



# Spotlight on EU Policy Coherence for Development

A Lisbon Treaty provision  
A Human Rights obligation

European NGO confederation  
for relief and development

**CONCORD**

Confédération européenne des ONG  
d'urgence et de développement



**CONCORD is the European NGO Confederation for Relief and Development. It is the main NGO interlocutor with the EU institutions on development policy. As of 2011 it has 26 national associations, 18 international networks and 1 associate member representing 1,800 NGOs which are supported by millions of citizens across Europe. Its members are national NGO platforms and international NGO networks.**

**The main objective of the Confederation is to enhance the impact of European development NGOs vis-à-vis the European Institutions by combining expertise and accountability.**

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## Foreword by Birgit Schnieber-Jastram

Member of the European Parliament  
Standing Rapporteur for Policy  
Coherence for Development



The former German Chancellor from Hamburg, Helmut Schmidt, famously remarked: "People who have a vision should go see a doctor". What he wanted to say is that nowadays there are no clear-cut solutions or easy decisions in politics. Rather, politicians have to weigh alternatives against each other and decide which is the most convenient or, at times, the least inconvenient. Often, both parties in a political argument bring forward good reasons or fair interests to support their view.

Nowhere is this more obvious than in the case of Policy Coherence for Development. On the one hand you have the special interests of Europeans, for instance the farmers or fishermen. On the other hand, it is clearly documented how agricultural subsidies have been great obstacles to the competitiveness of small African farmers or how the common fisheries policy threatens the livelihoods of fishermen in developing countries and forces them to use their vessels for piracy or dangerous trafficking of migrants.

Whose interests should prevail here? I think that in order to guarantee Europe's long-term success in a fast-changing world, we will probably have to sacrifice some special interests. The reason is quite simple. The world has become very small, whether you look at markets, the environment, or security. Politicians in developing and developed countries alike must respond to this historical challenge. But if they take such difficult but farsighted decisions they also need the support of citizens and civil society!

A rather clear-cut case is the illicit outflows from developing countries due to tax evasion of multinational companies. They amount to an estimated \$160 billion per year in Africa alone. Compare that with the roughly €8 billion the European Commission is annually spending on development aid and you clearly see the incoherence. Not only do developing countries lose a big share of their revenues, but European taxpayers might even have to compensate for harms to the environment or the livelihood of people due to irresponsible practices of resource extraction companies. More and more companies seem to understand that transparency and corporate social

responsibility initiatives in this sector are in effect pro-business. A more responsible conduct of their operations benefits them in many ways: it produces legal security, sustainable long-time partnerships and poses a safeguard against renationalization, reopening of negotiations or expulsion.

That is why the European Parliament created the Standing Rapporteur for Policy Coherence for Development. The Standing Rapporteur has to monitor and mobilise all European political actors to ensure that the goals of development policy are not infringed upon.

However, designing coherent policies is not an easy task. Success largely depends on the means and tools available given the complexity of the task. As Standing Rapporteur I hope that my upcoming biennial report on PCD will bring some improvements. Yet, to really bring improvements, I need more resources at my disposal. The tireless work and accumulated expertise of civil society groups in the area of development policies, like CONCORD, is an invaluable asset for the work of the Rapporteur.

The most important incoherencies are well known. Their correction is a matter of political will. I admit that it is never easy to sacrifice short-term interests in order to achieve long term benefits. If politicians take such courageous and farsighted decisions they need the support of citizens and civil society! Politicians in developing and developed countries alike must respond to this historical challenge. The reason is quite simple: developing countries are our future just as we are the future of developing countries - we are each other's future!





THE UNION SHALL TAKE  
ACCOUNT OF THE OBJECTIVES  
OF DEVELOPMENT COOPERATION  
IN THE POLICIES THAT IT  
IMPLEMENTS WHICH ARE  
LIKELY TO AFFECT DEVELOPING  
COUNTRIES."

Article 208 of the Lisbon Treaty

# Executive Summary

With this Report, CONCORD aims to uncover some policy incoherencies between EU policies and development objectives. As stipulated in the Lisbon Treaty, the EU is committed to eradicate poverty in developing countries. Safeguarding the EU's own prosperity doesn't oppose the goal of improving the living standards of poor people in developing countries. In fact, the reality of today's interconnected world is that the first cannot be achieved without the latter. With Article 208 of the Lisbon Treaty, Policy Coherence for Development (PCD) became a treaty obligation. The article implies that all EU policies must be in support of developing countries' development needs, or at least not contradict the aim of poverty eradication. The principle of PCD presents a different approach which introduces broader and longer term objectives into policy making. Together with development policy and effective aid, PCD is a significant and complementary instrument that can have a significant impact on sustainable development, poverty eradication and respect for Human Rights.

In the Report, a Human Rights-Based Approach is applied to the EU policies that are assessed against the PCD benchmark. This requires a focus on the protection of the Human Rights of the poor and most marginalised people in society; something that the EU should embrace, being an active leader in promoting and defending Human Rights.

PCD is not only a treaty provision but also an obligation to ensure the effective implementation of Human Rights for poor people and accelerated progress towards poverty eradication.

CONCORD welcomes efforts that have been made so far, but calls upon the EU for a more solid and proper implementation of PCD in all EU policies. The ambition for CONCORD is for the EU to change incoherent policies, as it

has become increasingly apparent that PCD has the potential to make a difference for millions of people in developing countries. Throughout the Report, a number of recommendations to redress coherence are proposed to the EU institutions, which are accountable for the proper implementation of the Lisbon Treaty.

The Report includes a chapter on the institutional framework and four thematic chapters focusing on policy areas relating to Food Security, Natural Resources, Human Security, and Migration. All chapters examine in more detail EU policies, policy measures, functions and tools in place that promote or undermine efforts towards the effective implementation of PCD.

## *Institutional Framework*

PCD is a political commitment which requires continued political will to translate into the right policy choices favourable to poor people living in developing countries. The European Commission President has a great role to play as guardian of the Treaty; while the EU Council and the European Parliament must exercise their legislative power in a responsible manner, taking account of the impact of EU policies beyond the EU borders. Also needed is an adequate institutional set-up as well as a toolbox of policy-making instruments and mechanisms to systemize the implementation of PCD. A number of these tools and set-ups already exist, such as impact assessments, the European Parliament Standing Rapporteur on PCD and the EU Ombudsman. But they must be improved; mandates of specific functions must be clarified in terms of their ability to deal with PCD matters, and capacity must be strengthened in EU institutions and in Member States. Very importantly, the voice of people affected by the lack of coherence must be heard. Thus, more adequate systems, including formalised complaints mechanisms, must be put in place to bring out evidence of incoherencies and redress the situation, in compliance with the PCD obligation.

ONLY  
**7 OUT OF 164**  
IMPACT ASSESSMENTS OF  
PROPOSED NEW POLICIES BY  
THE EUROPEAN COMMISSION  
HAVE LOOKED AT THE IMPACT  
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(2009-2011)

### Food Security

Today, 925 million people throughout the globe suffer from hunger. Securing access to safe food is a universal Human Right which all States are mutually obliged to respect, protect and fulfil. The EU has a special responsibility in this, being the world's largest actor in agricultural trade. Realising the Right to Food requires changes in both models of production as well as improved access to affordable and nutritious food. In this context, the EU needs to change several of its current policies affecting food security in the world's poor countries ranging from trade, agriculture, financial regulation, climate, and investment in foreign land. The reform of the EU's Common Agricultural Policy (CAP) is a decisive opportunity to demonstrate the Union's willingness to help facilitate developing countries' transition to feeding themselves. This requires a U-turn from the EU to recognise that the growing global demand for food does not legitimise subsidising European exports. The EU must demonstrate greater efforts to make PCD an operational element of the CAP. To limit excessive food price volatility for both farmers and consumers, the EU should also lead the way for improved international governance of food security based on the Right to Food. In addition to market regulation, food buffer stocks can help both safeguarding food security and maintaining price stability. EU policies that drive global trends such as land-grabbing must include strong sustainability criteria that cover both social and environmental aspects, especially concerning biofuels production.

### Natural Resources

Many resource-rich countries remain amongst the poorest in the world. Citizens do not benefit from the natural wealth which is enshrined in the land they inhabit. It is however established by international Human Rights treaties that men and women across the globe have the right to benefit from these resources. Natural resources constitute a crucial component to achieve human and social development, provided that they are used in a sustainable manner. The EU is one of the actors pursuing aggressive strategies to access resources from developing countries. EU policy-makers nonetheless have an obligation to ensure that their policies in pursuit of imports from developing countries do not undermine development objectives or lead, directly or indirectly, to human suffering and human rights violations. The 10% 'renewable energy for transport' target of the EU Renewable Energy Directive (RED) poses challenges to development objectives. RED adds to the pressures on land and water in particular. The EU should revise this policy and impose strong sustainability criteria. The EU Raw Materials Initiative on the other hand, lacks incentives for developing countries to engage in the value added process of extracted resources, which is something the EU should encourage. The first step towards enabling developing countries to make effective use of their natural resources is to ensure greater disclosure and public oversight of the revenue flows to governments from multinational extractive companies. The EU must help by requiring all European companies involved in the extraction of resources to disclose their financial information.

ALMOST **1 IN 7** PEOPLE  
ON THE PLANET GO TO BED  
HUNGRY EVERY NIGHT,  
WHILE 1/3 OF THE FOOD  
PRODUCED FOR HUMAN  
CONSUMPTION GETS LOST  
OR WASTED.

REVENUES FROM NATURAL  
RESOURCE EXPORTS FROM  
AFRICA, ASIA AND LATIN  
AMERICA AMOUNT TO  
**24 TIMES**  
THAT OF EU  
DEVELOPMENT AID.

### Human Security

At the core of human security is the fundamental right to life, physical safety and freedom from premature and preventable death. Human security and justice should be considered as basic entitlements and should be provided for the benefit of the people in respect of their rights and in response to their feeling of insecurity. The EU's security and development agenda recognises that there can't be "sustainable development without peace and security, and that without development and poverty eradication there will be no sustainable peace". However, there has been little progress to put policies into practice that properly address this connection. Security policies of several EU Member States clearly show clashes between economic and/or security self-interests, and PCD. The EU should not advance its economic and security interests to the detriment of partner countries and their populations. To avoid doing harm and to seize opportunities to build long term peace, EU policies must be more 'conflict-sensitive' and adopt a long term preventative approach. Despite a 2008 Council Position, EU arms exports to notorious Human Rights abusers and conflict hotspots are still a reality. Arms exports pose a huge threat to human security and seriously hamper sustainable development. Adequate mechanisms must be put in place to ensure that control of exports of military technology and equipment are respected, in compliance with the PCD obligation.

### Migration

For a while now, migration has been at the centre of EU policy debates. The EU currently hosts around 31.8 million migrants. All people have been given the choice to exercise their right to migrate or to stay in their country, but whichever choice they made, their rights to live their lives with dignity should be respected. The lack of decent work remains a major push factor of labour migration, while, at the other end of the migration journey, access to adequate employment poses serious challenges to the migrants' integration in their host countries. A common trend in EU initiatives is their focus on managing migration flows with the view to realise the EU's unilateral economic objectives, without exploring the full potential of migration and development, which could benefit the migrants themselves, and both the host country and the country of origin. The current restrictive approach to EU migration policy, steered by the EU Global Approach to Migration lacks consideration for development implications and Human Rights requirements. Decent work and labour issues are key factors that EU migration and integration policies need to address in more depth, aligning with the PCD obligation. The implementation of social and legal protection of migrants has to improve in the EU as well as globally. To this end, the EU should use its international leverage in promoting international standards protecting migrant workers. The EU Member States must also sign, ratify and implement the UN International Convention for the Protection of Migrant Workers and their families.

**NO** LOW-INCOME  
FRAGILE OR CONFLICT-  
AFFECTED COUNTRY  
HAS YET ACHIEVED A  
SINGLE MDG

**90%**  
OF THE 214-MILLION  
INTERNATIONAL MIGRANTS  
ARE WORKERS AND  
THEIR FAMILIES

A person wearing a red shirt is shown from the side, pouring a large quantity of white, round grains (possibly rice or lentils) from a large, woven, light-brown basket. The grains are falling into a black cloth that is held open, creating a wide, funnel-like shape. The background is a clear, bright blue sky. The overall scene suggests a process of sorting or cleaning agricultural products.

**PCD AIMS TO  
PREVENT THE  
SQUANDERING OF  
MONEY ON POLICIES  
DETRIMENTAL TO  
DEVELOPMENT**

# Introduction

## Context of the Spotlight Report

The European Union (EU) and its Member States are facing key economic challenges in response to the financial crisis and the ongoing problems in the eurozone. Austerity measures and budget cuts lay ahead to tackle deficits. However, these difficulties don't give justification for the EU to turn inward. The rest of the world is also affected by this persistent and repetitive crisis, and men and women in developing countries continue to suffer the hardest from other global challenges such as food insecurity and climate change. The EU remains a major global player, its decisions can make a difference. The EU is committed to eradicate poverty in developing countries, as stated in the Lisbon Treaty<sup>1</sup>. In times of global crisis development cooperation and development considerations make sense more than ever: not only for solidarity - a value that lies at the very heart of the foundation of the EU itself - but also for reasons of economic and social stability, international peace and preservation of biodiversity. Just like prosperity within the EU, improving the living standards of poor people in developing countries is in the EU's interest. In our interconnected world, it would be a mistake to think that the EU could achieve one without the other.

<sup>1</sup> Article 208 of the Treaty on the Functioning of the European Union

<sup>2</sup> European Consensus on Development of 24 February 2006 (2006/C 46/01)

Two parallel avenues must be taken: making development aid effective and a stronger implementation of Policy Coherence for Development (PCD).

2011 provides an opportunity for the EU to deepen and reaffirm its commitment to aid effectiveness at the 4th High Level Forum on Aid Effectiveness (HLF4) in Busan, South Korea. Implementation of existing aid effectiveness commitments could significantly increase the impact of the EU's development policy. It is vital that EU Member States stay firmly focused on meeting their long-standing Official Development Assistance (ODA) commitments. To do so, all EU Member States must adopt binding national legislation or action plans setting out how they will reach their respective ODA spending targets by 2015.

But it's not all about aid.

Next to ODA commitments and the aid effectiveness agenda, Policy Coherence for Development should be a top political priority for the EU.

The PCD principle has been on the European agenda for decades and was supported in the 2006 European Consensus on Development<sup>2</sup>. With Article 208 of the Lisbon Treaty, PCD became a treaty requirement<sup>1</sup>: "The Union shall take into account the objectives of development cooperation in the policies that it implements which are likely to affect developing countries<sup>2</sup>". PCD recognises that development cooperation and aid alone cannot meet the needs of developing countries. It implies that all EU policy areas must be in support of developing countries' development needs, or at least not contradict the aim of poverty eradication.

Adhering to PCD is not about committing more resources to development cooperation, but aims to prevent the squandering of money on policies detrimental to development objectives. This being said, PCD is not to be opposed to aid, and should not be used as a pretext not to fulfil EU aid commitments.

## Objectives and Structure of the Report

With this report, CONCORD aims at uncovering policy incoherencies between EU policies and development objectives in four policy areas: Food security, Natural resources, Human security, and Migration.

The report visits the full cycle of policy making and sets out recommendations on the political attentions and the mechanics of the system as well as specific recommendations in each policy area covered. The ambition for CONCORD is for the EU to change certain policies, as it has become increasingly apparent that PCD has the potential to make a significant difference for millions of people's lives in developing countries.

The report seeks to expose as much as possible concrete experiences of people in developing countries who are affected by incoherent EU policies. The task is difficult: indeed, there is no traceability system to monitor policy impact, like there is in a food production chain to guarantee the agreed quality standards. We demonstrate the negative impact of EU policies through clear, meaningful and real examples, where the link to an EU initiative can be established. It can be difficult to point out the sole EU impact as in development contexts there are often a myriad of actors involved (e.g. donors, governments in developing countries, private companies). We have taken the view to address the EU as a policy-making entity in the EU territory, but as well as a powerful actor on the global scene that contributes to set global policy trends. Therefore, incoherencies resulting of the negative influence of international bodies or systems that the EU supports in one way or another are also exposed in this Report.

The first chapter of this report looks at the **PCD mechanisms** that the EU put in place and gives an analysis of the challenges and the dangers for PCD in the existing political reality.

**The thematic chapters** of this Spotlight report examine in more detail policies and policy measures in place that promote or undermine efforts towards effective promotion of PCD.

To illustrate the different policy areas, this report is using **case studies** of actual situations where the lack of coherence is blatant.

## Policy Coherence for Development: a vision, an obligation, a tool

### Policy Coherence - for what?

In response to the financial and economic crises, we observe a more blunt affirmation by the EU of its unilateral domestic interests. This is justified with the need to keep up with tougher global competitiveness. Conversely, the principle of Policy Coherence for Development (PCD) presents a different approach which introduces broader and longer term objectives into policy making. In the end, this may be even more reasonable and cost-effective. It may provide more innovative and balanced solutions, rather than to put pressure on weaker social and economic groups to sign on to trade-offs that are unacceptable to them. Thus, putting more responsibility for the EU to deliver on its fair contribution to sustainable global development can present a more cost-effective and economic way to achieve well-being for all.

The definition of PCD is challenged because of the confusion being created by the use by different EU institutions of the concept of "coherence": the "D" in PCD is of paramount importance here. The purpose of the coherence effort needs to be explicitly extended to account for the external impacts EU policies may have on people in developing countries. The purpose of greater (unqualified) coherence to promote EU interests is not per se in contradiction with PCD, since the promotion of development objectives is an intrinsic part of the EU acquis and EU policy interests.

### Policy Coherence for Development – what's in it?

EU policy making is complex and subject to many vested and conflicting interests. The commitment to PCD acknowledges these conflicts and can act as an incentive to address the interests of all stakeholders. PCD promotes transparency and participative policy making that opens up not only to European but also to affected stakeholders in third countries, including those without voice or marginal to the centre of policy making.

It supports increased accountability on decision making, provided that impact on sustainability in third countries, i.e. social, economic and environmental impact and wellbeing of future generations, is taking place in the very early stages of policy making.

The PCD process is a practical way of increasing knowledge and insights concerning intended or unintended policy impact. PCD can encourage EU institutions to engage in a more open policy process, inviting critical voices and examining new policy options rather than to discard them quickly. It could invite anecdotic and empiric evidence and qualitative data from the ground that may not fit current models used or meet request for quantitative, indicators or ways of measurement.

Closed expert meetings run by the donor community could be opened up and become participative multi-stakeholder round tables that include all affected groups. The primary objective would not be to align and harmonise policies but rather to design policies in a way that promote learning and accountability and become an institution of exchange.

Accounting for PCD also contributes to improving “responsive governance”. Importantly, PCD goes beyond requests for transparency and introduces accountability not only on policy making but also on policy impact. Monitoring needs to become more of a multi-disciplinary approach that includes findings from different policy frameworks and qualitative approaches to assess impact. The challenge is to accept non causal and non-linear impacts and to allow for evidence based analysis that take account of interconnectedness of policies and actors as well as the responses and interactions of people on the ground.

It is clear that together with development policy and effective aid, PCD is a significant and complementary instrument that can have a markedly beneficial impact on sustainable development, poverty eradication and respect for Human Rights.

### Policy Coherence for Development – how to do it?

For CONCORD, complying with EU obligations under Article 208 TFEU and Article 3(5) TFEU, primarily means adopting the overarching principle of ‘do no harm’ in the EU’s external relations with developing countries. CONCORD considers this as a more straightforward and realistic starting point as opposed to the EC’s prevailing rhetoric on win-win situations which neglects those social and economic groups that are losing out.

A Human Rights-Based Approach (HRBA) provides a deepened understanding of the PCD concept as it thrashes out the building blocks of development and provides insights into the development process understood as a sharing of responsibilities, not a quick fix. The HRBA describes a dynamic relationship of right-holders and duty-bearers, of sharing responsibilities and of engaging in a process of progressive realisation of rights. An HRBA to development policy and any EU internal or external policies likely to affect developing countries requires a focus on the protection of the Human Rights of the poor and most marginalised people in society. Without addressing the obstacles to the realisation of rights we will never progress towards a sustained eradication of poverty.

This is something that should be embraced by the EU as an active leader in promoting and defending Human Rights, both within and outside its borders. Human Rights are a core value of the EU and are legally enshrined in its treaties, laws and policies.

Applied to PCD, a HRBA helps to explicitly address the hierarchy issue at the time of assessing the potential impact of a given policy. The Universal Declaration of Human Rights takes precedence over other legal frameworks in the legal hierarchy, and the protection and advancement of Human Rights should always prevail over any other selective and unilateral interests.

Two decades of gender mainstreaming provide insights into the enhancement of women’s rights and the struggle involved. The gender mainstreaming approach itself can provide lessons for ‘mainstreaming a PCD’ approach, its risks and its opportunities. A hierarchical structure that depends on a top down decision making and is controlled by experts can easily fall short to enhance women’s rights and promote the struggle for gender justice.

