

2008 monitoring report by European Civil Society
Organizations of

European Commission's proposal for Advancing African Agriculture (AAA)

November 2008

“Despite expressed concerns about the food crisis in Africa, European policies and practices are still negatively affecting African Agriculture – radical changes are needed urgently to support Africa’s small-scale farmers so that Africa Can Feed Itself”

This report is drawn from research carried out by a number of European CSOs and published in a longer background document¹.

In July 2007 the European Commission presented its Communication “Advancing African Agriculture” (AAA): proposal for continental and regional level cooperation on agricultural development in Africa (COM(2007)440 final) – summary annexed. It aims at providing strategic guidance for allocating European Development Fund (EDF) and other EC resources and for overall coordination of European support to African agriculture by all Member States. It was reviewed and adopted by the Council and the European Parliament in November 2007. European civil society actors including CONCORD NGOs committed to undertake regular reviews of its implementation.

We are concerned about a number of under-represented issues including: the fundamental role of multifunctional family-based agriculture; the priority for building and protecting small-scale food producers’ access to local, national and regional agricultural markets; effective participation of the social actors, especially farmers organisations, in developing key regional agricultural policies; and building on the experience and partnerships of European CSOs with African farmers’ organizations.

¹ The background document contains 5 chapters and can be found at:

http://www.europafrika.info/docs/pol_comm/advancing_african_agriculture.pdf. It contains 5 chapters:

1 – HOW IS EUROPEAN AID AFFECTING AFRICAN AGRICULTURE? by **Patrick Mulvany** (Practical Action, UK) and **Gert Engelen** (Vredeseilanden, Belgium);
2 – WHAT IS THE IMPACT OF EUROPEAN TRADE POLICIES ON AFRICAN AGRICULTURE AND AFRICAN FARMERS? by **Nora McKeon** (Terra Nuova) and **Marc Maes** (11.11.11);
3 – WHAT IS THE IMPACT OF AGRIBUSINESS ON AFRICAN AGRICULTURE AND AFRICAN FARMERS? by **Myriam Vander Stichele**, SOMO;
4 – WHAT IS THE IMPACT OF INVESTMENTS BY THE EUROPEAN INVESTMENT BANK IN THE AFRICAN AGRICULTURAL SECTOR? by **Antonio Tricarico**, Campagna per la Riforma della Banca Mondiale (CRBM);
5 – WHAT IS THE IMPACT OF THE EU COMMON AGRICULTURAL POLICY ON AFRICAN AGRICULTURE AND AFRICAN FARMERS? **Edoardo Calzabini** (Crocevia), **Francesco Benciolini** (ARI + Via Campesina Europe), **Greet Goverde**, Dutch platform Aarde Boer Consument, **Gert Engelen** (Vredeseilanden) and **Samuel Ferret** (Réseau Agriculture Durable)

In this first monitoring report, these concerns are underscored. Although agriculture has belatedly returned to the top of the agenda for development cooperation in Africa the question of “what kind of agriculture” will improve the security of food supplies is not resolved. It appears that, despite African farmers’ appeals for agro ecologically enhanced smallholder food production and protected local and regional markets, European institutions and member states are pushing a technology-driven “new green revolution” and competitive export trade. This prioritises intensification of production of commodities at different scales, using increased imported chemical inputs and protected seeds. With no respite from agricultural commodities dumped on the world market at artificially low prices, small-scale African producers cannot possibly compete.

This report focuses not only on European aid but also on the related areas of trade, agribusiness, investment and agriculture, that we believe need to be addressed by EU institutions and member states if AAA’s goals are to be realised and the crippling food crisis in Africa is to be turned into an opportunity for small farmers who have been penalized for years by low commodity prices. The EU needs to re-orient aid programs, trade and agricultural policies and negotiations with African countries on trade and investment (EPAs, WTO) towards support for small-scale family farming as well as local or regional processing and marketing of African farm products.

