

**RESOLUTION <sup>(1)</sup>****on poverty reduction for small farmers in ACP countries — in particular in the fruit, vegetable and flowers sectors**

*The ACP-EU Joint Parliamentary Assembly,*

- meeting in Wiesbaden (Germany) from 25 to 28 June 2007,
  - having regard to Article 17(1) of its Rules of Procedure,
  - having regard to the objectives of the ACP-EU Partnership Agreement signed in Cotonou on 23 June 2000 in the area of trade and poverty alleviation,
  - having regard to the UN report on food security in developing countries, presented by the UN Special Rapporteur to UN Commission on Human Rights in March 2002 <sup>(2)</sup>,
  - having regard to the Cape Town Declaration on future ACP-EU negotiations of new trading arrangements,
  - having regard to the 1996 World Food Summit commitment to reduce the number of undernourished people by half by the year 2015, which is far from being achieved <sup>(3)</sup>,
  - having regard to the UN declaration concerning the Millennium Development Goals (MDGs) and the its commitment to eliminate poverty <sup>(4)</sup>,
  - having regard to the successive Human Development Reports drawn up by the United Nations Development Programme,
  - having regard to the Midterm Review of the Economic Partnership Agreements (EPAs) by ACP regional networks of farmers' organisations, published on 10 December 2006 <sup>(5)</sup> and the ongoing EPA negotiations,
- A. whereas, according to the 2006 UNCTAD report on LDCs, the number of people living in extreme poverty has more than doubled over the last thirty years, rising from 138 million in the 1960s to 334 million in 2000 and, if current trends persist, the number of people living on less than USD 1 a day will rise from 334 million to 471 million by 2010,
- B. whereas hunger, malnutrition, and the exclusion of millions of people from access to food are consequences of, among other things, government economic, agricultural and trade policies in both the developing and industrialised countries,
- C. whereas agriculture is the major economic sector for most of the ACP populations; whereas their livelihoods depend on agricultural production and related activities, an estimated 60 % of the working population being employed in this sector in all ACP countries; whereas 73 % of the rural population in Africa consists of smallholder subsistence farmers, for whom food security is the top priority,

<sup>(1)</sup> Adopted on 28 June 2007 in Wiesbaden (Germany).

<sup>(2)</sup> Report (E/CN.4/2002/58) by Jean Ziegler, the UN Special Rapporteur on the right to food, to the UN Commission on Human Rights.

<sup>(3)</sup> Rome Declaration on World Food Security adopted at the World Food Summit on 13-17 November 1996 in Rome, Italy.

<sup>(4)</sup> UN General Assembly Resolution 55/2 adopted on 18 September 2000 'United National Millennium Declaration'.

<sup>(5)</sup> Midterm Review of the Economic Partnership Agreements (EPAs), independent contribution of the regional networks of farmers' organisations, 10 December 2006.

- D. whereas biological diversity, sustainable agriculture and food security depend absolutely on the recognition of ACP countries food sovereignty and the policy space necessary to protect ACP countries' fragile economic sectors and farmers' individual and collective rights to store, exchange, distribute and improve seeds, so as to enhance food production,
- E. whereas most agricultural production and exportation activities in the ACP countries are basically carried out by small family farms, which are very sensitive to price fluctuations,
- F. whereas most ACP agricultural exports depend on one or two non-processed products that bring little added value to the economy, thereby making their economies all the more vulnerable,
- G. whereas, over the last 15 years, growth figures for traditional agricultural exports such as coffee, cocoa, leather and skins have been slack in the EU market contrasting with the spectacular (sixfold) growth in respect of new products such as flowers and the rapid expansion of niche markets in Fair Trade and organic products, which are showing great potential,

#### **Declining domestic support and increase in cheap imports**

- H. whereas the Structural Adjustment Programmes being implemented since the 1980s have led to a reduction in government support for small farmers and food production and contributed to the weakening of local agriculture,
- I. whereas the radical policy changes in the ACP agricultural system include the removal of price control on farm input and output, a drastic reduction in import tariffs, reductions in government support for agricultural extension and veterinary services, withdrawal of parastatal agricultural marketing organisations and the opening up domestic markets to external competition,
- J. whereas local ACP farmers are being undermined by imports of staple products for domestic consumption, such as cereals, milk, meat, vegetables, and processed products,

