



Common Agricultural Policy and Economic Partnership Agreements: are they coherent with the development of family and peasant farming in the South?

The Common Agricultural Policy (CAP) of the European Union (EU) makes it possible to export part of European production at below production cost thanks to subsidies. At the same time, the EU compels—or seeks to compel—the countries of Africa, the Caribbean, and the Pacific to eliminate most of their customs protection for products that it exports within the framework of economic partnership agreements (EPAs). This strategy is coherent with the promotion of European agribusiness interests. But is the CAP coherent with the development of family and peasant farming in the South?



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The CAP as both a model and a threat for the peasants of the South

A model...

Even though the situations are different in Europe and West Africa (the area on which we will focus our analysis), the CAP could be a source of inspiration of what would be good to do, or not, in the developing countries.

Public investments in agriculture, support for peasant

incomes, customs protection against the competition of imports, market regulation to limit the risks of under- or overproduction... All these measures, which until recently were included in the CAP, could be adopted in the countries of the South. But the liberal ideology promoted for over 30 years by the rich countries, based on the free-market dogma, hinders the establishment of such policies in the developing countries. The EPAs are an example of this. This evolution has also affected Europe, which eliminated, among other things, mechanisms for market regulation such as milk and sugar

quotas (2015 and 2017 respectively), all the while opening its borders to comply with free-trade agreements like the Comprehensive Economic and Trade Agreement (CETA) with Canada.¹

The CAP also provides examples of mistakes to avoid. The development of agriculture that puts emphasis on productivity has made it possible to use standardized industrial seeds in a wide range of regions, as long as large amounts of chemical products are used. This system, which is dominant in Europe, is both harmful to the environment and to health and destroys biodiversity. Most of the Southern countries are lucky to be able to continue to produce from peasant seeds that are selected locally, according to the capacities of those seeds to adapt to local soil and climates. This adaptation enables peasants to use few or no chemical inputs.² A model to rediscover during the next CAP reform?

... and a threat for the peasants of the South

Coordination SUD supports a sustainable and inclusive Common Agricultural and Food Policy (CAFP) that would include subsidies to European peasants.

Exports of European products should focus on high value-added products and not on mass-produced low-end food products that destabilize other countries. The food products subsidized by the CAFP (payments by surface area or coupled to production, etc.) should not be exported if the price before subsidies is less than the average production cost in Europe. This is not the case today, and the CAP harms family and peasant farming in the South:

- The subsidies lead to surpluses being sold below their production costs (34% less for cereals and 13% less for milk³) in France and for export. While such aid is beneficial for European consumers, this is not the case for the peasants of the South, who receive practically no subsidies. As for the European peasants, many of them cannot manage to survive despite this aid.
- Imports of soy, palm oil, and sugarcane in particular contribute to deforestation and to the expulsion of smallholder peasants to the benefit of large landowners. The result is a possible worsening of food insecurity in the producer countries. Indeed, all the resources used for these exports (land, water, capital, etc.) have reduced those available for food self-sufficiency. The EU, for example, imported an average of 119,000 tons of sugar per year from Mozambique from 2001 to 2016.⁴ These imports increased 15-fold during this period. This essentially benefited relocations by South African, Brazilian and French agribusinesses. At the same time, Mozambique's food deficit increased 6-fold over the 2001-2016 period.⁵

These criticisms do not absolve the responsibilities of other countries, such as the United States, which carry out similar policies. Furthermore, rare are the governments of the

The CAP in a nutshell:

The CAP was set up in 1962 with the goals of increasing agricultural productivity, ensuring a fair standard of living for the farming population via that productivity, stabilizing markets, guaranteeing supply security, and providing reasonable prices for consumers. Along with the CAP and its funding (39% of the EU budget in 2016), the EU has become one of the two top global exporters and importers of agricultural and food products, more or less at the same level as the United States.⁶ However, the EU is faced with a structural deficit in food products, essentially with respect to developing countries. The CAP, accompanied by an offensive trade policy that seeks to open up the markets of other countries, thus has significant impact beyond the EU borders. The CAP that will be implemented after 2020 is currently under development.

South that provide sufficient support for family and peasant farming, even though it supplies most of the food for the people of developing countries.

Are EPAs coherent with the development of family and peasant farming in the South?

