COORDINATION SUD

AGRICULTURE • FOOD

SUMMARY

REGULATE VALUE CHAINS AND TRADE TO REACH SUSTAINABLE AND EQUITABLE FOOD SYSTEMS

Coordination SUD is the national platform of French NGOs working on international solidarity.

Founded in 1994 with non-profit organization status, Coordination SUD currently brings together 182 NGOs, either direct members or via six networks of associations (CLONG-Volontariat, Cnajep, Coordination Humanitaire et Développement, CRID, FORIM, Groupe Initiatives). These organizations work with and for the most disadvantaged people, by carrying out actions in emergency humanitarian aid and development, environmental protection, human rights, advocacy, and education on global citizenship and international solidarity. Coordination SUD and its member organizations carry out four key activities to support French NGOs working in international solidarity, by 1) promoting and supporting an enabling environment for action and expression by civil society organizations (CSOs); 2) supporting and strengthening these CSOs; 3) developing joint positions on international solidarity policies, co with advocacy targeting public and private institutions in France, Europe, and across the world; and 4) monitoring and analyzing the international solidarity sector, its developments, and its challenges.

Coordination SUD's Agriculture and Food Commission (C2A)

This publication has been produced by the Agriculture and Food Commission (C2A) of Coordination SUD. As part of its mission to support the collective advocacy work of its members, Coordination SUD has set up working commissions. The Agriculture and Food Commission (C2A) brings together international solidarity NGOs working to achieve the right to food and to strengthen support for family farming in policies that impact world food security: ActionAid France – Peuples Solidaires, Action Contre la Faim, AgriSud, Agter, Artisans du Monde, AVSF, CARI, CCFD-Terre Solidaire, CFSI, Commerce Équitable France, Gret, Iram, ISF Agrista, MADERA, Max Havelaar, Oxfam France, Réseau Foi et Justice Afrique Europe, Secours Catholique – Caritas France, SOL – Alternatives Agroécologiques et Solidaires, Terre et Humanisme, UNMFREO.

The C2A is in charge of representing Coordination SUD at institutions dealing with agriculture and food, such as the French Interministerial Group on Food Security (GISA) and the Civil Society Mechanism (CSM) for the Committee on World Food Security (CFS).

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FOREWORD

This summary is based on a study carried out by Lorine Azoulai, Aurélie Carimentrand and Karine Laroche for the Coordination SUD Agriculture and Food Commission.

Following decades of unbridled liberalization, recent crises (COVID-19 pandemic, wars, and food crisis) and rising figures on hunger are recalling the need to regulate food systems. New measures such as mirror clauses and anti-deforestation measures are being added to the European Union (EU) agenda for regulation of value chains and trade, marking the timid return of public intervention on the markets. This intervention now goes beyond health aspects to cover socio-economic and environmental dimensions, leading to a shift toward fairer food systems and trade that comply with human and environmental rights.

Faced with increasing hunger and inequality, climate change, and the collapse in biodiversity, what role can food system regulation measures play in light of the current challenges? What lessons can we learn from past policies or policies implemented in other regions of the world? While issues and challenges evolve depending on the value chain, we still have a range of mechanisms that allow us to regulate the volumes, prices, and quality of products at various levels. From among all the regulatory measures, how can we identify the combination that offers an appropriate response, both from the point of view of farmers' rights and the right to healthy, diversified, and affordable food, as well as respect for the environment?

This brief, drawn from the study of the same name, presents the main strategies for regulating food systems and their application to the milk and cocoa value chains.

INTRODUCTION

International trade is governed by the rules of the World Trade Organization (WTO) and based on the paradigm that liberalization and increased trade contribute to the peace and development of nations. However, the globalization of food systems has not prevented the multiplication of food crises. In fact, hunger is on the rise for the sixth consecutive year.[1] **The negative impacts of international trade on the development of local value chains, ecosystems, means of production, and ultimately food sovereignty, are calling into question this paradigm:** it is time to change the rules of the game, so that human and environmental rights are an integral part of the equation. The liberalization of the agricultural and food sectors is rather an exception in history. In fact, from the 1930s to the 1980s, **the international consensus favored the implementation of interventionist agricultural policies[2] whose goal was to stabilize markets**. To ensure that farmers earn a decent income and that people have access to food, agricultural production was guided or even planned by States in order to stabilize prices and supply.