Aid

An evaluation of the European Commission’s aid to rural and agricultural development concluded that EC aid, despite some successes, was ‘limited... fragile... or hardly visible’ and the EU-ACP Joint Parliamentary Assembly in June 2007 called for the interests of small-scale farmers to be adequately represented in remedying these deficiencies. AAA is the opportunity to achieve this. However, despite their involvement in some processes, there is no evidence that small-scale farmers’ movements are being enabled to systematically influence how Aid to African agriculture is delivered to achieve food sovereignty and improve the long-term security of food supplies in ways that are socially and environmentally sustainable.

Trade

EU trade policies for Africa are still dominated by the Free Trade / Economic Partnership Agreements that defend the commercial interests of Europe and its corporations, despite the EU’s commitment to the development objectives of the Cotonou Agreement. The continued impact on African agriculture and food security of neo-liberal market policies combined with continued production and export subsidies and market protection in Europe (and elsewhere) has been catastrophic. EPAs need to be turned around to meet their declared objective of stimulating regional integration and strengthening regional and continental markets. The combined strength of the 77 ACP and 27 European countries in international trade forums could win special and differential treatment for developing countries, especially in Africa. Farmers Organisations networks supported by European CSOs made four recommendations to the ACP negotiators: give priority to regional integration and markets; negotiate trade relationships based on asymmetry and equity and excluding food products; arrange for effective participation of actors; take the time and develop the necessary instruments to ensure that the agreements further the interests of the ACP regions.

Agribusiness

AAA recognises that ‘market failures have been prevalent’ and that this has had negative impacts especially on marginal groups in Africa. However, business investment is still supporting export-oriented, large-scale and foreign agribusinesses, with their large financial, human and technical resources, at the expense of small-scale family farming, local seeds development, diversification and local value-adding processing. A market failure in the financial sector has been that private banks have failed to provide appropriate credit and financial services to small-scale, family farms and rural areas. European supermarkets operating abroad still use their buying power to impose their conditions on suppliers and to extract lower prices, with lower social and environmental standards, than their competitors. The standards and delivery conditions imposed are difficult to meet (tight timing, large volumes, year round delivery). This report shows that increased regulation is essential with improved governance in the agribusiness sector to deal with: equitable distribution of benefits and risks, labour rights, environmental protection, political influence, hedging and speculation in food.

EPA negotiations on the liberalisation of investment in agriculture specifically include restraints on regulation by African countries (national treatment and market access rules). This must change. The EU and African countries should agree on cooperation mechanisms for stabilising and improving prices and ensuring that small-scale farmers and farm workers receive a fair share; design competition policy and cooperation that effectively deals with concentration in commodity markets and its abuses; deal with unfair marketing by European agribusiness in Africa; prohibit and sanction abusive buyer power practices by supermarkets buying African products for European markets or by European supermarkets operating in Africa; change the relationship within the standard setting companies and bodies so that they consult with African producers, cooperate in order to find locally appropriate standards, and provide appropriate means to producers to adopt new standards; prohibit unlimited financial speculation on food and commodities.

Investment: the European Investment Bank (EIB)

EIB is a major financier of development projects, now managing EU budget resources of the EDF and the EU-African Partnership in addition to its own funds.. The EIB is biased towards private sector development and exports as a ‘key engine of development’. Large infrastructure development and global loans remain the primary area for its investment in ACP countries (756 million euro in loans in 2007). EIB project finance to the agricultural sector is minor but difficult to monitor much of it is channelled through financial intermediaries with no transparency. Although the EIB has no explicit development mandate, all mandates and agreements approved by the EU Council must have a strong focus on development cooperation policy consistent with the Cotonou Agreement and AAA. The EIB has a mid-term review in 2010 involving not only those finance ministers who sit on the EIB board, but also for the first time foreign affairs and development ministers of Member States. The European Parliament has recommended a comprehensive reform of the EIB so that it will align its external lending with EU development goals and policies. Small-scale African farmers’ organisations and CSOs campaigning for food sovereignty and innovative aid financing mechanisms for supporting and protecting local markets in Africa should consider how to seize this important opportunity. The EIB should promote local markets, in a transparent manner, and should not move into bio fuels global business.

