions were deep and strong. The creation of almost entirely new framework of democratically accountable state institutions culminated in the adoption of a new Constitution in 1997. Today Poland has a functioning market economy with a democratic framework of state institutions (OECD 2002). Access to the EU, initiated in 1991 with the signature of an Association Agreement has been a key driver of modernisation and reform. The link with the EU and membership of other international organisations such as WTO (1995), OECD (1996) and NATO (1999) has opened up the economy and society.

Some institutions, such as the Tribunal of State were reviewed and others, such as the Constitutional Tribunal and the Ombudsman (Commissioner of Citizens' rights) were created (OECD 2002).

In the end of 2002 the Council of Ministers adopted the "Programme Document of the Government" on the principles of the public dialoque. It formulates such rules of decision-making in the field of important public issues which aim to supplement institutions of representative democracy with the mechanisms of participatory democracy (Social Policy 2003).

Article 33 of the Polish Constitution quaranteees equal rights for women and men in family, political, social and economic life.

Provisions of the Act of 24 August 2001 amending Act-Codex of Labour and amending some other acts regulate fully issues related to equal treatment of women and men on the labour market.

3

An institutional base of the activities to support women on the labour market has been Government Plenipotentiary for Equal Status of Women and Men on the Labour Market functioning since 20 October 2001.

### COMMITMENT II, III, IV, V, VI, VII

High unemployment rate (18% at the end of 2002) is a key economic and social problem in Poland and the government was active over the transformation period in reacting to the needs of the labour market. It was reflected in several government programmes formulating the basic goals of the state policy on the labour market and their instruments. Such programmes included: concepts of the programme of 1991 to counteract the effects of unemployment, programme to check unemployment and to alleviate its effects of 1993, programme to promote productive employment and to reduce unemployment of 1995, programme to promote economic activity of the young people of 1995, special programmes of 1995 to counteract unemployment, programme to support economic activity of the disabled persons of 1995 (National Development Plan 2004-2006).

Government policy on the labour market was related to the goals and character of the macro-economic policy. Initially it was concentrated on the development of the institutional conditions of the labour market and on establishment of the social nets for the unemployed. Active programmes of the labour market were addressed to relatively low proportion of the unemployed while the programme of the benefits covered the majority of them. Gradually, this policy was reoriented towards active forms. Development of the active programmes of the labour market was possible due to allocation of higher proportion of the Labour Fund for them. This proportion was low in 1994-1996 and increased substantially in 1997-1998.

Since 2004 demand for labour should increase and an unemployment rate is likely to decline to some 15% (National Development Plan 2004-2006).

Creation of the new jobs in agricultural production, services and trade in rural areas is predominantly effected through the activities of the State Treasury Agricultural Property Agency, Agency for Agricultural Restructuring and Modernisation and under the Rural Development Programme.

Several important policy documents for Polish agriculture were developed since the beginning of the transformation. In 1990 a *Strategy for Agriculture and Rural Areas* was elaborated. In 1994 the concepts of the social and economic policy for agriculture, rural areas and food economy was prepared. In 1998 *Medium-term Strategy for Agriculture and Rural Areas Development* was adopted.

Policy goals related to agriculture and rural areas, formulated in the strategic document *Coherent Structural Policy for Rural and Agricultural Development* (adopted by the Council of Ministers on 13 July 1999) were being implemented, *inter alia*, under SAPARD Programme. Following the UE accession the implementation of these goals will be continued under Sectoral Operating Programme *Restructurization and Modernisation of the Food Sector and Rural Development*.

