BUILDING PARTNERSHIPS: INTERNATIONAL DEVELOPMENT AND SUSTAINABLE BUSINESS

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The 12th annual European Development Days (EDD) took place in Brussels on 5-6 June. The EDD has established itself as a key fixture in the world’s development calendar and is now widely considered as the “Davos of development”.

Relations between the EU and developing countries are changing. The recently agreed UN Sustainable Development Goals and aid spending commitments are intact, but it is unclear how and whether they will be met.

In the meantime, the EU plans to revamp its development tools and financial investment instruments in the next seven-year budget (multi-annual financial framework), increasing the role of the private sector.

‘Women and Girls at the Forefront of Sustainable Development: protect, empower, invest’ is the theme for this year’s EDD.

In this Special Report, EURACTIV covers the EDD and looks at the latest policy trends in sustainable development.
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Finance, Cotonou and women set to dominate European Development Days

By Benjamin Fox | EURACTIV.com

As far as global development goes, few events can match the reach of European Development Days, whose Brussels edition will gather 8,000 development policy professionals this week.

It’s small wonder that its supporters call it the ‘Davos of development’, as it will bring together a handful of European Commissioners, four African presidents, the UN’s top brass and the development NGO and business communities.

The attending heads of state will include Rwandan President Paul Kagamé; Burkina Faso’s Roch Marc Christian Kaboré, Niger’s President Mahamadou Issoufou, and recently elected President of Liberia, George Weah. The UN’s delegation will be headed by Deputy Secretary-General Amina J. Mohammed.

The theme of this year’s EDD is ‘Women and Girls at the Forefront of Sustainable Development: protect, empower, invest’.

But there will be plenty other issues on tap, from the EU’s next seven-year budget and the migration crisis to the upcoming negotiations on a revised Cotonou Agreement between the EU and African, Caribbean and Pacific community.

Gender equality and women’s empowerment is integral to the UN 2030 Agenda for Sustainable Development agreed by the international community and to each of the 17 Sustainable Development Goals (SDGs) agreed in 2015.

“There can be no sustainable development if half of the world’s population is left behind. We need equal participation and leadership of women and girls in all spheres of life

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– both in Europe and in the world,” said European Commission President Jean-Claude Juncker, who will open the EDDs on Tuesday morning (5 June).

Development policy in Brussels will be dominated by the talks on the next EU multi-annual financial framework. Most development NGOs were left underwhelmed by the Commission’s MFF announcement in May.

The budget of €123 billion to cover all of the EU’s external priorities for 2020-2027 was slightly higher than many expected, but it is unclear how much will be allocated to development spending. “We will have significant additional resources,” a senior EU official said.

“The current structure is clearly unfit for purpose and we need more flexibility so that the EU and member states can finance short-term crises, but we can’t be robbing Peter to pay Paul,” Emily Wigens, Interim Brussels director for ONE, told EURACTIV.

“We want an instrument on human security and migration and sustainable development,” she added.

There are also concerns about the EU executive’s plan to merge its twelve existing external policy instruments into one.

The Commission also plans to integrate its European Development Fund into the EU budget. All are set to be hot topics of conversation in the panels and on the margins of the EDD.

The successor to Cotonou will be the focus of attention on Tuesday morning (5 June) at a panel featuring DG DEVCO director-general Stefano Manservisi, alongside the foreign minister of Togo, Robert Dussey and the secretary general of the ACP, Patrick Gomes.

Who pays for financing development, meanwhile, remains an everpresent theme.

With levels of development aid stagnant at just over 0.4% of GNI, and little political appetite to hit the UN-agreed 0.7% target, the international donor community wants the private sector to plug the financing gap.

The European Commission has proposed an expansion of its European Fund for Sustainable Investment (EFSI) – which seeks to use EU budget guarantees to leverage private sector investment in development projects in the MFF – and is set to unveil its legislative proposals on 14 June.

This is a source of significant concern for many NGOs. Last month, a group of development NGOs issued an open letter to EU lawmakers expressing their concerns about EFSI.

