



CONCORD Response to EC Green Paper: *EU Development policy in support of inclusive growth and sustainable development: Increasing the impact of EU Development Policy*

January 2011

Question 1: How could the EU and its Member States develop a set of Guidance Instructions on programming and expenditure requiring a certain number of conditions to be met (added value, coordination, impact) for all programmes/projects/support?

Priorities for EU aid guidance

- The priority for improving guidance for the programming and expenditure of the EU's aid should relate to the core focus of the EU's aid, chief amongst these being the promotion of development and poverty reduction, as legally committed to by all EU member states in the Lisbon Treaty (article 208).
- Efforts to protect and promote article 208 are needed, as illustrated by the fact that in 2009 EU donors spent just over five percent of their aid (€ 2.5 billion) on supporting refugees and students from the developing world in their own countries¹ (ie within EU member countries). This cannot be considered "real" aid that represents value for money for developing countries. Moreover, the EU's External Action Service (EEAS) is predominantly focussing its work on preventing conflict and promoting security and stability, with little reference to development.²
- Given the above, CONCORD questions the EC's eagerness to develop guidance on issues such as promoting value added and leverage from the EU's aid, which may do little to safeguard article 208 and may actually contribute to harming it (see below).
- A focus on economic growth and creating income opportunities is not enough to alleviate poverty. EU guidance for development aid should be driven by a human-rights-based approach, and be based on the principles of human rights, gender equality, empowerment and participation of beneficiary populations. The EU needs to provide clear guidance on how poor and marginalised populations are fully involved in programmes and projects.

Importance of EU donor coordination

- CONCORD is supportive of efforts by the EU to better coordinate their aid and develop clearer guidance to do so. After all just 16 EU donors were responsible for 3,375 donor missions in 2007, of which only just under a third were joint.³ The EU's Division of Labour process has contributed to progress but needs greater political commitment.

Value added for what?

- CONCORD is cautious about the EC's proposals to develop guidance for how EU aid interventions should deliver "value added" when it is not at all clear what this term means. What type of value is to be delivered and for whom?
- CONCORD wants to strongly emphasise the importance of the "value" being seen in terms of efforts to support development and poverty reduction.
- In using this term we are aware that the EC could be referring to value for money from aid. This is important, but needs to be pursued carefully through long term, country owned and accountable development programmes guided by commitments made within the Paris, Accra and future Busan frameworks. There is no short cut to value for money.

EU aid guidance needs to include clear provisions on consultations with a wide range of development stakeholders

- The EU needs to ensure a fair and balanced policy dialogue with all development stakeholders, including local CSOs. Policy dialogue should be wider than strictly on

¹ See "EU AidWatch Report 2010 – Penalty Against Poverty", CONCORD, 2010, page 2

² The EEAS's strapline is "The EEAS: A service for conflict prevention, security and stability".

³ "2008 Survey on Monitoring Implementation of the Paris Declaration", page 95

procedures and project implementation, to cover also aid programming and policy; and monitoring and evaluation. It should focus on engaging the people whose lives are directly targeted by development policies.

- The EU needs to take into account a diversity of CSO views, and particularly seek to involve the voice of local civil society.
- The EU needs to safeguard, support and operationalise the right of beneficiary populations to participate in the design, implementation and assessment of country-led plans and programmes.
- The EU needs to support, politically and financially, policies and practices that enable CSOs to reach their maximum potential in development. In this regard, the EU should engage with CSOs in the global process “Open Forum for CSO Development Effectiveness” to promote and implement minimum standards for an enabling environment for CSOs.

The dangers of leveraging the wrong things

- Of most significant concern to CONCORD is the proposal by the EC to develop guidance on how the EU’s aid can be used to better leverage reforms and finance.
- The use of aid to leverage policy reforms has long been discredited as ineffective, a threat to democratic processes, inconsistent with efforts to promote developing country ownership of development policies and at various times in the past (during the structural adjustment era) harmful to development prospects of developing countries.
- The EC has been leading the way in the donor community towards outcome based conditions (as apposed to policy conditionality), and needs to build on these achievements.
- In certain key sectors (e.g. financial sector support, trade and revenue generation) objectives to leverage other financial flows from aid may well be suitable. However, such an agenda does not seem relevant to social sectors and other poverty focussed areas and therefore could discourage investments in these areas.
- We have concerns that financial flows that best contribute to development – e.g. tax revenue generation and reducing resource leakage - may not be the priority with greater emphasis put on flows that provide investment opportunities to European firms.
- Finally, we are concerned that EU member states may use arguments for better leveraging their aid to drop their commitments to increase their aid levels.

Question 2: What are current good practises at EU and Member State level on which to build?

EU aid is already based on a solid framework

- The EU’s current development policy is based on a number of powerful frameworks such as the European Consensus on Development (2005) and the legislative framework of the Lisbon Treaty (article 208).
- In the last ten years the EU has doubled the amount of its ODA. In 2010, the EU confirmed its commitment to spend 0.7% of combined GNI to ODA by 2015.
- At the 3rd High-Level Forum on Aid Effectiveness in Accra, the EU was playing a leadership role in pushing for ambitious international reforms in aid effectiveness. Efforts at EU level to make aid more effective have been stepped up (i.e. see Operational Framework for Aid Effectiveness, Division of Labour process).

What can be improved

- The EU needs to clearly demonstrate how it follows the provisions in the Lisbon Treaty, notably article 208. As stated in the Treaty, the EU needs to focus its development aid on poverty eradication only.
- Also in this regard, CONCORD calls the EU to enshrine the commitment to provide 0.7 percent of their GNI as ODA in national legislation (see for example Belgium). All EU member states need to adopt binding national legislation or action plans setting out how they will each reach their respective aid spending targets by 2015. Moreover, the EU needs to put into place a peer review mechanism at the EU Heads of State level to put pressure on under-performers to step up efforts to meet their targets.

Question 3: How could the diversity of aid flows (from public and private sources, from various policies' external action budgets) be adequately combined, tracked and reported on for maximum impact, accountability and visibility?

ODA continues to be an important source of development finance

- ODA continues to be an important source of development finance. ODA is the only source of funding from the EU that is exclusively targeted at poverty reduction and development, based on a legal obligation in the Lisbon Treaty (article 208). The EU needs to ensure the full transparency of the aid that it gives, and ensure that it is not redirected for other foreign policy objectives.
- A number of the EU's external policies have a significant impact on the development prospects of developing countries (trade, migration, security, environment, financial markets etc.). The EU must do its utmost to ensure that these policies are coherent with the EU's development policies. **The EU needs to consider policy coherence for development as a framework for all its external policies.**
- Attempts to broaden the definition of ODA through the OECD or introducing new concepts to measure contributions to development (i.e. "Whole of Union / ODA+ approach") should continue to be rebutted. ODA remains the only form of development assistance focussed on poverty eradication, and therefore able to fully deliver the objective of inclusive growth.

Aid transparency is key

- **Transparency of aid** information is a pre-requisite for ensuring maximum impact and accountability. Partner country governments cannot hold donors to account unless they know what they are doing. More specifically, without timely, comprehensive and comparable information from donors they cannot plan their own resource use, coordinate with donors or explain to their citizens what they are doing. Similarly, Parliaments and CSOs in developing countries and the EU are unable to perform their democratic role in holding their governments to account by engaging in policy discussions and expenditure monitoring. In addition, in order to maintain willingness on the part of donor taxpayers to prioritise development cooperation, there is a need to provide more and better information on aid flows and activities, to show how resources are used, as well as addressing concerns about sustainability, impact, and what recipient countries' governments are doing for their own citizens.
- The European Commission and European member states must meet their existing commitments on **transparency and mutual accountability** such as those in the Paris Declaration and Accra Agenda for Action as well as those endorsed by the EU Council on 9 December 2010⁴. The EU should provide concrete and time-bound steps to disclose comprehensive and timely aid information in a way which is internationally comparable and compatible with recipient country systems.
- In order to do this, the EU should provide leadership in taking forward international efforts to agree and implement a **common standard of information on aid**, through existing processes, specifically the International Aid Transparency Initiative.
- The EC and EU member states must commit to the public disclosure of the information held within their internal systems as well as any systems under development (such as TR AID), ensuring they are compatible with international standards. This must be a pre-requisite of any fully-fledged EU-wide roll-out in 2011.
- The EU must prepare and provide plans to meet its the commitment to regularly make public all conditions linked to disbursements. As part of this process, the EC and EU member states should take the lead in publishing budget support agreements, including the MDG contracts.
- The EU should systematically report on and publish procurement outcomes (contract awards). This is not only a prerequisite for transparency and accountability but also for tracking flows to the ultimate beneficiaries and assessing their developmental impact as well as assessing whether value for money is being achieved.
- Transparency of information on aid should cover all EU external assistance not just programmable aid. In addition to development cooperation, information should include climate financing, humanitarian aid, aid to fragile states and in post-conflict situations. It should be "traceable" tracking the re-granting and subcontracting of aid, which becomes increasingly important as financing becomes more complex, for example in the case of public-private partnerships or the blending of grants and loans in cooperation with finance institutions.
- The EU has a long-standing commitment to the values of democracy, transparency and human rights. Modern information and communication technology makes it increasingly easy to ensure public access to official documents by proactively and speedily making information available online. As a leading aid donor and increasingly important global player wishing to maximise the visibility of its development

⁴ Mutual Accountability and Transparency : A Fourth Chapter for the EU Operational Framework on Aid Effectiveness
CONCORD Response to EC Green Paper: *EU Development policy in support of inclusive growth and sustainable development: Increasing the impact of EU Development Policy* (January 2011)

cooperation and other aid flows, the EU should consider developing a new *European Aid Transparency Guarantee*, making European aid fully transparent to citizens in both Europe and recipient countries.

- The role of the European External Action Service (EEAS) will be critical in ensuring that information on non-programmable aid is internationally comparable and compatible with recipient country systems. The EEAS must take decisions and function in a fully transparent manner and information on EEAS policies, activities and expenditure must be publicly available and accessible in a timely, comprehensive and comparable way. On the frontline of aid programming and implementation, EC Delegations should play a vital role in proactively publishing accessible and comparable information on aid at country-level.

Question 4: How can the EU and its Member States best ensure that aid on education and healthcare becomes more focused, and increases further its impact, effectiveness in terms of human development and growth?

Growth for human development:

For growth to be beneficial for development, CONCORD believes it has to be sustainable and inclusive, addressing inequalities with a special emphasis on reaching the poor and marginalised and vulnerable groups. Pro-poor growth is based on decent job creation, functioning health systems able to deliver universal and quality care, universal access to education, a productive agriculture, and democratic governance.

We strongly advocate that support for the development of social security systems in developing countries become a priority of the EU. Social security enables poor people to spend more of their energy on their participation in economic activities. By way of example, the European success story of the last 100 years cannot be imagined without functioning social security systems available to all and helping to ensure that the benefits of economic growth reach the poorest and most marginalised.

It is true that economic growth can make a valuable contribution to development and poverty reduction, but in all too many cases it has failed to do so mainly by not addressing inequalities. **It should be seen as an instrument, not a goal, of development.** It must form part of every development strategy (including where an explicit choice is made not to prioritise it at a particular stage of a country's development. Ultimately growth can play a major role in improving the lives of the poorest people, but it can also have a negative impact.

As the Commission on Growth and Development report made clear⁵ 'no generic formula exists' for a strategy to generate sustained growth in individual countries. This must be reflected in the approach to policy analysis. Exhaustive country-specific analysis of the constraints on development – not of the constraints on growth – must underlie the generation of effective strategies. All parts of the development community, from academics and NGOs to policymakers and officials, in the global North and South, must contribute to that analysis.

Individual countries must be given greater space in which to set their own policies, including importantly in relation to economic liberalisation. There are no clear growth benefits to trade liberalisation and indeed reliance on foreign investment can damage growth. Countries which pursue growth without improvements in human development are unable to sustain either. Countries that prioritise human development first are both more likely to sustain it and more likely to see growth follow.

What kind of human development? Health and education:

Achieving sustainable impact requires investments in support to basic social sectors such as education and health. The power of education to transform individuals and societies lies on quality education that encompasses not only the acquisition of competencies but also skills and capabilities that empower individuals to develop their full potential. Addressing discrimination in access to education is crucial to eliminate the existing gender gap in primary education reflected in the fact that two thirds of the adult illiterates on the world are women. Similarly, the goals of sustainable development can only be achieved by working towards ensuring universal and equitable access to health care, with a particular focus on integrating the health concerns of most vulnerable population into policies and programmes for poverty eradication and development.

⁵ Commission on Growth and Development, *The Growth Report: strategies for sustained growth and inclusive development*, Washington, DC: World Bank, 2008.

It is important to break the assumption that increased economic growth will result in better health and education in a developing countries. The 2010 Human Development report clearly demonstrates that there is a lack of significant correlation between economic growth and improvements in health and education. According to the WHO, weak health systems are at the root of the inability of poor populations to access the services they need. *Increasing the impact and effectiveness of the EU and its Member States cooperation on health and education will require priority actions:*

1) Ensure all EU interventions are coordinated at national level and support comprehensive national health plans, have equity as an overall objective and are based on human rights approach: this will require a pro poor and pro marginalised focus to ensure that increase in numbers of health coverage and quantifiable 'results' are not limited only to the easy to reach parts of the population and result in increased inequalities (see Lancet report: The Millennium Development Goals: a cross-sectoral analysis for goal setting after 2015).

2) Through support to comprehensive national health plans, give full financial and programmatic support to strengthen public and comprehensive primary health care (integrating all necessary health interventions, including HIV, sexual and reproductive health, TB related services etc) in low and middle income countries, providing the necessary resources for the health systems to be functional also in rural areas and accessible free at the point of use for the poorest and most marginalised parts of the population, in particular women, children and those stigmatised by disability or by a specific disease.⁶ Efforts should focus on improving existing instruments to be more effective based on lessons learned, by using a coherent combination of development mechanisms instead of opposing approaches that should in fact be complementary. In this regard, the EU should lead efforts to overcome the ongoing discussion since the 1960' of "vertical" versus "horizontal" programming in health, which has a strong ideological flavour and is unlikely to be ever resolved. Prioritising health systems strengthening in EU development cooperation should be guided by the need to find the right balance between those two strategies, depending on local conditions. Stigma and discrimination, for instance, are systemic issues affecting the health of a community. To achieve this, the EU should promote and strengthen health systems capable of providing effective and accessible services that improve people's health. At the same time the EU should continue to support targeted initiatives on major communicable diseases such as HIV/AIDS, Tuberculosis and malaria as part of its general support to health systems. In that regard, in line with the European Consensus on Development, it is critical for the EU to continue ensuring a correct financial and political support to global health initiatives such as the Global Fund and GAVI which have achieved incredible results in tackling poverty related diseases and in saving children's lives.

3) Give financial and political support to ensure poor communities and civil society participation in all health and education related interventions and decisions, including budgets, at local and national level.⁷ Support national and global education coalitions to enhance their advocacy skills. Contribute to the on-going initiative funded by the Fast Track Initiative, Civil Society Education Funds.

We emphasise the importance of strengthening community responses, integrated and coherent with national plans, for a number of reasons:

- Community interventions are capable of reaching the most vulnerable
- Working through CSOs, NGO's and faith-based organisations on the ground can ensure swift and effective responses to complement support to governments.
- By harnessing community voluntarism, including through the widespread health promotion activities of faith institutions, coverage and, more importantly, usage can be significantly enhanced.

Community ownership of behaviour change interventions is critical in the adoption of health-seeking behaviours and ultimately, for the emergence of healthy communities. Initiatives which support both health and community systems strengthening are both complementary and closely connected in the international effort to meet the MDGs and in developing sustainable. Moreover, in improving people's access to and effective use of health systems and services, community systems have a unique comparative advantage in advocacy, community mobilisation, system referrals, health promotion and the delivery of community-based health services. This means raising community awareness of what prevention and treatment they should expect, and providing them with the necessary tools and support to demand quality of service from health services. Action led by communities themselves is the most effective way of achieving this, as illustrated by the Global Fund community systems approach which has ultimately contributed to strengthening health

⁶ See ActionAid report: [Primary Concern: Why primary healthcare is key to tackling HIV and AIDS](#); and WHO World Health Reports 2008 and 2010.

⁷ See AFGH Report: [Reality Check, 2010](#); also World Health Report 2008

systems. However, it is important to ensure that state responsibility for health provision is not simply transferred to already struggling communities. Any promotion of community health approaches must be balanced with recognition, support and remuneration for those, often women and girls, providing education, information and care at community level.