The strategic document mentioned above stresses the importance of realisation of the integrated policy of agriculture and rural development. Three general and several specific goals for the pre-accession period and following the UE accession were formulated there. General goals include:

I. Creating working and living conditions for rural population which meet civilizations standards and enable rural inhabitants to achieve their economic, educational, cultural and social goals (through development of technical and social infrastructure and creating conditions for the development of non-agricultural forms of activities),

- II. Reconstruction of the agricultural sector structure to help in its adaptation to changing economic and social situation (improvement in the structure of the farms, modernization of the farms, strengthening farmers' position at the rural market, implementation of the biological progress),
- III. Creating conditions for sustainable rural development, protection of natural environment and rural cultural heritage (protection of natural environment, promotion of ecological farming and other farming methods conducive for environment, bringing marginal lands into cultivation (Ministry of Agriculture and Rural Development, 2003)

Policy documents listed above were consistent with respect to such goals as: support for competitiveness of agriculture and food processing, forming sustainable rural development and improvement of the working and living conditions of rural population. These goals were implemented however in the conditions of budgetary constraints.

Support for agriculture doesn't compensate for the decline in the incomes. According to the OECD, in 2002, the support level expressed in PSE (Producer Subsidy Estimate), i.e. an uniform and comparable subsidy equivalent for agricultural producers was 14% of the final production value while the UE average was 31% (Ministry of Agriculture and Rural Development 2003).

2.7% of state budget was allocated to agriculture and rural development in 2002 (Ministry of Agriculture and Rural Development 2003).

It should be added that agricultural farms are exempted from the income tax. The level of agricultural tax has been traditionally low. An important form of the support for the farming population is co-financing of the separate social insurance system- Farmers Social Insurance Fund. In 2002 state budget outlays for this Fund were equal to 80% of the total budgetary outlays for agriculture (support for agriculture and rural development+ co-financing of the Farmers Social Insurance Fund).

## FOOD SECURITY AND RELATED INDICATORS - POLAND

INDICATORS	1996	1997	1998	1999	2000	2001	2002	2003	Source
1. Food security indicators									
Availability									
Average per person dietary energy supply (kcal)	3355	3366	3351	3368	3376	3397			FAOSTAT
Food production index	100.7	99.8	105.9	94.8	94.4	105.8	98.1		Statistical Yearbook 2003. Refers to total agricultural production
Food self-sufficiency ratio	21.1	23.8	24.7	26.2	24.7	23.1	26.2		Calculated as ratio of agricultural import to total agric. production
Cereal supply per person	157.4	157.0	150.1	151.5	154.2	155.5			FAOSTAT
Animal protein supply per person	49.4	49.3	50.0	50.2	49.4	48.8			FAOSTAT
Value of food imports/export earnings	16.4	14.6	13.7	12.3	10.0	9.4	8.7		Ratio of agricultural import to value of total export
Debt service ratio	5.1	4.4	3.8	3.6	3.1	2.6	2.2		Statistical Yearbooks. Ratio of foreign debt service to export value
Value of gross investment in agriculture (in USD) - million	885.4	786.6	656.3	616.8	570.7	558	554.9		Statistical Yearbooks. Covers agriculture, forestry and hunting. Declining trend due to decreasing value of national currency against dollar.
• Stability									
Food price index	118.4	112.3	107.1	101.5	110.0	105.0	99.3		Statistical Yearbook 2003
Index of variability of food production									
Ratio of national food reserves to domestic food consumption	n.a.	n.a.							
Export earnings instability									
• Access									
Rate of growth in real GDP per person/per year (%)	105.9	106.7	104.8	104.1	104.1	101.0	101.4		Statistical Yearbook 2003
Gini index of income distribution	n.a.	0.32	0.31	0.31	0.33	0.33	0.34		Department of Social Statistics. Central Statistical Office
Percentage of population living below national poverty line (%)	n.a.	13.3	12.1	14.4	13.6	15.0	18.5		Central Statistical Office poverty estimate based on the results of the household budget surveys. Covers proportion of population eligible to social assistance benefits