### **Policy Coherence for Development – how to make it happen?**

CONCORD welcomes previous progress made on raising the profile of PCD, with commitments such as the biennial reporting of the EU on PCD, the European Parliament (EP) resolution on PCD<sup>3</sup>, the creation of the position of the EP Standing Rapporteur on PCD, the reference to PCD in the EP resolution on the CAP reform<sup>4</sup>. However, as this Report demonstrates, a lot more needs to be done!

Despite this, there is still a huge gap between stated intentions and the reality of EU policies and their impact on people living in poverty in developing countries. It is obvious that a strong legal basis for PCD is not enough. An important step towards giving more weight to development objectives and respect for Human Rights in different EU policies is to increase awareness and to generate political will.

There is an urgent need to substantiate PCD through reinforcing capacity and the procedures mechanisms, tools and instruments to put PCD commitments into action. For instance, PCD should become more evidence-based and independent ex-ante and ex-post assessment of the impact of EU policies on poverty reduction in developing countries should be more systematic. Also, a mechanism is presently missing to correct EU policies and measures which are found to be in breach of Article 208 TFEU. Recognising that this is the case for some existing policies is a starting point which this report aims to assist in achieving. The next step is to put in place an effective mechanism that allows for people's voices to be heard when their rights are being or already in danger of being – violated. EU policies must not negatively impact on their lives and block their efforts to live a decent life free from poverty – this has to take the shape of the possibility of redressing EU policies that do not respect the PCD obligation.

<sup>3</sup> The European Parliament resolution of 18 May 2010 on Policy Coherence for Development and the 'Official Development Assistance plus' concept (2009/2218(INI))

<sup>4</sup> European Parliament resolution of 23 June 2011 on the Common Agricultural Policy towards 2020: meeting the food, natural resources and territorial challenges of the future (2011/2051(INI))



section

# one

ONLY

**7 OUT OF 164**

IMPACT ASSESSMENTS OF  
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# EU institutional framework: the PCD toolbox

1.0

17

Achievement of an objective as vast as the eradication of poverty requires an unerring commitment to Policy Coherence for Development (PCD) and the coordinated and consistent use of all tools, policies and resources towards the objective at hand, as set out in the Article 208 of the Treaty on the Functioning of the European Union (TFEU).

Political will is essential to make sensible policy choices that reflect the commitment to PCD. The examples of the need of this is underlying throughout this report both in here and the following thematic chapters. In this chapter though, we will look further into the practicalities and institutional aspects of PCD: both those that exist but might suffer from lack of capacity, and those that have yet to be created.

For the PCD agenda to advance, the EU needs to move the focus from process to progress and results. This means not only recording potential areas of challenges in the early stages of policy making and going ahead with these policies, but putting in place serious safeguards that ensure that those challenges do not materialise, or if failure to do that, ensure a corrective mechanisms when impact of harm can be exposed by actors, including civil society.

## 1. Mapping and assessment of existing mechanisms relating to PCD and how to improve them

Different mechanisms and institutional set-ups exist that provide incentives, facilitate monitoring and compliance with commitments and obligations. The following list is only a selection of existing mechanisms.

### 1.1 Legal provisions

Beyond Article 208 TFEU, there are a number of legal provisions that can be referred to as examples to promote PCD.

- **The Cotonou Partnership Agreement Article 12** makes an explicit reference to PCD and provides for the consultation of ACP countries at an early stage, “where the Community intends [...] to take a measure which might affect [their] interests.” It is also possible for ACP countries to “transmit their concerns in writing [...] and submit suggestions for amendments”.

In spite of its great potential for inclusive policy dialogue, this PCD mechanism has been hardly used so far, probably due to a lack of awareness and capacity. More proactive action is needed.

As encouraged by the European Parliament<sup>5</sup>, CONCORD proposes that the Joint Parliamentary Assembly nominates two standing rapporteurs on Policy Coherence for Development (one from an ACP country and one from the EU). They will ensure the coherence of EU and ACP policy with development, foster the JPA’s discussions and positions on these subjects, publish a biennial report notably focusing on implementation of Article 12, and examine possible complaints from those affected negatively by incoherencies.

<sup>5</sup> European Parliament resolution of 18 May 2010 on the EU Policy Coherence for Development and the ‘Official Development Assistance plus’ concept para 83 (2009/2218(INI))

- Since 1995, EC trade and association agreements contain **human rights clauses**<sup>6</sup> that condition trade relations and provide for the suspension of preferences in case of systemic and severe human rights violations. Existing weaknesses in consistency, transparency and procedural fairness should be overcome by applying transparent criteria and benchmarks concerning labour, environmental and human rights compliance in partner countries, including any specific recommendations for improvements where necessary<sup>7</sup>.
- **Safeguards**<sup>8</sup> are a tool designed to protect key interests in case of non-predictable developments. Safeguards could be further developed, introduced and flexibilities enhanced in agreements with third countries that take specific account of PCD obligations towards developing countries.

<sup>6</sup> Regulation (EC) No 732/2008 applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 [2009] OJ L208/3, Article 15, 16, 17

<sup>7</sup> 2010/2219 (INI) Opinion by MEP Richard Howitt of the INTA Committee on human rights, social and environmental standards in international trade agreements from 3 May 2010

<sup>8</sup> More details on: <http://ec.europa.eu/trade/tackling-unfair-trade/trade-defence/safeguards/>

<sup>9</sup> More details on: <http://ec.europa.eu/governance/impact>

<sup>10</sup> See EU Directive (85/337/EEC) on Environmental Impact Assessments introduced in 1985, amended in 1997 and 2003, and now called Strategic Environmental Assessment (SEA) Directive (2001/42/EC)

<sup>11</sup> More details on: <http://ec.europa.eu/trade/analysis/sustainability-impact-assessments>

<sup>12</sup> More details on: [http://www.srfood.org/images/stories/pdf/otherdocuments/report\\_hria-seminar\\_2010\\_eng.pdf](http://www.srfood.org/images/stories/pdf/otherdocuments/report_hria-seminar_2010_eng.pdf)

<sup>13</sup> See <http://www.concorddenmark.dk>

<sup>14</sup> European Commission (2009) Impact Assessment Guidelines (SEC(2009) 92)

<sup>15</sup> Regulation on OCT Derivates / Market; Set up of Network on animal welfare labelling / Health and Consumers; Communication on agricultural product quality / Rural Development and Agriculture

<sup>16</sup> CONCORD Denmark (2011) EC's Impact Assessments disregard Developing Countries

## 1.2 Mechanisms in the decision-making and programming processes of the European Commission

There are many instruments that could be used to assess if policies contradict and undermine each other and if incoherence exists or synergies can be promoted, at an early stage.

### • Impact Assessments

Four different kinds of assessments can be identified that are used or discussed at EU level. These are the Impact Assessment<sup>6</sup> (Directorate General of the EC)<sup>9</sup>, Environmental Impact Assessment<sup>10</sup>, Sustainability Impact Assessment (a policy tool developed by and for DG Trade)<sup>11</sup>, and the more recently debated Human Rights Impact Assessments, in particular in case of negotiation of bilateral or regional trade agreements<sup>12</sup>.

Today, a large number of EC legislative proposals as well as non legislative policy initiatives must be accompanied by an Impact Assessment (IA). IAs are currently released at the same time as the concerned legislative proposal.

CONCORD Denmark has run a screening exercise on all EC IAs between 2009-2011 asking whether the EC meets its obligations to look at the impact on third countries<sup>13</sup>. The new Guidelines in force since 2009 stipulate that: "Every IA should establish whether proposed policy options have an impact on relations with third countries. In particular they should look at: [...] impacts on developing countries – initiatives that may affect developing countries should be analyzed for their coherence with the objectives of the EU development policy. This includes an analysis of consequences (or spill-overs) in the longer run in areas such as economic, environmental, social or security policy"<sup>14</sup>.

CONCORD Denmark examined a total of 164 IAs out of which they considered 77 to be relevant for developing countries. The screening showed that only 7 IAs are looking at all at the impact on developing countries<sup>15</sup>. Some from these 7 only take note of but do not assess how it is affecting developing countries; none of the relevant IA has considered impact on developing countries in 2011<sup>16</sup>.

It can be concluded that a key policy instrument actually exists but is not used properly or to its full potential. This may be due to lack of capacity or possibly, lack of political will and consensus.

Therefore, CONCORD recommends that Impact Assessments should be made more transparent and provide for participation of CSOs before, during and after an IA. It is therefore necessary that IAs are made available in due time before a policy proposal is made so that the conclusions of the IA can be taken into account and other stakeholders can comment and be consulted on how best to ensure that identified challenges or potential pitfalls with consequences for developing countries are safeguarded against. This has a great potential to turn light on blind spots and work towards asking those questions and measure those impacts that matter most for affected groups that are excluded from the policy making process.

The IA Board, at the EC Secretariat General, examines and issues opinions on all the Commission's impact assessments. CONCORD requests that at least one of the EC high-officials who compose the IA Board is a development expert and undertakes a special responsibility to verify the quality of the IA on developing countries, in line with the PCD obligation. CONCORD also calls on the IA Board to take its mandate opportunity to draw on external expertise to associate civil society organisations to the IA process.

Moreover, CONCORD recommends that the EP be formally consulted on the EC list of new policy initiatives and screening exercise and be invited to comment on identifying key conflicting issues prior to a final list of IAs.

- **Inter-Service Consultation** takes place amongst EC services at every step of the policy-making process, in order to balance out all policy options. This is a very important mechanism to ensure that development concerns are raised at the earliest stage possible and PCD is on the agenda of non-development DGs.

But this requires strengthening in terms of political importance and capacity, especially to enable DG DEVCO to carry out a proper screening of all relevant policy proposals tabled for inter-service consultation.

- **PCD focal points** have been appointed amongst staff in selected EC DGs as well as in the External action Service. These could be of great support to DG DEVCO in processes such as IAs and inter-service consultations. However, staff turnover and lack of proper training undermine the great potential of such mechanism.

Here also, increased political importance and capacity are needed.

- The European Commission **Country Strategy Papers** and the Guidelines for Programming refer now to PCD and should be used to contribute to introduce PCD scrutiny in check in the programming exercise and provide concrete recommendations on how to improve PCD. The participation of CSO in political dialogue in third countries should be the starting point for inviting critical voices in this exercise and become part of a multi-stakeholder group approach that has a PCD mandate and beyond the donor community and government representatives.

Any mid-term reviews of programming should include specific mandate to screen impact and policies to ensure PCD.

### 1.3 Reporting

Since 2007, the EU produces a biennial report on the progress made towards enhancing PCD in twelve policy areas<sup>17</sup>. The third EU progress report is expected in late 2011. The report is steered by DG DEVCO, drawing from Member States' and EP's feedback on a questionnaire.

The PCD questionnaire sent to Member States should provide an incentive for policy dialogue between different government ministries and departments, as well as with Parliaments and civil society. The questionnaire should ask explicitly for positive and negative impacts of policies. It should provide incentives for a more honest account and encourage institutions of exchange that allow looking at incoherence and the lessons that can be learnt. The answer to the questionnaire should be made public systematically.

Whereas CONCORD commends the efforts of the EU to gather information and involve all actors both at EU and national level, it is vital that this information is taken on from process to progress. If the lessons learned are not capitalised upon in the shape of redressing incoherent policies or bettering the systems to monitor and assess ex-ante impacts, then the exercise is of serious limited use.

<sup>17</sup> More details on: <http://ec.europa.eu/europeaid/what/development-policies/policy-coherence>

#### 1.4 European Parliament Standing Rapporteur on PCD

This is a permanent position that was created in May 2010, following the adoption of the European Parliament resolution on Policy Coherence for Development<sup>18</sup>, whose conclusions CONCORD supports. The position is currently held by MEP Birgit Schnieber-Jastram, for a two year mandate. The PCD Standing Rapporteur, who sits in the parliamentary committee on development (DEVE), is responsible for promoting PCD within the European Parliament (EP) through fostering more interaction between DEVE and other committees where development concerns are not central. The Standing Rapporteur is due also to produce a biennial report on PCD.

In 2011, Birgit Schnieber-Jastram organised three networking workshops to gather expertise (including from civil society), support and advice on policy priorities, on collection of evidence and reporting on complaints. Her report is expected for the end of 2011.

While individual MEPs are spearheading awareness on PCD issues and DEVE increasingly puts PCD on the committee agenda, the EP still record a rather weak overall political support for PCD and a lack of capacity to engage in the task (as mirrored in other institutions).

Promoting PCD requires more opportunities for interaction and dialogue for MEPs who are active in areas relevant to the external dimension but not yet looking at specific concerns relating to sustainable development and global fairness; likewise between EP Committees with a clear and direct international dimension (International Trade, Fisheries, Development, Human Rights) and those focusing on domestic issues that have a direct or indirect impact on developing countries (Agriculture, Environment, Industry).

To this end, more cross-committee hearings should be organised (notably at the initiative of the PCD Standing Rapporteur). More permanently, a cross-committee PCD support group, composed of MEPs "focal points" in their respective committees, should be established to help carrying out the tasks of the Standing Rapporteur and formalise contacts with other MEPs. This will help addressing PCD challenges and creating policy synergies.

CONCORD looks forward to seeing the mandate of the PCD rapporteur further unfold in concrete recommendations for actions by the European Parliament.

#### 1.5 EU Ombudsman

Set up in 2001, the EU Ombudsman acts on instances of maladministration in the activities of the Union institutions, bodies, offices, or agencies<sup>19</sup>. The Ombudsman institution has proven to be flexible. According to the current EU Ombudsman, "the term "maladministration" has been interpreted broadly and in a manner that makes it possible to include respect for the rule of law, for principles of good administration, and for fundamental rights in the Ombudsman's remit. This means that allegations that the institutions have breached a fundamental right fall within my mandate"<sup>20</sup>.

PCD is now also part of his mandate, as he assured APRODEV and MEP Franziska Keller, in his response to their joint submission on a case of unfair trade practices in breach of PCD, presented in 2011.

However, in the same response, the EU Ombudsman indicated that the complaint concerned the merits of EU policy and included very broad allegation of failure to comply with a Treaty requirement, but did not identify instances of maladministration, which the Ombudsman could help clarifying. He also specified that he was not an institutional advocate for development goals, or for Policy Coherence for Development. Nor was his role to substitute his judgment for that of the Commission, or any other institutions, in relation to policy matters.<sup>21</sup>

It is obvious that the PCD mandate of the EU Ombudsman is very unclear.

What CONCORD recommends is to create a special instance, such as a specialised Ombudsman, with the specific responsibility to receive and investigate potential charges of PCD breaches, including unfair trade practices, to initiate a mediation process and to search for adequate solutions and redress. This special Ombudsman should act as a low key dispute settlement procedure for PCD conflicts with minimum bureaucratic constraints. It should be made clear that civil society actors would have direct access to this special Ombudsman.

<sup>18</sup> European Parliament resolution of 18 May 2010 on the EU Policy Coherence for Development and the 'Official Development Assistance plus' concept (2009/2218(INI))

<sup>19</sup> Article 228 of the Treaty on the Functioning of the European Union. More information on: <http://www.ombudsman.europa.eu>

<sup>20</sup> APRODEV & MEP Franziska Keller (2011) Submission to the EU Ombudsman on poultry dumping and response received on 19 August 2011, [www.aprodev.eu](http://www.aprodev.eu)

<sup>21</sup> APRODEV & MEP Franziska Keller (2011) Submission to the EU Ombudsman on poultry dumping and response received on 19 August 2011, [www.aprodev.eu](http://www.aprodev.eu)



A website for the special PCD Ombudsman similar to the existing EU Ombudsman should be set up where submissions (accepted and refused) are posted. This would be a helpful tool to pull and share substance and analysis on PCD and to increase accountability when this is made publicly accessible to interested groups.

### 1.6 Incentives and awareness raising outside the institutional framework

More and more institutions (e.g. OECD), think tanks (e.g. ECDPM) and civil society organisations have produced different kinds of PCD – related material - methodological booklets, policy analyses and case studies. This Spotlight Report by CONCORD, and the previous edition published in 2009, should be counted amongst them. The list would be too long though the importance of the awareness such initiatives create and in some cases capacity building among a diverse set of actors is duly noted.

Nevertheless, it is worth highlighting the PCD Award of FairPolitics, an initiative of the Evert Vermeer Foundation. Every year, following a thorough monitoring of MEPs' activities, a prize is delivered to the Fair Politician of the Year, i.e. an MEP champion on PCD. In 2011, the prize went to MEP Catherine Grèze<sup>22</sup>.

CONCORD welcomes such initiatives and strongly encourages the EU to engage with these, support them where appropriate and take due note and respond to any recommendations that might follow from such initiatives. It is our firm belief that a wide range of actors from civil society as well as other international fora needs to be closely involved in the complex exercise of monitoring and advancing the PCD agenda.

<sup>22</sup> <http://fairpolitics.nl/europa/>

<sup>23</sup> Examples of incoherent policies are apparent in the following thematic chapters. More can be found in CONCORD's first Spotlight Report :CONCORD (2009) Spotlight on Policy Coherence for Development. Report 2009

## 2.0 General recommendations to EU institutions

### 2.1 Face it: Barroso must walk the Lisbon talk

The President of the European Commission should be responsible within the College of Commissioners and accountable for the PCD agenda as he is the guardian of the treaties. This would be a solid guarantee to ensure effective fulfilment of PCD obligations, and that due consideration for PCD is given in the decision-making process when there is conflict of interest or contradiction between several policies<sup>23</sup>.

The EC President should be actively supported by the High Representative / Vice-President of the Commission, and by the Commissioner for Development, who both have a direct responsibility for ensuring relations with developing countries on behalf of the EU and have considerable expertise.

In the Foreign Affairs Council, the High Representative and Ministers across the EU should fully understand support and deliver on greater Policy Coherence for Development.

In order to ensure continued attention to PCD at the highest level of governance, a PCD rolling work programme should be developed by every EU Presidency which would set priorities in terms of upcoming policy reforms or new policies which could raise PCD issues. DG DEVCO and thus the Commission should keep working on their own work programme to play a catalysing role for the Member States to also move forward and identify priorities.

The European Commission and the Council are accountable to the European Parliament for the PCD obligation enshrined in the Treaty. Therefore, the European Parliament has a great role to play too here, and also as a legislative body.

## 2.2 Get prepared: put resources into place to advance PCD capacity

Capacity is a recurrent challenge to the effective realisation of PCD and affects different dimensions and different institutions.

- More capacity should be allocated to EC DG DEVCO to engage in providing substance and content to the PCD obligations and support this by more analytical reports.
- DG DEVCO in particular should allocate resources and a mandate to actively engage at early stages of IAs and inter-service consultations and be allowed time to consult with external stakeholders with expertise of monitoring and evaluating impacts on human rights and development objectives in developing countries.
- Very importantly is also the investment in capacity-building for staff in all relevant DGs and the EEAS as well as government officials in the Member States.
- A strategy for awareness-raising and dialogue at the level of EU Delegations should be elaborated with the view to improve incorporation of partner countries' concerns in policy-making.
- The EP Standing Rapporteur on PCD should be supported with a reinforced secretariat, means to facilitate a PCD support group composed of MEPs from different committees, as well as access to study units and research budget.

## 2.3 Anticipate: better analyse PCD situations and create more inclusive policy-making

There is an immediate need to ensure that PCD goes from being a reporting exercise and a “tick in the box” to real improvements in men and women’s lives and thus positively impact on development objectives. Broad-based consultations and democratic debates in developing countries should be an integral part of EU policy-making processes. Only this way can PCD assist in advancing the rights of men and women to achieve their development objectives and assist them in eradication of poverty across the global South.

To this end, it is recommended that:

- the process to define, monitor and evaluate EC Country Strategy Papers is used for gathering information about the impact of EU policies on a developing country and form the basis for recommendations for policy change;
- two standing rapporteurs on PCD are appointed at the Joint ACP-EU Parliamentary Assembly, in order to strengthen the JPA work on PCD issues and activate the Article 12 of the Cotonou Partnership Agreement when necessary.

Additionally, it is recommended that the EC takes on a role of gathering information and formalising analyses on policy impact with a view to improve policy making and amend existing policies if need be. This requires setting up and using a database in the different policy areas to record and observe relevant empiric trends constituting obstacles to human-centred development in developing countries.

The result of the analysis and dialogue exercises should be integrated in the relevant policy proposals. Eventually, this means that PCD should be properly “mainstreamed” in all EU policies, starting with explicit references to article 208 and 3(5) of the TFEU. This would allow for anticipating mistakes, as well as increasing accountability for PCD.

Two decades of gender mainstreaming and twin-track approaches provide lessons and valuable insights into what works and what doesn’t work for a progressive agenda. Importantly, there is clear evidence that without continuous political pressure from women and civil society organisations to act upon enhancing women’s rights and ending gender discrimination, gender mainstreaming would risk to become a simple bureaucratic management approach that ticks of a box instead of being an ally in the struggle for gender justice.

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#### **2.4 React: put in place a mechanism for complaint and corrective action**

The EU needs to go beyond analysing potential impacts and accept the evidence of existing situations where EU policies are undermining development objectives. It is recommended that adequate space is given for affected stakeholders (including from developing countries) to be heard and that a due process follows in order to potentially revise policies with harmful impacts on development objectives and human rights.