The influence of faith leaders is critical. They have a significant role to play both in advocating from the pulpit and in mobilizing volunteers. Support for faith-based responses provides a key opportunity both to improve and to sustain coverage and usage. Faith leaders delivering health messages from the pulpit represent an unrivalled opportunity for ongoing reinforcement of prevention and treatment messages by these respected and valued leaders who are present even in the most rural of areas. The influence of faith leaders and faith-based structures has great potential to cement behaviour change and widely disseminate health promotion information. Faith-based organisations have a structure that reaches into different segments of the community (e.g. through women's groups, youth groups etc), providing a wide reach and allowing education to be integrated into existing activities.

4) Target women and girls: investing in girls and women's education, literacy, economic independence and health care will not only build their capacity but also that of their families and communities. Not only could the EU have a separate portfolio on gender but also ensure it is integrated into each and every initiative. Gender inequality must be addressed. For instance, it is estimated that reproductive health conditions result in the loss of 250 million years of productive life each year and can reduce the overall productivity of women by as much as 20%).⁸

5) Provide predictable aid over a longer period of time, 3-5 years if not 10. Changes in education and healthcare take time both because systems take time to reform but also because of the time needed to translate knowledge into a change in behaviours and practices. Moreover, in the health sector, it is very important that the plans drawn up under the IHP+ (International Health Partnership and related initiatives) are fully financed by donors and that the EU provides an equitable share of this finance. The EU must fully implement the IHP+ compact i.e.: support and finance priorities set up by national government, ensure coordination between donors, guarantee the full and independent participation of CSO in the development of the national plans as well as in the joint assessment of national strategies.

6) Take on a more strategic approach which looks the impact of other major education donors approach to funding and how this could potentially decrease the effectiveness of EU Aid. For example macroeconomic conditionalities imposed by the IMF have been shown to constrain spending on education and healthcare, especially on teachers and health workers. Even where budgets are 'protected' they are in real terms, not increasing to the rate needed to provide quality education to all children. EU direct budget support, for example, is held back by restrictive fiscal and monetary policies which have held back countries ability to spend more on teachers and health workers, thereby potentially impacting the effectiveness of EU aid. The same can be applied to the World Bank and other donor approaches. The World Bank's new education strategy is promoting public private partnerships, untrained teachers, etc. These policies however have been shown to decrease the quality of public education. Participation in an open dialogue with other funders, with countries and civil society on what is best for developing human capacity is one suggestion.

7) Support the Fast Track Initiative, which is a promising effort to coordinate funding and empower national decision making.

8) Ensure that investment to strengthen public educations systems is prioritised as these have the farthest reach. This means not funding privatisation or Public Private Partnerships because research shows they do not offer free, quality education to all but rather to the elite and those who can afford it. Research also shows that detracting funds (e.g. in India) from public education to PPPs is weakening the public education system.

9) Support reforms of teacher training and health care workers recruitment, management and training systems. Due to budget constraints, many countries now have untrained or undertrained professionals, who are not adequately skilled to deliver high quality education/health care. This has contributed to lower learning and health outcomes.

10) Support Early Childhood Education / Development. Investment in the early years, prior to schooling, and in nutrition, has been shown to have beneficial impacts for children's future educational and developmental success. The Lancet published a full series on child development supporting this perspective.

⁸ UNFPA, 2005, State of the World's Population

Addressing barriers on education:

One key element in a successful strategy to ensure increasing the impact of aid on education is tackling violence in schools across the world. The impact of violence in schools is often devastating for individual children and has both social and economic consequences.

A research carried out by the Overseas Development Institute ("*The Economic Impact of School Violence*", ODI, 2010) outlined the cost implications of this violence and the economic arguments for preventing it. Within a sample of just 13 countries, the total cost of school violence is almost US\$ 60 billion in terms of foregone social benefits. This is equivalent to the World Bank's estimates of additional foreign aid needed to achieve all Millennium Development Goals by 2015.

The research focuses on three types of violence in schools – corporal punishment, sexual violence and bullying. It confirms that children who experience violence at school are likely to earn less, be in greater need of healthcare and other services, and over the long-term, contribute less to their countries' economies. The report concludes that such violence affects both developing and developed countries, and costs children their futures and keeps them poor.

As an example of the global dimension of school violence, corporal punishment in schools is legal in 88 countries, including two EU member states. Many more countries, including nine EU member states, tolerate physical punishment in alternative care settings through an absence of specific legislation against such practice. Even when corporate punishment is banned, it is often seen as an acceptable form of discipline. However, there are many examples of cost-effective measures that have proven successful in combating violence and making schools safer including legislation and training for teachers in peaceful teaching methods.

Health as a cross-cutting theme for development:

The EU should take into consideration the cross-cutting aspect of health and its connections to gender-equality, food security, clean water, sanitation, quality of environment and education in all of its actions and political dialogues. The EU has to make sure that all relevant domestic and foreign policies promote universal and just availability of health services and access to treatment of good quality.

Health should be highlighted in development policy discussions as one of the most significant factors affecting societal development. Gender equality promotes maternal health as well as decreases infant mortality and contamination of HIV. There should be more investment in reproductive and sexual health services, closely linking to the fight against AIDS as laid down in the European Consensus on Development. Understanding the significance of free maternity clinic services on the health of mothers and children is also important.

The EU should make sure that provisions of TRIPS agreement (Agreement on Trade-related Aspects of Intellectual Property Rights) are used more efficiently so that the prices of basic pharmaceuticals would decrease and their availability would increase especially in poorer countries. In addition, the EU should strengthen its political and financial support to research on new preventive technologies for poverty related diseases while supporting the development of innovative funding sources for global public goods accessible for all.

Conditional cash transfers have improved access to health care in some developing countries. Regular welfare clinic visit and vaccinations of children are one of the conditions of maintenance grant for mothers with low income. In Brazil, for example, income transfer programs have had significant positive effects and the EU could support more widely the implementation of similar programs in developing countries.

The EU should focus on the availability of clean drinking water and sanitation and through these decrease illnesses in developing countries. Achieving MDGs dealing with water and sanitation can save up to 7 billion dollars per year on health care costs. The EU has to make sure that its policies promote food availability. In addition, the EU should implement multilateral agreements dealing with biodiversity and prevention of desertification, which also promote food security.

The EU member states should make sure that their immigration policies do not affect the number of health care workers in countries outside the EU. The EU should ease circular migration as a mean to restrain brain drain in countries which suffer from lack of professional health care staff. Armed conflicts and unstable situations lead to further destruction of existing health services and to a sharp decline of the level of health

care. The EU should emphasize the importance of health care services' availability in unstable conditions, humanitarian crises and peace processes.

Question 5: How should the EU support skills development in partner countries in line with the features and needs of local labour markets, including in the informal sector? How could the EU's global approach to migration contribute in this regard?

The positive aspects of migration and the contributions made by migrants to the socio-economic and cultural development of their countries of origin and of destination should be explicitly promoted and recognised by the EU, particularly in the context of the review in 2011 of the EU Global Approach to migration.

This idea of migrants contributing to the socio-economic and cultural development of their countries of origin and of destination is argued by Eunomad, a European civil society network promoting the positive impact of migrations on development: the important role played by their remittances, and their positions, their know-how and their experiences need to be heard, appreciated and recognised. Migrants' individual and/or collective investments, through networks and associations have helped to change dramatically the lives of their families back home. They have become leading representatives for local authorities. As promoters of several local initiatives, migrants and their associations are efficient relays in the fields of consultation, mediation and the development of enhanced coexistence in Europe.

With a view to improve the EU support to skills development in partner developing countries, two important aspects must be taken into account: putting people's and human rights at the centre of the policy-making; and improving flexibility and ethics in labour migration policies and practices in the EU.

Migrants at the centre of Human Development and Growth:

The international community is increasingly becoming aware of the need to adopt a holistic view of migration, one that goes beyond a purely economic and security analysis to incorporate the social, cultural and human aspects of this global phenomenon. The past 10 years have witnessed the development of new forms of **labour mobility** in response to demographic trends and **labour market needs** with temporary and **circular migration** and overseas employment increasingly being pursued by individuals and governments alike to address their distinctive needs and priorities. The EU has recognized that migration can benefit development. The role that migrants play in promoting North/South transnational projects is significant and contributes to development. But the benefits of migration depend on the degree to which migrants are protected and empowered by countries from which they come and the Member States in which they live and work, this regardless of their legal status. UNDP has observed that people are the "real wealth of nations" and their human development is the basis for economic development.⁹

To make migration work for development, all **migrants' rights** must be guaranteed as provided by the International Convention on the Protection of the Rights of Migrant Workers and their Families. The fundamental rights of migrants must be respected at all stages, regardless of their nationality or legal status.

Human capital development needs flexible labour mobility:

Past experiences have confirmed that **circular migration** can play an enabling role in development if it is seen as a continuum, long term and fluid movement of people. Rather than being rigid and constraining the rules of the circular migration programmes most capable of contributing to development are adapting and flexible. The appeal of circular migration as a development tool lies in its ability to loosen both the capital constraints and the skills constraints by allowing residents of developing countries to enter the global labour market to work legally while still maintaining their ties and pursuing their activities in their country of origin.

The EU has defined circular migration "as a form of migration that is managed in a way allowing some degree of legal mobility back and forth between two countries".¹⁰ It has identified two main forms of circular migration: circular migration of third country nationals settled in the EU and circular migrations of persons residing in a third country. Those two forms of circularity do cover a variety of situations.

Regarding specific measures to improve **flexibility and ethics in labour migration** policies and practices, a proactive, flexible, common immigration policy that facilitates labour migration for both highly-skilled and low-

⁹ See: Human Development Report (2010), *The Real wealth of nations: Pathways to human development*, <http://hdr.undp.org/en>

¹⁰ European Commission communication (2007).

skilled workers should be promoted, through the development of a **legal framework** that allows real mobility for migrants whether they have high qualifications or not; through flexible residency; and through the creation of decent work prospects. The **extension of channels for legal labour migration** is a prerequisite to promoting the development impact of migration. Only if migrants can travel legally, safely and freely between their country of origin and their country of destination will their potential to contribute to social and economic development be set free. Therefore, with regard to skill development for the benefit of developing countries' labour market, broader channels for legal labour migration need to be put in place in the EU. Such a legal framework should also be underpinned by the **portability of social rights** and pensions as part of a rights based approach based on ILO's decent work agenda.

The EU should negotiate **fair and just agreements** with countries of origin in order to ensure the safe movement and respect of international workers' rights, including the transferability/portability of social security rights and should extend the possibilities of multi-entry visas and flexible residency.

In addition, the EU should accelerate the adoption of measures to recognise the qualifications of migrants and the withdrawal of discriminatory measures against staff holding foreign diplomas. Targeting both the public and private sector, the EU should adopt legally-binding measures for the effective **ethical recruitment** of migrant workers from developing countries in key social sectors, in order to minimise the risk of brain-drain.

An enabling environment for migrants and Diasporas as actors of development:

The EU and the Global Forum on migration and development have recognized the strategic role of migrants and Diasporas as assets for development. The multilateral projects promoted by the civil society in the framework of the migration-development nexus are more and more seen as important to build a new space of dialogue between European and third countries. The role of "intercultural facilitators" that the migrants can play is a significant contribution for development as well as for the partnerships between countries of residence and origin. **The 150 practices identified by the Eunomad network have highlighted that the action of the Diasporas and migrants are an essential driving force of the implementation of co-development projects.**¹¹ The capitalization methodology used by the Eunomad network has categorized the varied contributions that migrants bring to the country of origin and destination and the forms that this contribution takes: it ranges from practices promoting economic innovation, social capital, skills transfer, financial remittances to projects that contribute to the UN millennium goals.

This contribution has to be more visible at the European level. In this context, the dynamics of migrant integration in European host societies play a fundamental role in the creation of cohesive social environments that can prepare the ground for sustainable co-development. In this regard, since successful **integration** will enable migrants to play a more active role in society and for development, EU Member States should allocate more financial resources to two-fold integration policies involving both migrants and the society of the EU Member State, instead of security-based measures. The participation of migrants and civil society organisations in policy-making processes relating to migration and to development should be facilitated.

More specifically, it is important that the EU Global Approach on migration grasps the necessary links between migration, development, non discrimination, social inclusion and integration. The Stockholm programme in the field of justice and home affairs adopted by the EU for the period 2010-2013 has acknowledged those links but not explicitly addressed the role of integration in the migration and development nexus.

It will be important that the integration of migrants is part of the future forthcoming European Commission communication on migration and development this year and that similarly the migration and development nexus is addressed by the forthcoming European Commission framework on integration (to be published in 2011).

Policy coherence for development is in the context a crosscutting planning policy tool that need to ensure that other policies create enabling environments conducive to a better participation of migrants in labour market policies in the countries of origin and destination. Within the EU, migrants are more vulnerable to

¹¹ Eunomad defines "co-development" as "a process for sustainable improvement of living conditions and better living both in regions of origin as well as in those of settlement –through mobility, exchange and migrations"
"Co development" is defined by the Council of Europe as "any social, economic, cultural or political development activity in countries of origin based on cooperation between migrants , their organizations' and their partners public and private in both countries of origin and receiving countries" (CM/rec(2007)10)

unemployment under employment and social exclusion that the general population. The necessity to address the socio-economic situation of third country nationals while designing labour market policies has been recognized by the 2020 Strategy. The principles of targets and monitoring mechanisms for the situation of migrants in the EU's OMC on employment and social inclusion are debated. Efforts are required from the Member States and the EU to shape policies in this direction. The EU should adopt a human-rights based approach in migration policies, including a systematic human rights impact assessment (see reply to question 13).

Migration should be mainstreamed in the development strategies and programmes implemented by the European Commission and Member States. EU aid should support developing countries' strategies to retain highly-skilled workers, e.g. through development programmes aimed at improving local employment opportunities and working conditions. This is especially necessary in the health sector. Development is about enlarging people's opportunities, so that migration becomes a (safe and out of choice) option.

Finally, CONCORD would like to highlight the **Recommendations set out by the Eunomad network** in its *European Guide to practices*¹², which have been informed by two years of research and capitalisation work carried out in several EU Member States. These recommendations are addressed to EU Member States and EU institutions, and are especially pertinent to the forthcoming draft by the European Commission of the documents to be published this year on the relationship between migration and development.

Question 6: How can the EU adapt its approach, instruments and indicators in support of governance reforms in developing countries/regions?

The EU's approach to governance – key principles:

- Democratic governance should be considered as a cross-cutting issue in EU development policies, including the definition, the implementation, the follow-up and the evaluation of EU aid programmes.
- The EU's approach to governance should be flexible and context-sensitive, so as to take into account the specific situation and dynamics of each country.
- The EU's policies and programmes should be based on long-term and properly resourced consultations with development stakeholders in partner countries, including local communities and CSOs¹³.
- The EU's approaches to governance need to be based on mutual accountability and reciprocity of commitments. Mutual accountability systems should be based on existing systems available within donor and recipient countries
- The EU's approaches should aim at self-reliability of partner countries.
- The EU needs to develop approaches that are based on transparent decision-making, clearly giving evidence of how strategies and instruments are being developed jointly with development stakeholders in partner countries.

Efforts to support governance reforms should ensure that:

Governance is participative, democratic and be based on nationally-owned processes

- Governance cannot be imposed from outside, and there is no blueprint for making governance work. Governance must be democratic and participative, involving public and private actors in the definition of public policies.
- Democratic governance must be based on a broad notion of ownership: democratic ownership. Existing approaches to national policy making provide little space for citizens and Parliaments to participate in development processes. Democratic ownership, by contrast, requires that all actors (including CSOs and Parliaments) have the option of participating in national policy development, implementation and monitoring, and the voices of these actors are made central to national development processes.

Domestic governance processes and institutions are strengthened

- The EU should support stakeholders in partner countries – government, CSOs, local communities, Parliaments – in setting up domestic governance processes. One way of doing this is supporting capacity building of domestic actors that can hold decision-makers to account (Parliaments, civil society, audit institutions). The EU should also provide support to CSOs and Parliaments to participate in consultations on national policy-making.

¹² See: EUNOMAD Migrations and Development: European Guide to practices (2010); <http://www.eunomad.org/>

¹³ CONCORD has made a number of recommendations on how the involvement of CSOs can be enhanced in EU development policy and aid processes in this document: "Bottlenecks to a meaningful participation of civil society in EU development policy and aid processes", June 2010

- Strong domestic institutions that respond to the needs of people and are accountable to domestic constituencies are a key element of governance. The EU can strengthen the capacities of domestic institutions by using country systems as a first choice wherever possible when implementing aid programmes.

