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GREAT

insights

New Diplomacy and Development



Featuring:
Nana Bema Kumi,
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of Ghana to the EU

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and
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In this issue:

Economic Diplomacy and South-South Trade, Peter van Bergeijk

How African Countries Need to Get on with the Business of Diplomacy, Huub Ruël

New Diplomacy: Showing the Way in a Complex World, Paul Engel

Thematic Focus: New Diplomacy and Development

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Editorial

Contrary to its traditional image, international diplomacy is a dynamic field. The question, however, is whether diplomacy can adapt fast enough to follow, let alone anticipate, the rapidly changing international relations context. In a globalised world, with multidimensional interconnections and information channels, diplomats have to constantly expand and refine their roles.

This is the case for Africa as for Europe. In Africa, the regional and continental integration agenda, combined with the increasing importance of a range of emerging partners, are putting new requirements on diplomatic activities. Coordination and innovation must take a more prominent role. The recurrent security crises and political instability that have plagued parts of Africa for so long, now more than ever call for international as well as pan-African actions, and hence fast and well coordinated diplomatic responses. Perhaps even more prominently, the rapid economic growth experienced by the Continent over the last decade should more radically transform the traditional role of African diplomats. The active promotion of commercial interests and economic relations should thus take a more central place in the training and activities of new African diplomats. Similarly, they must give greater recognition to the role of private and civil society actors in international relations, and thus engage more constructively with them.



Adaptation is not only required from Africa. Europe is also facing its own set of challenges. Since the Lisbon Treaty, the European Union (EU) is tentatively putting in place its own diplomacy with the European External Action Service. Whether the glass is half full or half empty is a matter of perception. While the focus of most debates has been on the growing pains of EU diplomacy and its coherence, it is by now clear that it will have to play an increasingly important role, in synergy with EU member states. Security and development cooperation issues seem to have attracted most of the attention so far. The challenge for Europe is to establish a more comprehensive and mature relationship with its African partners. In spite of its goodwill, the EU is suffering from an image problem in many African corners, where it is commonly described as an important, yet often patronising partner, slow to respond to African concerns. The challenge for the EU diplomacy is thus to better harness its (development) programme management and diplomatic roles, now too often confined to political affairs diplomats. This implies to see Africa less as a problem basket case, and more and more as a land of opportunity. Concretely, this means putting more explicit emphasis on win-win economic relations with Africa, to better accompany and take advantage of the rapid growth and economic transformation in Africa. It also means dedicating more effort to addressing development challenges in a more encompassing and coherent way, beyond aid. In the donors jargon, this has been referred to as policy coherence for development, a notion that has unfortunately remained confined so far to restricted development circles, and should be embraced by diplomats.

Some EU member states, such as The Netherlands (read for instance Minister Ploumen's article in *GREAT* of November 2013), the UK, France, Germany, Denmark or Finland, are more explicitly articulating their economic interests to engage with Africa, to be pursued in a coherent manner with development objectives. Such "enlightened self-interest" is not without its own challenges, notably in terms of potential conflicting interests, or at least priorities, between European and African partners. But it has the merit to move beyond a benevolent agenda for development partners, and build on private sector dynamics. It also contributes to call for a different approach to development cooperation as a catalyst or accompanying instrument to development and transformative objectives.

This issue of *GREAT Insights* offers an initial range of reflections on the diversity of changes and adaptations that are required from a modern diplomacy to more coherently contribute to better international relations and development.

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Paul Engel (Guest editor), *Director, ECDPM.*
Jean Bossuyt (Guest editor), *Head of Strategy, ECDPM.*



Ghana's Challenges in a New Diplomatic Environment

Modern developments, including powerful global media, have variously transformed the conduct of diplomacy and forced diplomatic practitioners to measure up and deliver in the best interest of their respective peoples. Understanding modern diplomacy's complexities is imperative for effective diplomatic manoeuvres.

New factors in diplomacy

The purpose of diplomacy, throughout the ages and at different levels of societal evolution, whether at inter-personal, inter-communal, or eventually at international level, has always been to find a solution to an identified problem which is common to the parties engaged. That endeavour has led to a steady development of international relationships aimed at fostering understanding and promoting tolerance, albeit with limited success.¹

Since then, new factors have emerged, including an ever-increasing number of varied players in current complex international relations, coupled with the power of modern media and the speed with which news travel in our times.² With these two significant developments, the very concept of state representation is being gradually transformed and the traditional role, which hitherto was assigned to diplomatic envoys, as sole representatives of the interests of a sending state in a receiving state or in an international forum, is being effectively eroded.

Diplomacy challenged in a new environment

It is important to note that many of these new players are beyond state control and not hesitant about making public what diplomatic envoys would rather carry confidentially, to the authorities of their respective states. The result is what is now described by experts as 'Track two diplomacy'. Track two diplomatic initiatives, which, *inter alia*, engender greater inter-connectivity, are being steadily embraced.³ These challenges call for deep reflection on how to handle diplomacy in this new environment, i.e. how to practice diplomacy in an era of transparency.

Whilst new international actors and the information revolution necessarily alter the diplomat's old monopoly on knowledge and conduct of international relations, some arrangements need to be put in place to preserve a good measure of the aura that surrounds the all important persona of the 'Excellencies'. This is imperative against the backdrop of timeless reality of need for secrecy or real transparency behind closed doors, for the reality that diplomacy sometimes is a 'dirty' business because the alternative is war, cannot and should not be overlooked.

“ The reality that diplomacy sometimes is a ‘dirty’ business because the alternative is war, cannot and should not be overlooked ”

What matters most then, for a professional diplomat, is the ability to process available information with a view to securing the interest of the sending country and by extension its citizens. It is pertinent to note the emphasis placed nowadays on the need for diplomatic endeavours to impact more directly on the lives of individuals.⁴ The power of global media, coupled with intertwined international socio-economic interests has greatly contributed to the prominence of public diplomacy, which directly targets the people.⁵ Modern diplomacy therefore requires practitioners who constantly update their capacity for strategic analysis and negotiations. Knowledge is thus key to effective diplomatic practice.⁶ It is indeed imperative in a world where political and socio-economic problems bring in their wake unfortunate developments such as political instability, food insecurity, conflicts of significant proportions, harrowing violation of human rights and the resultant displacement of considerable numbers of affected persons, not to mention growing inequalities within and between nations.⁷

Making the African playing field fairer

The dearth of knowledge and relevant strategies to overcome the afore-mentioned challenges, many of which often confront African countries, imposes high responsibility on African leaders as they position their countries to benefit from globalisation. In that regard, diplomats as frontline agents of leadership, have to be savvy in recommending international best practices, bearing in mind the shift in the hierarchy of modern instruments of power as well as in global balance of power mainly towards Asia and emerging economies. In their strategic submissions, African diplomats could, for example, legitimately question the point of the Millennium Development Goals and general aid to African countries in the face of stronger opposing actions at play. In other words, light needs to be thrown on to the double talk of the haves.

It is worth noting that hitherto, a number of factors, including bad governance in a number of African countries, have resulted in Africa’s continued dependence on foreign expertise and services which in turn has stifled creativity towards resolving the myriad of national problems that continue to defy solution. Indeed not only do problems such as poverty, food insecurity and conflict remain intractable, they are even intensifying and, in some cases, taking on alarming proportions. Meanwhile, the continent has no choice but to operate in the global space where teams of unequal strength are at play. One has natural resources, but the other has in addition to the finance, the technical know-how and the power. The challenge then, for Africa, is how to constructively make the playing field fairer. It might be still unequal, but it must be fair. In that

regard, Africa cannot afford to underestimate the increased relevance of multilateralism and the particular attention given to international development cooperation in several spheres of human endeavour.

International Development Cooperation has been a dominant feature of international relations since the fifties especially when Europe chose to put emphasis on regional economic integration.⁸ Later, the urgent need to extend economic development cooperation to the then newly-independent states following an accelerated decolonisation process in the late fifties and throughout the sixties catapulted international development cooperation to prominence in diplomatic interactions.⁹ In fact the concepts of soft power and harmony diplomacy, which are both relatively recent identified approaches in diplomatic practice, are based on what rich and powerful countries can do with their resources, especially their expertise and financial wherewithal, to influence developments in less developed countries without resorting to hard and cold tactics, including war.¹⁰ Such approaches, which come with different methodologies, often aim at an apparent win-win situation and are therefore shunned by only a few discerning countries.

New diplomacy in Ghana towards value addition

For Ghana to effectively operate in the new diplomatic environment and maximise the country’s benefits from the development opportunities that could accrue from there, it is first imperative for the political leadership to be aware of its emergence and the related operationalisation. In that regard, it does not appear that Ghana has done any recent major review of its development philosophy in relation to its foreign policy and diplomatic strategies.

“ Ghana does not appear to have weaned itself from the ‘Guggisberg Economy’ that it inherited from the colonial era, i.e. exports are predominantly in their raw form ”

Up until now, Ghana does not appear to have weaned itself from the ‘Guggisberg Economy’ that it inherited from the colonial era, i.e. exports are predominantly in their raw form. This is particularly stark with regard to Ghana’s agricultural as well as mineral and oil production, which constitute the bulk of Ghana’s exports. Meanwhile the country relies heavily on importation of virtually everything that Ghanaians consume, thus making the country extremely vulnerable.¹¹ It is definitely time to re-examine Ghana’s relationships with its so-called development partners with a view to realising the value addition objective which could give the Ghanaian economy a significant boost. A good strategy of value addition would undoubtedly help reduce unemployment with its attendant social challenges. The role of the modern Ghanaian envoy in this regard should be to proffer ideas on how Ghana’s relationships with its partners would assure a realisation of the value addition objective.

Ghana’s future partnerships

Secondly, it is pertinent to note that the continued over-reliance on development partners for financial support is hurting the country, with serious consequences particularly on Ghana’s balance of payment accounts and a disturbing reliance on deficit financing. It is common knowledge that Ghana’s imports, in value and volume terms, continue to far exceed its export revenues even in the wake of oil discovery and exploitation.¹² What has become of Ghana’s practical application of the concept of international development cooperation, I dare say, is its near absolute dependence on foreign goods and services with dire balance of payment challenges. The concern therefore should be to find a means of harnessing modern diplomacy to urgently address the aforementioned development challenges. Ghana would have a lot to gain if it took a critical look at the value of its relationships with its development partners, particularly with a view to redress the structural defects in its economy. **International development cooperation should result in win-win relationships built on fair trade and equitable, not equal, access to markets.** Ghana’s envoys, both state and non-state actors, should, as forerunners in the new scheme of diplomacy and development, be spearheading negotiations that could lead to an appreciable level of value addition and better terms of trade with positive consequences on the country’s balance of payments.

Ghana has had a chequered history of economic diplomacy. Relationships forged with foreign development partners have not benefitted the citizens. This unfortunate situation can, to a large extent, be reversed through a conscious effort by the country’s leaders to change its development orientation and empower its diplomatic agents to operate likewise in favour of relationships that support the country to make better use of its abundant natural resources.

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Notes

1. The Modern Diplomat, 1937
2. Vinocour, 1957
3. Geybullayeva, 2012
4. Roberts, 2006
5. Cull, 2010
6. Lindemann, 2011
7. Emmerich, 1969
8. LI, 2005
9. Six, 2009
10. Cheng, 2012; Sun, 2008
11. Badibanga et al, 2013
12. Asafu-Adjaye, 2010



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New Diplomacy Showing the Way in a Complex World?

