

The European Think Tanks Group is a network of European independent think tanks working on EU international cooperation for global sustainable development.  
[www.etfg.eu](http://www.etfg.eu)

© The German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE), The European Centre for Development Policy Management (ECDPM), The Institute of International Affairs / Istituto Affari Internazionali (IAI), The Institute for Sustainable Development and International Relations / Institut du Développement Durable et des Relations Internationales (IDDRI), The Overseas Development Institute (ODI), 2019.

The views presented in this publication are those of the authors and do not necessarily represent the views of the organisations that make up the European Think Tanks Group.

Readers are encouraged to quote or reproduce material from this report for their own publications. DIE, ECDPM, IAI, IDDRI and ODI request due acknowledgement and a copy of the publication.



# AN AGENDA FOR EUROPE IN THE WORLD

September 2019



**“THE EUROPEAN UNION HAS DECADES OF EXPERIENCE IN OVERCOMING CRISES AND HAS ALWAYS EMERGED STRONGER AFTER.”**

**JEAN-CLAUDE JUNCKER**

This comment by the outgoing President of the European Commission aptly captures the political history of the EU, built as it is on carefully negotiated compromises. The next five years under the leadership of Ursula von der Leyen will again be crucial for the Union.

Polarisation is on the rise, as outspoken parties, both pro-Europe and anti-Europe, gained ground in the May European Parliament elections. More than ever, the new European leadership faces the need to reconcile diverging agendas. Subtle brokerage of new political compromises is called for in today's climate of rising populism and Brexit.

Inevitably these internal processes in the EU will have a major impact on the EU's global role. Just ten years after the signing of the Lisbon Treaty, the EU continues to see itself as a champion of multilateralism, as the leading promotor of climate action, and as the defender of values and development agendas in the world.

To give credit where it is due, in terms of "strategising", that is, designing ambitious policies and mobilising development finance, the EU still is a global leader. This is likely to be reflected in the 2021-2027 multiannual financial framework (MFF) with an increase of financial resources to support Europe's global leadership role.

In recent years the EU has demonstrated a growing stepping up of cooperation with Africa. The EU expresses a grand ambition to work towards a "partnership of equals" based on mutual interests and respect beyond the traditional "donor-recipient" dependency of the past. In practice, however, it is proving difficult to move away from the usual recipes. We see an EU that is struggling ever more to reconcile its normative model of soft power with interest-driven agendas. Incoherence and duplication of efforts risk undermining EU effectiveness and speed of action. EU member states and institutions continue to work in silos for and with Africa.

While these divisions linger, the EU loses leverage and credibility in Africa and the world. New actors are occupying the lost ground, promoting new rules of the game. To turn the tide, the EU needs to step up its game. New alliances and coalitions of the willing need to be forged.

It is against this background that the European Think Tanks Group presents this Agenda for Europe in the World. It sets out concrete proposals for action in key domains where the EU can make a difference. Contributions focus on peace and security, mobility and migration, climate action, energy and urbanisation, trade and development, human development, strategic partnerships, democracy support and financing for development.

The real test for the new European leadership will be to make ambitious EU policies work.

**Geert Laporte**

Director, European Think Tanks Group (ETTG)

# 01 INVEST IN A COMPREHENSIVE PARTNERSHIP WITH AFRICA

The new EU Commission will take office in turbulent times, with increasing populism, internal instability and division. Europe's internal cohesion is being questioned, and we see a growing number of new and unresolved conflicts in the EU's neighbourhood. At the global level the EU seems to be losing support from some of its traditional allies and partners in its efforts to keep up a rules-based global order.

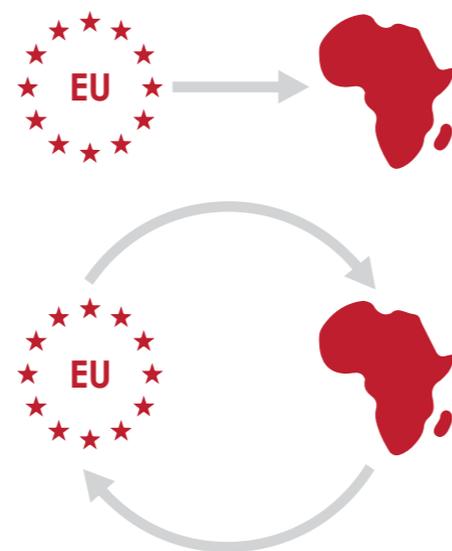
Despite some progress achieved, the EU has been slow in responding to these internal and external challenges, and its leverage in the world is shrinking. The EU needs a more strategic, proactive and coherent EU external action, one that combines normative action with a more interest-driven agenda through cooperation on peace and security, trade, and economic relations. In practice, Europe often fails to come up with coherent approaches in its external action and in its multitude of partnerships. This often leads to missed opportunities.

One key strategic partnership the EU cannot afford to let slide in the coming years is that with Africa. Over the past decade, the EU has experienced almost daily how the fate of both continents is increasingly intertwined. While some European policymakers still see Africa as a threat, there is also a growing group of Europeans who see Africa as a continent of mutual opportunity. The EU clearly wants to remain the largest trade, investment and development cooperation partner of Africa.