The role of local CSOs, Parliaments and the media in national development processes is strengthened

- A vibrant, active and representative civil society, strong parliaments and a critical media are essential preconditions for democratic governance. The EU should create an enabling environment for these actors and ensure that the financial, political, legal and regulatory environment maintains and respects their respective roles, their independence and full functioning.
- In this regard, the EU should notably support CSOs roles in governance processes by working with CSOs in the Open Forum for CSO Development Effectiveness to promote and implement minimum standards for an enabling environment.
- The EU can play a key role in supporting governance by providing funding that responds to the needs and capacities of the different actors in civil society. Funding should be provided for all roles and types of CSOs, including their roles as governance watchdogs. Funding provided as budget support directly to government's budget should be accompanied by funding envelopes for CSOs to track the use of budget support funds.

Efforts to support the implementation of international agreements and commitments are supported:

- The EU should offer support to governments in implementing international commitments set by the UN, the ILO, the FAO etc.

The EU's own governance / decision-making is transparent and accountable:

- The EU should examine its own governance, particularly in its relations with ACP countries. In this respect, CONCORD members are particularly worried about the governance profiles established by the EC within the programming process of the 10th European Development Fund. The process lacks transparency and participation by key development stakeholders. Moreover, CSOs are concerned that the EU is using the governance profiles to introduce a new form of policy conditionality.
- Governance and reciprocity of commitments should also be improved with respect to the MDG contracts. While providing long-term funding for partner country priorities, the MDG contracts are solely based on MDG 1 to 7, hence putting the onus for reform and results on partner countries. The EU should provide more credible evidence on how it lives up to its own commitment in MDG 8. Agreements on MDG 8 should tackle, among others, the trade regime, debt relief, regulations on patenting, technology transfer, employment promotion, all adapted to the individual necessities of the partner countries.

Question 7: How and to what extent should the EU integrate more incentives for reform into its aid allocation process, for both country and thematic programmes?

Reform must be driven by national development actors

- Reform and change should not and cannot be imposed on a country by donors. Donor-driven reform is a threat to democratic decision-making. Moreover, evidence shows that donor-driven approaches are ineffective and unsustainable, since they are not embedded in local processes. The EU should not forget the lessons learned from the structural adjustment era during which the approach by World Bank and IMF to impose reform from outside has been thoroughly discredited.
- Instead, reforms need to be driven by national development stakeholders, including local CSOs and Parliaments. These actors have a key role as watchdogs and as partners in national policy-making. The EU can support these actors by i.e. providing responsive funding and capacity building.

However, the EC can strengthen its role as a facilitator of dialogue between the partner country governments, civil society and the private sector by:

Ensuring participation and consultation with national development actors, especially CSOs

- Programmes need to be developed jointly by donors, partner governments and in consultation with Parliaments and civil society. Recognising that there is no one-size-fits-all approach, the EU needs to adapt its development programmes and instruments to national contexts and the respective needs of development stakeholders.
- Engagement with civil society needs to be structural. To this end, the EU should develop clear binding guidelines for Delegations and provide the necessary human resources at Delegation and headquarters level to engage effectively with civil society.

- The EU should also have a more structural approach to supporting the capacities of CSOs to hold governments to account and to engage in policy dialogue, especially with respect to budget support operations. The UK's commitment to invest equivalent of five percent of budget support on accountability work is an example of a more strategic approach.

Respecting the reciprocity of commitments

- The MDGs include commitments for both partner countries and donor countries. The EU needs to provide evidence of how it implements the commitments in MDG 8. In this regard, the MDG contracts – which focus on MDGs 1 to 7 - need to be complemented by credible action by the EU on MDG 8.

Ending economic policy conditionality and tied aid

- CONCORD members fear that the EU might be seeking to strengthen the use of economic and other policy conditionalities when referring to “incentives for reform”. Conditionality is a threat to democratic decision-making processes. CONCORD calls upon the EU to recognise that economic policy conditionalities undermine democratic ownership and commit to ending all economic policy conditions attached to EU aid. Agree ambitious time-bound targets to simplify, reduce and eliminate policy conditionalities attached to EU aid, and push others to do the same.
- CONCORD also calls upon the EU to untie all aid. CONCORD fears that EU member states might increasingly seek to use development aid as a way to support their domestic business sector. CONCORD argues that recipients in partner countries need to be able to procure their goods freely and domestically. The EU should allow for pro-poor procurement that allows aid recipients to take concerns related to environment, gender, local job creation etc. into account.

Ensuring predictability of ODA

- CONCORD members fear that the use of aid as a tool to leverage reforms deteriorates the predictability of EU aid. Partner country governments need to be able to plan long-term to be able to produce sustainable development results. The EU needs to improve the predictability of its aid by providing long-term funding commitments
- The MDG contracts provide a good example of how donors can provide predictable finance. The limited percentage share of the variable tranche – the tranche that is disbursed depending on the achievement of results-based indicators – as well as the three-year review cycle allow partner country governments to plan well their resources well in advance.

Question 8: How should the EU promote sound frameworks to assess and monitor development results achieved by recipient countries?

Overarching principles

- It is important that any approaches to results are consistent with accepted principles of development practice critical to improving the overall effectiveness of aid, including the Paris Declaration and Accra Agenda for Action.
- It is critical that, in putting results at the heart of the EU's aid, policy-makers adopt an approach that recognises the complex and unique realities facing those investing in supporting development processes.
- Results must be defined in consultation with local partners, including civil society. Results and results indicators should not be arbitrarily set and imposed from outside by donors. International agreements and commitments (UN, ILO, FAO) can provide a basis for political dialogue between donors and partner country governments.
- The EU needs to recognise the role of civil society and Parliaments in monitoring and evaluating development results, and systematically involve them in their approaches to M&E. Such involvement needs to be institutionalised and be sensitive to the respective country context. As an example, the EU should consider supporting mechanisms such as Village Councils for budgetary control, the strengthening of parliamentary committees and improving the legal and regulatory framework for improving the space of civil society groups.

What type of results to focus on and how to measure them?

We recognise that donors could be doing much more to incorporate a focus on results into their operations. However, it is though important to take a careful approach to results. Based on extensive experience Concord members are keen to highlight the need for following principles and approaches to be used to guide EU efforts:

- **Focus on intangible as well as tangible outcomes** – Many of the most important impacts donors pursue are often less tangible and hard to quantify e.g. empowerment, governance
- **Focus on long term as well as short goals** – Some of the most challenging and important development outcomes are only likely to emerge over extended periods of consistent support.
- **Work with and recognise attribution challenges** – Development efforts require a web of actors to work together making it difficult for any one actor to identify their contribution. These challenges need to be worked with and not lead donors to regress into a go-it-alone approaches.
- **Allow for flexibility and learning** – Results frameworks must remain flexible in order to allow for the inevitable learning from implementation and stakeholder feedback to be incorporated into future plans.

How to improve the results focus of aid

- **Fully explore options for linking to country-owned results systems** – Country results systems will have the most buy-in from governments and publics, and the most potential for achieving sustainable improvements to focus on results and supporting country led efforts. These need to be supported and the basis for donor monitoring as much as possible.
- **Avoid using unsuitable and potentially harmful oversight methods** – For example, most donors currently use budget support as a form of project support in order to more closely monitor their funding. But, this negates many of the benefits of budget support - addressing strategic cross-sector challenges and reducing burdens on governments. Donors need to reduce their (mis)use of these and other unsuitable oversight methods.
- **Support Multi stakeholder dialogue and an increased focus on downstream service delivery** – Dialogue on aid is currently restricted to donors and high-level government officials, contributing to a weaker focus on results on the ground and failing to contribute to domestic accountability efforts. Aid processes must be opened up transparently for scrutiny and influence by domestic stakeholders, including parliaments and civil society.
- **Deliver more and better support for accountability alongside aid** – Donors rarely accompany aid with strategic support for accountability work that will help improve accountability for its use; donors therefore need to link these investments up. The UK's commitment to invest the equivalent of five percent of budget support on accountability work is an example of a more strategic approach to tackling these challenges. The EC and EU member States also need to implement the EU Council Conclusions on transparency and mutual accountability adopted on 9 December 2010, especially with regard to the Performance Assessment Frameworks under the leadership of partner countries.
- **Fully implement the Paris Declaration and Accra Agenda for Action** – The Paris Declaration and Accra Agenda for Action identify practices that are crucial to the efforts of developing countries to deliver, manage and oversee aid effectively. There is no shortcut to effective aid and efforts to implement these reforms are critical to results and impacts.
- **Take a long-term approach to focussing on results from aid** – The most significant benefits from aid only appear over the long term. Donors therefore need to adopt suitable time horizons when making aid commitments and assessing their impacts.

Use MDG contracts as a good practice example for putting results at the core

- The MDG contracts are a good example of linking EU aid to incentives and results. They are a sound framework to assess and monitor development results, while not jeopardizing national development actors' ownership of development processes. The MDG contracts allow developing country governments a substantial degree of predictable up-front financing directly into their budgets, which helps strengthen national institutions and enables governments to expand much needed basic services in health and education. They also provide an incentive for good performance by withholding some of the money until results have been delivered.
- The MDG contracts respect developing country ownership by mutually agreeing on expected results but not dictating the policy to follow. The limited size of the variable tranche (15 percent) and the three year assessment cycle allow keeping the predictability of EU aid.

Question 9: How should the EU tackle the nexus between security and development, especially in fragile and conflict-prone countries, and put greater emphasis on democratic governance, human rights, and the rule of law, justice and reform of the security sector, when programming development interventions?

The EU should indeed tackle the nexus between security and development by putting greater emphasis on development interventions that improve, amongst other things, the effectiveness, responsiveness and transparency of security services and that improve access to justice. It is welcome to see a focus on these issues within EC discussion of development not only because of the widely recognised link between security and development but also because it is important that the EC prioritises a 'developmental model' of security and justice sector reform rather than one based on 'hard security'. The following points explore these issues in more depth, providing recommendations for the approach the EC should take:

1. **Recognise security and access to justice as basic entitlements** and treating them as basic services alongside, for instance, health and education. Security and access to justice for poor people are development goals in their own right. They are also key requirements for a peaceful, democratic society and sustained social and economic development. And they are critical for the creation of a stable environment within which human rights and the rule of law are respected and where communities can address grievances and manage social and political change through peaceful means. Efforts to support and promote the reform and development of security and justice policies, institutions and practices are therefore key elements of international assistance to developing countries, including those that have been affected by or are at risk of violent conflict, fragility and insecurity
2. When putting greater emphasis on SJSD (Security and Justice; Security and Development) the EU should continue to **take a 'Human Security' approach**. Over the past decade or so, the EU has gradually adopted the concept of 'human security' in its support for security and justice programming. A commitment to human security implies that security and justice strategies and programmes should proactively seek to take into account and address citizen's needs and concerns, as primary recipients of security and justice provision. There is both a moral and a practical case for putting people at the heart of security interventions. Aid works best when it meets people's real needs, is locally owned and planned and implemented with the full and meaningful participation of those that it affects. Aid that aims to promote poor people's security is no different – to be *effective*, and support broader development gains, 'security interventions' need to be based on the needs of local populations not on predetermined ideas of what activities will help promote security, however well intentioned. When designing programmes to promote poor people's security and access to justice, therefore, the EU should work with communities to help them identify and define their own security challenges and develop appropriate ways to address them.
3. On the 'supply' side of security and justice sector reform work, the EU should emphasise **transparency, accountability, and responsiveness**. The OECD DAC 'Handbook on Security System Reform' provides detailed guidance for donors looking to support effective and sustainable SSR programming and the EU should use this guidance as the basis for its approach.
4. **Conflict Sensitivity**: "Conflict-sensitive" development policies, strategies and practices are based on a thorough understanding of both the context and how the development changes proposed will interact with other prevailing dynamics, particularly with existing and potential conflicts. Conflict sensitivity has thus been identified as a very important approach to contribute to the prevention of conflict particularly in fragile states. If designed and implemented with conflict-sensitivity in mind development interventions can go beyond simply respecting the basic principle of 'Do no harm' and make a positive contribution to sustainable peace. Challenges to its implementation across the EU must be overcome. In that sense, awareness needs to be raised across the EU, and at all levels, on the rationale, benefits and practical implications of applying conflict sensitivity in the work of the EU. European projects, strategies and programmes should systematically integrate conflict sensitivity approaches and be screened according to them. This practice should also be encouraged and rewarded internally.
5. **Always begin with the context**: The challenges to equitable security and justice provision vary greatly from society to society, within countries as well as between them. Related to this, donors should always look at what already exists, the 'informal' security and justice mechanisms that communities often use in the absence of state provision, to see what can be built on and supported.
6. **Recognise that we cannot 'deliver' security or 'provide' access to justice**: Instead, the role of the international community is to *promote* and *support* the provision of accountable, transparent security and justice services.
7. **Be political**. All development is political, but promoting responsive and accountable security and equal access to justice often touches on the very way states exercise their monopoly on the use of force, as well as on sensitive issues such as national security and sovereignty. Some governments may be

actively opposed to measures they see as weakening their grip on power and so it is vital that efforts to support security and justice provision are backed up by long-term, regular and high-level political dialogue with partner governments – ensuring good coordination and coherence between the EU's development and diplomatic programmes will be essential.

8. **Enhance implementation of commitments:** Through the adoption of several documents¹⁴, the EU has recognised the added value of these approaches and committed to adopt the necessary processes and measures to ensure its country strategies and programmes are conflict-sensitive and people-centred. In order to address the security & development challenges it faces in several contexts through the various means set out above, the EU needs to set up the appropriate mechanisms to ensure these approaches are mainstreamed across the institutions.
9. Development policies should be implemented in the spirit of the aid effectiveness agenda and true democratic ownership, and focus on fighting poverty and inequality across the world. These are, in most cases, the real causes at the root of conflicts and migration patterns. Using aid money to fence Europe off from existing problems (*see reply to question 5 on 'migration'*) is not the solution. The objective of development cooperation is to eliminate poverty and the only sustainable way forward is to use Official Development Aid to foster development, equality and better jobs – see the *AidWatch* report 2010

The role of civil society:

The Green Paper mentions civil society as '*vital partners*' (p8). This is very welcome.

It also states: '*In its political dialogue with national authorities, the EU promotes minimum standards of an enabling environment for civil society organisations and encourages a genuine dialogue between State and Non-State Actors*'.

Public participation in the design, implementation and monitoring of security and justice mechanisms is a particularly important element of ensuring development interventions effectively address the security and development of people in fragile and conflict-prone countries. According to recent research, supporting the emergence of civil society in specific sectors and in the policy-making process as a whole contributes to strengthening and broadening local ownership and to increasing the responsiveness of EU decision-making to the context in which it is operating.¹⁵ Despite the relatively recent recognition of the importance of local participation in EU planning and programming processes, evidence suggests that it has had a positive impact on the ground in some cases and that neglecting to take such an approach can result in missed opportunities and unintended (negative) consequences. Encouraging and empowering communities to critically assess the way they are provided with security and justice services (and advocate for improved delivery) could be considered supporting the 'demand' for such services.

Some specific recommendations in relation to these questions are as follows:

- increasing aid to civil society and international NGOs and ensuring that mechanisms exist to translate policy commitments into significant funding opportunities;
- engaging regularly in dialogue with civil society actors and INGOs including in-country and be well informed of the contexts in which these actors are operating;
- consistently calling attention to the importance of human, civil and political rights and systematically demand full and independent investigations into cases of human rights violations;
- taking diplomatic action to protect human rights activists, journalists and other civil society actors and ensure the effective implementation of the [EU Guidelines on Human Rights Defenders](#);
- acting in coordination with other international partners to ensure that democratic space and political development are at the heart of all future bilateral discussions.
- undertaking an explicit political dialogue between the European Union and the relevant government, which should be based on a balance between the willingness to genuinely contribute to the development of the country (with funding and expertise) and a sustained pressure in favour of an inclusive democracy, an independent civil society, and respect for human rights.
- securing the humanitarian space and humanitarian worker's safety by avoiding that humanitarian aid is dependent on political or security objective and by defining a clear demarcation line between humanitarian and military actions.

¹⁴ [EU programme for the prevention of violent conflict \(2001\)](#), the [Council Conclusion on security and development \(2007\)](#), [Council Conclusions on an EU response to situations of Fragility \(2007\)](#).

¹⁵ *Improving the understanding and use of participatory approaches in security building programmes*, Initiative for Peacebuilding, December 2010

The EU should help protect the space in which civil society and media can play their role as a citizen-based counterweight to government. Beyond funding, diplomatic support and dialogue, various other practical measures are required to help protect human rights defenders. These include:

- agree a common plan for implementation of the [EU Guidelines on Human Rights Defenders](#) in the country in question.
- EC delegations (including Member States' development and foreign affairs representations in-country) should be responsible for the implementation of the plan and sufficient staff resources allocated.
- make available to human rights defenders the contact details of dedicated staff for use in an emergency.
- help end impunity for attacks and threats against civil society actors and journalists by always pressing for the perpetrators to be identified and brought to justice
- put in place an emergency fund for human rights activists and their families, aimed at assisting them in situations of immediate risk and following an assault.

