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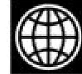
The global debate on development



NEW DEVELOPMENT POLICY FOR EUROPE

Doing more, doing better

Discussion Paper

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NEW DEVELOPMENT POLICY FOR EUROPE

Doing more, doing better

Discussion Paper

Autumn 2015

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FOREWORD

Development questions have been top of the European Union agenda for most of 2015 – and the focus is set to become even stronger. As a leading development actor and a major market for emerging nations, the EU has as an important role to play in helping to forge a new global partnership for development. The EU will also be pivotal in the implementation of the much-awaited post-2015 Sustainable Development Goals (SDGs) to be adopted by the United Nations in its session from September 25-27.

The problems of fragile states and least developed countries notwithstanding, the economic, political and social transformation taking place in many emerging nations is a cause for celebration.

Change is in the air. The global community is increasingly aware of the need to urgently address persistent discrimination against women. The importance of sustainable development and quality of growth is recognised. Questions of justice, equality, good governance, democracy and their link to development are viewed as crucial. It is also clear that development can help prevent conflict. The pivotal developmental role of the private sector is being highlighted and the emergence of new development partners such as China, India, Turkey and Brazil is changing the global development landscape.

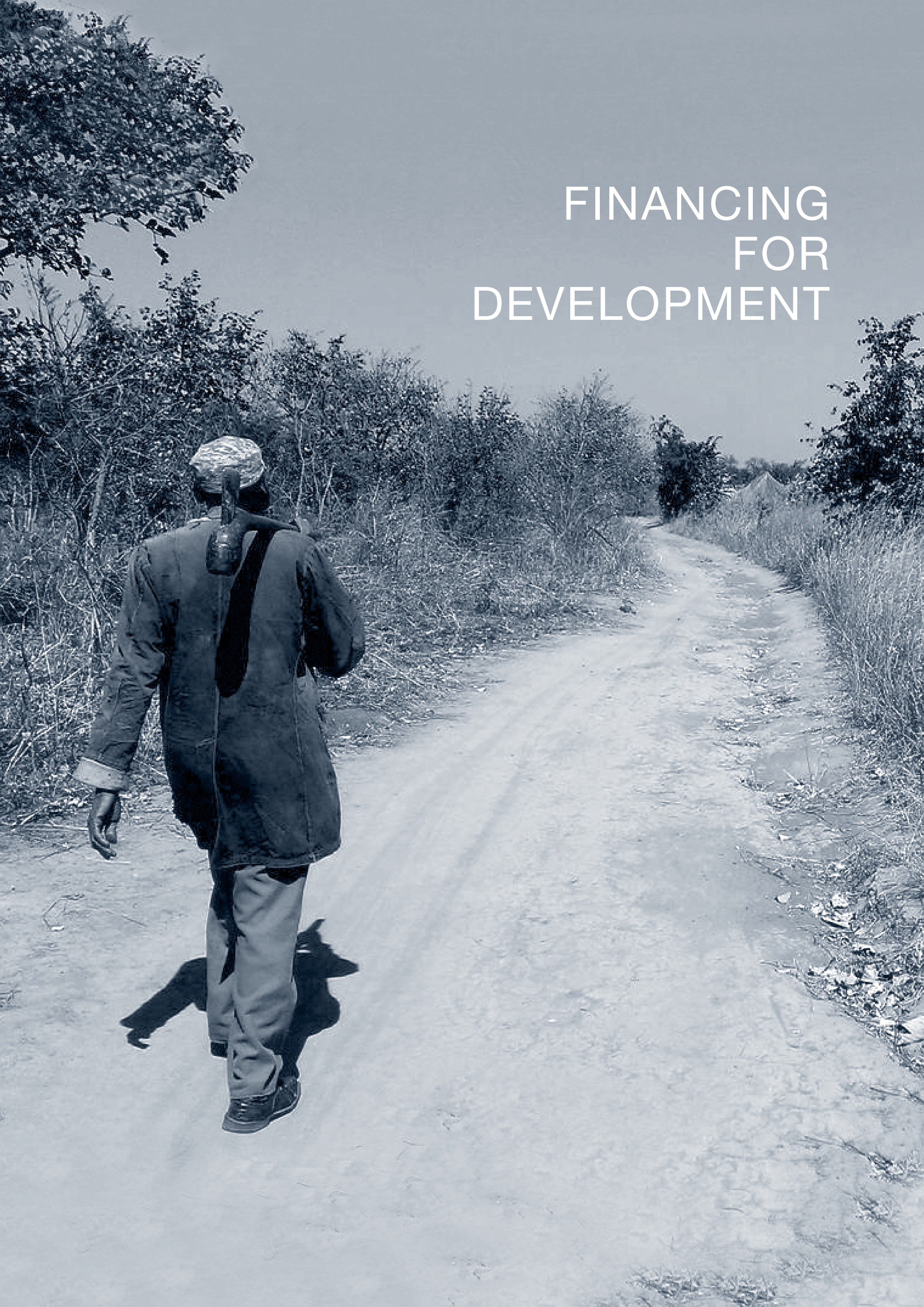
EU development policy has been adapting and adjusting to this new environment and our rapidly-changing, interconnected and interdependent world. As emerging nations continue to undergo economic transformation – and new and often unexpected challenges arise - these efforts to modernise will have to gain further traction in the coming years.

What could the EU be doing better? Can Europe play a stronger role in forging a new global partnership for development? Given the long list of SDGs, which of the goals, including gender equality, should the EU focus on? Will there be enough money to finance the SDGs? What should be the key elements of a new EU development policy?

This policy paper on a “New Development Policy for Europe; doing more, doing better” published by the Development Policy Forum, set up by Friends of Europe and leading development partners, seeks to answer some of these questions. The paper includes contributions from several key development actors on their vision and views of European development policy, its successes and shortcomings and their recommendations for a new European strategy for dealing with some of the key development issues of the 21st Century. These commentaries have also been published on the website of Friends of Europe.

I wish you happy reading!

Shada Islam
Director of Policy
Friends of Europe



FINANCING FOR DEVELOPMENT

FINANCING FOR SUSTAINABLE DEVELOPMENT: PRIORITIES FOR A PUBLIC DEVELOPMENT BANK

Yves GUICQÉRO
Head of the Development Agenda and International Partners Division, AFD

Smart ODA: initiate new investments

Official development assistance remains an important resource, but the $130 billion per year it provides does not meet global financing needs. Other sources of development finance are crucial for the successful implementation of the Sustainable Development Goals (SDGs) we are about to adopt. The Intergovernmental Committee of Experts on Sustainable Development Financing has recommended considering several options, including a blending of finance mechanisms.

One particular form of blending which has been developed over the years, and which still has tremendous potential, is mixing grant and loan resources. The objective is to use grants to finance the soft components of development projects: expertise and capacity building, social and environmental impact mitigation costs, investment grants, interest rate subsidies, exchange risk hedging mechanisms or loan guaranties schemes.

Europe has developed an ambitious policy regarding grants and loans in order to leverage resources for development financing. In 2007, the European Commission initiated blending mechanisms combining loans from European multilateral and bilateral financial institutions with grants from the EU Budget. Eight regional investment facilities have since been set up by the Commission and member states, with €2 billion of grants allocated to them, leveraging €19 billion of loans provided by the European financial institutions. This blended resource leveraged further resources from non-EU actors, in particular regional and national financial institutions from developing countries and the private sector, leading to a development fund in the range of €44 billion.

Finance domestic actors rather than projects

- Increasing the technical and financial capacities of local governments

The sustainable development of cities is a major driver to addressing climate change and achieving more inclusive growth. This challenge is highlighted by SDG #11: "Make cities and human settlements inclusive, safe, resilient and sustainable". In 2025, 13 of the 15 megalopolises with a population exceeding 20 million will be located in developing and emerging countries, and 95% of total urban growth will take place in the global South. Local governments are the key stakeholders in that process, managing present urbanisation and preparing for a more urban future. They can plan and decide upon investment programmes based on a territorial and cross-sectorial approach.

Providing direct financial and technical support to local governments should become a main priority goal for international development banks. For instance, AFD is presently one of the few international development institutions with the capacity to provide direct lending to local governments, i.e. without the guarantee of the central government.

- Providing resources and incentives to increase the contribution of domestic banks and the private sector

Financial intermediaries can help lenders to reach beneficiaries that would otherwise be very difficult to assist directly. These are small and medium-sized enterprises involved in clean energy, the environment and air quality, housing for the poor, family farming and small local governments. Through the use of limited grant resources, such programmes can create incentives for domestic banks to get involved in developing these areas. This is in line with the SDG #8: “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”.

The “green” credit lines are a good example of strengthening domestic banks to serve public policy objectives. In the framework of the Sustainable Use of Natural Resources and Energy Finance (SUNREF) initiative, AFD has developed a targeted support which includes both technical assistance and lines of credit to local banks for on-lending to finance small and medium-sized projects dedicated to sustainable development. Between 2006 and 2014, AFD committed €1.8 billion in loans and €65 million in grants involving 35 partnerships with banks in 22 countries. Investments have supported various sectors such as manufacturing industries, small-scale energy and environment, commercial and residential construction.

Through equity and quasi-equity participation in local private banks, development banks can also contribute to building more solid domestic financial institutions, enhancing their capabilities. Such support has also been critical in the development of microfinance institutions, especially in Africa.

The high level of risk perceived by local banks and low level of financial intermediation means that SMEs’ access to finance remains severely constrained. Risk-sharing mechanisms such as credit guarantees will help to incentivise the private sector, including banks. Guarantees for development have proven to be efficient in leveraging private finance and flexible instruments to target specific sectors, especially when blended with grants for technical assistance and first-loss crucial components. ■

FINANCING THE FIGHT AGAINST EXTREME POVERTY

Valentina BARBAGALLO
Policy and Advocacy Officer, The ONE Campaign

What if there was one chance to transform the lives of hundreds of millions of people in this world – to deliver them a fairer future, to stop hunger, to eliminate deaths from preventable diseases, to eradicate extreme poverty – by 2030? Should we take it, or let it slip past? 2015 offers us this once-in-a-generation opportunity.

This year, the Millennium Development Goals (MDGs) will reach their deadline. Since the year 2000, some incredible results have been reached, but while the task was anything but easy, the road ahead looks equally steep. Whereas the MDGs successfully halved

the global rate of extreme poverty, the upcoming Sustainable Development Goals (SDGs) will actually aim at finishing the job by 2030. But in order to do this, we must guarantee that this time no one is left behind.

Targeting the hardest to reach means focusing on the Least Developed Countries (LDCs), still largely dependent on aid, as there is where needs are greatest and the capacity to raise resources is weakest. Thankfully, at the Third International Financing for Development Conference this July in Addis Ababa, the world dealt with ways to finance the fight against extreme poverty. Although the conference discussed sources of financing well beyond development assistance, aid remains critical for the poorest countries and key to the achievement of the SDGs. For this reason, a recommitment to the long-standing promise of spending 0.7% of GNI on Official Development Assistance (ODA), by development assistance providers – including the European Union – should include a new target of directing at least half of aid to LDCs.

LDCs are home to a disproportionate number of extremely poor people. Across the total population of all LDCs, an average of 44% live on less than $1.25 per day. Their governments also have very limited resources for providing basic services such as health and education to their citizens. For example, in LDCs the average level of government spending per person for the whole of 2013 was just $204, as opposed to $19,420 in the G7 countries. Whereas middle-income countries have stronger financial institutions and can attract private investments or take on blended loans, LDCs have the least access to such sources of financing. With ODA representing over 70% of all external flows, and equating half of the level of domestic tax revenues, aid remains a life-saver for LDCs.

In spite of this, aid to LDCs has been declining in recent years and these countries actually receive less aid per poor person than the richer developing countries. In 2013, the EU institutions cut aid to LDCs by 5% and allocated them less than a quarter of their total ODA. What's more, without a conscious turnaround, this trend is likely to continue. According to the OECD, country programmable aid to the poorest countries is projected to decrease: for example, two thirds of sub-Saharan African countries are set to receive less aid in 2017 than in 2014.

This year is not one for business as usual. It is the year to come up with new ways of doing business. So

financing decisions must be visionary and take into account what the world will look like in 2030, and who and where those hardest to reach people will be. The World Bank's poverty forecasts show that by 2030, 81% of the world's extreme poor will be living in sub-Saharan Africa, where 71% of current LDCs are found. If all donors had provided 50% of their total ODA to LDCs in 2013 – at existing levels – $23.7 billion of extra support would be available to those countries.

The international community has already identified the importance of prioritising LDCs, which is why back in 2002 at the first International Conference on Financing for Development, developed countries promised to provide 0.15-0.25% of their Gross National Income (GNI) to LDCs as ODA. But that promise remains largely unmet, and there is scope to be much more ambitious. A proportional volume-based target such as 50% of ODA levels would better reflect aid prioritisation, and is a fresh new target that demonstrates commitment to real focus and adapting to the changing world around us.

Policy reforms and financial investments are needed to finally put an end to extreme poverty by 2030. Leaders must put their money where their mouth is, and ensure a solid policy focus on the least developed countries is backed by sufficient resources. This year, the stakes are higher than ever and this level of ambition requires a truly shared effort. All governments, civil society and the private sector will have to play their part to mobilise more resources for development. Without a concerted focus on the poorest countries and the most vulnerable people, the hardest to reach will be left even further behind and 2015's unique chance will go to waste. ■

BECAUSE TOMORROW WILL BE BUILT BOTH HERE AND THERE

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FINANCING DEVELOPMENT WITH JUSTICE, GOVERNANCE AND COOPERATION

Tove Maria RYDING
Policy and Advocacy Manager for Tax Justice at the European Network on Debt and Development (Eurodad)

Has the world run out of money? One might think so when observing the frowns of government negotiators discussing how to finance development. Well, let it be the first good news of the day that we live in a very rich world and that there is no lack of financing. However, we also unfortunately live in a very unequal world. While trillions of dollars are tucked away in tax havens, more than one billion people are still living in extreme poverty. While the EU spent more than four trillion on bank bailouts, official development assistance (ODA) to

the poorest countries was being cut. And while multinational enterprises are reporting billion-dollar profits, the societies from which they generate their income are feeling the agony of years of harsh austerity. This is what system failure looks like.

Africa: a creditor to the world

The perverse state of the world's financial system was clearly illustrated by the recent report of the Mbeki Panel on Illicit Financial Flows (IFFs), which highlighted that "IFFs from Africa range from at least $30 billion to $60 billion a year. These lower-end figures indicated to us that in reality Africa is a net creditor to the world rather than a net debtor, as is often assumed". The panel furthermore underlined that "it is the large companies that engage in IFFs through abusive transfer pricing, trade misinvoicing, misinvoicing of services and intangibles and use of unequal contracts. They exploit the lack of information and capacity limitations of government agencies to engage in base erosion and profit-shifting activities". This report concurs with the emerging global consensus about the serious problem of IFFs. The question remains, however, of what to do about it.

