



## **Facing the global challenge of food security for the common agricultural policy (CAP) reform 2013**

A discussion paper by APRODEV

### **Policy coherence for development and the external impact of CAP**

Brussels, July 2010

#### **Introduction**

The APRODEV Working Group on Food Security, Trade and Gender welcomes the opportunity for a broader societal debate on the principles and goals of the future of the Common Agricultural Policy. APRODEV's contribution comes from a specific angle, the international dimension and the external impact of CAP, especially its impact on trade and development in poor and food insecure countries. The concerns expressed in this paper have been largely ignored to date, but should be part of the prelude of the CAP reform debate.

The submission of this paper comes at a time when discussions are still ongoing in APRODEV, whose member agencies come from various countries within the EU and whose positioning is influenced by differing national sensitivities around the CAP debates.

The intent of this paper is to engage in a debate and to receive feedback by presenting some ideas for discussion on how best to realise the EU's obligation to ensure coherence with development policy objectives as stipulated in the Lisbon Treaty:

"Art 21(3): The Union shall ensure consistency between the different areas of its external action and its other policies."

Art.3 (5): "In its relations with the wider world, the Union shall uphold and promote its values and interests and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and development of international law, including respect for the principles of the United Nations Charters."

## **The future of the Common Agricultural Policy post 2013**

The present Common Agriculture Policy of the EU will come to an end in 2013. A process of EU Common Agricultural Policy reform has been under way since 1993. It has involved major rounds of CAP reform (1992, 2000 and 2005), mid-term reviews, a Health Check and ongoing sector-based reforms. The last major CAP-Reform has required a reshape by 2013.

By 2013, the EU will have to agree on the new multiannual framework for the EU budget for 2014 to 2020. The Council has asked the Commission for a report on priorities by 2010, and by July 2011 latest, to forward concrete proposals for a comprehensive budget review that covers all aspects of EU spending and resources.

In 2010, the Common Agricultural Policy amounts to 47 % of the EU Budget (56.1 billion € of the agricultural budget with 41.1 billion € used for “agriculture” expenditure and direct payments”) and will come down to 39.3 % projected for 2013<sup>1</sup>; it thus will necessarily be subject to substantial review. The simple fact that such large proportions of scarce EU resources are allocated to agriculture means that there will be strong pressure to shift priorities and make major cuts.<sup>2</sup>

### **Rationale of direct payments is eroding**

The direct payments under the “First Pillar” have lost its basic rationale as the major single instrument of the CAP that uses 80 % of the budget. Originally introduced by the McSharry Reform in 1992 (Maastricht), these direct payments to farmers were declared as “compensation payments” for the price reductions farmers were exposed to under the CAP reform at that time. Following subsequent reform steps under the Agenda 2000 (Nice), the Mid-Term Review in 2003 and the Health Check in 2008 (Lisbon), compensation payments were “decoupled” and renamed into “single area/farm payments”. This was justified as assistance to farmers to adjust to changing circumstances following the completion of the European Single Market, the EU-plus 10 enlargement and the increasingly high social and environmental standards.

The basic rationale for these payments was to provide income support to farmers and to maintain some kind of parity between rural and urban living standards. However, the underlying logic of direct payments for price reductions that occurred 20 years ago is difficult to justify and to communicate to the public. For this reason, the rationale for the bulk of the CAP spending is increasingly eroded.

### **Taking account of broader societal concerns**

In recent attempts to build broader societal acceptance for continued CAP spending at EU level, new arguments and reasons are emerging: a) to provide stability against increasing volatile prices and markets, b) to offer rewards and payments for the provision of public goods, and c) to facilitate changes in farming practices towards more sustainability.<sup>3</sup> However, there is less and less of understanding in the public why a declining economic

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<sup>1</sup> Cited in Motion for a European Parliament Resolution on the Future of the Common Agricultural Policy after 2013, Rapporteur: George Lyon, March 24<sup>th</sup>, 2010

<sup>2</sup> EU Agricultural Policy – What’s in store after 2013, in: agrifuture, Spring edition 2010, page 10

<sup>3</sup> European Commission, Why we need a Common Agricultural Policy? Discussion paper by DG Agriculture and Rural Development, December 2009

sector should be subsidised this heavily, if in return, there is little obligation to provide common public goods to society.