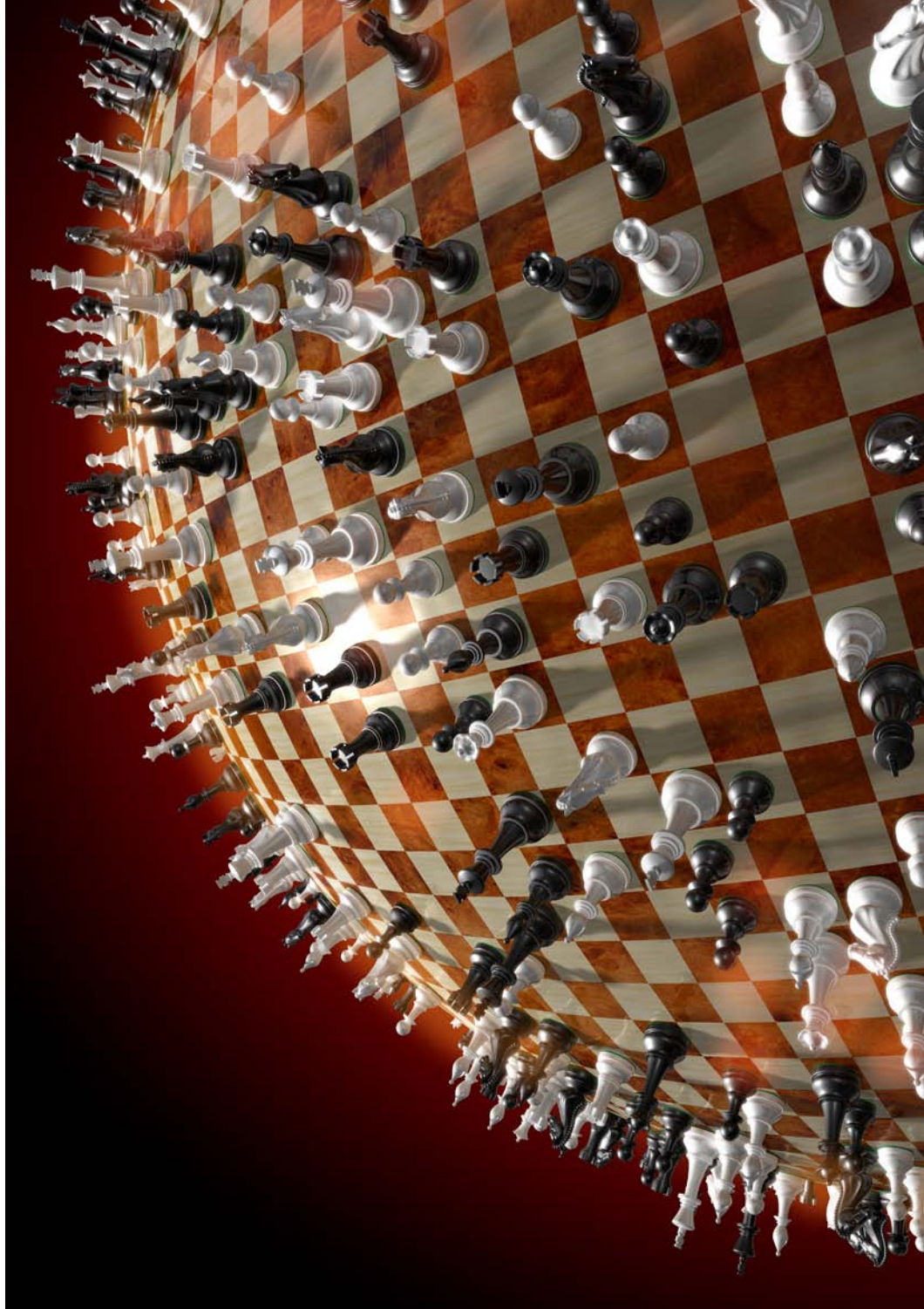
Innovation in diplomacy is urgent as well as messy. It is urgent because for a country or region to position itself successfully within the rapidly changing global power balance traditional diplomacy does not suffice.

And it is messy because innovation in this case doesn't mean replacing the old with something entirely new. It means continuing to do what works well, while experimenting with new ways to address the unprecedented challenges posed by the global community today; a community that has fundamentally changed since the start of the new Millennium. In this new dynamic, multi-polar world, every single solution to any of the flames flashing onto the global screen today requires multiple parties taking responsibility to ensure adequate outcomes are achieved.

What is different?

Diplomacy is changing along at least three dimensions. The first is that in international relations today, *national interests meet universal challenges*. Not too long ago,

diplomacy was about promoting national interests, while development was about eradicating poverty. Towards the end of the second Millennium, diplomacy and development started joining up much more, for example in the field of human rights, peace and security and international trade. Only a decade – and a global crisis – later a variety of challenges have been added to this global agenda, i.e. environmental sustainability, climate change, global health, private sector development, the absence of poverty, the right to food and clean drinking water. In addition most of these challenges are increasingly recognised as universal ones, meaning their effects and hence, international agreements to address them, impact all and not just a small number of countries. With this the broad categories of 'industrial countries' and 'developing countries' have been rendered all but useless.



“...the inclusiveness under the ‘new diplomacy’ paradigm is not an impediment to a powerful post-2015 agreement. It is a chance to ensure ownership by all partners and increase the knowledge about needs. This is central to increasing the effectiveness of the future development framework”

(Frontini & Arends, p.12 this issue)

What is left is a full panorama of nations that distinguish themselves from each other by the degree to which they have developed their polity, economy, and society and hence, the degree to which they are affected by and/or take responsibility for dealing with universal challenges. In international relations this implies that the more ‘traditional’ areas of diplomacy, peace and security, human rights, trade and business promotion have also intensified. And issues of national and regional interest - including fiscal constraints, access to energy, land, water and minerals - need to be factored in each step of the way. To be coherent in one’s approach to different issues therefore has become a central challenge. To strike a deal on just one item – i.e. poverty, trade, human rights - while neglecting the rest is no longer possible.

“America had to be needed. It had to draw others close and sit at the center of a vast diplomatic web, an essential connector. For the proponents of smart power, this was another, essential way in which the United States could maintain its edge as a superpower in the twenty-first century”

(Ghattas)

The second dimension along which diplomacy is changing is the *growing complexity of global interaction*. The global power balance has been reshaped over the past decades. Strong economic growth in emerging economies, also in Africa, has increased the number of relevant global players. Besides, next to a rising number of intergovernmental and state actors, a whole new range of non-state actors has become relevant to diplomacy, such as international and local businesses, civil society organisations, as well as their global networks. Also policy relevant knowledge is no longer concentrated in a few places, but is generated and shared in distributed networks of policy institutes that span the globe. Finally, due to the intense media coverage international relations receive today - from traditional to social media - the general public has become a decisive factor. In short, today effective diplomacy requires activating a “large sticky web of diplomacy”¹, much beyond the networks of traditional multilateral organisations.

The third dimension triggering diplomatic innovation is *the availability of a wide range of additional channels*

and instruments to manage change in international relations and cooperation; today, effective international relations requires the combined use of diplomatic, security, financial, trade and development instruments. Multilateral institutions and multi-donor efforts remain important but many additional channels of influence may be activated as well: public-private partnerships, local, regional and global business and civil society networks, and national and international knowledge institutes and their global networks, to name a few. While sectors – sector ministries, industries, and dedicated civil society groups - take an ever more active part in international cooperation, including the forging of international agreements, the real challenge for effective diplomacy is to facilitate coordination, complementarity and coherence between the different actors and sectors necessary to hammer out a deal that lasts.

Challenges ahead

New diplomacy harnesses hard and soft power by strategically applying the entire range of instruments of international relations and cooperation – i.e. Diplomacy, Defense/Security, Trade, Finance, Development – in a coordinated manner with international partners, striving at coherence and coalition building with relevant multilateral institutions and informal global networks of private sector and civil society actors for maximum global, regional or bilateral impact. It requires careful process planning and management: facilitating effective multi-stakeholder coalitions, including the private sector and civil society; articulating decision-making with multilateral institutions; stimulating private sector, civil society and public engagement and the effective use of knowledge and articulation with initiatives of informal networks around the world.

Some of the challenges that lie ahead:

1. Diplomacy first and foremost needs to intensify its role in integrating international efforts to achieve tailor-made solutions to problems at partner country, regional and global level. Sustainable and inclusive development, accepted by most as the overarching universal objective, requires effective coalitions – of local, national and international players – and smart, well-informed solutions. The effectiveness of these efforts will be judged in terms of their outcomes. Hanne Knaepen, (p.26 of this issue) shows the need for such an integrated approach in the case of mainstreaming climate change in development. However, particularly in times of resource limitations, different initiatives need to push into the same direction, not counteract each other. So coherence will be another criterion to judge diplomatic success. Lundsgaarde (p.21 this issue)

points at the challenge of coordinating the roles played by the country's own sector ministries.

2. Diplomats need to grow in their role as facilitators of international multi-stakeholder processes directed towards achieving support for national, regional and global public goods. External partners need to be needed, they need to be actively engaged in supporting local and national agendas in order to be able to gain the credibility necessary to help forge international coalitions for achieving durable solutions to global problems. In such processes 'fair' and 'equitable' solutions will carry the day, as Ambassador Nana Bema Kumi argues in the previous article.
3. Diplomats need to invest and immerse themselves in informal networks, besides playing their part in the spaces and events of formal diplomacy. In what a Dutch high level advisory committee to the Minister of Foreign Affairs characterised as our 'hybrid' world², diplomats need to actively engage in informal networks with key actors from business, civil society and knowledge institutes at the national, regional and global level. However, to (try to) engage with informal networks only when a crisis appears will not work, what is required is an active engagement over time with the transformative agenda of these networks to support and build trust with the network members. And because such a long-term engagement is time and energy intensive, and costs money, strategic choices will have to be made by diplomatic services on what they can do, with whom and how. As a result, seeking complementarity and an international division of tasks among like-minded agencies seems absolutely necessary.
4. Diplomats need to communicate effectively with a much wider range of audiences. As Secretary of State Hillary Clinton understood (see quote from Ghattas below) this doesn't mean personal contacts become any less important. But with the active engagement of informal and formal networks and the public at large in international affairs, the widespread and effective use of mass media, traditional as well as social media, becomes part of the daily routine of a professional diplomat. For diplomats who have been accustomed to doing their work mostly in private,

“ Diplomacy was no longer just about formal talks with leaders. Smart power was exhausting but, in Clinton's view, essential. But though technology had shrunk the world to the size of a village, Hillary quickly learned that her counterparts still wanted to look her in the eyes to make sure they still mattered to Washington or to seal a deal. It was essential to show up – everywhere ”

(Ghattas)

“ Development is a process of change, requiring adjustments in the societies of the developing countries themselves, as well as in those of developed countries. It also calls for profound changes in the structure of the relations between all nations of the world ”

(Prince Claus van Amsberg, *The Netherlands*)

perhaps this is one of the most difficult challenges: what to communicate, when and how to a broader audience?