An exclusive club of decision-makers

According to developed countries, the task of preventing tax dodging by multinational enterprises and ensuring financial transparency must be solved in the OECD – commonly known as "the rich man's club". This, though, means that more than 100 developing countries are continuously excluded from the decision-making process when global tax and transparency standards are negotiated. So far, the OECD has produced standards that most often don't work in developing countries, and in some instances disadvantage them. Examples of the former include the new standard for automatic information exchange and the arm's-length approach to taxing multinationals, both of which require high levels of capacity to implement. An example of the latter is the OECD's model tax treaty, which gives preference to the countries where multinational corporations are based – mainly developed countries – at the expense of the countries where the companies are active, when allocating taxing rights.

Luckily, there is a very simple way to change this situation. The G77 – a negotiating group of more than

130 developing countries – has called for the establishment of an intergovernmental tax body under the UN, which would ensure that developing countries have a seat at the table when global tax standards are agreed. In a system where it only takes one tax haven to destroy the tax base of hundreds of countries, such truly global cooperation is fundamental.

Private finance – quantity vs. quality

While governments are discussing ways to repair the international tax system, small and medium-sized enterprises (SMEs) – which are absolutely key for creating jobs and development – are left with the impossible challenge of competing with multinational enterprises that barely pay taxes. Unfortunately, the international development discussion is often blinded by an exclusive focus on foreign direct investment (FDI). FDI numbers do not only fail to disclose the development impact of financing, but also fail to take into account the financial flows leaving developing countries – including illicit flows. Even more tragic, some of the resources that appear in the statistics as "FDI" are in fact financial flows resulting from cross-boundary tax speculation.

The wrongful assumption that any financing is good financing is also a key problem with the practice known as "blending", where ODA is used to promote private investments in developing countries. Since private investors are more attracted to middle-income countries that can provide better profit opportunities, "blending" risks driving ODA away from the least-developed countries. The fact that blending is also often used to support corporations based in developed countries, rather than SMEs in developing countries, further increases the risk of the diversion of what few ODA resources are available. Lastly, the fact that the poorest parts of the population cannot afford to pay user fees for infrastructure or for health and education services means that the shift towards private finance and profit generation threaten to exclude the people who need it the most.

This is the reason why civil society organisations are calling for a review of the positive and negative development impacts of private finance.

Back to the debt trap

Private flows to developing countries often create debt. The increasing use of blending by donors and the trend

of providing ODA as loans rather than grants also contribute to rising debt levels and significantly increase the risk of a new debt crisis. Debt stocks currently amount to more than $5 trillion, an all-time high, and the debt vulnerabilities are increasing.

The debt crises of the 1980s and '90s led to lost decades for development. It took decades until the international community, pushed by civil society campaigns, finally agreed on debt relief initiatives for heavily-indebted poor countries. But these initiatives have now expired, and heavily-indebted countries have nowhere to turn.

To solve this, an intergovernmental process has been launched under the UN, with the aim of developing an international debt workout mechanism. Regrettably and incomprehensibly, the EU boycotted the first session of this process and followed an "empty chair policy" – EU negotiators were not even in the room during the negotiations. It is remarkable that the EU, which is currently undergoing its own debt-induced "lost decade", does not contribute constructively to filling the governance gaps that are evident to everyone in Europe.

Tackling the Roots of Poverty

Development is not simply a discussion about charity, but about financial justice, governance and true international cooperation. By ensuring that multinational corporations and wealthy individuals pay their fair share of taxes, that private finance has a positive development impact, that ODA is not diverted away from development, and by finding solid solutions to the growing international debt problem, we can address the root causes of poverty and unsustainable development. ■

HAS THE OUTCOME OF ADDIS ABABA CHANGED ANYTHING?

Jean SALDANHA
Senior Policy Adviser, International Cooperation for Development and Solidarity (CIDSE)

The International Conference on Financing for Development, held in July in Addis Ababa, was the first of the three international conferences in 2015 that define how the international community intends to work together to address the complex and interlinked challenges of poverty, growing inequality, environmental degradation and climate change. Unfortunately, the Conference did not succeed in building a strong spirit of multilateralism. Setting a dangerous precedent for global negotiations on development issues, the outcome was discussed behind closed doors – in the so-called "green-room" style of negotiation that has negatively marked trade negotiations in the World Trade Organisation. The outcome left many countries feeling excluded from the

final discussions of the Addis Ababa Action Agenda (AAAA), while others criticised the negotiation as a sign of bad faith.

Beyond its political significance, the Addis Ababa Conference was expected to deliver a strong global consensus on financing sustainable development. Finance is a critical element within a package of enabling measures including policy coherence for development, accountability and strong participatory frameworks, all of which should support the implementation of the post-2015 framework and the Sustainable Development Goals. Ahead of the Conference, the EU had rightly emphasised the role of domestically-raised finance as one of its key priorities, particularly through tax revenues. Policy experts, civil society organisations and governments across the world agree that the global governance of tax rules and agreements remains a central obstacle, especially for countries that are not members of the OECD. Yet the EU ultimately did little to support the final efforts made during the Conference to secure an agreement to democratise the international tax cooperation space by upgrading the current UN Expert Committee on International Tax Cooperation into an intergovernmental tax body. AAAA language on this issue is a poor compromise that will not correct the imbalances of the current global tax governance system.

Ending inequality within and between countries is a key objective for the global Sustainable Development Agenda. The haphazard regulation of financial actors and minimal control of financial markets have led to increased levels of inequality across the globe. There were high expectations that the Addis Ababa Conference would build on the existing financing for development agenda, as well as the outcomes of the UN Conference on the Global Financial and Economic Crisis in 2009, to come up with a tangible plan of action for addressing the weaknesses of the global financial system. The AAAA has failed to do so, even missing the opportunity to once and for all address the deficiencies of the current ad-hoc sovereign debt governance regime. The need for global institutional and regulatory frameworks to support national and cross-border actions toward the achievement of economic stability while decreasing income inequality thus remains unaddressed.

A distinctive feature of the AAAA is its focus on using public money to leverage private financial flows to meet development objectives. While the issue of private finance contributing to development outcomes is doubtlessly

important, strong, mandatory regulation and accountability of both public and private actors become even more important. Yet AAAA language on how the impacts of such financial arrangements will be monitored and concrete agreements on the implementation of social, economic, cultural and environmental safeguards to maximise their positive impact and reduce associated risks are disturbingly vague.

All in all, this agreement failed to provide a robust roadmap to put the global financial, monetary and trade systems on course to support international efforts to achieve the Sustainable Development Goals. While the AAAA does claim to be a "game-changer", the only clear shift is to privatise responsibility for achieving the future post-2015 framework. The question is whether this shift is possible, or even desirable.

Supporting world-wide equitable sustainable development and the financing thereof are matters of global solidarity. Despite the best intentions to leverage the billions of private finance for sustainable development, the fact remains that many countries will not be able to fulfil their obligations and commitments made in the new framework without predictable flows of Official Development Assistance (ODA), which upholds the highest standards of development effectiveness. As the Addis Ababa outcome failed to achieve a clear and legally-binding timetable of commitments to reach ODA targets, the question of how much public money will be committed to ensure the successful implementation of the post-2015 framework remains unanswered.

Looking forward, the role of the financing for development follow-up process – built on the whole agenda, not just the AAAA but also the Monterrey Consensus on Financing for Development, the Doha Declaration on Financing for development and the outcome of the UN Conference on the Global Economic and Financial Crisis 2009 – becomes even more important. There are many unfinished parts of the financing for development agenda that must continue to be worked upon – possibly even beyond the lifetime of the SDG agenda – in ways that ensure that finance is harnessed to contribute to the universal and progressive realisation of human rights, sustainable development and equitably addressing climate change's causes and consequences. ■

AFRICA'S INFRASTRUCTURE

THE EUROPEAN INVESTMENT BANK: AN EFFECTIVE IMPLEMENTING PARTNER FOR AFRICAN DEVELOPMENT

Donald KABERUKA
President,
African Development Bank Group
(2005-2015)

Over the decades, the EU's development policies have been anchored in its partnership agreements with the African, Caribbean and Pacific (ACP) group of countries. These agreements defined the European Investment Bank's lending policies to Africa. Specifically, under the first Yaounde convention of 1964-1975, the EIB focused on manufacturing and transport infrastructure. Under the 1975-2000 Lome agreement, the EIB targeted infrastructure for water and sustainable energy. The current Cotonou agreement, set to last until 2020, prioritises growth and poverty reduction through private sector development.

From modest beginnings, the EIB has become the world's largest multilateral lender. Being the "EU Bank", about 90% of its loans are concentrated in member states, but the EIB has also expanded its activities in Africa. In 2014, it provided more than €2.5 billion for long-term investments in energy, water, transport and education, and supported private sector development across Africa. Besides funds, the EIB contributes expertise for project evaluation, especially in innovative financing.

Achievements

As the only multilateral development bank (MDB) extending loans to both EU and African countries, the EIB is uniquely positioned to implement EU development policy in the area of investment. Financed by the European Development Fund, member state budgets and, equally importantly, EIB resources raised on international capital markets, the EIB in Africa – often in cooperation with the African Development Bank (AfDB) – focuses on growth and poverty reduction through private sector development as well as intra- and inter-regional infrastructure.

In Kenya, the Lake Turkana Wind Power Project, a 365-turbine wind farm aiming to transform the supply of renewable energy in East Africa, is receiving €200 million in EIB support – making it the single largest financier of the project. The African Development Bank is co-financing the project, which is the largest renewable energy project ever undertaken in sub-Saharan Africa, and expected to eventually generate around 20% of Kenya's power.

In 2014, the EIB also provided support for upgrading energy infrastructure in Guinea. The EIB financed about 40% of the project, with additional funds coming from the government, the African Development Bank, the Islamic Development Bank and the World Bank. The investment plan aims at the re-development of four hydropower plants, raising Guinea's electricity generation capacity from 75MW to 122MW. Distribution in some parts of the country will also be upgraded. The project is expected to positively impact medical treatment activities, though will not extend to the areas most affected by Ebola.

Besides large infrastructure projects, the EIB prioritises financial inclusion and supports entrepreneurship through the creation of regional micro-finance facilities such as the East African Community (EAC) Microfinance Global Authorisation. Similar to the AfDB, the EIB provides long-term local currency loans that allow financial intermediaries to on-lend to SMEs. In

Kenya, for example, the EIB extended 15,000 long-term loans totalling €8 million to entrepreneurs, almost half of whom were women, creating about 30,000 jobs.

Moving Forward, Deepening EIB-AfDB Cooperation

The EIB is currently launching new initiatives to address Europe's stubbornly high youth unemployment. One of the main instruments of this initiative is the 'youth guarantee', which aims to provide those aged 25 and under with a high-quality offer for employment, continued education, an apprenticeship or traineeship within four months of leaving school or becoming unemployed. Loans to SMEs will complement this instrument. There will also be a focus on soft expenditures, supporting training, education for teachers and job search assistance.

Given Africa's youthful population and the major challenge that youth unemployment presents for the continent, the AfDB and EIB could form a strategic partnership to share experiences and conduct joint investments in Africa. The initiative could, on a pilot basis, also facilitate the free flow of labour between Africa and Europe to encourage the circulation of knowledge and ideas.

The AfDB and EIB may also benefit from cooperating in support of innovation and technology. The EIB's flagship initiative for financing innovators, InnovFin, which offers financing options tailored to both European SMEs and larger enterprises, could be a good starting point for this joint endeavour. Africa also has its own experiences to share, with East Africa a global leader in mobile banking and the uptake of mobile technologies more broadly.

Africa is facing major financing and human capital gaps, which constrain it from reaching its full potential. Given the continent's rapid growth and the fiscal challenges faced by advanced economies, official development assistance can no longer effectively address Africa's needs alone. New and innovative sources of financing, increasingly involving the private sector or at least public-private partnerships (PPPs), will need to be found and incentivised for investing in Africa. The actions of MDBs such as the EIB and the AfDB, especially if in partnership, can facilitate private sector funding by providing seed funds and mitigating risks through partial credit or risk guarantees. While investing in Africa is indeed riskier than in advanced economies, perceptions that deter potential investors often far exceed the reality. ■

INVESTING IN THE FUTURE OF AFRICA'S INFRASTRUCTURE DEVELOPMENT

Carlos LOPES
UN Under-Secretary-General and Executive Secretary, UN Economic Commission for Africa

Ambitions for infrastructural development in Africa are not new. They can be traced back to the late 19th century, with missions such as that led by Lieutenant Colonel Paul Flatters to survey a route for a trans-Saharan rail link to connect France's north and west African colonies, and mining magnate Cecil Rhodes's dream-plan of an uninterrupted railway stretching from Cape Town to Cairo. Today, infrastructural development is a key priority.

Factors explaining the delay include the continent's colonial history, years of negative perceptions that limited investment and marred the continent as conflict and disease ridden as well as politically unstable and corrupt, and the policy bias against public investment in the 1980s that stunted development. It is little wonder then that Africa has a major deficit in infrastructure needs and is lagging behind other developing regions.

But the narrative is changing to one of promise. Over the last decade, the continent's economic growth has averaged 5%, outperforming global economic trends even in the aftermath of the 2008-9 financial crisis, and is projected to continue expanding. But to sustain growth and transform its economies through industrialisation, Africa's infrastructure constraints must be addressed. This is underpinned in the Common African Position to the post-2015 agenda that is driven by the African Union's Agenda 2063. Infrastructure development alone could increase the continent's per capita economic growth by 2% a year and increase the productivity of companies by as much as 40%.

Africa is responsible for a significant proportion of its development finance, currently more than $527.3 billion comes from domestic revenues as compared to $73.7 billion in private flows and $51.4 billion in official development assistance. Yet its development budget meets only a small portion of the financing requirements. Current infrastructure needs stand at $93 billion annually, of which $45 billion is mobilised, leaving a huge gap of $50 billion. To overcome this, there is consensus that innovative instruments for domestic resource mobilisation are needed to generate the development finance. Growth in turn has opened up vast opportunities that must be leveraged.

Mega trends are in the continent's favour. By 2050, the youth of Africa alone will constitute over a quarter of the world's labour force. Rapid urbanisation and a growing middle class will generate greater demand for goods, services and infrastructure. As a latecomer to industrialisation, Africa can have the advantage of leapfrogging technology preferences to deploy those which are clean, efficient and resource-saving.