This is why the CAP was and remains highly contentious. It has been criticised a lot for its failure to protect the environment, to conserve nature and diversified landscapes, to keep smallholding farmers on the land, to create rural employment, to stop destroying farmers livelihoods in developing countries and to prevent and counteract climate change. The current CAP is built on area payments based on historical productivity. Hence, large scale farmers in highly productive areas as well as the highly competitive European food industry receive most support whereas small scale farmers in less fertile regions – where environmental services are often of major importance – receive less. This explains why the CAP is being perceived to be biased in favour of big scale farming, industrialised agriculture, and agro-business. All of these objections will be brought up in the public debate and will influence the direction of the future policy framework of the CAP.

The debate over the future of the CAP has just started. ‘We need to bring citizens into this debate before starting with the reform’, was the promise of Dacian Cioloș, the new European Commissioner for Agriculture and Rural Development at the hearing in the European Parliament. He emphasised that what he wants to do first is to set "the bigger picture, before going into further details" putting the principles and objectives by now on the agenda rather than to already focus on the design and specific instruments.

### **The broader picture: different starting**

The positions of EU Member States are widely apart and four different groups of opinions can be identified. The reform-oriented “Stockholm Club”, also known as the “Group of the Four”. Above all, these states look away from area premiums. Instead, one central argument is that Europe should encourage increased competitiveness in agriculture in order to tackle the productivity lag compared with other regions in the world; arguing that income support cannot replace or substitute for greater competitiveness. Agricultural policy should concentrate on public goods and reward farmers for efforts that cannot be marketed such as environmental services, rural development, and mitigation of climate change.

“Business as usual Group” - for these countries, it is paramount to keep a fully active farming sector in all regions of the countryside. They want to keep farming comprehensively and area-wide in place with support to agricultural incomes. They refuse to touch upon the basic logic of the two pillars<sup>4</sup> framework of the current CAP. They also strongly defend the current budget amount of the CAP.

The third group is ill-defined as they fluctuate back and forth between the two first positions. They wish to retain much of the old agricultural policies, but with a new emphasis on multifunctional farming on the one hand and focus on production on the other.<sup>5</sup>

The larger Eastern European countries with substantial agricultural sector focus on one major concern: fighting against any co-financing of EU programmes and to introduce and come up with one unified single area payment in all of the EU-27 Member States. The same area payment across all member states would lead to a major redistribution of funds. Unified single

<sup>4</sup> The first pillar covers direct aids to farmers and market measures, and the second pillar covers rural-development measures.

<sup>5</sup> See speech given by Tassos Haniotis, DG Agriculture, Institute of European Environmental Policies, in: Agra-Europe, 11-15 March 2010

area payment means that for one hectare of land, the same amount of money is paid regardless of location or country, and regardless of past records of productivity of that particular piece of land.

These basic positions are not only found among different government actors but also within the European Parliament, the food industry and economy, the large farmers' unions and the academia.

Most of the NGOs address the debate on CAP from a very different angle. They tend to focus on a single-issue and advocate for a CAP reform that concentrates on aspects relevant to their own mandate - like environmental aspects, natural conservation, animal welfare or small farmers' advocates. Or otherwise, they challenge the CAP requesting a radical and drastic change towards totally different principals and another food system altogether.<sup>6</sup>

Strikingly, the development and trade perspective has hardly been presented in the debate this far. Comments on these matters tend to be shallow and barely go beyond commitments to phasing out all remaining export subsidies, to contribute to the successful conclusion of the WTO Doha Round or to strive towards improved international competitiveness of the European food sector. At best, interventions may mention the notion or necessity of "coherence" between the EU development and agricultural policy.

### **EU to become accountable on external impact of CAP**

The EU has silently become the world's biggest importer (88,2 billion €) and exporter (67,7 billion €) of food and agricultural products. This rather surprising fact demonstrates the following:

- The EU food and agricultural sector is highly integrated in the international market and its division of labour. The EU imports a large volume of agricultural raw material, like protein feed and exports mainly highly processed food, like meat, cereal and milk products.
- The sheer magnitude of these trade flows induced by the EU definitely has a substantial impact on the agricultural development of some of our trading partners and the world agricultural markets.
- Through our food exports we export lifestyles, eating habits, models of agribusiness, value chains, corporate involvement and technologies.
- Through our imports we use large areas of land outside the EU, which might be in direct or indirect competition with local resource use of water and capital and local needs for domestic food supply
- At the same time - and in spite of the high integration into global trade - the EU food sector is still and in addition supported by a broad range of public policy interventions in the field of subsidies, tariffs, rules setting, standards and import restrictions. The "Producer Support Estimate" (PSE) as calculated by the OECD for 2008, was worth 103 billion €, of which 36 billion are based on the import regime alone.