5. In the face of the above challenges, diplomatic services clearly need to invest in reorienting, reorganising, and professionalising their services. In order to effectively seek collaboration and communicate one's strengths in an overly populated international arena, a visible, distinctive and consistent approach to international issues is required. Countries and regions need to project a clear image of what they stand for and follow up on their commitments effectively. This requires for example, as Huub Ruël underscores in his article, the need to professionalise commercial diplomacy. Peter van Bergeijk (p.14 this issue) presents another example: improved decision-making tools to decide if and when particular instruments must be applied or not, need to be part of the baggage of the new professional of diplomacy.

Notes

1. Kim Ghattas. 2012. *The Secretary*. Times Books, Henry Holt and Company, LLC: page 39.
2. <http://www.rijksoverheid.nl/documenten-en-publicaties/rapporten/2013/05/30/tussenrapport-groep-van-wijzen-modernisering-diplomatie.html>



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**Post-2015:
New
Diplomacy,
Ambition
and
Compromise**

The international diplomatic landscape has undergone a fundamental transformation over the past decades. New economic powers are influencing the global course to prosperity. Stronger and better organised civil society groups are rallying large parts of the population behind the objectives of prosperity and sustainable development. Private foundations have become indispensable development partners. Local authorities are increasingly engaging in their own diplomatic outreach pursuing their own objectives.

The number of themes that are being discussed in the international arena has increased as well. Alongside the traditional topics related to national sovereignty and security, diplomacy and negotiations revolve around issues related to the delivery of global public goods and common values. The emergence of networks of state and non-state actors, the growing awareness of how interconnected we all are, and the expansion of issues that need international consensus is what is being referred to as “new diplomacy”¹.

The process to formulate a new development agenda that follows up on the Millennium Development Goals (MDGs) is making this shift apparent.

A High-level Panel consisting of 27 development experts from the governmental and non-governmental domain, led by Liberian President Ellen Johnson Sirleaf, Indonesian President Susilo Bambang Yudhoyono and UK Prime Minister David Cameron, formulated recommendations on the future of the development agenda after the MDGs have expired in 2015. Together with other inputs and consultations, the panel’s report fed into a proposal of the United Nations (UN) Secretary-General Ban Ki-moon, who called for a post-2015 world that ensures a “Life of Dignity for All”. In parallel, a UN open working group picked up its work in 2013 and is currently discussing a set of Sustainable Development Goals (SDGs). These will sketch out a vision of what the world should aim for in order to tackle the major sustainable development challenges. The working group – which consists of 70 UN member states – is at this moment negotiating its final report. It will be presented to the UN General Assembly this September.

All these major inputs will feed into the preparations of a post-2015 development summit in mid-2015, where final agreement on a new development paradigm will be reached.

The new diplomacy is a chance for an ambitious agreement

In this process, the topics upon which agreement is being sought range from global poverty eradication through issues related to inequalities and good governance to the fundamental challenges of global environmental degradation. The fact that the post-2015 process deals with the entire spectrum of sustainable development is to a large extent the result of strong EU efforts which has argued from the beginning that poverty eradication and sustainable development cannot be dealt with in separate tracks.

Indeed, this process depends on the active engagement of a large number of state and non-state actors. The current global challenges such as the need to stop global environmental degradation or the continued efforts to eradicate global poverty make

the active involvement of emerging economies – and indeed all economies – a necessary condition for success. Civil society organisations have emerged as drivers towards an ambitious agreement as they raise awareness for the need to put the development agenda on a new foundation. The private sector is responsible for the vast part of international financial flows to developing countries and commands much of the knowledge and innovation that are important to render development sustainable. The involvement of all these stakeholders in the formulation of the post-2015 framework is crucial for its successful implementation.

Negotiations in the international development arena have shifted from the back-room into the open. The public can follow the negotiations almost in real-time. This transparency enables citizens to hold governments accountable for the positions they have pursued in the post-2015 process. This development also embodies the opportunity to make up for the negative implications of the “old diplomacy” style formulation of the MDGs:

“ “ The emergence of networks of state and non-state actors, the growing awareness of how interconnected we all are, and the expansion of issues that need international consensus is what is being referred to as “new diplomacy” ” ”

At the turn of the century, a small number of powerful – and mostly northern – diplomats sat together and shaped in a large part the content of the Millennium Declaration, from which the MDGs emerged. Although this didn't prevent the MDGs becoming the major force for development and poverty eradication over the last fifteen years, the exclusive style of their development somewhat limited the responsiveness of the MDGs to local needs. This compromised the ownership of many developing nations.

Now, fifteen years later, and inspired by the civic engagement already practiced intensively in the context of the various Earth summits that have taken place since 1992, the international community has realised that the inclusiveness under the “new diplomacy” paradigm is not an impediment to a powerful post-2015 agreement. It is a chance to ensure ownership by all partners and increase the knowledge about needs. This is central to increasing the effectiveness of the future development framework.

Partnerships for a broad-based and inclusive post-2015 agreement

As a consequence, the world has seen an unprecedented effort to ensure that the voices of all stakeholders find their way into negotiations. Hundreds of global and national consultations on the post-2015 agenda have taken place. The High-level Panel of Eminent Persons on the post-2015 development agenda brought together a wide range of development visionaries and based its final recommendations on an extensive dialogue with civil society, private sector and research.

The European Union (EU) itself promotes an open and transparent culture in the post-2015 context. In order to base its proposals on a broad and legitimate base, the EU has undertaken strong efforts to build partnerships with civil society and the broader European and international public. Public consultations, stakeholder events

such as the European Development Days and the continuous exchange with the European Economic and Social Committee and the Committee of the Regions all feed into the EU's positioning process for the post-2015 agenda.

In a similar vein, one of the objectives of the Commission's proposal to make the year 2015 the European Year for Development is to mobilise the public for a successful and ambitious agreement. From these consultation efforts, the EU expects to enhance stakeholder networks that lead to a better informed and more legitimate development framework after 2015. Moreover, since we are aiming at an ambitious and universal agenda, it is clear that while different capabilities will always have to be taken into account, the successful implementation of the post-2015 framework is only possible if there is an understanding that responsibilities are common and shared.

This also holds for new global actors. The shifting international landscape means that new economic powers, which have become major players in social, economic and environmental fields, help to shape the rules of the

threats in terms of poverty and global environmental degradation. This is why a dialogue with African countries in the context of the upcoming summit between the EU and the African Union will be essential. Also, the EU ascribes high importance to the outcome of the UN Conference on Small Island Developing States scheduled for September 2014.

The new multi-stakeholder diplomacy is the backbone of EU-action towards a new post-2015 development framework. It offers the chance to put our actions towards a prosperous and sustainable future on a new footing.

High expectations, good compromises

However, even in this new diplomacy context, negotiations remain the primary vehicle for arriving at a common global agreement on what needs to be done to render the world a better place. In order to capitalise on a multi-stakeholder setting and the changing culture of diplomacy, we should be aware that an old principle remains valid also in a new diplomacy context: An agenda can only make a difference if all negotiators at the

“ “ The new multi-stakeholder diplomacy is the backbone of EU-action towards a new post-2015 development framework ” ”

new diplomacy. In a post-2015 context, a constant dialogue and new strategic partnerships with emerging powers are essential for an ambitious framework that is underpinned by the recognition of every country's responsibilities.

At the same time, a new diplomacy approach needs to ensure that the voices of the most vulnerable are heard. There are regions and country groups that need particular EU support as they face the greatest

table are flexible enough to ensure that the views of all stakeholders are adequately reflected. At the end of a negotiation process always stands a compromise.

The post-2015 process has evolved into a debate on all global issues ranging from global health through sustainable consumption and production patterns to the question of arms trafficking and transnational crime. While all these questions need urgent action, the world may

not be able to find agreement on everything at once through the same process.

While pressure from all stakeholders towards an ambitious agreement is essential, it is clear that the post-2015 process itself will not be able to solve the fundamental challenges that are inherent to, for instance, the climate change negotiations. Also, while certainly being one way to make our lives safer, a post-2015 agreement will not be able to stop the atrocities and human rights violations that take place in war-torn regions, as is currently happening in Syria. For these problems to be solved, other global and national processes need to be successfully concluded and followed up with determined action.

High expectations and the call for the EU to be at the forefront in the fight against the world's pressing problems reflect the hope European and global citizen's place in the EU's power to lead a global alliance that changes the world's current development path. At the same time, the EU's influence to successfully fight for its values and interests on the international scene has become more dependent on cooperation with other important actors, in particular emerging economies. Only if the full range of new players come to the table and make shared commitments can a post-2015 agreement live up to the public's expectations.

“ “ A new diplomacy approach needs to ensure that the voices of the most vulnerable are heard ” ”


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2. The opinions expressed in this article are the authors' own and do not necessarily reflect the views of the European Commission.



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Economic Diplomacy and South-South Trade

A New Issue in Development

Economic diplomacy is being rediscovered as a government activity that may help to boost trade and investment. But can it play a role in the foreign trade and investment activities of developing countries? More importantly, does it pay off?

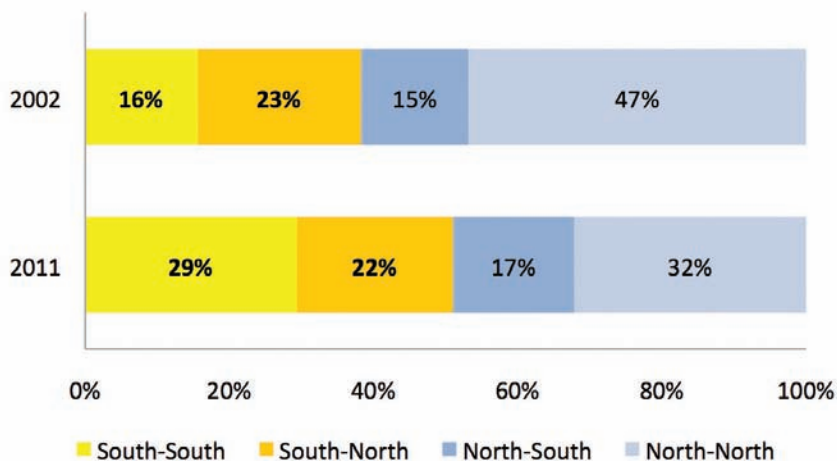
Developing countries are increasingly taking the lead in world trade: in 2011 more than 51% of international trade originated in the global South (Figure 1). This is good news because it implies that developing countries are successfully diversifying

their economies both with respect to the composition of production (the intensity of international trade in relation to domestic economic activities) and with respect to their trade partners.

This success, however, is mainly driven by growing trade between developing countries. With respect to the entering to market of developed countries, the progress is less clear and one reason is that these countries often still have a reputation

“ Economic diplomacy is the use of relations and influence to stimulate international trade and investment ”

Figure 1: Shares in world trade 2002 and 2011



Source: Based on UNCTAD 2013, Figure 14¹

for being unable to produce quality products. Purchasing managers in the North often do not trust suppliers from the global South. Similar reasoning applies to foreign investment. Developing countries thus need to improve their reputation by, for example, creating and signalling higher national quality standards and increasing their number of trading and investment partners. An important instrument to provide this manner of “trade capital” (a public good for all companies in a country) is via economic diplomacy.

