

Focus :

THE ROLE OF ACTORS

ROUNDTABLE

[RA7]

Room Dalai Lama  
Palais Brongniart

Wednesday, September  
19, 2012

## HOW TO IMPROVE THE CONSISTENCY OF EUROPEAN POLICIES TOWARDS DEVELOPING COUNTRIES?

### MAIN FINDINGS

The problem of consistency among policies at a European level centres around the fact that large segments of these policies directly affect developing countries to a greater or lesser extent. More often than not, this impact is a negative one, contradicting the development goal and anti-poverty target that the European Union has set. Thus, the attempts to meet targets set for agrofuels imported into the EU is contradictory to the right to food security in developing countries. It also deeply upsets agricultural systems and relationships in countries in the Global South. As for the Common Agricultural Policy, its subsidies prevent exporters from the South from penetrating into the European market while at the same time imposing European products on markets in developing countries thanks to artificially low pricing. Therefore, how can this situation be made to be consistent? The solutions given during the round table are diverse, ranging from the creation of a European body which aims to create dialogue between the EU and the main stakeholders affected by its policies to setting up farmer cooperatives in the Global South in order to apply pressure in setting up economic partnership agreements.

### SPEAKERS

**Blandine Bouniol**

Policy Coordinator for Policy Coherence for Development, CONCORD

**Salia Mahamane**

Chairman, Federation of Market-Garden Cooperatives of Niger (FCMN-NIYA)

**Françoise Moreau**

Head of Unit, Policy and Coherence, Directorate General for Development Cooperation, European Commission

**Bernard Pinaud**

Managing Director, CCFD-Terre Solidaire

### MODERATOR

**Adrien de Tricornot**

Journalist, Le Monde éco&entreprise

## SUMMARY OF INTERVENTIONS

### Presenting the challenges

According to **Françoise Moreau**, the task of bringing about consistency consists of two aspects: on the one hand, synergies need to be intensified, for example in the fight against tax havens, and on the other, contradictions between European and development policies should be done away with, for example in the agricultural sphere. The aim is not to achieve 100% coherence, but rather to optimise the policies that are chosen in order to make progress on different agendas. An important step was taken within the European Union when consistency on development objectives was made legally binding as part of the Lisbon Treaty. In terms of institutional organisation at the European level for example, this is to be done by creating a focal point within EuropeAid and an inter-services group including all services of the Commission related to the topics being dealt with. When legislative or non-legislative proposals are put together in the European Commission, this group has the task of analysing the degree of consistency by looking at development goals. The impact evaluations that accompany any important proposal also represent a useful methodological tool. This effort to strive for coherence must however also be present during the decision making phases within the EU Council of Ministers and the European Parliament. Every two years, the Commission produces a report on the coherence of its development policies, allowing interactions between the initiatives taken to be brought to light in a series of areas, such as trade, agriculture, fisheries agreements, the environment and migration, as well as in targets for alleviating world poverty.

**Blandine Bouniol** points out that since the Treaty on European Union, all European policies likely to have an impact on development, whether they be internal or external, must take into account development goals, which essentially consist of eradicating poverty. This is an opportunity to enforce respect for, and perhaps even prevalence of, the interests and rights of those in poverty in developing countries in cases of conflict of interest when it comes to decision making processes within the European Union. In order to evaluate the degree to which suggested policies are coherent, CONCORD is based on the concept that respect for human rights is an integral part of development

objectives. However, taking into account the impact of development policies in this way is not perfect: according to a study from CONCORD Denmark, 77 of the 164 proposals are deemed to be relevant for development, and 7 respond to the needs in terms of impact on populations in developing countries. This impact study mechanism must be reinforced, with greater institutional capabilities (particularly in training for Commission members of staff), and greater awareness of the problems that exist. Currently, these studies are neither transparent nor open, since they are published at the same time as the final proposal from the Commission, creating a major obstacle for civil society to contribute. Finally, there is no institutionalised mechanism which allows people in developing countries that are most directly affected by the policies and exposed to their inconsistencies to make their voices heard at the institution which created the problem. A multi-stakeholder dialogue should take place in the countries in question and a mechanism should be set up which allows for incoherent policies to be revised.

**Bernard Pinaud** points out that CCFD-Terre Solidaire supports vulnerable communities through development programmes led by its partners in the Global South, particularly focusing on communities in the rural and farming sphere and those in developing countries. It also sets up education for development initiatives and advocacy in order to mobilise citizens and to push forward national, European and international policies that influence development in countries in the Global South. Increasing the quantity and quality of public development aid is vital, but the largest impact on the most fragile populations is brought about through political choices, for example in terms of the economy, finance, energy and trade. In this area, increasing the coherence of policies which favour food sovereignty, the right to food and family agriculture for countries in the South are of particular importance, which brings us back to the work carried out by CCFD-Terre Solidaire on agrofuels or speculation on agricultural markets. There is also a vital need to improve the coherence of policies which favour funding for development in countries in the South, and this is the explanation behind the awareness campaign being led by CCFD-Terre Solidaire against tax havens.

