

CONCORD Press release

## The CAP proposals fail on development obligations

### European development NGO reaction

Brussels, 12/10/2011

The widespread support from the European Parliament to include global responsibility for food security in the CAP reform to improve the policies' impact on developing countries and the world's poor has been ignored in the Commission legislative proposals, which have dropped the Lisbon Treaty legislative provision of Policy Coherence for Development.

This comes at a time when getting agricultural policy and food systems right matters more than ever: 925 million people went hungry last year according to the United Nations, that's almost 1 out of 7 people on the planet. At the same time 1/3 of the food produced for human consumption gets lost or wasted.

For Olivier Consolo, Director of CONCORD, the European confederation of Development NGOs:

***“The last thing we need is for the CAP to negatively affect the efforts to improve food security in the developing world. Until now in the debates on the reform process, all EU institutions have made reference to take into account the principle that the CAP must seek to reduce its overseas impact through greater Policy Coherence for Development. Yet the Commission has not translated this into concrete measures in its proposals.”***

The latest proposals fail on development obligations as:

- Policy Coherence for Development (PCD), a Lisbon Treaty provision, is not included in the proposals. This marks a clear contrast to the European Parliament Resolution on The CAP towards 2020 and the EP Resolution on EU Policy Frameworks to assist developing countries in addressing food security challenges and the original Commission Communication from November 2010, which all featured a commitment to PCD.
- There is no reference to a commitment phasing out all export refunds, which still allows for the EU to export below full production costs, making farmers in the developing world lose out to unfair competition.

The CAP reform proposal ranges from traditional market management tools to direct aid payments, investment support and risk management and to traditional agricultural trade policy tools. The combination of those instruments leads to increased competitiveness and production for both the European and export markets. A key recommendation by UN Special Rapporteur on the Right to Food addresses this imbalance and calls for the EU to closely monitor CAP impacts of agricultural exports to developing countries and at the same time to encourage net-food importing developing countries to rebuild and strengthen their agricultural sector. This mean to support the organization of farmers organization, to increase flexibilities for effective protection measures in trade agreements and to install a grievance mechanism open to complaints by smallholders.

- Europe's development NGOs now look to the EU Parliament and the EU Council to design a mechanism that allows compliance to the Lisbon Treaty provisions relating to coherence for development across EU policies.

Recommendations for the CAP to 'do no harm' to the developing world:

Put in place monitoring and grievance mechanisms:

- The new CAP Impact Monitoring system must include an indicator specific to the objectives of monitoring the consistency between the CAP and its development and trade policies, in particular the impact on the long term food security in developing countries and the ability of those populations to feed themselves, in accordance with the principle of Policy Coherence for Development (PCD)
- Farmers organizations in countries that are EU trading partners should be given an adequate space to be heard and that a due process follows in order to potentially revise situations where imports of EU products have a negative impact on local markets. The future CAP legislation should include a formalised complaint mechanism to trigger an investigation. In addition, a special function for an EU Ombudsman for PCD should be created to investigate and initiate a mediation process with the view to search for adequate solutions and redress.

Address the root causes of unfair trading practices: unfair trading practices:

- The export of (direct and indirect) subsidised products is one of the most common and unfair trade practice. Therefore, any product that receives product specific support should not be exported to developing countries. If exported, the value of its specific subsidy should be added to its export value.
- Limit the EU's dependence on imports of animal protein feeds that are contributing to deforestation and rural displacement in the developing world. EU net food imports presently require 35 million hectares of land outside Europe to be produced, equivalent to the entire territory of Germany.

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Notes to Editors:

1. **PCD in pre-legislative documents**

**Spring 2010:** Official Conclusions for EC online hearing:

*"The EU should avoid damaging the economies or food production capacities of developing countries."*<sup>1</sup>

**Nov. 2010,** EC communication:

*"it is essential that EU agriculture maintains its production capacity and improves it while respecting EU commitments in international trade and Policy Coherence for Development"*<sup>2</sup>.

**July 2011,** EP Dess report:

*Calls for the EU to ensure consistency between the CAP and its development and trade policies; in particular urges the EU to be attentive to the situation in developing countries and not jeopardize food production capacity and long term food security in these countries and the ability of those populations to feed themselves, while respecting the principle of Policy Coherence for Development (PCD); therefore EU trade agreements on agriculture should not hamper markets in the least developed countries"*<sup>3</sup>

2. "The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries." Article 208 of the Lisbon Treaty
  3. CONCORD is the European NGO confederation for relief and development. CONCORDs 26 national associations and 18 international networks represent over 1,600 NGOs which are supported by millions of citizens across Europe. CONCORD
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leads reflection and political actions and regularly engages in dialogue with the European institutions and other civil society organizations. CONCORDs work on agriculture is led by the European Food Security Group (EFSG) comprised of development NGO's, with strong links to farmers organizations in the developing world. [www.concordeurope.org](http://www.concordeurope.org)

4. For more information on world hunger you can read the latest report from 10 October 2011 by the Food and Agriculture Organization of the United Nations: <http://www.fao.org/news/story/en/item/92495/icode/>