Innovative financial instruments, such as the European External Investment Plan, seek to leverage sustainable private sector investment for Africa's development. Such interest-driven "win-win partnerships of equals" are considered a promising vehicle for bringing prosperity to both continents.

However, there are still several overlapping EU and bilateral cooperation initiatives. Some of these – such as the ACP-EU Partnership Agreement – are still steeped in a post-colonial, sometimes patronising North-South logic. The challenge for the coming years is to move from an asymmetric dependency relationship to a mutually beneficial and effective partnership, while avoiding a proliferation of poorly coordinated instruments and funds.

## MOVE FROM AN ASYMMETRIC DEPENDENCY RELATIONSHIP TO A MUTUALLY BENEFICIAL AND EFFECTIVE PARTNERSHIP



## SUPPORT THE BUILDING OF AUTONOMOUS REGIONAL INSTITUTIONS AND INITIATIVES (AFRICA CONTINENTAL FREE TRADE AREA)



## ACTIONS

- 1 Foster** more coherent EU external action and Africa policy, overcoming the internal contradictions across the EU member states and the various EU institutions and administrations.
- 2 Support** African regional initiatives that aim to build stronger and financially autonomous institutions and African agendas such as the African Continental Free Trade Area (AfCTA). Concrete pragmatic "problem-solving" regional approaches hold the best potential for traction and ownership.
- 3 Invest** in the capacities of EU delegations to better assess country, regional and societal dynamics beyond formal state structures and institutions.
- 4 Simplify** access and earmark more funding for home-grown African initiatives spanning the non-governmental sector, informal social movements and youth initiatives in support of governance and entrepreneurship.
- 5 Strengthen** joint cooperation in the global arena around shared common agendas and interests, particularly in relation to the 2030 Agenda for Sustainable Development, climate change and the World Trade Organization.
- 6 Make use** of the ongoing negotiations on the multiannual financial framework (MFF) to rationalise competing EU-Africa strategies that are managed in "silos" by different institutions and financial instruments.

## FURTHER READING

Barana, L. 2018. "Negotiating a new EU-Africa agenda: Playing the migration and Chinese cards?". Rome: Istituto Affari Internazionali

Laporte, G. (ed.), 2017. "Africa-Europe relations: Time to reboot". ECDPM Great Insights, 6, (5), Maastricht

Maci, G. 2018. "The future of development cooperation: Six ways the EU can innovate". Brussels: European Think Tanks Group

Medinilla, A. and Bossuyt, J. 2019. "Africa-EU relations and post-Cotonou: African collective action or further fragmentation of partnerships?". Briefing Note 110. Maastricht: European Centre for Development Policy Management



# 02 UNLOCK THE DEVELOPMENT POTENTIAL OF MIGRATION

Demographic projections and the continued differences in physical and economic security between the two sides of the Mediterranean suggest that migration is here to stay. Moreover, it will likely be punctuated by reoccurring peaks in EU-bound flows, driven at times by humanitarian crises.

The large-scale mixed flows in recent years have led the EU to prioritise migration and revealed sharp intra-EU differences on what a correct policy response is. This has limited the EU's capacity to develop durable, multidimensional and effective responses to the phenomenon, while feeding a further erosion of the mutual trust and solidarity that have been essential pillars of European integration.

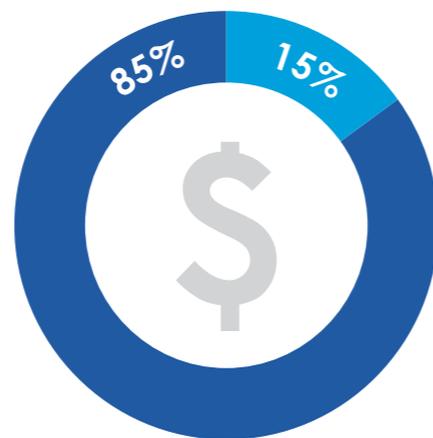
As overcoming the internal deadlock has proved difficult, migration has gained an increasing presence in the EU's external action. The Union has stepped up its engagement and dialogue with countries in its extended Southern Neighbourhood and along migration routes to the EU, backed by large-scale funding. The focus has been on three dimensions: "migration management" by strengthening local border controls and security forces; addressing root causes of irregular migration and displacement; and enhancing protection capacities.

All these efforts seek predominantly to diminish the demand for EU-bound migration. The Sahel has been a particular focus, which has put added pressure on an already fragile region. As intra-regional migration flows are increasingly interrupted and security apparatuses strengthened, the Sahel is being faced with major development and human security challenges.

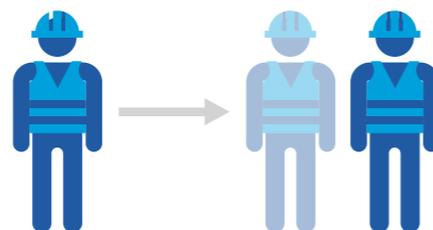
Europe needs to complement reactive and short-term policies with proactive and forward-looking ones. The right policies can boost the developmental effects of well-managed migration, while contributing to sustainable asylum and migration governance regimes in the broader Euro-Mediterranean and African space.