With the trend toward liberalization in the 1980s and the creation of the WTO, States and economic unions gradually abolished public intervention in the agricultural and food sectors. This brought an end to international commodity agreements[3] and the principle of non-reciprocity[4], which were supposed to stabilize market prices and ensure solidarity between countries of the Global South, countries that produce commodities (e.g., coffee, cocoa, cotton, etc.), and consumer countries in the Global North. The market was thus **made self-regulatory, which led to considerable socio-economic and environmental damage**. In agricultural markets, deregularization has led to such damage as the financialization of food and speculation on agricultural raw materials,[5] accelerated concentration of economic actors and thus to growing imbalance of power within value chains,[6] and the deterioration of conditions and means of production. **The current paradigm does not allow for the ecological and social transitions required to obtain sustainable and equitable food systems.** In this context, private mechanisms such as fair trade have developed to promote trade favorable to family farming in the Global South. We are also witnessing a timid return of public intervention. In fact, **new measures to regulate value chains and trade, based on social and environmental criteria, are emerging at the French and European levels**. These include due diligence, the fight against deforestation, and mirror clauses.

After three decades of continuous liberalization, agricultural market regulation policies are back in the spotlight. What lessons can we learn from past regulatory policies or those implemented elsewhere in the world? How can they help guide the agroecological transition and support the development of family farming? What conditions are required to implement them, and what do they imply in terms of international cooperation and development assistance? Although the issues and challenges vary according to the value chain, the wide range of measures available makes it possible to propose suitable responses that take into account international solidarity issues. This brief presents some tools for the public regulation of agricultural value chains and markets, with examples of their practical implementation in the milk and cocoa sectors. For the sake of clarity, we present four main families of regulatory measures:[7] agricultural policies, trade policies, fiscal policies, and the regulatory framework and new regulations that apply to economic actors.

1. FAO, SOFI Report 2023.

2. This included CAP intervention prices, border protection measures, mandatory low-cost deliveries and collectivization of land in the USSR and China, stabilization funds for cash crops in West African countries, export quotas in international commodity agreements, and other policies.

3. These agreements proposed regulatory mechanisms such as international buffer stocks to control price changes, quota restriction measures, the application of price band mechanisms, and minimum prices, among others

4. Put into question in the 1990s as part of a dispute at the WTO, the non-reciprocity principle allowed States to grant preferences to certain trading partners, particularly countries of the Global South, which could, for example, enjoy exemption from customs duties, without an obligation to reciprocate by opening their market in return.

5. *Inflation: When speculators profit from the food crisis*, CCFD-Terre Solidaire and Foodwatch report, https://www.foodwatch.org/en/inflation-when-speculators-profit-from-the-food-crisis

6. *Who's Tipping the Scales?* IPES-Food report, 2023, http://www.ipes-food.org/pages/tippingthescales

7. In practice, these categories may be linked or even overlap.

1 AGRICULTURAL POLICIES

The EU's Common Agricultural Policy (CAP) and its West African counterpart ECOWAP propose various measures for regulating prices, volumes, and production methods.[8] At the European level, the common organization of agricultural markets (CMO) provides Member States with a variety of regulatory instruments.

a. Regulating volumes produced or put on the market

Regulation of volumes helps avoid situations of overproduction that cause market prices to drop. **Several mechanisms are used for regulation: production quotas, compulsory set-aside land, planting rights, eradication payments, and renewal and conversion premiums, etc.** We can also mention aid for developing alternative outlets, such as the Brazilian sugar policy that has shifted surplus sugar to the ethanol sector for agrofuel production. **But the most effective level for rebalancing supply and demand seems to be stock mechanisms.** Buffer stocks can be built up with public stocks or private storage aid. These mechanisms have been established within the framework of the agricultural policies of many countries and economic unions in order to stabilize their domestic market. They have also been set up as part of international commodity agreements.[9]

EXAMPLES 1 & 2

Example 1 - Milk quotas, the best bulwark against falling prices and food dumping?

Production quotas consist of determining a maximum production volume, which can then be distributed among countries, regions, and producers. At the EU level, the Common Agricultural Policy (CAP) set milk quotas until 2015. In France, **the end of these quotas resulted in overproduction, thereby driving down milk prices and marking the beginning of a major crisis for the European dairy sector**. The impacts of this crisis have been felt even in third countries, where EU food dumping and the export of low-cost milk powders have destabilized or even destroyed local value chains. Today, some organizations, such as the European Milk Board[10], are in favor of introducing measures that are similar to quotas but more flexible.

