

# Don't get it wrong for the Africa-G8 Partnership !

For responsible investments, food sovereignty,  
and a dialogue-based approach to questions of security



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CCFD-Terre Solidaire propositions



## **CCFD-TERRE SOLIDAIRE**

Founded in 1961, the purpose of CCFD-Terre Solidaire is to develop international solidarity in France and in countries of the South. To do this, it uses 3 complementary levers: support for development initiatives, a policy of education on development in France, and an advocacy strategy addressed to French, European and international political and economic decision-makers.

CCFD-Terre Solidaire, 2011.  
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# CCFD-Terre Solidaire propositions



# What are the issues in the Africa-G8 partnership?

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The G8 summit organised in Deauville on 26 and 27 May 2011 places the G8's partnership with Africa at the top of its agenda, and it intends to send a strong message to the world concerning the development of the African continent. The eight members of the G8 and their African partners (the NEPAD<sup>1</sup> and the African Union) promise there will be initiatives contributing to strengthening Africa's role in world governance, security, and private investments as vectors of growth and development. These goals have already resulted in initiatives from G8 countries at previous summits (2005 in Gleneagles, 2007 in Heiligendamm, and 2009 in Aquila). The CCFD-Terre Solidaire does not consider the G8 summit to be a legitimate forum for world governance, and argues that the United Nations should be in charge of organising a forum for making decisions concerning relations between developed and developing countries and for trade between them. However, it recognises that important questions will be raised during this summit, and that G8 member-states have responsibilities to assume. It is also deeply concerned that the summit, which has a clearly neoliberal agenda, will officially ratify the partnership between G8 members and the NEPAD, whereas this organisation is only vaguely defined politically and does not represent either all the African countries or their civil societies. Finally, the question of democracy in sub-Saharan Africa has not been clearly placed on the work agenda.

Many of the development issues for the 21st century concern Sub-Saharan Africa and its 850 million inhabitants. This region, in which 1.8 billion people should be living in 2050, has experienced an average rate of growth of 5% since the 1990s, and despite the slowdown, linked to the world economic crisis, growth should be strong in 2011 (5% according to the IMF). Although the situations and results vary in different countries, progress has been made since the 1970s in terms of the human development indicator, which shows significant progress mainly due to gains in terms of education and public health (this is true for Ethiopia, Benin, and Burkina Faso). As far as democracy is concerned, although we are deeply concerned by the fragile and sometimes rigged electoral processes and the partial failure of leadership in the resolution of local crises, particularly in the recent power crisis in the Ivory Coast, positive changes have also been observed, such as the resolution of civil conflicts (Angola, Mozambique, Uganda, and Sierra Leone), and changeover of power between political parties (Ghana).

If we go beyond these good figures, sub-Saharan Africa is still experiencing serious difficulties: 210 million people there suffer from hunger (about 30% of the population). Whereas 60% of the population in sub-Saharan Africa works in the farming sector, 2.5 million hectares of land have already been snatched up by foreign

<sup>1</sup> New Partnership for Africa's development.

countries or transnational corporations<sup>2</sup>. Against a backdrop of mining plundering and irresponsible circulation of weapons, the conflicts in the Great Lakes region have caused nearly 2 million refugees to be displaced and led to the death of a million others. Illegal financial transactions cost the African continent 140 billion euros per year (60% to 65% of which is due to tax evasion by multinational corporations<sup>3</sup>). Finally, climate change is undermining several fundamental human rights, such as the rights to life, security, food, and water. Between now and 2020, it is estimated that 75 to 250 million people will be exposed to water-related crises<sup>4</sup>.

G8 members cannot simply content themselves with an "Afroptimistic" discourse. They must understand the full extent of the current social, economic, and environmental challenges, which call for more justice, equity, and responsibility. Growth rates or the amount of foreign direct investment do not suffice to bring about development, which must above all attempt satisfy fundamental human needs and redistribute wealth, while asserting people's rights and ensuring sustainability. As the UNDP<sup>5</sup> argues, development cannot be measured only in terms of a country's growth rate. The quality of the processes engaged and the actual progress made in terms of education, food security, and health must also be taken into consideration.