In countries where there are concerns about progress towards fulfilling civil and political rights, and civil space, the EU should ensure its aid programming reflects a strong assessment of state-citizen and state-civil society relations. In these contexts - and particularly where aid is being provided through budget support - it may be necessary to develop specific programmes for strengthening civil society and citizen participation, e.g. budget and policy monitoring and transparency programmes.

We encourage the European Union and its Member States to work in close cooperation with other international partners, to ensure that democratic space and political development remain at the center of all bilateral and multilateral discussions. Sustainable development needs the participation of an involved population and a civil society which is constructive, critical, and above all, autonomous. We recommend the European Union and its Member States to invest in their development.

Regarding minimum standards for CSO enabling environment, CONCORD urges the EU to support the process and outcomes of the Open Forum on CSO development effectiveness, which is preparing a proposal for CSO development effectiveness principles and minimum standards of CSO enabling environment, through a global participatory process

'Social inclusiveness' is an issue in fragile states, as elsewhere, when economic growth has not led to poverty reduction. Concentration of power and lack of participation and democratic space can be destabilising in post-conflict countries, and external actors need a strong conflict-sensitive analysis of growth patterns and the likely impact of donor strategies.

Question 10: How could the EU better coordinate with development actions when programming security interventions?
--

CONCORD's concept of security goes beyond traditional state-based security and the absence of war and physical violence. It includes that basic rights are met, human dignity is respected, natural resources are protected, people are protected from avoidable harm, and peace with justice is established. Contradictions between security and development goals begin when the object of security initiatives becomes merely about the state's safety rather than the protection of its people. Security and justice should therefore be considered as basic services provided for the benefit of the people, responsive to their needs and concerns.

The question of coordination between development actions and security intervention is even more relevant in the new EU institutional context. With the coming into force of the Lisbon Treaty at the end of 2009 the EU has undergone a series of institutional reforms which have resulted in the creation of a new institution, the European External Action Service (EEAS), and the appointment of a High Representative for Foreign Affairs and Security Policy, with the aim of strengthening the EU's role in the world and to increase the coordination and effectiveness of EU external action. While this new setting offers opportunities for improved coordination it also presents a potential risk for development to be subordinated to EU foreign policy and security interests.

In particular, CONCORD is concerned that countries and regions of strategic importance to the EU could benefit most from efforts and financial support to the detriment of countries and regions where needs are greater, but which may be of less strategic interest to the EU. The current tendency to use development resources to finance "military" purposes (e.g., undercover capacity building for military forces) and the involvement of military forces in aid delivery are concerning trends.

The new EEAS is responsible for European security and will also be closely involved in aid programming; it is important to ensure that the EEAS recognizes and abides by the reality 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 aiming to address the root causes of conflicts through the adoption of 'conflict-sensitive' approaches can be a way forward to ensure the security and development nexus is a mutually reinforcing dynamic. The EU has made commitments in that respect¹⁶ which implementation should be enhanced with the setup of the EEAS.

Therefore, CONCORD recommends:

1. **Screening of policies and programmes:** All EU external policies should be subject to an analysis of their impact on conflict dynamics and according to a holistic human security concept based on international norms and standards signed by the EU Member States. The latter include the "EU Comprehensive Approach"¹⁷ addressing gender in conflict as well as the EU Gender Action Plan's recommendation related to conflict. Conflict sensitivity has been identified as a very important approach to contribute to conflict prevention and challenges to its implementation must be overcome. In that sense, awareness needs to be raised across the service, and at all levels, on the rationale, benefits and practical implications of applying conflict sensitivity in the work of the EEAS. European projects, strategies and programmes should systematically integrate conflict sensitivity and 'do no harm' approaches and be screened according to them. This practice should also be encouraged and rewarded internally.
2. **Acknowledgement of the role of women in conflict prevention and resolution:** the EU must recognize the important role of women in the prevention and resolution of conflicts and in peacebuilding, by reaffirming its commitment to the full and effective implementation of Security Council resolution 1325 (2000) on women and peace and security. It is precise to underline the importance of integrating a gender perspective and of women having the opportunity for equal participation and full involvement in all efforts to maintain and promote peace and security, as well as the need to increase their role in decision-making at all levels. The EU should strive for the increase of women's participation in peace processes and in peace building; the introduction of the gender dimension in peacekeeping operations; the protection of the human rights of women and girls in armed conflict and post-conflict situations and to foster women's empowerment; and the introduction of a cross-gender approach in the data collection and information systems.
3. **Responsible investment and defence policies:** Responsibility of the EU in conflict-prone areas should be addressed by regulating all European, or European facilitated, investments to conflict sensitive corporate responsibility principles and by strengthening the European Code of Conduct on Arms Exports and the delivery and post-delivery controls of EU arms exports.
4. **Integrity of budgets and objectives:** The EU must allocate its budget in accordance with the fact that development aid driven by regional and global security concerns has historically been the least conducive to human development. There should be no further erosion of the civilian character of development cooperation and Official Development Assistance (ODA) through the inclusion of military or quasi-military expenditures or the channelling of aid through military actors. Humanitarian aid and relief efforts should strictly respect humanitarian law and principles—humanitarian imperative, impartiality, independence and neutrality—and should never be used to pursue particular political interests.
5. **Coordination:** The EEAS should provide the EU with the ability to coordinate and employ the appropriate range of instruments available for complex situations whilst upholding its fundamental principles of solidarity, equality and social justice. It is crucial that these interventions are in accordance with the objective of eradication of poverty. In particular, the EEAS should give special attention to marginalized communities and groups in order to create foundations for the stability of the country. Numerous international instruments and Conventions exist in this regard. In compliance with the Humanitarian Principles and in order to avoid any association between humanitarian aid and military or political objective, humanitarian operation coordination must remain under civilian control, including when military assets are used in disaster response.
6. **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 security are transparent and democratic. Information on their implementation must be made available to national and European

¹⁶ EU Programme for the Prevention of violent conflict (2001), Council Conclusions on security and development (2007), Council Conclusions on an EU response to situations of Fragility (2007).

¹⁷ December 2008

parliaments and to civil society actors, including Women's Rights defenders, and populations directly or indirectly concerned by the operations.

Question 11: How can the EU best address the challenge of linking relief, rehabilitation and development in transition and recovery situations?

It is vital that disaster risk reduction and humanitarian issues are addressed in this consultation, and the following comments apply to this question but also more broadly. The challenge of linking relief, rehabilitation and development in transition and recovery situations should be addressed by:

1. **Understanding the context:** Development is a process of societal change which is, therefore, potentially conflictual. In situations of fragility in which there is a limited capacity for managing change and resolving differences peacefully, development is a particularly challenging process which can actually contribute to violent conflict. Introducing any new resources to such contexts has consequences. Therefore all the process of linking relief to rehabilitation and ultimately development must be based on a good understanding of the conflict dynamics present within that particular context. Special attention to issues relating to refugees need to be well taken into account in relief and development programmes delivered in refugee-receiving countries.
2. Further than this, interventions must take account of this conflict analysis and responses must be undertaken on the basis that **development is always political** at the point where it happens. Opting for 'technical' responses to a situation which ignore the politics of a context in the design and implementation of programmes, will at best fail to deliver meaningful development and at worst actually exacerbate the conflict dynamics within a particular context.

In refugee-receiving countries, it is essential that support is granted to both refugees and hosting communities, with the view to improve the development prospects of the wider community and prevent instability. Voluntary return and reintegration should be an important element of peace and development strategies. This should enable countries to attract nationals who left the country and whose skills and qualifications would considerably contribute to the country's further development.

3. Supporting and building the capacity of local organisations and local government to anticipate, prepare for, reduce risks and respond to humanitarian needs and disaster risk needs to be at the heart of the EU development and humanitarian strategies. National and international coordination and funding mechanisms must be accessible and fully inclusive of national organisations.
4. Building resilience at community level and doing Climate Smart Disaster Risk Reduction are key to reducing the impact and losses from disasters and reducing the size of the humanitarian response necessary. The EU should be supporting these and must fund integrated resilience work.
5. Accountability to the affected communities should be at the heart of the work in both humanitarian and development work. The EU should implement and financially support policies and activities to make the humanitarian and disaster risk reduction work more accountable to beneficiaries, as set out in accountability mechanisms such as the Humanitarian Accountability Partnership (HAP). The EU should understand 'value for money' from the viewpoint of what it delivers to communities.
6. The architecture of the EU / ECHO must be addressed. Development gains can be lost due to poor planning for disasters. Equally, poor emergency responses and rehabilitation programmes that result in increasing vulnerability of the relevant populations will undermine possible longer term development. Thus there needs to be a greater joined up approach between the different instruments in the European Union to ensure DRR is addressed and not sidelined.
7. Regarding funding, with the view to enable and facilitate the transition between humanitarian aid, reconstruction and development action, continuity, flexibility and complementarity of the EU and Member States cooperation instruments must be strengthened.

12. What are the most appropriate manner and structures, legal and practical, to make aid effectiveness and European Country Strategy documents a reality? How can practical effect be best given to the Lisbon Treaty and the Council conclusion of 14 June in that regard?

Efforts to harmonise and better coordinate aid programming among EU donors are essential

- However, donor harmonisation and coordination are just one among many building blocks of the aid effectiveness agenda. Crucial areas such as tied aid, technical assistance, transparency, mutual and domestic accountability, procurement, gender, human rights and democratic ownership must not be neglected.
- Harmonisation and coordination won't dramatically influence aid effectiveness if they aren't followed by concrete actions at field level and accompanied by the decisive steps in favour of democratic ownership and accountability. On the contrary, harmonisation can be counter-productive if they result in donors aligning behind the economic policy conditionalities of the World Bank and the International Monetary Fund.
- The EU must ensure that harmonisation processes do not overburden national development actors and does not lead to reduced rather than increased policy spaces for CSOs, Parliamentarians and other national development actors.

Paris, Accra and a future Busan agreement are vital to future aid effectiveness reforms

- The Paris Declaration and Accra Agenda for Action, with their clear frameworks of commitments, targets to promote implementation and monitoring processes for tracking and reporting on implementation, have provided the most significant impetus to efforts by EU member states to improve the effectiveness of their aid.
- These frameworks turned aspirations and theory into focused commitments to deliver reform and to be held accountable for implementation. They have inspired the EU's Division of Labour process, its Operational Framework on Aid Effectiveness and a range of other commitments.
- These frameworks have also importantly provided aid recipients with greater leverage to negotiate and demand reforms from EU donors in-country, a critical dynamic as country leadership is vital to efforts to improve the effectiveness of aid.
- It is therefore arguable that the progress achieved in improving aid effectiveness across EU donor institutions over the last 5 years would not have been achieved without the Paris and Accra frameworks.
- It is therefore a major concern that the status of the Accra Agenda for Action unclear (having expired at the end of 2010). It is not clear what framework will be in place from 2011 to guide, promote and monitor EU aid effectiveness reforms.
- This situation therefore highlights the importance of a new framework of aid effectiveness commitments being agreed at that the 4th OECD High Level Forum on Aid Effectiveness (HLF4) in South Korea in Nov/Dec 2011. This framework should include specific donor commitments to fully implement Paris and Accra reforms (these look unlikely to have been met by most donors by end-2010) and deepen and widen the reforms of in these frameworks. It should also include targets to promote implementation and monitoring processes for tracking and reporting on implementation.
- Without such an outcome from HLF4 EU aid effectiveness reforms and current and future EU aid effectiveness initiatives will lack the impetus and momentum to deliver concrete change.

More binding and better monitored EU aid effectiveness commitments are needed

- As mentioned, the EU has initiated its own aid effectiveness initiatives to build on and drive forward Paris and Accra implementation and wider aid effectiveness reforms.
- These initiatives have brought impetus to the EU's aid effectiveness reform effort. However, implementation has not been sufficient largely because these initiatives have been voluntary and self policing without regular, comprehensive monitoring of implementation.
- If these initiatives – including the recent commitment of EU member states to take forward joint planning and strategy implementation – are not given a more binding status (ideally made legally binding) and given the opportunity to promote accountability and peer pressure through effective monitoring efforts, then they will struggle to generate the level of ambition on aid effectiveness that are required.

In addition, CONCORD recommends that:

- The European Court of Auditors be given the authority to investigate how EU member states are complying with the EU targets on aid effectiveness.
- Aid effectiveness becomes a permanent and stand-alone section within the Monterrey Questionnaire.
- All Director-Generals from all EU agencies and development cooperation programmes meet before a public audience to present and defend their annual programmes and plans on aid effectiveness; the European Development Days could provide such an opportunity.
- The EU increase transparency and access to key information by setting up an online interactive portal including all information on aid coding all aid activities by MS (see recommendation on a European Aid Transparency Guarantee in question 3).

- The EU agree on a common framework on supporting democratic ownership within MS and partner countries, with a clear commitment for this to be reported in the Monterrey Questionnaire.
- All aid effectiveness principles should be included in the next Cotonou Treaty review as a stand-alone section; the accountability and scrutiny role of the JPA should be strengthened.

Question 13: What practical and policy related measures could be taken in the EU to improve Policy Coherence for Development? How could progress and impact be best assessed?

Advancing PCD should be a collective responsibility of the EU institutions and the national Ministers in the Council, with the President of the European Commission accountable to it:

Policy coherence for development should be a top political priority for the EU and the EC in the coming years. To this end, the EU needs to take concrete action to improve both the political responsibility for PCD (explicit acknowledgement of the role for EC President Barroso and HRVP Catherine Ashton in it) and the policy level mechanisms (which should be managed by Development Commissioner Piebalgs with the support of the President).

To guarantee that appropriate decisions are taken when there is conflict of interest or contradiction between several policies, the President of the European Commission should be responsible within the College of Commissioners and accountable for the PCD agenda, supported by the High Representative / Vice-President of the Commission, and by the Commissioner for Development. 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. The European Parliament should closely monitor this Treaty requirement. In summary a truly unified and collaborative approach, across the highest levels of power, is required to support PCD and the overall objective of eradicating poverty.

In this regard, the nomination of a Special Rapporteur for PCD in the European Parliament in May 2010 is a step in the right direction.

Civil society organizations also play a vital role in monitoring the EU's PCD obligations due to their field experience and embeddedness in local communities. EU institutions must recommit to enhanced dialogue with civil society in Europe and developing countries.

Promoting and enforcing an accurate approach to policy coherence for development:

PCD is an important tool that, if implemented effectively, could have a markedly beneficial impact on sustainable development, respect for human rights and poverty eradication. An accurate approach to PCD necessitates the following:

- PCD should entail the active coordination and molding of policy making process with the aim of:
 - **avoiding** internal and external policies that are detrimental to development objectives;
 - identifying and **prioritizing synergies** between EU policies that are likely to have a positive impact on sustainable development and human rights;
- Major challenges to PCD are the **multiple linkages** between different policy areas, which should be made explicit in order to give a better understanding of the complexities of policy solutions;
- **Pro-poor** and sustainable development policies should prevail over short-term, narrow or elite European interests. This requires policy-making processes to be transparent and accountable. A policy-making process that is more participatory from the early stages onwards could prevent decision-making at the highest EU level from being held hostage to vested interests, while policy outcomes would depend less on fickle, volatile political will and interests;
- The EU approach to PCD must address the interrelationship between **gender equality** and development on the one side, and trade, peace security on the other side; the EU approach should also respond to its commitments on women's rights as established in the Beijing Platform for Action and CEDAW;
- A **rights-based approach** to PCD, including the social, economic and cultural rights, should be a cornerstone of the EU approach to PCD, with a view to recognize to the development objectives a legal status that is higher than the other objectives of the EU. The reference in the Lisbon Treaty to the Millennium Development Goals does not prevent the wrong interests being prioritized when there is a conflict of interests. The interpretation given to Article 208 in the Treaty should be clarified in this regard.
- In order to achieve a rights-based approach to policy coherence, broad-based **consultations** and democratic debates in developing countries should be an integral part of policy-making processes;
- **Partner developing** countries in the South should be involved, through joint parliamentary assemblies

and institutions, i.e. with the group of African, Caribbean and Pacific countries¹⁸;

- PCD should become more **evidence-based** and should include independent ex-ante and ex-post research on the impact of EU policies on poverty reduction in developing countries. Sustainability Impact Assessments should be conducted by independent bodies. They should be transparent and should include the views of different groups affected and their representative bodies;
- New working **tools** should be developed and a budget allocation for their implementation. These tools could include benchmarks for assessing whether another priority is overriding a development objective, a screening exercise following the experience of the Intergovernmental Panel on Climate Change, new guidelines for conducting Sustainability Impact Assessments that not only takes into account the impact of the proposed policy initiative, but also shows the inter-linkages with other thematic policy areas.
- An annual meeting of a '**Development Forum**' composed of the Commission, Council, European Parliament and NGO representatives should be set-up to monitor progress on PCD.