Example 2 - Regulating the supply of cocoa through a combination of mechanisms (proposal by Nitidae)

In 2022, the NGO Nitidae proposed a policy to regulate supply. It combined several instruments to adapt cocoa production to demand in the short, medium, and long terms using: 1) production modeling, 2) renewal premiums,[11] 3) conversion premiums, 4) set-aside premiums, 5) subsidies for mineral fertilizers and organic fertilizers, and 6) market segmentation by differentiating offers by ranges.

8. Conditioning aid to certain practices may have an indirect regulatory effect on the quantity and quality of production, but this brief does not address that issue.
9. An example from the International Cocoa Agreement is provided in the full report (in French).
10. An organization representing 20 dairy farmers' associations from 15 European countries.
11. Understood as a complete process of cocoa "regeneration" and "restructuring" of cocoa plantations that is different from a simple cocoa "replanting".

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b. Stabilizing agricultural commodity prices to ensure a remunerative price

Public authorities can impose a minimum purchase price on producers using various mechanisms: **guaranteed minimum prices or intervention prices, production purchase by public authorities, management of forward sales by a parastatal body (example 3), or financial penalty on the value chai**n (e.g., fines, seizure of stocks, and license withdrawal). This is the case of the cashew nut sectors in many African countries (e.g., Côte d'Ivoire, Mali, Mozambique, and others) and the shea sector in Benin. However, public authorities lack sufficient capacity to monitor compliance by commercial operators with the minimum prices guaranteed to producers, particularly in the case of the cocoa value chain in Côte d'Ivoire.

EXAMPLE 3

National stabilization funds for cocoa

From the mid-1950s to the 1990s, African cocoa was marketed according to two public regulatory systems for the sector:

- A national marketing office, which sets producer prices in advance and centralizes marketing (Ghana, Nigeria)
- A stabilization fund that guarantees minimum producer prices and sets benchmark export prices (Côte d'Ivoire, Cameroon, Togo)

In 1964, Côte d'Ivoire created its Fund for the Stabilization and Support of Agricultural Production Prices (Caistab). Prices were fully regulated by this state-owned company, which established two guaranteed prices for each crop year, in addition to a scale of costs that determined prices and margins for the domestic market and export:[12]

- a farm-gate price, i.e. the price paid to the cocoa farmer; and
- an export price.

These bodies were dismantled in the 1980s and 1990s, under pressure from the Bretton Woods international financial institutions (IMF and World Bank), against a backdrop of debt crises and structural adjustment plans.

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12. Kpele Hervé, *La filière café-cacao, de la CAISTAB aux réformes de 2011*.

EXAMPLE 4

The imposition of a new export premium: the Living Income Differential for cocoa

In order to increase prices for cocoa farmers, Côte d'Ivoire and Ghana announced in 2019 the joint establishment of the Living Income Differential (LID). The LID establishes the principle of a premium of $400 per ton of cocoa, which is supposed to be fully paid to producers to guarantee them a living income. This measure is accompanied by an increase in the share of the total price they are paid.

When it was launched, the LID was largely offset by the decline in the level of the original differentials of Ivorian and Ghanaian cocoa on the market, meaning it was not possible to re-evaluate the price of beans to the producer. Operators also turned to other sources and used pre-existing stocks in order to temporarily avoid this tax.

c. Organizing value chains and supporting marketing

Some measures, for example those provided for in the "**milk package**" **of the common market organization** (**CMO**), provide support to producer and inter-professional organizations so that they can regulate production volumes as well as prices, by evening out the balance of power with the backing of value chains. **The CMO makes it possible to derogate from European competition rules in the case of collective bargaining or to plan production, regulate supply, or ensure a better price agreement.**

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2 TRADE POLICIES

WTO rules and the more specific clauses provided for in bilateral trade agreements govern trade and in particular the use of regulatory measures by States that may create market-distorting effects. This regulation increased along with the end of the principle of non-reciprocity benefiting the countries of the Global South, which was called into question with the termination of many agreements that made use of it.[13] This process encourages the opening of markets and competition between very different production systems, to the detriment of the protection and development of local value chains and ultimately of food sovereignty.

