

Investments in agriculture are urgently needed; with agriculture being the main source of livelihoods for people living in hunger, the importance of this sector to poverty alleviation is clear. The kind of investments needed is however an issue which is hotly debated.

Since the 1970s, largely as a result of Structural Adjustment Programmes (SAPs), there has been a divestment from agriculture and today we are witnessing the detrimental effects of that neglect. Many governments, particularly those in the poorest nations, realize that such an approach did not lead to promised socio-economic gains. To fill the investment gap, governments are increasingly looking for external support. With the global financial crisis, dependence on donors is proving to be a risky strategy. As a result, the corporate sector has been identified as an important partner. Ultimately, this reflects an ideological position which risks reducing agriculture to a primarily commercial function to the detriment of social and ecological considerations.

In the debate over agricultural investments the challenge is now to channel investments so they support smallholder's own investments, in that way serving to alleviate hunger, reduce poverty, develop local economies and support environmental functions and biodiversity.

This synopsis is meant to provide some insights into the G8's New Alliance for Food Security and Nutrition in Africa, its risks and potential hazards. We believe this initiative exemplifies current trends in government and donor thinking which designates to the private sector an increasingly significant role both as investors but also as policy stakeholders. Given the profit orientation of the corporate interests behind the New Alliance, we fear the initiative gives away too much control over Africa's agricultural policies and resources. The risk is that policies will be designed to create market access for multinationals and to 'develop' the agricultural sector without actually providing gains in food security and poverty alleviation.

Whose Alliance? The G8 and the Emergence of a Global Corporate Regime for Agriculture

On 17th and 18th June 2013 the UK will host the next G8 summit in Lough Erne, Northern Ireland. A food and nutrition summit will be held the week before. This is an opportunity to put Food and Nutrition Security (FNS) at the forefront of global priorities and achieve policy coherence by linking with the initiatives of the UN Committee on World Food Security (CFS), the foremost inclusive global platform on food and nutrition security.

According to David Cameron, the UK Prime Minister and host of the Summit, Lough Erne represents an opportunity for the G8 to continue to build on the pledges made at earlier G8 meetings to eradicate hunger by "unleashing the power of the private sector." On the agenda are items such as advancing trade, ensuring tax compliance and promoting greater transparency, as well as the New Alliance on Food Security and Nutrition in Africa. Whilst welcoming the alliance's target of "helping lift 50 million people in sub-Saharan Africa out of poverty in the next 10 years", civil society

organisations and social movements harbour grave concerns regarding the approach of the New Alliance, which is being promoted as a "commitment by G8 nations, African countries, and private sector partners to support agricultural development." While acknowledging that the private sector has a role to play in development, especially through local small-scale enterprises (SMEs) that support local, national and regional food security strategies, we at CIDSE fear that the main purpose of this alliance is to create reliable conditions for corporate investment in Africa's agricultural sector. We are concerned that the New Alliance risks serving primarily as a vehicle for market access by multinational companies, thereby paving the way for them to extend their reach into African markets and exert control over African resources. **We are deeply concerned about the alliance's vision and approach which enshrines food security in a market orientation, rather than as a human right.** We believe the initiative falls short of what is needed to eradicate hunger and could potentially undermine progress towards that end.

We urge the G8 to uphold its commitments to FNS by **reorienting the focus from businesses to communities**. Key recommendations toward that aim are detailed in the report and include:

- Ensuring that policies are firmly enshrined in the **right to adequate food** and securing coherent global governance, placing the **UN Committee on World Food Security** at its centre.
- Enabling the transition to real sustainable agriculture through support for agroecological **models of production** and supporting local markets as the principal pathway to economic development.
- Targeting support at **smallholder food producers** – particularly **women** – and securing their **active inclusion, participation and ownership** of the policy processes that affect them.

We hold that the New Alliance exemplifies an emerging corporate regime for global agriculture. Our fear is that it encourages African food production for export rather than for securing local and regional needs, in addition to converting Africans into consumers of food produced by multinational agri-business trying to break into the African market. It is imperative that all G8 aid to agriculture support **quality investments** which are coherent with internationally agreed upon principles on human rights and aid effectiveness, and which adhere to principles of environmentally sustainable production.

If the New Alliance or any other partnership is to play a productive role in agricultural development, there needs to be strong evidence that these kinds of partnerships can actually deliver for smallholder food producers – such evidence is still largely lacking. In a bid to counteract some of the potentially devastating impacts of the New Alliance on Africa's poor, we recommend action along three axes: 1) improving policy coherence for the right to food; 2) reorienting the vision and pathways to sustainable agricultural development, and 3) ensuring transparency, participation and accountability in the process.

Coherence for the Right to Food

- **Coherent policies, grounded firmly in human rights**, must be the cornerstone for all initiatives pertaining to FNS. This is currently not the case under the New Alliance. G8 countries should step up efforts to implement and monitor

the right to food guidelines and support African governments to do so by integrating these guidelines into their development cooperation agreements.

- The **Committee on World Food Security (CFS)** must continue to be recognised and respected as the legitimate policy-making body orienting international efforts on FNS. **G8 countries should align their initiatives to the policies of the CFS** and help support its processes, such as the consultations for responsible agricultural investment (rai) principles and the operationalisation of the Global Strategic Framework.
- The CFS's **Voluntary Guidelines on Land Tenure** should be made the formal framework for any initiative on land supported by the G8, and its human rights standards must be applied as corporate minimum standards in land deals. A voluntary approach is insufficient, and strict regulation and enforcement of these guidelines is imperative to prevent land grabbing.
- G8 countries could further support food security in Africa by ensuring coherence among various sectors that affect development, such as energy and trade. Specifically, G8 countries should **put an end to agrofuel mandates and subsidies** and join the increasing international consensus which recognise the perverse impact that these policies are having on food security in developing countries.