## MIGRANTS CONTRIBUTE TO THE DEVELOPMENT OF THE HOST COUNTRY

- money remaining in the new communities
- money sent back home



## MIGRANTS FILL GAPS IN THE LABOUR MARKET IN THE HOSTING COUNTRY



## ACTIONS

- 1 Invest** in improvement of livelihoods and better delivery and quality of social services, with interventions tailored to the most pressing needs in local contexts rather than focusing only on the migration issue.
- 2 Maintain** support for multilateral cooperation and whole-of-society approaches to forced displacement in the Global South in a spirit of fair responsibility sharing, including broadened and systematised EU resettlement schemes.
- 3 Devise** forward-looking strategies, including legal labour migration schemes and skill formation programmes aligned with labour market shortages and surpluses on both sides of the Mediterranean. This means, for instance, exploiting the potential of the labour migration pilot projects currently financed under the European Agenda for Migration.
- 4 Promote and support** African regional integration both by enhancing the developmental potential of local trade and labour mobility and by supporting implementation of regional trade arrangements and access to the EU market for African products and services.
- 5 Reinforce** the contribution of well-managed migration to inclusive growth, poverty reduction and sustainable development in source and host countries by facilitating remittance transfers and two-way integration.

## FURTHER READING

Cascone, N. and Knoll, A. (ed.) 2018. "Focus on migration: Moving backward, moving forward?" ECDPM Great Insights, 7 (1), Maastricht

Schöfberger, I. 2019. "Migration: Solid nations and liquid transnationalism? The EU's struggle to find a shared course on African migration 1999-2019". DIE Discussion Paper 1/2019. Bonn: German Development Institute

Schöfberger, I. and Venturi, B. 2018. "Eight myths on the migration-development nexus that European and African policymakers need to reconsider". Brussels: European Think Tanks Group

Schöfberger, I. and Keijzer, N. 2019. "EU migration policy: (How) can the next European Commission do better?" ETTG blog

# 03 PREVENT VIOLENT CONFLICTS AND BUILD SUSTAINABLE PEACE

Europe wants to strengthen its role in international peace and security. As the EU Global Strategy makes clear, the EU and its member states have an interest in supporting peaceful conflict resolution all over the world.

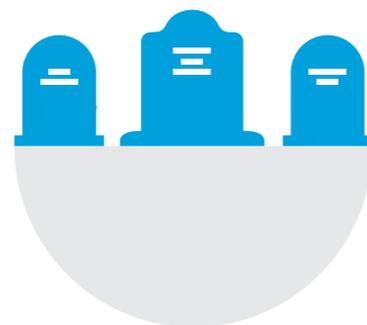
The number and severity of violent conflicts has been increasing since 2010. The 52 armed conflicts recorded globally in 2015 was the highest number since the end of the Cold War. Over 100,000 people died every year in civil or international conflicts from 2013 to 2016. This has intensified forced displacement. The global population of refugees and internally displaced persons reached a record 70.8 million in 2018, according to the United Nations High Commissioner for Refugees.

New security threats and conflicts, growing geopolitical uncertainties and domestic events are pushing the EU to be more assertive in the military sphere. This is reflected, for instance, in the proposal to create a European Peace Facility to fund a range of military cooperation and assistance measures around the globe.

Yet, the EU must reconcile any bolder military role with its wider peace and security commitments, as well as with the EU's historic *raison d'être* as a peace project. That includes continuing to foster non-violent, civilian responses to conflict and responses that are conflict-sensitive and respect human rights, international humanitarian law, gender equality and good governance principles.

The EU will need to use its new instruments in a conflict-sensitive manner, in accordance with the "do no harm" principle. Security is a prerequisite for development. That is why the EU must continue its work towards peace and security, in line with its commitment to the 2030 Agenda.

100,000 PEOPLE DIE IN CONFLICTS EVERY YEAR



APPLY THE PRINCIPLE OF "DO NOT HARM"



## ACTIONS

- 1 Invest** further in building conflict prevention and resolution mechanisms at the local, national and regional levels, drawing on the EU's global crisis response experience.
- 2 Stop** any repurposing of civilian missions for short-term and short-sighted domestic concerns, such as migration management, border control and securitisation, as this can further destabilise some regions, with repercussions for human rights.
- 3 Ensure** the creation of a European Peace Facility and that any support for hard security goes in parallel with the strengthening of EU civilian capabilities for conflict prevention, in terms of both funding and the institutional capacities available.
- 4 Reconcile** the EU's support for military aspects of peacekeeping with a commitment to promote accountability, human rights and good governance, while ensuring compliance with the criteria defined in the EU's Common Position on Arms Exports. This requires safeguards in military support and coherent use of the various EU external action instruments.
- 5 Look beyond** quick and flexible responses to conflict only, and build on lessons learnt from EU support to the African Union's African Peace and Security Architecture.