Setting up a mechanism to retract and/or correct the harmful policies:

- Once progress and impact have been duly assessed and reported (see below) it should be possible to **retract policies** and/or adapt them. An element that has been gravely missing is the ability to retract a policy when it has demonstrated harmful impact on development objectives;
- PCD necessitate identified mechanisms to **anticipate the ramifications** between different policy areas that can result in occurrence of incoherencies;
- A **complaints mechanism** should be introduced in order to improve accountability and coherence; it should be accessible to the victims of incoherencies and should be able to adopt sanctions (cancelling of incoherent measures); this could be done through existing mechanisms such as the European Ombudsman;
- The Member States' **national parliaments** should screen all bills under discussion to check the extent to which they are consistent with the EU development objectives. The Standing Rapporteur for PCD in the European Parliament could act as liaising person with the national parliaments.

Reinforcing the capacities to implement PCD:

- **Existing mechanisms** and structures such as impact assessment and inter service consultations should be strengthened in capacity and political importance. In cases where Impact Assessments identify risks to development objectives, an integrated set of risk mitigation measures must be applied. These mitigation measures should be elaborated in close cooperation with Directorate-General DevCo and will thus require significant staff capacity enhancement and their integration into more inter-service discussions at the very early stages of policy elaboration;
- **Ownership** and cooperation at Member State level should be enhanced, e.g. by setting up a special unit in DevCo with responsibility for coordinating between EU institutions and Member States;
- All levels of operation in the European Commission and Member States, from headquarters and ministries to the External Action Service, national embassies and aid agencies should be **responsible for ensuring PCD and properly trained** to do so;
- The European Commission and Member States should work together to raise **awareness**, strengthen their staff and organizational capacity and use more effective and ambitious mechanisms; a strategy for awareness raising and dialogue at Delegation level should be elaborated with a view to improve incorporation of partner countries' concerns in policy-making; in particular the PCD sections in the Country Strategy Papers elaborated by the Delegations should be strengthened and better used;
- The recently created post of **MEP Special Rapporteur on PCD** should be backed up with additional capacity and technical support;
- **Gender expertise** should be made available as part of this capacity reinforcement effort.

Ex-ante impact assessments should be prepared enough in advance with a view to inform the decision-making process of European policies that are likely to harm sustainable development and the rights of the people in developing countries. Periodical assessments of the coherence of the implemented policies should be carried out, through the involvement of all relevant stakeholders, in particular the most affected populations in developing countries and their national representatives, at all stage of the assessments (elaboration of the terms of reference, realization, dissemination on the outcomes, etc.); indicators for these assessments need to be gender sensitive.

¹⁸ This was a request by the European Parliament in its resolution dated 20 January 2010 on the second revision of the Cotonou Partnership Agreement, asking (para. 10) that regarding Article 12 of the Agreement, the European Parliament invites the Commission to notify systematically to the Secretariat of the ACP Group as well as to the ACP-EU Joint Parliamentary Assembly all the measures taken by the EU which are likely to affect the interests of the ACP States.
CONCORD Response to EC Green Paper: *EU Development policy in support of inclusive growth and sustainable development: Increasing the impact of EU Development Policy* (January 2011)

Such a mechanism could build on the experience of the Human Rights Impact Assessment. Indeed, the HRIAs on a trade agreement aim to evaluate the extent to which the provisions in the trade agreement may have a positive or a negative impact on the human rights of the individuals and the people in the countries where the agreement would apply. The implications are that the EU trade policy must ensure that:

- these agreements do not impact negatively on the situation of human rights in third countries;
- these agreements contribute to the realization of a fair and equitable social environment and to the realization of the human rights;
- the negotiation process is coherent with the international obligations on human rights.

Capacities to undertake impact assessments at country level:

Progress and impact are best assessed on the ground. PCD has to go beyond reporting on institutional progress at European national level. It should be done in close consultation with partner governments, as well as local communities who experience the effects of European policies. To do this, the External Action Service (EAS) should include special development taskforces at Delegation level, made up of EAS staff, civil society and the private sector. The EAS at Headquarters and Delegations level should have sufficient capacity and expertise to conduct these dialogues with partner countries and Southern stakeholders on specific development related issues including the meeting of development objectives and policy coherence for development. Cross-cutting expertise of development and the priority of eradication of poverty in relations with development countries need to be politically supported at all levels in the EAS as all other EU services.

Question 14: How and to what extent should EU aid support industrial investment projects in developing countries and how can the correct balance be made between developing extractive/energy interests and promoting post extractive and industrial sectors?

Economic growth alone does not eradicate poverty and the links between trade, investments, development and poverty reduction are neither simple nor automatic. Alternative economic measurements as well as specific public policies are necessary to achieve inclusive and sustainable growth.

One of the key factors limiting the potential of growth and the fight against poverty is inequality in enjoying the benefits of this growth. The idea that high growth improves the wellbeing of all is undermined by the significant negative impacts of inequality. History has shown that without an explicit focus on inequality, achievements such as high growth rates do not lead to an improvement of the livelihoods of the poor nor of society as a whole.

Indeed a 2010 study by the Institute for Development Studies showed that three quarters of the world's poorest now live in middle income countries, clearly demonstrating the limitations of classical economic growth as a driver for the eradication of poverty. While we agree that growth can be a key element (under specific conditions and contexts) in the quest for development human development is much more than economic growth.

According to ECLAC (Economic Commission for Latin America and the Caribbean), various studies show that **no direct link exists between FDI and recipient economies' growth and productivity**. Nor does FDI necessarily lead to knowledge transfer or production linkages (see also our response to question number 3). In Latin America, the impact of FDI has been stronger as a source of financing than as a catalyst of structural change in the economies in the region. ECLAC statistics for Costa Rica, El Salvador, Honduras and Nicaragua for 1999-2009 show that the lion share of FDI was made in the services sector (between 40 to 72 percent). Between 22 and 52 percent went to manufactures, and 2 to 9 percent to natural resources. ECLAC's conclusion is that **"FDI strategy must be treated as part of a broader development policy that targets specific sectors for development or consolidation**. It must also be accompanied by policies that build up the absorptive capacity of local economies by improving education, strengthening institutions and upgrading physical, scientific and technological infrastructure. This is the only way that potential advantages of FDI can be realized."¹⁹

Evidence suggests that selecting the right type of foreign investors, and having the capacity to manage the terms on which they enter is critical for determining the impacts of FDI. This has been most starkly illustrated by experiences of developing countries with TNCs in the extractives sector.²⁰

¹⁹ ECLAC. Foreign Direct Investment in Latin America and the Caribbean 2009. July 2010

²⁰ Christian Aid (2005), Unearthing the truth: mining in Peru, Christian Aid, London

Foreign investors can encourage better governance by being more demanding of governments or by creating a demonstration effect. However, they can also continue or exacerbate corruption, they can overstretch or bypass institutions, and they can distort governments' policy and spending choices (in order to encourage or keep foreign investors) thus reducing responsiveness²¹.

The role in development of Foreign Direct Investments (FDI) through Transnational Corporations (TNCs) and of the private sector in general, is complex and can only be judged on a case-by-case basis²². Important touchstones to arrive at a balanced judgement are:

- The effect of TNC on the quality and quantity of employment. TNCs can crowd out local enterprises and create more capital intensive and less labour intensive enterprises. However, TNCs can also create positive linkages with local industries, thereby creating employment. In this, the quality of employment is also an important yardstick.
- TNCs, through FDI, can create capital flows to the host country. However, through regular profit remittances as well as through illegal transfer pricing policies, TNCs can also repatriate capital to its home country (or elsewhere where this may be more profitable) so that the net effects are negative instead of positive.
- With regard to the third production factor, land, there have been quite a few reports lately on FDI that is aimed at purchasing or leasing large tracks of land to be used as farm land aimed at feeding the population of the country from which the FDI originates (a practice often referred to as 'land grabbing'). The jury is still out on whether the effects in specific cases are positive or negative for the home countries but reports have already come in on detrimental effects for local herdsmen (who are excluded from their traditional grazing lands) and on the water supply for local populations (as scarce water is diverted to agricultural purposes of the foreign investors).
- Yet another yardstick is the question whether TNCs and FDI contribute to value chain improvement according to which as much value is added to products produced in the host country or whether products are exported in the form of raw materials. Obviously, from a development perspective, the former is to be preferred over the latter.
- By the same token, it is important to consider whether FDI are focussed on the local market or whether products are mainly produced for exports.
- The extractive industry is an economic sector where many of the above mentioned concerns come together and where the 'curse of resources' can have particularly negative effects on the population of the host countries of FDI.

This non exhaustive list of touchstones serves to illustrate the point that investing in industrial projects and extractive industries **is not necessarily and automatically beneficial for development and poverty reduction. Each case has to be judged on its own merits.** If ODA is mixed/blended with loans and other forms of financial investments, a clear guarantee is needed to ensure poverty reduction relevance and a positive development impact of the contribution delivered. In particular, EIB's investments and support operations must respect the political, economic, social and cultural rights of the populations and the workers concerned and be subject to systematic and in-depth economic, social and environmental impact studies. EIB operations should be subject to the same requirements with regards to transparency and accountability as ODA."

In its 2010 *Trade and Development report*, **UNCTAD questions the strong focus on export led development through liberalisation and suggests that more focus should be put on enhancing domestic demand.** The private sector can create jobs, provide essential goods and services, and be a source of tax revenue, and as such it can be crucial for development. However, not all private sector activities have a positive developmental impact. Much focus has been put on promoting investment, but investment will not in itself contribute to poverty eradication. Investments need to be accompanied with concrete measures to ensure that these investments benefit the poor and the most vulnerable. **In this respect, building a vibrant private sector in developing countries may be more important than attracting foreign investment.**²³ Indeed, all too often discussions on the private sector in developing countries have equated foreign investment with private sector development, which are two related but different issues. This has resulted in a strong bias in development finance institutions towards Foreign Direct Investment (FDI), in detriment to developing countries domestic investment. Also, big and well-established

²¹ APRODEV paper: Trade and Governance: Does governance matter for trade? at <http://www.APRODEV.eu/files/Trade/trade-and-gov.pdf>

²² See Christian Aid report : Getting back on the rails, The private sector and development (October 2009) at <http://www.christianaid.org.uk/images/private-sector-report.pdf>

companies have tended to receive the most public support, thus marginalising the crucial role that small and medium enterprises play in developing countries' economies.

Of particular importance in our view is to support domestic private sector and local markets in the sector of agriculture. **Investing in smallholder agriculture is not only the way to reduce hunger, but also a smart path to economic recovery and resilience for developing countries hit by economic, food or climate change crises.** The EC and, by extension, the EU, has the right policy framework in place with regards to investment in smallholders. However, it now needs to put this theory into practice and to focus more on investing in sustainable agriculture targeted at smallholder farmers, particularly women. This is far preferable to investment in credit guarantees and reducing risks for foreign companies that are motivated by profit, and not by the well-being of the poor.

With regard to extractive industries which represent a major source of revenues for many developing countries, CONCORD members would make the following recommendations:

To Governments of developing countries:

1. Collaborate with the United Nations to develop and publish an easy to use guide on mining taxation. The guide should cite best practice and detail the purpose, costs in foregone revenue and benefit of each type of tax instrument and tax concession
2. Review their company and financial laws to require all extractive industry companies to use the EITI template in their annual financial reports by law
3. Stop the practice of granting tax exemptions to mining companies in mining contracts. All mining tax rates and terms should be legislated in the substantive law and merely confirmed in mining development agreements

To Parliaments of developing countries:

1. Pass laws that require mining development agreements to be ratified by parliaments, as is the case in Ghana and Sierra Leone, and made public
2. Push for a new international accounting standard that would force companies to report on their profits, expenditures, and taxes, fees and community grants paid in each financial year on a country-by-country basis

To the International Accounting Standards Board:

1. Adopt a new international accounting standard for extractive industries, which require them to report on their profits, expenditures, and taxes, fees and community grants paid in each financial year on a country-by-country basis. The need to improve accountability is not limited only to developing or transition economies. The introduction of country-by-country reporting requirements will mean that MNCs can provide an accurate picture of their contributions to national economies. Increased corporate transparency and accountability is a legitimate concern for citizens when the costs of state aid to MNCs are borne by taxpayers. EU governments are also seeking to support business models which are sustainable. It is important that political discussions and future policy decisions are based on clear, comparable and robust data about how MNCs operate at a national level.
2. Disclosure of financial information on a country-by-country basis is also crucial to investors. As early as 2003, a number of high profile institutional investors signed a public statement supporting the EITI principles and payment disclosure and calling for mechanisms to promote transparency. By 2009 80 institutional investors representing approximately US \$16 trillion supported this position.²⁴

To bilateral and multilateral donors:

1. Scale up their financial assistance to African governments to improve their capacity to monitor and audit the accounts of mining companies, and to review their mining tax regimes. African governments should be free to use this finance to purchase legal and other technical assistance from any service provider of their choice

²⁴ On country by country reporting, see CIDSE's response to the EU consultation by DG MARKT on Country-by-Country Reporting , January 2011 at http://www.cidse.org/Area_of_work/?id=2511 and Christian Aid Briefing at: <http://www.christianaid.org.uk/images/accounting-for-change-shifting-sands.pdf>

Question 15: How can the EU ensure that support to economic development guarantees fair social inclusion of the benefits and provide better protection of social and economic rights, including implementation of core labour standards, and better corporate accountability?

For growth to be beneficial for development, CONCORD believes it has to be sustainable and inclusive, taking into account inequalities and with special emphasis on reaching the poor. Pro-poor growth is based on decent job creation, functioning health services, universal access to education, a productive agriculture, and good governance. We are convinced that these areas, because of their outstanding significance, should form the core of EU development cooperation and spending. Furthermore, focusing on these areas plays to Europe's strengths and expertise: industrialised countries and especially EU Member States have long used social protection to help ensure that the benefits of economic growth reach the poorest and most marginalised.

Therefore, it is key for the EU to strengthen the social support of vulnerable populations. The HIV epidemic for instance has uncovered a huge deficit in social services and the deplorable state of social safety nets in many developing countries, leaving many people, predominately women and children, at the very margins of fighting for their survival.

Promoting universal access to a minimum floor of social protection will accelerate progress towards the MDGs and is necessary for the inclusion of the poorest in economic growth, social cohesion and broader national socio-economic development and security. We strongly support the recommendation in the European Report on Development 2010 that the **EU enhance and improve its support to social protection** in developing countries and put in place a more comprehensive policy framework to achieve this. More specifically, we call upon the European Commission to produce a Communication on social protection in development cooperation tied to a concrete, time-bound action plan with dedicated resources.

Core labour standards and corporate social responsibility

The EU can ensure that its support to economic development guarantees fair social inclusion of the benefits and provide better protection of social and economic rights by more explicitly supporting core labour standards as well as better corporate accountability.

The EU with its member states forms part of the international established human rights regime, the International Labor Organization, the World Bank, the World Trade Organization and also of the Organization for Economic Cooperation and Development. International treaties adopted in this international context must be transmitted into national law. For this, the EU can work out guidelines and recommendations and promote the ratification process in EU states for protection of the social rights (including for example the ratification of the UN Convention on the Protection of the Rights of All Migrant Workers and their Family Members). Moreover, the EU can exercise influence over the behavior of the private sector by reinforcing the control and complain structures. In many EU member states resources for the work of supervision offices are missing or their independence is not guaranteed. Furthermore, more attention should be given to the linkages between the enterprises and people working in the informal sector and contributing a lot to the corporate profit. In this respect corporate accountability has to be improved.

The agreement and implementation of labour standards have been shown to enable poor and marginalised workers better to work themselves out of poverty, support their families and participate more in the economy. Yet the agreement and application of labour standards in many countries of the world is patchy. The EU should support better implementation of core labour standards through support to labour ministries, ILO institutions and unions plus other organized workers' groups. It should also encourage the adoption and implementation of wider labour standards, particularly those which can directly impact on poverty alleviation such as minimum wage regulations and health and safety standards. In doing so, the EU should seek to strengthen tripartite agreements in line with ILO practice, building on the international consensus between governments, employers and employees which recognises in the 2009-agreed 'Global Jobs Pact' that employment conditions are vital to promoting investments, employment and social protection.

The encouraging collaboration in the implementation of ILO country strategies is important because it connects with the concept of decent work in national contexts. That includes the assistance in the development of social security systems, employment promotion, reinforcement of human rights and the promotion of social dialogue, including particular attention to the protection of the informal worker.

