

European Report on Development 2013

South African Institute of
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POST-2015: GLOBAL ACTION FOR AN INCLUSIVE AND SUSTAINABLE FUTURE

- An initiative of the European Commission and 7 EU Member States (FIN, FRA, DEU, LUX, ESP, SWE, UK)
 - To mobilise European research for development
- Three issues in previous years:
 - *Overcoming Fragility in Africa, 2009*
 - *Social Protection for Inclusive Development, 2010*
 - *Confronting Scarcity: managing Water, Energy & Land 2012*
- 4th edition on post-2015 – launched: 9 April 2013



POST-2015: GLOBAL ACTION FOR AN INCLUSIVE AND SUSTAINABLE FUTURE

- Unique moment to reshape global agenda
- MDGs in many ways successful but also weaknesses
- UN Millennium Declaration still relevant:
 - Vision of *Inclusive and sustainable development*
- Need for wider thinking: *Beyond MDGs* and *Beyond Aid*
- Focus on 3 international drivers of development:
 - Flows of Goods, People and Money
- Ideas from poorer as well as from richer countries
 - Country case studies: *Nepal, Rwanda, Côte d'Ivoire & Peru*
- Selection of Main Messages covered here



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Beyond MDGs & Beyond Aid

BROADENING INSTRUMENTS 'BEYOND AID'

II. A GLOBAL ANTI-POVERTY AGENDA

MDGs as we know them, but moving beyond aid as we know it

- The current anti-poverty agenda continues
- Coordinated and diversified instruments and sources of finance. Greater PCD and more use of international regimes

I. AN MDG-TYPE AGENDA

Development cooperation as we know it: Focus on MDGs with aid as the main instrument

- Poverty reduction is the main objective – with a continued focus on a limited number of areas.
- Aid as the main instrument of international cooperation.

IV. A GLOBAL DEVELOPMENT AGENDA

Moving beyond aid and beyond MDGs: More diversified instruments and objectives

- Focus broadened to include other development objectives and global challenges
- Coordinated and diversified instruments and sources of finance. Greater PCD and more use of international regimes.

III. AN INTERNATIONAL COOPERATION AGENDA

Aid as we know it but Moving beyond MDGs to more diversified goals

- Focus broadened to include other development objectives and global challenges.
- Aid continues to be seen as the main instrument of international cooperation.

BROADENING OBJECTIVES 'BEYOND MDGs'

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Expanding the vision

THE FRAMEWORK SHOULD PROMOTE INCLUSIVE AND SUSTAINABLE DEVELOPMENT

- The design of a new framework should more clearly incorporate dimensions of inclusiveness (e.g. inequality, productive employment) and sustainability (economic, social and environmental). These dimensions should be clearly reflected in the targets and indicators.



THE FRAMEWORK MUST BUILD ON AN UPDATED UNDERSTANDING OF POVERTY

- The new framework should go beyond the \$1.25 a day poverty definition.
- National poverty measures should be taken into consideration.
- Non-income poverty aspects should be better incorporated to capture the multi-dimensional nature of poverty.
- Inequality needs to be addressed.





Labour Migration

- Transformative experience for individuals
- Focus on low-skilled labour – link with poverty
- Impact on poverty & socio-economic development
 - Remittance flows can be substantial
- Low-skilled labour migrants need support
 - Often lack access to jobs and rights not protected
- Receiving countries development also benefit
- Post-2015: establish international regimes
 - Manage labour migration & enforce migrants' rights



Country case study experiences

- *Nepal*: 20% of decline in poverty (1995-2004) attributed to remittances from migrant labour
 - But and has caused social problems and rights of migrants not well protected
- *Côte d'Ivoire*: migrants from region contributed to economic growth in 1960s+70s
 - But during crisis has increased pressure on land and ethnic divisions stirred up by populist politics
- *Peru*: as economy has developed migrants are returning + followed by young Europeans



Trade and Investment

- Focus on marginalized and vulnerable LICs/LDCs
 - Ways to help them reduce ODA-dependence
- Pursue structural economic transformation
 - Creation of productive employment key
- Support to move up global value chains
 - Promoting modern-sector exports
 - Reducing vulnerabilities to external shocks
 - Enhancing productive investments
 - Improving global coordination on investment policies



Country case study experiences

- All four countries need to increase economic diversification and strengthen investment
- *Nepal*: investment levels low and economy has not joined global value chains
- *Côte d'Ivoire*: commodity dependency made economy vulnerable to price fluctuations
- *Rwanda*: seeking to attract FDI
- *Peru*: boom based on mineral extraction



Development Finance

- Need more finance and greater range of sources
- Domestic resource mobilisation fundamental
 - Efforts should be supported by external actors
- SSC: provides additional opportunities
 - Strengthen contribution and increase transparency
- ODA levels must be maintained and increased
 - Use in focused and catalytic manner
- Diversify use of new development financing mechanisms + use in targeted manner
- Improve international financial stability



Country case study experiences

- *Nepal*: Remittances key to MDG progress, use of ODA constrained by donor doubts on government capabilities
- *Rwanda*: ODA as budget support gave policy space
- *Côte d'Ivoire*: Good fiscal discipline so domestic resource mobilisation high, external support valuable to restore confidence
- *Peru*: Fiscal revenue key, ODA minor yet keen on knowledge sharing
- SSC: Gave variety and additional opportunities in all cases

Main Message 7

A RANGE OF
DEVELOPMENT
FINANCE RESOURCES
WILL BE REQUIRED

- International development partners should support governments in their efforts to raise domestic resources.
- Donor countries should improve the level and the effectiveness of their development assistance.
- Mechanisms should be established to enhance the transparency of all international development finance to improve its deployment.



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Multiple agendas & Role of EU

PROCESSES TO ADDRESS GLOBAL CHALLENGES NEED TO BE MUTUALLY REINFORCING

- The international community should establish and observe complementary agreements and regimes to tackle interrelated global challenges that affect development.
- It should explore the possibility of a mixed design for the post-2015 framework, which combines both targets (global and national) and principles.



IN ADDITION TO ODA THE EU CONTRIBUTION POST-2015 SHOULD FOCUS ON PROMOTING PCD AND GLOBAL COLLECTIVE ACTION

- Strengthen trade and investment and labour migration policies' development-friendliness and enhance transparency measures.
- Meet EU commitments on levels and effectiveness of ODA, and strengthen other financial contributions.
- Seek an EU position to participate in post-2015 debates.
- Advocate for a framework that builds on the Millennium Declaration and the MDGs toward an inclusive and sustainable development vision.





ERD 2013 – Key Conclusions

- A transformative agenda is vital
 - Structural change: economic, social & environmental
 - If new framework is to eradicate poverty
- National ownership is key
 - Must relate to domestic policies and priorities
- Scale up global collective action
 - More support required in a variety of areas
- About instruments as much as about goals
 - New framework should highlight instruments to be used and clear targets to be reached



THANK YOU FOR YOUR ATTENTION

For more information about the ERD

ERD website <http://www.erd-report.eu/>

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