Gains have been made in governance, brought about by the increased prevalence of peaceful democratic elections and improved polity. A better business environment has also contributed to investor interest and confidence. More economies in Africa have improved their regulatory

environment compared to any other region – in this sphere, 8 African countries have been ranked ahead of China, 11 ahead of Russia and 17 ahead of India. African leaders are championing the political will to address the inadequacies of infrastructure through the African Union Programme for Infrastructure Development in Africa (PIDA). This is the blueprint for accelerating Africa's infrastructure gaps in priority projects on energy, water, transport and ICT. The NEPAD Presidential Infrastructure Champion Initiative, led by 8 heads of state, is also advocating projects with a regional dimension across the continent. Regional integration offers wider and more integrated markets so that cost efficiencies can be leveraged by tackling infrastructure deficits collectively while benefiting from economies of scale and shared natural resources, such as Africa's 16 transboundary water basins.

Various financing mechanisms to mobilise resources are taking root, changing Africa's infrastructure landscape. In 2013, African countries themselves funded almost 47% of the infrastructure projects on the continent. Intra-African investments have increased, led by South African, Kenyan and Nigerian transnational corporations. Bonds are being explored from diaspora bonds issued by Ethiopia to infrastructure bonds targeting the diaspora in Kenya. African governments have further raised $8 billion in global sovereign bonds, up from $1 billion a decade ago. Specialised funds such as the Africa50 Fund have also been set up, while the Emerging Africa Infrastructure Fund, a public-private partnership, is addressing foreign currency debt finance for infrastructure projects in 47 countries.

Non-traditional partners have increased their engagement in the continent dramatically, transforming Africa's traditional trade and investment relations. China remains the biggest investor, with its annual lending to African countries, excluding North Africa, estimated at $13.4 billion in 2013. By comparison, the European Commission and France committed $1.6 and $2.5 billion respectively, while the UK and Germany committed $1 billion each. The US, meanwhile, has committed $7 billion to the energy sector through its multi-year Power Africa initiative. Countries like Senegal, South Africa and Kenya are also increasingly looking to the Gulf to raise money for Sukuk-Sharia compliant bonds.

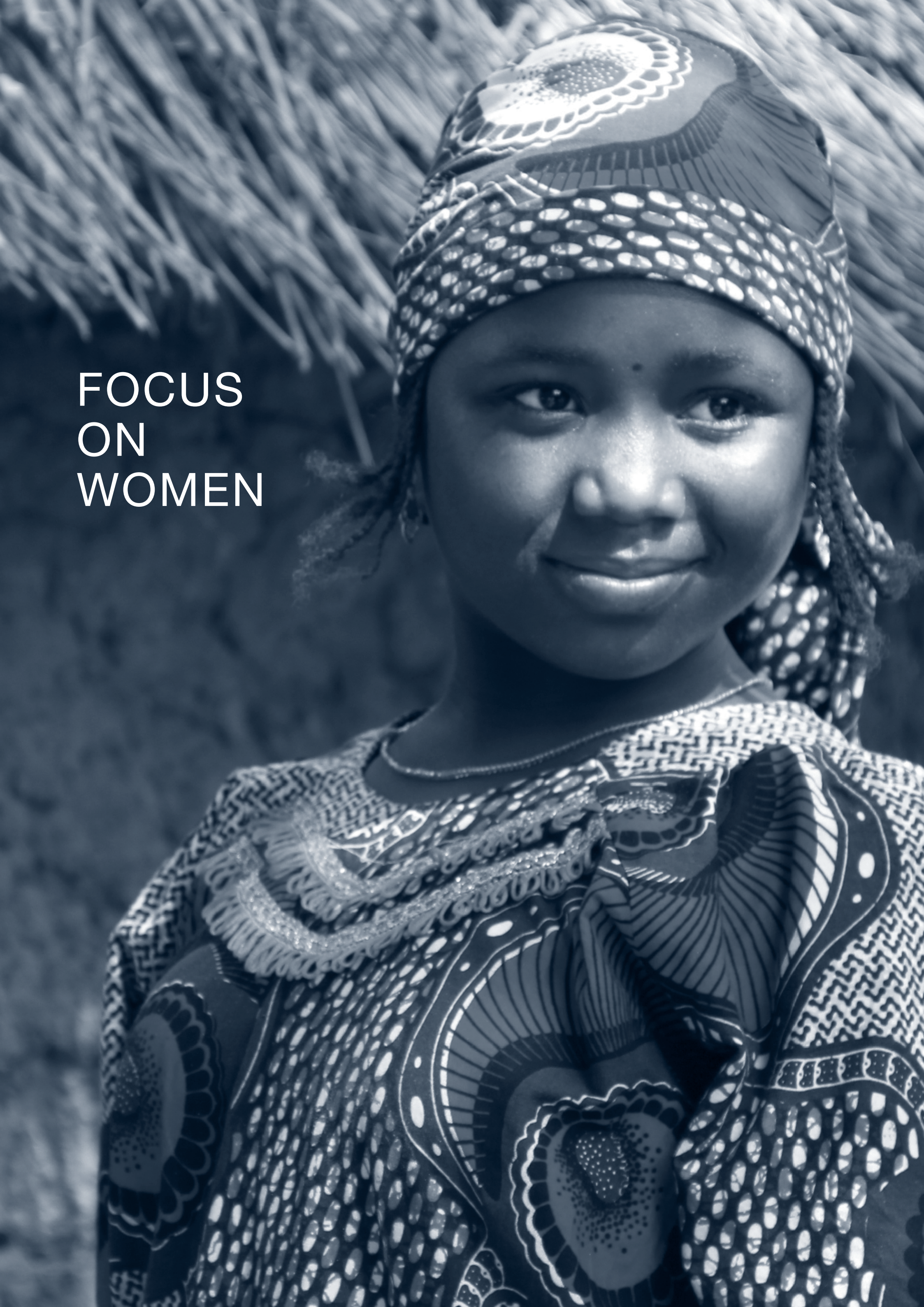
Europe is well placed to partner and support Africa's means of implementation to unlock its domestic

resource potential in areas of institution strengthening, technology transfer, capacity building and can offer the training required for Africa to lead its own development agenda. For instance, Europe can help:

- Strengthen the capacity of public institutions, from tax administration to the development of financial systems and capital markets
- Devise innovative financing instruments that enable the integration of Africa into international financial markets and that would facilitate intra-African trade
- Strengthen and reform laws governing the investment of public funds and the international reserves of central and reserve banks
- Build the requisite human, technological and institutional capacities

On a global scale, there is need to reform financial and economic governance to improve the conditions of access to capital markets, intensify international cooperation for transparency in Africa's extractive industries, and tackle illicit financial flows that deprive the continent of $50 billion a year – an amount well over what Africa needs to meet its annual infrastructure deficit.

Connecting Cairo to Cape Town by road, or Lagos to Algiers by fibre-optic cable, is no longer an ambition, it's a reality in the making. It is time to invest in the future of Africa. ■



FOCUS ON WOMEN

15 years friends of europe les amis de l'europe
DEVELOPMENT POLICY FORUM
The Global Debate on Development

WOMEN & DEVELOPMENT

WOMEN & HEALTH

800 women **die** every day due to COMPLICATIONS of **pregnancy** or **childbirth**

Between **1990** & **2013** MATERNAL MORTALITY **dropped** worldwide by almost **50%**

99% of all maternal **deaths** OCCUR in **developing** countries

1/2 of all women in **developing** regions **receive** recommended **healthcare** during PREGNANCY

781.2 MILLION people around the world **CANNOT READ OR WRITE**

Two-thirds of them are **WOMEN**

WOMEN & EDUCATION

2 out of **130** countires HAVE ACHIEVED gender **equality** at all levels of **education**

WOMEN & EMPLOYMENT

Globally, **only 50% of women participate in the labour force,** compared to **75% of men**

In developing regions, up to **95%** of women's **employment is informal, in jobs that are unprotected** by labour laws and lack social protection

In 2015, **17.7%** of all government **ministers in the world are women**

VIOLENCE AGAINST WOMEN

1 in **3** women in the EU HAS EXPERIENCED **physical** and/or **sexual violence** since she was 15 years old

In the EU,

75% OF WOMEN IN MANAGEMENT AND HIGHER PROFESSIONAL POSITIONS

&

61% OF WOMEN IN SERVICE SECTOR OCCU-PATIONS

HAVE EXPERIENCED some form of **sexual harassment** in the **workplace**

Sources: World Bank, UNICEF, European Commission (Directorate-General Justice), UN Women, UNESCO, World Health Organisation, Inter-Parliamentary Union

ENSURING EVERY GIRL'S RIGHT TO LEARN WITHOUT FEAR

Alexandra MAKAROFF
Head of Office, Plan International EU Office

"I'm trying hard to forget how it happened, but I'm failing. I remember every detail." These are the words of a 15-year-old Zambian girl raped by her teacher. Sadly, her story is not unique. Millions of girls around the world face the daily threat of violence, intimidation and harassment, and in a setting that should be one of the safest they know: their school. This must change.

It is every girl's right – every child's right – to learn without fear and to fulfil their potential. Education is one of the most powerful tools there is in the effort to reduce poverty, inequality and exclusion. It is critical to empowering young people and fostering more stable, prosperous, equitable and inclusive societies.

Yet millions of children around the world remain out of school. Girls in particular are missing out as a result of the daily realities of discrimination and abuse. Violence in and around the classroom has been identified as one of the main factors preventing girls from realising their right to receive a quality education.

Any form of violence against girls is a gross violation of their human rights, and the innumerable consequences are profound and long-lasting. It damages their physical and mental health and well-being, undermines participation and prevents them from achieving their full capacity, increasing absenteeism and dropout rates.

Of course, it's not just girls whose safety is under threat in the pursuit of their studies. Whether in the classroom, on school grounds or on the way to and from school, school-related gender-based violence is a global phenomenon that affects both boys and girls, in different forms and in different contexts.

Schools do not exist in a vacuum; the discrimination and violence against women and girls witnessed at home and in the community are replicated in the classroom. Gender-based violence in schools is rooted in and reflects harmful social norms, stereotypes and behaviours at the individual, community and societal levels which, when combined with unequal power relations between adults and children, leave schoolgirls especially vulnerable to sexual violence, harassment and exploitation – often at the hands of their teachers.

A 2010 survey by the Ministry of National Education in Cote d'Ivoire found that a staggering 47% of teachers had elicited sexual relations with students. The fact that teachers, who hold a position of trust, are exploiting pupils by trading sex for grades is something we as a society must be outraged by, and we must work together to end it now.

Eliminating violence against girls in schools – whether sexual, physical or psychological – means addressing entrenched discriminatory attitudes and behaviours at all levels, and recognising the interplay between different forms of violence experienced and witnessed both within and outside of school. This will not happen by chance, and there is no quick fix. It requires concerted and coordinated effort across all sectors and by all actors to protect girls from such violence, and help them to protect themselves.

If we are to tackle the problem effectively, we need to understand it

better. Much more comprehensive and robust data is needed if policies designed to tackle gender-based violence in schools are to be effective. We need to know why, where and when it takes place, by and against whom, and with what consequences. Reliable disaggregated data improves prevention programmes, informs effective policymaking, and helps assess national progress in violence prevention and response.

With sufficient and credible data, laws and policies must be put in place with the accompanying services and structures necessary to ensure every girl – every child – is protected. Governments and development partners must work together to strengthen child protection systems at local and national level and including children and their communities in the effort. All actors must work together to bridge the gap between policy and practice, supporting school- and community-based initiatives that seek to ensure all girls and boys are able to learn without fear.

More needs to be done to ensure children, teachers, staff and parents are able to report instances of violence without fear of ridicule, discrimination or retaliation. Those who witness or experience violence in school should know how and who to report violations to, confident that they will be taken seriously and treated confidentially. Crucially, reporting must be effectively followed up through the provision of adequate health and social services for survivors, and prosecution for offenders.

As one of the world's largest and most influential development actors, the EU has an important role to play in keeping girls safe in schools, by prioritising violence in schools in its programming – including education programmes – in partner countries, and by supporting national legislation aimed at tackling gender-based violence, wherever it occurs, and the harmful social norms and attitudes underpinning it.

The classroom should be the place where gender inequalities and norms are challenged and transformed, not further entrenched, and where every child is free to learn without the fear of violence. Governments, donors, civil society, teachers, parents and pupils must all work to make this a reality today, tomorrow and for years to come. ■

SEX MATTERS: WHY WOMEN AND GIRLS MUST BE CENTRAL TO THE NEW SUSTAINABLE DEVELOPMENT GOALS

Céline MIAS
EU Representative, CARE International

Governments around the world have already agreed that the new Sustainable Development Goals (SDGs) will be globally relevant, in contrast to the Millennium Development Goals (MDGs), which focused on developing countries. While "universality" is essentially secured geographically, the SDG framework must also ensure that women, girls, men and boys are all included in the effort. Women and girls will require specific attention in the new framework, both to realise their human rights and because without it poverty eradication simply cannot be achieved.

Globally, women and girls constitute the majority of those living in extreme poverty, and face pervasive inequality and discrimination. To give just a few examples:

- Women lead when it comes to the world's agricultural production (50-80%), yet own less than 10% of the land.

- Access to reproductive health services remains extremely inequitable in many countries, with poor and marginalised women and girls continuing to face immense barriers to better health.

- An estimated one in three women has been subjected to one or various forms of sexual violence.

- Gender is also often a decisive factor in determining the level of risk a person faces from shock changes in the environment and economy – the resources and options available to people are strongly dependent on gender norms and expectations.

An extensive 70 years of experience in humanitarian aid and development in over 80 countries has taught us that investment in women and girls pays off. Empowering women and educating girls enables them to become engines of economic development – within their households, communities and nations. According to UN Women, investing in women's equality could boost just the Asian economy by up to $89 billion per year.

Much would be achieved by strengthening the control women have over their own assets, and enabling more women to move from the informal into the formal economy. This includes recognising the rights of women who are domestic workers, improving women's access to savings-led finance and bank accounts, promoting women's entrepreneurship, and encouraging both the public and private sectors to adopt universal living wages and flexible working practices that value domestic responsibilities.

To really offer women and girls the same opportunities as men, it is necessary to target the root causes of inequality at all levels, engaging families and communities, local and national authorities, development agencies, donors and the private sector. This includes fundamental changes to cultural and societal norms as well as policies and power relations, tackling gender-based violence and overcoming the systemic barriers to family planning – while involving men and boys throughout.