Percentage of population living on less than \$ 1 a day (%)									
Percentage of income spent on food (%)	34.6	32.5	32.4	30.6	30.3	29.3	27.8		Household Budget Surveys
Consumer price index	119.9	114.9	111.8	107.3	110.1	105.5	101.9		
Estimated number of undernourished people	0.3 million (1993-1995 average)					0.3 million (1999-2001 average)			The State of Food Insecurity in the World 2003. FAO
Percentage of population undernourished (%)	0.8 (1993-1995 average)					0.8 (1999-2001 average)			
Percentage of children under 5 that are underweight (%)									
Pecentage of children under 5 that are stunted (%)									
Percentage of children under 5 that are wasted (%)									
2. Social indicators									
Life expectancy at birth (age)	M-68.1,F-76.	M-68,5, F-77.0	M-68.9, F-77.3	M-68.8, F-77.5	M-69.7, F-78.0	M-70.2, F-78.4	M-70.4, F-78.8		Statistical Yearbooks
Under-5 mortality rate- per 1000		2.2	2.0	1.9	1.8	1.7	1.7		Statistical Yearbooks
Net school enrolment in primary education of children aged 5-12 (%)	97.3 (7-14 yr)	97.4 (7-14 yr)	98.0 (7-14 yr)	98.1 (7-14 yr)	98.3 (7-14 yr)	98.6 (7-14 yr)	98.9	98.6	Covers 7-12 age group. Statistical Yearbooks
Ratio of girls to boys in primary education	94.9						94.9		Statistical Yearbooks
Adult literacy rate	96.1	96.9	97.3	97.4	97.5	98.1			Household Budgets Surveys
Total number of doctors, nurses and other health personnel per 100 000 people	958	964	948	831	856	852	867		Statistical Yearboks
Infant mortality rate –per 1,000 of live births	12.21	10.18	9.53	8.85	8.11	7.67			
Maternal mortality rate -per 100,000	0.1	0.1	0.1	0.1	0.1	0.1			Statistical Yearbooks
Adult morbidity rate (%)									
Adult male mortality rate -per 1,000	5.01	5.03	4.91	4.93	4.59	4.50	5.55		Demographic Yearbooks

Adult female mortality rate (%)	1.85	1.84	1.80	1.82	1.77	1.73			Demographic Yearbooks
3. Infectious diseases and HIV/AIDS indicators									
Death rate from infectious diseases (per 100,000)	5.9	4.9	4.2	5.9	6.3	6.0			Statistical Yearbooks
Death rate from HIV/AIDS (%)									
Percentage of population orphaned (%)	n.a.								
Percentage of child-headed households (%)	negligible								
Average age of household head (age)	n.a.	n.a.	n.a	n.a.	n.a	n.a.	n.a.	n.a	
Rate of population with HIV/AIDS infection (%)	0.29	0.32	0.33	0.35	0.31	0.37	0.34		Refers to AIDS. WHO
4. Economic and Trade									
Proportion of total imports by value, excluding arms, from developing countries and from LDCs admitted free of duties <sup>a/</sup>									
Average tariffs imposed on agricultural products and textiles and clothing from developing countries <sup>a/</sup>									
Agricultural support estimate as percentage of GDP <sup>a/</sup>	2.73	2.65	2.63	2.65	2.61	2.72	2.60	2.56	Polish Institute for Agriculture and Food Economics
Proportion of ODA provided to help build trade capacity <sup>a/</sup>									
Share of primary exports (value) of total exports earnings <sup>b/</sup>									
Share of manufactured exports (value) of total exports earnings <sup>b/</sup>									
Terms of trade b/									
External agricultural income terms of trade									
5. Sustainability of natural resources									
Proportion of land area under forest cover (%)	28.1	28.1	28.2	28.3	28.4	28.4	28.5		
Proportion of area protected to maintain biological diversity (%)	29.4	30.0	31.1	32.5	32.5	33.1	33.1		Statistical Yearbooks. Calculated with utilization of the national classification criteria.

a/ Applicable to developed countries b/ Applicable to developing countries