<sup>6</sup> See for instance [www.europeanfooddeclarations.com](http://www.europeanfooddeclarations.com)

EU trade flows that are significantly shaping global trade patterns and trade negotiations are mainly policy induced and influenced by governmental interventions and decision-making under the CAP. A minor change of one of the EU policy goals or instruments might have a major impact on some of the EU's trading partners who have become dependent on European demand or supply chains.

The EU has to recognise the global dimension and external impact of the CAP 2013 and acknowledge its responsibility to contribute to the smooth development of global agricultural markets. This includes a responsibility for food security worldwide, and for governance and rules making in the interest of the global welfare of the sector.

The intensive livestock production in the EU, based on massive imports of protein feed, is causing severe environmental problems within and outside the EU and leads to large scale emissions of greenhouse gases (GHG). At the same time, the import of feed and biofuel is reinforcing competition of increasingly scarce land and water resources in developing countries. Given this situation, the EU must give up any claim that Europe's agriculture will feed the world. Instead, the EU should make serious efforts to reduce its dependence on protein feed imports. Rather than "feeding the world", productive resources should be freed in developing countries so that they can feed themselves to a much greater extent. By necessity, this means that the so called Blair House Agreement<sup>7</sup> from 1992 must be ended.

This challenge of taking account of the global dimension and external impact of CAP refers to its past and future policy impacts. What is needed are ex-ante Sustainability Impact Assessments specifically looking at poor countries, poor producer groups and their development prospects; but also at global common goods like mitigating climate change, preserving natural resources and biodiversity on our planet.

The understanding of such an extended global responsibility of the CAP goes way beyond what most actors have been willing to realise this far in the debates on the CAP reform process.

### **Trade distorting support measures**

Standard opinion is that past CAP reforms have moved European agriculture somewhat with the attempt to curb some of its most negative trade effects. For instance, this is true for the shift from commodity support to direct payments, decoupling of direct payments, modulation, the introduction of the Second Pillar (falling under the Green Box measures in the WTO Agreement of Agriculture), or for the partial withdrawal of market intervention instruments (price guarantees, substantial reduction of export subsidies). The claim is that the EU has come a long way from being the major distorting power in international agricultural trade, to becoming a user of less trade distorting instruments.

However, there is no reason for complacency. The EU is still distorting international trade flows in some very unpleasant ways. There is no justification to stop efforts at this stage. Most of the reform steps taken to date are only "less trade distorting" and are not yet fully neutral to trade. Particular policies may still have a major impact on unfair competition, especially for small and poorer importing economies. New kinds of trade distorting measures

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<sup>7</sup> The Blair House Agreement was an agreement signed in November 1992 between the US and the EU on export subsidy and domestic subsidy reduction commitments in the Uruguay Round of multilateral trade negotiations. The agreement also dealt with some bilateral agricultural trade issues

have been newly introduced, which largely escape the WTO-rules, like the decoupled payments and the heavy recourse to technical standards.

In addition, the intensive use and - ever more important - quality and food safety standards often constitute unfair practices, which includes sanitary and phytosanitary measures, geographical indicators and other technical trade barriers - some of which are of private nature, like EUREPGAP, GLOBALGAP, ISO-Norms, etc. All of them work towards granting the food industry of rich countries prerogatives in international trade, which poor and less well organised producers in less developed parts of the world cannot meet appropriately.

Economists tend to regard trade distortion through import barriers for developing countries as more important than dumping. This assumption is debatable. EU import barriers are less problematic for tropical products that are not directly competing with European farm products, but when moving to the processing of the tropical products, they face quite substantial tariff escalations. In matters of competing agricultural products however, the EU import regime still is of a highly protective scope. The assertion that the EU operates a liberal market access policy in the food sector, is hard to defend.

However, while import restrictions are creating stability for EU farmers, they transfer price volatility to the outside world effecting third countries' domestic markets and trade relations elsewhere. Also, tariff escalation of the EU import regime for food and agriculture is a major problem for developing countries, because it discriminates against value adding.