Furthermore, the EU should recognise that many workers in poor countries work informally or in sectors which have fewer legal protections. Therefore, support should be particularly directed to these workers and

sectors. This can be done through strengthening international labour standards, promoting the greater inclusion for existing labour standards, and supporting processes to recognise informal workers' groups, and ways to bring workers and sectors into the formal economy. An example of needed support for further international labour standards is the proposed ILO Convention 'Decent work for domestic workers'. Domestic workers are often particularly marginalised in their work due to the nature of work and their isolation within the workplace. Many migrant domestic workers are particularly exploited and abused, despite working hard to remit money home. A new international standard would itself provide greater legal coverage of rights, encourage national improvements and signal that the tens of millions of domestic workers worldwide do important work.

Similarly, national legislation should encompass workers not currently covered in core areas such as health and safety, working conditions and entitlements to social insurance and so on. Such improvements often go together with increased productivity. Encouraging employers, employees, and government officials to work together through the ILO or equivalent processes can lead to wider cooperation in pursuing common goals around inclusive growth.

16. Which measures should be taken – and how should they be best differentiated – to assist developing countries' efforts in establishing an economic environment that is apt to promote business, particularly SMEs?

NA./

17. Which measures or structures might be developed with partner countries, and European and international financial institutions to provide financial support and where necessary low cost finance and financial guarantees to support such growth?

NA./

18. Which instruments could the EU use to promote creativity, innovation and technology transfer and ensure their viable applications in developing countries?

NA./

19. How can the EU's experience better inform regions seeking to strengthen their integration?

See the CONCORD report on policy coherence for development, [Spotlight](#) (October 2010).

Although the EU argues that regional integration is one of the main objectives of its trade negotiation with regions of developing countries, in many cases the trade agreements promoted by the EU frustrate regional integration efforts and have proven to be a stumbling block rather than a building block.

With the African regions: interim EPAs impose rigid timetables, cement dynamic regional configurations and supersede African integration plans and schedules. They do not allow African countries the flexibility necessary to sequence market opening in a way that respects their vision of an African Economic Community. Also, the EPAs fail to respect collective policy-making and undermine the prioritisation of supply side capacity as a way to broaden and deepen intra-African integration before opening markets to the world economy.

The pressure on ACP countries to negotiate and sign interim EPAs separately from regional processes has already led to conflicts and new divergences in existing processes. The EU has exploited political differences between ACP countries and is perpetuating EU trade relationships that re-create or maintain hubs in the region that essentially provide the input and raw materials, while the bulk of value-added processing and manufacturing takes place in EU countries.

With the Andean region: in its negotiations with the Andean region, the EU dismissed concerns raised by Bolivia about the negative development impact of the Free Trade Agreement. Instead the EU quickly showed a readiness to negotiate bilaterally with the other countries of the Andean Community, placing the objective of 'market opening' and 'free trade' before the objective of regional integration.

Besides, regional integration should not be reduced to integration through trade, but it must be based on processes aiming at reinforcing economic, social, political and institutional links, involving actors from civil society and under parliamentary control.

In this respect, a complete shift in the EU trade policy is necessary if the EU is genuinely committed to support other regions' economic and trade integration:

It has to be realised that while granting free market access to the EU can significantly impact on the quantity of trade levels, it can simultaneously undermine domestic and regional political processes and ownership for regional integration initiatives, and inhibit the build-up of their own regional production chains. Measuring success of trade policy in quantity of produce moved across borders instead of the ability to fulfil economic and social rights and developing countries' control over domestic policies and local capacity building must be avoided.

A re-focus of trade strategies with developing countries should:

- align itself with the objectives set by states' national development strategies;
- prioritise regional market developments rather than export-led growth to different continents;
- and ensure to support an economic growth that is domestically rooted, sustainable and inclusive for the local populations based on the principles of human rights and economic sovereignty.

The EU, through its trade policy, must actively support regional integration and contribute to a regulatory framework that will best assist the development objectives as set by the EU Treaty.

20. What can be done to ensure more consistency between the EU's trade and development policies?

The promotion of trade liberalisation in developing countries by the EU is not following the interest of development. It is essential to reconcile trade policy and development cooperation with a view to achieve greater policy coherence for development. Therefore, the question asked should not be about consistency between trade and development policies, but how can trade policies be more coherent with development objectives (in compliance with the EU's PCD obligation).

Economic and trade agreements negotiated by the EU with third countries should be based on regional and international human rights provisions, gender equality principle, and on the labour and environmental regulations that apply at national and regional level.

The two original characteristics of the EPAs, namely the consolidation of regional integration in the ACP sub regions and development, must be respected by the EU.

The EU trade policy can make an important contribution to development, especially associated with regional integration by applying the following recommendations:

- The EU trade policy must acknowledge that sustainable development is also about the build-up of local and regional markets and not only about transnational companies (*see also reply to questions 19*);
- The EU trade policy must concentrate on the development of rural areas and support regional integration processes as well as infrastructure development through a bottom-up-process;
- While formulating the EU trade policy, participation of civil society, especially of small producers in Europe and in developing countries, should be guaranteed;
- The EU should engage in efforts to design mechanisms, strategies and policies to make international trade policy transparent and accountable in responding to sustainable development objectives. In this way, the EU can live up to its commitments to promote sustainable development actively worldwide and ensure that its own internal and external policies are consistent with global sustainable development and its international commitments, especially on human rights.

Assessing the sustainability of EU free trade agreements with third countries (*see also reply to question 13*):

- All EU free-trade agreements with developing countries should be subject to an independent development audit, and must be revised if these audits identify potential anti-developmental provisions in them;
- Set up an institutional complaints mechanism, or entity such as an ombudswoman, entitled to formally receive and process complaints lodged by citizens or community groups affected by EU trade policies. Where there is substantial evidence that a particular trade agreement undermines international commitments or respect for rights, this would trigger the suspension or amendment of the provision

identified in the agreement;

- The complaint could also trigger the benchmarking of development in trade agreements, which would start by identifying the most development-enhancing or least harmful provisions. To facilitate this process, a comparative analysis of existing trade agreements could serve as a reference;
- Trade Sustainability Impact Assessments (TSIAs) should be radically revisited to make sure they do not prioritise competitiveness at the expense of sustainability objectives. TSIAs should include both an ex-ante and an ex-post dimension (review of existing trade agreements); at their core they should include participation by citizens, affected people and communities, who should be fully involved in policy-making on trade; TSIAs have to inform about the gender dimensions of trade policy.

21. How to improve the aid for trade provisions in order to make maximum use of its leveraging potential for expanding sustainable economic activities in the developing countries, leading to further growth?

NA./

22. Given the close interlinkages between climate change, biodiversity, and development, and given the new opportunities offered by climate finance and the markets, how can the mainstreaming of climate adaptation as well as disaster risk reduction into the EU's development policy be strengthened in order to ensure more climate resilient and sustainable economies, as well as forest and biodiversity protection?

General comments on section 4.1 (page 15) of the Green Paper:

The section states that “the need to address climate change can not be a reason to limit efforts to lift the world's poorest citizens out of poverty.” (p.15) CONCORD welcomes this although the section in the Green Paper does not explicitly recognize the need for new and additional financing resources to address climate change. The costs of climate change will hit hardest on those less responsible for the problem. The poor and vulnerable will face an unbearable cost of adapting to the adverse effects of climate change, and on top of that try as best to achieve a low carbon development for their communities and countries.

- Climate change places a **new and additional burden** on developing countries and **new resources are required** to tackle it. Redressing this situation is a matter of ‘climate justice’ in which the rich world has a special responsibility because of the ‘ecological debt’ it owes to countries in the South.

Most importantly, the section concentrates on linking climate change, biodiversity and development. Measures to adapt to climate change, mitigation of GHG, low-carbon development strategies and many activities of development cooperation are overlapping to a large extent at project and programme level. Yet there can be tensions between them. Greater coherence between climate actions and traditional development will in many cases benefit the aim of both while diminishing the risk that the one undermines the other.

In order to contribute effectively to the building of a more fair and sustainable world socially and environmentally, EU development policy should:

- Recognise the relationship between **ecosystems and human wellbeing**, in such a way that all Official Development Aid (ODA) coming from the EU guarantees a varied and sustainable flow of services to and from the ecosystems minimising impacts on the structure and functioning of the natural system;
- Accept the existence of **ecological-distributive conflicts** between different regions of the planet in such a way that one of the principal goals of the EU's ODA should be to correct the current inequality in terms of the ecosystems' access to services and in the use of carbon sinks;
- Reconsider the classical paradigms of development which are based exclusively on the myth of economic growth and blind faith in technology and adopt other broader and more integrated visions which are based on a **multidimensional concept of human wellbeing**;
- Evolve from focussing on ways of acting which are only local or related to a particular sector to adopting a systemic approach at the time of policy planning and design plans of action which include uncertainty and unpredictability as elements which are inseparable from the current process of global change so that the **creation and maintaining of adaptability (resilience)** constitutes one of the principal aims of ODA;
- Eliminate the objectives of **biofuel** consumption which put additional pressure on that which already exists on new and old agricultural land. If priority is not given to traditional and sustainable agricultural methods which respect and optimise the right to food, it is impossible to manage catastrophes, the cycles of which will be ever more frequent as climate change takes greater hold;

- Avoid financial and trade policies which give precedence to agricultural exports as opposed to the diversification of products and local markets needs. Only economies with complete and **diversified chains of value** are agile and robust in the face of climate instability (*see replies to questions 24-25*).

On climate adaptation:

The EU and its Member States should make developing countries' adaptation to the effects of climate change a priority in the framework of its external policy. Bearing in mind that adaptation to climate change is urgent, it should be tackled from an integrated perspective which optimizes the available resources and contributes to the improvement of people's lives.

The EU should prioritize the following adaptation measures:

- **Sustainable management of land and water:** taking a stand against the degradation of land contributes to fighting climate change. This is why in sectors like agriculture and cattle farming, techniques of sustainable land management should be promoted which favour their capacity to be carbon sinks. The sustainable management of land, water and biodiversity should not be subject to the availability of funds derived from the emissions market or that of compensation. Instead it has to be promoted by means of additional funds which are not conditional and which are predictable;
- Sustainable management of **biodiversity resources:** the sustainable management of ecosystems does not just contribute to putting the brakes on environmental degradation, but furthermore it also guarantees the wellbeing of the people who live in them. The extraction of non-wood forestry products and ecotourism are alternatives which should be promoted and financed recognizing the right to development of the communities which are most dependent on natural resources;
- The **reforestation of mangroves**, apart from being a way of mitigating climate change because of its ability to fix CO₂, helps to reduce the effects of tropical storms and typhoons which batter the coasts of South East Asia as well as contributing to the conservation of biodiversity. The indiscriminate felling of these coastal forests which are the main natural barrier against the force of the wind, waves and currents, puts the lives of many people who live in coastal areas at risk. Apart from being a source of food, mangroves provide materials for house-building, fishing instruments, fuel, medicinal plants, oils, fibres...a unique biodiversity which it is vital to protect.

Reducing emissions from deforestation and degradation (REDD):

The **needs, interests and priorities of communities** which live in forests should take priority in the REDD mechanisms (UN Collaborative Programme of Reducing Emissions from Deforestation and Forest Degradation in Developing Countries). For this to happen, it is vital that forests are not commercialized and become a 'poverty trap' in which those who have least are not represented, do not participate in decision-making processes or are able to make use of the resources available.

The **rights and knowledge** of local populations should be recognized.

Risk management (*see also reply to question 11*):

Climate change is increasing the intensity and frequency of natural shocks (droughts, floods etc.) which devastate the livelihoods of the poorest people. Fighting climate change is also fighting these disasters and for this to happen it is vital to draw up risk management strategies which guarantee prevention by means of land planning, early warning systems, safe evacuation systems as well as effective and coordinated post disaster rehabilitation strategies. In addition, environment has a major impact on health and climate change increases health risks. By increasing heavy rains, climate change affects availability of clean water, food security and increases the risk of transmission of diseases such as cholera and malaria.

The EU should:

- Campaign for enhancement of environmental agreements which are relevant to health and take also into account the goals of global health when implementing joint climate funding agreements with developed countries;
- Pay attention to the availability of health services as a part of its assistance to adaptation to the effects of climate change.

Biodiversity and food security:

When implementing the reform of common fisheries policy (CFP), the basis for the EU has to be development policy goals and support to the local fishing industries of developing countries from the viewpoint of sustainable development and food security. With the help of its regulative and supportive systems of fishing, the EU should aim to prevent excessive fishing, since it poses a significant threat to the biodiversity of sea areas.

- The protection of biodiversity has to be implemented as a part of all EU policies, and the funding granted by the EU should be consistent with the goals promoting biodiversity.

Climate change and conflicts (see also reply to question 9):

Natural disasters also cause more insecurity and conflicts. The consequences of climate change and unstable use of natural resources are partially the reason why conflicts emerge and drag on. Mitigating climate change, adapting to its impacts, and promoting sustainable development should be seen as a part of comprehensive viewpoint to security. In addition, the EU should note the importance of climate issues in resolving and preventing conflicts.

Climate financing:

The EU and its Member States have an opportunity to move from a lack of precision to action if in 2011 they come to an agreement regarding the creation of the United Nations Climate Fund which is transparent, accessible and direct; and they put into place financing sources for 2013. Despite the results of the COP16, work needs to continue on route to Durban.

Climate finance must be 'new and additional' to ODA. There has not been clarity in Cancun regarding the additionality of resources and this also weakens the position of the EU with regards developing nations. Climate change constitutes a huge incremental cost that can not and should not be met through Official Development Aid ODA commitments. Financing for climate change is not aid and the latter already falls short of promises made in the past. If the limited ODA budgets would also be used for climate change programmes, even less progress towards the Millennium Development Goals will be achieved by 2015.

To ensure transparency and in order to measure, report and verify climate finance, a **common definition of 'new and additional' is required.** Until such a common definition is in place, it is essential that all contributing Parties detail the baseline against which they are defining the provision of 'fast start finance' as "new and additional".

In terms of whether the funds are **public or private**, funds for adaptation must go to those who are at the front line of the climate crisis. Even if the private sector plays an important role in the renewal of obsolete technologies of impoverished nations, only public funds can guarantee that they will get to the most vulnerable and marginalised communities. This is especially true in the case of mitigation action in the forestry sector and in expanding energy access for the poorest: planting mangroves or developing small-scale watering systems will not attract investment from the private sector as they do not generate significant return on investment (see above). **Public finance** also facilitates regulation and an equitable distribution of support and deployment of technology.

- The contributions made by wealthy countries to finance adaptation in accordance with the UNFCCC²⁵ should come exclusively from public funds in order to thus guarantee that funding is targeted to those who are the most affected;
- Climate finance for adaptation must be primarily and essentially grant-based.

In terms of mitigation, even though many crucial investments in this sphere need public aid, for some projects in the energy sector, the restricted use of loans in favourable conditions could be used to cover some of the developing countries' costs.

- For those measures which do not generate direct benefits, such as institutional training, or for those cases in which it is necessary to guarantee results which benefit poor people, such as agriculture or forestry, mitigation should be financed through grants;
- Loans with favourable conditions could be used for financing cuts in emissions in the energy sector but rigorous limits must be imposed on the grant/loan ration.

Question 23: How can the EU best act to support developing countries' efforts to secure sustainable energy for all their citizens? What role might, for example, an EU-Africa Joint Programme to progressively provide sustainable electricity to every citizen, combining development and climate change funding and leveraged loans from Development Financial Institutions?

1. Access to sustainable energy is a key to poverty eradication:

²⁵ United Nations Framework Convention on Climate Change

Access to sustainable energy is a key to poverty eradication and the achievement of the MDGs. People do not need energy for the energy itself but for the services it provides. It accomplishes this by underpinning wealth creation through micro enterprises, extending economic activities beyond daylight hours and encouraging locally owned businesses. Energy is also key to reduce hunger and improve health and sanitary conditions, notably by improving access to clean water. It is also essential in reducing the burden of diseases. It is a key component in well-functioning health systems.

Large parts of Africa's population lack access to modern energy services that are affordable, climate-friendly and sustainable. The actual situation reveals that less than 20 per cent of Sub-Saharan Africa's population has **access to electricity** services; 800 million people in Sub-Saharan Africa consume only three per cent of the energy consumption globally; and in several countries in Sub-Saharan Africa electricity consumption per capita is in rapid decline.²⁶ Particularly in Africa's rural regions, where 80 per cent of the poor live, energy supply is in a precarious state, with less than 10 per cent of the population having access to electricity. In Sub-Saharan Africa the main use of energy is for cooking and the main users are women.

In several countries of Sub-Saharan Africa, traditional biomass energy accounts for 70 to 90 per cent of primary energy supply. The number of people dependent on traditional biomass energy is steadily increasing and will double within 20 years. Also, wood harvesting and charcoal production are key forces driving **deforestation**.

