

European NGO confederation  
for relief and development



Confédération européenne des ONG  
d'urgence et de développement

## **European NGO Confederation for Relief and Development**

### **Response to the Communication Agenda for Change October 2011**

#### **What is our agenda for change?**

A sustainable European Union international development framework should support people. It should address the causes of poverty – inequalities and discrimination – by building an environment that is conducive to the realisation of all human rights. All development policy and programmes must begin from a human rights based approach.

The objective of EU Development policy should not be to contribute to making Europe a strong and competitive player in the global economy. As clearly stated in the Lisbon Treaty and the European Consensus on Development, the eradication of poverty is the main objective of EU development cooperation and policies. EU development policy should put in place social, economic, trade and security policies that promote the eradication of poverty and inequalities and the right to sustainable development. Sustainable development cannot be achieved when the rights of large parts of the population, particularly women, to social development are being denied. Furthermore development needs active and engaged citizens, both in Europe and in partner countries, in order to enable a broad and democratic debate on development issues and to make global justice a central concern for all citizens.

#### **Our response to the Agenda for Change**

We welcome the strong commitment in the *Agenda for Change* to eradicate poverty, the focus on coordinated EU action at country level and the prominent focus on governance and human rights. And that the *Agenda for Change* is much more nuanced and broad in its approach to Development than the Green Paper presented by the EC in 2010.

Our concern is that the *Agenda for Change* is not setting the new agenda needed to revitalize Europe's global influence on poverty eradication. The EU should recognise that growth in unregulated markets does not always translate into inclusive growth without specific policy interventions. Therefore the *Agenda for Change should* emphasise and support peoples' ability and right to chose and influence their development path rather than presenting a growth model. A focus on economic growth and a reliance on 'trickle down' effects of private sector development alone, without full consideration of environmental impacts and resource constraints, will serve to deliver unsustainable development and will fail to reduce inequality.

The EC must acknowledge that Europe's global role is also driven by offensive self-interest e.g. in the ACP trade negotiations and the new raw material policy. Policy coherence is therefore not an "add-on" – but a "way of working", which must be in the absolute centre of Europe's development policy objectives. Poverty eradication and Policy coherence is closely linked, as stated in article 208 in the Lisbon treaty. "*Our Agenda for Change*" must therefore include a strong focus on division of labour with the EC being the driver of Policy Coherence for Development in Europe and among member states.

The *Agenda for Change* lacks focus and concrete commitments. The strategy does not outline how it will be implemented and how it will inform and be coherent with the existing work of institutions charged with delivering European development policy and practice. Furthermore, the strategy does not outline how new approaches, such as differentiation, working with the private sector etc will keep Europe focussed on the core aim of poverty reduction. These new approaches should not be implemented without strong evidence that they deliver poverty reduction. Otherwise, Europe is moving away from the commitments it has made to the world's poor.

The *Agenda for Change* does not define a clear role for global civil society in European Development Assistance. The strategy rather sees civil society in a limited way - as watchdogs – when governments fail on human rights and democracy. We believe that civil society should be an important and strategic partner in European Development Assistance in its own right. The *Agenda for Change* should therefore also recognize civil society as a prerequisite for long-term poverty reduction and promotion of democracy. The *Agenda for Change* should also have included the objective of improving the general conditions for civil society's work in developing countries. Concord would like to see an *Agenda for Change* that proactively supports and acknowledges the role of citizens and civil society as actors of change.