Therefore, it is recommended to set up for all relevant EU policies and agreements – notably the forthcoming policies identified in the European Commission PCD Work Programme – a formalised complaint mechanism open to citizens and affected communities (e.g. civil society organisations, farmers organisations, women and grassroots organisations) to address harmful effects of EU policies on sustainable development in development countries, and to trigger an investigation.

Concretely, this means including a provision in the relevant policy/agreement document that specify the procedure to direct complaints.

Should the complaint be overlooked, the special Ombudsman for PCD will be entitled to investigate and initiate a mediation process with the view to search for adequate solutions and redress.



## two

ALMOST 1 IN 7 PEOPLE ON THE PLANET GO TO BED HUNGRY EVERY NIGHT, WHILE  $\frac{1}{3}$  OF THE FOOD PRODUCED FOR HUMAN CONSUMPTION GETS LOST OR WASTED.



# Food Security and the Right to Food

## 2.0

In today's increasingly interdependent world, the policies enforced by the European Union (EU) have a critical impact on global food security sustainable development paths. The devastating consequences of the last three years' food, economic, and climate crises clearly demonstrate the failure of current international policies, financial and agricultural market architectures to guarantee food security, especially for the poorest and most vulnerable people.

### 1. Human Rights-Based Approach to Food Security

The alarming figures observed in 2008, where food price hikes forced 100 million people into hunger<sup>24</sup> and again in 2010 where 44 million have already been driven into extreme poverty<sup>25</sup> cannot be reversed if food is considered merely as a tradeable commodity. Secure access to adequate and safe food is a universal Human Right which all states of the international community are mutually obliged to respect, protect and fulfill. This includes an extraterritorial obligation not to violate the Right to Food of the people of other countries<sup>26</sup>. As the world's largest actor in agricultural trade, the EU has a special responsibility in

this respect<sup>27</sup>. Only by adopting a Human Rights-Based Approach (HRBA) to global food security can Europe take on the international leadership urgently needed in the fight against hunger. Realising the Right to Food requires changes in both models of production as well as improved access to affordable and nutritious food.

A HRBA food policy is, above all, a people-centered policy that addresses the structural causes of hunger rather than relying on international markets to guarantee food security. Today, the world produces more than enough food for everyone<sup>28</sup>. Yet, almost 1 out of 7 people on the planet go to bed hungry every night<sup>29</sup>. Conversely, 1/3 of the food produced for human consumption gets lost or wasted<sup>30</sup>. Hunger results from unequal distribution of food and when people are deprived from their rights of access to and control over the natural, financial and technological resources necessary to feed themselves with dignity. Participation by and empowerment of the most vulnerable people, who are often directly involved in domestic food production in developing countries, is therefore fundamental. 75 % of the world's poorest people still reside in rural areas where around 4/5 households are engaged in farming<sup>31</sup>.

A HRBA food security policy has to be rooted in local realities. Realisation of the right to food for all can only be achieved by enabling sustainable agricultural production in every region of the world with a particular focus on

### Definition of the Right to Food

The UN defines the right to adequate food as a Human Right, inherent in all people "to have regular, permanent and unrestricted access, either directly or by means of financial purchases, to quantitatively and qualitatively adequate and sufficient food corresponding to the cultural traditions of people to which the consumer belongs, and which ensures a physical and mental, individual and collective fulfilling and dignified life free of fear."

Source: Website of the UN's Special Rapporteur on Right to Food, [www.srfood.org](http://www.srfood.org)

<sup>24</sup> FAO (2009) State of Food Insecurity

<sup>25</sup> World Bank press release (February 15, 2011); Food Price Hike drives 44 Million people into poverty.

<sup>26</sup> FIAN (2011) Extraterritorial State obligations <http://www.fian.org/programs-and-campaigns/extraterritorial-state-obligations>

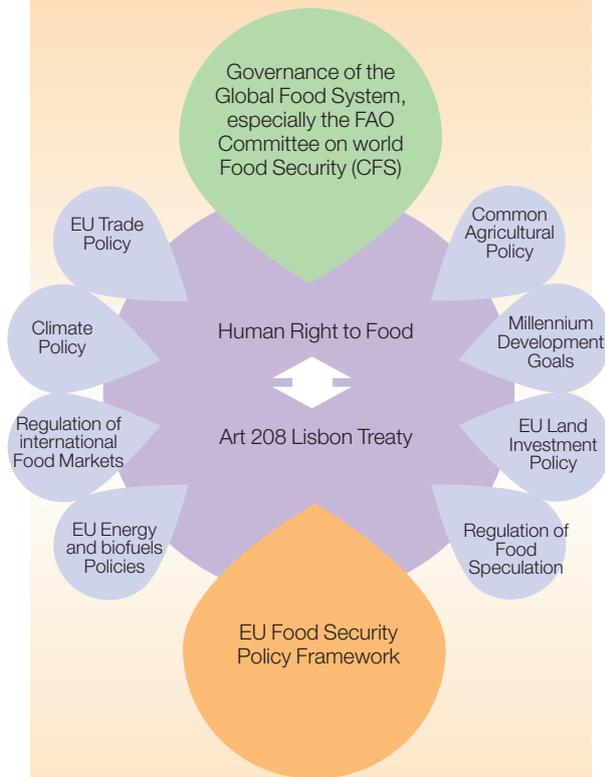
<sup>27</sup> WTO (2010) Trade statistics: EU27 external trade accounts for 9,5 % of total world agricultural exports and 12 % of total world agricultural imports. Compared to number two the US accounting for 10 % and 8,5 % respectively. [http://www.wto.org/english/res\\_e/statis\\_e/its2010\\_e/its10\\_merch\\_trade\\_product\\_e.htm](http://www.wto.org/english/res_e/statis_e/its2010_e/its10_merch_trade_product_e.htm)

<sup>28</sup> The amount of food available, measured by available calories per person is sufficient to nourish all people on the planet. See Kim M. Lind, FOI (2010) "Fødevareproduktionen vil vokse hurtigere end befolkningen", p 2

<sup>29</sup> 925 billion people are undernourished according to FAO (2011) State of World Food Insecurity World population is approx. 6,8 billion according to the UN. See [http://esa.un.org/unpd/wpp/unpp/panel\\_population.htm](http://esa.un.org/unpd/wpp/unpp/panel_population.htm)

<sup>30</sup> UN special Rapporteur on the Right to Food, De Schutter (2011) The Common Agricultural Policy towards 2020: The role of the European Union in supporting the realisation of the right to food, p. 2

<sup>31</sup> IFAD (2011) "Rural Poverty Report" p. 9 and <http://www.ifad.org/poverty/pr.htm>



### International Human Rights legal Framework

The right to adequate food is recognised in several legal instruments under international law. It is encoded in Article 25 of the Universal Declaration of Human Rights adopted by General Assembly Resolution 217 A (III) on 10 December 1948 and in Article 11 of the International Covenant on Economic, Social and Cultural Rights, adopted on 16 December 1966. But the right to adequate food is also recognised in specific instruments such as the Convention on the Rights of the Child (Art. 24(2)(c) and 27(3)), the Convention on the Elimination of All Forms of Discrimination against Women (Art. 12(2)), or the Convention on the Rights of Persons with Disabilities (Art. 25(f) and 28(1)).

At the World Food Summit in Rome in 1996, the right to food was given operational content by 185 countries and the European Community in the Rome Declaration and Plan of Action. They confirmed that : *“The right to adequate food is realized when every man, woman and child, alone or in community with others, has physical and economic access at all times to adequate food or means for its procurement.”* [Ref General Comment 12 of the International Covenant on Economic, Social and Cultural Rights (ICESCR)]

As recognised in customary international law, the right to food imposes on all States obligations not only towards the persons living on their national territory, but also towards the populations of other States (extraterritorial obligations). These two sets of obligations complement one another. The right to food can only be fully realised when both ‘national’ and ‘international’ obligations are fulfilled.

For more info, see [www.srfood.org](http://www.srfood.org)

smallholder farming. 85% of farmers in developing countries produce on less than 2 hectares of land<sup>32</sup>. There are some 500 million smallholder farms worldwide; more than 2 billion people depend on them for their livelihoods. These small farms produce about 80 % of the food consumed in Asia and sub-Saharan Africa<sup>33</sup> with women playing a pivotal role. Investing in women farmers and giving them the same access as men to agricultural resources could reduce the number of hungry people in the world by 12% to 17% or 100 to 150 million people, according to the UN Food and Agriculture Organisation (FAO)<sup>34</sup>.

The challenge is to make smallholder farming profitable and benefit from an equitable trade regime that allows poor countries to develop sustainable domestic production. But while the EU recognises that advancing local smallholder farming is particularly essential in developing countries, other EU policies continue to undermine this very objective. As demonstrated in this chapter Europe’s unsustainable agricultural production and subsidised exports, speculation on food commodities, greenhouse gas emissions and use of foreign farmland for its own food and energy production are examples of policies whose external impacts are inconsistent with the goal of eradicating global hunger.

## 2. The EU’s Food Security policy and the International Agenda

The last four years food crisis has put agriculture back on the international agenda. FAO’s estimation that global agricultural production has to increase by 70% to feed the world’s growing population in 2050 has propelled a lot of talk about reinvesting in agriculture. However, it is often overlooked that the FAO also concluded that: “The only sustainable solution to the problem of hunger lies in increasing the productivity of the poor and food-insecure countries”<sup>35</sup>.

In terms of financial resources, this implies that total investment in developing countries’ agriculture needs to rise by 60%<sup>36</sup>. But the trend in development aid flows run counter to this goal. The share of global aid to agriculture

<sup>32</sup> Ibid, p. 4

<sup>33</sup> IFAD (2011) Small holders can feed the world

<sup>34</sup> FAO (2011) Closing the Gender map in agriculture

<sup>35</sup> FAO (2009) The State of Food Insecurity in the World 2009, Economic crises – impacts and lessons learned

<sup>36</sup> FAO (2009) How to feed the world in 2050, p. 15

## International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD)

The IAASTD report “Agriculture at a Crossroads” from 2009, was prepared by 400 scientists from across the world over 4 years. It was approved in 2008 by 58 developed and developing countries, including many EU Member States. The IAASTD was co-sponsored by the World Bank, FAO, UNEP, UNESCO, UNDP, WHO and the GEF.

The IAASTD concludes that business-as-usual will not work. Realising the Right to Food requires changes in both models of production as well as improved access to affordable and nutritious food. These changes needed – based on a thorough scientific assessment – echo much of what has been proposed by civil society organisations over the years and then confirmed by several recent reports. They include the need to shift towards more ecological forms of production by small-scale food providers.

Key messages include the need for:

- agriculture to be viewed as multi-functional;
- increased emphasis on agro-ecological approaches and use of appropriate technologies;
- increased support to small-scale farmers, through policies and investments;
- empowerment of women;
- integration of local and traditional knowledge with formal knowledge;
- equitable trade reform with national flexibility; and
- increased investments in farmer-focused R&D and extension services.

Source: IAASTD (2009) *Agriculture at a Crossroads. Global Report*  
<http://www.agassessment.org>

## The reformed Committee on World Food Security (CFS)

Key features of the reform document are the following:

- CFS is defined as “the foremost inclusive international and intergovernmental platform” for food security, based in the UN system.
- Explicitly includes defending the right to adequate food in the CFS’s mission.
- Recognises civil society organisations - small food producers and urban movements especially – as full participants and affirms their right to autonomously self-organise to relate to the CFS.
- Enjoins the CFS to negotiate and adopt a Global Strategic Framework (GSF) for food security providing guidance for national food security action plans as well as multilateral institutions.
- Empowers the CFS to take decisions on key food policy issues and promotes accountability by governments and other actors.
- Arranges for CFS policy work to be supported by a High Level Panel of Experts in which the expertise of farmers, Indigenous Peoples and practitioners is acknowledged alongside that of academics and researchers.
- Recognises the principle of “subsidiarity” and the need to build links between inclusive policy spaces at national, regional and global levels. The CFS becomes a year-round process and not an annual global meeting.

Important issues on the agenda of the CFS currently include the negotiation and implementation of the Voluntary Guidelines on Responsible Governance of Tenure of Land, Forest and Fisheries, measures to address price volatility, reflection on what forms of investment in which models of agriculture are best suited to support smallholder production/food security and the launching of a broad consultative process on principles for responsible investment in agriculture; development of the Global Strategic Framework.

More information on: <http://www.fao.org/cfs>

has declined even more sharply: from 17% in the early 1980s to 6% in 2009<sup>37</sup>. Today, only 4,4 % of EU15 and the Commission's total development aid is allocated to agriculture<sup>38</sup>.

Yet, encouragingly, proposals for radical changes in the global food system, mainly from non-governmental development organisations (NGDOs), smallholder farmer movements - backed up by recent reports and research findings like those of the IAASTD (see box on previous page) - are now finding support in some official quarters of the EU and the UN<sup>39</sup>. The proposals are centred on the urgent need to relocalise food systems; to end developing countries dependence on international markets and to enforce the right of the poorest people to regain control over the factors affecting their livelihoods. These principles are embodied in the food sovereignty framework developed by the social movements of peasant and family farmers and other small-scale food providers<sup>40</sup>. Furthermore, calls by African farmers' networks for a reorientation of agricultural investments in the framework of food sovereignty were recently agreed at a workshop in Yaounde, Cameroun<sup>41</sup>.

The decision to reform the FAO's Committee on World Food Security (CFS) to transform it into an inclusive, authoritative global forum deliberating on food issues with the mission of ensuring the global right to food is an important step (see box on previous page). It is essential that the EU makes every effort to defend this new and still fragile policy space. In this respect, the EU should especially support the autonomous Civil Society Mechanism and consult with its own civil society in determining the positions it takes in the CFS.

In terms of Europe's own approach, the new EU Food Security Policy Framework, adopted in 2010, demonstrates crucial progress (see box on previous page). The policy recognises the Right to Food and has a focus

<sup>37</sup> OECD (2001) Aid to agriculture. Years from 2006-2009, see <http://www.oecd.org/dataoecd/54/38/44116307.pdf>

<sup>38</sup> Latest available figures from OECD's database on development statistics (EU institutions plus EU15 in 2009, latest data available)

<sup>39</sup> See box on IAASTD's report. See also UN special Rapporteur on the Right to Food, De Schutter (2011) Agroecology and the Right to Food - Report presented at the 16th Session of the United Nations Human Rights Council [A/HRC/16/49], 8 March 2011; Foresight (2010) The Future of Food and Farming: Challenges and Choices for Global Sustainability; UNEP (2011) Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication; IFAD (2011) Poverty Report 2011 underlines the need for "sustainable intensification"; UNCTAD (2011) Assuring Food Security in Developing Countries under the Challenges of Climate Change; UNCTAD (2011) Brief, Sustainable agriculture and food security in LDCs

<sup>40</sup> See declaration and synthesis Report from Nyéléni forum for food sovereignty, 2007

<sup>41</sup> Yaoundé Synthesis report <http://www.europafrika.info/en/documenti/agricultural-investment-strengthening-family-farming-and-sustainable-food-systems-in-africa-synthesis-report>

## The EU's Food Security Policy

The EU's Food Security Policy Framework was adopted in March 2010, following a large stakeholders' consultation. It provides the context for its work on food security in developing countries. The policy include four themes:

- 1) increasing availability of food through more ecological, biodiverse and resilient forms of production, following the findings of IAASTD;
- 2) Improving access to food by using the Right to Food approach and supportive frameworks, implementing the Voluntary Guidelines to Support the Progressive Realisation of the Right to Adequate Food in the Context of National Food Security, including its 18 guiding principles;
- 3) Improving nutrition through appropriate policies and strategies and coordination across sectors, referring to EU's nutrition policies;
- 4) Improving crisis prevention and management through improved food markets and forms of supply management including through improving (local) storage of farm products.

*Source: European Commission (2010) An EU policy framework to assist developing countries in addressing food security challenges (COM(2010)127 final)*

on creating an enabling environment for the smallholder sector as the single most effective instrument for increasing food security in developing countries. The European Parliament adopted a similar approach with its resolution on Food Security adopted in July 2011<sup>42</sup>.

A vital element in the EU Framework is that it recognises that policies need to be formulated with the participation of local stakeholders who are the foundations of food and nutrition security. In particular, the EU has committed to “actively support greater participation of civil society and farmer organisations in policy making and research programmes and increase their involvement in the implementation and evaluation of government programmes”<sup>43</sup>. The EU has also taken into account the recommendations of the IAASTD, including the need to shift towards support for agro-ecological production. IAASTD has demonstrated how problem-oriented research incorporating local expertise can increase productivity in ways that protect the natural resource base while mitigating and helping agriculture adapt to climate change. Moreover, agro-ecological production does not depend on commercial nitrogen fertilisers, which are often unaffordable for poor smallholders, and can damage soils<sup>44</sup>.

### 3. The Impact of EU policies

The EU’s efforts in combating hunger must be anchored in a comprehensive analysis of the situation of global food insecurity and the situation of developing countries<sup>45</sup>.

More than one-third of all States are now classified as Low-Income Food-Deficit Countries (70 countries) by the UN<sup>46</sup>. These countries are confronted with a very rough transitional challenge of reducing dependency on international food markets in order to limit vulnerability to price and climate shocks by localising their food systems.

To play a positive role in enhancing the food security of developing countries, the EU needs to change several of its current policies affecting food security in the world’s poor countries ranging from trade, agriculture, financial regulation, climate, investment in foreign land.

#### 3.1 EU trade and agricultural policies

Global trade and agricultural regimes have critical impacts on poor countries development paths. Agriculture accounts for between 30% to 60% of GDP and up to 70% of employment in the Least Developed Countries’ (LDC)<sup>47</sup>. Research shows that agricultural development in poor countries is three to four times more effective in alleviating poverty than growth in other sectors and that one Euro increased income in agriculture generates between two and three Euros in their GDP<sup>48</sup>. Yet, realisation of this potential is hampered by the current international trade regime which disincentives agricultural development in poor countries by systematically favoring cheap imports from capital-intensive producers from wealthier nations.

Since the 1980s, oversupply on international markets by heavily subsidised producers from the EU and other rich countries have depressed world prices and kept them low until the break out the global food crisis 2008. In parallel, trade liberalisation and absence of tariff protection have undermined the ability of local producers in poor food-importing countries to live from their crops, particularly under the WTO regime<sup>49</sup>. FAO documented 12,000 cases over the period 1980–2003 of import surges leading to low prices on domestic markets, which drove less competitive local producers out of business. And the frequency has

<sup>42</sup> European Parliament resolution of 27 September 2011 on an EU policy framework to assist developing countries in addressing food security challenges (2010/2100 (INI))

<sup>43</sup> Source: European Commission (2010) An EU policy framework to assist developing countries in addressing food security challenges (COM(2010)127 final), page 9

<sup>44</sup> IAASTD (2009) Agriculture at a Crossroads. Global Report Executive Summary, p. 5; UN special Rapporteur on the Right to Food, De Schutter (2011) Agroecology and the Right to Food, p.7-9

<sup>45</sup> CONCORD (2011) The Future of the European Common Agricultural Policy and Development

<sup>46</sup> <http://www.fao.org/countryprofiles/lifdc.asp>

<sup>47</sup> UNDP (2007), Globalization, Agriculture and the Least Developed Countries, New York, p 12

<sup>48</sup> Pindstrup-Andersen and Friis Bach (2008) Agriculture, growth and employment in Africa; European Commission (2010) Green Paper on EU development policy in support of inclusive growth and sustainable development Increasing the impact of EU development policy (COM(2010) 629 final), p. 19

<sup>49</sup> An in-depth analysis of the EU’s trade policy is clearly beyond the scope of this chapter. For a more comprehensive analysis of the EU’s trade policy in PCD perspective, see the thematic chapter on trade in the CONCORD (2009) Report Spotlight on Policy Coherence.

**UN SPECIAL RAPPORTEUR ON THE RIGHT TO FOOD, OLIVIER DE SCHUTTER, OFFICIAL COMMUNICATION ON THE EU CAP REFORM**

**“THE STRATEGIC OBJECTIVE TODAY SHOULD BE TO SUPPORT DEVELOPING COUNTRIES TO ‘FEED THEMSELVES’; NOT BE ‘FEED THE WORLD’... IF INCREASES IN FOOD PRODUCTION RISE IN TANDEM WITH FURTHER MARGINALIZATION OF SMALL-SCALE FARMERS IN DEVELOPING COUNTRIES, THE BATTLE AGAINST HUNGER AND MALNUTRITION WILL BE LOST.”**

increased for almost all commodities since the Agreement on Agriculture (AoA) entered into force in 1994<sup>50</sup>. The course of Africa illustrates this depressing development very well. In the 1980s, the continent was a net exporter of agricultural products. Today, it is a net importer heavily reliant on world markets to guarantee food security for its own people<sup>51</sup>.

In many respects, the reform of the EU's Common Agricultural Policy (CAP) is a decisive opportunity to demonstrate the Union's willingness to help facilitate developing countries' transition to feeding themselves. This however requires a u-turn from the EU, which should recognise that the rising global demand for food does not legitimise subsidising European exports. Poor countries should be allowed to develop and safeguard their basic institutions and infrastructure prior to opening national agricultural markets to international competition<sup>52</sup>.