Elephant Test: What Economic Diplomats Do

While economic diplomacy easily meets the elephant test (“if you see it, you recognise it”), defining economic diplomacy is not easy. Ultimately its aim is to influence decisions on cross-border economic activities pursued by governments and non-state actors (such as multinational enterprises and NGOs) and therefore involves activities of governments and their networks. In a nutshell economic diplomacy is the use of relations and influence to stimulate international trade and investment. This elephant is too big to swallow and thus it helps

to think about two specific areas (van Bergeijk 2009)²:

- the opening of markets to stimulate cross border economic activities such as imports, exports, mergers and acquisitions and Foreign Direct Investment;
- the building and use of bilateral cultural, political and economic relationships that exist between countries in order to assist domestic companies when they encounter difficulties abroad.

For a long time, international trade economists did not like government activity aimed at stimulating bilateral economic activity. Instead they wanted to rely on markets and argued against export promotion because they saw government interventions basically as distortions and also because their theory told them that specialisation in accordance with comparative advantage would already do the trick.

Top of the Agendas

Since the early 2000s however, economic diplomacy is once again on top of policy makers’ agendas. In the slipstream of the policy discussions, economic diplomacy

also emerged as a major issue on the research agenda of international trade economists. Initially the analysis of economic diplomacy studied the impact of diplomacy assuming the effect would be independent of the level of development of the trade partners. Yakop and Van Bergeijk³ were the first to empirically show the importance of distinguishing between OECD (Organisation for Economic Co-operation and Development) markets and developing countries. Indeed, embassies and consulates can reduce intangible, but real, barriers to trade (such as lack of trust, cultural differences or lacking or weak legal frameworks and insufficient accountability and stability). This export facilitation is a significant trade-enhancing factor in South-South trade, in trade between developed and developing countries (and *vice versa*) but not within the group of higher income countries. This could reflect that markets in the developing countries tend to be more incomplete implying that market failures may be more of a problem in these countries.

Typically, economic diplomacy can be useful in this context especially in order to establish good political relationships that breed trust and facilitate mutually beneficial trade and investment. Veenstra et al.⁴ showed that this is especially relevant for export promotion agencies that do not add much value in OECD countries but appear to be effective in developing countries (this study analyses export promotion agencies in conjunction with embassies and consulates). Moons⁵ review of the literature on the impact of economic diplomacy on the extensive margin (new trade partners) and the intensive margin (more trade with the same trade partners), finds important differences for Latin America and the OECD countries.

Importantly, technological progress (the internet and further improvements in transportation)

reduced the economic costs of trading with distant countries. Economic distance seemed to decay. At the same time, however, trade models continued to find that physical distance mattered (and actually started to matter more than it had done in the mid-1990s). How to reconcile this puzzle? Typically trade economists discovered that other forms of distance (cultural, political, historical distance) had taken over the trade-reducing role of economic distance, i.e. the costs of transportation.⁶ Partly this reflected the fact that these factors had always been present but hidden under the veil of the economic distance. With reduced economic distance these factors became apparent. However, equally important was that trade was increasingly taking place with 'new' trading partners.

What Economic Diplomacy Can and Cannot Do

International trade and investment requires firms to bridge important differences in mind-sets, frameworks and contexts. In a number of cases this is simply impossible for private firms. Government involvement is for example a *sine qua non* in many former state economies, especially in Asia where the presence of a social servant is necessary to signal that government approves of the economic activity. The firm needs a 'diplomat' to signal his government's blessing. The activities of diplomats in the network of bilateral relationships serve more purposes. We can see four issues that need to be addressed:

- **Cultural and institutional** factors may make it necessary for national governments to get involved in international transactions. This is especially the case now that former communist countries account for an increasing share of world trade.
- **State enterprises** may be the counterpart of a company operating in the international markets. This creates the necessity for entrepreneurs to seek cooperation with their national governments in order to equalise the power balance and

to improve the playing field.

- **(Political) uncertainty** about international transactions must often be removed or reduced. Government involvement may signal that a transaction will not raise political resistance.
- The **information** needed for international transactions sometimes requires involvement of government officials because it will only be shared in long term relationships between non-commercial parties.

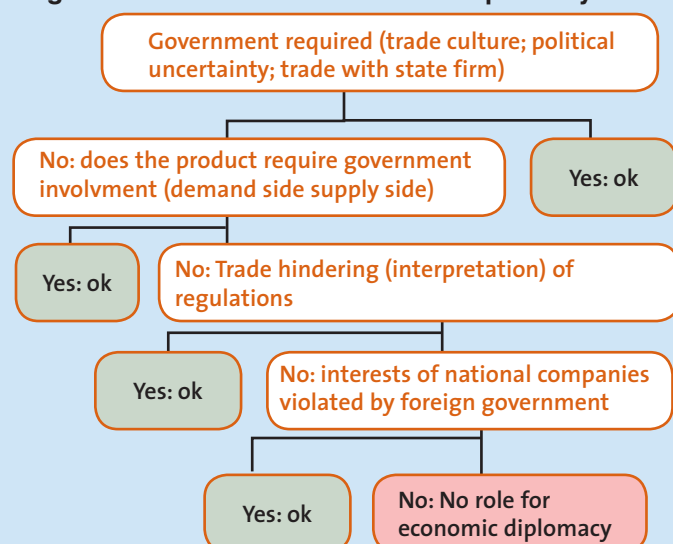
Not all economic diplomatic activities, however, can be expected to yield beneficial results and some restraint is necessary because firms will always demand more of un(der) priced services and also because diplomats may want to show that they are involved in economic activities in order to further their diplomatic career.

While economic diplomacy is more effective in the bilateral relationships of the developing world than amongst

OECD countries, this is not to say that all developing countries are benefitting to the same extent. By way of illustration, Table 1 reports the factors behind this heterogeneity. In the top-right we find Brazil and Chile. They have an efficient economic service, but they could benefit more if these efforts were aimed at other economies. In the bottom-left we find Algeria, Bangladesh, the Dominican Republic, Egypt, India, Morocco, Nigeria, Sudan and Tunisia that aim their economic diplomacy at the right markets, but could gain in efficiency for example by applying the decision tree in Diagram 1. In the bottom-right we find Iran, Uganda and Venezuela that are unfocussed and inefficient. Interestingly the developing countries in the top-left (Argentina, China, Ecuador, Kenya, Malaysia, Pakistan, Peru, Philippines, South Africa, Thailand, Uruguay and Vietnam) outperform many OECD countries in terms of focus and efficiency.

In order to facilitate decision-making on the use of scarce resources, Diagram 1 develops a decision tree. The top level of the diagram is where we start. The first question relates to the country characteristics of the trade partners. At the second level the focus is on the product characteristics: dual use goods require decisions in terms of export permits and infrastructural works are commissioned by governments so that economic diplomats by necessity have to be involved in both countries. At the third level we find specific (interpretations of) foreign regulations that discourage trade and investment. And ultimately there may be cases where the interests of national companies are violated by foreign governments. But if neither of these issues is on the table, economic diplomacy cannot be expected to be welfare enhancing.

Diagram 1: Decision tree economic diplomacy



Source: IOB study 364

Table 1: Focus and efficiency of economic diplomacy (2005)

	Right focus; right economies	Unfocused
Efficient economic diplomacy	Argentina , Austria, Belarus, Belgium, Bulgaria, China , Czech Republic, Ecuador , Finland, Indonesia, Ireland, Israel, Kenya , Malaysia , Netherlands, New Zealand, Pakistan , Peru , Philippines , Russia, Saudi Arabia, Singapore, South Africa , Sweden, Thailand , Ukraine, Uruguay , Vietnam	Australia, Brazil , Chile , South Korea
Inefficient economic diplomacy	Algeria , Bangladesh , Canada Denmark, Dominican Republic , Egypt , France, Germany, Greece, Hungary, India , Italy, Japan, Kuwait, Mexico, Morocco , Nigeria , Poland, Portugal, Romania, Spain, Sudan , Switzerland, Tunisia , Turkey, UK, US	Iran , Norway, Uganda , Venezuela

Developing countries in bold

Source: Based on Yakop et al. 2011⁷

Breed Trust, Bridge Differences, Share Information

International trade is important for development. Exports generate jobs and revenues, create the possibility to reap economies of scale and help to diversify the economy. Imports of capital goods help to upgrade the economy and are vital in any long-term development process. Foreign investments (both in and by a country) are means to get knowledge and international market access. Economic diplomacy can play a powerful role in trade that originates in the global South. Economic diplomats cannot tackle the commercial risks of trade and investment and they should actually not attempt to do so. But they can help to breed trust, to bridge or help to understand differences between trade partners that are used to completely different context, and they can share high quality information on intentions and strategies thus shaping the environment in which their international firms can flourish.

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How African Countries Need to Get on with the Business of Diplomacy

African countries are attractive business destinations for businesses and governments from developed and recently emerged countries. This is a result of Africa's recent economic rise, despite some ongoing violent conflicts. For sustainable growth and development however, Africa needs to avoid earlier pitfalls and professionalise its economic and commercial diplomacy in order to match the skillful business and government representatives from Asia, the United States (US) and Europe and broker deals and agreements that benefit Africa in the long term.

Africa's changing trade partners

Africa as a continent has become a major target for businesses and governments from the US, Europe and Asia with whom to do trade. For a long time, Africa has already offered opportunities for natural resources that developed economies need, but today Africa offers great opportunities for new market development. Especially since more and more African countries are joining the list of emerging economies.

The new global economic power balance has its impact on decision-making processes in bilateral and multilateral bodies. For African countries it means that Europe is

no longer a major economic power to do business with. Asia, and in particular China, has emerged as one of Africa's main trading partners¹, although not without critique. In 2013 the New York Times published an article revealing that a number of African countries are trying to untie themselves from the Chinese dominance in their economies, partially because of relative poor 'deals' and 'returns' from the Chinese side for African resources.

Over the past decades many African countries have struck deals with Chinese firms and the Chinese government, in order to secure natural resources. But Western governments and firms have done their part as well.

The slightly unthoughtful and unnuanced way of dealing with firms and governments from outside Africa and the problems that it brought are a clear signal that African countries need to work on their economic and commercial diplomacy. Now that it seems to become the age of Africa, despite a number of sadly very violent and unstable situations in some countries such as Central African Republic or South Sudan, it is time for African governments and businesses to professionalise their economic and commercial diplomacy competences in order to secure and negotiate better deals, to become self-aware and become more aware of what Africa has to offer.

Improving and professionalising economic and commercial diplomacy competences involves professionalising the competences of actors in government bodies and in business. It also requires organising the network of government and business actors in an efficient and effective way. It may mean that the foreign diplomatic networks have to be restructured in order to turn economic departments at embassies abroad into business focussed units, that can also help African firms to enter markets in the US, Europe and Asia.

Leading from the top on commercial diplomacy

One of our recent studies² revealed that the large majority of foreign ambassadors based in The Hague do not have business experience, but have worked for the government for most of their career. Ambassadors who did have business experience spent more time on commercial diplomacy than those without.

On the various occasions that I was invited to train young diplomats mainly from Africa and Asia on commercial diplomacy, I noticed that this side of diplomacy was not yet in their sights and not very much considered as a core task for their future careers.

Over the past decade many countries in Europe have started to restructure and refocus their foreign missions and put economic and commercial diplomacy at the top of their foreign policy agendas. Another study³ on the future of commercial diplomacy among a group of diplomats from mainly OECD (Organisation for Economic Co-operation and Development) countries showed that commercial diplomacy is very likely to become more and more important.