Agriculture

From 2009 – 2013, the Common Agriculture Policy will be under review and could change radically. It could do so in ways that will support the goals of AAA and realise food sovereignty - healthy food, protection of the environment, fighting global warming and supporting rural development. The new CAP must reverse the current tendency to concentration in food and agriculture businesses. It should be focused on methods of production that support smaller-scale family farmers, local knowledge and organization of sustainable agricultural practices that not only guarantee the provision of food but also improve agriculture's social and multi-functional roles. There should be a ban on export subsidies and exports that undermine local African production. The EU should support community preference and the right for all countries/groups of countries to protect themselves from low-price imports. The Least Developed Countries in Africa should have general preferential access to the EU and tariff escalation for processed agricultural products should be abandoned. The EU should recognise UNCTAD, in conjunction with FAO, as the primary international governance institutions for agricultural trade supported by an independent international legal proceedings institute for dispute settlement. Agricultural research priorities should be determined by those social actors most affected i.e. small-scale farmers' organisations.

Overall conclusions and recommendations

- Whatever positive steps have been taken by DG Development in implementing AAA (e.g. support for African farmer networks currently under negotiation) have been more than overshadowed by the negative impact of European policies in other areas (trade, investment, agriculture, agribusiness). Effective mechanisms for enhancing coherence of bilateral and multilateral European support have not been put in place. A clear framework for involving European CSOs and African farmers' organizations has not been developed despite recommendations in this regard by the General Council and the European Parliament. The November review by these bodies needs to address these deficiencies.
- The current food crisis offers an opportunity for promoting AAA and rethinking paradigms for agricultural development, the architecture for the global governance of food and agriculture issues, and modalities of North/South partnerships in order to realize food sovereignty and secure local food supplies. EU has an extremely significant role to play in this context. To play this role authoritatively will require a far higher degree of coherence than presently obtains.
- European civil society – working with African farmers' organizations and other African civil society sectors – has an important role to play in proposing alternative approaches, such as food sovereignty, monitoring implementation (at both global and country levels) and pointing to coherence issues that governments and intergovernmental institutions have difficulty in acknowledging.
- It is important in coming years to involve sectors of European civil society not normally concerned about African agriculture, including family farmers, consumers, environmentalists, trade unions, and to win their support for coherent European policies that promote sustainable, equitable development for both European and African society.
- The 2009 European Parliamentary elections offer an opportunity to bring these issues to the attention of a wider public.

ANNEX 1

Advancing African Agriculture:

Proposal for continental and regional level cooperation on agricultural development in Africa

The proposal was published on 24 July 2007 as a Communication from the European Commission to the Council and the European Parliament. It is designed to create an improved enabling environment for agricultural development in Africa. European Cooperation will be based on the following principles:

- *Commitment to the Millennium Development Goals*, with specific reference to the 1st (Hunger and Poverty) and the 7th (Environment) MDGs
- *Alignment with African priorities*, based on the CAADP processes, principles and targets
- *Donor harmonisation and alignment*, following the principles of the Paris Declaration
- *Building on other AU-EU Partnerships and Facilities*, complementing EU initiatives which directly or indirectly support rural development in Africa and using existing Africa-Europe partnerships
- *Drawing lessons from relevant EU experiences and good practice*, building on nearly 50 years of agricultural policy experience in the EU
- *Application of subsidiarity*, supporting only those regional and continental functions that add value to national level interventions
- *Policy Coherence*, between EU development policies and agricultural, fisheries, trade, consumer and energy policies.

Advancing African Agriculture covers 7 areas of cooperation based on the main challenges to agriculture in Africa and on African priorities, as reflected in the CAADP. A central role for CTA is envisaged in this, facilitating information exchanges relating to this proposal:

1. Agriculture in Development Strategies

This area will address the need for agricultural development to be an integral and strategic part of the development agenda at national, regional and continental levels, recognising agriculture as a key sector for economic growth and poverty reduction. Regional Farming Organisations will form a group of partners and help will be given in the establishment of a continental farmers forum, linking national and regional farming organisations, and strengthening their roles in CAADP processes.

2. Sector Governance

This cooperation area will assist in capacity building at regional and continental levels, with a view to improving governance that will contribute to a smoother transition of smallholder farming towards commercially viable and sustainable family-based agriculture. This will include strengthening of regional and continental-level representations of producer and professional organisations, with effective advocacy and lobbying capacity, including comparative

analysis and lesson-learning from liberalisation and privatisation processes in agriculture, public-private relations and government performance.