“There are justified concerns from civil society organisations,” a senior Commission official told EURACTIV.

Meanwhile, the EIB’s vice-President responsible for gender, former Finnish Prime Minister Alexander Stubb, has mooted the possibility of the EIB being responsible for managing a new EU development finance institution.

Migration control, which has become a common theme linking much of the EU’s development policy, will also be a hot topic, as it becomes increasingly clear the EU will ramp up the budget for controlling its external borders and keeping migrants outside.

The International Organisation for Migration’s Deputy Director General Laura Thompson will lead a panel on women and migration on 6 June (Wednesday), and the IOM will host another debate on the reintegration of migrants in West Africa.
It is consequential that this year’s European Development Days, which start in Brussels today, are focused on women and girls. Gender equality is not only a moral imperative, it is also key to progress for the economy, the environment, and social development, writes Melanne Verveer.

Ambassador Melanne Verveer is the executive director of Georgetown University’s Institute for Women, Peace and Security and former United States ambassador for global women’s issues.

The Sustainable Development Goals include gender equality and women’s empowerment as a distinct goal—and investing in women and girls is recognized as critical for achieving the entire 2030 development agenda.

Today we are making progress on this agenda, but not enough.

The Platform for Action that was adopted more than twenty years ago at the UN Fourth World Conference on Women—when Secretary Hillary Clinton famously remarked that “human rights are women’s rights and women’s rights are human rights,” continues to be a blueprint for how far we need to go. By any measure, there has been considerable progress, but the progress has been uneven and challenges remain.

Just how far do we have yet to go?

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At Georgetown's Institute for Women, Peace and Security, we developed a new global index to measure women's wellbeing across dimensions of inclusion, justice, and security.

It is the first gender index to be created in the framework of the 2030 Agenda for Sustainable Development, and it is firmly grounded in the goals, targets and indicators associated with the agenda. Utilising recognised international data, we ranked 153 countries – covering more than 98% of the world’s population – on women’s social, political, and economic inclusion; personal security; and access to justice.

The WPS index reveals that women around the world continue to be confronted by insecurity, exclusion, and discrimination. While there are clear regional patterns in performance, there are also major differences among counties within each region, illustrating that progress is feasible in order to reach the standards of neighbours.

For example, although Sub-Saharan Africa scores poorly on average, South Africa, Mauritius, Ghana, Tanzania and Zimbabwe exceed the global average.

It will take all of us working together to improve the status of women, to accelerate economic opportunity, and enhance sustainable development. Public-private partnerships are an important instrument to drive progress for women and girls. SDG 17 specifically calls for the adoption of multi-stakeholder approaches to achieve sustainable development.

Many companies have been playing leadership roles. The Coca-Cola Company, for example, created the 5by20 program to leverage its resources and reach to empower five million female entrepreneurs along its value chain by 2020, such as farmers, shop owners, recyclers, and more.

We recently studied the daunting efforts of The Coca-Cola Company and several partners in Nigeria to empower girls in remote, rural areas. Their program, Educating Nigerian Girls in New Enterprises, aimed to boost the learning status and economic opportunities of the most marginalized girls, aged 16-19, who were pregnant, widowed, orphaned or facing a comparable challenge.

The program consisted of trainings, mentoring and support to adolescents in the poor northern states of Kaduna and Kano, the sprawling metropolis of Lagos and the capital, Abuja from 2014-2016.

Despite the extremely challenging context, the results are encouraging.

More than 10,000 out-of-school participants (out of 13,024) were linked to employment with 6,000 of these girls joining the 5by20 Coca-Cola value chain.

The girls who participated in the program were more likely to run their own business or manage a business, hold a savings account, and possess higher self-confidence and better knowledge of the skills required to run a small business compared to non-participants. The results highlight the potential of effective collaboration in targeted programs to empower girls.

Governments, multilateral organisations, civil society and other stakeholders increasingly recognise that women and girls must be a central pillar in global development—one of the most powerful tools for alleviating poverty and improving the human condition.