Interesting as well is that in a comparative study⁴ on commercial diplomacy between the European Union (EU) member states, it appeared that the 'young' EU member states (and most often the so-called transitional economies in central and eastern Europe) were more pro-active in their commercial diplomacy than their 'old' counterparts. This may be considered as a sign that the transitional economies in the EU understand the need for internationalisation of their economies.

For African countries it is time to do the same, and put economic and commercial diplomacy high on the foreign policy agenda, to professionalise and innovate economic and commercial diplomacy. This will serve African countries to be strong partners for business and government representatives from Europe, Asia and the US in negotiating business and development deals, at least agreements that serve both parties equally.

Commercial diplomacy intelligence

Professionalising commercial diplomacy means having foreign ministries and ministries of trade that are manned with well trained staff whose competences match with those of international business representatives. It also means staffing the diplomatic networks abroad with human resources that possess the competences needed for today's global economy, and by ambassadors with a business focus.

A full service commercial diplomacy is capable of conducting network activities, intelligence, image campaigns, and business support. Network activities entail developing business and government contacts, carrying out state visits/delegations, organising and participating in buyer-seller meetings, matchmaking, partner research and developing a personal business network. Intelligence means pro-actively gathering and disseminating commercial information and conducting market research, reporting about business climate and opportunities to the home country, being able to be a consultant to the home and host country partners, conducting country image studies, and establishing joint research projects. Image campaign activities consist of promoting home country business, participating in trade fairs and supporting potential home country exporters, sensitising potential foreign investors, promoting tourism, and conducting awareness campaigns. Business support activities involve contract negotiation support to home and host country

“ It is time for African governments and businesses to professionalise their economic and commercial diplomacy competences in order to secure and negotiate better deals, to become self-aware and become more aware of what Africa has to offer ”

businesses, contract implementation support, and problem solving support. It also involves gathering export marketing data, supervision of intellectual property rights and contracts, advocacy, and coordination of legal actions.

“ ‘young’ EU member states (it appears) were more pro-active in their commercial diplomacy than their ‘old’ counterparts ”

An effective, full service and mature commercial diplomacy requires an efficient division of tasks and responsibilities between the ministries of foreign affairs and trade, as well as among the different actors in the foreign diplomatic service. It also requests a smooth collaboration.

Furthermore, choices can be made in providing commercial diplomacy via public actors only, or via a combination of public, private and semi-public actors. Many African countries may feel that they lack the financial resources to upgrade and innovate their commercial diplomacy. However, professionalising and innovating commercial diplomacy should be considered as an investment rather than as a cost. A well functioning foreign service with a business focus is value for money. Several studies have shown that the resources spent on economic and commercial diplomacy are well spent in terms of returns on investment. In the case of Africa, commercial diplomacy should bring trade agreements, investments and international business that are the basis for sustainable growth and development.

It is high time for African countries to become aware of their potential and attractiveness for business and governments from the US, Europe and Asia, not only for natural resources. But it will need foreign policies with commercial diplomacy high on the agenda and with

commercial diplomacy competences and structures that can compete with and match those of Europe, US and Asia.

Notes

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Beyond Development Diplomacy

Ministerial Diversity and International Cooperation

Although specialised ministries have not displaced foreign affairs and development ministries, their rising prominence highlights shifts in the rationale and organisation of international cooperation.

The development policy arena is widely portrayed as a field facing fundamental adaptation pressures. Spurred by changes in the country contexts where cooperation takes place and the rising salience of issues such as climate change and state fragility, the evolving policy landscape is characterised by a proliferation of goals of cooperation, the diversification of actors involved, and an increase in the range of instruments used.¹

Alongside the emerging economies and private actors that have attracted attention as increasingly active stakeholders in cooperation with developing countries, the transformation of the policy field also involves shifts in cooperation approaches within established donor countries. Beyond the foreign affairs and development agencies traditionally at the center of OECD-DAC (Organisation for Economic Co-operation and Development - Development Co-operation Directorate) donor systems, a variety of bureaucratic actors now play a role in international cooperation. These actors influence cooperation relationships by shaping domestic and international regulatory frameworks and by providing funding for initiatives implemented in developing countries.

Diverse governmental actors as aid providers

The participation of sector-specific ministries in international cooperation can be understood through the lens used to analyse other 'new' aid providers. Their positive contribution to global development relates not only to the additional resources they can mobilise, but also to their potential to generate ideas that present partner countries with a wide range of policy alternatives.² The added value of their specialised expertise may be bolstered by the ability of ministries to tap into novel policy and knowledge networks or their introduction of innovative business practices into the cooperation landscape. At the same time, there is a risk of rising aid fragmentation and coordination challenges, as diffuse initiatives increase the points of contact between donor and partner country governments and generate potential goal conflicts and prospects for duplication.³

As with the broader universe of new actors, one prerequisite for understanding the value added of the development contributions managed by diverse bureaucracies and for ensuring that this funding fulfils a complementary function is an information base on the scale of funding that these actors provide, the priorities

that they favour, and the implementation models they adopt. Although the peer reviews of donor policy systems conducted by the OECD-DAC suggest that the development-related activities of sector-specific ministries have increased in many donor contexts, generating knowledge on these trends requires closer attention to developments within specific bilateral systems.

The German and US experience

In Germany, for example, all federal ministries provide some funding that can be classified as Official Development Assistance (ODA). In most cases, however, this funding is miniscule in comparison to the funding provided by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Federal Foreign Office, which together accounted for more than 70% of the German ODA total in 2011 and have consolidated their positions as leading aid providers in recent years. Among sector-specific ministries, the environment ministry has overseen the most important rise in funding due to the support for climate mitigation, adaptation and biodiversity protection that it administers, though in 2011 its ODA represented less than 2% of the German ODA total.⁴

In the United States, where 27 governmental agencies are involved in administering resources that qualify as ODA, slightly less than 70% of ODA commitments in 2011 were attributed to the U.S. State Department and USAID. As in Germany, the weight of these core agencies within the development policy system has actually been growing in recent years, even as other sector-specific players have become more noticeable aid providers. In the US context, the Department of Health and Human Services has been the most prominent sector-specific actor to adopt a more international orientation, a development accompanying the expansion of US funding for global health over the last decade. Nearly 13% of US ODA funding was attributed to the Department in 2011.⁵

What does it mean for the management of international cooperation?

While the presence of diverse governmental actors as aid providers has thus not yet fundamentally challenged the central place of leading foreign affairs and development agencies in the conduct of development diplomacy, the varied cooperation initiatives that sector-specific actors oversee raise numerous questions about the direction in which the management of international cooperation is headed.

First, there is the question of how the underlying rationale for international engagement is shifting. As varied governmental actors expand their investments in developing countries, the goals driving cooperation are becoming more diverse and more transparently framed around the promotion of mutual interests. Sector-specific ministries engage in international cooperation because they recognise the interdependence of domestic and international policy goals. As an example, the *Global Health Strategy* published by the US Department of Health and Human Services in 2011 stresses that because diseases

do not respect national borders, international efforts to reduce the incidence of disease also carry benefits for the health of the American people. The strategy acknowledges that partner countries may be a source of solutions for American health challenges, justifying investments in international research collaboration. At the same time, the strategy indicates how this agency and its subsidiary bodies can offer added value to international cooperation, underlining the potential of mobilising departmental expertise to address global health challenges and its ability to strengthen exchange on health issues via engagement with counterparts in foreign health ministries.⁶

Second, the involvement of sector-specific ministries in international cooperation highlights the need to consider how responsibilities for cooperation should be optimally divided among governmental actors in the future. This suggests that donor governments need to conduct competence assessments to determine the strengths of varied bureaucratic actors in engaging in developing country contexts. These strengths may relate not only to their expertise, but also to the organisational structures and procedures in place to effectively oversee and implement cooperation programmes. This type of competence assessment necessarily also involves a review of the comparative advantages of development agencies as cooperation actors. The possible strengths of development agencies include their ability to mediate between partner country and donor government interests, their cross-sectoral perspective, and their experiences in developing programmes and working procedures to enhance aid and development effectiveness.

“ “ The evolving policy landscape is characterised by a proliferation of goals of cooperation, the diversification of actors involved, and an increase in the range of instruments used ” ”

The performance of specialised development agencies in delivering aid varies across donor systems. Generalising from a cross-national analysis, the Quality of Official Development Assistance (QUODA) assessment noted that aid agencies did not outperform other ministries disbursing funding in developing countries on all dimensions of aid quality.⁷ As an example, an evaluation of government performance on the implementation of aid effectiveness principles in the United States revealed that the State Department and USAID were not the most advanced government departments in internalising practices

“As varied governmental actors expand their investments in developing countries, the goals driving cooperation are becoming more diverse and more transparently framed around the promotion of mutual interests”

consistent with the aid effectiveness agenda.⁸ Beyond the nature of a bureaucratic mandate, numerous factors can influence organisational effectiveness in promoting cooperation objectives, including the constraints placed on bureaucracies by other governmental actors. Assessment criteria for evaluating organisational effectiveness ultimately have to be derived from the goals these organisations are expected to achieve.

A third question highlighted by the participation of sector-specific ministries in international cooperation concerns whether effective coordination mechanisms within a given donor country are in place to ensure that the diverse activities managed by various bureaucracies promote consistent goals and an efficient use of government resources. At a minimum, coordination requires transparent reporting on cooperation activities and access to information on programmes managed by other bureaucratic actors. Moving toward joint planning and the linkage of cooperation programmes on the ground implies more continuous exchange among bureaucracies, indicating that additional transaction costs may be introduced into foreign relations structures as a wider array of governmental actors increase their international profile.

At a broad level, the assessment of the fitness of existing coordination mechanisms also draws attention to the role that foreign affairs ministries play in orchestrating cooperation contributions from diverse actors. While foreign affairs and development portfolios have already been consolidated in some donor contexts, integrating the full spectrum of international cooperation programmes under the umbrella of a foreign affairs bureaucracy may face practical limitations, as the generalist skill set associated with the traditional diplomatic corps may be difficult to reconcile with the in-depth knowledge of technical issues needed to guide cooperation programmes in specific sectors.

The challenge of foreign policy coordination

In considering whether and how to adapt foreign policy structures to address the diversity of issues and country contexts that cooperation programmes must now respond to, striking a balance between profiting from the resources, expertise, networks, and implementation models that specialised bureaucracies can contribute to international engagement and the need to promote coherent and coordinated action across government will remain a core challenge.

