

Berlin, 15th of November 2019

African Civil Society Organisations and Bread for the World

Investment and economic development we want

Recommendations

Background

The current international, European and German development initiatives focusing on Africa, including the G20 Compact with Africa and the German Marshall Plan with Africa, have a strong focus on promoting private sector investment as key to economic growth and employment on the continent.

However, theoretical and empirical evidence on the role of the private sector as a development catalyzer is ambiguous. Several studies have concluded that these initiatives lack the involvement of communities and CSOs; and there is frequent transgression of human rights, thus undermining human development.

Bread for the World and its civil society partners working on the impacts of investments under the current policy frameworks met in Berlin on 12-13 November 2019 to discuss these initiatives and to share experiences and perspectives.

We agreed that:

- Economic development should start with community priorities and should be based on meeting social needs, environmental protection and human rights.
- In line with this understanding of economic development, investments should be responsive to and stimulate local markets, local production and local economic development, build on people's existing economic activities and create decent work.

Informed by this vision, we advance the following recommendations:

1. National governments should review, strengthen and enforce legal and regulatory frameworks for investments that guarantee human rights, environmental and social protection that are in line with the *UN Guiding Principles on Business and Human Rights* and continuous, comprehensive impact assessments.
2. All investment initiatives and processes should be led by the host countries/regions, and developed in a democratic, transparent and inclusive manner that involves the concerned communities, CSOs, members of parliament, business and labour unions.
3. Investments in natural resources must respect community rights and be based upon free, prior and informed consent (FPIC) through public consultative mechanisms that include communities, CSOs, local governments and investors in order to enact consensual decision making.
4. In line with supporting food and agricultural systems that are ecologically sustainable and directly meet human needs, in principle, there should be no large-scale investments on land for agricultural production.
5. Concerning investments in the extractive sector, enforceable compensation, fair benefit sharing, local economic linkages and integration with other sectors should be compulsory.
6. Investment initiatives must not be used for the imposition of trade and fiscal conditionalities that have been rejected previously by African governments, such as opening up public procurement, services negotiations and liberalisation of the agricultural sector.
7. All investment initiatives must promote fair taxation for all enterprises and allow host governments to take appropriate measures to build up capital for domestic investment.
8. National governments should enforce transparency and compliance monitoring mechanisms for all investments; as well as reform the dispute settlement mechanism towards fairness, transparency and respect of national sovereignty.

Partner organisations:

AACC Kenya, ACB South Africa, ADRA Angola, AFRODAD Zimbabwe, Bench Marks Foundation South Africa, Economic Justice Network (EJN) South Africa, FIAN Burkina, POLE Institute DRC, Seatini Uganda, SilNORF Sierra Leone, UNAC Mozambique, Yvonne Takang Cameroon, ZCC-ECO Zimbabwe

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