And there is a growing body of data and research from multiple sources that buttress this point. There can be no sustainable development without gender equality. When women and girls make progress, all of society makes progress.

It is time to act on what we know to be effective.
Don’t leave women out of EU investment programme, Commission is told

By Benjamin Fox | EURACTIV.com

The issue of how the EU’s External Investment Plan can help empower women and girls dominated the agenda at the European Development Days on Tuesday (5 June), as some panellists voiced concern that it might be marginalised in the final big picture.

The European Commission is set to unveil plans to expand its External Investment Plan (EIP) as part of the next seven-year budget for 2021-2027. Launched in autumn 2016, and targeted primarily at countries in sub-Saharan Africa, the EIP currently relies on €4.1 billion of guarantees from the EU budget, which the Commission says will generate more than €44 billion of investments by 2020.

But members of the panel urged policymakers to ensure that the programme, which the EU hopes will bring together public and private sector investment, focused on gender equality and women’s economic empowerment.

“Very often growth is not inclusive, and women and girls are not the beneficiaries,” said Anja Langenbucher, Europe Director of the Gates Foundation. “Land rights for women, mobile banking, these are all things that the EIP should address.”

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Meanwhile, a number of NGOs and civil society activists have expressed concerns that the programme could end up only providing finance to short-term profit-making projects, limiting its value as a development tool.

“We invest between $60-70bn per year in public-private partnerships,” said Kristalina Georgieva, chief executive of the World Bank and a former EU budget commissioner. “This money is not going to go far enough unless it addresses the empowerment of women. We must invest in the health and education of girls and mothers...and, in particular, push them towards traditionally-boys subjects such as engineering, mathematics, and heavy-duty agriculture,” she added.

Cristian Danielsson, director-general for European neighbourhood policy in the European Commission, said expectations for EIP were very high, “possibly too high”. He added the programme would offer women “more opportunities to access finance”.

“Financial inclusion is key to women’s empowerment. We know that the picture is not very positive, women are half as likely to have jobs, and that there is a substantial wage gap. The EIP has substantive elements that will help.”

Coca-Cola Vice-President Beatriz Perez said there were “three key pillars to the EIP: “financing, tools and partnerships”. She pointed to a Coca-Cola programme providing education for Nigerian women and said:

“Of the 21,000 women we reached, 55% have started their own business,” said Perez. “We found that women don’t want a handout but a hand up to thrive.”

Ambroise Fayolle, vice-president of the European Investment Bank, said the bank’s Boost Africa initiative was aimed at “young, particular female entrepreneurship”.

Dorcas Apoore, founder of the Advocacy for Social Inclusion and Girls Education NGO in north-east Ghana, said she saw the EIP “more as a tool for empowering women”.

Apoore told delegates that “an investment of $1,000 allowed me to reach 290 women.”

The programme “should invest in training and grass-roots organisations like mine,” she said, but cautioned that the EIP “can only work if it targets local organisations”.

Langenbucher told the panel that her organisation was likely to be a co-investor to the tune of $50m.

“We’re hoping to crowd in private sector investment,” she said. “A structure like the EIP will work if financers do what they do best,” she said, adding that “there must be a role for grants and a role for blending.”

“Education and health should be an important part of EIP investment,” she said, pointing out that in similar public-private programmes finance tends to go to banking, energy and agriculture projects.

(Investment in) "education, health, nutrition – economic empowerment programmes, human capital sectors – without this there is a limit to how much countries can grow,” said Langenbucher.

Elizabeth Nelson, the vice-president of the European Bank for Reconstruction and development, complained that they faced a “growing problem with getting banks to take risks, and we see the EIP as an ideal platform to scale up”.

“A study we did in Morocco found that 41% of SMEs cater for women,” she said, pointing out that this demonstrated that there were large untapped markets needing finance.

However, it was often difficult for women entrepreneurs to attract capital, she said.