The Open Working Group (OWG) proposal for the SDGs recognises the

centrality of gender to the framework, recommending the creation of a gender equality goal as well as gender-specific targets throughout. In addition to all governments adopting this transformative agenda in September 2015, which is not yet a given, we also need to track the progress of the SDGs to see that they have the desired impact on women, girls, men and boys. It is therefore crucial that sex-and-age disaggregated data is collected across all SDGs. The EU should make this mandatory for all of its development funding, together with the use of the OECD gender marker.

We will also need data on the quality, not just the quantity, of services provided. This element was starkly missing from the MDGs. Participatory monitoring of the SDGs by civil society at the local level can give service providers and authorities critically important contextual information on the quality of service delivery, allowing them to better understand the link between input and outcomes, and develop action plans for improvements. This strong participatory evaluation will also enhance local ownership of the SDGs and allow civil society to hold governments to account. The practical tools already exist, such as the use of social monitoring or community score cards, which have been successfully implemented across the globe.

The European Council has recently reiterated that "the empowerment and human rights of women and girls, and ending both discrimination in all its forms and violence against women and girls, must be at the core of the post-2015 agenda". In order to make good on this, the EU needs to move beyond rhetoric to concrete programming and diplomatic efforts. For instance, the EU development programme for 2014-2020 largely lacked attention to gender equality; we expect this to be rectified in the mid-term review of the Multi-Annual Financial Framework in 2017. Both substantive and measurable gender mainstreaming, as well as targeted gender-specific actions, need to be included in revised thematic and geographic programmes.

The EU has much more potential to influence the status of women and girls worldwide than through its development cooperation instruments alone. Gender issues should be systematically included in the EU's political dialogue with partner countries. This can be done by initiating dialogue on eliminating discriminatory laws, addressing the gender dimensions of all policy areas, and gender-sensitive budgeting through a "gender-marker" such as that adopted by ECHO, as well as following up on the implementation

of commitments by partner countries. This will only be possible if the EU invests in true expertise on gender within all EU institutions and delegations, including its senior staff. The EU's various commitments to gender equality include the final post-2015 framework, and also the EU Comprehensive Approach on UNSCR 1325 and 1820 on Women, Peace and Security, the EU Guidelines on Violence Against Women and Girls, the Call to Action on Violence Against Women and Girls in Emergencies, and the forthcoming Gender Action Plan in EU External Action. Indeed, there is no shortage of policy commitments at international and EU level, which are an important first step. But they will only matter when we see results and real transformation in the lives of women and girls worldwide. ■

INVESTING IN PEOPLE

MAKING THE OBVIOUS A POLICY PRIORITY: INVESTING IN PEOPLE TO INVEST IN THE FUTURE

Conny REUTER
Secretary General, SOLIDAR

The slogan of the European Year for Development (EYD), "our world, our future, our dignity", is clearly designed to emphasise that development cooperation isn't simply about concern for the less fortunate in certain remote countries. Development is about not excluding anyone, anywhere. This is not only because we live in an interconnected world where, in the words of former Director General of the International Labour Organisation (ILO) Juan Somavia, "poverty anywhere is a threat to prosperity everywhere", but also because poverty, rising inequalities and insecurity are now matters of global concern.

Eradicating poverty and reducing inequality are global challenges that should steer the EU's action whenever important decisions are taken in the coming months on the new Sustainable Development Goals, including how they will be funded and maintain respect for the environment. If we look at poverty just in the European Union, we can see that 124.2 million people – close to a quarter of the EU's population – were at risk of poverty or social exclusion in 2012, 8 million more than in 2008. On top of that, the most recent data on income inequality in OECD countries reveals that we have reached the highest level of poverty for the past a half century.

The good news is that the EU has already identified and put into practice part of the solution. Namely, investing in people by supporting the setting-up of national floors of social protection and universal social protection systems. According to Recommendation 202, adopted unanimously in 2012 by the members of the ILO, social protection floors (SPFs) include measures that guarantee everyone access to essential healthcare (including maternity care), water and sanitation, education, food, housing as well as other services defined according to national priorities, and basic income security for older people, families with children and people of a working age who are not able to work.

You do not need to be an expert to appreciate that well-educated and healthy people are better able to participate in the economic, social and cultural life of their communities and countries, or that those with basic income security stand a better chance of avoiding poverty in case of unemployment or the inability to work. Nevertheless, more than 70% of the world's population does not have access to such social protection. The EU should be able to help greatly here. After all, social protection systems have been the backbone of social progress and economic development in Europe since the industrial revolution of the 19th Century.

With its 2012 Communication on Social Protection in Development Cooperation, the EU has already committed to making social protection a reality for all, and to supporting developing countries in establishing their own social protection systems including floors. But with social protection a major expense in European national budgets, many may well wonder if developing and low-income countries can even afford national SPFs. According to the ILO, social protection floors are affordable to all countries, even the poorest.

Currently, low-income countries in general rarely spend more than 3% of their GDP on healthcare or more

than 1% on non-health social security measures. In comparison, the 27 EU member states of 2009 spent 20% of their total GDP on social protection, with some countries like France and Denmark spending as much as 25%. This shows that although the question of affordability has to be considered in national contexts, actual improvement needs the political will to set the right priorities and ensure the allocation of adequate resources to finance social protection.

This requires a joint domestic and international effort, and the EU can take a leading role. Specifically, the EU should support:

- The fight against tax havens, corporate tax avoidance and the mobilisation of domestic resources through strengthened progressive taxation systems. Fairer domestic tax policies will help to build more resilient nationally-owned social protection systems.

- The establishment of a Global Fund for Social Protection (GFSP). Proposed in 2012 by the UN Special Rapporteurs on extreme poverty and human rights and the UN Special Rapporteur on the right to food, this fund could support countries' capacities to design and administer national SPFs.

The creation by the European Commission of a technical facility, SOCIEUX, to support partner countries to design and manage their social protection systems is a step in the right direction. But to realise significant social development and a sharp reduction of poverty, this effort should be extended to involve a broader number of actors, made possible through the GFSP. As argued by the Global Coalition for Social Protection Floors, such a fund "would provide technical support for national efforts to plan and design national SPFs and the training of national planning and administrative staff" and "would also co-finance SPF transfers in exceptional cases". Funding could come from the development aid of industrialised countries as well as from other sources such as a share of national, regional or global financial transaction taxes (FTTs).

The European experience has demonstrated that social protection is an investment with a high return and that there is no trade-off between high spending in social protection and high levels of productivity. According to the European Commission, "European social protection systems have provided important buffers against risk and income poverty, as well as limiting inequality in Europe". This lesson can support EU partner countries in setting

up and scaling up SPFs, and should be accompanied by an effort to mobilise national and international resources to finance universal social protection systems.

As various governments slash their aid budgets and backtrack on commitments in these times of crisis, the EU should be making the case for why now, more than ever, there is a need to invert the curve; investment in social protection is an investment in people with high returns. Promoting social protection and decent work is the bridge to real solidarity between the Global North and South. The question is not whether we can afford to invest in universal social protection systems, it is whether we can afford not to. Let's make the EYD the year of social security for all. ■

For more information go to www.giz.de

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THERE CAN BE NO SUSTAINABLE DEVELOPMENT WITHOUT SOCIAL ACCOUNTABILITY

Marius WANDERS
Representative to the EU, World Vision International

In terms of development cooperation and global social justice, we are living through times of profound change, especially in this pivotal European Year for Development. The global community is counting down to the adoption of an ambitious and comprehensive new framework of Sustainable Development Goals (SDGs) that will build on the undeniable achievements of the Millennium Development Goals (MDGs) while acknowledging and addressing their weaknesses and shortfalls.

The global community, individual countries and organisations can indeed celebrate the progress that has been made, for instance in reducing child mortality. The number of children worldwide who die under the age of 5 each year has fallen from 12.6 million to

6.6 million over the past two decades. Nobody can deny that this statistic indicates progress. But equally, nobody can become complacent. Every young child who dies needlessly of often easily preventable causes is one too many, and constitutes a deep tragedy for the affected families and communities.

The fact of the matter remains that, at a time when major advances in global child healthcare are rightly being applauded, millions of children die unseen, invisible, unregistered and unable to access the kind of health services that could save their lives. To end that tragic injustice and to make development cooperation truly sustainable, public institutions at local, national and global level all need to be more accountable. Social accountability – the act of enabling citizens to hold their state to its promises and obligations – improves and sustains development progress, enables the involvement of some of the world's most vulnerable people and generates data that helps to track and improve the well-being of children.

The first step is to improve citizens' access to key information about the most critical issues that directly touch their lives. By raising people's awareness about their rights and entitlements and about the performance of critical services like healthcare and education, on which they depend, we lay the foundation for an evidence-based dialogue between citizens and governments.
But increased access to information is not enough to ensure accountability. In addition, communities need to be engaged in decision-making processes. Citizens and governments need venues – virtual and physical – for discussing the information and evidence they have and to ensure an institutional response. Citizens no longer want to be considered as passive beneficiaries with needs, but as true agents of change and partners in development.

Citizen Voice and Action (CVA) is World Vision's approach to social accountability. CVA enables communities to engage in a constructive dialogue with their government and hold it to account for the services that children and families use on a daily basis, such as healthcare and education, and ultimately to take hold of their own future in a sustainable way. By using a simple set of participatory tools, communities can monitor local public facilities and compare the reality against government commitments.

CVA is a replicable and sustainable approach, successfully applied to more than 375 of World Vision's long-term development programmes in 43 countries, and is divided into three phases:

1. Enabling citizens' engagement (civic education about concrete rights and entitlements under local law)

2. Engagement through community gathering ('community scorecards' with criteria outlined by citizens, social audit tools and town-hall style 'interface meetings')

3. Improving services and influencing policy (the implementation of an action plan)

This approach helps to improve relationships between people and their government to sustain development progress over the long term. CVA fosters constructive, evidence-based dialogue between citizens, governments and service providers that strengthens relationships and trust. The post-MDG world will benefit greatly from such robust mechanisms for social accountability that would allow citizens themselves to drive effective and sustainable development.

As the world's largest aid donor, the European Union and its member states have an influential role to play in shaping the next development framework. But we need political champions to stand up for those children furthest from the kind of healthcare and education they deserve. Social accountability is an essential element of good governance, and all EU policies and programmes should reflect this; as the European Commission communication 'Increasing the impact of EU Development Policy: an Agenda for Change' recognises, good governance is one of the two main priorities of EU development policy, along with inclusive and sustainable growth.

The EU has a strategic framework for engaging with communities through civil society organisations in the interest of the most vulnerable children and families. It has also committed to enhancing accountability approaches. Now, it is time for the EU to position itself as a leading voice in promoting inclusive governance by supporting social accountability approaches. It can demonstrate this leadership by further encouraging EU delegations to work with the governments of partner countries to develop social accountability guidance and frameworks with existing government planning, monitoring and review processes, and ultimately scale up funding for social accountability.

The text of this article has been largely based on a recent publication by World Vision Brussels & EU Representation, entitled "EUROPE CAN MAKE THE DIFFERENCE: How Social Accountability Improves the Lives of Children", published in 2014.

EUROPEAN DEVELOPMENT POLICY CAN CHANGE POVERTY AND HUMAN RIGHTS AT HOME AND ABROAD

Ester ASIN MARTINEZ
Director & EU Representative, Save the Children International

This is a pivotal year for development, with 2015 seeing several multilateral or UN-led processes critical to the year's development agenda. These include the post-2015 development framework process, the financing for development conference in Addis Ababa, but also the Climate Conference in Paris (COP21). The EU's leverage is contingent on putting forward commitments, particularly regarding financing and means of implementation.

For those living in the so-called "Brussels bubble", 2015 has brought a major shift in the way European policy is made. The Juncker Commission, with its new structure of executive Vice Presidents and teams of Commissioners, has adopted one of the shortest annual work programmes ever, with a focus on jobs, growth and competition. This could be to the detriment of a more social and rights-based agenda, which is utterly needed and demanded by European citizens.

On the external side, Federica Mogherini is the boss. The new High Representative and Vice President of the Commission is playing an increasing coordination role in EU foreign policy, and is supervising the Development and Humanitarian Aid Commissioners. Her mandate to oversee the external relations cluster also offers opportunities to enhance policy coherence for development and human rights across trade and migration, amongst others.

The new Commission structure also offers a better framework for addressing policy coherence between what the EU is doing at home and what it is doing abroad, including in developing countries. This can be illustrated by referring to 2 key issues for development policy: the negotiations on the new post-2015 development framework, and human rights in the political agenda.

The post-2015 sustainable development framework is one of the main shows in town. It has been argued that 2015 provides a once-in-a-generation chance to end poverty and empower the most vulnerable and voiceless in society, including children, to realise their rights. Civil society organisations have argued that business as usual is not an option. We've placed high ambitions on a progressive EU position in the negotiations. Reaching agreement on a set of transformative post-2015 goals and meeting existing financing commitments are central to this ambition.

However, the proposals unveiled by the Commission in its Communication, 'A Global partnership for poverty eradication and Sustainable Development after 2015', adopted in February seem to be a bit of the same old rhetoric. It does mention the need for a transformational and ambitious post-2015 agenda, yet the text is rather vague, repetitive and not exactly innovative regarding how this agenda is going to be implemented around the globe. Despite equality supposedly being a top priority for the

new Commissioner for Development, Neven Mimica, tackling inequality is not incorporated into the Communication, and is in fact only mentioned once.

A legitimate question is whether the new Sustainable Development Goals will make a difference for the 17,000 children who still die every day from preventable causes, or the 250 million children who are either out of school or not learning. To see that this doesn't become a top-down agenda that is irrelevant to those facing inequality, poverty and exclusion, national implementation and strong local accountability mechanisms will be key.

The universality of the post-2015 agenda is also fundamental, but this has not really been prioritised, particularly when it comes to the EU's own implementation of the new framework. At a time when a generation of young Europeans faces austerity at a level not seen since the end of the Second World War, commitments also matter at home. More than 26 million children in Europe are at risk of poverty or social exclusion. The new post-2015 framework must leave no one behind, including in EU countries. More poverty and social exclusion in Europe might imply high costs for societies, could lead to alienation and further undermine Europe. EU member states must ensure that policies such as the EU 2020 strategy do tackle poverty and inequality within the EU. A new Europe 2020 sub-target on child poverty, better indicators to measure growing inequalities and more social impact assessments would be among the major achievements to move to a Europe in which macro-economic policies do not further undermine social priorities.

Placing rights at the centre of the political agenda is another key issue in 2015. The High Representative sent a strong signal during her confirmation hearing before the European Parliament by placing governance, gender and human rights high on her agenda. This should be reflected across the post-2015 framework and on more specific external policy documents expected in 2015, such as the new future Gender Action Plan and the new EU Human Rights Action Plan.