a. Regulation of trade through tariff barriers

The most traditional mechanisms for regulating trade consist of imposing a tax on imported products. **These tariffs can be fixed or variable** (**i.e., can change according to prices**). In short, if the market is saturated and prices too low, a country can maintain a dissuasive tariff barrier to limit the effects of dumping. Customs duties may also vary according to the quantities imported. This is referred to as a **tariff quota**: beyond a defined quota, imports are taxed more heavily. Both the EU and ECOWAS have a **Common External Tariff** (**CET**) that specifies the levels of tariffs applied to products, according to different categories. For strategic or sensitive products, the challenge is to make these tariffs sufficiently dissuasive in order to promote the domestic market. But this approach runs counter to the trend of increasing liberalization and the recent creation of the African Continental Free Trade Area (AfCFTA).

EXAMPLE 5

The ECOWAS Common External Tariff (CET) and dairy products

The ECOWAS CET sets the tax levels on imported dairy products. Depending on the product categories, different tariff bands apply:

- 5% to 10% for milk powders and condensed milk (depending on the type of packaging)
- 20% for butters and cheeses
- 35% for yogurts

The ACP (Africa, Caribbean, Pacific) countries were long protected by a special regime[14] giving them access to the European market but with protection for their domestic market, but in the end they opened their markets to the EU under the impetus of the WTO. Some African countries saw this as an economic opportunity. For example, it enabled most dairies in Africa to use only imported milk powder taxed at just 5%. Farmers' organizations are now calling for an increase in the CET to 35% for all dairy products, "an uphill battle," according to Hindatou Amadou, APESS Advocacy and Gender Officer.

13.cf. the example of the partnership agreements between the European Union and the ACP countries – Haguenau-Moizard C. and Montalieu T., 2004, "L'évolution du partenariat UE ACP de Lomé à Cotonou : de l'exception à la normalisation", *Mondes en développement*, issue 128, 65-88. DOI: https://doi.org/10.3917/med.128.0065

14. The special "Everything But Arms" regime, which suspends customs duties for all exports from Least Developed Countries (LDCs), with the exception of arms and ammunition

EXAMPLE 6

International cocoa agreements (UNCTAD, ICCO)

Since 1972, seven successive cocoa agreements have been negotiated within the United Nations Conference on Trade and Development (UNCTAD). The secretariats for those agreements have been provided by the International Cocoa Organization (ICCO) since 1973. From 1993, regulation has been based only on a simple production management plan "*whose effectiveness, in the absence of truly binding stipulations, remains dependent on the goodwill of the States party to the agreement*".[15] The amended 2010 agreement, which is expected to enter into force on October 1, 2024, could allow the establishment of more ambitious price- and volume-steering mechanisms, while taking into account the SDGs.

b. Non-tariff barriers and new regulatory measures based on social and environmental criteria

Following the COVID-19 pandemic, the war in Ukraine, and the global food crisis that followed them, new measures of reciprocity of standards have been appearing in the French and European political agendas. Driven by a desire of nations to regain their food sovereignty, **these so-called mirror clauses consist in making the import of products conditional on social and/or environmental production standards equivalent to those applied in the country or region that imports them**. This mechanism must limit distortions from competition by equalizing production constraints and ensure that imported products are not the result of unsustainable practices. Mirror clauses are being studied at the EU level, in particular to better control and limit imports of products containing pesticides banned in the EU.

The implementation of such measures, however, raises the question of public policy coherence, as the EU is continuing to produce and export pesticides banned in Europe, and it practices food dumping in these same countries.

EXAMPLE 7

Fighting global deforestation at the EU level

The EU regulation voted in early summer 2023 to fight global deforestation and forest degradation focuses on seven commodities (and their derivatives) that are imported into the EU and contribute to the deforestation of tropical forests: cocoa, coffee, soy, palm oil, rubber, wood, and beef.