“In Turkey, women tended to be charged high interest rates and asked to produce more collateral. Banks were unconsciously biased,” she said.
The EU’s External Investment Plan (EIP) is the latest addition to the increasingly cluttered landscape of public-private development finance.

Modelled on the so-called Juncker Plan, the EIP currently relies on €4.1 billion of guarantees from the EU budget, which the Commission says will generate more than €44 billion of investments by 2020.

Although the plan has only been operational since last autumn, the Commission is poised to expand the EIP’s funding and remit as part of its proposals for the EU’s next seven-year budget from 2021-2027.

What the EIP will look like, and the role it can play, was one of the hot topics at the European Development Days on 5-6 June.

**AID NOT THE ONLY AGENDA**

At the UN Financing for Development summit in Addis Ababa in July 2015, donor countries were clear that conventional development aid was not going to see a rapid increase.

The figures bear that out. Total foreign aid from official donors stood at $146.6 billion in 2017, a fall of 0.6% in real terms on 2016, according to the annual report by the Development Assistance Committee (DAC) at the Paris-based Organisation for Economic Cooperation and Development.

Average aid spending among EU countries, meanwhile, sits at just over 0.4% of gross national income, well below the 0.7% of GNI target agreed at UN level.

But policy-makers say that increasing aid is not the only priority since it will never be sufficient, on its own, to eradicate extreme poverty.

Instead, the international community is looking towards a larger role for the private sector.

“Blended finance instruments including PPPs serve to lower investment-specific risks and incentivise additional private sector...”

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finance across key development sectors,” leaders agreed in the Addis
communique, adding that it was vital to “unlocking the transformative
potential of people and the private sector”.

This means more public-private partnerships and a bigger role for the
European Investment Bank, World Bank and other development finance
institutions.

“It’s interesting to see how blending has increased,” said Anja
Langenbucher, Europe Director of the Gates Foundation, at the European
Development Days.

“A stronger push for innovative instruments will be an increasing
part of our development financing,” a Commission official told EURACTIV.

But it is not entirely new. One of the provisions of the Cotonou
agreement signed between the EU and African countries in 2000, is
that European development finance institutions directly support domestic
private sectors and provide funding for infrastructure projects that will
help develop business opportunities.

The Luxembourg-based European Investment Bank, which was one of
the most active and visible delegations at the European Development Days,
has also mooted the prospect of a new EU development finance institution.

The EU is not the only player to be expanding its development finance
initiatives.

At its annual meeting in South Korea in late-May, Akinwumi
Adesina, the president of the African Development Bank, called for
shareholders to increase the bank’s capital so it can dramatically increase
the number of projects it can finance.

“Africa can’t become a museum of poverty,” Adesina told delegates.

NO COUNTRY LEFT BEHIND

But blended finance and public-private partnerships are not popular
with everyone. Many development NGOs argue that blending projects
are often opaque, with unclear lines of accountability. That makes it difficult
to track the progress of projects and hard for lawmakers to maintain local
control, they say.

“So far there is not enough evidence to suggest that relying on
private investments is the best way of reducing poverty or inequality,” says
Maria-Jose Romero of Eurodad.

Others argue that involving the profit-motive means that the lion’s
share of blending projects tend to go to middle-income countries rather than
the nations that are most in need of private sector development.

However, the Commission insists that the EIP will not leave the poorest
countries behind and that a significant portion of the EIP will be allocated
to leveraging the private sector in the poorest countries rather than
targeting the easiest markets.

“Commitments to least developed countries (LDCs) must be there and
will be there on 14 June,” a senior Commission official told EURACTIV.

He said there has already been “huge interest from financial actors” in
obtaining project finance from the EIP. “More than the budget will allow,”
the official added.

TRANSFORMATIVE

Policy-makers are clear that programmes like the EIP can only be
part of the answer.

“Without education, health, nutrition and economic empowerment
programmes there is a limit to how much countries can grow,” said
Langenbucher.

“Some of these programmes can only be addressed through grants
rather than blended finance,” she added.

