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The European Union investigates on the New Alliance for Food Security and Nutrition

The Committee on Development of the European Parliament commissioned a study on the New Alliance for Food Security and Nutrition (NAFSN) to Olivier De Schutter, former UN Rapporteur on the Right to Food. This report was discussed by the Committee at the end of 2015 in the framework of an enquiry by the EU on the New Alliance.

What does this report tell us?

“While the general objective of the [New Alliance] is sound, certain deficiencies remain: the [Country Cooperation Frameworks signed under the Alliance] are silent on the need to shift to sustainable modes of agricultural production and to support farmers' seed systems, on the dangers associated with the emergence of a market for land rights, or on the regulation of contract farming; and they are weak on nutrition as well as on the recognition of women's rights and gender empowerment.”



Let's remember here that the New Alliance was created by the G8 in 2012, following the Food Security Crisis, in order to promote private investment in agriculture and implement a 'Green revolution' in Africa with the view to saving 50 million Africans from poverty within 10 years. The Alliance groups development partners (e.g. EU, France, Japan, US, UK, AfDB, IFPRI and World Bank), a few civil society organisations, most of the big private agribusiness players (e.g., Barry Callebaut, Bayer, Bunge, Cargill, Coca Cola, DuPont, Heineken, Louis Dreyfus, Monsanto, Nestle, Syngenta, Unilever, United Phosphorus and Yara) and several private financial institutions (e.g. Ecobank, Rabobank and Swiss Re).

So far, there are ten African members of the Alliance: Benin, Burkina Faso, Côte d'Ivoire, Ethiopia, Ghana, Malawi, Mozambique, Nigeria, Senegal and Tanzania. In each of these countries a cooperation framework was signed where the government committed to make

policy reforms, private companies identified the amounts they will invest in different areas and development partners made pledges of support.

Policy reforms

The review made by O. De Schutter shows that policy reforms to which governments committed in their cooperation framework with the Alliance include:

- making their economic environment more business-friendly by improving infrastructure, making tax reforms, facilitating access to finance and removing “*fiscal, regulatory and administrative barriers to marketing of products and trade*”, increasing “*transparency and stability in trade policy (to facilitate export of agricultural commodities)*” and implementing a “*regulatory reform in the area of seeds to strengthen intellectual property rights of plant breeders and to establish a seed catalogue where such catalogue has not been established*”
- facilitating farmers access to inputs such as improved seed, chemical fertiliser, pesticides and farming implements
- clarifying the right to land and water
- adopting nutrition-based policies such as food fortification and malnutrition treatment,.

According to De Schutter, the ten Alliance member countries made 213 policy reform commitments. **Table 1** shows achievement made in this area.

Table 1: Policy reforms resulting from country commitments with the Alliance

Domain	2013-2014 Progress Report	2014-2015 Progress Report	Change between the two annual reports
Policy institutions	44 %	50 %	+6%
Inputs	34 %	62 %	+28%
Trade and markets	22 %	15 %	-5% (?)
Business enabling environment	21 %	37 %	+16%
Nutrition	20 %	22 %	+2%
Land and resource rights	17 %	27 %	+10%
Resilience and risk management	17 %	43 %	+26%

Private investment

Regarding investment made by private companies, according to De Schutter’s report, 180 firms committed to invest USD8 billion in the ten Alliance countries by the end of 2013 (USD10.2 billion by end 2014), but actual disbursements were quite slow, reaching only USD1.1 billion by end 2013, and USD1.8 billion by end 2014. An estimated 1.9 million smallholders were concerned by these investments (21% of them women) which created almost 37,000 jobs (40% for women). This figure increased to reach 8.2 million farmers according to the Alliance 2014-2015 report, of which 3.7 million for inputs and 2.9 million for financial services. Investments involved African companies (some being branches of non-African firms), but the two leading companies were Yara (fertiliser - USD1.5 billion

invested) and Syngenta (seeds, pesticides - USD 500 million invested). This is “*why many observers consider the [Alliance] to be a Trojan horse for Western multinational firms, eager to expand their markets by taking part in the relaunching of African agriculture -- but imposing, in the process, their own views of the trajectory to be followed, and of the associated agronomic and economic choices.*”

Table 2: **Private sector investment in Alliance countries**

Domain	by end 2013	by end 2014	Additional during 2014
Total commitments	USD 8 billion	USD 10.2 billion	+2.2 billion USD
Actual investments	USD 1.1 billion	USD 1.8 billion	+684 million USD
Number of farmers involved	1.9 million	8.2 million	+6.3 million

Donor support

According to the Alliance’s annual report 2014-2015, initial donor commitments amounted to USD 6.3 billion and USD 3,2 billion had actually been spent by end 2014. The main beneficiary country was Ethiopia, followed by Tanzania and Senegal.