## FURTHER READING

Deneckere, M. 2019. "The uncharted path towards a European Peace Facility". Discussion Paper 248. Maastricht: European Centre for Development Policy Management

Furness, M. and Bergmann, J. 2018. "A European Peace Facility could make a pragmatic contribution to peacebuilding around the world". DIE Briefing Paper 6/2018. Bonn: German Development Institute

Sherriff, A., Veron, P., Deneckere, M. and Hauck, V. 2018. "Supporting peacebuilding in times of change". Maastricht: European Centre for Development Policy Management

Venturi, B. 2019. "An EU integrated approach in the Sahel: The role for governance". IAI Papers 19. Rome: Istituto Affari Internazionali



# 04 SUPPORT THE TRANSITION TO CLEAN ENERGY IN CITIES

Cities account for 70% of energy-related greenhouse gas emissions. These must be reduced to zero by 2050 to achieve the 1.5 °C global warming goal. Yet, growing urban populations and rising standards of living mean energy use in cities will continue to increase rapidly. Cities, particularly those in Asia, Latin America and Africa, face three energy challenges:

- achieving universal access to affordable, reliable electricity;
- meeting rising energy demands while addressing infrastructure inefficiencies and losses;
- expanding renewable energy supplies while avoiding future dependency on fossil fuels.

Cities can be a driving force for a sustainable energy transition. Municipal authorities are major consumers of electricity. As planners and operators of urban infrastructure they can be financiers and advocates of the energy transition. Urban policies to encourage compact urban growth, green buildings and sustainable mobility can play a vital role here.

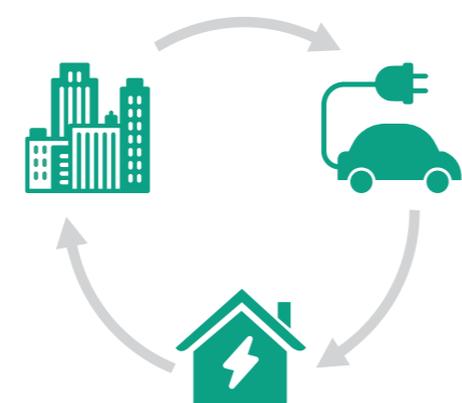
Cities are also spaces of innovation. Citizen initiatives can act as sustainable energy laboratories. Promising areas of innovation include enhancing the role of renewables-based electricity “prosumers”; improving building and district energy efficiency; digitalisation of energy production and market systems; and electric vehicles, including exploiting their potential for system balancing.

Cities, with their national and international partners, can support and create incentives for multi-stakeholder partnerships for provision of urban energy services. They can promote, incentivise and assist local transitions to renewable energy. Several EU delegations have already provided direct support to local authorities for this purpose. The current, 2014-2020 multiannual financial framework (MFF) includes a thematic instrument for civil society and local authorities. The EU can build on this to support local authority initiatives to advance the energy transition.

## CITIES ACCOUNT FOR 70% OF ENERGY-RELATED GREENHOUSE GAS EMISSIONS



## URBAN POLICIES TO ENCOURAGE COMPACT URBAN GROWTH, GREEN BUILDINGS AND SUSTAINABLE MOBILITY PLAY A VITAL ROLE



## ACTIONS

- 1 Support** access to energy at a metropolitan scale, with specific mandates and budgets for cities.
- 2 Share** good practices in development, design and implementation of urban-centred energy regulation processes alongside new-style institutional arrangements, while supporting city capacity building initiatives.
- 3 Enable** better access to finance for cities, towns and regions to invest in the local energy transition. For example, green tariffs and green bonds can be introduced to spur energy efficiency, decentralised power generation and distribution, and decarbonisation efforts.
- 4 Support** solutions that give cities themselves a key implementing role, such as scaling up distributed renewable energy systems, increasing the energy efficiency of buildings and supporting compact urban development.
- 5 Promote** decentralised cooperation on energy between cities globally. EU trust funds could be explored as a quick delivery tool to support decentralised cooperation.

## FURTHER READING

Bilotta, N. and Colantoni, G. 2018. "Financing energy access in sub-Saharan Africa". Rome: Istituto Affari Internazionali

Colantoni, L., Montesano, G. and Sartori, N. (eds). 2019. "Empowering Africa: Access to power in the African continent". Rome: Istituto Affari Internazionali

Maci, G., Criqui, L., Bossuyt, J. and Lucci, P. 2018. "Africa's future is urban". Brussels: European Think Tanks Group

Murali, M., Cummings, C., Feyertag, J., Gelb, S., Hart, T., Khan, A., Langdown, I. and Lucci, P. 2018. "10 things to know about the impacts of urbanisation". London: Overseas Development Institute

Scott, A. 2017. "Why wait? Seizing the energy access dividend". London: Overseas Development Institute

Symington, R. and Leopold, A. 2018. "Renewable energy mini-grids in Africa: A private sector's perspective". ETTG blog



# 05 HARNESS EXTERNAL COOPERATION FOR CLIMATE ACTION

Every tenth of a degree of global warming makes the Sustainable Development Goals (SDGs) harder to achieve. The EU will have to gear its domestic and external action towards low-carbon, climate-resilient development in line with a 1.5 °C pathway and the Paris Agreement. The new president of the European Commission, Ursula von der Leyen, called “to make Europe the first climate-neutral continent by 2050”.

The EU can improve its own climate credentials and at the same time help advance sustainable development in partner countries. It can do this, for example, by supporting the adaptation and resilience needs of partner countries, making robust financial commitments on climate action, engaging with middle-income countries to develop more ambitious long-term strategies, and catalysing non-state and subnational climate action. The EU can advance these priorities through strengthened EU climate diplomacy that promotes alignment with the Paris Agreement. Coherent and responsive external action will help narrow the gap between aspiration and action.