Notes

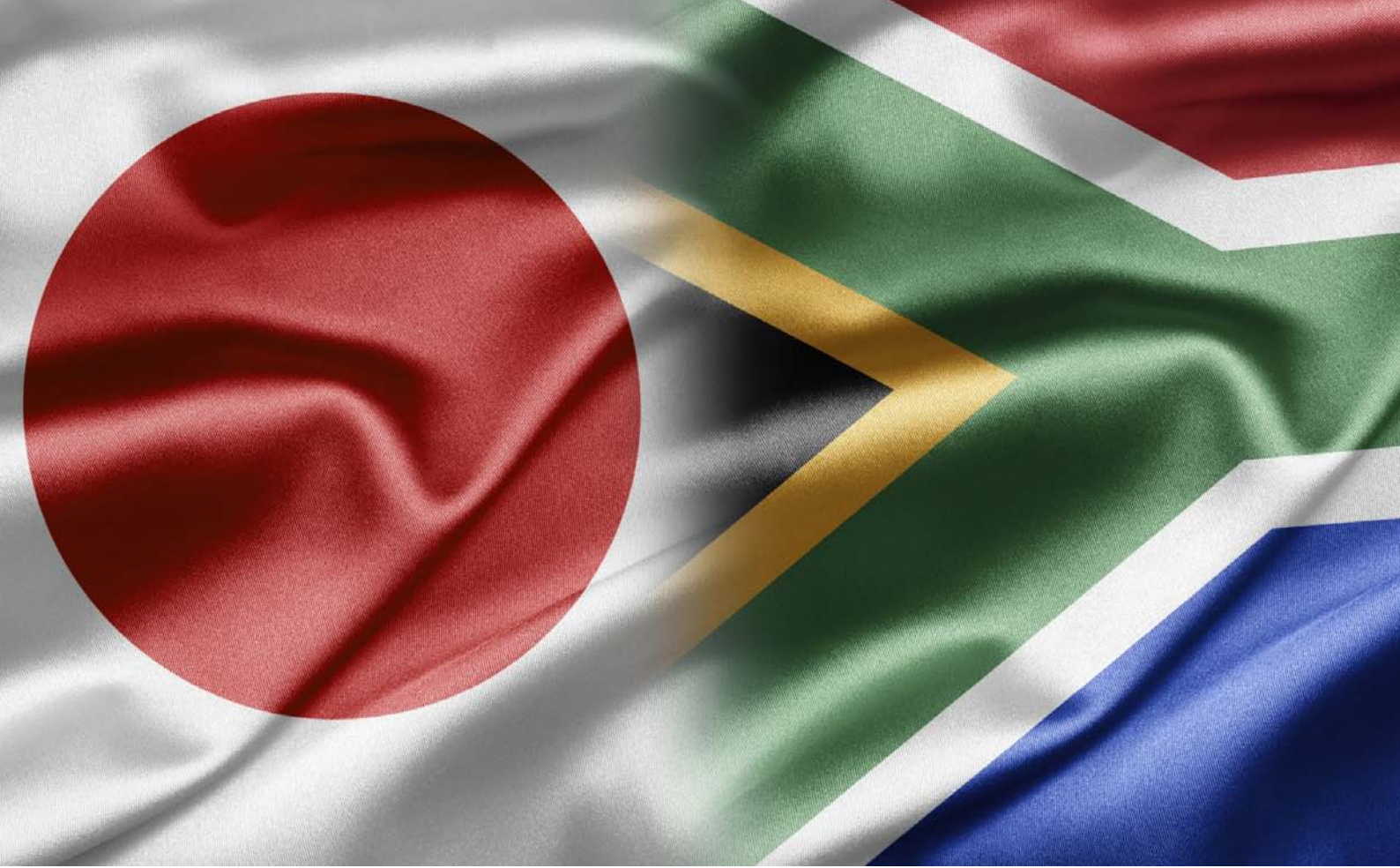
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Linking the Tokyo International Conference on African Development with the EU-Africa Summit to Make Africa a Continent of Real Success

Development partners such as Europe and Japan should focus more on the human and community potential of Africa, not just mineral resources.

In 1973 Walter Rodney wrote in his book “How Europe underdeveloped Africa” that Africa today was underdeveloped in relation to Western Europe and a few other parts of the world and that the present position had come about, not by the separate evolution of Africa on the one hand and Europe on the other, but by exploitation.

A recent publication from the Japan International Cooperation Agency (JICA) on Africa begins with the headline “this is an age of dramatic and exciting change for Africa, with a population boom underway and many countries experiencing rapid economic growth. The years of stagnation and decline are a thing of the past, and a youthful and vibrant Africa is looking to the future with a growing sense of optimism.”¹

Which one is true? Perhaps the right answer lies between the two: pessimism and optimism.

Africa – problems and potentials

Africa has long been touted as the continent of potentials. Now the potential has turned into reality. Its economy has grown at an average rate of 5% in the past ten years. Its population is expected to double by 2045. The world is watching Africa as the last emerging market in the globe.

Africa is not without problems. As its economy still depends largely on natural resources and the primary commodities, it needs to improve governance over natural resources and to ensure inclusive and sustainable growth.

The other challenge that Africa needs to tackle is how to strengthen its resilience to the external shocks such as drought, natural disasters and violent conflicts.

“The years of stagnation and decline are a thing of the past, and a youthful and vibrant Africa is looking to the future with a growing sense of optimism”

The TICAD process

39 heads of states from Africa, together with heads of international and donor organisations, including European Union (EU) Commissioner Piebalgs, gathered at the fifth Tokyo International Conference on African Development, or TICAD Five, held in Yokohama in June 2013 to discuss and hammer out concrete action plans for inclusive and sustainable development of Africa from 2013 to 2017 under the co-sponsorship of the Japanese Government and the African Union.

The TICAD process started in 1993 on the initiative of the Japanese Government in order to drum up international support for poverty and conflict stricken Africa at a time when Western donors were suffering from aid fatigue. The TICAD was not a one-off event. It has been held every five years since then and at each summit the progress in the preceding five years is evaluated and a new action plan launched.

The underlying spirit of the TICAD has been and will continue to be of African ownership. The TICAD is not a pledging conference. It is a forum where African wisdom and commitment are brought together with partner countries and organisations playing a catalytic role. The concept of the New Partnership for Africa's Development (NEPAD) was born out of the TICAD Two and Africa-Asia Cooperation was highlighted in the TICAD Three. The TICAD has served as a breeding ground for new initiatives for Africa by Africa.

In the TICAD Five, Japan committed to providing public and private support for Africa totaling US\$32 billion. It is not all about money. Japan, together with other international partners such as the EU, will support African investment in its own people such as rural farmers, female entrepreneurs, trade and business youth and health workers through various training programs both in Japan and Africa.

“Africa has long been touted as the continent of potentials. Now the potential has turned into reality”

African resilience

African people, particularly those in the rural community, are marvelous. In 2006 and 2007 I visited around thirty villages in Malawi as advisor on the One Village One Product Movement (OVOP). The OVOP is an initiative for community-based business development that originated in rural Japan in the 1970s. Under the OVOP, each village is encouraged and supported to produce at least one product using local resources that can be showcased in the domestic, regional, and even the international market. Malawian villagers, particularly women groups, developed and marketed a wide range of products such as natural cooking oil, corn bread, fruit juice extracted from the baobab tree, milk and bamboo furniture with the technical assistance from Japanese community workers as well as micro financing from Malawi community banks. Out of the OVOP movement there emerged a number of community business groups who not only created rural jobs but helped vulnerable people in their community such as HIV/AIDS orphans and people with disabilities.

Africans are resilient and mutually supportive people. Rural communities often have more effective and participatory governance systems. If African development is based on such strong community foundations, then it will be more sustainable and inclusive. Development partners such as Europe and Japan should focus more on the human and community potential of Africa, not just mineral resources.

The EU will host another international forum on Africa in April this year. In this summit, the EU and Africa are expected to discuss in depth the three main themes; investing in people; investing in prosperity; and peace and stability, all of which can be taken from the 20-year stock of the TICAD process.

I am hopeful that Europe will enter into the new partnership with Africa with less historical baggage and more new ideas and inspirations. In doing so, Europe should remember that they are not alone. Asia and Japan are always with them to support global efforts to make Africa a continent of real success.

Notes

1. Africa: A Brighter Future. JICA's World, vol. 5, no. 2, May 2013.



Aichiro Yamamoto is an Associate Fellow at Friends of Europe.

The Catalytic Role of the EU on Private Sector Investments

The Case of Climate Financing



If the EU wants to be a leader in this multi-polar world, it should increasingly incorporate climate change into its development work. Pursuing this new strategic interest and financing it runs parallel with more involvement with the private sector. However, many challenges remain to be resolved.

In recent years, the European Union's (EU) development work has moved "beyond aid". This has meant a shift away from just poverty reduction objectives, towards a stronger focus on policy coherence and global public goods. Climate change is a global public good *par excellence*: it has a cross-border dimension, in need of global solutions. However, these solutions cannot only be met by traditional donor agencies and neither can they be financed only by Official Development Assistance (ODA). Climate change should be mainstreamed into development, requiring the involvement of *all* sectors, *all* stakeholders and *all* budget lines. The private sector has an important role to play. The public sector should help trigger their involvement, since their investments are expected to help finance the climate change mitigation and adaptation gap.

This gap is huge, especially in Africa: the costs for adaptation are estimated at close to US\$18 billion (at 2005 prices). In addition, the costs of putting Africa on a low-carbon growth path could reach US\$22-30 billion per year by 2015, and US\$52-68 billion per year by 2030.¹

The urgent need to tackle climate change *by all* is at the top of the agenda for international high-level summits: the Elysée Summit, held in Paris in December 2013, emphasised the involvement of all parties and the importance of public and private finance in the context of climate change. Also, the upcoming EU-Africa Summit (3-4 April 2014) will broaden the dialogue on climate change between Africa and the EU.²

Climate change is thus a good illustration of the multi-dimensional role that the European external action has to play, notably on development issues.



“ Climate change should be mainstreamed into development, requiring the involvement of all sectors, all stakeholders and all budget lines. The private sector has an important role to play”

The EU: a catalyser in a multi-polar world?

The EU is aware of the need to adjust its strategic objectives in order to strengthen its role as an influential global development actor. The 2011 Agenda for Change (AfC) is evidence of the EU's new development strategy. The AfC strongly emphasises leveraging private sector money. Launched in the same year, the European External Action Service (EEAS) works towards having all aspects of external policy, such as climate change under its remit.

The EU's new aid instrument reflects this changed approach: the Multiannual Financial Framework (MFF) for the period 2014-2020 states that climate change action priorities will be mainstreamed into all the major EU funding instruments. The MFF emphasises the need for non-ODA financial instruments, with a strong involvement with the private sector.³

Strategic partnerships are key in assuring a strong position in the multilateral climate change landscape. During the UN Climate Conference in Durban in 2011, an alliance between the EU, the Least Developed Countries (LDCs), the Alliance of Small Island States (AOSIS) and a number of Latin-American nations, allowed the EU to play a catalytic role, thereby putting pressure on the US and the emerging economies.⁴

Other alliances with Africa have been institutionalised: for instance, the Joint Africa-EU Strategy (JAES) recognises their mutual interest in climate change.⁵

The public sector as the risk mitigator

Alliances and strategies are crucial starting points, but fundamental changes in attitudes and practices, as well as additional substantial funds, are needed to better deal with climate change. At the Copenhagen UN Climate Conference (COP15) in 2009, industrialised countries pledged to mobilise “new and additional” funds of US\$100 billion annually by 2020 to help developing countries tackle climate change.⁶ The private sector could be a crucial source for financing. But, to what extent is investing in climate change profitable? The challenge for the public sector is to convince the private sector to take up activities to combat climate change, thereby assuring a competitive financial return. Risk lies at the heart of private investment decisions. Public institutions should mitigate this risk.