But at the EDDs, there was still plenty of enthusiasm for what the EIP
can deliver.

“The EIP has the potential to be truly transformative,” one civil society
leader told EURACTIV.
Women and girls are too often forgotten in development policy, despite being in the front-line. A mere 2% of total overseas development aid is spent on policies related to gender equality, panellists heard at the European Development Days in Brussels.

‘Empowering women and girls’ was the theme of the EDDs held on 5-6 June. The majority of panellists in the discussions and events were women and that, in itself, was a welcome breath of fresh air for most of the over 6,000 delegates in attendance.

Much of the focus was on how to promote financial inclusion and economic empowerment for women. World Bank Chief Executive Kristalina Georgieva cited research by the World Bank that the world economy leaves US$160 trillion on the table every year because women were unused, underused or underpaid.

Georgieva pointed out that “in 104 countries there are legal obstacles for women working in some professions.”

“Investing in women is not just the right thing to do, it is the smart thing to do.” So said EU development commissioner Neven Mimica on Tuesday (5 June).

Increasing financial inclusion is one of the priorities in development policy making: the theme is woven into seven of the 17 UN-agreed Sustainable
Development Goals.

“Women’s business is a vast untapped resource,” said Elizabeth Nelson, vice-president of the European Bank for Reconstruction and Development.

She stressed the importance of increasing women’s access to finance in developing countries.

“We need to have sustainable banking services in the countries that we want to provide finance in,” said Nelson.

But there are a multitude of policy areas that need to be addressed if these goals are to be obtained. Nelson pointed out that in Turkey and North Africa, research by the EBRD had revealed that women faced tougher hurdles to obtain finance than men, and were often charged higher interest rates and asked to provide more collateral.

Meanwhile, other panel discussions at the EDDs highlighted other cross-cutting policy issues that impact on women’s empowerment.

The importance of robust tax collection was also cited as a key element.

“We are starting to see the strong links between tax havens and women’s rights”, said Tove Ryding of the European Network for Debt and Development (Eurodad).

“If taxes are not collected then public services suffer and women’s rights are first in line to suffer,” she added.

To Peter Sands, Executive Director of the Global Fund, empowering women must start with protecting them.

“If we want to empower women then we need to first protect them, and protecting them from disease is a starting point,” he said.

Addressing the issue of land rights is also a challenge. In sub-Saharan Africa, for example, women comprise only 15% of land-owners.

Coca-Cola Vice-President Beatriz Perez pointed to her firm’s 5by20 programme, which aims to offer women business skills, training courses, financial services and connections with peers and mentors, and set a target of empowering 5 million women by 2020.

Perez told delegates that the programme had already reached 2.4 million women, more than a million of whom are in Africa.

“Women want the tools of training not because they want handouts, but because they want to thrive,” said Perez.

Compared to men, barely half as many women have bank accounts in many sub-Saharan Africa countries, but Georgieva’s advice was not to jump the gun, pointing to schemes aimed at creating bank accounts for women where the World Bank had found later that “many of them were dormant.”

“If you jump the gun you may end up harming women’s participation. Always think through what you’re going to do and how you’re going to do it. Engaging women requires engaging everybody,” said Georgieva.

“We have found that if you are too intrusive (on the issue of gender) then women can be accused of being a drag on the project, and getting in the way of progress and job creation,” she said.
‘Water, women and waste’ are our development priorities, says Coca-Cola SVP

By Benjamin Fox

"Water, women and waste" are our development priorities, says Coca-Cola SVP ...

Water, Women and Waste
An interview with Beatriz Perez

Video: http://eurac.tv/9PGP

Senior Vice President of The Coca-Cola Company Beatriz Perez tells EURACTIV’s Development Editor Benjamin Fox that “Water, women and waste” are her company’s priorities. In an interview at the European Development Days in Brussels, Perez underlined Coca-Cola’s hopes to work with the EU on its flagship External Investment Plan that seeks to build partnerships between local communities, governments, and the private sector.