

EDC2020 Final Event: 'Shaping Europe's Global Role', 10th February 2011

Trip Report – Elizabeth Colebourn

1. I travelled to Brussels on Thursday 10th February to attend the final event of the EDC2020 project.
2. The event began with a key note speech from Francoise Moreau, who was standing in at the last minute for Lluís Riera Figueras (Director, DG Development and Relations with ACP Policy: Thematic Issues).
3. Francoise began by giving an update on the merger and stressing the potential of the new DEVCO to facilitate synergies between the 'thinkers' and the 'implementers' and bring together ACP and non-ACP desk officers. However, before this potential can be realised there are a number of institutional challenges that need to be overcome. Since January a temporary structure has been in place which has just 'stuck' the two parts together, and the next stage will be to turn it into a single entity.
4. She then summarized the contents of the Green Paper on EU development policy and justified its focus on energy, climate change and agriculture as the areas where the EU could be more effective. She highlighted the following key messages from the Green Paper:
 - a. Commit to ODA targets, but go beyond aid levels and look at impact, i.e. PCD, aid effectiveness, leveraging additional finance.
 - b. How can the EU support the positive rate of growth in many developing countries, and ensure this growth is inclusive in terms of creating employment and reducing poverty.
 - c. Key challenge of ensuring growth is aligned to climate change adaptation and mitigation efforts.
 - d. Food security is a key global challenge, and agriculture is also a key driver for inclusive growth.
5. The consultation on the Green Paper is now complete and the Commission is currently digesting the 230 written contributions. They are pleased to have received responses from beyond the development community, and in particular private sector organisations. They plan to come forward with a policy proposal by June. This tight schedule is because they want it to be discussed in parallel to the Financial Perspectives' negotiations, as well as the other policy reviews currently taking place.
6. Francoise then briefly touched on the work streams of the project: new actors, energy, and climate change. Firstly, the Commission recognises that there has been a structural shift in Africa's relations with other countries. For example, in 1980 Africa traded four times more with the EU than other developing countries. Today, Africa trades more with other developing

countries. The EU needs to find new ways of engaging with new actors and should not expect them to automatically adopt our principles and values. The G20 could play an important role in facilitating dialogue. Secondly, energy is a priority for Commissioner Piebalgs and is being proposed as a sectoral focus for EU development cooperation. This refers to not just meeting targets for universal access to electricity, but also realising Africa's huge potential for large-scale renewable energy. Lastly, the Commission is concerned about the fragmentation of initiatives and funds for climate change and is concerned that the lessons learnt from aid effectiveness are being ignored in the climate finance debate.

7. Sven Grimm, Director for the Centre for Chinese Studies, then introduced the EDC 2020 project and its initial objective of bringing together research institutions, building intellectual capacity and working on some of the key structural challenges. An achievement of the project has been the way that existing research programmes within the institutes have been utilised and used to 'top-up' EDC funding. In addition, the institutes are working together beyond the project, e.g. the ETTG. A key challenge has been to keep the focus on EU development cooperation and engage with actors and policy makers beyond the development community. Sven then introduced each of the Work Package leaders who gave a presentation of their results.
8. Erik Lundsgaarde, Research Fellow at DIE, presented the results of the 'New actors in international development' work package. He emphasised that research on this issue is still very limited. We do not comprehensively know what type of development assistance is being carried out by new actors, partly as a result of uneven reporting and different definitions. These 'new actors' are varied, and include not just China and India, but also Saudi Arabia. Their development cooperation programmes are all different, but have some common characteristics; focus on regional neighbours but starting to extend elsewhere, prefer bilateral cooperation, link development to foreign policy and controlled by MFAs, and stress the principles of non-interference and mutual benefits. There has been little external or internal public scrutiny of the effectiveness of these programmes. For the EU, the challenge is how to work with these new actors and forge flexible partnerships based on the principle of learning from each other.
9. Natalia Shapovalova, Researcher at FRIDE, summarized the 'Energy security, democracy and political development' work stream. The EU's approach to this issue has regional variations; in Africa there is an attempt to link energy security and development, whereas elsewhere energy is seen in purely geopolitical and security terms. In all instances, the EU does not impose strong democracy and governance conditionalities to its energy related development cooperation.
10. Merylyn Hedger, Research Associate at ODI, presented the findings of the 'European development policy and climate change' work stream. The focus was on three levels: international, European and country level through two case studies. In terms of the EU, there are positive results (e.g. the EU coordinated fast start climate finance programme) but also negatives (e.g. CSPs written before climate change became a priority and as such are lacking in this regard). The challenge for the EU is to scale up its climate finance, and respond to the

rapidly evolving international climate framework. At the international level, the UNFCCC requirements for transparency and reporting of climate finance, as well as developing countries' demands on the governance of funds could set positive precedents for development cooperation. The case studies have highlighted the problem of overlapping and uncoordinated climate initiatives, competition between ministries and the problem of delivering finance in fragile states. A wrap-up policy dialogue event on this work stream will take place at ODI on the 29th March.

11. The second panel was chaired by Paul Engel, ECDPM, and composed of Inge Kaul, Hertie School of Governance, Berlin, and Sven Grimm, Director of the Centre for Chinese Studies. Inge began by giving a critical response to the previous panel and challenging the research findings with the following remarks:
 - a. Climate finance should not be confused with aid, as it is about compensating for the damage the industrialized world has caused, and therefore additionality is crucial.
 - b. Why this new focus on 'inclusive growth'? Is it just a diversion from not being critical about why we will not meet the MDGs. Instead, need to look at the structural constraints to development.
 - c. Leveraging development finance is dangerous. Have no lessons been learnt from the mistakes of the banks and 'over-leveraging'?
 - d. Focusing on new actors risks ignoring traditional ones, for example, Clinton's new US strategy document would cause outcry if it was Chinese.
 - e. The world is on the cusp of fierce competition over natural resources, especially between developing countries. This should be a key research agenda.
 - f. Despite her career in the development field, why has she never come across the EU as a major player? The EU needs to define its role, and apply the principle of subsidiarity to its development cooperation.
12. Sven then gave his perspective on the results of the project, focusing primarily on his expertise of China. He agreed that the role of China in Africa is blown out of proportion in terms of aid levels. In addition, it is not clear what 'China' is, given that much activity in Africa is being instigated by the private sector, not the Chinese state. However, the political leverage that it causes is significant. Developing countries are now able to 'tease' the EU into action. The EU itself should be reflecting on how to redefine itself. As individual Member States become relatively less important, they should be looking to increase their collaborations through the EU. Future research should look at exactly how influential new actors are becoming in developing countries and what impact this has on the EU's role.
13. Due to the presentations, time for debate was limited. Only a few questions were asked which focused on PCD and what this meant for each policy stream. Each of the panellists stressed the need to include other ministries (both at the EU and country level) when planning and implementing development cooperation. It is now the time to go beyond just speaking about coherence and start implementing practical measures. The Commission's action plan adopted

last year is a step in the right direction in focusing on five global challenges that are priorities for all e.g. migration.