**Salia Mahamane** is the head of an association of cooperatives across the whole of Niger, with 30,000

members, 30% of whom are women. It offers training in manufacturing and in the use of organic fertiliser, natural feed, etc. The aim is to grant access to EU funds, for which one needs to be a specialist on very complex dossiers, while setting up partnerships with NGOs in the North. Subsidies have allowed for food independence in the North, but French farmers did not need to have a full command of such procedures back in the 1970s. However, the true problem lies in the absence of market protection: 300,000 tonnes of onions from Niger are set aside for export, but the countries that could absorb them are awash with European subsidies, while at the same time the European Union imports onions from Australia. Finally, imports of onions from the Netherlands to Niamey at a lower price than the cost of production in Niger dismantles local producers. There is therefore a problem of subsidy coherence for local farmers and in terms of incentives for importing onions. This leads to a drop in income for these same producers, who demand that imports are taxed in order to sell off their produce.

### Agrofuels

**Bernard Pinaud** notes that the European Union promotes industrial agrofuels through a directive from 2009 that sets the objective of bringing the share of agrofuels for the transport sector up to 10% by 2020. This goal cannot be reached with European production alone, requiring massive imports, mainly of palm oil and soya for biodiesel. There are many effects of this on countries in the South: enormous swathes of arable land are set aside for monocropping for produce to be exported, to the detriment of food crops (the case of soya in Paraguay), and this contributes to food insecurity; the phenomenon of deforestation is being intensified, either directly, in order to sow for monocropping for agrofuels or indirectly, through the expropriation of land from small-scale farmers, displacing them towards forests, peat bogs and meadows (such as in Indonesia and Brazil). Land grabbing is carried out by multinationals and pension funds, etc. With more than 200 million hectares affected, food prices rise and become more volatile as a result of land grabbing (report submitted to the G20 by roughly ten international institutions, including the IMF, the World Bank and the FAO). France has therefore decided to impose a moratorium on this policy which aims to promote agrofuels, but we must go further, doing away

with all binding production and consumption targets and subsidies for industrial agrofuels.

**Françoise Moreau** answers that the aim of the directive from 2009 was to contribute to limiting the rise in temperatures to a difference of 2°C, which in itself is an objective which is favourable to development and the fight against poverty. However, EuropeAid is aware of the problems that agrofuels cause. The first intermediary report will be published before the end of 2012 in order to examine all the important issues contained within the directive. Case studies in different countries show that in overall, agrofuels are not negative across the board. For instance, in Mozambique, there is a programme which encourages a form of agricultural production which can provide either produce for food or material for agrofuels depending on market needs. Moreover, the policy of the EU is not responsible for the deforestation of Brazil, a country which has an agrofuels policy which is not binding. Therefore, the sway that the EU has in problem areas such as land grabbing and contract conditions negotiated with foreign investors should be talked about in relative terms, and one should account for the importance of dialogue which is being carried out with other institutions, such as the G20.

**Blandine Bouniol** points out that this directive has created a virtual market for agrofuels. Even though it is difficult to portion out blame exactly, the EU continues to be a key player in this global trend. If inconsistencies are to be found, one must have the political courage to examine these choices anew, even if their objectives were initially worthy of praise (in this case, fighting against climate change). On this point, the right to food has been defeated. One of the solutions lies in the precautionary principle: do not create or exacerbate a situation of food insecurity. In all cases, the right to food should prevail over the right to drive a car.

### Agricultural and trade policies

**Blandine Bouniol** considers the political choices that will be made during the reform: to what extent will the impact of the CAP on developing countries be recognised, and what measures will be taken in order to put an end to these negative effects? Although the CAP has granted the EU food independence, it is a threat for developing countries, causing problems of dumping and

export of subsidised products which are sold at a lower cost than the cost of production, as is the case with powdered milk, which was exported to Cameroon in 2010 following the surplus of milk the previous year in Europe. The aim is not to oppose European farmers, who are often in a dramatic situation, but to take into account the fact that these policies drive farmers in the South into bankruptcy, without helping European farmers in the long term, either. It is therefore necessary to ensure that exports of products that are vital for food security or national production are limited. As for offensive trade policies, it is important to allow developing countries enough political space so as to be able to implement their own policies for agriculture and for developing the economy and trade, thus leaving behind the protection of public development aid, which can only act as a quick fix for systemic problems.

**Françoise Moreau** states that it is not a problem of agricultural policy, since subsidies for exports have been done away with, but that it is rather a problem of trade policy. Therefore, import regimes should be analysed while taking into account needs for protecting fledgling industries, sensitive products. They should be analysed in accordance with the progress made in competitiveness. This should be done through negotiations between one country and another and through dialogue with the private sector, particularly through the framework of the Economic Partnership Agreements (EPA) negotiations.