A lack of coherence between different sets of policies has sometimes undermined the EU's efforts to promote human rights. The EU should have a consistent voice at all levels when dealing with the protection and promotion of human rights, such as in responding to migrating children who will be affected by both external and internal EU policies. Conflict

and insecurity in the EU's southern and eastern neighbourhood have dramatically increased the refugee flow in and from the region, including a significant number of families and children who seek to reach Europe by sea in dire conditions. Between 1 January 2014 and 4 January 2015, 170,000 migrants arrived in Italy, including 25,800 children. Beyond statistics and figures, testimonies collected by NGOs reveal the heavy trauma experienced particularly by children and the increasingly violent methods used by smugglers. Access to protection, such as resettlement, in the EU for the most vulnerable of people through legal avenues must be ensured without having to risk their lives on the journey to Europe.

On the other hand, we have to ensure that the EU's rights agenda beyond its borders is not let down by failures at home. The nomination of Vice President Timmermans raised hopes about the EU upholding its fundamental rights obligations outlined in the Lisbon Treaty, but we have not yet seen how the Commission will live up to this.

Let's hope that both externally and internally, the EU will drive its actions by its commitment to fight poverty, inequality and exclusion and to the fulfilment of human rights. 2015 can be the beginning of new era for the EU's development policy. ■

PRIVATE SECTOR: A KEY PLAYER

AGRIBUSINESS REMAINS THE BEST OPPORTUNITY FOR JOINTLY ADDRESSING FOOD SECURITY AND CLIMATE CHALLENGES

Natalia FEDERIGHI DE CUELLO
Director of Public Affairs and Institutional Relations, Yara International

The private sector is clearly a key driver for a successful post-2015 development agenda. Business represents 60% of the world's GDP, making it a powerful force for advancing global development priorities through strategic cooperation and partnerships.

The new European Development Policy seeks to move away from the traditional donor-focused strategy towards a more investment-driven, all-inclusive approach. While recognising the continuing importance of traditional aid, it invites along Europe's private sector to enhance sustainability and inclusive growth, aligning business strategies to the Sustainable Development Goals (SDGs). Increased flows of private sector investment

will help to address development challenges such as climate change, malnutrition, access to clean water and employment.

Agriculture is likely to reduce poverty three times faster than other sectors, but also contributes to climate change by emitting carbon dioxide, methane and nitrous oxide. Climate-Smart Agriculture (CSA) in the post-2015 agenda can jointly address food security and climate challenges by sustainably increasing agricultural productivity and farmers' incomes, and building resilience to climate change by reducing greenhouse gas (GHG) emissions. Developed and developing countries alike would benefit from including sustainable agriculture as a key component of the Paris Climate Agreement. Working to increase the yields from existing farmland is a better option than expanding farmland areas, in this regard.

Given the rising global population, agriculture is a priority. More than half of the population in developing countries engage in agriculture, with smallholders accounting for over 95% of agricultural holdings and feeding up to 80% of the population in Asia and sub-Saharan Africa. But even though 90% of young people live in developing countries where agriculture employs as much as 60% of the labour force, farmers are generally getting older. The majority of young people do not see agriculture as a viable career path, given the risks, low productivity and the low income rates and hard work faced by their parents. New business models for smallholder farmers and investments in agriculture – particularly infrastructure, extension services, value chains and R&D – have been demonstrated an ability to improve risk management and to be one of the best strategies for poverty alleviation among farmers, making agriculture a more attractive prospect for young people and therefore a more sustainable industry.

The problem for efficiency is that as crops take up nutrients from the soil, a substantial proportion of these nutrients is removed from the field when the crops are harvested. Some nutrients can be returned to the field through crop residues and other organic matter, but this alone cannot provide optimum crop yields over time. Our role as the world's largest supplier of mineral fertilisers is to provide low-carbon-produced fertiliser with an optimal nutrient balance for plant and human nutrition, tailored to the demands of the specific crop, soil and climate conditions, maximising crop yield and quality whilst minimising environmental impacts. Each year, our N2O catalyst technology prevents

GHG emissions equal to 12 million tons of CO2 from Yara's sites – and another 18 million tons from other installations. This technology is instrumental to reducing the carbon footprint associated with fertiliser use by 50% or more, especially when combined with best farming practices. For this, Yara also helps to provide the right technology, knowledge and tools farmers need to fine-tune their use of fertilisers, thereby limiting the risk of leaching into streams and drinking water.

As highlighted in the High-Level Panel report, 'A new global partnership: eradicate poverty and transform economies through sustainable development', presented to the UN Secretary General in May 2013, the potential contribution of business is not just providing "decent jobs and growth, but delivering essential services and helping people access clean and sustainable energy and adapt to climate change". The report noted that a growing number of business leaders are already integrating sustainable development into their corporate strategies and working to co-create development solutions through strategic partnerships.

The increased involvement of the European Commission is pivotal for supporting existing public-private partnerships (PPPs) and facilitating the creation of new ones. Support is needed for building the capacity of local institutions, supporting their catalyst, brokerage and facilitation roles in establishing new PPPs, and fostering the implementation of innovative and catalytic financing mechanisms for SME development in all sectors, including in agriculture, which will amplify development through the eradication of poverty.

Yara, like much of the private sector, is involved in multi-stakeholder partnerships that support the effective achievement of development objectives while leveraging additional resources and capacities. For example, the Agricultural Growth Corridors in Mozambique and particularly in Tanzania (SAGCOT) under Grow Africa (with the African Union, NEPAD, CAADP, and WEF), is a business-led, country-based and African-owned initiative. The EU should engage in an active dialogue with African initiatives of this kind to establish a cross-sector working group for tangible action, for example the crop value chain partnership that pioneers inclusive business models for smallholder production.

The EU can also directly help farmers in the developing world, where yields are far lower than those in the developed

world – in parts of Africa they have even declined. The EU can share its experiences and best practices in rural development, quality controls, entrepreneurship in farm management and marketing, empowering farmers to maximise the use of their natural resources and produce more food per unit of land, while safeguarding their soils, using less water and avoiding post-harvest losses. Good measures would include better access to knowledge, expanding technology to restore and preserve soil fertility, improving dysfunctional input-output markets, ensuring the capacity to implement good policies, improved infrastructure, and increased transparency through improved data collection.

Environmental sustainability must be integrated as a core objective into all agricultural activities. But agriculture is a knowledge-intensive sector with no one-size-fits-all solution; it requires a mosaic of solutions to fit the broad diversity of needs of farming systems worldwide. Farmers will need access to relevant training, while themselves sharing their traditional knowledge of crops to avoid the overuse of resources that jeopardises food productivity and quality. Different actors must come together, complementing each other's efforts for the long-term prosperity of all, attracting new investments that address development challenges and sustain development by ensuring that their economies flourish and people everywhere find worthwhile jobs. ■

THE PRIVATE AND PUBLIC SECTOR NEED TO COLLABORATE IF WE ARE TO IMPLEMENT THE SDGS

Elaine MCCRIMMON
Head of Public Affairs, Europe, SABMiller

As a global company with local operations in more than 80 countries, SABMiller is part of a mutually-dependent value chain, from the farmers who grow the ingredients for our beer to the retailers who sell our products. That's why contributing to society's prosperity through the post-2015 Sustainable Development Goals (SDGs) is so important to us. Sustainable development is not about corporate social responsibility, or philanthropy, but about the long-term growth and success of our business. Our new sustainable development strategy, launched in July of last year, was named 'Prosper' for that very reason.

Businesses, including ours, can make a meaningful impact in the developing countries where they operate by working with others to leverage capital, resources and skills. And, as we consider the challenges and opportunities of the post-2015 agenda, it is clear that collaboration and innovation will be critical to improve, scale and finance solutions to social and environmental challenges. One example of this approach is in Latin America, where we are partnering with the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB) and FUNDES to deliver a retail development programme called "4e Camino al Progreso" (Path to Progress).[1]

"4e" targets small retailers at the base of the pyramid in Colombia, Peru, Ecuador, Panama, Honduras and El Salvador to equip them with training in the financial skills needed to grow their businesses, provide better standards of living for their families and play a leadership role in their communities. In Latin America, small retailers play an important role in local communities, so by empowering them and giving tailored support, we help to strengthen the local community as well. Over the next 3 years, we will have invested $17 million to provide commercial expertise and advice to 40,000 retailers. The MIF will also invest an additional $3 million in a grant aimed at strengthening leadership and organisational skills. The programme is being replicated in Africa, and we are also experimenting with expanding its coverage using technology and partnerships with other companies and NGOs. By 2020, 4e is projected to have benefitted 189,000 small retailers.

Another example is our participation in The Nature Conservancy's Water Funds project, which works towards the conservation of key upstream lands that naturally filter and regulate water supply. This work minimises water treatment costs downstream, attracting investments from large water users to fund the project. They also provide an effective model of the payment for ecosystem services that shows great potential for export to some of our markets in Africa. These practical on-the-ground examples offer useful insights to consider when developing and investing in solutions to accelerate the post-2015 SDGs.

First, we need a spectrum of financing models that ensure programmes are accessible to those they intend to benefit. The options are vast – from impact investing to social,

[1] http://www.sabmiller.com/docs/default-source/investor-documents/reports/2015/sustainability-reports/the-case-of-sabmiller-s-4e-camino-al-progreso-program-2015.pdf?sfvrsn=8

environmental and development bonds to counterpart funding – but they have varying levels of complexity and potential benefit. More effort must go into ensuring the money reaches those who really need it, and that there is an enabling environment for implementation. This will require all actors – governments, corporations, financial institutions, mobile operators and others – to work together to implement scalable solutions.

Second, we need to shift investment mind-sets as well as practices to unlock more capital. This means investing for the long term. Those investing in new models for development will need to reconsider timelines for securing returns on investment as well as determining acceptable risk. In addition, governments and NGOs must recognise that private sector involvement in development is not just about writing a cheque. Corporations are increasingly leveraging core operations and supply chains as a channel for delivering social and commercial value. Governments should further encourage this practice by creating an enabling environment where investments into companies, organisations and funds that generate a social and environmental impact alongside a financial return benefit from regulatory and tax incentives.

Third, while bringing together and aligning the interests of a wide variety of stakeholders can be challenging, investment partnerships are the best way to scale development solutions. Based on our experience, organisations need to take the time to harmonise their objectives and outcomes, define clear accountabilities and operationalise governance structures to make these partnerships work.

Finally, we need robust and consistent frameworks for measurement and transparency. With so many new approaches and models, there is a need to better understand what is working. To do this, we need to standardise a common framework for key performance indicators that focuses on outcomes and impacts.
Meeting the challenge of implementing the post-2015 development agenda requires more innovative financing, but also much more dialogue and collaboration to find the best solutions. As a company, we are committed to listening to, learning from, and collaborating with others to shape, deliver and scale the solutions that work. ■

JICA's Initiatives

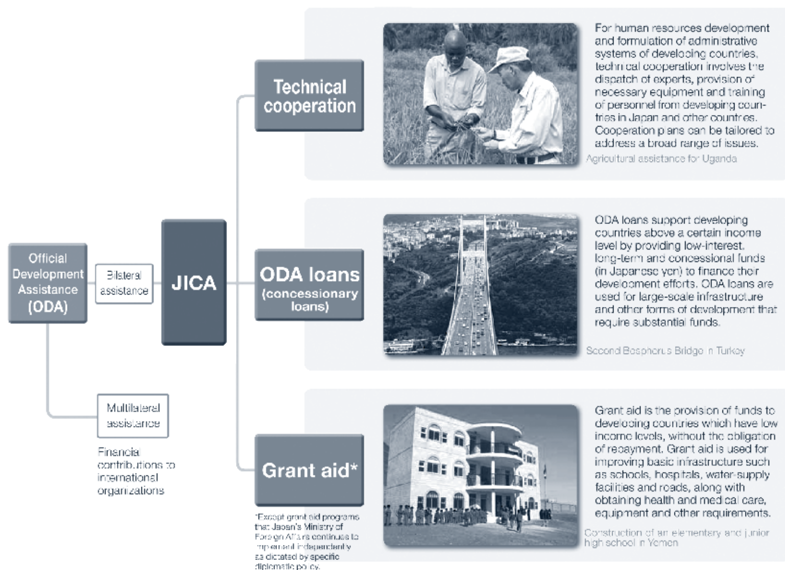
A Bridge Linking Japan with Developing Countries

JICA assists and supports developing countries as the executing agency of Japanese ODA. In accordance with its vision of "Inclusive and Dynamic Development," JICA supports the resolution of issues of developing countries by using the most suitable tools of various assistance methods and a combined regional-, country- and issue-oriented approach.

ODA and JICA

Since joining the Colombo Plan in 1954, Japan has been providing financial and technical assistance to developing countries through ODA, aiming to contribute to the peace and development of the international community and thereby help ensure Japan's own security and prosperity.

JICA is in charge of administering all ODA such as technical cooperation, ODA loans and grant aid in an integrated manner, except contributions to international organizations. JICA, the world's largest bilateral aid agency, works in over 150 countries and regions and has some 100 overseas offices.



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A GLOBAL FOOD POLICY FOR LOCAL POPULATIONS

Maria HEUBCH
Member of the European Parliament
Committee on Development

Around 842 million people chronically suffer from hunger in today's world. Most of them live in developing countries, and half are smallholders and family farmers. Yet it is precisely these farmers who provide over 70% of the world's food needs and contribute to the livelihood of more than 2.5 billion people.

The 2007-2008 global food crisis and accompanying social protests laid bare the inherent weaknesses and shortcomings of the current global food system and the detriments to local populations. To many it was clear that food policy would need a complete overhaul and that the

agricultural sector, neglected for too long in international development policy, would need to be brought back into focus. In this context, the private sector has been heralded as the new promoter of global development, filling in the gaps where public finances are lacking. Only last year, the European Commission published its Communication on the role of the private sector in developing countries, highlighting investments in agriculture as one of the key components.

While the involvement of the private sector can constitute an important component in leveraging funds and promoting local development, it primarily follows the logic of profit and does not necessarily act in the interest of eradicating poverty. The following example illustrates how powerful agrochemical and agribusiness companies, with the help of donor governments, gain increasing influence in the global food sector in developing countries and risk further endangering small-scale farmers and their livelihoods.