This regulation **prohibits the sale of these products on the EU market if the "legality" and "zero deforestation" requirements in force since 2021 cannot be verified** within the framework of a mandatory declaration of due diligence (including the geolocation of production plots). This regulation entails significant compliance costs, the fair distribution of which raises questions, especially for smallholder producers.

c. Free trade and increase in the number of trade agreements

Trade agreements allow the signatory governments to agree on the rules to comply with as part of trade between their countries. **Their negotiations generally focus on tariffs and non-tariff barriers** of a technical, administrative, or legal nature, such as sanitary and phytosanitary measures.[16]

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15. French Senate Report No. 236 (1995-1996) on the bill authorizing the approval of the 1993 International Cocoa Agreement. https://www.senat.fr/rap/l95-236/l95-236.html

16. An example is the ban on third-country export to the EU of animals raised on growth hormones and their derivatives.

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While the WTO provides a framework for its members, **agricultural negotiations (in the Doha Round) have stalled, and there has been an increase in the signing of bilateral agreements**, such as the EU-New Zealand and EU-Mercosur agreements and Economic Partnership Agreements (EPAs) between the EU and the ACP countries. These agreements, which must comply with the general rules of the WTO, allow States to develop new economic alliances. They make it possible to bypass the blockages of the WTO, but they generate just as many rules, standards, and negotiations that must be followed – and that are not always fair. Some actors, such as Olivier de Schutter, the former Special Rapporteur on the Right to Food of the UN Human Rights Council, have stated that room for maneuver exists within the WTO[17] to make international trade rules shift toward greater justice and fairness. In contrast, other actors are encouraging the creation of a new framework to go beyond the current one, which they perceive as obsolete.[18]

EXAMPLE 8

Nigeria's blocking of the EU-West Africa EPA

From the 2000s onwards, and in connection with the questioning of the non-reciprocity principle at the WTO, the EU gradually moved from the application of a system of preferences to the negotiation of EPAs with ACP countries involving the opening of their markets to European products. Negotiation of EPAs is far from being unanimously endorsed and is subject to many blockages.

In West Africa, negotiations began in 2003 and have still not led to the entry into force of an agreement at the regional level. In fact, it is not to the advantage of the LDCs of the region benefiting from the "Everything But Arms" regime to open their market to the EU. This is why Nigeria confirmed in 2018 that it would not sign the agreement as it stands, thereby blocking the process. In response, Ghana and Côte d'Ivoire signed interim EPAs, which could become a gateway to other ECOWAS States for imported products.[19] In addition to representing a significant loss of customs revenue, these agreements put additional pressure on local value chains that are subject to competition from imported products and to a superposing of trade regimes to the detriment of the integration and development of the regional market.[20]

17. https://www.sol-asso.fr/wp-content/uploads/2020/01/Reconstruire-lOMC-pour-un-d%C3%A9veloppement-plan%C3%A9taire-durable-J.-Berthelot-12-juillet-2020.pdf

18. https://www.eurovia.org/press-releases/market-regulation-and-fair-prices-key-to-the-green-deal-objectives-and-a-new-cap-based-on-food-sovereignty/

19. There is the risk that customs protections could be bypassed via these "Trojans".

20. *Afrique de l'Ouest-Union européenne : faire germer une coopération et des échanges agricoles équitables et durable* (p.38), report by SOL, ROPPA, CNCR, CFSI, Oxfam Belgium, Humundi, SOS Faim Luxembourg, 2023, https://roppa-afrique.org/uncovering-agricultural-inequalities-new-report-calls-for-sustainable-change-in-relations-between-west-africa-and-the-european-union/

3 TAX MEASURES, REGULATORY FRAMEWORK AND REGULATION OF THE PRIVATE SECTOR

a. Tax measures at the service of local value chains

Tax measures can support objectives to promote local, agroecological, and fair-trade value chains. These can include tax exemption for materials and equipment, tax exemption for agrifood companies sourcing local products, and VAT exemption for products made from local production. However, these measures apply to medium-sized to larger economic actors, with the risk of excluding the informal sector (which is the most common in milk processing in West Africa, for example). These measures also bring up the question of the resources to be mobilized to monitor and limit the risk of fraud (i.e., ensuring that exempt companies actually use local products).

Other tools can also be mentioned, such as taxes on certain types of products.