To achieve this, the multiannual financial framework (MFF) needs budgetary provisions commensurate with the task. Adaptation partnerships are also key, especially with the least developed countries, particularly those pertaining to agricultural supply and value chains. Mitigation partnerships that engage middle-income countries and leverage financial resources for emissions reductions will have to be pursued. Finally, explicitly aligning the EU's Better Regulations Guidelines with 1.5 °C compatibility will be instrumental.

Ultimately, the development co-benefits of these measures make a compelling case for harnessing external cooperation for climate action. Equally compelling is the cost-efficiency of investing in climate change mitigation and resilience today to avoid climate-induced losses and damages in the future.

## ADDRESS CLIMATE CHANGE IN THE LEAST-DEVELOPED COUNTRIES ESPECIALLY IN FOOD AND WATER SECURITY AND AGRICULTURAL SYSTEMS



## SECURE FINANCIAL RESOURCES FOR CLIMATE ACTION ABOVE THE PROPOSED 25% WITHIN THE NEXT EU LONG TERM BUDGET

25%

## ACTIONS

- 1 Define** what 1.5 °C-compatibility means for EU external cooperation policy and practice, and support partner countries in securing 1.5 °C-compatibility in their long-term strategies.
- 2 Engage** middle-income partner countries in more ambitious mitigation by leveraging greater financial resources to reduce greenhouse gas emissions.
- 3 Focus** attention on the adaptation and resilience needs that will manifest even in a 1.5 °C world, especially regarding food and water security and agricultural systems in least-developed partner countries.
- 4 Secure** sufficient financial resources through adequate budgetary provisions in the next MFF – these should be substantially above the 25% share currently proposed – and through leveraged state and non-state climate action in partner countries.
- 5 Strengthen** EU climate diplomacy through strategic partnerships for climate cooperation, clear signals of commitment to international support and improved coordination among EU institutions.

## FURTHER READING

Chan, S. and Bencini, J. 2018. "Boosting non-state climate action in the EU". Briefing Paper 21/2018. Bonn: German Development Institute

Di Ciommo, M., Thijssen, S. and Sayós Monràs, M. 2018. "The ice is broken, what's next? How the EU and middle-income countries work together on climate change". Discussion Paper 231. Maastricht: European Centre for Development Policy Management

Iacobuta, G. et al. forthcoming. "Harnessing external action to boost ambitious and coherent climate action" (working title). ETTG Policy Brief. Brussels: European Think Tanks Group

Rampa, F. 2019. "An Africa-Europe agenda for rural transformation: Report by the Task Force Rural Africa". Brussels: European Commission

Sartor, O., Voss-Stemping, J., Berghmans, N., Vallejo, L. and Levai, D. 2019. "Raising and strengthening EU climate ambition: Priorities and options for the next five years". Study 1. Paris: Institute for Sustainable Development and International Relations

# 06 LEAD THE GLOBAL TRADE AND DEVELOPMENT AGENDA

In today's world, multilateralism is under strain, the merits of globalisation are increasingly questioned and protectionism is on the rise. The result has been a resurgence of bilateralism, marked by both trade tensions and establishment of free trade agreements at the regional level. An example is the newly established African Continental Free Trade Area (AfCFTA).

The EU, as a major advocate of a principles-based international trading system, must respond to these challenges. We need greater flexibility to move with changing realities, to speed up decision-making and to promote sustainable development as a key objective.

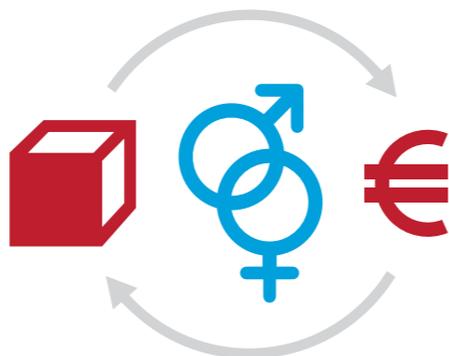
The global trading system also needs reform. Growing protectionism threatens it. The World Trade Organization (WTO) dispute settlement mechanism will have to be adjusted if the rules-based trading system is to survive the current blocking by the United States. WTO members must address issues related to the role of the state in the economy, intellectual property rights and the definition of developing countries. Furthermore, challenges and trends like climate change and digitalisation render the current rulebook outdated. The EU is best positioned to lead these reforms, but it needs to find partners that share its values and concerns.

Promoting more equal distribution of the benefits of "trade for all", including by supporting the needed adjustments and integration efforts in developing countries (like with the AfCFTA), will remain more pertinent than ever.

## REFORM WTO AND SEEK PLURILATERAL AGREEMENTS



## INTRODUCE A GENDER DIMENSION TO TRADE AGREEMENTS AND GREEN EU TRADE



## ACTIONS

- 1 Lead** reform of the WTO to keep up with new trade and production practices and safeguard the dispute settlement mechanism.
- 2 Promote** adoption of variable geometry approaches, such as plurilateral agreements in the WTO, to make space for different policymaking speeds.
- 3 Target** development finance to help least developed countries attract and leverage sustainable investment and diversify their trade, supporting win-win partnerships involving governments and firms in both the EU and developing countries, to increase investment and trade.
- 4 Promote** green EU trade policies and improve implementation and enforcement of sustainable development chapters in trade agreements, including trade preferences for green goods and incentives for fair and ethical trade.
- 5 Include** an explicit gender dimension in all EU trade agreements.
- 6 Enact** digital trade rules and support in EU trade policies and agreements.

