

Comments on the Policy Framework for Swedish Development Cooperation

- By FIAN Sweden

First of all we wish to express our appreciation for having been offered the opportunity to comment on the Swedish Development Policy Framework. It is an important and well written document. It points out that Swedish development cooperation is operating in a changing world which is true, indeed. We agree that poverty is a rather complex concept. It entails not only material scarcity but also lack of power, freedom of choice, human rights, etc. In fact, we agree with most of the aims and directions of the Policy Framework. And are happy to see the increased emphasis on rural areas and the agricultural sector.

In the Policy Framework there are numerous references to the 17 Sustainable Development Goals of Agenda 2030. We understand that it is not possible to enter too much into details when laying down a general policy of this kind. In our comments we focus mainly on Goal No 2, Zero Hunger: End hunger, achieve food security and improved nutrition and promote sustainable agriculture. Naturally, all these 17 goals are not isolated from each other.

FIAN (FoodFirst Information and Action Network) International is a human rights organization advocating above all for the realization of the right to adequate food and nutrition, realizing this right is closely linked to other human rights. FIAN therefore also takes part in the struggle against gender discrimination and other forms of exclusion. We also strongly oppose unethical and destructive investments by private actors, companies, pension funds and others. We would like to center our comments around these issues.

During the last few years there has been a shift from principally government-run development aid to involving private investments in poor countries. The motto is “We must engage the money”. In the Policy Framework “responsible investments” is an essential objective.

Private investments might have a negative impact on food security and the livelihoods of small-scale food producers, especially women, in poor countries. Their investments might not be that “responsible”. Private investors have an obligation towards their owners and shareholders to bring about optimal dividends. As we have seen in many cases this results in corporate grabbing of resources and markets which has severe effects on small-scale producers’ human right to adequate food. Introducing a large-scale, export-oriented, agroindustrial model certainly undermines the efforts to eliminate poverty and hunger. Therefore, the Swedish Policy Framework should clearly prioritize the rights of small-scale producers, domestic small- and medium-sized enterprises and micro-enterprises, as they have the greatest potential to provide a fair and equitable development.

The Transnational Institute (TNI) has introduced a project named “Hands off the Land”. The Hands off the Land Alliance has presented case documentation, fact sheets and thematic studies of transnational land grabs in Mozambique¹, Zambia², Colombia³ and Cambodia⁴.

¹ Hands off the land, The Human Rights Impacts of tree plantation in Niassa province, Mocambique, 2012.
https://www.tni.org/files/download/niassa_report-hi.pdf

These are only some examples. Land grabbing occurs in many countries, all over the globe. Foreign investors often prefer crops that give good short-term yields, monocultures that impoverish the soil. There are such cases involving Swedish investors, for example Swedfund in Sierra Leone, Chikweti in Mozambique, EcoEnergy in Tanzania⁵ and AP 2 in Brazil⁶.

Upon request by the European Parliament FIAN International and International Institute of Social Studies recently drafted the study "Land grabbing and human rights: the involvement of European corporate and financial entities in land grabbing outside the European Union". The study analyses the global land rush within a human rights framework, examining the implications of particular land deals involving EU-based investors and their impact on communities living in areas where the investments are taking place.⁷

As a continuation TNI started the project "Hands on the Land" where they put focus on alternatives to the current development discourse. FIAN has for 30 years been working for the human right to adequate food and nutrition. Together with TNI and the projects mentioned above we have been involved in developing two important documents that we suggest that Swedish development cooperation authorities take a closer look at, "Policy Shift: Investing in Agriculture Alternatives", Hands off the land (March 2014)⁸, and "Investing for development?", released in 2015 by Concord in cooperation with Hands on the land⁹. On the basis of these documents and our experience we would like to highlight the following:

- The policy reiterates the Swedish commitments to promoting democracy, human rights, gender equality, women's empowerment and natural resources protection. At the same time, however, it opens the door to an important role for the private sector without clearly distinguishing among the range of actors and interests that this category comprises. According to FIAN, this communication introduces an element of internal contradiction into the development strategy.
- We find that the Policy Framework fails to distinguish between the corporate private sector and the domestic small- and medium-sized enterprises including smallholders. The public sector in partner countries is tasked with ensuring a business-friendly regulatory environment. The policy states on page 27 that "One condition for a

² Hands off the land, Fast track agribusiness expansion, land grabs and the role of European private and public financing in Zambia - a right to food perspective, 2013.

https://www.tni.org/files/download/13_12_fian_zambia_en.pdf

³ Hands off the land, Colombia: Banacol a company implicated in paramilitarism, and land grabbing in Curvaradó and Jiguamiandó, 2012. <https://www.tni.org/files/download/banacolcasestudyen.pdf>

⁴ Hands off the land, Bittersweet Harvest, 2013.

https://www.tni.org/files/download/bittersweet_harvest_web_version.pdf

⁵ Forum Syd, Afrikagrupperna, Kooperation utan gränser, The race for land, 2012.

⁶ Rede Social de Justiça e Direitos Humanos, GRAIN, Interpares och Latinamerikagrupperna, Foreign pension funds and landgrabbing in Brazil, November 2015.