Over the last 30 years the EU's Common Agricultural Policy has undergone comprehensive reforms. Export subsidies accounted for 50% of CAP expenditure in 1980, and had been cut to 2% in 2008<sup>53</sup>. Since the mid-1990s a central aim of the reforms has been to make the CAP payments comply with the rules of WTO, which has resulted in the current, more discrete, subsidy system consisting mainly of so called direct aid payments to European farmers.

Direct aid is "decoupled" from production in the sense that farms receive payments per hectare of farm land regardless of what they decide to produce on this land.

The direct aid is compatible with the WTO's "Green box" which implies that they are "considered not to distort trade and therefore permitted with no limits"<sup>54</sup>. On this background, the Commission often argues that the CAP's negative impact on developing countries is a thing of the past<sup>55</sup>. Yet, at a closer look, it becomes apparent that the present subsidy system still allows the EU to dump agricultural products on the international market.

According to the EC, direct aid accounts for an average of 29% of European farms' factor income during the period 2007-2009 and in some EU countries like Denmark, it is nearly 70%<sup>56</sup>. Clearly these figures suggest that much EU agricultural production would not be economically sustainable, in the absence of the direct aid support<sup>57</sup>.

While maintaining sustainable agriculture across Europe through public support may be a legitimate policy objective, farm subsidies must not be allowed to result in the export of products at prices lower than the cost of production, unless to achieve mutually agreed non-trade

concerns. Yet, research on the effects of the decoupled payments from Humboldt Agricultural University establishes "that commodities for which the EU is a net exporter are sold below cost, for extended periods of time and in substantial quantities"<sup>58</sup>. For instance, the returns of German dairy exports only covers 49-56 % of the production cost and 49-56% on sugar beets<sup>59</sup>. Such heavily subsidised production is inarguably unfair competition for poor local farmers in developing countries where financial support of such magnitude is by no means available.

In the 2010-2011 debate on the CAP reform, there have been signs that the EU is becoming willing to address development concerns in the future CAP. In June 2011 the European Parliament adopted a resolution, which calls for "the EU to ensure consistency between the CAP and its development and trade policies; ... and not jeopardise food production capacity and long term food security in these countries and the ability of those populations to feed themselves, while respecting the principle of Policy Coherence for Development (PCD)"<sup>60</sup>. This brings hope that the PCD principle will be incorporated in the forthcoming legislation regarding the CAP from 2014.

<sup>50</sup> UN special Rapporteur on the Right to Food, De Schutter (2009) Mission to the World Trade Organization, presented to the 10th Session of the Human Rights Council, A/HRC/10/5/Add.2, p.12 and FAO (2006) Briefs on Import Surges – no 2

<sup>51</sup> CFSI (2011) The right to Food for a CAP fair to developing countries, p. 4

<sup>52</sup> CONCORD reaction to the EC communication on the future CAP "The CAP must do no harm to other countries' food and agriculture systems", 18 Nov. 2010

<sup>53</sup> European Commission DG Agriculture and Rural Development (2010) How the EU's agriculture and development policies fit together. The EU's Common Agricultural Policy: on the move in a changing world, p 8-9

<sup>54</sup> WTO Glossary of Terms: [http://www.wto.org/english/thewto\\_e/minist\\_e/min01\\_e/brief\\_e/brief22\\_e.htm#\\_Toc528136427](http://www.wto.org/english/thewto_e/minist_e/min01_e/brief_e/brief22_e.htm#_Toc528136427)

<sup>55</sup> See Agriculture Commissioner, Ciolos' intervention at the EESC conference "Food for Everyone" in May 2011 [http://brussels.cta.int/index.php?option=com\\_k2&view=item&id=5595:commissioner-ciolos-highlights-importance-of-development-friendly-cap](http://brussels.cta.int/index.php?option=com_k2&view=item&id=5595:commissioner-ciolos-highlights-importance-of-development-friendly-cap)

<sup>56</sup> European Commission (2011): The future of CAP direct payments, p. 6 [http://ec.europa.eu/agriculture/publi/app-briefs/02\\_en.pdf](http://ec.europa.eu/agriculture/publi/app-briefs/02_en.pdf)

<sup>57</sup> Alan Mathews (2010) How Might the EU's Common Agricultural Policy Affect Trade and Development After 2013? p. 11 For a comprehensive analysis of the trade and production consequences of the direct aid system, see also South Centre (2011) EU's increasing use of decoupled domestic supports in agriculture: implications for developing countries, and South Centre (2011) EU domestic supports and policy tools protecting European farmers.

<sup>58</sup> Harald von Witzke et al. (2010) Decoupled Payments to EU Farmers, Production and Trade: An Economic Analysis for Germany. Humboldt University Berlin Working Paper, Number 90/2010

<sup>59</sup> Ibid p. 18-19

<sup>60</sup> European Parliament resolution of 23 June 2011 on the CAP towards 2020: meeting the food, natural resources and territorial challenges of the future (2011/2051 (INI)), paragraph 63

## Case Study: European Milk Exports

FAO estimates that around 150 million small-scale dairy farming households amounting to 750 million people are engaged in milk production, the majority of them in developing countries<sup>61</sup>. Cows are one of the most valuable assets that poor rural households can own, providing income, nutritional milk and manure for fertilizer. Dairy farming is a potential pathway out of poverty for millions of people in the developing world, especially for women. But EU subsidised exports continue to hold back dairy farmers in the developing world.

The EU's deployment of its internal 'safety net policies' can indeed displace the negative impact of market crises to other regions of the world. This was the case when the Commission reintroduced export subsidies for dairy products during the milk market crisis in 2009 – an action that was later heavily criticized by the European Parliament, that concluded that the export refunds constitute "a blatant violation of the core principles of policy coherence for development."<sup>62</sup> Since 1984, the volume of milk produced in the EU has been limited by a quota. The quota arrangement is due to be eliminated from 2015. Combined with the EU's current practice and further market-orientation of the sector, this raises serious concerns that the external impacts of the EU's milk policy may even worsen.

### Cameroun: European subsidies ruin local markets

In Cameroon, German NGO "Brot für die Welt" has been supporting the development of milk production for over 10 years to enable smallholders to supply the local market. However, the local milk markets are now being undercut by cheap milk powder from the EU. In north-west Cameroon, dairy farmers need at least €0.61 to cover production costs for a litre of fresh unpasteurised milk, while in recent years, milk made from European subsidised milk powder costs as low as €0.4 per litre.

"As a politically engaged woman, it makes me especially angry - here is another brilliant project, which many women can benefit greatly from, being jeopardised by EU exports. We've already been through all that with the cheap chicken parts from Europe. Small businesses run by women were driven out of the market then as well," explains Tilder Kumichii. Who works at ACDIC, the Citizens' Association for the Defence of Collective Interests, to which many smallholders in the region belong.

Source: BROT (2010) *Milk Dumping in Cameroon*

### Undermining West Africa's milk production

In West Africa, customs duties barely reach 5% and local farmers are squeezed out of the dairy value chain by subsidised European milk powder. Regional production is therefore unable to meet domestic market demands.

In Burkina Faso nearly 1 out of every 2 litres of milk consumed in the country was imported in 2006 and in urban areas the figure was as high as 9/10 litres. European subsidised milk powder accounted for half of the cheap imports. Today, unfair market conditions continue to undermine local milk production. In January 2010, milk made from imported powder was sold at nearly half (340 CFA francs per litre) the price of local farmer's fresh milk (700 CFA francs per litre).

Source: GRET (February 2010) *The CAP's impact on African Agriculture: focus on milk*, published by VECO (Belgium), Terra Nuova (Italy) and Practical Action/UK Food Group

### How EU subsidies hurt Bangladesh's dairy farmers

In Bangladesh, one of the world's poorest countries, 1.4 million family dairy farms support 7 million people who work on very small plots of land. But milk powder imports deter small producers from producing more milk to satisfy local demand.

Whole milk powder is imported and marketed directly to consumers, and skimmed milk powder is imported and used for production of dairy products. In 2009, Bangladesh spent around €68 million on imports of powdered milk that disincentivised local production. Between 20% and 50% of imports of skimmed milk powder came from the EU in recent years. However, for every million kilos of imported European milk powder, 350 jobs could be created in Bangladesh in local farming and related activities.

Source: ActionAid Denmark (2011) *If the CAP doesn't fit, change it - How EU taxpayers undermine Bangladeshi dairy farmers*

Brief: <http://www.ms.dk/graphics/Ms.dk/Dokumenter/IftheCAPdoesntfitchangeit.pdf>

Full report: <http://www.ms.dk/graphics/Ms.dk/Dokumenter/Milking-the-poor-english-version.pdf>

<sup>61</sup> FAO (2010) Status and Prospects for Smallholder Milk Production - A Global Perspective

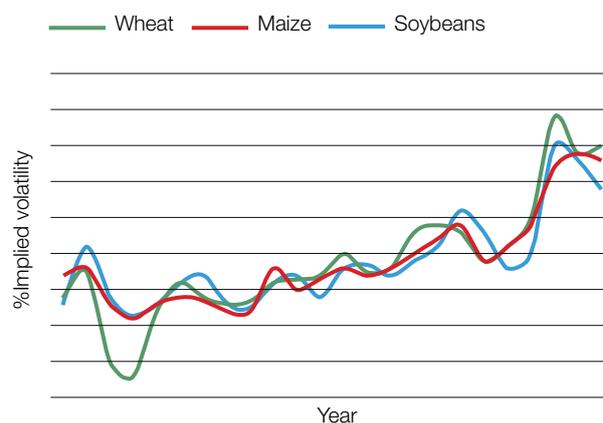
<sup>62</sup> European Parliament resolution of 18 May 2010 on the EU Policy Coherence for Development and the 'Official Development Assistance plus' concept (2009/2218 (INI)), paragraph 44

### Recommendations:

- The EU must demonstrate greater efforts to make Policy Coherence for Development an operational element of the CAP and lead the way for new international governance of food security based on the universal Human Right to food.
- The principle of Policy Coherence for Development must be enshrined in the legislative text of the future CAP, including a recognition that the purpose of the CAP is not to feed the world and should not jeopardize the food production capacity and long-term food security of people developing countries and their ability to feed themselves.
- The new CAP legislation must contain obligations to monitor the impacts of the use of CAP instruments and agricultural exports to food-insecure developing countries on an ongoing basis. Production should be managed in a way that prevents subsidised EU exports to compete with local agricultural production in poor countries.
- The EU should fully comply with the developing countries' demands to be granted the possibility to define, protect and promote their own agricultural policies in accordance with the needs of their people, including those suffering from food insecurity.
- The EU should eliminate export subsidies on agricultural products, while aiming, in all places where agricultural trade rules are discussed, and especially in the WTO, that all trade partners should also eliminate their export support policies in their various forms.

### 3.2 Price volatility and speculation

Since 2008, the world has experienced extreme price volatility on food commodities resulting in massive hunger crises. As markets are increasingly integrated in the world economy, shocks in the international arena can now travel and affect domestic markets much quicker than before. FAO estimates that the market's expectation of how much the price of a commodity might move in the future is now more than 35% for many basic staple foods (see figure below).



Source: FAO (2010) Price Volatility in Agricultural (Markets)

The uncontrolled price movements affect and disrupt farmer's production planning in all regions of the world. Yet, the poorest people and farmers in developing countries feel the most devastating consequences. In the least developed countries poor households spend between 50% and 80% of their income on food- compared to 16% in the EU<sup>63</sup>. As the largest actor on the world markets, the EU has a responsibility to tackle the situation.

Food markets are tightening due to pressure from growing populations, changing diets, diversion of food to biofuels and climate change, but these factors cannot fully explain the extreme price movements.<sup>64</sup> Excessive speculation on food derivatives in deregulated financial markets has served to exacerbate the dramatic increases and volatility in food prices the world witnessed in 2008, and again since 2010<sup>65</sup>. Holdings in commodity index funds, the main vehicle for financial investments in agricultural commodities, rocketed from €11bn (\$13bn) in 2003 to €204bn (\$317bn) in 2008, increasing commodity price inflation<sup>66</sup>.

As the EU's agricultural policy becomes more market-oriented, it is expected that European agricultural commodity derivatives markets will continue to grow. Yet, European regulation is more relaxed than in the United States, where the implementation of the Dodd Frank Act impose position limits on the derivative markets to hamper excessive speculation.

The issue of food price volatility and speculation is high on the political agenda in 2011, with market reform processes underway in both the EU and US, and with calls for action by France during its G20 presidency. The high level panel of experts on food security at the CFS said in July 2011 that "action regarding transparency in futures markets and tighter regulation of speculation is necessary."<sup>67</sup> However, the financial sector is lobbying strongly to weaken any proposals substantially.

Besides regulation, better global governance is also fundamental to get the extreme price volatility under control and establishing food buffer stocks can serve as key tool. Managed correctly, local, national and regional food stocks can be a key tool in both safeguarding food security and maintaining price stability by strengthening the ability of governments to limit excessive price volatility for both farmers and consumers.

Reserves can be used to smooth out volatile agricultural commodity markets by purchasing grain or other foodstuffs when there is a surplus on the market and releasing it during lean times, at moderate prices. Effectively-managed public buffer stocks, both regional and national, can help to ensure that food is available during humanitarian emergencies or climatic catastrophe. In doing so, they can provide food to the hungry and vulnerable when most needed, at moderate prices or if necessary for free. Food reserves have an important impact on food markets behaviours. Their mere existence can calm volatility, and they can support the easing of food price spikes by giving an injection into the market when supply is low, limiting the potential impacts of speculation during such periods.

Moreover, if buffer stocks target public procurement from smallholder and women farmers, they can help to support small-scale agriculture. If domestic purchases for reserves can be made when prices are low and there is more in the market (i.e. during harvest times) then it can help to push prices up in support of producers, thus stabilising prices paid to farmers and helping them to predict their markets and future agricultural investments. Reserves at both the regional and the national level can support each other and further enhance price stabilisation through collaboration.

#### Recommendations:

CONCORD urges the EU and its Member States to:

- stand up to the interests of the financial sector and aim for strong regulatory measures including in the Markets in Financial Instruments Directive (MiFID) by increasing transparency of financial transactions and limiting excessive speculation through aggregated position limits of traders;
- collaborate to improve governance, transparency and oversight of global food markets at both international and domestic level;
- Collaborate to bolster the global food reserve system by establishing buffer stocks on local, national and regional level. These buffer stocks must target public procurement from smallholder and women farmers, they can help to support small-scale agriculture.

<sup>63</sup> UNCTAD (2008) Addressing the global food crisis. Key trade, investment, and commodity policies in ensuring sustainable food security and alleviating poverty, p 61. European Commission (2009) A better functioning food supply chain in Europe, p. 2

<sup>64</sup> UNCTAD (2011) Price Formation In Financialized Commodity Markets: The Role of Information

<sup>65</sup> FAO, IMF, OECD, UNCTAD, WFP, World Bank et al. (2011) Interagency report to the G20: Price Volatility in Food and Agricultural Markets: Policy Responses

<sup>66</sup> F. Kaufman (July 2010) The food bubble: how Wall Street starved millions and got away with it in Harper's Magazine, p. 32

<sup>67</sup> High Level Panel of Experts on food security, FAO Committee on World Food Security (2011) Price volatility and food security.

### 3.3 Climate change and foreign land use

The evolving hunger crises in East Africa is just the most recent of a range of events which show that the world is now witnessing the devastating impact on human induced climate change on global food security. In 2010, forest fires in Russia, draughts in Brazil and floods in Australia plumped global food supplies, pushing 44 million people into extreme poverty. Developing countries bear the brunt of climate change. According to the Intergovernmental Panel on Climate Change (IPCC), yields from agriculture could be reduced by up to 50% in some developing countries because of climate change<sup>68</sup>.

The EU must act to reduce its greenhouse gas emissions across all its policies and address its unsustainable production and consumption patterns. The EU's current food production takes up 2.2 times the bio-capacity of Europe's agricultural land. Especially the EU's import of animal feed has dramatic environmental impacts. When soybean prices rose in 2007 it doubled deforestation in South America, which is the largest supplier of soy to the EU. Reducing the EU's dependency on protein crop imports which are inflicting severe environmental damage in countries exporting to the EU and could also help reduce greenhouse gas emissions.<sup>69</sup>

The EU's policies to secure its own food and energy supply result in aggressive appropriations of farmland in developing countries depriving local people of control over the resources of the land they inhabit and on which their livelihood depends. EU net food imports presently require 35 million hectares of land outside Europe to be produced, equivalent to the entire territory of Germany<sup>70</sup>. On top of this, the EU's demand for biofuels is also a main driver for accelerating the use of foreign land.

For instance, ActionAid has recently documented how plans for a biofuels plantation in the Dakatcha Woodlands, Kenya, will violate the Human Rights of an indigenous community of over 20,000 people<sup>71</sup> (see Natural Resources chapter of this report). This case illustrates a pan-African trend. FAO estimates that the last three years 20 million hectares of farmland on the African continent has been acquired by foreign interests<sup>72</sup>.

In Asia, the same destructive trend is observed. APRODEV has demonstrated how in Cambodia today, hundreds of thousands of people are being alienated from their homes, farmlands, forests and fisheries as the country's ruling elites and foreign investors plunder the country for private profit in the name of 'development' (see box)<sup>73</sup>.

## Land-grabbing frenzy in Cambodia

In rural areas, at least 3 million hectares – more than half of Cambodia's total arable landmass - has been granted to private companies as concessions for the development of agro-industrial plantations and mining projects. Sugarcane is the one of the leading 'boom crops' driving the Cambodian land-grabbing frenzy today. Over the last two years, there has been a rapid expansion in the Cambodian sugar industry, with more than 80,000 hectares in land concessions being granted to private companies for industrial sugarcane production.

Forest clearing, sand dredging and large-scale seizure of productive land threaten the ecological balance and the livelihoods and food security of rural families. Dozens of rural and indigenous communities have been forcibly evicted and rendered homeless by land concessions in the last five years, while considerably more have faced economic displacement in the form of reduced access to subsistence farming and grazing land, and the destruction of forests that they have used for generations for collecting food and forest products. Local and international Human Rights observers, including the UN Office of the High Commissioner on Human Rights, have also documented serious and widespread human rights abuses and environmental damage caused by these companies affecting more than 12,000 people.

Source: APRODEV (2010) *Bittersweet, A Briefing Paper on Industrial Sugar Production, Trade and Human Rights in Cambodia*

68 IPCC (2007) *Climate Change 2007: Synthesis Report*

69 European Parliament resolution of 8 March 2011 on the EU protein deficit: what solution for a long-standing problem? (2010/2111 (INI))

70 H. von Witzke and S. Noleppa (2009) *EU agricultural production and trade: Can more efficiency prevent increasing 'land-grabbing' outside of Europe*

71 ActionAid (May 2011) *Fuelling Evictions. Community cost of EU biofuels boom*

72 CSO Monitoring 2009-2010 *Advancing African Agriculture (AAA): Land Grab study*

73 APRODEV (2010) *Bittersweet, A Briefing Paper on Industrial Sugar Production, Trade and Human Rights in Cambodia*

**Recommendations:**

CONCORD calls on the EU and its Member States to:

- reduce Europe's ecological footprint on developing countries by revisiting unsustainable production and consumption patterns in the EU and other regions. Priority areas are:
  - to limit the EU dependence on imports of animal protein feeds of unsustainable animal husbandry production models by promoting forage crops and moderate meat consumption habits;
  - to limit the dependence on nitrogen fertilisers whose use contributes to global warming, by promoting integration between agriculture and livestock activities, legumes crops and organic farming.
- ensure and monitor that the UN Voluntary Guidelines on Responsible Governance of Tenure of Land is respected across all relevant policies;
- ensure that policies that assist in driving global trends such as the grabbing of land and water include strong sustainability criteria that cover both social and environmental aspects equally comprehensively, with special regards to biofuels production;
- lay out a clear path across all relevant policies to contribute to the greenhouse gas reduction targets adopted by the EU and towards the objective of an 80 % reduction target of EU's emissions by 2050,;
- in the Rio+20 process, ensure that agriculture is a core issue in global policy and practice because it is both the cause and a key component of any solution to the world's environmental, climate and social problems.

EU NET FOOD IMPORTS  
PRESENTLY REQUIRE  
**35 MILLION  
HECTARES**  
OF LAND OUTSIDE EUROPE TO BE  
PRODUCED, EQUIVALENT TO THE ENTIRE  
TERRITORY OF GERMANY.

section

# three

REVENUES FROM NATURAL  
RESOURCE EXPORTS FROM  
AFRICA, ASIA AND LATIN  
AMERICA AMOUNT TO  
**24 TIMES**  
THAT OF EU  
DEVELOPMENT AID.

# The Right to enjoy and benefit from natural resources

3.0

37

The link between the rural poor and the environment is strong. Natural resources have numerous functions and form part of a range of crucial elements of our lives. They are often hard to categorise or prioritise in value. Poor men and women depend on land, water, forest and marine resources and cannot afford the technical alternatives that we associate with modern life in the 'developed world'. Housing materials, food and energy are also taken directly from natural resources. Therefore, the deterioration of the natural environment and competing use of natural resources by commercial interests have a drastic impact on the living conditions of the poor.