What is more, the use of import tariffs or Special Safeguards against import floods keep European domestic prices at a high level, which in turn allows enterprises to invest in cross subsidisation for the export of special parts of their produce, which enjoy higher consumer preferences elsewhere than at home. NGOs have argued for a long time that dumping has far reaching destructive impacts on vulnerable markets in developing countries. Dumping tends to affect vulnerable small scale farmers producing for the local and national markets.

Even the small amounts of export subsidies left under CAP can be very destructive, if concentrated on markets of a few poor countries. APRODEV and its partner organisations provide evidence of affected sectors like dairy, poultry or pig meat in West Africa. Even if the exported volume might be tiny, seen from the EU's perspective, it can easily wipe out a whole agricultural industry if they undercut local producers by cheap supply.<sup>8</sup>

Some of the policy instruments available in the Second Pillar may fall under measures in the WTO Green Box (considered as non-trade distorting subsidies) and may have become undisputable, legally, by present WTO rules, but in reality constitute a single commodity transfer and are still trade distorting.<sup>9</sup>

CAP measures still constitute quite a considerable amount of commodity specific support that is not decoupled. For instance, this is the case for beef, veal, milk, rice, sugar, pig meat, poultry and tobacco. However, these products should not be exported at all as long as they

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<sup>8</sup> APRODEV (2008) Preventing Dumping of surplus meat-parts on vulnerable developing country markets; South Centre (2009) The Extent of Agricultural Import Surges in Developing Countries: What are the trends?

<sup>9</sup> Investment aid to the broiler industry to build new confinements in privileged out of village sites with interest rates subsidies have been a major assistance to a sector, which in Germany for instance emerged from a small industry, only supplying 60 % of the domestic market 20 years ago, into an export oriented industry, producing more than 105 % of the domestic market now and is aggressively conquering the markets of African coastal countries.

benefit from such commodity transfers. It is hypocritical if the EU requests protection for a specific commodity from import competition – arguing a lack of competitiveness of the EU industry – while at the same time the EU becomes a major international exporter of the very same product, claiming a market share for its own “competitive” products.

The mechanism behind hidden dumping procedures can be highly complicated, and it is difficult for any affected country to provide evidence on a dumping case when faced with import surges. The responsibility to avoid any form of dumping or trade distortion should rest solely with the exporting country, in our case with the CAP. The EU should refrain from shifting its responsibility to the importing countries, and stop blaming them for not applying trade defence measures against unfair trade flows. Undertaking trade defence measures put a heavy burden on affected countries, because it requires filing cumbersome anti dumping cases in order to be able to take countervailing measures under WTO trade rules. Most developing countries do not have sufficient economic power to retaliate against dumping practices, even if they were allowed under WTO rules to do so.

#### **Unfair competition ruins smallholder farmers in Africa**

Up until the '80s, a major goal of development policies was to increase the farmer's food production and improve technology. Later, the focus shifted to integrating developing country agriculture into world markets. Institutional support to domestic producers in Africa and Asia were cut to make the sectors more commercially “competitive”. This exposed small-scale producers in developing countries to cutthroat competition in world agricultural markets. There was increasing import surges of cheap food from industrialized countries, for whom dumping became commercially more viable than to dispose of surplus food parts on domestic markets. Therefore, cheap food is not necessarily competitively or fairly priced.

**Trade Liberalisation makes the Agricultural Sector More Vulnerable** Although agriculture is the backbone of many African economies, it has been weakened by the previous liberalisation and reforms under the Structural Adjustment Programmes which meant to eliminate most of the protective and supportive measures such as trade restrictions, state marketing boards and government subsidies. Also, tariff levels were also drastically reduced. Many of the world's poorest nations in Africa now have the most liberal agricultural trade regimes. Their applied tariffs are mostly far below 40 %, - the tariff level considered as the threshold to distinguish between an “open” and a “closed” economy.