## FURTHER READING

Balchin, N., Lemma, A., Mendez-Parra, M., Te Velde, D. W. and Worrall, L. 2017. "The implications of WTO negotiation options for economic transformation in developing countries: Summary paper". London: Overseas Development Institute

Brandi, C. 2016. "Promises and pitfalls of plurilateralism". Think Piece 4. Geneva: Ideas Centre

Morin, J.-F., Brandi, C. and Berger, A. 2019. "The multilateralization of PTA environmental clauses: Scenarios for the future?" In: Elsig, M., Hahn, M. and Spilker, G. (eds), *The Shifting Landscape of Global Trade Governance*. Cambridge: Cambridge University Press

Nelli Ferrocì, F. 2018. "Trade without Trump: The way forward, a European perspective". IAI Commentaries 18. Rome: Istituto Affari Internazionali

Seters, J. van and Karaki, K. 2018. "EU leadership to promote responsible business conduct in global value chains". ECDPM Great Insights, 7 (2), Maastricht

Voiturier, T. 2018. "Trade and sustainable development: Taking stock of policy debates and reform proposals". In: European Parliament (ed.), *The Future of Sustainable Development Chapters in EU Free Trade Agreements*. Brussels: Directorate General for External Policies of the Union



# 07 END EXTREME POVERTY BY TARGETING THOSE BEING LEFT BEHIND

If growth continues at the rates of the past, extreme poverty will be halved by 2030. But this still leaves over 400 million people extremely poor. Moreover, many of the poor live in countries particularly vulnerable to the effects of climate change. To end extreme poverty by 2030, we need to scale up investments in education, health care, nutrition and social protection.

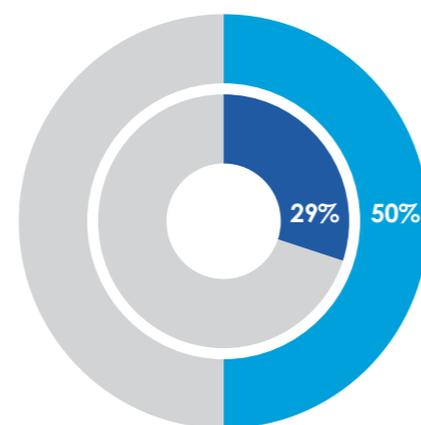
EU member states and institutions collectively provide more than half of the world's development cooperation resources. The fields of health, education and social protection are the least well-funded – though they are the surest way to increase the climate resilience of the poorest. Finance remains the key constraint in least developed countries (LDCs), which also receive less support from other sources, such as foreign investment and remittances, and are increasingly debt constrained.

Some EU member states do meet the international target for aid, and some are the best in the world at focusing aid on the LDCs. But, as both the OECD DAC peer review in 2018 and the European Council in May 2019 observed, the EU as a whole is providing less aid as a percentage of gross national income (GNI), and it is failing to increase the share of aid it gives to LDCs. This is despite clear commitments to increase both ratios in the New European Consensus on Development.

Aid delivered through EU institutions is particularly poorly targeted. The peer review found that only 27% went to LDCs. A very large share – 43% – went to upper-middle income countries, thanks to the significant amount of aid channelled through the European Investment Bank (EIB). The focus on using aid to leverage private finance risks making this poor allocation worse. Recent research shows that it is much more difficult to leverage private finance in the poorest countries. Three euros of public investment is needed here to mobilise just one euro of private sector finance.

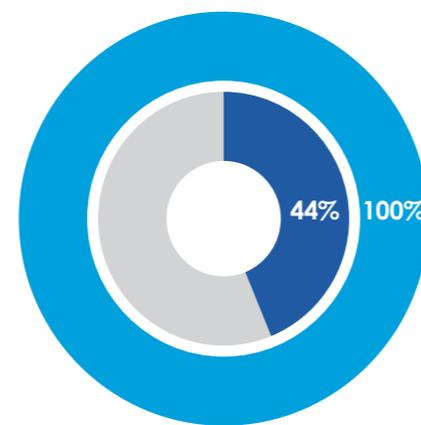
## TO ENABLE THE ENDING OF EXTREME POVERTY EU DONORS NEED TO TARGET HALF OF AID TO THE LEAST DEVELOPED COUNTRIES...

- Current
- Target



## ... AND INCREASE AID TO MEET THE 0.7% OF GNI COMMITMENT

- Current
- Target



## ACTIONS

- 1 Bring forward** the ambition to meet the 0.7% aid target to the end of the Multiannual Financial Framework (MFF) period in 2027, rather than 2030, as currently set in the New European Consensus on Development.
- 2 Ensure** that the MFF is coherent with delivering on the 2030 Agenda and ending extreme poverty.
- 3 Allocate** at least half of EU development spending to LDCs, and more than the 20% minimum share to social sectors.
- 4 Ensure** that the EU's focus on leveraging private sector funding does not increase incentives to allocate development assistance to middle-income countries or away from social sectors.