EXAMPLE 9

VAT exemption for locally produced products

Several West African countries have set up VAT exemption schemes for certain dairy products. In Senegal, for example, the government decided to apply a VAT exemption to fresh and pasteurized liquid milk made from local milk. This measure, proposed in 2019 to meet the demand of breeders' organizations facing competition from imported powders on the processing market, has not yet been implemented.[21]

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21. *Politique commerciale, politiques fiscales et filières lait en Afrique de l'ouest : analyse de cinq scénarios possibles d'évolution des politiques dans quatre pays de la région (Burkina Faso, Mali, Niger, Sénégal)*, March 2019, Levard L., with contributions from Broutin C., Gouda M.-C., Hainikoye M., Kabore K. and Traoré M., https://www.alimenterre.org/system/files/2020-03/1191-gret-Rapport-Etude-politiques-commerciales-et-fiscales-lait-AO-2019.pdf

b. The regulatory framework: regulation of food systems using standards

Regulatory standards **impose constraints and standards on the practices of operators active in the production chain**.

At the marketing level, **the purpose of commercial categories and mandatory quality standards is to standardize agricultural products and distinguish them according to their characteristics**. They include packaging criteria and determining labeling and naming rules.

There is also **a regulatory framework on consumer health protection**: based on the *Codex Alimentarius*, hygiene criteria to be respected at each stage of the value chain are set by law. The WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) sets out the rules with which members must comply.

At the EU level, several regulatory frameworks determine production methods (recognition of plant varieties, marketing of fertilizers and pesticides, monitoring of animal feed, authorization of veterinary medicinal products, etc.). The EU also has a framework on land protection, agricultural infrastructure, ecosystem protection and consumer protection, by imposing maximum residue limits (MRLs) from pesticide in food. **These regulations can have very real impacts on reducing volumes** (e.g., by limiting intensive farming).

However, major disparities remain in terms of regulations: mirror clauses could represent an opportunity for the countries of the Global South to raise the ambition of their regulatory framework, provided that they do not lack the means or political will to implement it.

c. Mechanisms for regulating economic actors

This shortcoming prompted negotiation at the EU level of a directive on corporate sustainability due diligence.[22] This directive proposes to **oblige large companies to prevent and remedy human and environmental rights violations for which they, or their subsidiaries, are responsible**, within the context of globalization of value chains. For agricultural value chains, this directive should help limit certain risks relating to the grabbing of land and water resources, respect for the rights of farmers and rural communities, the protection of biodiversity, the use of pesticides, and the criminalization of whistleblowers.

EXAMPLE 10

The complaint lodged against the Casino Group on the basis of the law on due diligence

The Casino case is the first formal complaint against a hypermarket chain for acts of deforestation and human rights violations in its supply chain, on the basis of the French law on due diligence. The Casino Group was given formal notice in September 2020, then sued in March 2021, by an international coalition of associations representing indigenous peoples from the Brazilian and Colombian Amazon and by French and American NGOs, because of its sales in South America of beef products linked to deforestation and land grabbing of indigenous peoples' territory. Surveys carried out by the NGO Envol Vert showed the existence of links between several farms involved in illegal deforestation and products sold in the supermarkets of its subsidiary Grupo Pão de Açúcar in Brazil.

22. This principle was introduced in France in 2017.

The major categories of public regulatory instruments can be classified according to the following typology:

AGRICULTURAL POLICIES

<table>
<tr><th>Regulation at the production level</th><th>Regulation of volumes put on the market</th><th>Price regulation</th><th>Marketing and organization of value chains</th></tr>
<tr><td>Production quotas</td><td>Public storage</td><td>Intervention price</td><td rowspan="4">Aid for organizing value chains / operational programs</td></tr>
<tr><td>Mandatory set-aside</td><td>Aid for private storage</td><td rowspan="2">National stabilization funds</td></tr>
<tr><td>Planting rights</td><td rowspan="3">Mechanism for denaturing / destroying supply</td></tr>
<tr><td>Eradication payments</td><td rowspan="2">Administered value sharing</td></tr>
<tr><td>Targeted coupled aid</td><td rowspan="4">Obligation for contracts between producers and the agrifood sector</td></tr>
<tr><td>Aid for investment and input purchase</td><td>Purchase of surpluses for food aid</td><td rowspan="2">Administered bonus</td></tr>
<tr><td>Compensatory aid</td><td>Others:</td></tr>
<tr><td>Aid for converting to and maintaining organic farming</td><td>Domestic food aid</td><td>Countercyclical aid</td></tr>
<tr><td>Payments for environmental services (PES)</td><td>Public procurement</td><td>Price collars and adaptation to production costs</td><td>Distribution and marketing support</td></tr>
</table>