**Import Surges can be Destructive** Import surges are sharp sudden rises in import volumes above a trend level, or at prices way below average. Import surges have little to do with efficiency of producers but can happen as a result of many circumstances: production shortfalls, unfavourable weather conditions and natural disasters, macroeconomic instability such as foreign exchange fluctuations, or policy changes in major exporting country. Import surges have a significant impact on food security, and threaten otherwise viable and efficient domestic economic sectors. Although import surges may be short term in nature, their effects can be long lasting because of the low resilience of small scale farmers in developing countries. For example, falling prices can have long term economic and social consequences on lead to decreased income of farmers who may have to sell their land, equipment and livestock to survive, losing their very means of livelihood.<sup>10</sup>

<sup>10</sup> APRODEV et al (2009) Left in the cold by WTO – Policy Brief on Special Safeguard Measures

## Proposals for discussion for the CAP Reform

The question is whether the current objectives of the CAP are still sufficient, given the globalisation of agriculture and the lessons learned from past experience. Given the EU's obligation to ensure coherence between and within internal and external policy areas, including its development policy, one could argue that CAP should also contribute to the development of more equitable international agricultural markets, to more sustainable patterns of food production and consumption, and to the realisation of UN Millennium Development Goal 1 of reducing global hunger and global rural poverty. If we agree on these objectives, "Do no harm" should become a guiding principle for CAP post 2013. The new CAP should take the Guidelines for the Progressive Realisation of the Right to Food, Human Rights and Core Labour Standards of the ILO as a yardstick for all its policies, and should be subjected to a coherence test with EU development objectives as well as its contribution to MDG 1 and, as appropriate, with to MDG 7 (ensuring environmental sustainability) and 8 (developing global partnership on development).

The EU has responsibilities as a major agricultural exporter, as a major agricultural importer and as a provider of Global Common Goods. The following proposals and these are meant as a contribution to the debate, departing from our assessment of EU's responsibilities and obligations as a major global agricultural player.

### **The EU responsibilities as a major agricultural exporter:**

1. Avoid all kind of dumping, unfair export competition and trade distorting practices by European food and agricultural companies in a pro-active way. Discourage companies to do so. Monitor CAP instruments on their impact in this regard and set up a simple complaint mechanism that would investigate dumping complaints raised by third parties in developing countries and affected industries.
2. Extend hygienic standards valid for Europe domestic markets to EU exports to developing countries. Upgrade the validity of the food safety standards beyond the EU's internal market borders to the next step in the value chain ensuring capacity of importers to handle EU food imports safely and appropriately.
3. Abstain from applying offensive export promotion instruments to capture market shares in developing countries whenever these markets compete with products from local smallholders. This fact can be established on the basis of the list of sensitive products as part of forthcoming notification in the WTO.
4. Refrain from using any kind of pressure or incentives to open up developing country markets for products, which have a great importance for food security, gender equality or smallholders' income.
5. Do not encourage any kind of practice that may lead to a change of diets or consumer preferences or processing methods, which in turn makes a country more dependent on food imports.
6. Any changes in the current CAP reform process needs to be assessed on its impact on trade flows that affect poor countries which have become dependent on EU provisions. Therefore, it is questionable if the logic of the pillars in CAP shall continue.

7. Any commodity that benefits from any kind of protective EU import regime measure should not be exported to a developing country if the tariff equivalent is 30 % and higher or if a specific EU commodity transfers with a subsidy is equivalent to more than 30%
8. The rationale for single area payments erode when world market prices rise considerably. Under such circumstances, as long as direct payments exist, they constitute an increasingly serious trade distortion. In order to reduce this effect, the amount of single area payments should correlate to the world market price index; using a formula that triggers a gradual decline of payments in response to the gradual increase of market prices diminished by a regressive formula.

### **The EU responsibilities as a major agricultural importer:**

9. Monitor and assess EU policies on nutrition, livestock and non-food production, like agro fuel, and their impact on balance of land use and market development in developing countries. In case of conflict, give clear priority to food production in all relevant EU instruments and interventions.
10. Set targets to gradually increase the production of protein feed inside the EU and to decrease feed imports. Cancel the Blair House Agreement with the USA.
11. The EU should change its rules of origin and tariff escalation regime to provide developing countries better opportunities in the food value chain, as well as more favourable terms in the international division of labour. Developing countries should be encouraged to export more processed agricultural and maritime products and to import less processed food. Moreover, most food quality standards are more difficult to meet the more value addition and processing of food products has occurred; this effect needs to be revised.
12. Review and strengthen the food standard setting procedure of the Codex Alimentarius in order to promote the use of multilateral rules rather than the proliferation of bilateral and private standards. Ensure that sufficient account is taken of conditions and capabilities of poor, tropical and small economies. Any standard setting needs to be accompanied by appropriate resources for capacity building.