The EPA with West Africa forms a relationship between one of the richest regions of the planet with one of the poorest. Indeed, production of wealth (GDP) per capita in Europe in 2016 was 23 times higher than that in West Africa. There thus exists an unequal balance of power that threatens existing productions and risks hindering the creation of new activities that can generate jobs and wealth.⁷

Admittedly, the impact would be relatively limited on West African agriculture, because many agricultural products are included in the 25% of products for which protection would be maintained. It should nevertheless be pointed out that the liberalized agricultural products (wheat, powdered milk, etc.) are strategic for the EU. Looking at French agricultural exports to West Africa for example, 69% concern liberalized products.⁸

Instead of further destabilizing the agricultural economies of these countries and aggravating their food dependency,

1. Les Amis de la Terre, *Le CETA, c'est quoi, on en est où? Notre FAQ pour tout comprendre*, 2016

2. Coordination SUD, *Le droit aux semences: un droit essentiel pour les paysan.ne.s*, 2017

3. SOL, *L'énorme dumping des produits laitiers extra-UE et vers la CEDEAO, SADC, CEMAC et EAC en 2016, 2017* and SOL, *Subventions aux exportations de produits céréaliers de l'UE à l'Afrique de l'Ouest en 2015 et 2016*, 2017

4. Eurostat database

5. UNCTAD database

6. World Trade Organization, *L'examen statistique du commerce mondial*, 2017

7. The European Commission has refused to distribute three studies that concluded that there has been a negative impact on West Africa

8. Source: Gret, 2017

shouldn't the EU be helping them to develop and protect their productions? The fundamental problem is in fact the current under-protection of the West African market.

Concerning the implementation of the EPAs with Ghana and Côte d'Ivoire, there are reasons to expect several negative consequences, in particular the following:

These EPAs weaken West Africa's common trade policy, which has been applied since 2015.⁹ For example, European products that are not subject to duties by Ghana and Côte d'Ivoire can be sold at low prices in the rest of ECOWAS.¹⁰ These two countries will no longer be able to reestablish customs protection on imports of liberalized products. Likewise, without EU permission, they will not be able to increase taxes on exports of raw materials to the EU in order to promote the development of local processing industries. Furthermore, although temporary safeguard measures are provided for in the event of imports harmful to their economies, these measures are difficult to implement and, by definition, applicable for a limited period.

The hypothesis of EPA implementation with all of West Africa must also be considered. After 20 years, when the liberalization of imports from the EU will be completed, it would seem that West Africa will have lost around 32 billion euros, a huge amount in this region that is one of the poorest of the world.¹¹

Faced with these losses, the 6.5 billion euros of the EPADP (EPA Development Programme to help the West African countries apply the EPA) is only a recycling of existing funds, because there is no extra financing. Furthermore, this 5-year financing, renewable every 5 years for 20 years, has no solid legal foundation, in view of the fact that both the Cotonou Agreement and the EU budget expire in 2020. No EU institution is capable of making the least commitment beyond 2020.

Coordination SUD proposals

1. Make food sovereignty the basis of French and EU agricultural and trade policies

Food sovereignty means that people, their countries, or their unions of countries have the right to define their agricultural and food policy without harming other countries. France must promote "a Europe of food security and sovereignty," as advocated by the president of France.¹²

The post-2020 CAP should be transformed into a common agricultural and food policy (CAFP) that is sustainable and inclusive. It should also be based on food sovereignty, the realization of the right to food, fair remuneration of peasants, the preservation of the environment, and the fight against climate change. This means that, with regard to family and peasant farming in the South, the priority objectives of the CAFP should be both to reduce EU agricultural and food dependency on imports and to favor local and sustainable consumption in Europe and around the world.

The European trade policy for agricultural and agrifood products should respect the food sovereignty of the countries of the South and especially their right to protect their markets. Furthermore, binding rules should prohibit agricultural and food imports whose production does not respect decent social and environmental conditions in accordance with International Labour Organization agreements in particular, or with agreements and guidelines dealing with climate, biodiversity, and land governance, etc.

The EPAs in a nutshell: the case of West Africa

Since they gained their independence, the former European colonies of Africa, the Caribbean, and the Pacific (ACP) have benefited from preferential trade terms with the EU. Exports from the ACP countries were not taxed, even though they could levy customs duties on imports from Europe. But after the World Trade Organization (WTO) was created in 1995, the banana-exporting countries of Latin America had the EU condemned for discrimination, as their banana exports were taxed.