⁷ European Parliament, Land grabbing and human rights: the involvement of European corporate and financial entities in land grabbing outside the European Union, May, 2016.

http://www.europarl.europa.eu/RegData/etudes/STUD/2016/578007/EXPO_STU%282016%29578007_EN.pdf

⁸ Hands off the land, Policy Shift: Investing in Agricultural Alternatives, 2014.

https://www.tni.org/files/download/policy_shift.pdf

⁹ Concord, Hands on the land, Spotlight: Investing for development, 2015. <https://handsontheland.net/wp-content/uploads/2015/09/Spotlight-Investment-and-PCD.pdf>

sustainable economic development is a business-friendly regulatory environment that promotes private investments and private business". The Swedish state will then promote innovative financial mechanism and blending opportunities encouraging Public-Private Partnerships (PPPs). This "multi-stakeholder" approach is expected to ensure democratic participation, but is failing to acknowledge power imbalance and conflict of interests among different actors. FIAN would like to express serious concerns around the ability of PPPs to meet poverty reduction and food security goals. Past experience indicates that PPPs can be very problematic in terms of delivering positive development outcomes, strengthening domestic micro-, small- and medium-sized enterprises and even distribution of risk and transparency.

- This trend reflects upon an alarming global tendency which is capturing development discourse and shaping development policy around the need for transnational capital instead of benefiting the small- and medium-sized enterprises and domestic private sector. In general terms the shift underway is from public sector reasonability for food security towards the private sector as the remedy to hunger and malnutrition. Forgetting that smallholders are responsible for 90 % of investments in agriculture and 80 % of the food produced in the world which reaches those who consume it through local markets and not "modern" global value chains.
- Contract farming and outgrower schemes adopted as key business models in the wave of PPPs launched in recent years are reshaping the agricultural sector without clear evidence of benefiting smallholders. Studies undertaken by small-scale producer organizations themselves express the concern that inclusion in corporation-led value chains risks undermining smallholders' autonomy, which is the basis of their resilience.
- FIAN suggests that investments should support smallholders' own investments by promoting small-scale agroecological production – that is more resilient to climate change and better able to preserve local biodiversity and decentralized units of processing and marketing. FIAN would like to point out that some investments are more effective than others in achieving poverty reduction. The multiplier effects are significantly higher when growth is triggered by higher incomes for smallholders, stimulating demand for goods and services from local sellers and service providers. When large agricultural enterprises increase their revenue, most of it is spent on inputs and machinery, and much less trickles down to local traders.

We therefore ask you to be careful and restricted about the involvement of private actors, PPPs and other forms of private initiatives. Especially in the agricultural sector and rural areas if Goal No 2 (Zero Hunger: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.) is to be achieved.

The relationship between rich and poor countries, between large transnational private companies and small domestic private enterprises sometimes reminds us of colonial times. The rich take advantage of their strength and use the cheap labor and raw material resources of the poor countries to increase their own profits.

Swedish private companies do not really need the support of development funds. Nevertheless, Sida has offered support to big Swedish transnational companies operating in poor countries. Who will benefit when Sida funds training programs for HM's textile workers in Bangladesh, for mechanics for Volvo in Ethiopia and for Scania in Iraq? A few people will be better qualified. But such training programs contribute mainly to increased profits for these Swedish giants. They could certainly afford to fund these programs themselves. The development funds could, in our opinion, be used more wisely.

We would also like to take this opportunity to promote that the following will be taken into consideration when writing and realizing the policy:

- We once again call attention to the Optional Protocol to the International Covenant on Economic, Social and Cultural Rights, the international treaty establishing complaint and inquiry mechanisms for this Covenant. It was adopted by the UN General Assembly in 2008 and opened for signature in 2009. It entered into force in 2013. Last year the Protocol had 45 signatories and 21 state parties. Oddly enough, the Swedish government has not yet signed this treaty. We think it should.
- We also like to encourage the Swedish state to support and take active part in the intergovernmental working group for the UN Declaration on the rights of peasants and other people working in rural areas. We believe that the Declaration should extend universal rights to peasants and other people working in rural areas thus filling existing normative gaps in protection.
- It is also important to implement the The Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security promote secure tenure rights and equitable access to land, fisheries and forests as a means of eradicating hunger and poverty, supporting sustainable development and enhancing the environment. They were officially endorsed by the Committee on World Food Security on 11 May 2012. Since then implementation has been encouraged by G20, Rio+ 20, United Nations General Assembly and Francophone Assembly of Parliamentarians.
- We call for attention to states obligations to regulate private companies' ETO (Extraterritorial Obligations) in order to remind them of their duty to respect the human rights of people in the cooperating countries.
- In many countries there are indigenous people, mostly in rural areas, who are treated like inferior paupers with very limited human rights. It is important that development funds are allocated to improve indigenous people's precarious living conditions.
- Swedish governments have been criticized for using development funds for receiving refugees. These funds were originally intended for development projects in poor countries. If receiving refugees is to be funded by development funds, the development cooperation budget should be increased proportionately.

Once again we thank you for the possibility to comment on the Swedish development policy. Our common struggle towards a better world, free from poverty and discrimination is, hopefully, more easily achieved when we join forces and exchange knowledge.

Best regards
FIAN Sweden