The New Alliance for Food Security and Nutrition, launched in 2012, is a complex public-private partnership, which aims to heavily invest in agriculture-led growth in Africa over the coming years and thereby lift 50 million African people out of poverty by 2022. The G8 countries, the European Union, more than 200 companies and 10 African countries are currently part of this alliance. Through cooperation frameworks, African countries are requested to put in place political reforms that create an enabling environment for large-scale private investments in agriculture. Several have already started changing their national legislation on seeds, land rights and taxes. In turn, they receive financial support and investment prospects by participating companies. The EU leads on the cooperation agreement with Côte d'Ivoire and Malawi, and has pledged a total of over €1.2 billion in the framework of this alliance.

The initiative explicitly points out the key role for smallholder farmers but it remains very questionable how exactly this would materialise. Many civil society organisations both in Africa and other parts of the world have voiced deep concerns about the potential negative impacts on food security and local farmers. The New Alliance is heavily focused on large-scale agriculture and the involvement of multinational companies that are often already leaders in their sector and dominate the world market, be it agrochemical and seed companies or companies leading in the world cereal market.

Deep concerns also relate to increased pressure for access to land by foreign companies, an extensive use of monocultures and fertilisers, efforts to privatise the seed sector, and production of cash crops for export. All these counter an agro-ecological model of local agricultural development and food production by and for local populations.

The example of the G8 New Alliance suggests that multinational companies have their own interests in this field, ranging from the privatisation of the local seed market to the acquisition of new land for the production of agricultural goods for export. Companies are primarily working for profit. It is difficult to see where a genuine development of the local populations, including smallholders and family farming, comes into play, particularly when they have been largely excluded from the decision-making process related to the initiative. Local smallholder farming is put into direct competition with industrial agriculture, which fundamentally erodes efforts for sustainability and local development.

With the publication back in 2009 of the report on 'Agriculture at a Crossroads', conducted on behalf of the United Nations and the World Bank on the state of global agriculture, it should be clear that a different model of agriculture is more than overdue – one that focuses on the poorest farmers and that promotes sustainability. The report argues that small-scale family farming has to have a key place in global food production because it is highly dynamic, adapts quickly to changing socio-economic conditions and fosters biodiversity. In fact, smallholder and family farming is regarded as much more productive and economically more efficient than large-scale plantations as well as being more efficient in terms of combating worldwide hunger and malnutrition.

A genuine change of direction in agricultural policy should build on the vision that everyone should have the means and opportunities to choose what kind of food they want to grow and consume. They should be able to produce locally, have access to local markets and earn a fair income for the goods they deliver. As the former UN Special Rapporteur on the right to food, Olivier De Schutter, put it: "wealthy countries must move away from purely export-driven agricultural policies and leave space for small-scale farmers in developing countries to supply local markets".

Furthermore, the following aspects are crucial in building a fairer and more inclusive global food policy system:

- A genuine focus on smallholders and family farmers. Small-scale farmers need to be involved in decision-making processes that concern their livelihoods. They need to be at the core of all agricultural development policy efforts. There is a need for improved access of local farmers to local and regional markets.

- Invest in the local private sector and responsible businesses. When investing in agricultural development, priority should be given to local small and medium-sized enterprises. Also, all companies should adhere to the 'Principles for Responsible Investment in Agriculture and Food Systems', as approved by the Committee on World Food Security (CFS) in 2014.

- Land rights for local communities. Access to land, including collective and customary rights, for local communities is crucial for their agricultural activities and livelihoods. All companies should therefore adhere to the 'Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests', adopted in 2012 by the CFS.

Perhaps one of the most fundamental elements needed for a paradigm shift towards more sustainable practices in agriculture is the fact that the success of agriculture cannot solely depend on economic outputs but needs to be equally based on social and ecological benefits. A change in the system thus requires a turn to more human and social ways of approaching agriculture. ■

EUROPE IN THE POST-2015 ERA: ASSESSMENTS OF THE SDGS

PUTTING THE REAL ECONOMY AT THE CENTRE

Christophe YVETOT
Head of Liaison Office to the European Union, UNIDO

It is historical fact that not a single country in the world has ever reached a high stage of economic and social development without an advanced industrial sector. Whatever you name it – value addition, processing, manufacturing – industry is at the heart of economic transformation. Whatever the scale, by the way of dynamic small and medium-sized Enterprises (SMEs) or large multinationals, it is through continuous value addition and sophistication that countries and people grow together and move from light manufacturing to high technology and service-driven economies.

Value addition, the engine of development

Sceptics, if there are any, should consider the impact of industrial revolutions in European countries in the 19th Century, then those of the United States and Japan, and more recently the spectacular rise of South Korea, China and the many other Asian "tigers" and "dragons". What was still a dream only a few decades ago is now happening in many parts of the world where people can experience the benefits of prosperity through better jobs and increased opportunities in their own lives. Many other countries in the world are following the path of the front runners, particularly in Latin America and Africa, with the objective of becoming the emerging economies of the next 10 or 15 years.

However, there is still a huge international divide in terms of manufacturing value added (MVA) distribution. For example, according to the United Nations Industrial Development Organisation, the MVA of industrialised countries is 10-times higher than that of developing countries in general and 90-times higher than that of the Least Developed Countries (LDCs). This gap represents the difference between poverty and prosperity. Supporting continuous value addition in developing countries is the most effective way to lift people out of poverty. Recent UN research demonstrates a direct correlation between the level of industrialisation and the well-being of people, whether it is access to education and health services, or gender equality and job opportunities. It also highlights that a 1% growth in MVA has a direct impact of 2% poverty reduction.

Sustainable industrialisation in the post-2015 agenda

The current financial crisis has dramatically revealed the centrality of industry within economies. For example, the driving force of industry on the service sector is considerable, whether "upstream" with R&D and design, "core production" with supply management, process engineering and other technical services or "downstream" with marketing and distribution.

Looking for growth and jobs, all regions and countries in the world, whatever their development level, be it Least Developed Countries, Middle-Income Countries, Small Island Developing States, BRICS and even the most advanced economies like the United States, Japan and the European Union, have made the development of their private sector and industries a major priority. The adoption of a

"European industrial renaissance" by the European Commission in 2014 is an excellent illustration of this renewed interest for the real economy.

It is not a coincidence that 173 countries, and the EU, supported the "Lima Declaration" in December 2013 in Peru at the fifteenth UNIDO General Conference. This declaration called for "inclusive and sustainable industrial development" (ISID), which means that industrial development should benefit all parts of a society, not only a happy few, and that production systems need to become carbon-neutral, resource-efficient and preserve the environment. This huge transformation will require the mobilisation of all – governments, the private sector and civil society.

The new Sustainable Development Goals (SDGs) that will replace the Millennium Development Goals (MDGs) after 2015 will be universal, and in the next 15 years all governments will have to report on their implementation progress. Among the seventeen goals proposed by the United Nations, the 9th invites all countries to "build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation". As the United Nations Secretary General Ban Ki-moon recently stated "Industrial activities are often associated with pollution and difficult working conditions. But I believe that we can address those issues while making industry synonymous with dynamism, jobs and sustainability … Let us advance inclusive and sustainable industrial development for its own sake – and as part of our broader campaign to protect our planet and all people in the future".

Industrial cooperation: Europe's best opportunity

Following the "European industrial renaissance", the EU Council moved to support a transformative post-2015 agenda and particularly "sustainable industrialisation and innovation" as an important priority for the next 15 years. It is certainly a forward-looking decision.

Indeed, beyond international industrial competition, there is a huge need for industrial cooperation worldwide, and the EU can lead this process. Poverty, combined with huge demographic growth, particularly in Africa with a projected population of almost two billion by 2050, could lead to conflict, instability and huge migrations. Investing massively in the real economy now will support the emergence of middle classes, stability and new market opportunities. In addition, the biggest challenge of our time, the transition towards a green

economy, will also require enormous knowledge and technology transfers in clean production, resource efficiency and sustainable energy as well as the development of a dynamic green industry sector. Europe should be at the forefront of this new industrial revolution for a circular economy. The return on investment, both in terms of public goods and private sector development, will be huge.

Many emerging and developing countries are looking for more foreign investments, skills development, knowledge and technology transfers to accompany their fast growth. Global value chains that work beyond borders can have a huge impact; enterprises, whether from Europe or developing countries, need efficient standards and norms in order to work together. Many countries are also increasingly looking for modern industrial and SME policies, and there the EU has a lot of experience to share.

At the United Nations Conference on Financing for Development held in July in Addis Ababa, all countries, including the EU and its member states, committed to "invest in promoting inclusive and sustainable industrial development to effectively address major challenges such as growth and jobs, resources and energy efficiency, pollution and climate change, knowledge-sharing, innovation and social inclusion". It will now be critical that the EU delivers on this promise to support the "real economy", and further focuses its development cooperation and external action towards the industrialisation objective. ■

GLOBAL CHALLENGES REQUIRE INTEGRATED SOLUTIONS

Tatiana LAMBIN
Development Policy and Finance Assistant, WWF European Office

The Millennium Development Goals (MDGs) have been successful in addressing some of the most pressing development challenges of the time by mobilising efforts from the international community, governments, civil society and private sector actors. Since their design in 2000, extreme poverty has been halved and significant progress made in ensuring access to healthcare, drinking water and education. But at the same time, a new group of emerging economies has arisen, inequalities between and within countries have taken deeper roots and environmental degradation and climate disturbances are growing at unprecedented rates, threatening the future availability of natural resources and food production.

The challenges our world is facing are increasingly interlinked and their scale transcends borders. For example, sea level rises around the Pacific islands can be linked to the excessive levels of pollution from industrialised economies through climate change. Similarly, the critical issue of tax avoidance, taking resources away from governments in Africa and elsewhere, can often be traced to multinational corporations with global operations. The scale, dynamics and root causes of these issues need to be addressed by decision-makers to eradicate poverty and put the world on a sustainable development path.

This is what the new Sustainable Development Goals (SDGs), which will succeed the outgoing MDGs this year, will aim to achieve. Not only will they encompass new issues, such as the complex interactions between people and the planet, but this time responsibility to implement these goals will fall upon all countries. The world is moving away from the traditional North-South divide towards a universal agenda for sustainable development, ranging from reducing inequality to ensuring sustainable patterns of consumption and production.

Some of the consequences of the new agenda will go well beyond external development policy. After world leaders meet this September to agree on the SDGs, the European Union is expected to review its domestic and external policies and ensure policy coherence for sustainable development at all levels and across all sectors. For instance, billions of euros in public money are still being poured into the fossil fuel industry in Europe, impeding the introduction of innovative and cleaner alternatives, counteracting global efforts towards climate change mitigation. In addition to the elimination of fossil fuel subsidies, the careful review of tax systems and the promotion of incentives to spur innovation and investment in green and socially-inclusive business models will deliver benefits to our economy, citizens and the environment.

Policy coherence also means understanding how external policies such as trade, migration and technology impact on the goal of poverty eradication in non-EU countries. For example, promoting the transfer of appropriate technologies to developing countries is just as important as aid when it comes to supporting lower income countries. Not least, given persistent disparities between countries, delivering on existing commitments in terms of official development assistance and capacity building is still critically needed to support poverty eradication,

address climate change and prevent irreversible losses of natural capital in the least developed countries and fragile states.

The second key factor for the successful implementation of the post-2015 agenda will be for policymakers to embrace holistic approaches to sustainable development. Interlinked challenges require integrated solutions. Forests, for instance, play a crucial role in the climate system and in supporting the livelihoods of over 2 billion people through the provision of shelter, food, water and fuel. As a result, while timber production can deliver short-term economic benefits, this may be at the expense of climate change mitigation and poverty eradication. These inevitable trade-offs need to be navigated by governments and private actors.

Local actions can sometimes cascade to have unexpected global impacts. Investments in biofuels to promote renewable energy in one place can threaten food security in another through higher commodity prices, and can cause deforestation elsewhere through land use changes. Only by breaking the traditional social, economic and environmental silos can we build on synergies and address trade-offs.

Progress in one area can indeed reinforce progress in another. Investments in education in particular will have positive spill over effects on poverty reduction, the status of women and the promotion of peaceful and inclusive societies.

Integrated approaches to policymaking will ensure that all policies and public and private finances are economically viable, socially inclusive and environmentally sound, and at the very least that efforts in one area do not hinder or undermine progress in another. Composite indicators of progress going well beyond gross domestic product (GDP), such as those measuring well-being, provide one mechanism to deal with policy inter-linkages. Measuring progress exclusively based on GDP ignores the multidimensional nature of well-being, as well as a country's often limited natural capital.

The MDGs led the world to unite in raising resources to meet the needs of the world's poorest. While the unfinished work will be carried on, the SDGs have expanded the global agenda and will now compel governments to look at the root causes of poverty and environmental unsustainability. Successfully implementing the agenda will take more than money. While states

have primary responsibility for the delivery of the goals, the engagement of multiple stakeholders will have to be mobilised, from the private sector to local authorities and civil society. Establishing clear roles and responsibilities, delivering strong and coherent means of implementation and ensuring the collection of disaggregated data to devise effective policies and monitor progress will be critical for the success of the agenda.

2015 offers a historic opportunity, which, if properly resourced, has the potential to spur transformative change and put the world on a fair and sustainable path. As United Nations Secretary General Ban Ki-moon has said "we are the first generation that can end poverty. And the last one that can take steps to avoid the worst impacts of climate change". This opportunity should be seized. The European Union has been supporting the ambition and universality of the post-2015 agenda since the start of the SDG process. Over the coming months, the EU will have to formulate concrete proposals for how it will deliver. It is an opportunity for all European stakeholders to rise to the challenge and show the way forward. ■

WHAT MY GRANDCHILDREN SHOULD REMEMBER FROM 2015

Natalia ALONSO
Deputy Director of Advocacy and Campaigns, Oxfam EU Advocacy Office

Whenever I think of conversations I'd like to have with my future grandchildren about when the world actually began to change for the better, I hope the spring of 2015 will be the first thing that pops into my mind. And here's what I hope to be able to tell them.

2015 was not just the trumpeted "year of development", the time for adopting new Sustainable Development Goals or the moment to agree on a deal to tackle climate chaos. It was the Great Transition of the 21st Century that made us reach where we are today. There were three summits – led by the United Nations – in Addis Ababa, New York and Paris that negotiated how to fund this transformation, how to shape our mutual responsibility in ending poverty and injustice and how to save the world from disastrous climate change.

Truly, the trends in the decade that led towards this Great Transition were hopeful. The Millennium Development Goals had halved the number of people living in poverty. But in spite of that progress, 100 million people were falling into poverty every year by having to pay for healthcare. Developing countries were losing $100 billion annually to corporate tax dodging, when just a quarter of this would have been enough for every child in the world to go to school. Europe was also losing €1 trillion a year from government budgets. Policymakers claimed they would reverse this absurdity, but they didn't do enough.