#### **Unfair terms of trade**

- K. whereas the cash crop economy, unavoidably dictated by geo-climatic conditions and terrain, is putting the ACP population in the highly paradoxical position of producing food for international markets while importing subsidised staple food products from rich countries to cover their local needs,
- L. observing that ACP countries' export revenue has decreased for the past decades despite their absolute advantage in respect of tropical products, commodity price fluctuations having caused a collapse in the price of tropical products such as coffee, cocoa, palm oil and cotton, by as much as 60 %, which is having a disastrous social and economic impact on the ACP populations,
- M. whereas the current EPA negotiation process is inappropriate, particularly as regards the agricultural sector, given the enormous differences in productivity and competitiveness between the six ACP regions and EU,
- N. recalling that ACP-EU trade relations are rooted in the Yaoundé agreements between the former colonial powers and their ex-colonies which sought to secure access for Europe to certain raw materials, while providing the ACP countries with dependable outlets and valuable export earnings on a stable and predictable basis, in particular under the Commodity Protocols,

**Climate change impact**

- O. whereas, according to the Second UN World Water Development Report (2006), 75 % of the population of Africa live in arid or semi-arid regions and around 20 % in areas where there are wide annual climate fluctuations,
- P. whereas the Millennium Ecosystem Assessment Report concludes that approximately 60 % of the world's ecosystem, including fresh water and fisheries stocks, is being degraded or used unsustainably; whereas, the world's poorest people are suffering most as a result, the most vulnerable areas being water, agriculture, human health, biodiversity, and rising sea levels,
- Q. whereas floods and droughts are expected to occur more frequently, leading to famine and widespread disruption of socio-economic wellbeing, particularly in Africa, while rising sea levels are threatening the viability of certain Pacific islands,
- R. whereas, according to the 2007 Fourth IPCC Assessment Report, climate change over the next 50 years could impede achievement of the MDGs, with agricultural yields in some African countries likely to fall by up to 50 % by 2020 and potable water supplies becoming insufficient in certain small islands in the Caribbean, Africa and Pacific,

**HIV/AIDS impact**

- S. whereas, according to FAO estimates, 7 million agricultural workers have died from HIV/AIDS since 1985, and 16 million more deaths are likely to occur in the next two decades in the 25 most affected countries in Africa,
- T. whereas, in the ten most affected African countries, labour force decreases of between 10 and 26 %, are anticipated, which present a very serious threat to public health and the social and economic development of Africa, where agriculture plays a central role,
- U. whereas HIV/AIDS predominantly affects the productive labour force, depriving the affected regions of their food producers and farmers, and decimating the agricultural sector for generations to come,
- V. whereas the issues of small-scale farming and HIV/AIDS are intrinsically linked, given that a sustainable small scale agricultural sector is important, not only in providing the means to pay for Anti-Retroviral (ARV) drugs, but also in providing the balanced and nutritious diet that is necessary for these drugs to be effective,
- W. whereas coping strategies (access to land, credit and medicines) and new tools to address the specific needs of the rural populations affected by the pandemic, especially the elderly, women and adults weakened by illness, should be developed,

**Agriculture as part of national development policy and ACP-EU cooperation**

- X. whereas, despite the fact that the majority of the poor people in ACP countries live in rural areas, neither national governments nor EU development cooperation policy are giving priority to the development of agriculture and rural development,
- Y. whereas only 4 out of 78 ACP countries have made agriculture a priority sector under the 9th EDF,
- Z. whereas 30,7 % of the 9th EDF has been allocated to structural adjustment programmes, 21,4 % to transport, only 7 % to rural development and 1,1 % to sectors specifically related to agriculture,
- AA. whereas, although most of the producers are women, no recognition is being given to their work and very little attention is being paid to their specific needs,
- AB. whereas, under the 10th EDF, only two focal sectors per country are chosen,