2. Challenges posed by the implementation of the Africa-EU Energy Partnership:

The Action Plan for the Africa-EU-Partnership on Energy states that the Partnership "aims at creating a momentum that will also mobilise increased financial, technical and human resources in support of Africa's energy development."²⁷ As a people-centred partnership the predominant question from a civil society perspective is: has the Africa-EU Energy Partnership set the right priorities to tackle the above mentioned problems and make a real difference for the poor? Providing energy to the people should not be a quantitative exercise which focuses on the "easy to reach" parts of the populations centred in urban hubs.

The implementation of the Africa-EU Energy Partnership, its Action Plan and Road Map reveal the following challenges:

- a) The Africa-EU Energy Partnership prioritises **large-scale infrastructure projects**, which do not lead to rural development. With respect to energy exchange infrastructure between Africa and Europe (gas pipelines from Nigeria and electricity from the Democratic Republic of Congo) the European interests for its energy security seem to dominate the debate. Furthermore, large scale-infrastructure projects, as demonstrated by many examples, can have negative impacts on the local population. Financing should shift away from investment in fossil fuels toward catalysing development of **renewable energy** and **energy efficiency**. At the same time, developed countries have a responsibility to support sustainable development in poorer countries without increasing their debt;
- b) Due to the low population densities in rural areas in Sub-Saharan Africa combined with small purchasing power, **decentralised renewable solutions** are more cost effective and should be emphasized. Decentralised solutions are affordable, offer job opportunities and generate income. These require more support for local capacity-building on a technical, management and institutional level as well as appropriate funding systems, for consumers and service providers. Indeed, energy must be understood not only as grid electrification but also as delivery of energy requirements of individuals and communities. Energy provision should focus more strongly on decentralised micro-generation – small-scale renewable energy technologies that deliver energy needs locally;
- c) More focus should be given to **household energy** and the development of modern biomass energy options for cooking. These initiatives should be placed within the energy development policies in general, recognizing their role in reducing poverty. A global partnership for improved cook stoves is needed.
- d) With respect to biofuels the Partnership should discuss concerns about sustainability, food and fuel conflicts, as well as social concerns over new investments. **The right to food should be the first priority for land use**. The coverage of local energy needs should be a core issue for energy-related

²⁶ See: 2009 VENRO, German NGO Forum on Environment and Development, and ICEED, *Rethinking Biomass Energy in Sub-Saharan Africa*; http://www.venro.org/fileadmin/redaktion_afrikas_perspektive/publikationen/Projekt-Publikationen/091124_Afrikas-Perspektive_Bioenergiestudie_Final.pdf

²⁷ See the Action Plan: http://ec.europa.eu/development/icenter/repository/EAS2007_action_plan_energy_en.pdf

investments. Small-scale, village-level biofuel production should be developed and promoted to **meet local energy needs**. Minimum sustainability standards for multinational corporations should be set in the case of biomass production for export.

3. Challenges posed by “leveraging aid”:

“Leveraging” aid for the large-scale projects poses a number of challenges, often because it requires channelling funds through multilateral development banks (MDB). Some of the challenges include:

1. It is difficult to control the outcomes of money which is being channelled through MDBs and ultimately the private sector. This is particularly due to poor transparency levels within MDBs e.g. it is very difficult to get break downs in spending from the European Investment Bank;
2. The lack of criteria for intermediary banks to measure the development effectiveness of the money they are channelling;
3. The risk of violating human rights (considerable amounts of money have been channelled by MDBs into projects which have violated human rights);
4. The issue of accountability: large scale projects funded through MDBs are ultimately paid for by a mixture of poor people’s debt and taxpayer’s money²⁸.

In order to overcome these issues the EU must guarantee that investments support the national development strategies of partner countries. It can use its aid to boost ownership by giving opportunities to developing countries in aid contracting and procurement, so that many of the damaging aspects of aid tying can be laid to rest. It must be ensured that the **financial institutions the EU works with have clear poverty eradication mandate** with positive development outcomes as their objective and criteria for project selection. Likewise the intermediary institutions, which these MDBs channel funds to, must have this same mandate.

Finally, full **transparency** around the use of EU public money must be guaranteed. Generally, public money should not go to companies which:

- Have subsidiaries in known tax havens.
- Are directly or indirectly involved in corruption, human rights- and/or labour rights violations
- Have no Corporate Social Responsibility (CSR) policy (or an incomplete one)
- Make no mention of International Labour Organisation (ILO) underlying principles; the Universal Declaration of Human Rights; the Rio Declaration or the underlying principles in the relevant CSR documents.
- Do not publish an annual CSR report or comply with GRI.
- Do not disclose any information about subsidiaries or suppliers.
- Do not have a supplier policy or supplier code of conduct or the company has a supplier policy of supplier code of conduct which only covers the first tier of suppliers.
- Do not recognize their stakeholders or give stakeholders no say about the company’s CSR policies.

4. Recommendations for the implementation of the Partnership on Energy:

To strengthen the people and poverty-oriented approach of the Africa-EU Energy Partnership and to foster rural development, the following aspects should play a predominant role in the next Action Plan:

- a) The Africa-EU Energy partnership needs to support National Development Strategies and Civil society participation should be inclusive and strengthened through the Partnership. Therefore civil society organisations, particularly those who are dealing with access to sustainable energy in Africa should be involved systematically. Local energy needs should be understood through comprehensive consultations with all stakeholders, especially the poor;
- b) Set measurable global targets to reduce by half the number of people without access to modern energy within the next decade;
- c) All AU and EU countries should adopt appropriate renewable energy and energy efficiency policies with specific targets and commitments; environmental and social factors, at both national and local community levels, must be part of comprehensive cost-benefit analyses of energy options;
- d) Innovative and accessible financial schemes for development (production, distribution and utilization) of renewable energy technologies in Africa should be established. These should be transparent, participatory and publicly accountable and be able to deliver small-scale solutions to energy needs.

²⁸ See: Counterbalance Report ‘Conrad’s Nightmare’ 2009

- e) The Partnership should exploit synergies and closely link future activities with the work of International Renewable Agency (IRENA). The majority of the IRENA-members are mainly from Africa and the EU;
- f) The level of engagement of African governments needs to be strengthened. For that purpose, the added value of the multi-stakeholder approach in the Africa EU-Energy Partnership needs to have a higher profile, and the complementarities of different stakeholders recognized.
- g) Civil society participation should be inclusive and strengthened in the Partnership. Therefore civil society organisations, particularly those who are dealing with access to sustainable energy in Africa should be involved systematically. Local energy needs should be understood through comprehensive consultations with all stakeholders, especially the poor;

5. Policy orientations for targeted measures in developing countries and in the EU:

- a) The EU should condition its imports of fossil fuels to **investments** in energy generation and distribution in oil and gas producing countries; these investments could be levied from the revenues generated by European companies which exploit these resources;
- b) **Regulatory frameworks**, including taxes, on the energy sector should be put in place in developing countries to accompany the shift to low-carbon and sustainable energy production and consumption solutions;
- c) Set-up **compensation mechanisms** for the non-exploitation of oil; the initiative that is being tested in Ecuador (so-called Yasuni Initiative²⁹) is a model to get inspiration from;
- d) Give as much priority to **national distribution networks** as to international ones, supplying countries with greater industrial development potential and their urban areas as well as their rural areas;
- e) **Review the enforceable measures** that exists at EU, African and global level, that prevent any energy project to have the consequences which have been experienced as a result of large-scale hydroelectric projects for example leading to forced displacement people, impacts on biodiversity and the environment, human rights violations, etc.

24. How can the EU's development policy best contribute to enhanced food security while safeguarding environmental qualities? Which policies and programmes are most conducive for smallholder and private sector investment in agriculture and fisheries?

The reference in the Green Paper to the recent price developments on world food markets, as well as the importance given to the role of "small-scale farming" is important, as is the recognition of the role played by agriculture in mitigating environmental challenges.

However, it is concerning that the orientations and the options put forward in the new *EU Policy Framework to assist developing countries in addressing their food security challenges*³⁰ are not enough reflected in the Green Paper, in particular the importance to support smallholder farmers:

"sustainable small-scale food production should be the focus of EU assistance to increase availability of food in developing countries" (page 4 in the EU Policy Framework)

and the multifunctional role of agriculture:

"when supporting small-scale agriculture EU assistance should prioritise intensification approaches that are sustainable and ecologically efficient, respecting the diverse functions of agriculture" (page 4 EU Policy Framework)

It is concerning that the new orientations that could be assigned to European development cooperation with this Green Paper could potentially not align with the *EU Policy Framework* elaborated and adopted by the European Commission in March 2009 and endorsed by the Council.³¹ According to the policy orientations set in the Policy Framework, development assistance to the sector should be targeted at supporting smallholder

²⁹ See: <http://yasuni-itt.gob.ec/>

³⁰ See: an EU Policy Framework to assist developing countries in addressing their food security challenges http://ec.europa.eu/development/icenter/repository/COMM_PDF_COM_2010_0127_EN.PDF

³¹ See : Foreign Affairs Council conclusions of 10 May 2010

agriculture and increasing the productivity of farms in ways that are “ecologically-efficient” and “respect the diverse functions of agriculture”.³²

- In this regard, CONCORD recalls that the Commission and Member States should implement effectively the *EU Policy Framework* for food security which has been approved in 2010.

There were however gaps in the consultation document:

- on the question of how to strengthen the position of women as food producers;
- on the impact of the European Union’s trade policies and Common Agricultural Policy on the domestic agricultural markets in developing countries; and
- on the need to ensure that smallholder farmers actually benefit from value chain arrangements involving the private sector.

Drawing the lessons from the 2008 food price crisis:

The 2008 food price crisis has required policy change, especially in the field of agriculture, based on the human right to food as well as efforts in terms of aid governance. This crisis was not the result of a sudden emergency, but rather the outcome of cumulative effects of long term trends and more recent factors, and while it is difficult to assess which factors contributed the most to the crisis, it is clear that the crisis was the result of failures of past policies related to the international food governance that have weakened people’s ability to exercise their right to food.

The views of CONCORD at the time of the crisis were critical on the international responses that were underway; a position paper³³ set out the main policy responses necessary to tackle the crisis, in particular the policy responses that were immediately needed at the time the crisis erupted. CONCORD recommendations at that time insisted on three main areas:

- Measures relating to trade and agriculture policies that address the structural causes of the crisis;
- Increase capacity of smallholder agriculture;
- Expand social protection and safety nets to support people that are worst hit from the food crisis.

Additional actions needed to prevent the repetition of global, national and localised food crises in the future would include (*see also reply to question 23 and next paragraph*):

- Risk reduction and climate change adaptation measures should be integrated into the Commission Country Strategy Papers (CSPs) and national poverty reduction plans, sectoral plans (agriculture, water, environment, health) and strategies (food security) as high political priorities with sufficient budgets and indicators. CSPs should be based on ways to reduce risks of future food crises and tackle the political and social drivers behind people’s vulnerability.
- The EU should move on the implementation plan of its Disaster Risk Reduction (DRR) strategy, developing guidelines and tools for EC staff, including measures to prevent slow onset food crises;
- The EC should ensure better coordination between the agendas, actors and existing policies on food security, food assistance, DRR, climate change adaptation, social protection, natural resource management, water resource management and poverty reduction across the EU institutions, other donors, the UN, Government Ministries, civil society, and the private sector e.g. by building the capacity of inter-ministerial committees, national platforms on DRR or Food Security Task Forces, which can bring together a range of development and humanitarian actors to prepare for food crises.

Ensuring “high EU impact” and “value for money” (page 5) by building resilience to shocks:

Food crises should be regarded as unacceptable given that they are largely predictable and preventable. The EU should focus on **ensuring stability** in availability, accessibility and utilization of food security and resilience to shocks. It is much more cost effective to invest in **building resilience** of smallholder farmers to hazards like droughts and floods beforehand and being prepared for food crises, compared to responding with emergency food distributions after the peak of a food crisis or flood when it is often too late to save livelihoods and prevent damage to health.

For example, according to a survey by Tearfund (2010), for every USD1 invested in agricultural and risk reduction activities over 4 years, there were at least USD24 of net benefits, building the resilience of farming communities to drought and erratic weather.³⁴ As a result, farmers have a secure food supply; a healthy,

³² See: an EU Policy Framework to assist developing countries in addressing their food security challenges http://ec.europa.eu/development/icenter/repository/COMM_PDF_COM_2010_0127_EN.PDF (p.4).

³³ See: CONCORD European Food Security group, [The Food Price Crisis: What needs to be done?](#) (October 2008)

³⁴ *Investing in Communities: The Benefits and Costs of Building Resilience for Food Security in Malawi*, Tearfund, 2010 www.tearfund.org/investingincommunities

nutritious diet; surplus income to increase assets and for school fees; better soil fertility; savings for contingencies; and reduced mortality rates.

The EU should act soon after any early warning to reduce the risk of severe food insecurity. There is a large window of opportunity (about 6 months) to reduce the risk of severe food insecurity after the harvest results and early warning; during food security assessments and funding appeals from the government and UN; and before the peak of a food crisis. This was the case of the food crisis in the Sahel 2009-2010 and the Horn of Africa drought 2005-2006.³⁵ The former UN under-Secretary General for humanitarian affairs, Jan Egeland, said that if donors had responded in Niger early in 2005 to prevent the situation turning into a food crisis, it would have cost USD1 a day to prevent malnutrition among children, instead of the USD80 a day that was needed to save a malnourished child's life by July 2005.

Learning from the implementation of the EU Food Facility:

The Food Facility Regulation was the EC's first reaction to the food price crisis which erupted in late 2007/2008. It established a 1 billion euros fund for projects intended to alleviate the impacts of the crisis through short to medium term projects carried out by International and Regional Organizations as well as non state actors and budget support programmes. The primary objectives set by the regulation were to boost agricultural production in target countries and regions; to support safety nets to mitigate the negative effects of volatile food prices on local populations; and to strengthen the productive capacities and the governance of the agricultural sector to enhance the sustainability of interventions.

A monitoring report (2010) by European CSOs on the EC communication *Advancing African Agriculture* provides useful recommendations on this matter.³⁶ The **lack of coherence [of the mechanism]** between the duration of EU projects and project objectives and regulations has been highlighted in the context of the launch by the Facility. While the Facility was designed to enable the EU to react rapidly to the food crisis, the funds were made available over a period of three years (2009-2011), making it difficult to assess the long-term impact of the instrument. The Facility was more of an emergency response than a medium to long-term development aid as originally proposed by the Commission.

People-centred policies and practices:

EU policies and programmes should map and acknowledge the geographic location of the world's hungry in order to target its efforts (e.g. in some cases there may not be a need to increase production on a national/global scale, but rather to improve local production and locally adapted, decentralised solutions).

In this regard, the **role of smallholder farmers** must be emphasized, as hunger is most dominant in rural areas and among small farmers. Any efforts to assist developing countries to increase their agricultural production (on a national scale) will not solve the hunger crisis if those who are suffering from hunger do not share the benefits, women farmers being one of the group most at risk.

The *EU Policy Framework for food security* (2010) lacks detail regarding the type of **model of (smallholder) farming** that should be promoted by the EU and Member States through their development programmes. What practices and technologies are deemed to be ecologically-efficient and to the advantage of farmers? This is not clear in the Policy Framework, although it does state that public research should combine traditional knowledge with new technologies, and unsustainable technologies should not be promoted. It also mentions the importance of promoting local varieties and "optimising" agricultural inputs.³⁷

The EU should recognise the role that the state has to play in providing an **enabling environment for smallholder farmers** as they invest in their production. This involves not only state-funded research, extension and other forms of support for production and marketing in rural areas, but also **price stabilisation mechanisms**. The latter can reduce market volatility, which is a strong disincentive to investment.

The EU can also play a useful role in helping to:

- identify those **market linkages** that are most important for vulnerable small-scale farmers and support initiatives that enhance their ability to both access existing linkages and diversify into new ones;

³⁵ See Figure 5.4 Timeline of key events in the Horn of Africa drought in 2005–06, page 160, [Natural Hazards, Unnatural Disasters, the Economics of Effective Prevention](#), 2010, World Bank.

³⁶ See chapter on the EU Food Facility in: [CSO Monitoring 2009-2010](#), The Impact of Europe's Policies and Practices on African Agriculture and Food Security.

³⁷ Ibid, p.4

- enhance the ability of vulnerable farmers to organise into production and marketing associations to enhance their ability to negotiate better terms of trade with market chains, identify and bring new products to market, access preferential trading opportunities, such as fair trade markets, and meet their accreditation conditions;
- support the development of small-scale farmer-managed credit systems that can provide appropriate microfinance investment for marketing opportunities.