<table>
<tr><th colspan="2">Trade Measures</th><th>Tax Measures</th><th colspan="2">Regulatory framework and corporate regulation</th></tr>
<tr><td>Customs duties and variable levies</td><td>Suspension of import duties / import ban</td><td>VAT reduction for certain types of products</td><td>Regulatory framework for value chain cooperation</td><td>Due diligence by multinationals</td></tr>
<tr><td>Safeguard measures (to limit certain imports)</td><td>Import taxes / anti-dumping duties</td><td>Tax exemption for certain types of equipment</td><td>Commercial categories and mandatory quality standards</td><td>Anti-deforestation regulations</td></tr>
<tr><td>Import quotas and tariff quotas</td><td>Requirement for import/export certificates</td><td>Tax exemptions for certain companies</td><td>Regulations concerning the health and nutritional quality of products</td><td>Living Income Differential</td></tr>
<tr><td>Export quotas</td><td>Differentiated market access mechanisms (e.g. in Nigeria)</td><td rowspan="2">Subsidies for the consumption of certain types of products</td><td rowspan="2">Regulatory standards for the marketing of inputs (seeds, pesticides and fertilizers, livestock feed)</td><td rowspan="4">Imposing a minimum share of local raw materials in processed products</td></tr>
<tr><td>Non-tariff barriers (sanitary and phytosanitary)</td><td>Import threshold price</td></tr>
<tr><td>Export subsidies and refund of CAP export subsidies</td><td rowspan="2">Trade agreements</td><td rowspan="2">Taxes on certain types of products</td><td rowspan="2">Regulatory framework for the protection of the environment and agricultural land</td></tr>
<tr><td>Mirror clauses</td></tr>
</table>

4 CONCLUSIONS AND RECOMMENDATIONS

Toward regulatory policies consistent with human and environmental rights, the development of local value chains, and food sovereignty in the Global South

To meet the challenges of food sovereignty, reduce inequalities, and adapt to climate change (the main causes of hunger), the Agriculture and Food Commission of Coordination SUD makes five major recommendations:

1. Make the extraterritorial impacts of our food systems visible

Our food systems and our globalized agro-industrial model cause considerable damage to ecosystems and family farming both in the Global South and Global North. It is thus necessary to **identify and make visible these negative externalities**.

In this sense, the authorities must monitor and evaluate the effects of public policies regulating food systems, in particular their extraterritorial impacts, and **guarantee public access to the resulting data**.

Making visible the issues shared between countries of the Global North and the Global South, and their "win-win" solutions, is also a major challenge. Food sovereignty, fair remuneration for producers, access by the entire population to quality food of their own choice, and protection of ecosystems and natural resources are all shared challenges to which **smallholder agroecology is capable of responding**, in Europe as in West Africa**.**

Promoting and triggering this agroecological transition would benefit producers, citizens and the environment in these two regions, and it represents a major objective in terms of regulation.

2. Improve the coherence of public policies

Agricultural, environmental, trade, and international cooperation policies **must be brought into line and no longer follow a double standard:** we cannot promote the food sovereignty of France and the EU and at the same time weaken that of third countries, particularly in West Africa.

Greater transversal governance of markets and food systems is crucial to **shifting from a purely market-oriented vision** of agriculture: all aspects of food systems must be considered, in particular in terms of **human and environmental health** and of **human rights.**

The EU has a strong capacity to influence West African markets, due to the influence of European multinationals on prices and consumption habits, to EU public policies promoting food dumping, and to official development assistance (ODA). **Thus, because of its significant role, the EU must meet the challenge of making its public policies coherent** with the issues of international solidarity and global food sovereignty.

Inconsistencies must be identified and addressed by public authorities, **especially through constructive and inclusive dialogue with civil society and actors in food systems.**

3. For fair and equitable rules in trade regulation

International trade must evolve toward fairer and better-quality trade, **giving priority above all to the development of agroecological food chains and local markets**, which alone can meet people's needs in a sustainable way. To achieve the objectives of food sovereignty, food systems based on local production must take precedence over food systems based on international trade.

Trade rules must evolve to ensure remunerative prices for producers, the availability of agroecological products on the market, and an end to dumping practices. **In other words: trade less but better.**

As for the new market-regulation measures such as mirror clauses and anti-deforestation regulations, the EU must be especially vigilant about **their extraterritorial impacts, especially in terms of costs and**

consequences for small producers. The EU should thus **propose impact studies** prior to or within two years of their application,[23] as well as propose appropriate financing tools.

