

Position paper

Rising to the challenges posed by global crises

**MISEREOR calls for a political U-turn
during the German EU Council Presidency**



16 June 2020

MISEREOR
● IHR HILFSWERK

Germany is assuming the presidency of the EU Council at an extremely difficult juncture. The global coronavirus pandemic is already having a serious impact on the implementation of the 2030 Agenda and the achievement of the global sustainability goals. As a result of the prevailing crisis, the number of people living in absolute poverty could once again pass the one-billion mark before the year is out. As a global threat, the coronavirus pandemic also poses massive challenges for the EU. There is a very real risk that countries will seek to take unilateral action or that interests will be played off against each other. As a joint democratic project, the EU faces what is probably the greatest challenge in its history. The same can be said for the EU as a common economic area. It is crucial that the money made available for “reconstruction” does not simply encourage “business as usual”, but helps set a course for a climate-friendly, socially just union based on global solidarity. The German Federal Government must ensure, both within the EU and also in dialogue with partner countries, that human rights are respected and not jeopardised in all responses to the crisis.

MISEREOR appeals to the German Federal Government to heed the promise underpinning the 2030 Agenda to “leave no one behind” and to stand shoulder to shoulder with the poor and defenceless in Germany, in the EU, and around the world throughout its presidency of the EU Council. Today, it is more important than ever for the EU to face up to its global responsibility, especially in the fight against poverty, exploitation, and climate change. In this position paper, MISEREOR outlines some expectations in this respect.

Raising ambitions with the European Green Deal

In order to ensure that ambitious goals are also realistic, it is essential to have both action plans and the resources required to implement them. With the European Green Deal, the EU Commission has created a framework for the sustainable handling of both environmental and social issues. Many of these issues relate to the reduction of energy consumption (transport, buildings), greater energy efficiency, the increased use of renewable energy, and strategies for a “just transition”, especially in those Member States that are heavily dependent on the use of fossil fuels. For the German EU Council Presidency, it is crucial that the EU’s will to meet its climate protection ob-

ligations is evident and that the necessary programmes are built on the principles of social justice. From the perspective of climate justice, however, we note that the 2050 time horizon for achieving greenhouse gas neutrality across Europe is much too long. However, because the Paris Agreement obliges all parties to review their climate policy objectives and measures on a regular basis, we are pushing for the planned increase of the greenhouse gas reduction target by 2030 to be seen as just an intermediate stage on this path. We consider the swift reduction of greenhouse gas emissions, which is based on the latest climate science findings, such as the special report on the impacts of global warming of 1.5°C published by the Intergovernmental Panel on Climate Change (IPCC) and the latest UN Emissions Gap Report, to be a contribution to the resilience of humans and ecosystems worldwide.

MISEREOR calls on the German Federal Government to do the following during its EU Council Presidency:

- to help the EU reach agreement in good time on a higher greenhouse gas reduction target and the review of Nationally Determined Contributions (NDCs), thereby helping the EU to set an example for other high-emission countries;
- to ensure that the door to a subsequent increase remains open in order to ensure that the EU shoulders its historical responsibility for the climate crisis;
- to work towards an actual reduction in greenhouse gases within the EU rather than simply buying emission allowances outside the EU.

Using economic stimulus packages to bring about socio-ecological transformation

In Europe, the memory of the impact of the financial crisis of 2008/09 is still very vivid, which is why it is absolutely essential that solidarity and sustainable development become the guiding principles for any support and reconstruction programmes launched after the coronavirus pande-

mic. They must help restrict global warming to 1.5 °C if possible.

During its EU Council Presidency, the German Federal Government must help stabilise the European Union. In particular those people living in states that have been badly hit by the coronavirus pandemic and are still suffering from the consequences of the financial crisis must experience solidarity and get financial support. It is equally important to provide long-term, reliable support for Member States coping with the major challenges associated with decarbonisation. The reinforcement of the multiannual financial framework in the form of the Next Generation EU recovery instrument outlined in May must accelerate transformation in the energy, transport, industrial, and agricultural sectors as well as in buildings across Member States. The raising of the EU's climate objective must be underpinned by action plans and the necessary resources so that the improvement and achievement of this objective remains realistic. The elimination of subsidies for fossil fuels would be an ideal source of additional income.