## FURTHER READING

Attridge, S. and Engen, L. 2019. "Blended finance in the poorest countries: the need for a better approach". London: Overseas Development Institute

Manuel, M., Desai, H., Samman, E. and Evans, M. 2018. "Financing the end of extreme poverty". London: Overseas Development Institute

Manuel, M. and Manea, S. 2019. "Financing of human development and the end of extreme poverty in Africa". ETTG Briefing Note. Brussels: European Think Tanks Group

Manuel, M., Griffiths, J., Manea, S., Samman, E. and Evans, M. forthcoming. "Financing the end of extreme poverty: What progress are we making?". London: Overseas Development Institute

Sherriff, A. (ed.). 2019. "Investing in Europe's global role: The must-have guide for the negotiations of the multiannual financial framework 2021-2027". Maastricht: European Centre for Development Policy Management

# 08 MAKING SUPPORT FOR DEMOCRACY A KEY PRIORITY

The EU and its members are together by far the largest backers of democracy and human rights in the world. They give more than 43% of all democracy and human rights support funds in Africa. However, this agenda has come under considerable pressure.

First, domestic challenges to democracy within Europe have impacted the legitimacy of democracy support, affecting decision-making processes in the EU and the willingness of member states to finance external support for democracy.

Second, the rise of China, offering an economically successful authoritarian political model, has changed the global context for democracy support. This might make it increasingly difficult for European and other external actors to cooperate with African societies on political reforms for inclusive and democratic governance. Yet, support for democracy continues to be high among African citizens. Afrobarometer survey results indicate that some 70% of Africans view democracy as the best political model for their countries.

Third, the picture of democratisation in Africa remains mixed, so flexibility and a variety of instruments are needed to support democracy. Whereas some African countries have become more democratic, in others trends of autocratisation and shrinking spaces for public debate prevail. This makes it difficult for the EU to support domestic actors that are striving for democratic reforms.

Fourth, innovations in digital communication technologies are changing political interactions and structures in Africa. While social media offers opportunities for pro-democratic mobilisation, it has also proven to be an effective tool for autocratic rulers to control societies and shrink the space for civil action.

Processes of democratisation are complex and can generate uncertainty and even instability. Nonetheless, external democracy support can help reduce the destabilising effects of democratisation in post-conflict settings. Moreover, support for democracy helps foster a context in which respect for human rights can flourish.

**MORE THAN 43% OF ALL DEMOCRACY AND HUMAN RIGHTS SUPPORT FUNDS IN AFRICA ARE PROVIDED BY THE EU AND ITS MEMBERS**



**ABOUT 70% OF AFRICANS VIEW DEMOCRACY AS THE BEST POLITICAL MODEL FOR THEIR COUNTRIES**



## ACTIONS

- 1 Go beyond** one-size-fits-all. Develop targeted strategies and take informal institutions and actors more strongly into account. Use windows of opportunity strategically when regimes open up. All this also requires more flexibility in funding for democracy support.
- 2 Broaden** EU support to promote democratic reforms based on a sound understanding of where internal pressures for change are coming from and how to leverage them.
- 3 Develop** a better understanding of how digital technologies impact democratic governance, in both positive and negative ways, and explore how democracy can adapt to the needs of the technological age more effectively.
- 4 Strengthen** the analytical capacity of the European Commission and the European External Action Service (EEAS) to assess and understand the political space and opportunities to engage in democracy support and improve cooperation between both institutions in this respect. Support strategies should be adaptive and informed by continued multidisciplinary context analyses.
- 5 Invest** more in impact assessments and learning as ongoing processes to further adapt, reform and improve EU democracy support funding and complement these with feedback mechanisms.

## FURTHER READING

Dandashly, A. and Noutcheva, G. 2019. "Unintended consequences of EU democracy support in the European Neighbourhood". *The International Spectator*, 54 (1): 105-120

Hackenesch, C. 2019. "Aid, political conditionality, and other international efforts to support democracy in Africa". In: *Oxford Research Encyclopedia of Politics*. Oxford: Oxford University Press

Mross, K. 2019. "Democracy support and peaceful democratisation after civil war". *Briefing Paper 7/2019*. Bonn: German Development Institute

Rocha Menocal, A. 2018. "Digital technologies and the new public square: Revitalising democracy?". *Pathways for Prosperity Commission Background Paper Series 17*. Oxford: University of Oxford

Ronceray, M. and Aggad, F. 2018. "Do we expect too much from election observation missions?". *ECDPM blog*

# 09 PROVIDE MORE FINANCING FOR EUROPE'S GLOBAL ROLE

The Juncker Commission has proposed both to increase resources up to €123 billion and to add flexibility under the EU's external action heading in the EU's next long-term budget. This proposal reflects the EU's ambition for a more political and interest-driven external action in 2021-2027, while respecting the EU's development and climate commitments.

The centrepiece of the Commission proposal is the Neighbourhood, Development and International Cooperation Instrument (NDICI). Yet the overarching external action architecture and financial envelopes are far from settled, and past negotiation processes show that external action is vulnerable to cuts. Broad consensus on a compelling European global development narrative is the best way to protect and consolidate the proposed budgetary means.