<sup>74</sup> Article 1 and 11 of the International Covenant on Economic, Social and Cultural Rights; Article 17 on property rights and Article 25 on the right to food in the Universal Declaration of Human Rights.

<sup>75</sup> Forests and land which do fall into both categories but could be distinguished in the way that we are referring to them.

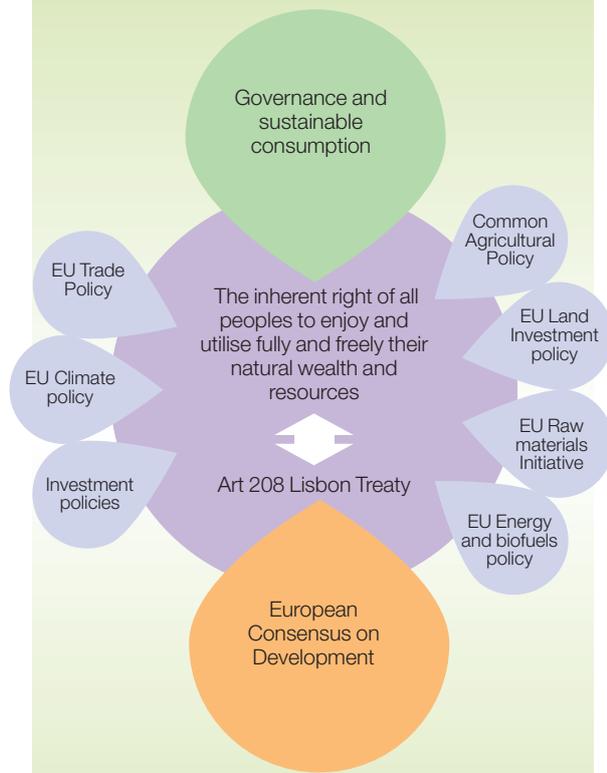
## 1. Natural Resources and Human Rights

Natural resources form the very basis of everyone's lives around the world. They constitute a crucial ingredient to achieve human and social development. Men and women across the globe have the right to benefit from these resources as established by international Human Rights treaties<sup>74</sup>. In order to guarantee the Human Rights of people today and for the benefit of future generations these resources must be used in a sustainable manner. The very sustainability of ecosystems and our planet is intrinsically linked to human, social and political rights as they cannot be achieved without sustainable development or efficient eradication of poverty. The failure to do so, or the perhaps involuntary encouragement to neglect this presents a considerable obstacle to achieving development objectives.

Natural resources can be classified in two categories:

- Type I: The "renewable" resources which people, particularly in the developing world and indigenous communities, are directly reliant on, and which we are ultimately all reliant on, such as clean water, fish stocks, clean air, land etc. Although these have monetary value, their inherent value may be that they are immediately useful to people and directly related to development.
- Type II: Minerals, hydrocarbons and other "non-renewable" resources which tend to be of commercial value when extracted - particularly for the developed world - but not of any inherent value in their natural state (i.e. buried beneath the ground). The governance applied to the management of these resources, including more or less transparent and participatory processes, is directly linked to men and women's rights and their path to development objectives.<sup>75</sup>

The two categories are interlinked and both form the basis for considerable international trade and large shares of many countries' public revenues.



### International Human Rights legal Framework

The international bill of Human Rights contains several references to natural resources and the fact that it is “the inherent right of all peoples to enjoy and utilize fully and freely their natural wealth and resources” as stipulated in Article 1 of the International Covenant on Economic, Social and Cultural Rights (ICESCR), adopted on 16 December 1966. Other important points of reference are article 17 on property rights and article 25 on the right to food in the Universal Declaration of Human Rights adopted by General Assembly Resolution 217 A (III) of 10 December 1948 and Article 11 of ICESCR.

Natural resources also feature in the 2007 UN Declaration on the Rights of Indigenous people where it is several times underscored that this derives out of a fear that their right to “land, territories and resources” have been violated or that they have suffered discrimination in exercising this right. These elements repeat in the ICESCR as well as in the 1969 UN Declaration on Social Progress and Development.

Most explicitly does it stand in the 1986 UN Declaration on Right to Development: “The human right to development also implies the full realization of the right of peoples to self-determination, which includes, subject to the relevant provisions of both International Covenants on Human Rights, the exercise of their inalienable right to full sovereignty over all their natural wealth and resources”.

Global resource use is on the rise, and the European Union (EU) is one of the actors pursuing aggressive strategies to access resources. Europe is highly reliant on the import of this resource base on which to build its growth and wellbeing. A reflection of this can be seen in its trade balance which is highly uneven when it comes to resources<sup>76</sup>. Revenues from natural resource exports from Africa, Asia and Latin America amount to 24 times that of EU Official Development Assistance (ODA)<sup>77</sup>. This dependency forms the basis for significant interaction and trade with developing countries and poses both opportunities and challenges in terms of Policy Coherence for Development (PCD).

If the revenues from the sale of natural resources of developing countries are properly collected and managed then they have the potential to lift millions out of poverty and constitute an important “development enabler”<sup>78</sup>. They indeed hold potentially huge transformative power for communities across the global South. Thus, to ensure full realisation of rights in accordance with the international rights acquis, it becomes essential that women and men have access to “type I” renewable natural resources. At the same time, they should share in the benefits from the extraction and sale of “type II” whilst having a say in how these resources are managed.

Paradoxically, while developing countries contain a large proportion of the world’s most valuable metals and minerals, many resource-rich countries remain amongst the poorest in the world. Poor people do not benefit from this natural wealth, enshrined in the land they inhabit.

Several reasons explain this: one of them being the lack of effective taxation on extraction activities and tax evasion. Companies in the extraction sector – including European ones – benefit from tax incentives offered by or negotiated with developing countries.<sup>79</sup> Yet many of these companies escape even more taxation by directing profits to tax havens. On a global scale, more than US\$ 1 trillion is

<sup>76</sup> Approximately 1:6 in 2008  
<http://www.eea.europa.eu/highlights/taking-stock-of-resources-on>

<sup>77</sup> EU ODA for 2009 was 48.2 billion Euros, European Commission (2010) Annual Report on the European Communities Development and External Assistance Policies and their Implementation; WTO International Trade Statistics 2009 (last accessed 20 July 2011)

<sup>78</sup> Africa-EU working group on governance of natural resources, including in conflict and post-conflict situations, 1st Working Group Meeting, Dakar, Senegal, 9 June 2011

<sup>79</sup> ActionAid (2009) Accounting for Poverty, p36-43

THE EU MUST REDUCE ITS  
CONSUMPTION OF RESOURCES  
AND MOVE TOWARDS A LOW-  
RESOURCE, SUSTAINABLE  
ECONOMIC MODEL THAT  
PROMOTES SHARP INCREASES  
IN RECYCLING AND MULTIPLE  
USE OF PRODUCTS.

illegally moved out of developing countries every year, about two thirds of it due to commercial tax evasion Capital flight from poor countries amounts to ten times total global ODA<sup>80</sup>.

Another reason why poor people in resource exporting countries do not benefit from this natural wealth is that these countries tend to be associated with poor governance, conflict, corruption, deterioration of the environment and human rights violations. The sector continuously fails to generate wealth through a process of value-added or reinvested in diversifying the economic. This process, known as the “resource curse”, cannot be dissociated from the policies of foreign companies and government.

Therefore, as trade partners and regulators of companies, banks and international financial markets, the EU has a crucial role to play. EU policy-makers have an obligation to ensure that EU policies in pursuit of its imports from developing countries do not undermine development objectives or lead, directly or indirectly, to human suffering and human rights violations.

Firstly, the EU must ensure that its consumption of non-renewable and renewable natural resources is at globally sustainable levels. Moreover, the environmental impacts of its economic activities and demand for (renewable) resources on developing world communities and global goods (such as rain-forests and oceans) should not jeopardize the rights of today’s peoples or those of future generations. Secondly, the EU must ensure that trade in natural resources contributes to stability, economic growth and diversification rather than conflict, corruption, poor governance and environmental degradation.

## 2. The EU’s support to natural resources and development

The EU understands the inter-play between development, Human Rights and natural resources. This is reflected in its legal base<sup>81</sup>, organisational structures<sup>82</sup>, political statements<sup>83</sup>, development objectives<sup>84</sup>, and as a signatory to several international treaties<sup>85</sup>.

Within the range of policy areas that the European Commission manages under its development policy, there is a specific policy for natural resource management. The view portrayed is that the poorest are extremely vulnerable to climate change and that protecting natural resources, biodiversity and avoiding environmental degradation is of utmost importance<sup>86</sup>. This vision fits with the EU’s own environmental policies but raises several questions about EU consumption levels and the coherence of other specific policies with development objectives.

Some aspects of EU development policy itself are closely related. For example, the efforts increasingly focused on assisting and encouraging developing countries to strengthen their capacities on domestic resource mobilisation<sup>87</sup> has a clear link to the wealth that developing countries could generate from the effective management of their natural resources, both renewable and non renewable. However, for a positive impact, transparency and good governance of the national governments in developing countries must be guaranteed. Equally crucial is the need for foreign investors to contribute to the levels of transparency needed.

Another challenge is to establish a sustainable and diverse economic base in a country and appropriate mechanisms to ensure that more men and women benefit from the wealth created. The transformative power of economic growth is promoted by the EU in Europe as well as in its relations with third countries<sup>88</sup>. It derives from an understanding of development and progress based on the EU’s own increased prosperity and levels of material well-being throughout its history. However, it is not necessarily supported by the policies that govern the EU’s own import of resources, which has different priorities.

Remarkably, the EU has a comprehensive understanding of the challenges that resource rich developing countries face and many EU programmes in partner countries are commendable.

However, there are clear examples of incoherence between some EU internal policies and development objectives. They have an inevitable impact on developing countries through direct trade and investment.

<sup>80</sup> Ibid, p. 1; Eurodad, CRBM, WEED and Bretton Woods Project (2008) Addressing development’s black hole: Regulating capital flight, p. 7

<sup>81</sup> Article 3(5) & 208 of the Treaty on the Functioning of the European Union

<sup>82</sup> European Environmental Agency that monitors and analyses EU’s level of consumption of natural resources <http://www.eea.europa.eu/>

<sup>83</sup> The European Consensus on Development of 24 February 2006 (2006/C 46/01), in particular paragraph 75 and 101

<sup>84</sup> Millennium Development Goals agenda in particular goal number 7; Council Conclusions of 2009

<sup>85</sup> UNCCD, UNCBD, UNFCCC, REDD+,

<sup>86</sup> [http://ec.europa.eu/europeaid/what/development-policies/intervention-areas/environment/land\\_management\\_en.htm](http://ec.europa.eu/europeaid/what/development-policies/intervention-areas/environment/land_management_en.htm)

<sup>87</sup> European Commission Communication on Tax and Development of 21 April 2010 (COM(2010)163 final) and subsequent Council Conclusions on Tax and Development of 14 June 2010

<sup>88</sup> European Commission Green Paper on EU development policy in support of inclusive growth and sustainable development of 10 November 2010 (COM(2010) 629 final)

### 3. Non-development policies that impact on the right of access to natural resources

Specific EU policies deal with the facilitation of access to certain resources or promote behaviour within the EU that necessitates the import of commodities and raw materials. Clearly, it is a complex area where many policies interact and influence the ability of the EU to access the natural resources (renewable and non-renewable) that it desires. Nevertheless, it is crucial that these policies do not, voluntarily or involuntarily, conflict with the EU's obligation to ensure PCD.

A fundamental point is to ensure that the EU's resource consumption is in line with its own view of sustainable resource management in developing countries.

Sustainable consumption of resources is central to tackling the environmental challenges that the world faces. The EU must reduce its own consumption of resources move towards a low-resource, sustainable economic model that promotes sharp increases in recycling and multiple use of products. This should be done to promote equitable use of the world's limited natural resources, and poverty reduction in developing countries.

#### 3.1 The Renewable Energy Directive

The 2009 EU Renewable Energy Directive (RED)<sup>89</sup> poses serious challenges to the achievement of the EU development objectives. Within the RED is a 10% target for renewable energy use in transport by 2020, an admirable goal. However it poses major problems for Human Rights and poverty eradication as it adds to the pressures on land and water in particular. Access to land and water are crucial natural resources and enablers of pro-poor development. Land is a key factor of production, which is essential to peoples' ability to achieve the right to food. 92% of the EU target will be met by first generation biofuels, which Europe has nowhere near enough land to produce<sup>90</sup>. As a result, companies are responding by moving to places where large amounts of land and water can be cheaply and easily acquired: predominantly the developing world, thus posing a real obstacle to food

<sup>89</sup> Directive 2009/28/EC of the European Parliament and the Council of 23 April 2009 on the promotion of the use of energy from renewable sources

<sup>90</sup> Institute for European Environmental Policy (November 2010) Anticipated Indirect Land Use Change Associated with Expanded Use of Biofuels and Bioliquids in the EU – An Analysis of the National Renewable Energy Action Plans

## Case Study: Dakatcha Community in Kenya

In Dakatcha, Kenya a community of 20.000 people's daily lives and livelihoods have been threatened by an attempt by an Italian company to acquire 50,000 hectares of land to produce the biofuels crop jatropha. This has happened without proper consultation of the community, nor any alternative land or compensation being offered to them. The company is responding to the growing market for biofuels in the EU driven by new targets on biofuels. The company was to lease the land at a rate of €2 per hectare per annum, well under the market rate and putting into question the idea of the benefits that biofuels companies are bringing to Africa. The community use the land to produce food, honey, medicine, for wood and for eco-tourism. This story is told and retold by different communities across Africa, Asia and Latin America as European investors move in to produce the biofuels that European does not have the land surface to produce themselves.

September 2011 update: Following intense pressure from civil society organisations, the Kenyan government has now banned jathropha in Kenya's coastal region, and the local authorities have out pressure on NII to stop their existing plantations in the region.

Source: ActionAid (May 2011) *Fuelling Evictions. Community cost of EU biofuels boom.*

[http://www.actionaid.org.uk/doc\\_lib/aa\\_dakatcha\\_report.pdf](http://www.actionaid.org.uk/doc_lib/aa_dakatcha_report.pdf)



Piers Benatar/Panos Pictures/ActionAid

security. A large number of these, and some of the most powerful, are European companies<sup>91</sup>. The EU has a clear role to play in monitoring and redressing behaviour by these companies either incentivised by certain EU policies or insufficiently regulated (see chapter on food security).

RED does include a clause that outlines a monitoring scheme on elements of social sustainability (article 23). Yet its inability to make these elements an integral part of the mandatory sustainability criteria, the presumed length of the process, and the uncertainty whether results will actually lead to necessary changes in the legislation means that it might be too late for many communities. With RED, the EU has essentially adopted a policy which is provoking Human Rights violations, undermining the fight against poverty and flouting its PCD obligation<sup>92</sup>.

The Dakatcha case in the box illustrates a wider problem which is unfolding across Africa and in other parts of the developing world, where land rights are already under threat. This is incoherent with the EU's development objectives. In the specific case of Dakatcha, there is a dual responsibility of the country that gives the green light to the investments as well as of those implementing the policies that drive the investment, i.e. the EU.

Therefore, CONCORD recommends that:

- The EU revises its 10% target in the Renewable Energy Directive;
- The EU ensures that policies that assist in driving global trends such as the grabbing of land and water include strong sustainability criteria that cover both social and environmental aspects equally comprehensively.

### 3.2 Raw Materials Initiative

The EU is committed to pursuing peace and security, the rule of law and respect for Human Rights through its Common Foreign and Security Policy (CFSP). It is also highly dependent for its own prosperity on the secure and predictable import of oil, gas and other commodities. In 2009, imports of fuels and mining products to the EU were worth 325 billion Euros<sup>93</sup>.

The EU Raw Materials Initiative<sup>94</sup> seeks to ensure both a secure supply of raw materials for the EU and to facilitate development and security in producing countries. In turn, this facilitates a secure supply. Yet looking more closely at the policy clearly exhibits a hierarchy of value between the two objectives. The latter (development and security in producing countries) requires that the EU ensures that its actions, and those of EU companies, governments and banks, do not contribute to corruption, conflict, and poor and unaccountable governance in natural resource rich countries.

The risk of violation of rights is twofold. Firstly, countries miss out on tax revenue because of the current flawed regulation of (often European) companies. This presents a lost opportunity to generate revenues so vital for poor countries. The second is a lack of transparency and regulation of companies, which drives corruption, conflict and unaccountable governance so that people in resource rich countries do not benefit from the revenues that the country generates. Simply increasing revenue generation and collection does not necessarily bring about equitable and just development. As a result, the EU is in danger of not failing its own obligations on Policy coherence for

<sup>91</sup> <http://www.guardian.co.uk/environment/2011/may/31/biofuel-plantations-africa-british-firms>

<sup>92</sup> Article 208 of the Treaty on the Functioning of the European Union, and article 21 of the Treaty on the European Union.

<sup>93</sup> WTO International Trade Statistics 2009 (last accessed 20 of July 2011).

<sup>94</sup> European Commission Communication tackling the challenges in the commodity markets and on raw materials of 2 February 2011 (COM(2011) 25 final)

Development. The lack of coherence of the Raw Materials Initiative was also pointed out by the European Parliament in 2011<sup>95</sup>.

The revenues earned by developing countries from natural resources represent the largest flow of money from the developed to the developing world. This represents a hugely important source of revenue for the latter with the potential to lift millions out of poverty. Instead, the trade in natural resources has often helped contribute to poverty and suffering. In some countries, such as the Democratic Republic of Congo -which supplies the EU with 71% of its Cobalt needs-<sup>96</sup>, competition over natural resources has fuelled armed conflict. This is fuelled when foreign companies source minerals from actors who use revenues to fund conflicts. In others, such as Turkmenistan, natural resource wealth has fuelled corrupt and repressive regimes. Part of the problem is that foreign companies pay bribes and do not disclose legitimate payments they make, fuelling corruption and unaccountable governance. Another part are opaque financial institutions in Europe that have been used to facilitate high level corruption and commodity-fuelled conflict. They have allowed corrupt elites and warlords to deposit looted revenues from natural resources in EU banks, enabling them to spend the revenues without hindrance and maintain their grip on power<sup>97</sup> (see section on Transparency Directive).

As a result of these failures to regulate European companies and banks, the revenues that are raised in partner countries are currently not being directed to more sustainable and job-intensive sectors of the economy. An associated problem is that the RMI presents no incentives for developing countries to engage in the value added process. Instead, there is a preference that they export pure raw materials for processing and value-adding in Europe or elsewhere. This exemplifies a huge missed opportunity for developing countries to generate wealth in a larger and more sustainable manner than the simple export of raw materials (see section on trade).

#### **CONCORD recommends that:**

- the EU encourage value-added process of raw materials and natural resources in developing countries;
- the EU upholds the 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas' and enshrines its provisions in law.
- the EU ensures that European laws against bribery are effectively enforced.
- the EU should strengthen and properly enforce its anti-money laundering regulations.
- the EU ensures that European companies no longer engage in tax avoidance and thereby impede developing countries ability to raise domestic revenues crucially needed and rightfully theirs;
- instead of promoting the unilateral Raw Materials Initiative as it is today, the EU should support a transparent international process for the world community. The aim should be to address how to cooperate in managing raw materials in order to reduce global over-consumption and transfer knowledge on the sustainable management of resources.

<sup>95</sup> European Parliament resolution of 13 September 2011 on an effective raw materials strategy for Europe (2011/2056(INI))

<sup>96</sup> European Commission Communication tackling the challenges in the commodity markets and on raw materials of 2 February 2011 (COM(2011) 25 final)

<sup>97</sup> Global Witness (March 2009) Undue Diligence. How Banks do Business with Corrupt Regimes; Global Witness (November 2009) The Secret life of a Shopaholic. How an African dictator's playboy son went on a multi-million dollar shopping spree in the U.S.; Global Witness (October 2010) International Thief. How British Banks are Complicit in Nigerian Corruption.

## Case Study: Mopani Copper Mines in Zambia

Glencore, the world's biggest commodity trader, excited the financial world by announcing its entrance to the London Stock Exchange in May 2011. But Glencore's flotation has also helped to highlight the need for multinational companies generally to reveal more about their finances, in order to help governments to collect the taxes their countries are owed.

Glencore owns most of a copper mining firm in Zambia which, a leaked auditors' report suggests, may have conducted a series of tax irregularities. The auditors, from accountants Grant Thornton and the Norwegian firm Econ Poyry, said they did not trust what the copper mine had told them about its costs. They also suggested that the copper mine have used derivatives trades to shift profits out of Zambia. Both allegations suggest that the mining company, Mopani Copper Mines Plc, may be artificially reducing its profits in Zambia. Glencore, for its part, strongly denies Mopani has done anything wrong. At the same time the company previously obtained a EUR 48 million development loan from the European Investment Bank.

What is certain is that Zambia desperately needs tax revenues, notably for funding public services. In Zambia average life expectancy in the country is 46. Higher tax

revenues could pay for better health and education systems which allow people to live fuller lives. Tax dodging is a particular problem for developing countries, whose tax authorities often lack the resources to be able to tell whether wealthy individuals and companies are paying the right amount of tax.

Financial secrecy is at the heart of the problem and one of the reforms which would help to solve it is greater transparency, not least in the accounts of multinational companies. A new requirement for companies to report their profits, sales, and taxes for every country in which they operate would help governments to identify suspicious cases where companies appear to be avoiding tax.

