

[POLICY BRIEF]

Development, Security and Energy: Improving Coherence

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The ethos of EU development policy is changing. Incorporating both political and security goals, EU development co-operation has taken on a more holistic identity. It is increasingly linked to more ambitious outcomes in which good governance, human rights, conflict resolution and the challenges of sustainability all play a part.

This widened scope provides a platform to engage with EU policy on energy security. This policy brief provides a snapshot of the policy connections linking development, broad security goals and specific energy objectives. Can the EU effectively manage a policy nexus between securitised development and energy security? It certainly has the potential to do so. But fundamental policy changes are required before it can claim to be on the road towards this goal.

Integrated Policies?

Development policy is one of the original features of European Community external affairs. It is also 'the policy with the greatest potential to both absorb the values and ambitions of its donors and transmit them in the shape of political and security objectives to its recipients.'¹ These objectives range in scope, depending upon the target. EU objectives have run the gamut of non-reciprocal preferential trade and no-strings attached aid, to the reciprocal trade agreements demanded by the WTO, and conditionality mechanisms demanded by the EU to ensure that political and security provisions are observed. Thus development policy has widened to incorporate core political and security principles which the EU uses to govern itself, and which in turn govern its foreign relations with other states.

Political objectives of democracy, human rights, the rule of law and good governance have gradually widened to incorporate security provisions that revolve around conflict management policies – chiefly conflict prevention and resolution.

The 2006 *European Consensus on Development* reinforced this security-development nexus, not only by placing it at the heart of EU external action policies, but fusing devel-

The scope of European development policies has widened to include both general security considerations and more specific energy-related concerns. This policy brief outlines the dynamic behind this new holistic thinking and suggests the improvements needed to make it a reality. At present development, governance and energy objectives still cut across each other in practice; reforms to EU policy are required to ensure they become more mutually supportive.

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1. Amelia Hadfield, 'Janus Advances? An Analysis of EC Development Policy and the 2005 Amended Cotonou Partnership Agreement', *European Foreign Affairs Review*, Volume 12, Spring 2007, p. 39.

development's original goal of poverty reduction with newer 'social, environmental and security objectives'.² From the perspective of foreign policy, this effectively transforms development into a holistic policy that acts as a vehicle for a host of other political, security and even environmental provisions. Security is also widened in scope, seen chiefly as a precondition of development objectives, not merely a by-product of aid.

The upshot is that poverty reduction may remain an overarching objective of development, but the EU apparently sees it as sustainable only when clear political principles and security mechanisms are in place. Without key security provisions in place to shore up the components of state failure that most affect underdeveloped states, the overarching goal of poverty reduction as found in the Millennium Development Goals (MDGs) will fall on fallow ground.

The foreign policy challenges of an integrated 'development-security' policy are laid out in the May 2008 Council Conclusions on MDGs. Although the focus is on sub-Saharan African countries, the EU is keen to play 'a leading role as the world's largest donor' in which European resources (raised by a 2010 ODA target of .56 % of GDP) will fund the 'cross-cutting issues that are core elements of the EU development agenda'.³ Ensuring that its development policy can indeed achieve both the MDGs and other political, security and energy objectives means transforming development policy into a more comprehensive poverty reduction platform. Not only must this platform be capable of engaging both with the staggering insecurity problems plaguing the governance capacity of under-developed states, it needs to be flexible enough to deal with issues of climate change and energy security which now affect all states.