A faulty diagnosis

O. De Schutter emphasises that the Alliance rests on a faulty diagnosis, as it defines “*food insecurity as, primarily, attributable to a productivity gap, which in turn is seen as resulting from a lack of irrigation, of mechanisation, and of inputs -- pesticides, chemical fertilisers and 'improved' varieties of seeds in particular*”. This diagnosis leads the Alliance to adopt a “New Green Revolution” as the solution to be followed in Africa.

The other side of the diagnosis is a great skepticism about the capacity of smallholders to respond by increasing their production and suspicion of the involvement of the State in the economy. As a result, the Alliance seeks “*to ensure adequate linkages between public programmes and private investment, in a process of mutual alignment -- so that private investors contribute to the national plans on investment in agriculture, and so that public investments and regulatory reform create a business-friendly environment, encouraging private companies to enter the agrifood sector*”. The Alliance also seeks to promote large-scale agriculture.

With such basic principles confirmed, it is likely that the resource-poor smallholders run the risk of being excluded and marginalised: and this is what is being observed now, and has resulted in several cases of eviction of farmers from their land [\[read here\]](#).

O. De Schutter’s report lists some of the major flaws of the approach promoted by the Alliance:

- *Land*. The cooperation frameworks between the Alliance and the ten participating African countries only refer selectively to approved international standards regulating investment in agriculture, such as the [2012 Voluntary Guidelines on responsible governance of tenure of land, fisheries and forests](#), the contested [2010 Principles on Responsible Agricultural Investment](#), but does not mention the [2014 Principles for Responsible Investment in Agriculture and Food Systems](#), the [2004 Voluntary](#)

[Guidelines to support the progressive realisation of the right to adequate food in the context of national food security](#) or the need for investors to respect human rights. The Alliance approaches the issue of land with “*an almost exclusive focus on the certification of land (or titling)*” which may lead to exclusion of poorer farmers first at the stage of titling (e.g. through corruption), later through land taxation and finally through a more active land market on which poor and indebted farmers may have to put their land on sale. It may also undermine existing community land management systems.

- **Contract farming.** O. De Schutter shows clearly, based on available research, that trading and sourcing products from farmers is a major area of the value chain in which investments under the Alliance are made (around 60 investments amounting to USD2.8 billion). This raises the issue of how contracts between farmers and private companies are regulated, an issue that is often mentioned in Alliance national cooperation frameworks but not dealt with precisely, the exception being Ghana where some model of contract is provided.
- **Seeds.** Caution is needed regarding the seed regulation adopted under the Alliance, as it tends to favour the dissemination of commercial seeds of varieties that require the use of agrochemicals, that are best cultivated under monocropping, that cannot be best adapted to a great diversity of agroecosystems and it tends to create conditions for an impoverishment of agrobiodiversity. The proposed regulations risk to make disappear existing farmer seed systems as well as adapted traditional knowledge and practices.
- **Nutrition.** Nutrition is largely neglected by the Alliance when it comes to its activities in countries. Only a minor share of investments is taking place in this area, despite the ten Alliance countries being part of the SUN initiative (Scaling-Up Nutrition).
- **Gender.** Investments made under the Alliance hardly ever address specifically women and their needs, and thus do not at all help to reduce discrimination against women.

On all these points, De Schutter makes recommendations on how to put activities undertaken by the Alliance in line with current thinking on how to address hunger and malnutrition (priority on food production to satisfy local needs, improvement of incomes and livelihoods of smallholders, transition towards a more sustainable agriculture, central importance of nutrition).

Drafted in a mild language, this report is a fundamental critique of what the Alliance has been doing. Its recommendations amount to a reformulation of the Alliance’s agenda. We may wish that if they are endorsed by the EU and its members, pressure will be sufficient to make private companies change the way they act in Africa. But one doubts this will happen, as EU policy has been increasingly to support the development of activities of European corporations in Africa, particularly, but not exclusively, through its [blending approach](#).

Revising its programme would also mean to revert one of the major changes that the Alliance has brought in the policy process in poor countries: until recently, policy changes had been largely influenced by negotiations with and pressure by international financial institutions such as the IMF and the World Bank; but with the Alliance, the private sector has now become a major direct player in determining policy changes countries should implement. In a way policy conditionalities have been “privatised”. This “privatisation” has triggered a strong reaction from civil society organisations such as Via Campesina and others who promote food sovereignty as this new situation constitutes a way of overriding the normal democratic process.

To know more:

- O. De Schutter, [The New Alliance for Food Security and Nutrition in Africa](#), Study, Directorate-General for External Policies, Policy Department, European Parliament 2015
- The New Alliance for Food Security and Nutrition website: <http://www.new-alliance.org/>
- New Alliance for Food Security and Nutrition and Grow Africa, [Joint Annual Progress Report, 2014-2015](#), 2015

Earlier articles on hungerexplained.org related to the topic:

- [The New Alliance for Food Security and Nutrition in Africa: focus on land and seeds](#), 2015
- [The New Alliance for Food Security and Nutrition: a coup for corporate capital? by N. McKeon](#), 2014
- [A first analysis of the implementation of the G8's New Alliance for Food Security and Nutrition confirms worries about this initiative](#), 2013.