### **Will the *Agenda for Change* proposal promote fair policies (PCD)?**

#### **How the *Agenda for Change* could promote PCD:**

- Achievement of objectives as vast as eliminating poverty, supporting political, economic, social and environmental good governance and promoting inclusive growth require an unerring commitment to Policy Coherence for Development and the coordinated and consistent use of all tools, policies and resources towards the objectives at hand, as set out in the article 208 TFEU. Development policies alone will not be sufficient: EU and Member States' policies in related areas, such as trade, environment, climate, energy, agriculture, migration and security and foreign policy must support - or, at minimum, not harm - national, local and regional efforts to eradicate poverty and promote sustainable development in partner countries.
- Under the objective of increasing the impact of EU Development Policy, the pursuit of the EU 2020 strategy and other EU interests through external action must be designed in full coherence with the development objectives and in full respect of human rights so that it is of fair and mutual benefit for both the EU and third countries. This means putting people and their rights and aspirations at the centre of policy making, political dialogue and international agreements with partner countries.
- In practice it means, putting in place serious safeguards that ensure that conflicting decisions or measures do not materialise as well as monitoring, correction and retraction mechanisms to address harmful and sometimes unexpected impact.
- An ambitious PCD agenda is a pre-condition for the EU to act as a legitimate and influential actor on good-governance. Good governance also requires supporting more political elements of democracy building/

#### **What it should not be:**

- An agenda that pursues good governance objectives with developing countries while ignoring the negative impact that certain EU policies and EU agreements with third countries or the behaviour of certain EU based enterprises and multinationals may have on governance and corruption in developing countries.
- An agenda aimed at mutually reinforcing development and security objectives and a more coherent approach between the different elements of foreign policy while subordinating development objectives

to EU security imperatives. This would ignore and fail to address the impact that other (internal ) EU policies may have on human security, human rights and human development in third countries.

- An agenda that engages with the private sector and uses ODA resources to leverage private investments without ensuring that the private sector in developing countries is the prime beneficiary of these measures and that they are conducive to a real boost of human resource development, decent jobs, the sustainable management of natural resources and the expansion of qualitative and inclusive public services to the population.

### **What should the role of private sector in development be? Is there a role for ODA to support private sector development?**

- ODA should be used to support an approach to private sector development that delivers maximum benefit for the poor, in respect of human rights, environmental and other international agreements and ensures equal distribution of income, land and opportunities.
- ODA should be used to build a strong and diverse domestic private sector in developing countries and to invest in local small and medium enterprise.
- Multilateral Development Banks like the European Investment Bank and any mechanisms, instrument or institution that involves the use of ODA to support private sector development should be based on developing countries' national plans and strategies which are democratically owned, and focus their contributions on human resources' development, decent jobs, the sustainable management of natural resources and the expansion of qualitative and inclusive public services to the population.
- When financial intermediaries are used these should be locally owned institutions that are focused on providing financial services to the poor and supporting sustainable development.
- EU obligations to poverty eradication and to policy coherence for development as per the Lisbon Treaty should be respected.
- Support for the private sector should not be done at the expenses of supporting civil society. An active civil society is key to ensuring just and democratic governance, for promoting accountability in the private sector and in government, and also for claiming a fair distribution of wealth.

### **Rather than**

- Focusing exclusively on attracting foreign investment and benefitting international multinational companies rather than local business.
- Prioritising commercial returns over social and environmental returns.
- Using financial intermediaries such as private banks and private equity firms which would not have any obligation to development objectives and would prioritise commercial returns.
- ODA should not be used to guarantee private sector risk and should not be used to leverage private sector substitution of public services

### **How can the EU improve its policy and practice on gender and development?**

Securing women's rights should remain at the centre of EU development objectives as both a standalone and cross-cutting area of work. Concord is pleased that the *Agenda for Change* makes explicit reference to the *Gender Action Plan*. However we will be concerned if the only approach to Gender is to 'mainstream'. The Beijing Platform for Action and the Gender Action Plan both acknowledge the need for a two-track approach, that is, mainstreaming and targeted action that addresses gender inequalities and resources need to be provided to enable this.

Concord is also concerned that the focus on growth and the private sector will not address the needs of women and girls. The 2012 World Development Report: *Gender Equality and Development* specifically notes that *income growth by itself does not deliver greater gender quality on all fronts* and that *closing*

*differences in access to economic opportunities and the ensuing earnings and productivity gaps between women and men* should be a priority. It also acknowledges that women now represent 40% of the global labor force and 43% of the world's agricultural labor force. A gendered approach to these policy areas (indeed all policy areas) will be necessary to ensure that women are able to benefit from European development policy.