**Salia Mahamane** highlights the lack of systematic consideration for questions of consistency, and stresses the fact that city consumers are privileged.

**Bernard Pinaud** notes that there is true inconsistency between strengthening local farming structures and the EPA negotiation process, which is destructuring the market. For every million people suffering from hunger, 80% live in the rural sphere. The solution must therefore involve small-scale farmer organisations rather than the destructuring of markets.

**Blandine Bouniol** adds that a positive correlation between trade and development can only occur when certain conditions are present, such as when the speed of reforms is adapted, when a period of transition takes place and when countries themselves adopt the strategy in question. In terms of consistency obligations, local producers should be taken into account. A final point is

the enormous lack of transparency linked to the fact that the EPA negotiation process has not yet been concluded.

**Bernard Pinaud** highlights the growing ability of civil society in Africa to face up to governments, through groups such as COPAGEN. This hope was made visible during the social forums of Dakar and Nairobi. Therefore, the need is that NGOs in the North help to provide structure in order to help civil society organisations become actors holding sway at international institutions.

## Conclusion

**Salia Mahamane** concludes that the real question is that of the very context of development. Food autonomy is possible if a farmer can sell all his produce on the market. This will allow farmers to have resources other than land alone, thus allowing them to send their children to school, among other benefits. Therefore, the real problem is accessibility to EU funds in order to allow them to produce enough and to achieve food sovereignty once again.

For **Bernard Pinaud**, the 2008 hunger riots raised the alarm regarding speculation, and were a warning from non-agricultural stakeholders (investment funds, pension funds, etc.), about the market of agricultural raw materials. The swift rise in foodstuff prices in July 2012 is also linked to the phenomenon of financialisation of the agricultural sector. The lack of activity from the international community in tackling the volatility of food prices and unregulated liberalised markets in the hands of financial actors poses a major problem of inconsistency regarding development goals, the fight against poverty and food security. Nevertheless, solutions do exist: rebuilding regional and global stocks and banning speculation on virtual agricultural markets, for example by allowing only agricultural stakeholders to carry it out. Further solutions include regulating speculation on all other markets, favouring trade practices that allow for internal markets and prices to be regulated with the aim of guaranteeing food sovereignty for populations (for example, variable customs duties for imports), etc.

As for illegal capital flows from countries in the South towards tax havens, the sums they account for are almost ten times global public development aid, or rather 800 billion euros per year. This is money which

does not go towards social policies in countries in the South. There is therefore a need to strengthen local taxation and to impose total transparency on multinationals present in these countries with regards to their financial and tax activities. For instance, in the United States, a law has been passed which obliges any extraction company listed on the New York stock exchange to make public any payments made to governments in all countries in which they operate, thus aiming to fight against corruption linked to mining for natural resources. The European Commission has also just made a proposal along the same lines which is being discussed at the European Parliament. There is a need to go further, broadening this obligation for transparency to ensure that it reaches beyond the mining sector, thus combating not only corruption but also the predatory tax practices of certain multinationals, by requesting extra information from them on their profits in each country in order to ensure that the taxes that are paid are fair in accordance with the wealth created.

## SUMMARY OF DEBATE WITH THE AUDIENCE

### **How should one go about seeking funds from the European Commission?**

You must first of all approach your national government, who will then approach Brussels having evaluated the stakeholders involved. There are also

other ways of accessing funds, through calls for proposals on different programmes that are open to civil society, but these methods entail strict selection processes.

### **Regarding impact studies, is there a way of distinguishing between developing countries on the one hand, and new EU member states or those in the process of accession on the other?**

Member states are subject to an internal impact analysis, while the impact on developing countries is analysed within a broader and less detailed framework regarding the external dimensions of the policy in question. However, all developing countries are not considered in the same way, since they are not part of a homogenous group, they do not have the same opportunities and they do not have to face the same development challenges.

### **Within the framework of the partnership between the EU and the United States (via the donor USAID), is there an organisation which can be approached on questions of policy consistency?**

There is indeed a problem of who to approach in the United States, because although USAID liaises with the European institutions within the framework of high-level development dialogue, USAID is not the one responsible for trade policy in the United States.

## REPORTER

Léa Macias

Student at IEDES-Paris 1 Sorbonne

## MORE ON THIS TOPIC

- CCFD-Terre Solidaire: [www.ccf-d-terresolidaire.org](http://www.ccf-d-terresolidaire.org)
- EuropeAid: [ec.europa.eu/europeaid/what/development-policies/documents/eu\\_2011\\_report\\_on\\_pcd\\_en.doc.pdf](http://ec.europa.eu/europeaid/what/development-policies/documents/eu_2011_report_on_pcd_en.doc.pdf)
- Concord: [www.concordeurope.org/83-spotlight-on-policy-coherence-for-development-2011](http://www.concordeurope.org/83-spotlight-on-policy-coherence-for-development-2011)