The improved transparency brought by country-by-country reporting would give power firmly back to the people. With more information available about companies' tax payments to governments, citizens will be able to put pressure on politicians to see it is spent well. Companies too will come under more scrutiny, and be forced to explain their tax planning practices or risk consumer boycotts.

Sources: Christian Aid / Counterbalance / Friends of the Earth / Eurodad



MORE THAN US\$ 1  
TRILLION IS ILLEGALLY  
MOVED OUT OF  
DEVELOPING COUNTRIES  
EVERY YEAR. 2/3 IS DUE  
TO COMMERCIAL TAX  
EVASION

### 3.3 Transparency Directive

The first step towards enabling developing countries to make effective use of their natural resources is to ensure greater disclosure and public oversight of the revenue flows to governments from extractive companies.

Transparency in this area would deter governmental corruption and help to tackle the problem of corporate tax avoidance and evasion, which drains revenues from the coffers of poor countries.

In many countries rich in natural resources such as the Democratic Republic of Congo, Cambodia and Peru, local civil society organisations have highlighted that citizens have little or no information about the terms of deals signed between extractive companies and their governments. Nor about how much money is being paid to their countries in revenue or whether this is appropriate in relation to the profits being generated. When people know how much money is given and received for the wealth beneath their feet, they can ask their government questions about the fairness of these revenues and demand that it spends adequate proportions on public services, such as schools, hospitals and water provision.

Whilst the EU's support for the Extractive Industries Transparency Initiative<sup>98</sup> is welcomed, this is not sufficient to tackle the misappropriation of natural resource revenue.

In 2004, the EU adopted legislation that defines the minimum requirements on periodic financial reporting and the disclosure of major shareholdings for companies that trade securities on regulated markets in EU Member States; the so-called Transparency Directive<sup>99</sup>. This aimed at enhancing transparency on EU capital markets.

Before the end of 2011, the European Commission will make proposals to revise this legislation as well as accounting rules. This is an opportunity to strengthen the system and enable EU companies to demonstrate the value of their financial contribution to developing countries. A disclosure of financial information on a country-by-country and project-by-project basis is needed in order to better monitor businesses' operations and dealings with governments. Companies should also be required to disclose revenues, sales, profits and a total value for intra-group transactions, so as to curb the risk of tax avoidance and evasion. This information would allow resource rich

developing countries to gain access to the information they require helping tackle corruption and more accurately calculate the tax liabilities of large multi-national companies operating in the extractive industries, especially those domiciled in EU Member States or their offshore jurisdictions, and their subsidiaries.

CONCORD urges the EU to:

- require all European companies extracting natural resources to disclose their financial information on a country-by-country and project-by-project basis;
- tighten its money-laundering regulations so that the EU financial system, including offshore tax havens under the jurisdiction of EU Member States, is not used to facilitate tax evasion and avoidance and the laundering of looted public funds from developing countries;
- ensure that all EU Member States have public registries of the ultimate owners of corporate and legal vehicles, known as the beneficial owner.

### 3.4 EU trade policies

Europe's trade with developing countries should be sustainable, support people, their Human Rights, and enable those countries to protect and develop their domestic processing industries and the environment.

The tension between Human Rights and trade is obvious and much discussed. The EU founding treaties stipulate that trade must comply with Human Rights<sup>100</sup>. There are also Human Rights clauses in all of the EU's preferential trade schemes. However, in practice, the EU is very hesitant to make effective use of it. They argue that sensitive issues are better addressed from a broader governance perspective and that cooperation and dialogue are the favoured tools to achieve improvement of Human Rights situations. Preferential trade regimes are an incentive based tool to support development purposes not to be used to 'punish' developing countries. Such an approach means that if the EU imports and provides a market for products produced in violation of Human Rights, it's violating the EU's own Human Rights obligations. Therefore specific product related sanctions can be an effective way to improve the Human Rights situation. This may be in contrast to general trade sanctions.

<sup>98</sup> <http://eiti.org>

<sup>99</sup> Directive 2004/109/EC of the European Parliament and the Council on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market of 15 December 2004

<sup>100</sup> Articles 207 and 3(5) of the Treaty on the Functioning of the European Union

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If the EU is to support development as well as the principles of justice and equity, it is vital that developing countries are in a position to reap the full benefits from their raw materials and natural resources, including through taxing the extraction companies and using policy measures to encourage in-country value addition, as discussed above. It is also important that they are free to manage those raw materials in the interest of their populations and the environment – by for example adopting policies to discourage extraction or exportation.

At present EU trade policy-making runs counter to this, focusing instead on establishing a supply of cheap raw materials to be processed -and the benefits reaped- in Europe. This extremely unbalanced trade structure has a deeply negative effect on countries which get stuck in the role of raw material suppliers, never moving up the value chain to get more value from their natural resources.

To re-balance policy in this area, the EU should:

- fully respect the right of developing countries to use export restrictions in the public interest;
- stop pushing for the elimination of, or restrictions on the use of, export taxes in all fora, such as trade negotiations at the WTO, in bilateral Free Trade Agreements and Economic Partnerships Agreements and in other processes such as Generalised System of Preferences;
- refrain from abusing Trade Defence Instruments to counter the use of export taxes.

#### 4. Conclusion

The EU still has some way to go to fulfil its obligation on PCD, as to be regards to the role of natural resources in the EU's economy. On the one hand, the EU encourages monetarisation and free trade of natural resources. On the other, it recognises the need for this to go in tandem with the abilities of countries to realise their people's rights through adequate transparency, right to information and ultimately rights to food, land, and other natural resources. In the best cases, the EU putting in place safeguards for these principles not to be violated. In the worst, the EU is fuelling the resource curse, bad governance and siphoning of profits that should have been raised as domestic revenues in line with the EU's own vision for developing countries financing for development.

section

# four

**NO** LOW-INCOME  
FRAGILE OR CONFLICT-  
AFFECTED COUNTRY  
HAS YET ACHIEVED A  
SINGLE MDG

# Human security: the nexus between development and security

4.0

In States that are in conflict or post-conflict situations, the government often lacks the ability to satisfy the basic needs of the population. They face difficulties controlling their own territory and have a weak rule of law. Such countries tend to have a democratic deficit and human rights violations are common. One of the major threats to poverty eradication is a return to armed conflict.

## 1. Human Rights at the core of Human Security

More than 740,000 men, women and children die each year as a result of armed violence in the world. Armed conflicts cost Africa around \$284 billion between 1990 and 2005. That is almost as much as the total amount of development aid the continent received in the same period. Furthermore, fragile States are way off-course for meeting the Millennium Development Goals (MDGs), with only 14% on track to achieve MDG on maternal mortality, 17% on track to achieve the HIV/AIDS MDG, and 28% on track to achieve the gender equality MDG<sup>101</sup>.

The security and development agenda materialised at EU level with the Council Conclusions on Security and Development and again on an EU response to situations of fragility in 2007. They stem from the recognition “that there cannot be sustainable development without peace and security, and that without development and poverty eradication there will be no sustainable peace”. However since then there has been little progress to put this nexus in practice, that is, defining how security policies can support development objectives and how aid can be more effective in tackling root causes of insecurity and conflict.

At the same time, global military spending levels – stimulated by the war on terrorism – have climbed back to the heights they reached during the Cold War. The current total military expenditure is a colossal sum of money; one that – if it could be re-allocated - would be sufficient to achieve the MDGs five times over<sup>102</sup>. While military spending in Europe fell slightly in 2010 due to the economic crisis, military spending remains high at \$382 billion<sup>103</sup>. Four EU Member States are on the top ten list of the world’s biggest military spenders, namely the UK, France, Germany and Italy.

The core of human security is the fundamental rights to life, physical safety and freedom from premature and preventable death. Human security is often defined as “freedom from want and freedom from fear” and the UN Human Security Commission agrees that it entails a “clear focus on individual human lives in contrast to the notation of national security in the military context”<sup>104</sup>. The primacy of Human Rights is what distinguishes the human security approach from traditional State-based approaches.

The 1994 UN Human Development report referred to 7 realms of human security. However, if a person has low sense of security triggered by events in one area of life, then most likely human security is compromised in other realms, too. Human security can affect both men and women. Yet, due to the prevalence of violence against women, they may often be at risk in ways different to men. Therefore human security should include a clear women’s rights perspective<sup>105</sup>. The UN Security Council Resolution 1325 on Women Peace and Security needs to be at the centre: it is not just a matter of protecting women from violence in war but about empowering women through the security agenda.

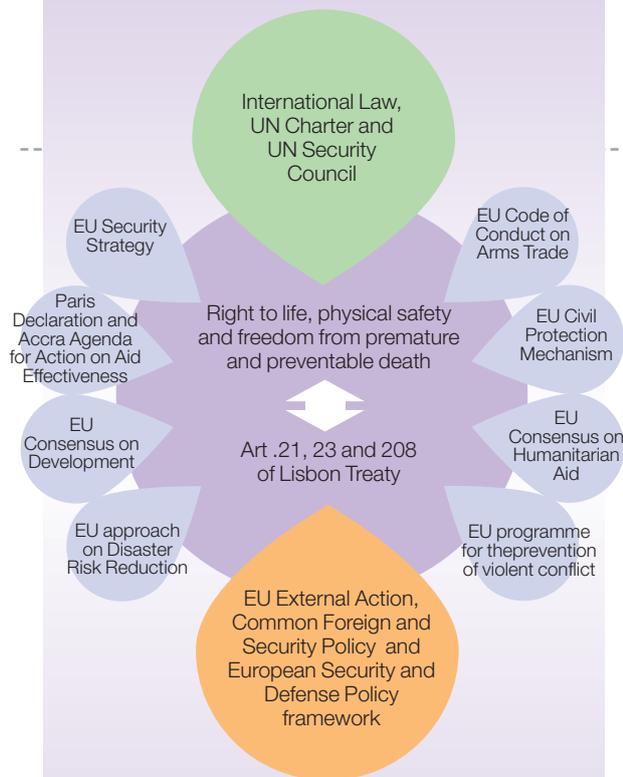
<sup>101</sup> Oxfam (2007) Africa’s Missing Billions; Saferworld (2011) The Securitization of Aid? Reclaiming security to meet poor people’s needs.

<sup>102</sup> International Peace Bureau (2010) What does development cost?

<sup>103</sup> SIPRI Yearbook 2010

<sup>104</sup> UN Commission on Human Security (2003) Human Security Now

<sup>105</sup> The Funders’ Network for Afghan Women (2009) Getting it right: security, peace and development for Afghan women.



*The Union's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of Human Rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law (Art. 21 TFEU)*

CONCORD favours the definition of human security provided by the International Commission on Intervention and State Sovereignty in its report on the Responsibility to Protect (2002): *Human security means the security of people – their physical safety, their economic and social well-being, respect for their dignity and worth as human beings, and the protection of their human rights and fundamental freedoms.*

The primacy of human rights is what distinguishes the human security approach from traditional state-based security approaches. The core of human security is the fundamental rights to life, physical safety and freedom from premature and preventable death. Human security is often defined as “freedom from want and freedom from fear”.

As a broad, flexible and context-specific concept, human security provides a dynamic framework that enables the development of solutions that are embedded in local realities. An adequate conception of human security must comprise not only a working definition of human security, but also an account of the process by which individual institutions or nations can adapt and operationalise the concept to a form that is relevant to their own institutional capabilities and cultural contexts. Unfortunately, both are lacking at EU level for the moment

DESPITE THE  
ECONOMIC CRISIS,  
GLOBAL MILITARY  
SPENDING REMAINS  
AS HIGH AS US\$382  
BILLION IN 2010

## 2. EU Policies in practice

### 2.1 How to put the development-security nexus in practice

*Violent conflicts cost lives, cause Human Rights abuses, displace people, disrupt livelihoods, set back economic development, exacerbate State fragility, weaken governance and undermine national and regional security. Preventing conflicts and relapses into conflict, (...) is therefore a primary objective of the EU's external action (Council Conclusions on Conflict prevention of 20 June 2011)*

The European External Action Service (EEAS) was introduced by the Lisbon Treaty to help conduct and coordinate the EU's foreign affairs and security policy. Consistent with the Treaty's provisions, Europe's primary goal should be to establish rights-based foreign policies and fair and mutually beneficial cooperation with third countries. The EU should not advance its economic and security interests to the detriment of beneficiary countries and their populations. Contradictions between security and development goals begin when the object of security initiatives becomes merely about the State's safety, safeguarding EU investments and access to raw materials rather than the protection of people. Human security and justice should therefore be considered as basic entitlements and should be provided for the benefit of the people in respect of their rights and in response to their feeling of insecurity. Human development and human security share four fundamental perspectives: they are people-centred; they are multi-dimensional; they have broad views on human fulfillment in the long term; and they address chronic poverty<sup>106</sup>.

The human security approach urges institutions like the EEAS to offer protection which is institutionalised, responsive, preventative. In this way, people will face inevitable downturns “with security”.

It is concerning that countries and regions of strategic importance to the EU would benefit most from efforts and financial support. This would come to the detriment of countries and regions where needs are greater, but which may be of less strategic interest to the EU. The EEAS is responsible for European security and will also be closely involved in aid programming. Therefore it is important to ensure that the EEAS recognises and abides by the reality

<sup>106</sup> Amartya K. Sen (2000) Why Human Security? Text of presentation at the 'International Symposium on Human Security' in Tokyo, 28 July, 2000.

that aid driven by regional and global security concerns has historically been the least conducive to human development. The prioritisation of long term conflict prevention that aims to address the root causes of conflicts through the adoption of 'conflict-sensitive' approaches can be a way forward. It can ensure the security and development nexus is a mutually reinforcing dynamic. The relationship between the concept of human security and Common Security and Defence Policy (CSDP) missions should be explored in this regard. The ambivalent concept of security underlying CSDP missions hampers their effectiveness. Human security, for which the EU should adopt a working definition in line with UN debate, must be clearly endorsed in the mandates of CSDP missions and be their driving force. Human security should constitute the nexus between short-term and long-term impact of missions. The implementation of the commitments made by the EU should be enhanced by the setting up of the EEAS.

#### Recommendations:

- **Screening of policies and programmes:** Conflict sensitivity has been identified as a very important approach to contribute to conflict prevention. All EU external policies should be subject to an analysis of their impact on conflict dynamics and according to a holistic human security concept that includes the "EU Comprehensive Approach"<sup>107</sup> addressing gender in conflict as well as the EU Gender Action Plan's recommendation related to conflict<sup>108</sup>.
- **Coordination:** The EEAS should provide the EU and its Member States with the ability to coordinate and employ the appropriate range of policies, incentives and instruments available for complex situations. Whilst upholding its fundamental principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law, including Human Rights. It is crucial that these interventions are in accordance with the objective of eradication of poverty, as foreseen by the obligation of Policy Coherence for Development (PCD).
- **Transparency and Accountability:** The EU and its Member States have a joint responsibility to ensure that decision-making processes leading to joint initiatives in favour of peace and human security are transparent and democratic. Information on their implementation must be made available to national and European parliaments and to civil society actors, including Women's Rights organisations, and populations directly or indirectly concerned by the operation.
- **Security constellations:** When elaborating holistic responses to human security needs, it is necessary to include all relevant security providers and proponents in a coordinated effort to strengthen human security. Priorities to be addressed should be identified through a survey of perceived threats to human security by the population and the intensity of the feeling of insecurity – disaggregated by different target groups. The EEAS should revolve around helping individuals work together with their local civil society networks, communities, and national governments to improve peoples' skills in achieving security and in providing different human security strategies.
- **Responsible investment policies and monitoring:** Responsibility of the EU in developing countries and in particular in conflict-prone areas should be addressed by regulating all European, or European facilitated, investments to conflict sensitive corporate social responsibility principles. Guidelines and monitoring mechanisms should be established in this view for all public or private investments supported -even partially or indirectly- or facilitated by EU or Member States public resources.

<sup>107</sup> Comprehensive Approach to the EU Implementation of UNSCR 1325 and 1820 on women peace and security

<sup>108</sup> European Commission (2010) Commission Staff Working Paper on EU Plan of Action on Gender Equality and Women's Empowerment in Development 2010-2015 (SEC(2010) 265 final)

## Case Study: European Strategy for Security and Development in the Sahel

The Joint EC-EEAS paper, European Strategy for Security and Development in the Sahel was endorsed by EU Member States in March 2011<sup>109</sup>. It is the first geographic security strategy adopted since the establishment of the EEAS and provides a good example on how internal EU security concerns may influence the way EU development cooperation and funding is used and targeted; a clear case of lack of coherence for development.

Both the analytical and programming parts of the strategy focus exclusively on security issues and are short at putting them in a broader context of development challenges and economic and political cooperation at regional level. There is no analysis of past and current EU cooperation and its possible impact, no 'do no harm' reflection, no in-depth analysis of the origin of the present problems and no discussion on opportunities and aspects of development which are not directly related with security. Indeed, the strategy is mainly a response to new urgent priorities with regard to EU security: "Preventing AQIM (Al-Qaida in the Maghreb) attacks and its potential to carry out attacks on EU territory, to reduce and contain drug and other criminal trafficking destined for Europe, to secure lawful trade and communication links (roads, pipelines) across the Sahel, North-South and East-West, and to protect existing economic interests and create the basis for trade and EU investment. Improving security and development in Sahel has an obvious and direct impact on the EU internal security situation".

In spite of the regional dimension of the problems and the role to be played by other Sahel and Maghreb countries in countering AQIM threats as well as drug and arms trafficking, the EU strategy focuses on three countries only, Mauritania, Mali and Niger. Moreover, while regional actors like the African Union, the Arab Maghreb Union and the ECOWAS and its crisis-response mechanism are mentioned, the way the EU intends to support them is unclear. The three countries are qualified as "fragile States with fragile governance and unresolved internal tensions". This seems to justify the fact that the new strategy ignores partner countries' policies and priorities or their broader development and political context.

The strategy is mainly based on EU's expectations and analysis and, as far as we know, has been developed without any consultation of non-State actors or concerned populations. While 20% only of the 10th European Development Fund (EDF) have been spent so far in Mali, the EU comes with fresh EDF money to be spent on new priorities with a new geographic focus with the objective of increasing the three States' capacities to "fight threats and handle terrorism and organised crime in a more efficient and specialised manner".

Of course, security is important for development in the Sahel, however this strategy fails to analyse and address long-term human security and development challenges of the region and to take Sahel States and populations' own vision and aspirations into account and its long-term impact on development en human security is consequently doubtful.



<sup>109</sup> European Union External Action Service (2011) Strategy for Security and Development in the Sahel

## 2.2 The EU Programme for the Prevention of Violent Conflict

*“The Union shall define and pursue common policies and actions, and shall work for a high degree of cooperation in all fields of international relations, in order to (...) preserve peace, prevent conflicts and strengthen international security (...).” Article 21.2-c) TFEU*

In 2001, the EU adopted an ambitious Programme on the prevention of violent conflicts, aiming to respond to on-going and emerging challenges around the world<sup>110</sup>. One of the objectives was then to strive for coherence across a wide range of policy areas (security, development, trade, etc.) to ensure that, at best, they would mutually reinforce their contributions to preventing conflicts, or, at least, that their respective implementation would not undermine each other's impact. This actually requires that conflict prevention is mainstreamed across all external action instruments, which has a number of strategic, institutional and practical implications. It means that EU policies, strategies and programmes should be more “conflict-sensitive” to avoid doing harm, and to the maximum extent possible use the opportunities to build long term peace. In order to do so, the EU also needs the adequate instruments and practices, embedded in a conducive institutional culture that will favor a long term preventative approach.

However, we are still facing a significant implementation gap whereby the commitments made since 2001 have yet to be translated in concrete and systematic measures across the EU institutions, policies and programming processes. Instead, the EU has concentrated its efforts in building short term crisis management and crisis response capacities. Whereas these instruments are important in addressing conflicts around the world in the short term, their contribution cannot be considered as a preventative response, driven by a long term vision.

It has also failed to mainstream conflict-sensitive practices, for example through the systematic use of conflict analysis to inform Country Strategy elaboration and programming processes, and then monitor and evaluate their impact against progress or setbacks on the conflict dynamics. Some good practice exists, but it is still undertaken on an ad hoc rather than a systematic basis.

The EU has gradually strengthened its relations with civil society on these issues, in order to better link its decisions to the needs of people and not only that of the State. It has also realised in recent years that in order to achieve positive changes in third countries, it needs to support and empower the actors in broader society to demand better governance and service delivery from their State institutions, and be in a position to hold the State into account. However, once again, this people-centred perspective, which is central to conflict prevention and human security, is not applied systematically enough.