- AC. whereas access to credit is a major problem for small farmers and this is hampering their development,
- AD. whereas small farmers in Less Favoured Areas should be given priority, having traditionally missed out on agricultural support; whereas the principle of subsidising and investing in remote and deprived areas is a well established principle of EU cohesion policy,
- AE. whereas the EU is currently in the process of developing an 'Aid for Trade' Strategy which could result in increased support for small-scale farmers,
1. Considers that ACP-EU development cooperation policy should be based on the recognition of the right of the ACP countries to protect their agriculture in order to guarantee decent earnings for small farmers, increase local production and guarantee food security, while allowing selective market openings, as was the case in Europe;
  2. Believes that the fight against poverty and food insecurity must address the structural causes of poverty in developing countries, and, accordingly, calls for measures to promote access to land, water and biodiversity resources and to encourage a policy of local support for sustainable agricultural smallholdings;
  3. Supports the Maputo Declaration <sup>(1)</sup> of African Heads of State, which recognises the central role of agriculture in the fight against poverty and the need for a 10 % increase in budgetary support in this sector;
  4. Believes that farmers' organisations must be recognised as important players in initiatives affecting the rural and agricultural sectors and must be included in the non-government group regularly consulted by the EC; believes, in particular, that the interests of small-scale subsistence farmers should be adequately represented;

### **Reorienting EDF funding**

5. Asks both the EU and ACP countries to reorient their policy by putting agriculture at the heart of EDF programming to take account of the fact that the majority of the poor people in ACP countries lives in rural;
6. Calls on the EU to support the structural transformation of production in poor countries away from an export-led economy towards an intra-regional sustainable development strategy, taking into account the real need of the populations and seeking to reduce dependency on industrialised countries and build domestic and regional markets;
7. Reiterates the importance of making sufficient means available to facilitate compliance with rules such as those concerning labelling, packaging and public health requirements for products coming from small farmers and exported to regional and EU markets, and to provide suitable training for farmers;
8. Reiterates the importance of making adequate means available for small farmers, in particular women, to invest in the improvement of local production processes;
9. Recommends making increased means available to the organisations serving the rural communities and producers by providing EDF funding under the ACP-EU Cotonou Agreement;
10. Calls for EDF assistance for conversion to organic farming, where possible and Fair Trade farming where appropriate, in order to promote long term sustainable production as well as increasing farmers' income per kilogram produced;

<sup>(1)</sup> Maputo Declaration 'Together shaping our future', 4th Summit of ACP Heads of State and Government, Maputo, Mozambique, 23 and 24 June 2004 (ACP/28/010/04 final).

11. Calls for EDF assistance to enable the use of modern sea water desalination and water quality improvement technology in all areas where water is scarce;
12. Calls for EDF assistance to reduce the use of capital intensive pesticides and synthetic fertilizers in favour of more sustainable alternative sources of nutrients and plant protection products adapted to local needs;
13. Calls for the needs of small-scale subsistence farmers to be prioritised in ACP and EU development strategy policies, given that they make up a high percentage of ACP farmers and are particularly vulnerable;

#### **Unfair terms of trade**

14. Considers that some free trade agreements between unequal partners have exacerbated poverty and are having an adverse impact on food security and contributing to the deterioration of the situation of some net food importing ACP states; calls on the EU and the Member States to take this on board while considering the allocation of resources under the scaling-up of ODA to trade-related adjustment requirements;
15. Observes that the free trade policy package designed by the donors, which includes drastic import tariff reductions, has resulted in increased food imports in several African countries: imported rice in Burkina Faso having increased from 99 000 tonnes in 1996 to 137 808 tonnes in 2000 and local paddy rice production having decreased from 111 700 tonnes in 1997 to 66 300 tonnes in 2001, with rice imports today in Cameroon covering 87 % of the population's need at the expense of local producers;