3. Research, Knowledge Systems and Dissemination

The aim of this cooperation area is to increase the impact of agricultural research and knowledge systems on rural productivity, poverty reduction, food security and sustainable management of natural resources, taking into account challenges posed by climate change. There will be an emphasis on multidimensional research approaches, on sustainable agricultural production systems and on research with positive impacts on the rural poor. Extension systems will include support for farmer to farmer exchanges. The main partners will be FARA and the related Sub-Regional Research Organisations (SROs), the Global Forum on Agricultural Research for Development (GFAR) as well as the European Forum (EFARD).

4. Trade Facilitation, emphasising Quality Assurance and Improvement

The aim of this cooperation area will be to strengthen Africa's ability to make markets work for poverty reduction, focusing on regional markets for agricultural produce. Proposed cooperation includes strengthening the ability to influence, set and adhere to meaningful production and trade standards in order to (continue to) access remunerative markets for agricultural produce and to guarantee product safety for consumers. Support will specifically build on the opportunities offered by EPAs.

5. Natural Resource Management: Land, Fisheries, Forestry

This cooperation area will back improvements in governance and management regimes for land, fish and forest resources that aim to combine environmental sustainability and biodiversity with profitable utilisation and poverty reduction. It includes, inter alia, promoting a policy environment that makes it easier to allocate responsibility and accountability in terms of natural resource use and monitoring and surveillance of the state of (and pressure on) natural resources and of the effects of climate change on agriculture and natural resources.

6. Livestock Development and Disease Control

This cooperation area will enhance the sustainability of the livestock sector and its contribution to poverty alleviation and growth, with an emphasis on strengthening animal disease control knowledge and systems. Cooperation will aim to reduce animal mortality, lower livestock production risk and improve public health prevention, as well as to improve access to regional and international markets, facilitate rational land use and reduce livestock related environmental problems.

7. Risk Management

This area of cooperation will address capacities for reducing risks related to climate change, natural disasters and price shocks, with a focus on organisational questions and financial instruments.

First list of signatures:

11.11.11, Belgium

AEFJN, Africa Europe Faith and Justice Network: Belgium, Italy and the Netherlands

Agricultural Christian Fellowship, UK

Arche Noah, Austria

ARI – Associazione Rurale Italiana, Italy

Associazione Michele Mancino, Italy

Broederlijk Delen, Belgium

Cercle de Coopération des ONGD au Luxembourg

CIPSI - Coordinamento di Iniziative Popolari di Solidarietà Internazionale (46 Italian associations members)

Coldiretti, Italy

COSPE- Cooperation for the Development of Emerging Countries

CRBM – Campagna per la Riforma della Banca Mondiale, Italy

Crocevia, Italy

Dutch Platform for food Sovereignty (Platform Aarde Boer Consument:), the Netherlands

Fair Italy

FIAN International

Find Your Feet, UK

Germanwatch, Germany

GRET France

ICCO, the Netherlands

Italian Committee for Food Sovereignty

KWIA, Belgium

LVIA, Italy

Milieudefensie - Friends of the Earth) The Netherlands

NAV - Nederlandse Akkerbouw Vakbond, Dutch Arable Farmers' Union, Netherlands

NMV, Nederlandse Melkveehouders Vakbond - Dutch Dairy Farmers' Union, Netherlands

Oxfam Wereldwinkels, Belgium

Pesticides Action Network, UK

Practical Action, UK

SOS Faim, Belgium

Steungroep boerengroep Wageningen, the Netherlands

Südwind Entwicklungspolitik, Austria

Terre Contadine-ItaliAfrica

Terra Nuova, Italy

Via Campesina Austria - ÖBV

Vredeseilanden (VECO), Belgium

VODO, Flemish Platform for Sustainable Development, Belgium

Werkgroep Landbouw en Inkomen, the Netherlands

World Vision UK

XminY, The Netherlands

In association with Concord working group on Food Security and the European Platform for Food Sovereignty.