Vision for Sustainable Agriculture

- **Agroecological production** which sustains yields and optimises the use of local resources while minimising the negative environmental and socio-economic impacts of intensive practices must be supported. G8 countries should “promote, enhance and support sustainable agriculture”, a commitment of the outcome document on the Rio+20 conference.
- Multiplier effects of investments in agriculture that are rooted in local economies are significantly greater towards poverty reduction. **Development of local markets** should be the primary pathway supported by governments, not the further liberalisation of trade and facilitation of international markets as currently planned by the G8 for the UK Summit.

To help address issues of **food price volatility**,

- G8 countries could provide support for the establishment of **regional food reserves** such as the one being piloted in ECOWAS. They should also encourage the private sector to **provide transparent and timely information** on production and stocks, as is being requested under the AMIS system recently launched in the FAO.

- Governments should **assure fair food prices** and commercial outlets at the local level, promoting rural production in urban centers, investing in local infrastructure, linking small-scale food producers with small- and medium-sized local

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One of the promises of the New Alliance is that it will increase smallholders' access to market chains, resulting in significant development gains. But the inclusion of smallholders into the value chains facilitated by growth corridors would require time and involve high transaction costs. According to an IIED and Oxfam report, the value chain approach only works effectively for 2–10% of smallholder producers, due to a number of factors which keeps them at the “mercy of larger producers.”

Some of the challenges faced by smallholders in taking advantage of these opportunities include: lack of market information, poor infrastructure and distance from markets, rigorous demands in terms of standards and the often opaque role of middlemen. For many local smallholders there is a concern that these corridors would further contribute to their marginalisation from the best agricultural lands and contribute to land and water grabbing.

enterprises for in-country commercialisation, and by **prioritising local and national food consumption.**

- The focus on high-tech North-to-South technology transfers which see farmers as passive recipients of technology is doomed to failure. This approach costs billions, and it is the African farmer who would risk indebteding himself to pay the bills. We consider that not only would this type of technology transfer not work, it also risks disrupting the resilient models currently used by farmers. **Technology transfers and research and development must be farmer led** and reflect their on-farm realities and conditions. Genetically modified (GM) seeds are a threat to food security: they weaken resilient food systems and boast multiple ecological liabilities. The G8 must in no circumstance support the propagation of GM crops in Africa

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Securing a Legitimate and Inclusive Process

- Policy making must be based on **inclusive and active participation** by those most affected by food insecurity. The G8 must support spaces for African civil society organisations and social movements' inclusion in any of its proposed plans. They could also promote **participatory accountability mechanisms** through which communities could monitor those operating in their land. The G8 could do much more for the eradication of hunger in Africa if it supported the self-determination of people to decide and inform the policies that affect them; food sovereignty is a useful framework in this respect and deserves attention

Specific and targeted support for women farmers is fundamental to any FNS strategy. Women are mentioned as the targets, but there is little substance on how to operationalise this.

- Women’s access to productive resources – most notably land, extension services, and support to women’s cooperatives – are key elements to combating discrimination, with multiple benefits to women themselves, their families and communities. Clear gender objectives and sex-disaggregated data need to be integrated into programmes which empower women by involving them in the design implementation, and monitoring of agricultural policies.

- The G8 must seek **improved accountability and transparency** and demand the same from its private sector partners. This should focus not only on financial commitments but also on the quality of the aid provided. One of the main aims of the New Alliance is to increase the incomes of smallholders by encouraging them to be a part of value chains controlled by large companies and intermediaries through the entering of contractual relations with these companies. There are currently no systems to monitor the quality or fairness of these contracts or the relations between smallholders and the companies on which they depend. Similarly there is no monitoring of the pricing or credit practices of the foreign companies which will extend their distribution networks (fertilizers, seeds and other agricultural inputs) under the New Alliance. Legally binding regulatory frameworks which support improved accountability and transparency are needed to protect smallholders.

G8 countries could play an important role in supporting the transition to meaningful, sustainable agriculture in Africa, where resilience is prioritised and the social, economic and ecological assets of local communities are protected and strengthened. Ultimately, it is sustained, quality **public investment which enables smallholder food producers to invest in their own holdings** that pose the potential to secure FNS for Africa. Unfortunately, the current approach taken by the New Alliance risks increasing Africa’s dependence on foreign capital and on investors interested in influencing its policies and accessing African markets. As noted in the FAO’s *State of Food and Agriculture report 2012*, “farmers’ investment dwarfs expenditures on agriculture by international donors and private foreign investors. The overwhelming dominance of farmers’ own investment means that they must be central to any strategy aimed at increasing the quantity and effectiveness of agricultural investment.” In light of this and the other evidence outlined above, we strongly urge the G8 to rethink its strategy and place smallholders and those most affected by food

insecurity at the forefront of its policies, rather than relegating them to the backseat behind agribusiness.

Please note: This is the working summary of a more extensive publication that will soon be available in print and on cidse.org. Please use the full final version as your reference as edits may occur.

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