MISEREOR calls on the German Federal Government to do the following during its EU Council Presidency:

- to steer deliberations about European support programmes clearly towards solidarity and the implementation of the Paris Agreement climate goals and the 2030 Agenda in Europe;
- to work in particular towards attaching a condition to economic assistance, namely that companies with high emissions should undertake to gradually reduce these emissions to zero. The EU's taxonomy provides a suitable tool for transitioning to a climate-friendly economy.

Ensuring the sustainability of European development funding

On 27 May 2020, the European Commission tabled a new proposal for the multiannual financial framework (MFF) for the years 2021 to 2027. MISEREOR warmly welcomes the fact that €10.5 billion from this new programme has been earmarked for

the Neighbourhood, Development and International Cooperation Instrument (NDICI), thereby increasing the financing for this instrument by about 8.6 per cent on previous proposals and moving the EU closer to its target of 0.7 per cent. We expect these new funds, which are intended to be channelled through the European Fund for Sustainable Development Plus (EFSD+), to help overcome hunger and poverty and, therefore, foster sustainable development within the framework of the implementation of the 2030 Agenda.

The intention is that this will happen principally by leveraging private investments and applying blending tools. MISEREOR supports this kind of economic development, especially when it targets local small and medium-sized enterprises in partner countries and promotes local employment. At the same time, MISEREOR would like to draw attention to the fact that on the one hand, the use of public money to protect private investments could intensify the debt crisis in many poor countries (see below). On the other, if sustainable development processes are to be strengthened, it is essential that these private investment flows adhere to the effectiveness criteria of international development co-operation and also observe binding minimum standards for socio-ecological development and human rights (see below).

MISEREOR calls on the German Federal Government to do the following during its EU Council Presidency:

- to work towards strengthening the coherence of all EU policies and foreign policy instruments in relation to all humanitarian, development policy, and peace policy initiatives at national and regional level in the partner countries and making sufficient financial resources available to this end;
- to make sure during implementation that the principle of “national ownership” is reinforced and that as part of an inclusive participation process, representatives of civil society at local and national level are involved in an appropriate manner in all political decision-making processes that affect their living conditions;

- to ensure that the EU's ODA funds continue to be increased and that at least 95 per cent of these funds are designated as ODA funds in the NDICI.

Binding human rights due diligence obligations

The measures taken to combat the pandemic have triggered the greatest recession since the Great Depression and revealed the vulnerability of global supply chains to crises. The people who are hit hardest by this situation are those who live in countries with weak social welfare systems in the Global South. During the coronavirus pandemic, there have been countless glaring examples of the limits of voluntary corporate responsibility. In the textile industry, for example, European companies cancelled without notice billions of euros worth of orders with Asian suppliers and refused to pay for textiles that had already been produced or were in production. By so doing, they accelerated mass redundancies in Asia, exacerbated misery, and shirked their responsibility regarding the human rights of the people employed by their suppliers.

MISEREOR expects the German Federal Government to actively champion during its EU Council Presidency EU legislation that would protect human rights and the environment along global supply chains. Such legislation must include regulatory sanctions for violations and regulations on the civil liability of companies. At the end of April, the EU Commissioner for Justice, Didier Reynders, announced a corresponding initiative. According to a study commissioned by the EU Commission, only 16 per cent of companies are so far meeting their due diligence obligations along the supply chain. In its coalition agreement, the German Federal Government announced both a national Supply Chain Act and its support for binding EU regulation in cases where companies do not voluntarily fulfil their responsibilities. MISEREOR now expects the German Federal Government to keep its word and not to abandon the weakest of the weak in this time of crisis.

MISEREOR calls on the German Federal Government to do the following during its EU Council Presidency:

- to actively champion EU legislation on due diligence obligations relating to human rights and the environment as the core of an EU Action Plan for the economy and human rights;
- to pass a German Supply Chain Act in the autumn of 2020 in order to increase the likelihood of EU legislation in this area and to set qualitative standards for such legislation.

Adjustment of the EU's trade policy and rejection of the EU–Mercosur Trade Agreement

In June 2019, the EU Commission and Mercosur reached a political agreement on a comprehensive trade deal. Already, Mercosur soya production for exportation to the EU alone accounts for some 13 million hectares, which is the equivalent of about one third of the surface area of Germany. The trade agreement would provide more incentives for an increase in both the production and exportation of soya, beef, and bioethanol made from sugarcane, the main drivers of forest clearing, greenhouse gas emissions, and the displacement of rural communities and indigenous people from their land. The expansion of sugar plantations and soya fields as well as the planned lifting of duties on chemicals would also lead to the use of poisonous pesticides produced by Bayer and BASF, some of which are banned in the EU. The removal of export duties would also secure European companies' access to iron ore, silver, and copper, the mining of which in Brazil and Argentina regularly leads to massive environmental damage and human rights violations. At the same time, the sustainability chapter of the agreement contains no effective mechanisms for the protection of human rights, the environment, and the climate. So far—almost a year after the agreement was reached—the European Commission has not published the obligatory final Sustainability Impact Assessment Report for the agreement.