For the CCFD-Terre Solidaire, underdevelopment and bad development are due to questionable strategic choices in terms of development policy, the greed of some corporate groups, economic deregulation, and financial opacity. The CCFD-Terre Solidaire has been involved in international solidarity activities for 50 years, and is convinced that effective and sustainable solutions can only be achieved through dialogue involving stakeholders from the African civil society. Likewise, in our opinion, the major success stories in contemporary Africa can be attributed to the capacity building and mobilisation of civil societies, which have made themselves heard in both the combat to abolish the foreign debt of African countries and in the denunciation of economic partnership agreements since 2007. Originating in the economic, social, and cultural histories of each country, African civil society stakeholders know how to mobilise the local skills, and now play a role as proponents of ideas to which we must listen. However, neither G8 members, nor the NEPAD adequately take into consideration what they say or their expertise.

Along with its partners<sup>6</sup>, the CCFD-Terre Solidaire calls on the heads of state and governments of G8 member-states to do what they have promised to do, and demands that policy measures be taken in order to regulate the business activities of their multinational corporations, defend the food sovereignty of African countries, and find political solutions to the conflicts affecting the continent (particularly in the Sahelian and Great Lakes regions).

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## REGULATE THE ACTIVITIES OF MULTINATIONAL CORPORATIONS FROM G8 MEMBER-STATES

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Even if they do create jobs and generate growth, free trade and foreign direct investment (FDI) also have pernicious effects. FDI has a significant influence on living conditions of populations, consumers, and workers (all the more when it concerns the pharmaceutical industry or the food and agricultural, energy, and water sectors). In addition, some multinational corporations with operations in Africa do not pay the taxes they owe there. Instead, they cook their books to artificially transfer the wealth they produce in the developing countries to their subsidiaries located in territories in which there is no tax or a very low rate. France and its G8 partners must deal with these questions, which are crucial within the framework of free trade agreements and when economic partnerships agreements are negotiated between the European Union and Africa, and between the United States and Africa. The increasing number of bilateral trade agreements makes us fear that power relations will be increasingly unbalanced during negotiations between countries and in the processes through which FDI is deployed by multinational corporations<sup>7</sup>. The G8 member-states are directly responsible for addressing these investment and trade issues.

### The CCFD-Terre Solidaire recommends in particular that G8 members should:

- Establish a standard for financial transparency, which would obligate multinational corporations to publish financial information for each country in which they have operations (names of subsidiaries, number of employees, profits, taxes paid, cost of assets, etc.).
- Establish mandatory extra-financial reporting (on social and environmental impacts)

<sup>2</sup> "Land grab or development opportunity? Agricultural investment and international land deals in Africa". FAO report, IIED, FIDA, 2009.

<sup>3</sup> "An economy adrift. Multinational companies, tax havens and the siphoning of wealth" CCFD-Terre Solidaire report, 2010.

<sup>4</sup> Source FPA. www.africapartnershipforum.org

<sup>5</sup> "The True Wealth of Nations: Path to Human Development 2010. 20th anniversary edition of HDR". UNDP, 2010.

<sup>6</sup> The CCFD-Terre Solidaire works in conjunction with the Global Call to Action against Poverty and Coordination Sud (National Coordination Unit of French International Solidarity NGOs).

<sup>7</sup> The World Trade Organization and its conflict resolution body are not qualified to intervene within the framework of these agreements, and fearing trade reprisals, the poorest countries accept investments from transnational corporations.

- Fight against corruption and for transparency by systematically promoting the signing and application of the Extractive Industries Transparency Initiative (EITI). Request that the corporations from G8 countries participate in this initiative by accepting to provide disaggregated data for all the countries involved (corporation by corporation and for each category of payment to the governments) and data that are comparable over time.
- For each investment, have an impact study carried out systematically on human rights, and, for investments in a corporation, impose an evaluation to see whether or not these rights are being respected.
- Declare illicit the financing<sup>8</sup> of any activity forbidden by international law, in general, and by international humanitarian law and human rights law, in particular.