By 2015, more wealth was being kept in the hands of a few, while less and less was shared with the many. It was expected that by 2016, 1% of the planet would own half of the world's wealth. Extreme inequality was increasing as a result of skewed political policies and decisions. One in eight people did not have enough to eat. Climate change was putting the livelihoods of millions at risk, posing the greatest threat to the eradication of hunger. The devastating impact it had on small-scale farmers and vulnerable communities was undermining the progress we'd made in fighting poverty and hunger. Climate-related disasters were on the rise.

From these symptoms, the root causes were exposed. Climate change and inequality were exacerbating each other and driving up poverty. The richest countries and individuals had emitted excessive greenhouse gases for decades, leaving the poorest to pick up the devastating costs. Climate change worsened the gap between the rich and the poor, hitting the poorest hardest as they simply had less of an ability to protect themselves. Tackling inequality and climate change had to go hand in hand.

What triggered a change in this trend? What inspired the switch from a reactive and minimalistic approach to a visionary and courageous decision to change the rules? And what was the role of the EU in all of this?

It is difficult to discern what the "light bulb moment" was. Witnessing the Mediterranean Sea become a mass grave for thousands of people because they had no choice but to escape from war, poverty and injustice had a momentous effect.

This is how the Great Transition was to start, I hope to tell my grandchildren. Somehow, the European Union's founding principles of respect for human rights, democracy and the rule of law emerged as pillars for the European vision for 2030. Europe understood that it was an investment with a huge rate of return – the only one plausible if we wanted to live within planetary boundaries and enjoy social rights for all.

It was in 2015 that Europe led a clear plan to tackle tax evasion and tax avoidance, and played a strong role in strengthening international tax rules at the World Tax Summit. That summit, held on the margins of the third International Financing for Development Conference in Addis Ababa, allowed all governments to work together and be held to account for changing rigged tax rules that favoured the few at the expense of the many. Finally, a new intergovernmental body for International Tax Cooperation was born.

Then came the Post-Development Agenda Summit with its debated Sustainable Development Goals. Indeed, it was an ambitious and extensive agenda that encompassed what needed to be done to end poverty and injustice. The cost of meeting these goals was estimated at more than $2 trillion, so mobilising domestic resources such as tax was essential but not enough. Development aid proved to be the catalyst, and after decades of missed promises, rich countries not only again committed but actually disbursed the 0.7% of aid they had promised to for so long – which helped political will for what we then called “emerging economies” to also start providing funds. Nations in the OECD’s Development Assistance Committee started to raise an additional $250 billion a year.

In 2015, Europe led the transition away from fossil fuels by committing to close the dirtiest coal power stations, with clear plans and deadlines to do so, sending a sure signal that the dirtiest of fossil fuels was on its way out. Several billions extra were also raised every year from reigning in financial speculation by taxing financial transactions, as well as finally making sure that polluters paid for the damages they caused through carbon taxes and emissions trading. The money raised was used by the Green Climate Fund to support the major adaptation programmes and clean energy investments we have seen rolled out in many developing countries over the last decades. Without this extra cash, we would have seen governments struggling to plan for the extreme weather events we now see, while still meeting people’s basic needs. The EU’s climate leadership really helped to create momentum ahead for the climate deal in Paris at the end of that crucial year. The global deal was an investment in a level playing field for business and a defence against further hunger, instability and conflict. My grandchildren will be able to see that it all paid off.

I will quote Jean-Claude Juncker, President of the European Commission at the time, on how “Europe need[ed] to be big on the big things”, and I hope to say that in 2015, it delivered. ■

UNITED NATIONS IN BRUSSELS

The United Nations (UN) Team in Brussels brings together different UN entities spanning the wide spectrum of the UN's work in development cooperation, humanitarian aid, human rights, and peace and security. A core mandate of the UN team is to foster its partnership with the European Union (EU), thereby upholding the spirit of both the UN Charter (1945) and the Treaty of Lisbon (2009). These, together with the Millennium Declaration (2000) and its associated Millennium Development Goals (MDGs), provide an overarching frame work for the UN-EU partnership.

Over the past decade, the UN and the EU have been working together in over 110 developing and transition countries to help them protect human rights for all, reduce hunger and malnutrition, prevent and overcome crises, build democratic and inclusive societies, deliver essential services, promote green growth and decent jobs, and ensure the sustainable management of natural ressouces.

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POST-2015: A PARADIGM SHIFT?

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The wider debate on a new post-2015 development agenda is in danger of missing two fundamental changes inherent in the Sustainable Development Goals (SDGs) which, if confirmed, will mean that we are witnessing a real paradigm shift in the way we think about international development. 2015 is the target year for the achievement of the MDGs, which now need to be replaced by a new settlement. Recognising this, the EU has chosen to mark it by declaring this the European Year for Development, but how many of us really grasp the nature and significance of the changes the planned SDGs involve?

The first key change brought about by the SDGs will be a major shift from an agenda specific to a group of countries to one that is universal. The Millennium Development Goals focused on poverty reduction in developing countries. They were cast in a classic North-South model dependent on donor-recipient relationships. The SDGs constitute a much broader agenda which, in addition to social development, also seek to address the other two pillars of sustainable development: the economic and the environmental. Even more crucially, they are universal in aspiration and are intended to apply to all countries. In other words, Europe and other high-income countries will be expected to meet them as well.

This change is evident from a quick look at the content of the SDGs. The first half dozen goals cover the familiar social development territory of the MDGs, then Goals 7 to 9 address economic development. Goals 12 to 15 are environmental and include climate change, consumption and production, oceans and territorial ecosystems. The remaining four goals cover a variety of key overarching issues: inequality (SDG10), cities (SDG11), peace, justice and inclusive institutions (SDG16) and the global partnership and resources required to achieve the agenda (SDG17). The agenda is thus comprehensive and in effect adds up to the first attempt by the international community to agree on a full programme for global development.

Some voices have called for greater simplicity and a reduction in the number of goals and targets, but the programme is interdependent and concentrating on just a few goals would undermine the achievement of the others. The MDG experience has taught us that pursuing social development goals on their own is not enough without also promoting economic growth or ensuring environmental sustainability. Real development will only come with the complete package.

The second shift we need to acknowledge is the way we think about the EU's contribution to international development. As Europeans we are fond of saying that the EU is the largest donor in the world, and we believe that EU aid in the form of Official Development Assistance (ODA) is of good quality. But both these views hide a number of less comfortable truths.

First, European aid is heavily fragmented, which reduces its effectiveness. Second, the EU has still not met its commitment to achieve the UN target ODA/GNI ratio of 0.7% by

2015. So far, collective EU aid is only at 0.43%. EU governments are likely to recommit to this target for a new date into the future, but this still leaves the European countries in a weaker position to persuade their partners at that this is a serious commitment. Third, in focusing on aid we have a tendency to conflate aid with development finance, whereas in reality aid is a very limited component of the financing that goes into development, as the 2015 European Report on Development makes clear.

As the study shows, the vast bulk of the funds for development in developing countries comes first and foremost from their own domestic tax revenue and then domestic private finance. External inputs from private sources are the third principal source and international public finance, or "aid", comes last. A clear illustration of this is that the global success in meeting MDG1 (halving global poverty by 2015) was very largely due to Chinese efforts to reduce poverty at home. This was financed by domestic public funds and private capital, not by aid.

Of course aid is a very flexible source of finance for development and can be carefully targeted. It is also needed more in some countries than in others, but even there it cannot be seen as a long-term solution. So ODA needs to be used well, and ideally in a catalytic manner that encourages the mobilisation of other sources of finance – for example it may be better to use ODA to upgrade the national tax administration than pay for running ongoing health service provision.

In sum, although the EU's aid efforts are certainly valuable and necessary, they are smaller than promised, less effective than they could be and are only a minor proportion of the resources that go into the development of countries. Acknowledging this openly in the European Year of Development is important.

Moreover, aid is not the only contribution the EU makes to international development. As the European Report on Development stresses, "policy also matters". This includes policies about the use of aid and the way it is delivered, but also policies that help set the global conditions for development. If the Sustainable Development Goals to be agreed at the UN in September are indeed going to encompass a holistic programme for global development that tackles a variety of global challenges and not just poverty on its own, then we need to rethink the way we finance and support it.
Just talking about ODA is not enough. This is recognised in the draft text for FfD3, which underlines

the fundamental role of mobilising domestic resources and strengthening tax systems. But it also stresses the importance of external support for this effort by strengthening international cooperation to combat illicit financial flows, tax evasion and corruption.

The EU needs to contribute to achieving a binding agreement on climate change, which in turn will provide a conducive international environment for development. In other words, the right policies need to be combined with strategic use of finance. The EU can contribute on both fronts by promoting the coherence of its policies so they support such efforts and by working with partner countries to ensure its ODA is used in an effective and catalytic manner.

The SDGs are ushering in a new era for development. The EU has declared its support, but it is questionable whether Europeans really recognise some of the key changes that underpin this agenda and the paradigm shift they constitute. In particular, we need to recognise two fundamental changes. Firstly, the SDG agenda is universal and the EU will be expected to achieve its various goals at home in Europe. Secondly, the EU contribution to this international effort is not just about aid but it is also far more importantly about how European policies contribute to the wider international cooperation that tackles global challenges such as climate change, trade or global financial stability. For this we need allies and partners and not just developing countries which receive our aid.

The real paradigm shift inherent in the Sustainable Development Goals is that we should stop thinking about the world in terms of “North” and “South”. We should instead think of it as a global community of nations that all contribute in different ways to tackling the universal global challenges that affect us all. ■

GOVERNANCE AND JUSTICE ARE PREREQUISITES FOR DEVELOPMENT

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Committee on Development

In today's globalised world, the security of Europe is more related to an effective development policy than ever. We are facing times of profound changes and new challenges that require a transformation in our external action strategy. This year is crucial for transforming not only the Union's development policy, but also the global development strategy. The development goals established in 2000 – the MDGs – are expiring, and we are currently in the process of setting up a new framework. Although the MDGs did a lot of good, such as halving extreme poverty, many challenges remain. The time has come to acknowledge the lessons learnt and move forward to set truly innovative goals and targets which will be universal and applicable to all.

The new global development agenda needs to be rights-based and people-centred. Furthermore, a more assertive focus on strengthening democratic principles, the rule of law and global good governance is necessary. Building effective, accountable and inclusive institutions, as well as providing access to justice for all, should become the cornerstones of the new global development framework. As the largest provider of development aid, the EU has been called upon to assume the leading role in advocating these priorities in the process of shaping the post-2015 development framework in the three key international events: the Conference on Financing for Development in Addis Ababa in July, the Post-2015 Global Development Framework Summit in New York in September, and the Climate Change Conference in Paris in December.

The European Parliament recognised the need for a shift in development action in November, when it passed by a large majority a resolution advocating a rights-based approach as the underpinning concept of the post-2015 framework. Such an approach places special emphasis on building strong institutions and fighting corruption as starting points. This change will not be easily embraced by all actors in the international community. In fact, it was already contested during the discussions at the UN open working group, which eventually managed to find consensus around the 17 new Sustainable Development Goals (SDGs) – including SDG 16 on justice and effective institutions. This goal includes targets on reducing illicit capital flows, substantially reducing corruption and bribery in all its forms, developing effective, accountable and transparent institutions at all levels, and promoting and enforcing non-discriminatory laws and policies.

SDG 16 actually represents the basis for achieving any of the other proposed goals. Equality between women and men cannot be achieved in the absence of an appropriate legal framework, as well as its implementation. Equality cannot be achieved without an independent judiciary in place to protect women's rights. Food security goals cannot be achieved without land tenure security. The private sector cannot flourish without a business-friendly climate, meaning zero tolerance for corruption in order to provide a level playing field for all, as well as to ensure legal certainty for investment.

Economic and social development can only be sustainable if there is a system in place which guarantees zero tolerance towards corruption; the current situation is unbearable. According to the OECD, citizens in developing

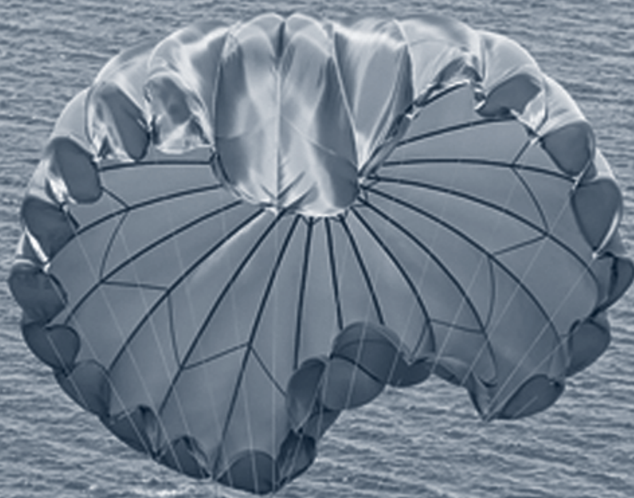
countries lost around five trillion euros in illicit financial flows in the last decade, an astonishing sum that by far exceeds the official development assistance for the same period. Therefore, business as usual is no longer an option. Dealing with widespread corruption must be a priority – without which, there will be no sustainable economic growth.

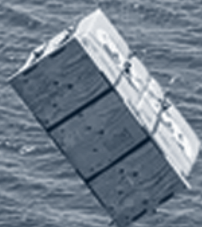
Another reason to insist on fighting corruption in developing countries is the economic challenges we face today in the EU. It will not be a minor task to explain to our citizens that, even in times of budgetary constraints and serious economic difficulties, EU member states should recommit to devoting 0.7% of their General National Income to development assistance. Many other pressing issues, such as European youth unemployment, could be easily seen by many taxpayers as contradictory to stepping up efforts to aid developing countries in remote parts of the world. Thanks to the high sense of solidarity from our citizens, popular support for the EU's development and humanitarian assistance has always been very solid. But it should not be taken for granted, and we need to prove to our citizens that EU development assistance is going to those most in need and not ending up in the pockets of corrupt elites.

It could be argued that this particularly pressing SDG will not be properly addressed if it has to share priority with an extensive list of 16 other goals. On the other hand, reopening the barely-achieved consensus on the SDGs could risk the elimination of this essential goal completely.

Presented with this dilemma, the Parliament endorsed all 17 SDGs in its November resolution, but suggested the possibility of clustering them while stressing the importance of promoting good governance and the rule of law in the new framework. The same approach was adopted by the European Council a few weeks later, when EU ministers also unanimously backed the post-2015 synthesis report released in December by UN Secretary General Ban Ki-moon. The synthesis report actually clustered the extensive list of 17 SDGs into six pillars, 'justice' being one of them.