The EU is already making use of a number of instruments to manage this risk: blending mechanisms for loans and grants, Public-Private Partnerships (PPPs), market-based insurance schemes and feed-in tariffs, in many cases provided by the European Investment Bank (EIB).⁷

“ “ The challenge for the public sector is to convince the private sector to take up activities to combat climate change, thereby assuring a competitive financial return ” ”

These instruments have proven to be most effective in the case of mitigation projects in Africa, since there is often an easily identifiable financial return. Adaptation projects, on the other hand, provide public goods and do not directly generate revenue. Instruments, such as adaptation market mechanisms, exist, but these are still in their early stages of development. Also, some indirect instruments, such as the internalisation of adaptation costs or encouraging technology transfer for development, might be appropriate.

The EU is not singing from the same hymn sheet

Since the start of the climate negotiations, the EU has been waving the green flag, striving to lead the world on climate change in line with its norm-driven approach. However, aside from some success stories, the EU's catalytic role has been limited. This is due to internal fragmentation. The EU's climate change agenda is still mainly dominated by the Directorate General for Climate Action, whereas this agenda should be mainstreamed into all domains of the European Commission's work. This calls for more coordinated action within EEAS. Making the climate change chapter of the Policy Coherence for Development (PCD) agenda more operational is also important.

Moreover, the creation of a strong coordination mechanism with more robust coalition building between the EU and other nations could prove useful. This could be an international platform with legal enforcement. Options in this regard will be top of the agenda during the 21st UN Climate Conference, to be held in Paris in 2015.

Experiences with private sector involvement are still in their infancy, showing mixed successes. In order for the EU to play a more leveraging role on the private sector, it should develop a common methodology for tracking private sector finance, including finance for adaptation.⁸

“ “ For the EU to play a more leveraging role on the private sector, it should develop a common methodology for tracking private sector finance, including finance for adaptation ” ”

Clear mapping of who does what for climate financing is also required. Otherwise, it will not be possible to ensure an equitable distribution of the scarce climate finance available.

Notes

1. World Bank. 2014. *Climate Change*. <http://www.worldbank.org/en/topic/climatechange>.
2. Refer to ECDPM's work on EU-Africa Summit: Africa-Europe Relations – Looking beyond 2014. 2014. <http://www.africaeu2014.blogspot.be/>.
3. Financial Programming and Budget. 2014. Multiannual Financial Framework. http://ec.europa.eu/budget/mff/index_en.cfm. Refer to ECDPM studies on private sector involvement: Byiers, B., and A. Rosengren. 2012. *Common or conflicting interests? Reflections on the Private Sector (for) Development Agenda*, (ECDPM Discussion Paper 131). - See more at: www.ecdpm.org/dp131; Bilal, S, Krätke. 2013. *Blending loans and grants for development: An effective mix for the EU?* (ECDPM Briefing Note 55). Maastricht: ECDPM. - See more at: www.ecdpm.org/bn55.
4. Gavás, M. 2013. *The EU and Global Public Goods*. DIIS (Danish Institute for International Studies) Report, Copenhagen.
5. Africa-EU Partnership. 2014. <http://www.africa-eu-partnership.org/>.
6. United Nations Framework Convention on Climate Change. 2014. Copenhagen Accord. https://unfccc.int/meetings/copenhagen_dec_2009/items/5262.php.
7. Refer to the World Resources Institute (WRI) for studies on these financial instruments: <http://www.wri.org/>.
8. Climate Policy Initiative. 2014. <http://climatepolicyinitiative.org/>.



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*Toumani Diabaté - Festival au Desert 2007
Essekane, Mali (Photographer: Damian Rafferty)*

Culture and Diplomacy

Europe's Enabling Power

Cultural relations are not only an asset in the race for soft power competitiveness. In times of crisis in Europe, they also represent a potential to be better exploited internationally. In this article I would like to emphasise the enabling power of culture in external action, as an increasingly dominant form of new diplomacy.

A few months ago, an old friend of mine who works as an international sales manager for a giant European electricity company told me: foreign policy and diplomacy are not only done by ministries of foreign affairs.

It is now more than obvious to acknowledge the role of non-traditional and non-Westphalian actors in diplomacy: from Angelina Jolie and Bono, to churches, terrorist networks, endangered species and global philanthropists, humanitarian relief NGOs, Nobel prize winners, microfinance and the temperature of water.

Because international affairs have gone far beyond “diplomacy”, the term “external action”, used by the European Union in its treaties, allows us to encompass a broader mix of stakeholders, practice and phenomena than the historically narrower notion of diplomacy.

Today’s international affairs have an increasingly significant cultural dimension: they relate to translation and language learning, cultural differences and mutual understanding, the use of social media and global web-based technology, the weight of cultural and creative industries in global value chains.

“ ..culture in its broad sense, is an economic sector like any other contributing, on its own scale, to GDP ”

Attraction to Multiple Poles

One of the consequences of new forms of multipolarity in international affairs is the emergence of diverse international poles of symbolic production and exchange. Today’s world is a world of “influence and attraction”¹, to use the terms of a recent report by John Holden for the British Council. Cultural flows between people keep intensifying in our globalised world. Economic hubs also become cultural crossroads. (Re)emerging powers are designing world-wide cultural policies. Powers of the so-called “Global North” are all engaging in the design of new international cultural strategies.

A lot of evidence has been placed in the public domain about the economic impact of the cultural sector and the value of public funding for culture: research, press articles and even pedagogical videos.² It is not enough to say that the first objective of cultural practice is itself: something unmeasurable like Gross Domestic Satisfaction (GDS), to echo the fans of Gross Domestic Product (GDP).

The positive economic impact of culture has also been researched a lot, but never enough. Various cultural research organisations in Europe, often funded by the European Union (EU), work to assess the value of culture. For instance, the Arts Council England has produced an insightful study on measuring the economic benefits of culture³, with many useful references. These economic impacts are not only limited to tourism, but also consumption engendered by cultural events - for instance festivals, sports competitions, such as the World Cup in South Africa, taxation revenues, employment, and the whole university/education market. The Council of Europe has produced interesting material on the role of culture in regional development, showing that what is needed is to integrate cultural work into development strategies⁴ and many of their programmes have become models for local development strategies and local governance in the EU as well as in Eastern Europe.

We often tend to think that culture is a luxury for the poor, but actually culture in its broad meaning also touches the deep core of people’s minds and can encourage them in their actions, whilst creating value. It will always be hard to measure the economic and human impact of cultural action, but in my view, not much harder than other dimensions of development.

In other words, culture is already part of the “comprehensive approach” that the EU is calling for, although not explicitly recognised as such, while it is the golden thread of trust in international relations.

Power, Politics, Policy and Culture

When Stefano Manservigi, who believes that culture matters in development, was heading the DG for Development in the European Commission (EC), he pushed a lot for more work to be done on “culture and development”. The current management in DEVCO has surprisingly not followed through on his initiatives and decreased its priority by cutting staff and keeping culture out of most budget programming.

In addition to its deep political power - look at the role of cultural professionals and social media in the Arab spring/ revolutions/popular movements - and metaphorical power (always useful to reconcile values and interests), culture in its broad sense, is an economic sector like any other contributing, on its own scale, to GDP. Think of the range of activities from the arts, education, heritage, handcraft, sports, video games, to design and architecture, and the creative industries.

It is estimated that the film industry in Nigeria contributes directly or indirectly to the livelihoods of two million people; in the EU eight million people are employed in the cultural sector.

“ We often tend to think that culture is a luxury for the poor, but actually culture in its broad meaning also touches the deep core of people’s minds ”

And what is nice with culture as factor of development is that it is also fun! It is not completely bureaucratic and is certainly more environmentally friendly than the extractive industries. I remember an Egyptian festival director explaining his participation in a workshop on culture in the EU’s external relations held in Cairo last year by saying: “I am here to avoid a world governed by EU bureaucrats.”

A front page of the International Herald Tribune from August 2013 featured an article on the Baalbek international festival in Lebanon, with one interesting quote, not to repeat the famous sentence of Jean Monnet about starting European integration again with culture: “the mission that transcends all wars is culture” and “that will save Lebanon”.

If All the World’s a Stage, What is Europe’s Role?

In a 40 page-long monograph published last year on the role of culture in the EU’s external action entitled “More Cultural Europe in the World”⁵ I have identified twenty pilot measures that the EU could include in its external action to unleash its cultural potential. One of them is the creation of a EU worldwide cultural radio station.⁶

As far as the EU’s external action is concerned, the topic of culture in external action - beyond Nye’s concept of soft power which has been debated at length - is now becoming part of the EU’s policy making agenda, not least in relation to huge cultural powers such as China (there is an ad hoc working group of senior officials from ministries of foreign affairs and ministries of culture currently working on a EU cultural strategy with China), India and other strategic partners. At the request of the European Parliament, the EC is conducting a preparatory action on the role of culture in the EU’s external relations.⁷ I am actually part of it and hope it will bring interesting learning material and inspiring recommendations for a EU international cultural strategy.

Similar to the EU’s 2003 security strategy “A secure Europe in a better world”, its 2014 cultural strategy could be named “Europe’s enabling power in an open world”.

Notes

1. http://www.britishcouncil.org/sites/britishcouncil.uk2/files/influence-and-attraction-report_0.pdf
2. http://ec.europa.eu/culture/our-policy-development/culture-and-regional-development_en.htm
3. <http://vimeo.com/38513468>
4. http://www.artscouncil.org.uk/media/uploads/pdf/Final_economic_benefits_of_arts.pdf
5. http://moreeurope.org/sites/default/files/more_cultural_europe_in_the_world_public.pdf
6. <http://www.europeanvoice.com/article/imported/europe-s-diplomacy-needs-a-radio-station/75066.aspx>
7. <http://cultureinexternalrelations.eu/>



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EPA UPDATE

West Africa

ECOWAS Heads of States to convene to approve EPA deal, civil society expresses concern

After the deal struck at technical and senior official level last month, West Africa is progressing towards official validation of its EPA at the highest political level in the region.

Soon after the deal was struck, Cheikh Hadjibou Soumaré, President of the Union Économique et Monétaire Ouest Africaine (UEMOA) Commission, and Kadré Désiré Ouédraogo, President of the Economic Community of West African States (ECOWAS) Commission, met with Macky Sall, President of Senegal, to inform him of the compromise reached two days beforehand with the European Union (EU).

Sall had been appointed by other West African Heads of States to personally supervise the negotiation process. The press conference held after the meeting was the first public acknowledgement by officials in the region that a deal on the West African EPA had indeed been struck.

Soon afterwards, on February 17th, a Ministerial Monitoring Committee (MMC) meeting was convened in Dakar to approve the deal. The MMC is the body in charge of monitoring EPA negotiations in West Africa. The MMC indicated that it would submit the deal as it currently stands to the next ECOWAS Council of Ministers, which should then pass it on to Heads of States for final validation. According to our sources, the meeting could take place on 24th and 25th of March.

The local press also reported that the MMC agreed to engage in further consultations with civil society in the region before the submission to Ministers. For now, two of the region's most active civil society and business groups on the EPA, namely the Plateforme des organisations de la société civile de l'Afrique de l'Ouest sur l'accord de Cotonou sur l'APE (POSCAO) and the National Associations of Nigerian Traders (NANTS) have harshly criticised the agreement.