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## RESPECTING FOOD SOVEREIGNTY, AND SUPPORTING FAMILY FARMING

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During the Gleneagles summit (2005), G8 governments made a commitment to maintain their efforts to achieve the Millennium Development Goals (MDGs), and in particular the first of them which is to halve the number of people in the world suffering from hunger by the year 2015. In reality, today 963 million people are suffering from hunger. The 2007-2008 agriculture and food crisis severely affected the populations in developing countries, plunging nearly 200 million additional people into malnutrition. More than two-thirds of the 29 countries with an alarming or very alarming level of hunger<sup>9</sup> are located in sub-Saharan Africa. The first MDG will not be achieved unless it is clearly linked to the question of food sovereignty, which is the cornerstone of development for countries in the South and for decreasing hunger in the world. Although 22 billion dollars were pledged in Aquila for agriculture and food security (before 2012), the actual disbursement of these funds illustrates States' lack of willpower to honour their promises in the struggle for food security. The G20 member-states met subsequently in Seoul in November 2010, where they adopted a pluriannual action plan for development, which encourages "sustainable economic growth," and emphasises the need for increased cooperation "with the private sector" via "responsible investments" in agriculture. However, FDI does not fall within the scope of agricultural

policies and trade rules aiming to bring about food sovereignty. Current policies encourage investments especially in industrial export agriculture to meet the growing demands for foodstuffs and non foodstuffs (agrofuels, timber) from Northern countries, which is to the detriment of poor populations in the South. The redefinition of policies and regulations linked to the trading of agricultural raw materials must strictly control agrobusiness activities and promote family farming and small-scale food production.

### The CCFD-Terre Solidaire recommends in particular that G8 members should:

- Create a system of democratic and participative governance at the worldwide level for questions relating to agricultural and food.
- Honour their commitments by providing additional funds, and help the least advanced countries obtain funding.
- Revise the rules for world trade set by the WTO, as well as the framework in which free-trade agreements are negotiated, because they are only based on further liberalising trade.
- Insure accountability in terms of food security

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## TAKE UP THE CHALLENGE FOR PEACE AND SECURITY IN AFRICA

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The French Presidency of the G8 summit has made peace and security two of the top priorities for this meeting. Due to current events (the Ivory Coast crisis, terrorist acts in the Sahel, and the risks stemming from the establishment of a new state in the south of Sudan), and the long-term ongoing crises (in the Great Lakes region and Somalia), Africa is in dire need of determined and sustainable action in favour of peace based on dialogue. It is first of all up to the sovereign African States and institutions to take charge of this search for stability, because they are the most legitimate stakeholders. However, G8 member-states must also lend their support in this search for solutions by supporting the African initiatives in these matters. To accomplish this task, they must have a clear understanding of the local contexts and not systematically adopt an approach

<sup>8</sup> This ban must be enforced even when the corporations concerned only make a small part of their turnover via the illicit activities in question.

<sup>9</sup> "Strategic Analysis and Knowledge Support Systems for agriculture and rural development in Africa" International Food Policy Research Institute. Rapport IFPRI, 2011.

based on security and military intervention, which would threaten the regional balance of power. They must especially attack the roots of the problems which are underdevelopment and its corollaries: the competition for access to resources, and the irresponsible circulation of conventional weapons. In concrete terms, this means the respect of international law, the recognition by G8 members of the importance of African civil society stakeholders, and remaining vigilant and adopting a proper attitude *vis-à-vis* governments that do not respect democracy and human rights. The quest for security and the fight against terrorist and criminal networks should not take precedence over the sovereignty of African countries or contribute to curtailing personal freedoms and human rights.

**The CCFD-Terre Solidaire recommends in particular that G8 members should:**

- Help to bring about the adoption of a coordinated international plan for the Sahel region.
- Require that reasonable measures of diligence be taken by corporations involved in the exploitation, trade and use of minerals coming from conflict zones, in general, and from the Great Lakes region, in particular.
- Strive for real and effective control of the conventional arms trade.



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