By adopting these documents, important steps were taken towards the transformation of the development agenda. Yet there is still a long way to go until the final adoption of SDGs. The EU should remain actively engaged in the negotiations, speaking with one voice and strongly advocating the goal on justice and effective institutions as an essential pillar in the new global development framework. ■





CONFLICT & SECURITY

CONFLICT PREVENTION THROUGH DEVELOPMENT: TACKLING THE ROOT CAUSES OF VIOLENCE AND TERRORISM

Dieter FRISCH
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Improving people's living conditions and lifting them out of extreme poverty – in other words: taking human development seriously – is one of the most effective ways of preventing outbreaks of violence.

In 2003, the then UN Secretary General Kofi Annan asked a group of 16 "wise men" to examine the threats to international security. Among the six types of risk they identified as root causes of international insecurity, they put socio-economic conditions in first place, considering poverty as a major cause of conflict.

The World Bank came to similar conclusions in its 2003 study, 'Breaking the Conflict Trap: Civil War and Development Policy'. Taking an economic approach to political problems, the study showed empirically that improving living conditions reduces the risk of civil war. "Civil war reflects not just a problem for development, but a failure of development", the study concluded.

Again in the same year, the EU published its first European Security Strategy, which categorically asserted that "security is a precondition for development". It took until 2007 for the European foreign ministers – under the influence of development ministers – to add that "without development and poverty eradication there will be no sustainable peace".

This is all the more true as the awareness of poverty and, even more, of inequality and exclusion, which might have passed rather unnoticed in former times, has been widened by the modern means of global communication and social networks.
Nobody would deny that, when a conflict has broken out, all efforts must be undertaken to re-establish peace and security. But the conflict might have been avoided if one had taken the necessary preventive measures far upstream in the chain of events, before being compelled to turn to crisis management. In other words, if one had dealt with causes before moving to symptoms.

Admittedly, we tend to hold religious or ethnic factors responsible for civil and political strife. This might be superficially correct: Hutus against Tutsis in Rwanda, Islamist jihadists against "unbelievers" in Nigeria or Mali, and so on. Digging deeper, though, we must recognise that in most cases conflicts break out where people live in poverty, without decent jobs, without basic healthcare and education facilities, without clean water, food security or housing. In short, they live in hopelessness, without prospects.
These are the conditions which lead to the outbreak of violence and offer a breeding ground for the recruitment of potential terrorists.

It is not by pure coincidence that Boko Haram has emerged in the most destitute corner of north-east Nigeria, to which the oil dollars of the south never found their way. The young followers of this movement could probably be hired for any paid purpose which lifts them out of poverty. It is unlikely that they are all religious zealots like their "enlightened" leaders! Nor is it by accident that Tuaregs in northern Mali could easily be mobilised and "converted" from moderate

Muslims to jihadists, as they never had access to the economic and social development resources available in the country's south.

Even the "Arab Spring", which foreign observers tended to interpret as hunger for political and civil rights and an uprising against dictators, was at the beginning much more of a fight for dignity and basic economic and social rights, for decent living conditions. The young Tunisian who burnt himself to death was, despite higher education, a poor fruit vendor in the informal sector who had his cart confiscated by the police under humiliating circumstances. His reaction took on a political dimension, led to protests, violent outbreaks and even civil war, beginning in Tunisia and then spreading to Egypt, Libya and Syria. Poverty was the main trigger.

The 1994 genocide in Rwanda is generally considered as a typical example of an ethnic clash between the Hutu majority and Tutsi minority. But to a larger extent this was also a struggle for the scarcest resource in overpopulated Rwanda: fertile land. Tutsis are traditional herdsmen who need as much land for one cow as a Hutu peasant does for his whole family. Not surprisingly, the Hutu radio station 'Radio des Mille Collines' inflamed the Hutu population against the Tutsi invasion from the north with their rallying cry: "Ils viennent prendre vos terres!" ("They come to take your land!"). Rivalries for scarce resources like soil and water frequently have the same consequences as sheer poverty. Both are at the roots of conflict and instability.

Another aspect is migration. "If our young people don't find a job, either they join Boko Haram or they take the boat to Europe", an African discussant in a TV debate said recently. While we are engaged in a heated debate about protecting Europe from illegal immigration, and the EU is increasing the capacity of Frontex, the agency in charge of managing migration, little energy and few resources are dedicated to analysing and tackling the causes of mass migration. We must admit refugees who seek to escape from conflict and war, like many Syrians do at present, but most of the refugees who knock at Europe's doors migrate for socio-economic reasons.

They are seeking decent living conditions, which cannot be found at home. As long as their governments and the international community do not tackle extreme poverty and the lack of prospects at the roots, the steadily increasing flow of economic migrants will continue. Even the seven-metre high fences around the Spanish

enclaves of Ceuta and Melilla, do not represent effective protection. And it is certainly not conceivable to build a wall around what would then be a real "fortress Europe"! Here again, inclusive economic and social development is the best means of prevention.

What should be Europe's answer to these challenges?

First of all, development policy – not just development aid, but a development-friendly and coherent policy in all areas and with all instruments – must remain a strong pillar of the EU's external action; not as an instrument of the Common Foreign and Security Policy (CFSP), but as a powerful complementary dimension in its own right under the umbrella of External Action. In a kind of division of labour, the CFSP should remain focused on conflict management, including preventive diplomacy, whereas development policy should operate in the long term on the structural causes of instability.

Consequently, it would be wrong to divert energy and resources initially allocated for development from conflict prevention to conflict management. It would be a mistake to shift from the long term to the short term, from causes to symptoms.

The EU must be able to deal with both aspects. When conflict has broken out – which means prevention has failed – the EU should have instruments and resources to make its contribution to the re-establishment of peace and security. An adequate budget allocation would be needed. The amounts programmed in the Multiannual Financial Framework 2014-2020 under "Security (CFSP)", namely less than €300 million per year, are certainly insufficient to cover the peace-making actions which the EU is expected to support across the world. As long as this situation prevails, the temptation will be strong to fall back on development budget resources.

This is exactly what happened with the African Peace Facility (APF). Established in 2003 by the EU at the request of the African Union (AU) with a view to supporting African-led peace and security initiatives in the area of conflict management and resolution, this facility has since been mobilised inter alia to contribute to financing AU military missions in Sudan, Somalia, the Central African Republic and, more recently, against Boko Haram.

It is by no means my intention to question the political necessity for the EU to support this kind of action, but only their financing modalities. As there was no special budget provided for this purpose in 2003, the EU referred to it as financing from "existing cooperation

agreements". While drawing a first tranche of €250 million from the European Development Fund (EDF), the EU Council and the Commission stated in a joint declaration that this was a provisional solution and that other forms of financing should be envisaged for the future. This has never materialised. Meanwhile, more than €2,000 million has been committed under the APF, the yearly allocation being at least €250 million; these funds continue to be supplied by the EDF. The provisional solution has thus become permanent. This form of grant aid is not even eligible to be counted as "Official Development Assistance" in OECD statistics.

This is a flagrant case of diverting scarce resources from their intended structural development objective to immediate conflict management.

With a view to longer-term conflict prevention, the EU should pay more attention to emerging seedbeds of transnational terrorism. Gaza, where 65% or the population consists of educated young people under the age of 25, or the Tindouf camps in southern Algeria with some 150,000 West-Saharan refugees all living in frustration and hopelessness represent examples of social time bombs. Early warning systems should draw the attention of the international community to these mixtures of poverty and desperation before they explode.

More basically, the EU should dedicate a great deal of political energy to translating the Sustainable Development Goals (SDGs) – to be adopted by the UN General Assembly in September 2015 – into reality. They are all about the ultimate objective of development, namely to secure sustainable decent living conditions for all the people on our planet. The European Commission somewhat optimistically considers this objective achievable in one generation, by 2030. The UN Secretary General takes a similar view and considers the eradication of poverty by 2030 as the overarching objective of the SDG agenda.

If this objective could be reached, even incompletely, the risk of violent outbreaks, conflicts and civil war would be considerably diminished. Indeed, people whose basic needs are satisfied, who have a decent job, can feed their families, have access to healthcare and education, clean water and electricity are not easy victims of terrorist recruitment, nor are they inclined toward emigration or civil strife. Europe would be well advised to take this road towards "decent living conditions for all" with determination, consolidating its capacity as a soft power. ■

More Productive Jobs for Africa's Youth Are Vital for the Region's Economic Progress

Youth Employment in Sub-Saharan Africa

High fertility and declining mortality rates have led to a very young population in most Sub-Saharan African countries. The region's labor force is expected to increase by 11 million people per year over the next 10 years. While the younger generation is better educated than their parents, they often lack the means to translate that education into productive employment. Today, most work is in nonwage jobs on farms and in household enterprises. Even if greater economic activity were to create the conditions for robust growth and economic transformation, the private modern wage sector in low- and lower-middle-income countries could not absorb all the applicants.

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Youth Employment in Sub-Saharan Africa notes that many youth employment challenges are problems of employment in general. The report:

- **brings** together original analysis of household and labor force survey
- **reviews** the experience of a number of promising interventions across the continent
- **draws** from quantitative and qualitative studies in several countries; and it surveys the most up-to-date evidence from rigorous evaluations of policies and programs
- **focuses** on how to improve the quality of all jobs and to meet the aspirations of youth
- **emphasizes** that building a strong foundation for human capital development can play an important role in boosting earnings
- **argues** that a balanced approach focused on building skills, raising productivity, and increasing the demand for labor is necessary
- **provides guidance** to policy makers on how to intervene along two dimensions—human capital and the business environment—and in three priority areas—agriculture, household enterprises, and the modern wage sector.

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LINKING HUMANITARIAN AID, EARLY RECOVERY AND DEVELOPMENT ASSISTANCE

François BELLON
Head of the ICRC Delegation to the EU, NATO and Belgium

The debate on linking humanitarian aid and development has been on the policy agenda for over a decade now. The focus is increasingly on building the resilience capacity of individual communities against natural disasters, armed conflicts and other protracted crises. With its long-standing experience of prolonged armed conflicts and other situations of violence, the International Committee of the Red Cross (ICRC) considers that the fluidity of such situations makes it unrealistic to maintain a strict distinction between an emergency response, early recovery and development.

International Humanitarian Law (IHL) continues to apply after hostilities have ceased. The ICRC has a specific humanitarian mandate to protect and assist the victims of violence, both during the conflict and after, when society often remains fragile and with residual tensions. It is not for the ICRC to promote the resilience agenda, which crosses over into developmental activities not at the heart of the ICRC's mandate and mission. But in its "early recovery" activities, the ICRC enables affected people to maintain or recover their dignity and their ability to meet their essential needs. The consolidation of economic autonomy contributes to avoiding relapses and thereby the systematic repetition of emergency responses.

In many contexts, an emergency response and development activities are not consecutive but simultaneous. For instance, in 2012 in conflict-affected areas of Iraq, the ICRC gave cash grants to around 600 women and 200 disabled heads of household to start up income-generating activities. These activities often brought in over 40% of their household revenue. Also in Iraq, since the beginning of 2014, the ICRC has provided clean drinking water for nearly 865,000 people, more than 200,000 of whom are displaced. In Syria today, the ICRC has so far contributed water provision to over 15 million people in partnership with the Syrian Arab Red Crescent by repairing damaged infrastructures and supplying spare parts and water treatment products. In 2012 in Somalia, over 171,000 people benefited from long-term initiatives such as the drilling of boreholes, the installation of generators, the construction of elevated tanks and animal troughs, and the building or rehabilitation of rain water catchments and water points.

In West Africa, approximately 10,000 farming families in Niger and 7,000 in Mali resumed production of staple crops with the help of improved seeds. Around 2,500 families in Niger and Mali also planted vegetables in market gardens with the help of ICRC-donated seeds, tools and irrigation materials. Complementing these activities, around 5,000 families received cash in return for deepening reservoirs or rehabilitating pastures, thus benefiting the community as a whole. In addition, the National Societies of the Red Cross and the ICRC cooperated with national veterinary services and livestock authorities to provide free services, including vaccination and pest treatment, to over 270,000 pastoral families in both countries, boosting the health and market value of over 5 million animals.

According to a post-harvest assessment by economic security staff in late 2014, many communities in South Sudan are in danger of exhausting food supplies in the coming months. In this situation, the ICRC's priority is still to support agriculture and veterinary programmes. This is the best way to help communities withstand shocks, boost their resilience and enable them to regain some degree of self-sufficiency. Since there is little chance the situation will improve in the short term, the ICRC is continuing to distribute food, farming implements and seeds, and to carry out its veterinary work in the Greater Upper Nile and Greater Bahr El Ghazal. It is also planning to support markets by facilitating seed fairs and distributing food vouchers to boost agricultural production, to promote the diversification of food sources through community projects promoting good practice (e.g. irrigation techniques), and finally to encourage off-season farming to increase production.

In Afghanistan, 30 years of conflict and little investment in the public sector have led to insufficient services, poor infrastructure and unqualified human resources. The healthcare sector is particularly affected. To further contribute to the sustainable development of healthcare in conflict-affected areas the ICRC provides systematic support to the 420-bed Mirwais regional hospital in Kandahar, which covers the country's four southern provinces of 3.7 million people, and on a smaller scale to the 200-bed Shiberghan Hospital in the north-west. Together, the two Afghan Ministry of Public Health hospitals currently treat 44,000 inpatients and 200,000 outpatients per year.

These few operational examples illustrate the need for composite and country-specific responses that include the timely reaction to emergency needs and parallel longer-term interventions to build resilience and coping capacities in a sustainable way. These approaches require direct access to the people affected, and means consulting them about their needs and taking their aspirations into account. Operating in fragile areas requires a precise knowledge of conflict dynamics and actors of influence as well as strong local partnerships whenever feasible.

Based on ICRC's field experience, several important elements can be brought to the attention of policymakers:

- More work is needed to find the best way to address the ICRC's handover of programmes to other development actors. All too often,

the ICRC is one of only a few actors in the field, with no development organisations present and ready to take over. The EU and its member states could create the conditions for a better interaction between the humanitarian aid and development communities by sharing valuable operational expertise and lessons learnt, as well as to facilitate an early entry strategy for development actors.

- The EU should ensure that adequate funds are available for recovery activities through flexible new financial development instruments within the 2014-2020 Multiannual Financial Framework, and ensure a potential re-organising of development assistance in a protracted crisis characterised by periodic instability or armed violence.

Finally, contributions to resilience-building do not exonerate authorities from their legal obligation to care for their own population. The EU and its member states should remind state authorities receiving assistance that the concept of resilience is not used to discharge them from their legal obligations to protect and to ensure the welfare of all their citizens. ■

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