### **The EU responsibilities for Global Common Goods**

13. The EU should use CAP in combination with other policy instruments to improve agricultural practices in the EU that decrease the emission of Green House Gas and prevent other environmental problems.
14. CAP should take account and respond to the EU obligations that arise from commitments under multilateral agreements that have implications for agriculture, such as the UNFCCC and CBD.
16. The EU should include procedures that foresee constructive consultation processes and provide assistance to poor countries to meet new obligations deriving from new international agreements as mentioned under point 15.

## GLOSSARY

**Blair House Agreement** - was the November 1992 agreement between the US and the EU on export subsidy and domestic subsidy reduction commitments in the Uruguay Round of multilateral trade negotiations. The agreement also dealt with some bilateral agricultural trade issues.

**Codex Alimentarius Commission** - joint FAO/WHO Food Standards Programme

**Decoupling** - of farm support from production through direct payments

**Direct payments** - the 2003 reform of the CAP introduced a new system of direct payments, known as the single payment scheme, under which aid is no longer linked to production (decoupling). Most of the support provided in the different sectors has been transferred from the common market organisations (CMOs) to the new system of direct payments during 2005 and 2006. The single payment scheme (SPS) is the most important system of direct payments.

**Export subsidies** - government payments to induce exportation by domestic producers

**First pillar** - covers direct aids to farmers and market measures under the CAP. This support comes in the form of market management and direct payments and is entirely financed from the European Agricultural Guidance Fund.

**Green box** - agricultural subsidies that are government-funded and do not involve price support; they need not be reduced or eliminated. An example is payments under environmental programmes.

**Intervention instruments** - support measures under CAP that include direct payments (intervention prices, production quotas, and rural development plan).

**Intervention buying (prices)** - when market prices for an agricultural product fall below a certain level, the public authorities of the member states intervene to stabilise the market by purchasing surplus supplies, which may then be stored until the market price increases, exported to a third country or disposed of in an alternative way.

**Modulation** - the instrument which provides a means to transfer CAP funds from direct aids to farmers and market measures ('Pillar 1' of the CAP) to rural-development measures ('Pillar 2'); it applies to all farmers across the EU with the exception of the smallest; in order to finance the additional rural-development measures agreed in the reform, all direct payments (SPS and other direct aids) will be reduced, by 3 % in 2005, 4 % in 2006 and 5 % from 2007 onwards until 2012.

**Rules of origin** - laws, regulations and administrative procedures which determine a product's country of origin and affects whether a shipment falls within a quota limitation, qualifies for a tariff preference or is affected by an anti-dumping duty

**Second pillar** covers rural-development measures. This support takes the form of rural development programmes and is co-financed from the European Agricultural Fund for Rural Development.


**Single area payment** from January 2005, this replaces most of the individual scheme payments under the current CAP regime. This single payment will not be linked to production. But it is conditional: farmers must keep the land in "good agricultural and environmental condition" (GAEC) and meet cross compliance requirements.

The main aim of the single payment is to guarantee farmers more stable incomes. Farmers can decide what to produce in the knowledge that they will receive the same amount of aid, allowing them to adjust production to suit demand. To be eligible for the single payment, a farmer requires payment entitlements. These are calculated on the basis of the payments received by the farmer during a reference period (historical model) or the number of eligible hectares farmed during the first year of implementation of the scheme (regional model).

**Single Area Payment Scheme (SAPS)** - this simplified scheme was proposed for the new Member States, ten of which have implemented it. It involves the payment of uniform amounts per eligible hectare of agricultural land, up to a national ceiling laid down in the Accession Agreements.

**Special safeguards** - refers to article 5 of the URAA, which authorises WTO members, when their trade situation justifies such action, to apply additional duties in order to prevent sudden or unpredictable surges in imports or sharp reductions in import prices.

**Tariff escalation** - tariff escalation occurs when the tariff applied on a product category rises as the level of processing increases.



APRODEV is the Brussels-based association of European development and humanitarian aid organisations that work closely with the World Council of Churches (WCC).

Its members are :

Bread for All, Bread for the World, Christian Aid, Church of Sweden, Cimade, DanChurchAid, Diakonia, EAEZ, EED, FinnChurchAid, Kerkinactie Global Ministries, HEKS/EPER, Hungarian Interchurch Aid, ICCO, Icelandic Church Aid, Norwegian Church Aid and Protestant Solidarity.

Observers are the World Council of Churches, the Lutheran World Federation and ACT Alliance.

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