Beyond the structure of the next EU budget, the coming few months will be crucial for programming EU assistance to partner countries for the next seven years. In particular, the new EU leadership will have the task of setting the financial envelopes for thematic and geographic priorities and determining the "principles" to guide implementation. Poverty eradication, security and climate, as well as the priorities of partner countries, should be part and parcel of this programming process. EU member states and the Parliament meanwhile, are discussing to what extent and how they should be involved in scrutinising such decisions.

Further to the EU's commitment to provide 0.7% of its collective income as official development assistance (ODA), there is broad agreement to use some of these funds to leverage external investment in third countries, especially fragile states and least-developed countries. To this end, the Juncker Commission has created the European Fund for Sustainable Development (EFSD). The proposed NDICI would enhance this fund and bring together both grant-based and blended finance operations, allowing for greater scrutiny by the Parliament. It would also enable a more programmatic approach and steps towards a more effective EU architecture for external investment, with key roles for development finance institutions (DFIs) and the envisaged European Bank for Sustainable Development.

## PROVIDE AT LEAST €123 BILLION FOR EXTERNAL ACTION



## ESTABLISH A EUROPEAN BANK FOR SUSTAINABLE DEVELOPMENT



## ACTIONS

- 1 Keep** funding for external action at €123 billion at minimum. An influential Europe requires a significant external action budget.
- 2 Ensure** that the new financial architecture and NDICI continue to prioritise funding for poverty reduction and the 2030 Agenda, with higher commitments for climate change and for low-income countries.
- 3 Align** EU blended finance operations under the EFSD with European development cooperation programming to maximise synergies and promote harmonised impact assessment.
- 4 Support** establishment of a European Bank for Sustainable Development, and foster cooperation among DFIs and multilateral banks.

## FURTHER READING

Bilal, S. and Große-Puppenthal, S. 2018. "The European External Investment Plan: Challenges and next steps for a game changer". Briefing notes (series) Maastricht: European Centre for Development Policy Management

Koch et al. 2018. "From damage control to sustainable development: European development policy under the next EU budget". DIE Briefing Paper 7/2018. Bonn: German Development Institute

Lundsgaarde, E. 2017. "The European Fund for Sustainable Development: Changing the game?" DIE Discussion Paper 29/2017. Bonn: German Development Institute

Sherriff, A. (ed.). 2019. "Investing in Europe's global role: The must-have guide for the negotiations of the multiannual financial framework 2021-2027". Maastricht: European Centre for Development Policy Management

## AUTHORS

Luca Barana (IAI)  
Damien Barchiche (IDDRI)  
Steffen Bauer (DIE)  
Julian Bergmann (DIE)  
San Bilal (ECDPM)  
Bruce Byiers (ECDPM)  
Clara Brandi (DIE)  
Daniele Fattibene (IAI)  
Matthias Deneckere (ECDPM)  
Mark Furness (DIE)  
Christine Hackenesch (DIE)  
Volker Hauck (ECDPM)

Alexei Jones (ECDPM)  
Niels Keijzer (DIE)  
Hanne Knaepen (ECDPM)  
Anna Knoll (ECDPM)  
Gabriela Iacobuta (DIE)  
Geert Laporte (ECDPM, ETTG)  
Julia Leininger (DIE)  
Giulia Maci (ECDPM, ETTG)  
Marcus Manuel (ODI)  
Alfonso Medinilla (ECDPM)  
Maximiliano Mendez-Parra (ODI)  
Asli Okyay (IAI)

Anja Palm (IAI)  
Alina Rocha Menocal (ODI)  
Emma Samman (ODI)  
Nicolo Sartori (IAI)  
Benjamin Schraven (DIE)  
Andrew Scott (ODI)  
Lola Vallejo (IDDRI)  
Julie Vaille (IDDRI)  
Jan Vanheukelom (ECDPM)  
Bernardo Venturi (IAI)  
Sean Woolfrey (ECDPM)

This publication benefits from support of the Bill and Melinda Gates Foundation (BMGF).

**BILL & MELINDA**  
*GATES foundation*

ETTG coordinators: Giulia Maci, Maria Brozou and Virginia Mucchi  
Editorial assistance: Michelle Luijben  
ETTG identity design: Robin van Hontem and Yaseena Chiu-van 't Hoff  
Design of layout: Ottavia Pasta

**ETTG** | European Think  
Tanks Group

The European Think Tanks Group is a network of European independent think tanks working on EU international cooperation for global sustainable development:

- The German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)
- The European Centre for Development Policy Management (ECDPM)
- The Institute of International Affairs / Istituto Affari Internazionali (IAI)
- The Institute for Sustainable Development and International Relations / Institut du Développement Durable et des Relations Internationales (IDDRI)
- The Overseas Development Institute (ODI)

These five institutes can count between them on some 350 researchers, covering all aspects of European international cooperation. They share a strong commitment to greater global welfare, and a strong belief in the importance of better collective action to achieve global goals. As think tanks, and as policy-focused research institutes, they also share a commitment to effective outreach and engagement with policymakers and policy processes.

**Mission: We support the EU in achieving the sustainable development goals and promote more coherent European external action.**