In the Cotonou Agreement, in force since 2000, the EU decided to transform these preferential arrangements into economic partnership agreements (EPAs). These agreements, in compliance with the WTO rules, obliged the ACP countries to eliminate most of their customs rights on imports from the EU in order to preserve their preferential access to the European market. There were nevertheless alternatives at the time.¹³

As of December 2017, Nigeria, Columbia, and Mauritania had not signed the EU-West Africa regional EPA, which provides for the elimination of customs duties in 20 years, on 75% of goods imported from the EU. However, since the end of 2016, Côte d'Ivoire and Ghana have been applying interim EPAs that each signed with the EU.¹⁴ The working out of the agreement that will follow the Cotonou Agreement, after 2020, nonetheless provides the EU with the opportunity of reviewing its trade policy with the ACP countries.

9. Common external tariff of ECOWAS (Economic Community of West African States)

10. It is feared that lax application of the original rules of ECOWAS might theoretically make it possible to tax products of European origin transiting through Ghana or Côte d'Ivoire

11. SOL, *Pertes douanières de l'Afrique de l'Ouest avec l'APE et sans APE*, 2017

12. Elysee.fr, *Initiative pour l'Europe - Discours d'Emmanuel Macron pour une Europe souveraine, unie, démocratique*, 2017

13. SOL, *Le comportement dolosif de l'UE pour extorquer la signature des APE*, 2016

14. Concord, *À qui profite l'Accord de partenariat économique entre l'Afrique de l'Ouest et l'Union européenne?*, 2015



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2. Guarantee a sustainable and inclusive post-2020 CAFP

- In accordance with EU obligations related to development policy coherency, an impact analysis should be conducted before the adoption of the CAFP, in order to measure its consequences on development. This analysis should pay specific attention to the impacts on food security, on access to natural resources (especially land), and on the peasants of the countries of the South. This analysis should provide for participation by the stakeholders concerned, with balanced representation of each party, and this from the stage which the terms of reference are drawn up. The negative impacts will have to be corrected.
- A mechanism for monitoring impacts on development should be set up from the start of CAFP application. It should have all the stakeholders concerned participate in it, with balanced representation of each party. A complaint mechanism should also be created for the individuals and groups who consider they are victims of damage. The negative impacts of the CAFP will have to be corrected.

3. Transform the EPAs into Partnership for Development Agreements

- Starting now, the EU must stop all pressure to sign EPAs and give priority to the development of the ACP countries rather than to achieving the trade objectives of European companies. Concerning the EPAs already ratified, the EU should accept to revise them in order to make them coherent with the development of the ACP countries.¹⁵
- Within the framework of the negotiations of the agreement that will follow the Cotonou Agreement after 2020, the section on trade should transform the EPAs that have been signed, as well as those whose negotiations are continuing or have been suspended, into Partnership for Development Agreements. The EU should use its means—which do exist¹⁶—to reestablish a system of unilateral trade preferences that benefit solely the ACP countries.

15. In December 2007, the ACP Council of Ministers deplored the “enormous pressure” from the European Commission to reach an interim EPA (those signed with Ghana and Côte d’Ivoire in particular) and observed that the EU’s “mercantilist interests have taken precedence over the ACP’s developmental and regional integration interests.”

16. SOL, *Le comportement dolosif de l’UE pour extorquer la signature des APE*, 2016



This publication is produced by the Agriculture and food Commission (C2A) of Coordination SUD

As part of its mission to support the collective advocacy of its members, Coordination SUD has set up working committees. The Agriculture and food Commission (C2A) brings together international solidarity NGOs working to realize the right to food and increase support for smallholder farming in policies that impact world food security: ActionAid France, Action contre la Faim, AEFJN, aGter, Artisans du Monde, AVSF, CARI, CCFD-Terre Solidaire, CFSI, Commerce Équitable France, CRID, Gret, Inter Aide, Iram, ISF AgriSTA, MADERA, Oxfam France, Secours Catholique-Caritas France, SOL and UNMFREO.

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C2A publications are produced with the support of the AFD. The viewpoints expressed in this document in no way represent the official point of view of the AFD.