A **right to food approach** is a tool for empowerment that strengthens peoples ability to, on the one hand influence their governments to take concrete steps to improve food security and, on the other hand to empower people to take actions to improve their own life. It is the responsibility of the governments to create enabling environment. EU policies and programmes should reference the Voluntary Guidelines to promote the Right to Food (FAO, 2004).

Respective areas of competence of national policies/strategies vs. regional ones:

Food security and agriculture must be prioritized in national poverty reduction strategies and budgets to strengthen resilience, with commitments to intensify efforts to reach MDG 1 by 2015 e.g. African governments committed to allocate at least 10% of national budgetary resources for agricultural and rural development by 2008, under the Maputo Declaration of 2003 and the Comprehensive Africa Agriculture Development Programme (CAADP), but only 8 countries have achieved this.

Comprehensive and country led national food security strategies (guided by the Comprehensive Framework for Action) across Ministries should ensure the 4 pillars (as part of wider poverty reduction and climate change adaptation strategies). The focus should be on women small-scale farmers, landless laborers and pastoralists in rural areas.

Inter-ministerial task forces and national food security councils or platforms in the partner countries should be strengthened to improve coordination across sectors.

National strategies should tackle the structural causes of people's vulnerability and improve access to resources, markets and governance. They should build just and equitable social, economic and political structures, processes and practices as people's vulnerability at the local level can often be linked back to political and social drivers such as poor governance, lack of entitlements, poor access to services, inequality, gender issues, greed and prejudice.³⁸

Policy coherence for food security (PCD):

The lack of coherence of wider EU policies, particularly between EU development, on the one hand, and trade and agricultural policies, on the other hand, must be addressed. PCD should be considered as one of the main thrusts in the European food and agricultural policy, particularly in the context of the reform of the **Common Agricultural Policy**. While implementing its new *Policy Framework for food security*, the EU should critically review the impact of its decisions in many different areas which affects food security.

The European Parliament resolution on the food crisis adopted in May 2008 states that "850 million human beings go hungry each day demonstrates systematic violations of the right to food, as enshrined in international human rights law" and urged the Council "to ensure coherence of all food-related national and international policies with obligations under the right to food".³⁹ Commitments taken on PCD must be reflected in EU policies by improving coordination between European Commission Directorates-General and services, and the UN agencies, to ensure that food security is integrated rather than a fragmented approach with regard to adaptation to climate change, agricultural policies, access to sustainable energy, water resource management, trade and migration, humanitarian work, development and trade.

CONCORD stated in its *Spotlight on policy coherence* report⁴⁰ that, for the EU to sponsor a world food system that better serves the poor and hungry, supports the development of viable local economies, and is in line with the climate change challenge, the EC must improve its internal coherence by stepping up the coordination of its internal organisation, staff, policies and programmes on food security, agriculture, climate change, Disaster Risk Reduction (DRR), social welfare, nutrition, environment, the management of natural resources, emergencies, development, trade and energy, e.g. through joint programming and synergy between funding instruments and analyses, inter-service task

³⁸ See: report *Beyond Any Drought*, June 2007, Sahel Working Group

³⁹ [Rising food prices in the European Union and developing countries](#), Thursday, 22 May 2008, Strasbourg.

⁴⁰ See: CONCORD Spotlight report, October 2009.

forces, developing guidelines and tools, while the mid-term review of CSPs should be used as an opportunity to improve the coherence of policies at field level.

The findings in the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) Report⁴¹ provides recommendations on some of these questions posed by policy incoherence (climate change and energy, trade and markets...). Considering that the EC has been a major supporter of the **IAASTD exercise** and that several EU governments approved it, the redefinition of the EU development policy is the opportunity to thoroughly explore the IAASTD findings and convert them into a programming/policy/research agenda for European food and farming policy and development assistance.

In reaction to the communication *The CAP beyond 2020* issued by the Directorate-General for Agriculture and Rural development in late 2010, CONCORD has argued that a reformed **Common Agricultural Policy** can contribute to ensuring food security globally⁴².

For this to happen, the EU should elaborate a food and agricultural policy that is sustainable and based on the principle of the right to food and on the preservation of natural (water, soils, biodiversity...) resources by complying with the following principles:

- the future CAP regime should promote European food security and **sustainable family farming** in a globally responsible manner and not violate the right to food of the world's poorest;
- the CAP should ensure that production is managed in such a way which **prevents production surplus that have a destabilizing effect** on agricultural commodity markets;
- the EU should **put an end to its exports subsidies which potential harm** agriculture in developing countries;
- **all export subsidies** in their various forms should be **eliminated** by 2013 as proposed by the EU in 2005 at the WTO Ministerial conference in Hong-Kong;
- the **right to food** should be translated in European law notably to avoid harmful impacts of EU policies on the situation of food security in developing countries;
- a mechanism should be put in place to **limit the EU dependence on imports of animal protein feeds** of unsustainable animal husbandry production models; this view a view to bring an alternative to soya imports from Latin America, which social and environmental impacts harm sustainable development in this region.

In resume, the EU's development policy can best contribute to enhanced food security by:

- **building coherence** between short-term and medium/long term initiatives; addressing medium term processes with a short-term tool risks jeopardizing the sustainability of aid and the inclusion of all stakeholders (see above the lessons learned from the implementation of the Food Facility);
- **prioritizing smallholder farmers** and agricultural production for local/family needs, notably in Africa: support should focus on family farming to enhance its productivity in a sustainable manner by providing an adequate environment and services (advising, training, inputs, access to credit, insurances, rural infrastructures, etc.). This requires reinforced partnerships around demand-driven research for agricultural development; and a special attention to the role of women farmers;
- **empowering farmers** is a powerful tool for meeting development and food production in a sustainable way to innovatively manage soils, water, biological resources, pests, disease vectors, genetic diversity, and conserve natural resources in a culturally appropriate manner; small holder/family farmers' organizations should be associated in the definition, the implementation and the evaluation of the programs at national level should not be optional, particularly women farmers;
- **promoting agro-ecological models of production** recognizing the multifunctional role of agriculture and ensuring a positive impact on the environment;
- addressing **climate change** challenges;
- **reforming global regulation** of agricultural production and trade, including mechanisms for stabilizing agricultural products, food stocks, a better regulation of international financial markets, and a better coordination of policies that have interlinkages with agricultural and food security policies, like policies that consist in promoting biofuels production, which has an impact on access to land and land use as well as on speculation on land and food prices;
- organising and **structuring food markets** at the local, national and sub regional level, with the broader participation of all the stakeholders and a fair repartition of revenue;

⁴¹ See the IAASTD [Synthesis Report](#).

⁴² See: CONCORD [first Reaction](#) to the Commission communication "*The CAP towards 2020: meeting the food, natural resource and territorial challenges of the future*" (issued by the European Commission on 18 November 2010)

- **privileging domestic markets:** EU activities should emphasize domestic food production for local, national and regional markets rather than international markets, and should help African countries to build and protect their regional markets; this has been recognised by former French President Jacques Chirac at the European Development Days (December 2010) when he said that agricultural production for local needs of the domestic population is one response to food insecurity in Africa; 43
- **investing on sustainable agriculture:** because of the negative environmental and social impacts of the agro-industrial approach to food production, agricultural development models and adaptation strategies should instead invest in sustainable agriculture, which uses low-input and low carbon methods, promotes soil and water conservation, preserves biodiversity and avoids contamination of soil and water. It is fundamental to have a reorientation of agricultural science and technology away from a large-scale agro-industrial model towards an agro-ecological approach that focuses on organic, small-scale and locally produced food;
- **promoting national food security policies:** the EC should promote the establishment of food security policy spaces at national and regional levels with participation by stakeholders – small food producers' organizations in particular – connected to the reformed Committee on World Food Security as the foremost global policy forum for food security based on the Right to Food.

25. Which strategic areas should the EU engage in, particularly with respect to Africa? How can the EU stimulate agro-ecological approaches in farming and sustainable intensification of agriculture, sustainable fishing and aquaculture?

The EU should focus its efforts on supporting smallholder farmers - this implies that the EC and Member States should deliver on their **aid commitments to agriculture**; should contribute to improve the **governance** of the global food system; and should **invest in agriculture** in a globally responsible manner.

- **Providing support to smallholder farmers in acceding to productive inputs,** starting with implementing the political commitment made in the EU Policy Framework to support smallholder farmers, particularly women, who produce between 60-80 per cent of food in Africa but are still held back by lacking investment in their capacities. Research shows that with the same access to land and inputs, African women produce 20 per cent more than men; yet African women own only one per cent of the land in Africa and receive only seven per cent of extension services and one per cent of all agricultural credit.
- **Delivering on aid to agricultural and alignment to recipients' priorities and programmes:** the EC and Member States must deliver on the L'Aquila USD 22 billion food security pledge they made in 2009. Donor countries must work together to deliver on the principles of this pledge: investment in national plans, improving co-ordination and allocating predictable funding through multi-year plans. Yet donors are far from a coordinated strategy as was proposed in the L'Aquila Food Security Initiative. Each donor country continues to establish its own priorities for allocating funds and reporting individually – the L'Aquila Initiative is far from being a truly collective effort. The EU needs to start coordinating its aid behind country-led agriculture plans, such as the CAADP Initiative.
- **Improving global governance of the food system:** L'Aquila (2009) was backed with an acknowledgment that the funding must be coupled with improvements to the global governance of the food system; monitoring the factors that influence market volatility, including speculation; supporting national strategies for adaptation to climate change; prioritizing local food purchases when food aid is delivery in kind; and ensuring coherence between policies. Since then, significant progress has been made and the reformed FAO Committee on World Food Security is now operational and in a position to lead reflection and policy orientations on these issues. At EU level, an action plan should be spelled out on how non-financial commitments will be met, especially in terms of improving coordination and tackling related policies (see reply to question 13).
- **With respect to Africa,** the policies and programs to advance African agriculture and promote a pro-poor agricultural growth should privilege an **agro-ecologic model of agriculture**, based on crops diversification, environment respect, with low use of external inputs and aimed at local, regional and national markets supply. It will also support product development (or diversification) and value adding and be geared towards local and regional markets.
- **Strengthen civil society** to make civil society and particularly farmer's organisations the engine for advancing African agriculture through strengthening their capacity to engage in policy dialogue with

⁴³ <http://www.fondationchirac.eu/wp-content/uploads/Discours-Pdt-Bruxelles-GB1.pdf>

regional and continental level organisations and influence their governments in related policy debates on agricultural development. Farmers' organisations must be at the heart of developing national agriculture plans, in the case of Africa as part of the CAADP processes. A wish to disburse CAADP (the Comprehensive Africa Agriculture Development Policy) funding according to the EU's timelines must not be at the expense of fully participatory processes in which farmers and civil society play a central role from inception and at every stage of the process.

- **Investing in sustainable agriculture** can greatly increase productivity in developing countries. The most sustainable choice for rural development and food security is to increase total farm productivity in situ – in the field – where poor and hungry people live and work and are in most need of greater food supplies. It is clear that sustainable agriculture is productive and has the potential to meet hunger and food security needs. Because it relies on local renewable resources and locally-based innovation, sustainable agriculture is particularly well-suited for poor, remote or marginalised communities.

Sustainable agriculture uses a wide variety of **practices and technologies** and often blends farmers' traditional and local experience with scientific knowledge and innovation. Aimed at ensuring access to healthy and nutritious food, it emphasises:

- the use of locally-adapted seeds and breeds;
- participatory agricultural research that involves smallholders in improving the crops they grow;
- training that spreads knowledge through 'farmer-to farmer' methods;
- collective approaches to solving farming and natural resource problems, such as pests, irrigation, watershed, forest and credit management;

Last but not least, the **impact of the free trade agreements** initiated by the EU must be taken into consideration, starting with the Economic Partnership Agreements (*see reply to questions 19-20*). Even if most ACP countries have excluded many agricultural products from the agreements, standstill clauses and inadequate safeguards could still make it difficult for ACP countries to defend their agricultural sectors from subsidized EU imports, which could, in turn, undermine food security and livelihoods.

In general, the EU should facilitate the scaling up of "agro-ecological" models that, as well as being environmentally-beneficial, provide food security for smallholders and rural communities and maximise farmers' incomes. This requires a number of steps to be taken by European donors and governments in developing countries:

- Reducing the proportion of the agricultural budget that is used to support resource-degrading practices, in particular excessive subsidies for fertilisers and pesticides;
- Increasing public spending on extension support and research for low external input (LEI) agriculture;
- Sharing learning from successful programmes involving LEI;
- Involving farmers in agricultural policy-making and research, with a particular attention given to women farmers – see above;
- Ensuring that national agricultural policies actively promote this type of farming: for example, national seed laws should encourage farmers to save and exchange local varieties, instead of attempting to restrict this practice;
- Reforming trade policies so that they do not damage the economic interests of smallholders or prevent countries from pursuing policies aimed at increasing self-sufficiency in food production;
- Ensuring a better balance between food produced for export and that grown for local and national consumption;
- Supporting land reform processes that increase poor people's access to land and small farmers' security of tenure.

26. How should the EU support the fight against malnutrition?

The CONCORD European Food Security working group supports the policies and approaches outlined in the Save the Children UK publication *Hungry for Change*, 2009.⁴⁴

The three underlying **causes of malnutrition** (according to UNICEF framework) are: insufficient access to food, to care practices for children and women, and to health services and healthy environment. In this respect, the **empowerment of women** is absolutely key in the mix of policy response to malnutrition.

⁴⁴ Report [Hungry for Change](#), an eight-step, costed plan of action to tackle global child hunger, Save the Children UK, 2009.

The approach CONCORD supports would consist in integrating nutritional components in food security policies and strategies; as stated in the Executive Summary (page xiv) of the World Bank publication *From Agriculture to Nutrition*⁴⁵, “The key lessons learned from this body of evidence are that agricultural interventions are most likely to affect nutrition outcomes when they involve diverse and complementary processes and strategies that redirect the focus beyond agriculture for food production and toward broader consideration of livelihoods, women’s empowerment, and optimal intrahousehold uses of resources. Successful projects are those that invest broadly in improving human capital, sustain and increase the livelihood assets of the poor, and focus on gender equality.”

In addition, with a view to ensure greater coherence with the Humanitarian Food Assistance communication adopted in March 2010, the EU development policy should coordinate and dovetail humanitarian and development interventions and apply a nutrition lens to food assistance.

The benefits of diversification for farmers’ food security and nutrition:

One of the basic causes of malnutrition amongst smallholder farmers is an over-dependence on mono-cropping.⁴⁶ By diversifying production, farmers can increase the range of crops grown and livestock or fish reared specifically for household consumption. This can help increase both the total amount of food consumed and dietary diversity. Surpluses of these extra crops or produce can be sold at local markets, thus increasing farmers’ incomes.

The benefits of diversification for farmers’ food security are shown in a study carried out in the Philippines.⁴⁷ This study looked at the benefits for farmers of adopting organic farming in the context of a participatory development programme supported by the Philippine NGO, MASIPAG. 840 households were interviewed in different parts of the country. The farmers responding fell into three categories: those who had converted completely to organic farming; those who were making the transition to it; and those who were using conventional methods. MASIPAG had been working with the first two groups. There were not significant variations in farm size between the three groups: the average size was just 1.5 hectares.

CONCORD would like to highlight the main findings in this study, in relation to food security:

- On average the organic farmers were growing 15 more crops than the conventional group.
- The organic farmers were eating more vegetables, fruit, protein-rich staples and meat than in 2000.
- 88% of the organic farmers said that their food security was “better” or “much better” than in 2000 – compared to 44% of the conventional farmers. 18% from the latter group said they were “worse off” now than in 2000 (compared to just 2% of the organic farmers). Food was cheaper to produce, it tasted better and was good for people’s health.
- 85% of organic farmers rated their health today “better” or “much better” than in 2000, compared to 32% for the conventional group (in that group 55% said there was no change and 13% reported worse health).

For further information on CONCORD’s submission, do not hesitate to contact:

Meagen Baldwin
Policy Manager. Concord
10 Square Ambioris 10
B-1000 Burssels Belgium
Ph: +32-2-7438781
Email: mbaldwin@concordeurope.org

⁴⁵ Report [From Agriculture to Nutrition](#): Pathways, Synergies and Outcomes, World Bank, 2007.

⁴⁶ If farmers do not get a sufficient income from the single crop, they may not be able to afford to buy enough food to meet household needs across the whole year (this problem may also relate to the size of the land-holding); or indebtedness may cause farmers to sell more of the produce of this crop than they would have wished, reducing the amount available for direct consumption; or the farmer might be growing a non-food cash crop.

⁴⁷ Cf. L. Bachmann, E. Cruzada and S. Wright; *Food Security and Farmer Empowerment: a Study of the Impacts of Farmer-led Sustainable Agriculture in the Philippines*; MASIPAG and Misereor 2009.