### Recommendations:

Ten years after the adoption of the Gothenburg programme, the EU should take advantage of the establishment of the EEAS, to take the necessary steps to ensure that conflict prevention becomes central to its external actions, by:

- raising awareness across the institutions on the rationale, benefits and practical implications of mainstreaming conflict prevention;
- setting up the appropriate institutional mechanisms enabling an integrated and conflict-sensitive approach to country and regional strategies, programming and assessment across the EU;
- putting more emphasis on strengthening sustainable State-society relations through balanced support to the actors of positive change in the wider society;

<sup>110</sup> EU Programme for the prevention of violent conflicts (Gothenburg Programme) June 2001

### 3. EU Arms Trade policies

The export of arms poses a huge threat to human security. Arms are used to kill people and force them to flee. Selling arms to unstable regions increases the risk of armed violence breaking out. Huge sums of money that could be spent on health care, education and other public goods are spent on arms. Several EU Member States are large arms exporters, and this is one area where economic and/or security self-interest clearly clash with ambitions for increased PCD. Despite this, the selling of conventional arms is not at all addressed in the EU's PCD Work Programme 2010- 2013.

In the period 2006-2010, the USA and Russia were the world's largest arms exporters; followed by Germany, France, the UK, the Netherlands, China, Spain, Italy and Sweden<sup>111</sup>. In December 2008, the EU Code of Conduct on Arms Trade was converted into the legally binding Council Common Position 2008/944/CFSP defining common rules governing the control of exports of military technology and equipment (but it does not include commercial civilian arms). It states that "Member States are determined to prevent the export of military technology and equipment which might be used for internal repression or international aggression or contribute to regional instability." However, the Common Position has done little to prevent EU exports to Human Rights abusers and conflict hotspots. Saudi Arabia received about 20% of the UK's export of conventional arms in 2010. The EU granted export licenses for €834.5 million worth of arms exports to Libya in the first five years after the arms embargo was lifted in October 2004. India and Pakistan have bought large amounts of arms from EU countries despite the fact that they have been engaged in a long-term conflict with one another.

Furthermore, the EU Common Position says that Member States must take into account whether the proposed export would seriously hamper the sustainable development of the recipient country when assessing applications for export licenses. Despite this, EU countries sell arms to countries suffering from severe poverty. For example, in 2006, Sweden gave the go-ahead to export a military radar surveillance system to Pakistan for €814 million, which is 12 times more than Pakistan's annual budget for water and sanitation<sup>112</sup>.

IN THE PERIOD 2006-2010,  
THE USA AND RUSSIA WERE  
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EXPORTERS, FOLLOWED BY  
GERMANY, FRANCE, THE UK,  
THE NETHERLANDS, CHINA,  
SPAIN, ITALY AND SWEDEN.

The establishment of the EU Common Position has been accompanied by development towards a more unified European Defence Market<sup>113</sup>. The 2009 Directive on intra-EU transfers of defence products<sup>114</sup> poses new challenges regarding Member States' future possibilities to have full control over the ultimate destination of defence equipment that leaves the EU via other Member States.

The various research programs, think tanks and parliamentary intergroups which have been involved in the development of the European CFSP have also been shown to entail close ties to the largest European defence companies. This is a matter of concern for an open and transparent monitoring of the impact of EU Member States arms trade<sup>115</sup>.

#### Small arms and light weapons

The problem of small arms and light weapons (SALW) poses a huge threat in many societies, rich and poor. 740,000 people are victim of armed violence every year; for the majority of them, i.e. 490,000 persons, this occurs in countries that are not affected by armed conflicts<sup>116</sup>. Armed violence affects all societies, all countries and people of all walks of lives. Women are disproportionately affected by gun violence. Although men comprise around 90% of deaths by guns, they are almost 100% of the buyers, sellers and users. Women are also victimised by sexual violence at gunpoint, through threats and other trauma, and through their role as caregivers and survivors. In this way, armed violence is a heavily gendered phenomenon<sup>117</sup>. The EU is engaged in the negotiations on the Arms Trade Treaty, a multi-lateral treaty that would control the international trade of conventional weapons, including SALW. It is being officially negotiated within the UN framework and can be a very important step for increased arms control. In addition, SALW has been addressed by the EU in its Strategy to combat illicit trade and excessive accumulation of SALW and their ammunition in 2005.

<sup>111</sup> [http://www.sipri.org/googlegmaps/at\\_top\\_20\\_exp\\_map.html](http://www.sipri.org/googlegmaps/at_top_20_exp_map.html)

<sup>112</sup> The Gothenburg Process: Christian Council of Sweden, Life & Peace Institute, Swedish Mission Council, Swefor (2009) Clearer rules needed for EU arms trade

<sup>113</sup> Flemish Peace Institute (2010) The Common Position on arms exports in the light of the emerging European defence market

<sup>114</sup> Directive 2009/43/EC of the European Parliament and the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community

<sup>115</sup> <http://www.corporateeurope.org/publications/arms-industry-lobbying-guide-brussels-frontline>  
<http://www.tni.org/sites/www.tni.org/archives/reports/militarism/eumilitary.pdf>

<sup>116</sup> UNDP [http://www.undp.org/cpr/we\\_do/armed\\_violence.shtml](http://www.undp.org/cpr/we_do/armed_violence.shtml)

<sup>117</sup> Vanessa Far, Henri Myrntinen & Albrecht Schnabel (2009) Sexed Pistols, the Gendered Impacts on Small Arms & Light Weapons

### Recommendations:

- Mechanisms should be put in place to ensure that the principles in the EU Common Position on control of exports of military technology and equipment are respected. Thus, the EU Member States should keep under constant review the Human Rights situation in countries to where EU Member States export arms. They should also agree on a list of countries involved in armed conflicts to which arms exports should be banned in principle. The EU's own economic interests must be subordinated to sustainable development and human security in the receiving country.
- In the development of a European Defence Market, it is important to further develop and reinforce the existing instruments in the Common Position with the objective of achieving an effective EU arms export control mechanism as a complement to the unified European defence market.
- Transfers of conventional arms should be addressed in the EU's future PCD Work Programme.
- Regarding the Arms Trade Treaty, the EU should push for a legally binding international instrument establishing common international standards for the import, exports and transfers of conventional weapons. The Treaty should require State Parties to assess all applications of arms trade against the highest possible standards and parameters, including the respect for Human Rights, the Convention on the Rights of the Child on the involvement of children in armed conflict, and international humanitarian law, and a thorough analysis of the risk of diversion to unintended users. The Treaty should include transparency, monitoring and assistance provisions.

### 4. Aid Effectiveness in fragile States and militarisation of aid

When it is suggested that development aid is used to “promote security”, the key questions are about how it is used, where, and for what purpose. While we must guard against the potential negative effects of linking development more closely with security, we must equally recognise aid's potential to promote increased human security and justice.

Donors increasingly direct development assistance towards fragile States and zones of conflict. In 2009, Official Development Aid (ODA) to fragile States increased of 11% and in total represented one third of all ODA. This increased commitment is in accordance with EU and Member States' policies and aid strategies. An increasingly common rationale used by donors is that ODA should not only alleviate poverty but also be fully integrated within foreign policy and in some cases combined with defence policy of Member States.

ODA to zones of conflict and fragile States is often integrated in comprehensive approaches that combine foreign policy and diplomacy, development assistance and in some cases military support. Development assistance is in this context frequently seen as an intervention that boosts the impact of other types of support, i.e. military or diplomatic. More and more countries are in favor of broadening the OECD/DAC definition and reporting guidelines of ODA in order to enable military spending to be counted as ODA.

Of specific concern is the practice to use ODA as a force multiplier for military support which mostly relates to the Afghan context (see Afghanistan example in the box). Some EU donors have made their aid conditional on the political and military cooperation of communities and aid organisations. Military forces have been used to deliver aid. Research shows that such use of ODA is costly, exacerbates conflict and produces poor development outcomes in Afghanistan<sup>118</sup>. In some instances these initiatives have also turned beneficiary communities into targets of attack.

In contrast with the Paris Declaration's principles on local ownership, alignment and mutual accountability, EU crisis responses and Member States' comprehensive initiatives are often driven by their own political and security objectives rather than local needs. Donor-driven agendas also impact on prospects for coordination with other donors, international and regional actors, as well as the local State and civil society organisations. When implemented within the right framework, development assistance can deliver important support in fragile States. Such framework is under discussion in the International Dialogue on Peace-building and State-building in which fragile States are taking a growing leadership and that produced the Monrovia Roadmap on Peace-building and State-building anchored on 5 main objectives<sup>119</sup>:

- Legitimate Politics - Foster inclusive political settlements and conflict resolution
- Security - Establish and strengthen people's security
- Justice – Address injustices and increase people's access to justice
- Economic foundations – Generate employment and improve livelihoods
- Revenues and services - Manage revenues and build capacity for accountable and fair social service delivery

<sup>118</sup> Andrew Wilder and Stuart Gordon (2009) Money can't buy America love

<sup>119</sup> [http://www.oecd.org/site/0,3407,en\\_21571361\\_43407692\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/site/0,3407,en_21571361_43407692_1_1_1_1_1,00.html)

## Case Study: Afghanistan - Aid and civil-military relations

25 out of 27 EU Member States have contributed to NATO's Afghanistan ISAF force and provide development assistance to the Afghan Government or the trust funds established by the international community. Under the auspices of 'comprehensive approach' a large part of Member States development funding is directed to areas in which the same State has troops. This exposes European development assistance to two types of difficulties: i) the coordination of assistance and alignment with national reconstruction directives is vague. Incentives and priorities of the individual EU State often take precedence on the Afghan National Development Strategy (ANDS); ii) several States try and use development assistance as a 'force multiplier' for diplomatic and military efforts.

The Peace and Reintegration Trust fund serves as a good example of challenges inherent in securitisation of aid. The trust fund was developed in 2010 to act as a new soft counterinsurgency tool. Low-level opposition group fighters would be given jobs and vocational training in exchange for allegiance towards the Afghan government. As such, development aid in the thematic area of vocational training was connected to military strategy. Despite the fact that vocational training is a national development priority that features in the ANDS, its connection to military aims confuses the implementation of any new project. Is the implementing agency working to support community based capacities or is it trying to diminish the recruitment base of armed opposition groups? Furthermore the question is whether the decisions to implement vocational training programs are based on local needs or the strategic value of specific districts in the counterinsurgency campaign.

The development of the trust fund and its implementation is also problematic from the perspective of Afghan women and the UN Security Council Resolution 1325 on

women, peace and security. Women were only marginally involved in the decision-making process leading up to the Afghan Peace and Reintegration plan and the trust fund. Grave concerns therefore remain as to how the trust fund will affect women's position in local communities.

With regards to participation, Afghan women have been marginalised throughout the decision-making process. At the London Conference in January 2010 and the Kabul conference in July 2010, women participants were basically ignored by organisers. On its own initiative, the Afghan Women's Network (AWN) prepared a statement, and one representative was invited to read it at the conference. Any funding for peace and reintegration efforts in Afghanistan should be conditioned to the meaningful participation and involvement of women in high negotiation and decision-making bodies. Women should be consulted and their needs and rights must be considered in the design and implementation of programmes funded by the Peace and Reintegration Trust Fund.

*Sources: Human Rights Watch (July 2010) The Ten-Dollar Talib and Women's Rights. Afghan Women and the Risk of Reintegration and Reconciliation; Kroc Institute for International Peace Studies (October 2010) Afghan Women Speak. Enhancing Security and Human Rights in Afghanistan; CARE (October 2010) From Resolution to Reality. Lessons learnt from Afghanistan, Nepal and Uganda on women's participation in peacebuilding and post-conflict governance.*



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**Recommendations:**

- There should be no further erosion of the civilian character of development cooperation and ODA through the inclusion of military or quasi-military expenditures or the channeling of aid through military actors.
- Assistance to fragile States and States in conflict by EC and other EU donors, should be delivered in accordance with the Paris Declaration and Accra Agenda of Action on aid effectiveness, the Council conclusions on EU response to situations of fragility (2007) and the OECD DAC Principles for Good International Engagement in Fragile States and Situations.
- The EU should adopt the long awaited plan of action on the situation of fragility and conflict, with the objective of developing concepts and guiding principles for the EU's role in situations of fragility. In doing so, it should take into account the principles and objectives of the Monrovia Roadmap on Peacebuilding and Statebuilding developed in the context of the International Dialogue on Peacebuilding and Statebuilding as well as the DAC guidance on State building, transition financing and risk management in fragile situations. It should also comply with the PCD obligation.
- The main focus of attention in fragile situations should be people and their security. The EU should facilitate and promote credible and transparent processes of political dialogue and negotiation. Such processes must allow all interest groups in the society to voice their concerns and be taken into the process in a manner that builds trust in the political process. Special attention, within this focus, should be paid to the so called "invisibles", the marginalised and discriminated communities, groups or sections in a society, i.e. people in a particularly vulnerable position due to a lack of rights.

section

# five

**90%**

**OF THE 214 MILLION  
INTERNATIONAL MIGRANTS  
ARE WORKERS AND  
THEIR FAMILIES**



# Labour migration and integration that benefits development

5.0

57

The arrival of approximately 48,000 migrants from the Maghreb in Italy and Malta in the first half of 2011 has again put migration at the centre of EU policy considerations and debates.

The EU currently hosts around 31.8 million migrants (37% come from other European countries, 25% from Africa, 20% from Asia, 17% from Americas and 1% from Oceania) with an increasing migratory pressure on the EU's Southern and Eastern borders<sup>120</sup>. It is estimated that between 6% and 15% of the total number of migrants in the EU are irregular migrants<sup>121</sup>.

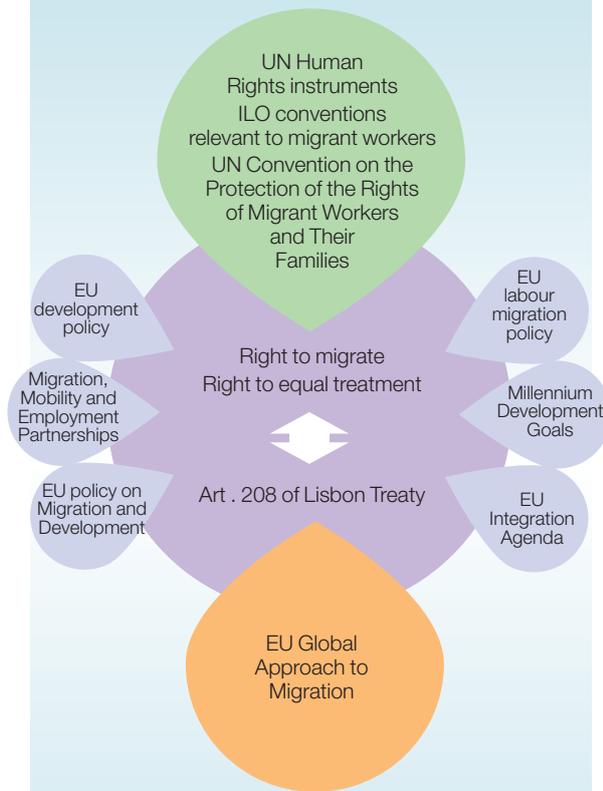
CONCORD approaches the question of the coherence of migration policy with development objectives by analysing what has influenced migrants' choices in their pursuit of a decent living. In particular we look at how migrants from developing countries were enabled or hindered to exercise their full rights and to participate positively in the development process of their country of origin – all along the migration journey.

While 'decent work' is a development objective and a specific Millennium Development Goal, which the EU committed to achieve<sup>122</sup>, lack of decent work remains a major push factor of labour migration. When migrants arrive to their destination, their integration in the host country is a real challenge. Their low access to adequate employment jeopardizes migrants' capacity to participate in their country of origin development and to fully enjoy their rights. The current restrictive approach to EU migration policy poses additional obstacles, because of its lack of consideration for development implications and Human Rights requirements.

<sup>120</sup> Eurostat October 2010

<sup>121</sup> UNDP (2009) Human Development Report. Overcoming barriers: Human mobility and development

<sup>122</sup> In 2005, a sub target 1B was added to the first MDG, and aims to : "Achieve full and productive employment and decent work for all, including women and young people".



### Labour Migration and Development

Migrants are protected by the core Human Rights treaties because this body of law applies to ‘everyone’ and is universal in its application. These rights apply to everyone irrespective of one’s nationality and must be guaranteed without discrimination between citizens and aliens. A basic principle of Human Rights is that entering a country in violation of immigration laws does not deprive an irregular migrant of his or her most fundamental Human Rights, nor does it erase the obligation of the host State to protect these individuals.

In Europe too, the Charter of Fundamental Rights of the European Union foresees fundamental rights applying to everyone and therefore including migrants.

Workers’ rights are also addressed in a wide range of universal standards: some of them specifically address the situation of migrant workers. Migrant workers are specifically protected in a number of international conventions protecting, namely the ILO Convention 97 on Migration for Employment and ILO Convention 143 (supplementary provisions) on Migrant Workers and the UN Convention on the Protection of the Rights of Migrant Workers and Their Families. But none of the EU Member State have ratified it yet.

UNIVERSAL HUMAN RIGHTS APPLY TO EVERYONE IRRESPECTIVE OF ONE'S NATIONALITY OR MIGRATION STATUS.

## 1. A Human Rights-Based Approach to the links between migration, decent work and development

A Human Rights-Based Approach to migration and decent work means putting people as rights holders at the centre of analysis. People choose to exercise their right to migrate from or to stay in their country; but whatever their decision, their rights to live their life with dignity should be respected. This also entails that irrespective of their legal status, migrants should not be subject to exploitation, or precarious and unsafe working conditions. Furthermore, a development dimension implies that the systematic respect of migrant workers’ Human Rights all along the migration journey is key to enable these migrants to become actors of change in both their countries of origin and their receiving countries.

### 1.1 Universal Human Rights applicable to migrants

Migrants are protected by the core Human Rights treaties<sup>123</sup> because this body of law applies to ‘everyone’ and is universal in its application. Thus, just like for everyone, migrants enjoy freedom from abuses such as slavery, forced labour and child labour. They have the right to equality; to freedom of religion and belief; to the progressive realisation of social, economic and cultural rights, including health, housing and education; as well as to labour rights such as collective bargaining, workers compensation, social security, and a just and affordable working environment.

These rights apply to everyone irrespective of one’s nationality and must be guaranteed without discrimination between citizens and aliens. A basic principle of Human Rights is that entering a country in violation of immigration laws does not deprive an irregular migrant of his or her most fundamental Human Rights, nor does it erase the obligation of the host State to protect these individuals.

In Europe too, the Charter of Fundamental Rights of the European Union foresees fundamental rights applying to everyone and therefore including migrants.

### 1.2 Labour rights

Workers’ rights are also addressed in a wide range of universal standards, some specifically addressing the situation of migrant workers. Migrant workers are specifically protected in a number of international conventions, namely the ILO Convention 97 on Migration for Employment and ILO Convention 143 (supplementary provisions) on Migrant Workers and the UN Convention on the Protection of the Rights of Migrant Workers and Their Families. But none of the EU Member States have ratified them yet.

IN SOME EU MEMBER STATES MIGRANTS FROM NON-EU COUNTRIES HAVE ACTIVITY RATES THAT ARE 15 TO 40% BELOW THAT OF THE MAJORITY OF THE POPULATION

## 2. Labour issues in the external and internal dimensions of migration and development

The benefits of migration depend on the degree to which migrants are protected and empowered by countries from which they come from and the Member States in which they live and work, regardless of their legal status. In both the external and internal dimensions of the migration and development nexus, decent work is a key analytical factor which EU public policies need to address in more depth, in the spirit of the principle of Policy Coherence for Development (PCD).

### 2.1 External dimension: poverty and lack of decent work opportunities as push factors of forced migration

Poverty as well as the lack of decent work are major driving forces behind international migration, particularly in the developing world. In fact, 90% of the total international migrants, estimated by the International Labour Organisation at 214 million in 2010, are migrant workers and their families. The majority of these are low skilled, seeking a more prosperous life<sup>124</sup>.

Decent work sums up the aspirations of people in their working lives – for opportunity and decent income; labour rights, voice and recognition; personal development; as well as non-discrimination including gender equality. A recurring statement by migrants interviewed for the SOLIDAR research “Through the eyes of migrants -The search for Decent Work”, is that they would have stayed in their home countries if they could earn enough to live on and support their families.

### 2.2 Internal dimension: adequate employment for a successful integration of migrants

The integration of migrants in EU Member States is determined to a large extent by their opportunities to actively participate in gainful employment, afford a decent living and actively participate in all spheres of society. Research findings have highlighted the “capability approach” or the ability of individuals to pursue and realize the goals they value. Integration stands as “*the development and use of capabilities for participating on an equal footing to the sharing of prosperity and well being*”<sup>125</sup>.

Barriers continue to prevent residents of third country nationals for short or long term stays to participate in the labor market of the Member States of the essential integration, as demonstrated by numerous reports of the European Agency of Fundamental Rights Studies. The ILO<sup>126</sup> confirmed the existence of large and persistent

patterns of structural discrimination and disadvantages affecting migrants in the EU. Even when scarcity of data makes it difficult to provide precise statistical evidence, several reports confirm that in most EU Member States migrants have much lower labour force participation and employment rates than the majority of workers from EU/EEA countries. In some Member States, migrants from non EU countries have activity rates that are 15-40% below that of the majority of the population. The same patterns of distinct disadvantages apply to the situation of ethnic and religious minorities when it comes to income, wages and salaries when marked differences between nationals and migrants can be observed in all EU Member States<sup>127</sup>.

National labour markets are highly segmented along national or ethnic lines where a majority of third country nationals are employed in low skilled, low paid professions and experience dangerous working conditions. Furthermore, the lack of recognition of foreign diplomas leads to a phenomenon of brain waste, where qualified migrants are employed in low-qualified jobs.