Measures (such as mirror clauses) based on health and environmental issues designed to restrict European imports must include support mechanisms to ensure that the new requirements within the value chains are implemented in the exporting countries. Otherwise, these measures will not have enough effect to change practices in third countries and will bolster a two-speed food system, with "virtuous" value chains targeting the European market and more minimalist production targeting other markets.

More specifically, the implementation of mirror clauses for banned pesticides must be based on **a prior ban on the production and export of these same pesticides.** In this regard, the credibility of the EU and respect for human rights are at stake.

Finally, on coherence of regulatory policies with the WTO, public authorities must do the following:

- Based on dialogue with civil society, start enhancing their legal and institutional expertise to identify the scope for changes within the current framework.
- Make proposals for a new international paradigm on agriculture and food.
- Failing that, promote new spaces of negotiation on fair and equitable trade rules.

4. Regulate prices and economic actors for fair distribution of value

Better remuneration of producers and affordable food are the two essential factors for a successful agroecological transition. To this end, **prices as well as margins must be regulated**, so that distribution of the value is fair, from field to fork.

Public authorities must also ensure that they **strengthen supervision of the activities of economic actors through the following three ways:**

- Ensure the effective implementation of due diligence, its monitoring, and the fair sharing of the costs of implementation.
- Promote **the shift from a market approach to a value approach, by including the cost of negative and positive externalities when determining prices** (taxes, payments for environmental services, etc.).
- Support the transformation of private-sector practices and especially of the dominant companies, and support operators that are already including the social and environmental costs of their practices into their business models.

Existing regulatory measures with direct or indirect effects on prices (agricultural taxation, CAP subsidies) must therefore be redirected in order to encourage the social and environmental transformation of food systems, rather than encourage the upkeep of an agro-industrial system on its last legs. In this sense, **CAP subsidies must give priority to addressing food, human health and environmental issues**, rather than continue to promote a harmful globalized agro-industrial model.

Finally, to deal with the ultra-concentration of actors in the lucrative private sector at all levels of the chain and their growing influence in the governance spaces of food systems, **public authorities must make it a priority to strengthen democratic governance spaces, thereby allowing civil society and producer organizations real participation in discussions, negotiations, and decision-making.** The increase in the number of multi-actor and multi-stakeholder spaces and initiatives is weakening multilateral spaces such as the Committee on World Food Security and is instead strengthening the influence of the private sector in how agricultural and food public policies are oriented, to the detriment of the general interest.

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23. The ENVI Committee of the European Parliament has proposed an amendment requiring an impact study within two years (instead of the five years provided for in the original text of the Regulation; see Article 32 on the review).

5. Strengthening cooperation between the EU and its trading partners

The EU must design its trade policies jointly with its trading partners, particularly in West Africa, and closely cooperate with civil society and West African producers' organizations, which are directly impacted by trade.

First, France and the EU must support an ODA policy that promotes smallholder agroecology.

- This ODA must support, including through financial support, **the participation of civil society in the governance spaces of food systems**, in particular by organizations in countries of the Global South, whose food sovereignty is threatened by the Western agro-export model.

- ODA must **support regulatory initiatives to promote food sovereignty in the countries of the Global South**, such as the Milk Offensive in West Africa, or any other measure to promote local production and combat poverty and food insecurity.

- Finally, ODA must facilitate the organization of value chains and producers to **support them in intensifying their production of quality products able to meet the needs of local populations and meet the new requirements of sub-regional and international markets, including the European market.**

Secondly, resources[24] must be made available to support West African initiatives for the analysis of international trade. To this end, the following is recommended:

- Empower civil society to **strengthen its capacity for analysis, advocacy, and participation** in food system governance spaces.

- Invite spokespersons to Europe, **give them an active role and visibility in discussion spaces** (on European initiatives for sustainable cocoa or new regulatory measures), and facilitate their participation in alliances.

- In general, ensure that **civil society** affected by measures under discussion or under implementation is able to **participate fully** in the development, criticism, and evaluation of those measures.

24. In particular, a stable funding base over the medium/long term is needed to overcome the vagaries of ODA and the project approach.

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