### **Is a green economy sufficient? Or is it just a green wash?**

The *Agenda for Change* seeks to promote the “green economy,” as defined in the context of the upcoming UN Rio+20 Conference on Sustainable Development. The EU approach would encourage “investing in natural capital” including water, renewable energy, marine resources, biodiversity, sustainable agriculture and forests, as “areas for future economic growth and global markets.” Taken alongside EU plans to secure access to global natural resources (cf. Raw Materials Initiative), this approach appears to place a primarily economic and global trade lens on developing countries’ resources, that could well serve EU interests (cf. emphasis on energy).

Many developing countries are expressing reservations on the extent to which international cooperation should give priority to the “green economy” concept. They would prefer to keep the broader objective of sustainable development as the reference, including its social pillar neglected in the “green economy.” An EU development policy in support of sustainable development should aim to support countries’ efforts to invent new paths of economy and society that break away from a global, highly unequal, resource-intensive consumption and production logic, towards more local, equitable, and sustainable models.

### **Why does a ‘small’ approach – to agriculture and energy - matter?**

#### **What does the EC mean by a smallscale approach?**

- First and foremost there is a **gap between the policy and practice** in terms of the EC’s commitment to a smallscale approach. We have yet to see any evidence of a shift in focus on smallholders and smallscale agriculture in practice.
- it **remains to be seen how the approach of focusing on smallholder agriculture will sit with plans to scale up private investment**. The Commission has yet to acknowledge the importance of smallholder farmers as the most important private sector in developing countries (small farmers producing on two hectares or less are responsible for 90% of food grown in Africa and produce half of the world’s food supply).
- Third, in the *Agenda for Change* there are **no references to a smallscale approach in energy** nor is there an acknowledgement that smallscale energy projects within which energy is retained for the use of communities can help to secure the sustainable development of communities in the South.

#### **What do we mean by a smallscale approach?**

- Concord believes that strong support for sustainable and smallscale approaches to agriculture and energy are key to tackling poverty and hunger, as well as addressing climate change.
- Smallholders feed poor communities – including themselves – and small increases in yields on their farms could have a profound impact on poverty and access to food at the local and regional levels. The massive impacts of agriculture on the environment have, in turn, knock on effects for climate change, the most severe effects of which are felt by the poorest in the world.
- We must challenge the idea that problems with hunger can be solved by simply producing more food through an industrial production model. The recent IAASTD report<sup>1</sup> states that “*Around 2000 the*

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<sup>1</sup> The International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) is a major World Bank and UN funded study that was endorsed by 58 governments. Its findings

*world was producing enough food to feed everyone, with a global average of calories produced at around 2800 kilo calories per person per day. At the same time, an estimated 850 million people were hungry.”*

- Alternatives to the large-scale industrial export model exist and should be explored.
- **A small scale approach is not about keeping people in poverty**

### **Does differentiation respond to inequality?**

In the recent debates on the future of EU development cooperation, there is a clear trend towards “country differentiation”. According to this concept, the EU intends to reduce, and at the end of the day stop, allocating development money to certain countries that are not any longer considered developing countries. In the current debate, examples such as India, China or Brazil are often quoted, but this differentiation also impacts on countries such as Zambia, the Philippines or Guatemala which qualify as middle income countries but where the number of people living under the poverty line of \$1.25 a day is still very high. Instead of spending development money in those countries, the EU wishes to foster economic and trade relations as well as foreign policy dialog with them. As a result, the EU hopes to be able to free-up development funding that can be spent in the least developed countries.

Whereas this concept seems logical at first sight, it does not take into consideration the fact that 75 % of the world’s poorest live in those middle income countries. Consequently, if the international community is serious about reducing and eradicating poverty, it has to make sure that development cooperation reaches the poorest and most marginalised groups of the population, regardless of the country they live in. Another problem of the current differentiation approach is the lack of clear criteria. Any new development approach has to ensure that it is based on a thorough analysis; Broad categories such as “middle income countries” or “more advanced developing countries” don’t provide a sufficient basis for targeting the most needy people.

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are that small-scale sustainable agriculture is the way forward if we are going to provide food for growing populations in a time of climate crisis