Irregular migrants are more likely than other migrants to experience precarious working conditions, social exclusion and a situation of dependence vis-a-vis their employer in a grey legal area affording no social and health security welfare, or labour rights protection against mistreatment and exploitation<sup>128</sup>. An example of this is the domestic work sector, a major source of employment for undocumented migrant workers. In fact, in industrialised countries, domestic work accounts for between 5 and 9 % of all employment, with the vast majority of these workers being women.<sup>129</sup>

<sup>123</sup> These six core human rights treaties are: Convention on the Rights of Child (192 ratifications: ‘CRC’); Convention to Eliminate all forms of Discrimination against Women (179 ratifications: ‘CEDAW’); Convention to Eliminate Racial Discrimination (170 ratifications: ‘CERD’); International Covenant on Civil and Political Rights (154 ratifications: ‘ICCPR’); International Covenant on Economic, Social and Cultural Rights (151 ratifications CESCR)

<sup>124</sup> <http://www.iom.int/jahia/Jahia/about-migration/facts-and-figures/lang/en>

<sup>125</sup> European Network against Racism - Migration Policy Group (2011) Beyond Integration.

<sup>126</sup> ILO (2007) Global Report Equality at Work

<sup>127</sup> European Union Agency for Fundamental Rights (2011) Migrants, minorities and employment - Exclusion and discrimination in the 27 Member States of the European Union (Update 2003-2008)

<sup>128</sup> The International Council on Human Rights Policy (2010) Irregular Migration, Migrant Smuggling and Human Rights: Towards Coherence, p.13

<sup>129</sup> European Parliament (2011) Motion for a Resolution on ILO Convention on domestic workers [PE460.609v01-00]

## Case Study: Through the eyes of migrants – The search for decent work

SOLIDAR and its partners carried out case studies in six countries, investigating migrants' reasons for searching for jobs abroad and the reality of decent work in Europe and in their homes in developing countries.

### Living and working at home in the Philippines

The current daily minimum wage in the Philippines amounts to 404 Philippine pesos (6.75 Euros) per day, yet the National Wages and Productivity Commission estimates that the minimum living wage should be about 917 pesos (15.31 Euros) per day.

Aida left as soon as she finished her studies to work in Kuwait, Hong Kong and Italy. She took this decision together with her husband as he could not find a job in the Philippines. Instead he agreed to take care of their children while Aida has been working abroad.

### Living and working in Europe

Working in Europe enabled the migrant workers interviewed to double their income. Anita earns between 600-800 Euros a month as a freelance domestic worker in Italy. A huge increase compared to HK\$400 (40 Euros) monthly salary in Hong Kong. Paz was able to supplement her 100 euro salary in France by taking part-time jobs such as dog-walking, etc

In addition to the cost of travel, the stringent entry regulations in Europe also make it difficult for Filipino domestic workers to enter Europe, leading some to resort to a "backdoor" entry. Anita's case is a classic example of a backdoor entry to Europe. She paid a huge amount for a fake employer in Hong Kong who then arranged for her Schengen visa to Europe. Her papers identified her as travelling with an employer on a holiday in Europe. Anita flew via Moscow and Paris to Italy then procured a tourist visa and worked as a freelance domestic worker.

Source: SOLIDAR (2010) *Through the eyes of migrants – The search for decent work*  
[http://cms.horus.be/files/99931/MediaArchive/Migration\\_CaseStudies\\_web.pdf](http://cms.horus.be/files/99931/MediaArchive/Migration_CaseStudies_web.pdf)

## 3. Assessment of relevant EU policies and recommendations for greater coherence for development

The entry into force of the Treaty on the Functioning of the European Union, with its article 79 specific on migration, has ensured a stable, comprehensive and more accountable legal framework for the development of EU migration policy, through a greater involvement of the European Parliament in the decision making process.

While rhetoric about the linkages between migration and development is increasingly used, a common trend in EU initiatives is their focus on managing migration flows with the view to realize the EU's unilateral economic objectives. Yet the full potential has not been fully explored for the migration and development nexus for a triple win: the benefits of the migrants themselves, for the host country and their country of origin.

To change this, coherent EU internal and external policies as well as related binding instruments are necessary.

### 3.1 The EU Global Approach on Migration

At the time of writing this report, migration policy is in a transitory phase since the European Commission will announce before the end of 2011 the future direction of the Global Approach to Migration (GAM) that was adopted by the European Council in 2005<sup>130</sup>. However, recently adopted strategic documents already reveal a consistent trend in the EU's approach to migration policy, which reflects a restrictive vision centred on economic and demographic considerations, and largely discarding the human dimension and migrants' rights.

<sup>130</sup> [http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/ec/87642.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/87642.pdf)

The Justice and Home Affairs Council in June 2011 concluded that the GAM should aim at the immediate neighbourhood of the Union, together with other “selected significant source and transit countries of migration flows”<sup>131</sup>. The European Commission’s Communication “A dialogue for migration, mobility and security with the southern Mediterranean countries” demonstrated a strong focus on the use of leverages such as visa and mobility privileges in return for better border management and participation in readmissions programmes<sup>132</sup>. The June 2011 European Council also supported and reinforced such a conditionality approach<sup>133</sup>.

All these statements lead to a question of prevailing interests: if policy proposals are to represent a true “mutual benefit” of both EU and its (selected) partners, as suggested by the broad rhetoric in the same documents, there should be no need for such extensive use of leverages. It is clear that the EU’s priority is set on serving the unilateral economic interests of the EU, including the management of migration flows, rather than reflecting a sincere concern to protect Human Rights and assisting developing countries in line with EU’s commitment to PCD.

Other policy developments corroborate this view. For instance, the Europe 2020 Strategy adopted in 2015<sup>134</sup> has a key Strategy Goal to reach 75% level of employment in the EU. This can only be achieved through capitalising on highly skilled labour migration. Yet, so far the EU has not made it clear how it intends to reconcile this strategy with supporting inclusive growth and avoiding brain drain in developing countries.

The direction of the migration debate sparked by the 2011 events in the Mediterranean confirms our analysis: border security, skilled migration and re-admission are current priorities. At the same time, the push factors of forced migration - including poverty, unemployment, lack of decent work opportunities, climate change, persecution, conflict, or political repression - are insufficiently addressed.

In such context of increased focus on border security and skilled migration, it is feared that the crucial development dimension of migration and the connection with the EU Charter of Fundamental Rights could be sidelined in future EU migration policy deliberations and the revision of the GAM. It becomes clear that a paradigm shift is necessary to bring PCD into the EU migration policy framework.

The NGOs’ experience from the ground demonstrates that the strong focus on border management and combating illegal migration does not prevent people from crossing borders. Instead, it results in people travelling and living in insecure situations, without access to basic services, where their fundamental rights are exposed to violation.

The right balance in the future GAM will be to open legal channels for migration, while ensuring the protection of migrants’ rights. This should go in tandem with measures aiming at stimulating inclusive growth and sharing its benefits in the EU and in developing countries.

‘Circular migration’, understood as a possibility for migrants to freely travel and reside between the country of origin and their destination - rather than a restricted, likely conditional, back and forth movement or a return migration - is instrumental in striking this balance. The NGOs working directly with migrants report that migrants’ potential to invest in their countries of origin is strengthened and capitalised on the most when they enjoy a secure residence status and do not have to worry about losing social rights. The right to move freely between country of residence and of origin, is the most conducive for establishing income generating activities through which migrants can transfer knowledge and generate jobs back home. Such an approach would be in line with the PCD principle. Circular migration should be a central point of the GAM revision.

<sup>131</sup> [http://consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/jha/122508.pdf](http://consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/jha/122508.pdf)

<sup>132</sup> European Commission (2011) Communication on a dialogue for migration, mobility and security with the southern Mediterranean countries (COM(2011) 292 final)

<sup>133</sup> [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ec/123075.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/123075.pdf)

<sup>134</sup> European Commission (2010) Communication. Europe 2020 Strategy. A European strategy for smart, sustainable and inclusive growth (COM(2010) 2020) [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)

The revision of the GAM should be used as an opportunity to emphasise the inter-linkages with other policy areas. This should be done instead developing parallel policy initiatives which might lead to increased policy incoherence, duplication and inefficient use of limited resources. The priority of the development pillar of the GAM – improving synergies between migration and development - needs to be based on the connection between development, migration and non-discrimination policies.

In addition, the international and EU Human Rights frameworks and regulations that are related to migrants need to be referred to, drawing from the conviction that ensuring full Human Rights facilitates social cohesion. The specificity of women's migration and the rights of migrant women must be addressed too.

#### Recommendations:

In the context of the revision of the GAM:

- A common EU approach to migrant's rights must be adopted. This encompasses equal treatment of migrants with EU citizens, the portability of social rights, collective bargaining, social protection and access to lifelong learning.
- The future GAM must make explicit references to Human Rights legal frameworks. Special attention to migrant women's rights.
- The 'targets' set in the EU PCD Work Programme<sup>135</sup> should be part of the political basis in the GAM revision process. In particular the target consisting in seeking "further progress in the definition and implementation of a common approach to migrants' rights".
- In order to improve the GAM coherence with development, policy inter linkages between development, migration and non-discrimination policies must be addressed.
- The EU should establish genuine circular migration schemes for both highly-qualified and low-skilled migrants.

### 3.2 Mobility Partnerships

The main instruments of the GAM are the Mobility Partnerships<sup>136</sup>, which so far have been signed with Cape Verde, Moldova, Georgia and Ghana. Mobility Partnerships have been presented as a long-term policy strategy in reaction to the 2011 events in the Mediterranean<sup>137</sup>, and negotiations are ongoing with Egypt, Tunisia and Morocco.

The EU views Mobility Partnerships as "a long-term framework based on political dialogue and operational cooperation" with the aim to regularise and institutionalise migration flows. Yet their soft law nature as well as planned EU imposed conditionality in negotiations, raises the question as to whether Mobility Partnerships are consistent policy tools with regard to the development pillar of the GAM and the push factors of forced migration.

Take the example of the Mobility Partnerships signed with Cap Verde, Georgia and Moldova. Their primary objective seems to be meeting the unilateral interests of the EU; reinforcing border controls with these countries of transit for migration routes from the Sahel region and from Central and Southern Asia respectively.

The review of the GAM should be the opportunity to verify the common baseline and the objectives of such an instrument, in order to bring it in line with Human Rights legal frameworks.

At the same time, their implementation should be adapted according to the situation of the partner country vis-à-vis the EU and vis-à-vis its regional partners. The EU should be attentive not to impede regional integration (including movement of people) in other parts of the world.

#### Recommendations:

The normative framework for Mobility Partnerships should be clarified to ensure that they are based on the internationally-agreed Human Rights Conventions and EU obligations. They should support the development objectives of the partner country, preserving and promoting the rights of its population and Diaspora abroad.

<sup>135</sup> European Commission (2010) Staff Working Document on Policy Coherence for Development Work Programme 2010- 2013 (SEC(2010) 421 Final)

<sup>136</sup> Non legally binding political declaration accompanied by a set of concrete initiatives between the Commission, interested Member States and the respective partner country to better manage migration flows

<sup>137</sup> European Commission (2011) Communication on a dialogue for migration, mobility and security with the southern Mediterranean countries (COM(2011) 292 final) page 11

### 3.3 International Labour Rights Standards for decent work

In the current migration policy debate at EU level, there are only vague references to the push-factor of forced migration from developing countries, in terms of lack of decent work in the countries of origin. This indicates a rather inconsistent EU approach since, in parallel, the EU is committed to promoting decent work and social protection worldwide<sup>138</sup>. Consequently, to effectively promote the development pillar of the GAM, the EU will have to put the advancement of international labour rights standards and their comprehensive ratification at the centre of related policy deliberations, as well as their implementation by EU Member States.

The EU has robust legislation on non-discrimination<sup>139</sup> and has ratified a large number of international conventions and instruments relating to human and migrants' rights. Their proper enforcement to all persons residing on EU territory must be largely improved.

However, this protection system lacks an important element: no Member State has yet ratified the UN Convention on the Protection of the Rights of Migrant Workers and Their Families<sup>140</sup>.

#### Recommendations:

- The EU should ensure the full implementation of provisions contained in the EU non-discrimination legislation, international instruments protecting Human Rights, the recommendations of the Council of Europe concerning the protection of migrant workers and ILO conventions.
- The EU Member States should sign, ratify and implement the UN International Convention for the Protection of Migrant Workers and their families.

### 3.4 European Agenda for Integration

Establishing equality and meaningful integration of migrants in European host societies continues to be one of the key challenges facing EU Member States. It closely intersects with migration as a priority area in PCD.

To make migration work for development, the EU needs to address the linkages between migrants' social inclusion, non-discrimination and integration strategies at large for the benefit of the countries of destination and countries of origin.

The European Commission's European agenda for the integration of third country nationals<sup>141</sup> released in July 2011 recognises that the most pressing challenges to migrants' integration include:

- the prevailing low employment levels of migrants, especially for migrant women,
- the rising unemployment and high levels of over-qualification,
- the increasing risks of social exclusion and the gaps in educational achievement.

In this context, the EU and its Member States have a critical role to play to ensure that the Europe 2020 Strategy succeeds in creating inclusive labour markets that address the needs of the most vulnerable groups, including migrants. The existence of the EU's Equality Directives and the broader recognition in diverse European public policies of the needs to foster equality in the context of labour market activation are not enough.

It is positive to note that the EU Integration Agenda acknowledges the external dimension of integration policies. Notably the link needed with the country of origin as regards better pre-departure measures, beneficial contacts between Diaspora communities and their countries of origin as well as circular migration schemes.

<sup>138</sup> European Commission (2008) Report on the EU contribution to the promotion of decent work in the world (COM(2008) 412 final)

<sup>139</sup> Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin; Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation.

<sup>140</sup> For a comprehensive understanding of the obstacles to the ratification of the CRMW in the EU, see UNESCO (2007) The Migrant Workers Convention in Europe: Obstacles to the Ratification of the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families: EU/EEA Perspectives

<sup>141</sup> European Commission (2011) European Agenda for the Integration of Third-Country Nationals, (COM(2011) 455 final)

Now, there is a need to establish policy linkages between the GAM, including its development pillar, and the integration debate; a connection that has been overlooked so far and absent in the EU's PCD Work Programme 2010-2013.

The current restrictive and conservative debate on migration does not make it easy. The links between security, criminality and migration have increasingly become part of discourse of mainstream populist political parties and widely relayed by the media. According to various studies and EU polls, this has contributed to negative perceptions of migrants and asylum seekers in public opinion<sup>142</sup>. This is why making the positive contribution of migrants to host societies more visible should be an essential component of any integration policy.

In receiving countries, migrant associations already contribute greatly to the process of integration of migrant communities. Moreover, multilateral projects promoted by civil society in the area of co-development show that migrants, diasporas and their organisations can play a role of "intercultural facilitators". This is essential for development and partnerships between host countries and countries of origin. These initiatives need to be supported.

**MIGRANTS' POTENTIAL TO INVEST IN THEIR COUNTRIES OF ORIGIN IS STRENGTHENED WHEN THEY ENJOY A SECURE RESIDENCE STATUS AND DO NOT WORRY ABOUT LOSING SOCIAL RIGHTS**

## Case Study: Second-generation Senegalese migrants in France pursuing their parents' cooperation with 'their' home villages

Older migrants from Senegal living in France in the village of Thialy had set up associations aiming at providing support to their village of origins with investment in basic social infrastructure such as primary schools, drinking water or health services.

Their children, the second generation of young people born in France, became aware of the positive impact of the projects carried out by their parents in their home village. As a result, they decided to organise a trip back to Senegal to better understand the migration history of their parents and the work undertaken by their associations. This is how the association "Nouvel Espoir de Thialy" was formed in 2008, bringing together more than fifty members, all from the village of Thialy. A delegation of young people born in France went to Senegal to grasp the realities of villages that most of them did not know. They decided to invest in a school project, building on the successful past project developed by their parents. To mobilise support for this project, these young people carried out development education projects concentrating on the migration pathway of their parents and their integration in the French society. In doing so, they were themselves better able to apprehend their parents' migration history in a positive light.

Through the "New Hope from Thialy" association, not only a school project was successfully achieved but also, second-generation migrants managed to become credible interfaces of the French local public authorities on various thematic subjects related to migration routes.

Source: EUNOMAD (2010) *Migration and Development. European Guide to Practices*.

<http://dandee-maayo.e-monsite.com/rubrique,nouvel-espoir-de-thialy,243918.html>

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In this context, the dynamics of migrant integration in European host societies plays a fundamental role in the creation of cohesive social environments that can prepare the ground for sustainable co-development. This requires better coordination of civil society consultation processes; better policy mainstreaming and linkages between projects funded in the area of migration, asylum, development and integration. What is needed is “shared interest, genuine reciprocity” which is the basis of the “triple win” (migrants, countries of origin and receiving countries).

**Recommendations:**

- The external dimension of the Integration Agenda should be approached in a more holistic way - and well beyond the issue of pre-departure measures - looking at it from the perspective of the migrant in the country of origin.
- Any conditions to the right to migrate should be removed; these include too stringent pre-departure provisions.
- The EU institutions should organise more knowledge sharing on external dimension of integration, inviting diverse stakeholders from development and migration backgrounds.
- Migrants' integration should be addressed in the EU's future PCD Work Programme as an area of public policy that is key in contributing to an effective migration and development nexus.

**4. Conclusion: the need for a social and legal protection agenda for migrants**

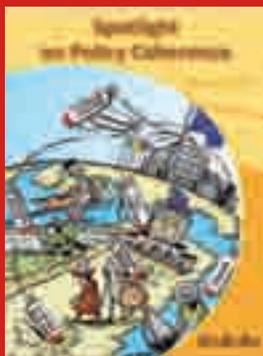
The majority of migrants constitute a very vulnerable group that is driven by the lack of decent work opportunities and faces an “exploitation trap” in receiving societies.

To break this trap, a new paradigm should be adopted, based on a sustainable development-focused, migrant-centered and rights-based approach to migration. Respect for universal Human Rights, the ratification and effective implementation of international labour standards and the achievement of MDG 1 B should drive policy efforts.

A firm, legally binding catalogue of coherent policies needs to be devised, while the implementation of social and legal protection of migrants has to improve in the EU as well as globally. To this end, the EU should use its international leverage in promoting international standards protecting migrant workers.

## List of acronyms

ACP: African, Caribbean and Pacific Group of States	EP: European Parliament	MiFID: Markets in Financial Instruments Directive
ANDS: Afghan National Development Strategy	EU: European Union	NATO: North Atlantic Treaty Organization
AoA: Agreement on Agriculture	DG DEVCO: Directorate General Development Cooperation	NGDO: Non-Governmental Development Organisation
AQIM: Al-Qaida in the Maghreb	FAO: Food and Agriculture Organisation	NGO: Non-Governmental Organisation
AWN: Afghan Women's Network	GAM: Global Approach to Migration	ODA: Official Development Assistance
CAP: Common Agricultural Policy	GDP: Gross Domestic Product	OECD: Organisation for Economic Co-operation and Development
CFS: Committee on world Food Security	GEF: Global Environment Facility	PCD: Policy Coherence for Development
CFSP: Common Foreign and Security Policy	GSF: Global Strategic Framework	RED: Renewable Energy Directive
CRMW: Convention on the Protection of the Rights of Migrant Workers and Their Families	HLF4 in Busan: High Level Forum on Aid Effectiveness Four in Busan, South Korea	RMI: Raw Materials Initiative
CSM: Civil Society Mechanism	HRBA: Human Rights-Based Approach	SALW: Small Arms and Light Weapons
CSOs: Civil Society Organisations	IA: Impact Assessment	TFEU: Treaty on the Functioning of the European Union
DAC: Development Assistance Committee	IAASTD: International Assessment of Agricultural Knowledge, Science and Technology for Development	UK: United Kingdom
DEVE: European Parliament Committee on Development	ICESCR: International Covenant on Economic, Social and Cultural Rights	UN United Nations
EC: European Commission	ILO: International Labour Organization	UNDP: United Nations Development Programme
ECDPM: European Centre for Development Policy Management	IPCC: Intergovernmental Panel on Climate Change	UNEP: United Nations Environment Programme
ECOWAS: Economic Community Of West African States	ISAF: International Security Assistance Force	UNESCO: United Nations Educational, Scientific and Cultural Organization
EDF: European Development Fund	JPA: Joint Parliamentary Assembly	UNSCR: United Nations Security Council resolution
EEA: European Economic Area	LDC: Least Developed Countries	WHO: World Health Organization
EEAS: European External Action Service	MEP: Member European Parliament	WTO: World Trade Organization
	MDGs: Millennium Development Goals	



CONCORD's first report Spotlight on Policy Coherence was published in 2009. Thematic chapters included: climate change, trade, agriculture, migration and finance. National profiles covered: Belgium, the Czech Republic, the Netherlands, Sweden.

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**AS** Associate Member, **NP** National Platform, **NW** Network

NP Netherlands: Partos  
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# Spotlight on EU Policy Coherence for Development

A Lisbon Treaty Provision  
A Human Rights obligation



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