In this way, the agreement contradicts the objectives of the European Green Deal and the Lisbon Treaty, which obliges the EU to respect and promote human rights in its trade policies.

This is all the more important considering that Brazilian President Jair Bolsonaro is intentionally

disregarding human rights and climate protection goals, wants to give over the Amazon region to agricultural production and mining, and is lowering environmental standards and weakening the corresponding supervisory authorities.

MISEREOR calls on the German Federal Government to do the following during its EU Council Presidency:

- to work towards ensuring that the planned trade agreement with Mercosur is not passed in its current form;
- to initiate a process for the adjustment of the EU's trade and investment policy that takes account of current climate, environmental, and human rights challenges;
- to champion a change that would see sustainability impact assessments produced earlier on in the decision-making process relating to trade mandates and greater importance being attached to them and to support the inclusion of binding human rights and environmental standards in trade agreements.

Advancing debt cancellation for poor states through debt relief

Even before the coronavirus pandemic, many developing and newly industrialising countries were in the middle of an acute debt crisis. Of the 154 countries covered by MISEREOR's Global Sovereign Debt Report 2020, 124 were already in critical debt.¹ Moreover, in over 60 per cent of these countries, the overall economic situation has continually deteriorated since 2014. At present, 19 states have either partially or fully stopped making repayments to their foreign creditors. In view of the expected dramatic impact of the coronavirus pandemic in the Global South, foresighted political action is needed to ease the burden on public budgets and facilitate efforts to overcome the cur-

¹ See erlassjahr.de and MISEREOR (publisher), *Schuldenreport 2020 (Global Sovereign Debt Report 2020)*, January 2020

rent health crisis. MISEREOR welcomes the debt service relief initiative for 25 of the world's poorest countries approved by the International Monetary Fund (IMF) as part of the Catastrophe Containment and Relief Trust and the Debt Service Suspension Initiative agreed by the G20 and the Paris Club with the support of the German Federal Government. However, both can only be a first step towards limiting the health, social, and economic consequences of the crisis. After all, the current debt service suspension initiative only applies to a limited number of countries in this debt situation and is not based on the level of debt or the degree to which the country in question has been affected by the coronavirus pandemic. Moreover, two significant groups of creditors—the World Bank and other development banks as well as private creditors—are only involved on a voluntary basis.

Further debt relief is needed. Within the framework of its presidency of the EU Council and through the EU as a member of the G20, the German Federal Government should champion the agreement of debt relief for the world's poorest states so that these countries remain solvent and are therefore able to take action to combat the spread of the coronavirus. Were governments, financial institutions, and private creditors to cancel debt comprehensively, an estimated US\$25.5 billion could be freed up in 2020 alone, money that could be used to fight the pandemic and could be invested in strengthening health systems. Moreover, immediate debt relief is also the fastest way to help because the money stays where it is urgently needed, namely in the coffers of countries that are massively in debt and badly hit by the coronavirus pandemic.

MISEREOR calls on the German Federal Government to do the following during its EU Council Presidency:

- to champion within the EU as the twentieth member of the G20, making 2020 “Debt Relief Year 2020”, which would include the sweeping cancellation of all debt repayments from poor countries to foreign creditors;
- to use the political influence of the European Member States in the G20 to

offer the suspension of debt service to other countries in debt at short notice;

- to coordinate within the EU the work that seeks to increase emergency aid for low-income countries in order to help them in their response to the crisis. Emergency aid should take the form of grants and not loans in order to prevent countries sinking even further into debt;
- to commit itself within the EU to work for a comprehensive and internationally agreed and binding debt cancellation procedure to solve debt crises so that countries that are deep in debt can be given long-term relief.

For greater humanity when dealing with migration and vulnerable people

How to deal with refugees and migrants has been on the agenda of almost every major European summit in recent years. Nevertheless, there is still disagreement on the form a common European approach should take. The pandemic has made it clear that vulnerable people—in crisis regions, at the external borders of the EU, on the Mediterranean, or on Greek islands (i.e. when they have already reached European soil)—are paying a high price for this disagreement.