#### **EPAs and ACP-driven regional integration**

16. Calls on the ACP countries to achieve solid, functioning, sustainable and complementary regional integration before considering a Free Trade Agreement with the EU and/or others and considers that ACP-driven regional integration should be a precondition for the conclusion of development-oriented EPAs;
17. Notes with surprise that the regional configurations for conducting the EPA negotiations do not always correspond to existing regional structures within which the ACP countries are currently working;
18. Calls on the parties involved in the on-going EPA negotiations to ensure that the obligation to safeguard the benefits underpinned by the guarantees enshrined in the existing trading arrangement is upheld and complied with so that no ACP States are worse off in the future EPAs;
19. Considers that the current EPA free trade negotiations could pose a serious threat to the ACP local production if they lead to competition between two agricultural systems which differ greatly in terms of productivity, policy and EU subsidisation, and urges the EU to take account of the views of local governments;
20. Points out that fair trade between the North and the South entails paying a fair price for the resources and agricultural products of the developing countries i.e. a price which reflects internal and external costs, whilst respecting the minimum criteria governing working conditions, wages of the workforce and environmental protection; urges the EU and ACP to step up their support for Fair Trade in line with the commitment contained in Article 23(g) of the Cotonou Agreement;
21. Stresses the need to support public and regional development processes in the ACP countries; calls for local structures and regional networks for agricultural production and distribution to be strengthened;
22. Urges strongly that generally-available funding instruments for financially weak producers be developed and utilised; stresses the importance of small and medium-sized loan programmes to promote rural development and support local producers, local cooperatives and the setting up of businesses, particularly by women;

**Climate change**

23. Points to the devastating impact of climate change on vulnerable countries, the scale of food emergencies occurring each year in Africa having tripled since the mid-1980s, and in 2006 alone more than 25 million Africans faced food crises;
24. Notes that a 2005 study by the World Health Organisation (WHO) established a direct link between global climate change and increased rates of malaria, malnutrition, and diarrhoea, predicting that diseases and other human hazards will increase more rapidly in Africa, because it is ill-equipped to deal with them;
25. Calls on the ACP and EU countries to put climate change at the heart of strategic development policy and address the global warming threat to food production, which a UN report predicted would fall by 5 % by 2080, while between 25 % and 40 % of Africa's natural habitats could also be lost, and 30 % of its coastal infrastructure destroyed;
26. Calls on the EU to fulfil its goal of ensuring a maximum temperature increase of 2 degrees, the necessary investment outlay to be met by the industrialised countries;
27. Demands an environmental impact assessment of trade liberalisation agreements in order to identify their ecological costs and their impact on food security, energy resources, and global warming;

**Fight against HIV/AIDS**

28. Expresses its serious concerns at the potentially harmful effect of HIV/AIDS on sustainable development in the ACP countries, and in particular its impact on subsistence and commercial farming due to a diminishing rural labour force, and the loss of those with agricultural knowledge and skilled workers, resulting in a fall in productivity, decreased employment opportunities and food insecurity;
29. Considers that the fight against HIV/AIDS should be at the heart of ACP governments and the EU development policies, in order to deal with the devastating consequences of HIV/AIDS on food security and socio-economic development and that measures to combat HIV/AIDS should accordingly be linked with agriculture and rural development programmes;
30. Considers that the high cost of drugs to combat HIV/AIDS and other curable diseases presents a serious threat to agricultural production and the development of the rural sector in the ACP countries;

**Supporting agriculture and giving the population faith in the future**

31. Stresses that the structural adjustment policies pursued by the International Financial Institutions (IFI) and supported by the European Union since the 1980s, which are based solely on economic deflation through monetary measures, the application of market economy principles and less state involvement, are not equal to the task of reducing poverty;
  32. Calls for the elimination of all EU export subsidies as they are gravely undermining local food production;
  33. Welcomes in this context the decision taken by the EU at the World Trade Organisation (WTO) conference in Hong Kong in 2005 to abolish agricultural export subsidies by 2013, and urges that implementation of the decisions taken be brought forward;
  34. Calls for a commitment from the EU Member States and the European Commission to address the structural causes of massive migration by changing their current policies, including the dumping of EU products on the third-world markets, in order to allow African countries to protect and build their economies, guarantee decent earnings for their populations, thereby offering better prospects for the future;
  35. Instructs its Co-Presidents to forward this resolution to the ACP-EU Council and the European Commission.
-