In an online statement issued after a press conference, POSCAO lamented that "credible alternatives have been ignored".¹ Citing the fears of seeing Cote d'Ivoire and Ghana signing unilaterally with the EU, the statement reads: "We recognize that this sacrifice of the world's poorest, unprecedented

in the history of international economic relations, has for only justification the wish of our nations of preserving hard-earned regional integration in West Africa." It further calls on West Africa to reject the rendez-vous clause, which foresees future negotiations on new generation issues such as services, IPRs and competition, citing the lack of regional policies on these matters.

NANTS, for its part, issued a strongly worded statement towards not only the EU but also neighbouring countries and the regional Commission. Citing its long voiced displeasure with the EPA, it calls on the Nigerian government to "take over the leadership of West Africa in the EPA negotiations". Emphasising the huge weight of Nigeria in the ECOWAS grouping, it called the prospect of an EPA without Nigeria "a joke", implying that Nigeria could still determine the outcome of negotiations should it wish to do so. The statement goes on to question the degree to which the EPA is in sync with Nigeria's policies.

The statement ends with a call on the Nigerian parliament to review the country's relation with ECOWAS should the EPA go ahead as planned: "For the Nigerian Parliament, this may be the right time to evaluate and reconsider the spending of tax payers fund on ECOWAS in the name of

EPA Calendar

3-7 March SADC-EU Negotiating round (South Africa)

24-25 March ECOWAS Heads of States and Governments Summit
(location and date TBC)

EAC-EU Negotiating round, senior officials level
(location and date TBC)

political and/or economic integration, while member countries therein keep hiding their allegiance elsewhere far from the integration, and for Nigeria to continuously bear the brunt. No country in ECOWAS can serve two masters – it is either integration in unity or autonomy.”²

The EAC and EU fail to reach an agreement in latest round in Brussels – second ministerial round to be scheduled

The last final hurdles to come to an EAC-EU EPA appear to be harder to overcome than originally foreseen, but the EU and the EAC seem confident that the next ministerial round will be the last.

At a meeting in Brussels on January 30th, held at ministerial level, the EU and the EAC managed to overcome relatively minor differences on Institution Arrangement and Dispute Settlement – leaving the heavy lifting to the next ministerial level round to be held after a senior officials meeting in late March.

Issues that remain outstanding concern cumulation and asymmetry on rules of origin, the Most Favoured Nation (MFN) clause, agricultural

subsidies in the EU, and the non-execution clause. While these are a relatively small set of issues, they are also by far the most controversial ones. The non-execution clause is particularly controversial in light of the recent developments concerning Kenya and the International Criminal Court (ICC).

The EAC’s current position is to reject the MFN clause, the article on export taxes and the non-execution clause altogether. On agricultural subsidies, the EU submitted a new proposal – in all likelihood centred around the announcement of Commissioner Ciolos to stop the use of export refunds on goods exported to EPA signatories. In this respect, the EU’s proposal on agriculture to the EAC is probably similar to the one it offered West Africa in February.³

Both the EAC and the EU foresee the next ministerial round as the last round in EPA negotiations in the region.⁴

Notes

1. <http://www.lifixew.com/declaration-de-la-societe-civile-de-lafrique-de-louest-sur-laccord-de-partenariat-economique-ape/>
2. <http://www.trademarksa.org/news/ecowas-eu-economic-partnership-agreement-nants-statement>
3. http://ec.europa.eu/agriculture/newsroom/157_en.htm
4. See http://trade.ec.europa.eu/doclib/docs/2009/january/tradoc_142194.pdf for the EU



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Talking Points

Current discussions on ECDPM's blog on the challenges of the EU's international cooperation
www.ecdpm-talkingpoints.org



Regional programming for the 11th European Development Fund

Talking Points, Florian Krätke, February 21st, 2014

Does RIPs spell 'Regional Integration Promise' or 'Rest In Peace'? The mood at the 2013 African Economic Conference was clear – progress on regional integration in Africa has been slow. The EU is an obvious candidate to support African regional organisations' (ROs) to drive the regional integration agenda, given its historic experience and diplomatic presence in the ROs' member states. Yet the EU did not have a strong showing at the conference. Political issues continue to hamper the effective use of EU funds to promote regional integration. Despite the insistence that "we are the regions", (...)



The European Commission, Civil Society Organisations and the private sector – when talking the same language isn't quite enough

Talking Points, Bruce Byiers, February 14th, 2014

The Economist magazine has an amusing article that does the rounds from time to time that translates what a native english speaker says (e.g. "that's not bad"), what the listener understands ("that's good or very good") and what the speaker meant ("that's poor or mediocre"). This was brought to mind while moderating a recent EC consultation with CSOs and the private sector. This was an important opportunity for both private sector representatives and civil society to provide concrete inputs into the EC's forthcoming communication that will guide how they, and to a certain degree EU (...)



Taxes and fragile states – how political can it get?

Talking Points, Frauke de Weijer, February 14th, 2014

The 2014 OECD report on Domestic Resource Mobilization in Fragile States is an interesting – and paradoxical – example of the current debate on statebuilding. Linking domestic resource mobilisation and fragile states is a very welcome approach, and the political thinking driving it is just what is needed in development debates. But by relying on assumptions about fragile states that are optimistic at the best of times, means this report falls short of expectation. Taxation was once considered a mainly technical issue – but effective (...)



The elusive win-win balance in mining. Part 1 – 'A very complex puzzle...?'

Talking Points, San Bilal, February 12th, 2014

Mining companies, African governments and civil society organisations seem to live in parallel worlds that rarely meet. When they do, as in African Mining Indaba last week, it is mostly in the margins, and what is said often seems lost in translation. They will all be worse off by missing out the big picture, which is that the extractive sector should play a pivotal role in the industrialisation and economic transformation of Africa for more inclusive and sustainable growth. This was confirmed once more at the 20th annual Investing in Africa Mining Indaba gathering of (...)

Monthly highlights from ECDPM's Weekly Compass Update

www.ecdpm.org/weeklycompass

China's Aid to Africa: Monster or Messiah?

Weekly Compass, No. 180, 21 February 2014

Aid is an important policy instrument for China among its various engagements with Africa, and indeed Africa has been a top recipient of Chinese aid. The debate on Chinese aid policy is motivated by the rapid growth of China's economic presence in Africa. This paper from the Brookings Institution looks at the goal and nature of Chinese aid to Africa.

Taxes and fragile states: how political can it get?

Weekly Compass, No.179, 14 February 2014

The 2014 OECD report on Domestic Resource Mobilization in Fragile States is an interesting – and paradoxical – example of the current debate on statebuilding. Linking domestic resource mobilisation and fragile states is a very welcome approach, and the political thinking driving it is just what is needed in development debates, write ECDPM's Frauke de Weijer and Bruce Byiers in this Talking Points blog. But by relying on assumptions about fragile states that are optimistic at the best of times, the latest OECD Fragile States report falls short of expectations.

When ideas trump interests

Weekly Compass, No. 179, 14 February 2014

Dani Rodrik challenges the notion that there is a well-defined mapping from "interests" to outcomes. He argues that any model of political economy in which organised interests do not figure prominently is likely to remain vacuous and incomplete, but it does not follow from this that interests are the ultimate determinant of political outcomes. Is there a direct parallel between inventive activity in technology and investment in persuasion and policy innovation in the political arena? Rodrik argues once this fluid nature is recognised, vested interests become much less determining and the space of possible outcomes much wider.

Mining needs shared value and partnerships

Weekly Compass, No.178, 7 February 2014

As resource-rich countries continue to enjoy high growth rates, time has come to think about what collaborative business relationships can finally do for inclusive and sustainable development. In this two-part blog, Isabelle Ramdoo says that the extractive sector needs to focus on shared value and partnerships to address the problem of slow 'trickle down' benefits of the industry. It is touted as the next big '(r)evolution' for the sector, and was one of the major discussions at the Mining Indaba Conference in Cape Town this week. Isabelle says 'creating and sharing economic value in a way that all stakeholders get something meaningful out of it can be an important catalyst to address some of the challenges faced by the extractive sector.' Read Part one on shared value and part two on partnerships

Latest ECDPM Publications

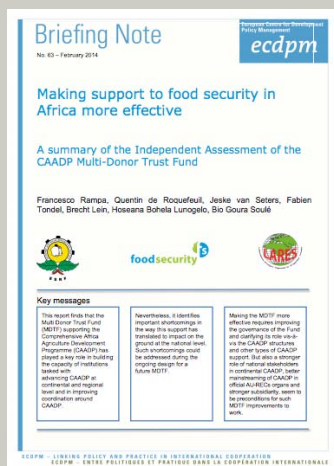
Economic Partnership Agreements: Towards the Finishing Line
San Bilal, ECDPM Briefing Note 64, February 2014

First regional EPA agreed since 2007, and over 10 years after the launch of free trade talks. West Africa remains united thanks to compromise approach from the EU and ECOWAS. The deal is reached; can it be implemented? Parties should start worrying about the transition process. It's about politics! If the will is there on both sides all EPA negotiations can be concluded in a more accommodating way.



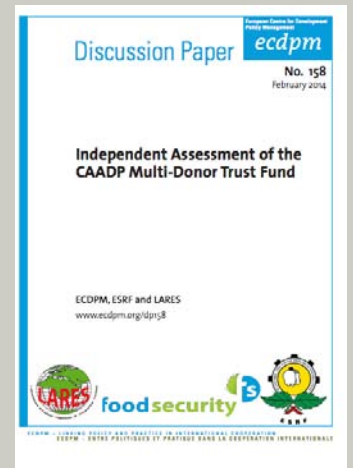
Making Support to Food Security in Africa More Effective: A Summary of the Independent Assessment of the CAADP Multi-Donor Trust Fund. ECDPM, ESRF, LARES, ECDPM Briefing Note 63, February 2014

This report finds that the Multi Donor Trust Fund (MDTF) supporting the Comprehensive Africa Agriculture Development Programme (CAADP) has played a key role in building the capacity of institutions tasked with advancing CAADP at continental and regional level and in improving coordination around CAADP. Nevertheless, it identifies important shortcomings in the way this support has translated to impact on the ground at the national level. Such shortcomings could be addressed during the ongoing design for a future MDTF. Making the MDTF more effective requires improving the governance of the Fund and clarifying its role vis-à-vis the CAADP structures and other types of CAADP support. But also a stronger role of national stakeholders in continental CAADP, better mainstreaming of CAADP in official AU-RECs organs and stronger subsidiarity, seem to be preconditions for such MDTF improvements to work.



Independent Assessment of the CAADP Multi-Donor Trust Fund ECDPM, ESRF, LARES, ECDPM Discussion Paper 158, February 2014

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What Drives Regional Economic Integration? Lessons from the Maputo Development Corridor and the North-South Corridor. Bruce Byiers and Jan Vanheulekom, ECDPM Discussion Paper 157, February 2014

Regional integration is crucial for economic transformation in Africa. Yet despite support for this regional agenda, implementation is slow due to numerous complexities and obstacles. Narrowing the focus on transport and on two specific transport corridors in Southern Africa helps unpack these complexities. It contributes to identifying obstacles to reforms and opportunities for reforms. The strength of political and economic coalitions within states prevail over commitments made within regional institutions. "Signaling" support to regional integration does not equate implementation of these signals. Yet careful alignment of reform coalitions around cross-border projects such as corridors may contribute to trust and capacity building between countries in support of incremental and functional regional integration



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