This is compounded by the fact that their situations are often desperate, they have already travelled a long way and are physically weak and insecure and lack prospects. Moreover, in this time of crisis, the solidarity previously demonstrated by some has decreased significantly and the willingness to find solutions based on solidarity is low. Rights of asylum have been de facto temporarily annulled, and hardly any sea rescues have taken place in the Mediterranean. The EU is obliged to guarantee and defend the international rights of refugees and the protection of migrants.

MISEREOR calls on the German Federal Government to do the following during its EU Council Presidency:

- to use Germany's EU Council Presidency for a new humanitarian beginning;
- to defend the individual right to asylum during the reform of the Common European Asylum System (CEAS) and to push for the solidarity-based distribution of loads across EU states;
- to provide targeted support for vulnerable groups—such as those on the Greek islands and in the Near East—by providing humanitarian access and to rehouse them;
- to return to a functioning European sea rescue system implemented by the states themselves that does not outsource the task to states embroiled in civil war (such as Libya), thereby disregarding the principle of non-refoulement.

Reshaping the partnership between the EU and Africa

2020 was supposed to be the year when the EU reshaped its partnership with Africa. In early March 2020, the EU Commission presented its draft for a new “EU–Africa Strategy”, which was supposed to be completed in the months that followed and approved and adopted at an EU–AU summit in October. The five pillars of the new EU–Africa strategy are: green transition and energy access, digital transformation, peace and security, migration and mobility, and sustainable growth and jobs.

Starting in July 2020, Germany should use its presidency of the EU Council to keep the initial work on reshaping the partnership between the two continents at the top of the political agenda, particularly in the light of the coronavirus pandemic. Even now, it is foreseeable that the coronavirus pandemic is exacerbating inequality in many African countries and that it is society's weakest who are being most badly hit economically and socially: supply chains (for food and medicine too) are being broken; mobility, which is essential for those earning a living, has been massively curtailed; people (especially those working in the informal sector) have lost their incomes, and in many

places, the lockdown is being used as a justification for arbitrary actions on the part of public authorities and human rights violations.

In the spirit of the global sustainability goals, the German Federal Government should strive during its presidency of the EU Council to ensure that the new EU–AU partnership focuses clearly on the weakest and those who are particularly disadvantaged.

MISEREOR calls on the German Federal Government to do the following during its EU Council Presidency:

- to ensure the active involvement of representatives of civil society in both Africa and Europe in shaping and monitoring the political priority areas of the EU-AU partnership. Ultimately, this is the only way to guarantee that the views of the poorest and most disadvantaged are taken into account;
- to systematically strengthen good governance, the rule of law, and resilience in both European and African countries;
- to formulate an economic and investment policy that creates sustainably fair trade conditions and is built on environmental, social, and human rights standards;
- to work for the primacy of civil instruments of conflict management and long-term crisis and violence prevention (no “securitisation” of crises or viewing them from a purely military perspective) for our neighbouring continent of Africa and elsewhere; in this respect, it is particularly important to remain focused on fragile states and regions;
- to represent a more nuanced view of migration and mobility that is not subject to the primacy of migration control, but instead ensures that continental freedom of movement and trading areas are strengthened, legal paths of

migration emerge, and the dignity and human rights of migrants are ensured;

- to make sure that the Green New Deal does not stop at the EU's borders, but is global in outlook with a strong EU that paves the way and acts as a model not only in the field of climate protection, but also provides African states with resources and technological transfers within the necessary framework.

The coronavirus pandemic has highlighted not only how closely interlinked the world is, but also how vulnerable it is. Only together can we defeat this pandemic and only together can we push forward with more sustainable and more just ways of life around the world. Emphasising this, especially in difficult times, and implementing it in the form of real policies should be one of the key tasks of the German EU Council Presidency. ●

A series of five stars of varying colors (purple, pink, orange) arranged in a diagonal line from the top left towards the bottom right, positioned to the left of the contact information.

Published by:
Bischöfliches Hilfswerk
MISEREOR e. V.
2020

Mozartstraße 9
52064 Aachen
Germany
Tel: +49 (0)241 442-0
Fax: +49 (0)241 442-188
e-mail: postmaster@misereor.de
Website: www.misereor.de

Editor:
Dr. Bernd Bornhorst

Graphic design:
Anja Hammers

Translation by:
Aingeal Flanagan
in corporation with MISEREOR

A purple star icon located to the left of the MISEREOR logo.

MISEREOR
● IHR HILFSWERK