Bringing in Energy

The addition of this third factor of climate change/energy security to the original development-security duo appears firmly rooted. The three-level combo neatly addresses both the EU's *internal goal* to improve policy coherence for development (PCD) in the areas of security and energy security, and its *external objective* of approaching European energy security as a form of external affairs. The EU seems determined to create policies that are synergetic in form and ambitious in content; this explains why both conflict management and climate change/energy security now operate under the aegis of 'sustainable economic growth' in EU debates on attaining MDGs.⁴

However, energy is a large policy area. The Commission made clear in 2006 that tackling energy issues had to be done in a three-fold way: by prioritising the environment, adhering to various market principles that balanced competition with regulation, and integrating the various implications of energy security.⁵ Whilst European energy security is currently dealt with at the member state level via public and private actors contracted to receive oil and gas supplies, it is also a cross-border issue that demands a collective strategy. Like development and security, there are clear external dimensions attached to energy security – and in particular the political, economic and environmental attitudes of third party suppliers – that have clarified the need among many for a European external energy policy. Adopting 'a common voice on energy issues with third parties' means kickstarting the external dimension of the 2007–2009 Energy Policy for Europe in general.⁶ It also means a more country-specific approach in which broad forms of development assistance to states in sub-Saharan Africa, the Mediterranean and Eastern European and even Central Asian states can efficiently build strategic security relationships, and effectively underwrite a host of new energy partnerships.

Security-conscious development aid can help the EU claim leadership in the battle against climate change, as well as to reap any benefits that may occur in transforming energy-endowed under-developed states into sustainable economies trading in energy products.

2. European Commission Communication 'The European Consensus', COM (2005) 311, Final, p. 4.
3. Council of the European Union, General Secretariat, *Conclusions of the Council and of the representative of the Governments of the Member States meeting within the Council on 'The EU as a global partner for development: Speeding up progress towards the Millennium Development Goals (MDGs)'*, Note 9907/08, Brussels, 27 May 2008, pp. 2–4.

4. Ibid, p.5.

5. European Commission Green Paper, *A European Strategy for Sustainable, Competitive and Secure Energy*, COM (2006) 105 final, SEC (2006) 317, Brussels, 8 March 2006.

6. Council of the European Union, Presidency, *Presidency Conclusions, 13/14 March 2008*, 7652/08, Concl. 1, Brussels, 14 March 2008, p. 14.

African partnerships

The triple nexus in which energy security now features emerged as a key feature of the 2007 Africa-EU Strategic Partnership. The Partnership strives ‘to bridge the development divide between Africa and Europe’ in which the multiple objectives of ‘peace, security, prosperity’ and ‘sustainable development’ chime together to create a more stable African region, better political partnership and enhanced co-operation with the EU, and the achievement of the MDGs in Africa by 2015.⁷

The EU’s 220 million euro Energy Facility is designed to address the roots of energy poverty; a new budget for energy infrastructure projects ring-fences an increased amount of money for connecting poor communities into energy networks.

Crucially, the third component of energy security is now understood as a ‘key development issue’, specifically linked to MDG progress. Achieving this third goal requires that Africa and the EU co-operate in the face of common ‘international energy challenges’ by ‘promot[ing] access to energy, energy security and safety, and regional cooperation.’ The Africa-EU Energy Partnership – formally established in September 2008 – will act as a joint forum with a series of projects to tackle ‘energy security and diversification of supply’, along with other measures to promote energy efficiency and renewables. For the EU, pulling resource-rich African states into its energy security ambit is a strategic move that may – over time – enable European buyers to wean themselves off Russian gas and Middle East oil.

There is a distinction to be made between the rather conceptual, loosely-defined goal of good governance, and the more grounded, practical energy interests of major oil-producing states like Nigeria and Angola and minor ones like Gabon, Congo-Brazzaville, Equatorial Guinea, Sudan and Somalia. Good governance is achievable through long-term processes of strengthening state structures, (particularly judiciaries and treasuries), overhauling electoral practices and increasing the efficient use of development and FDI revenue. Energy interests involve on the ground activities that appear more immediate, require infrastructure establishment and offer fairly quick returns for the resources on offer.

Bringing development and energy together is a conceptual convergence that must take effect in a multi-layered policy. Their convergence indicates the EU’s commitment to the idea that energy security must generate societal, as well as strategic benefits, chiefly by efforts to improve governance standards in the producer states with which the EU is already linked via development assistance. Good governance, underwritten by conflict management is now the lynchpin between development aid and sustainable ‘access to energy’ goals.

In practice, European development and energy also share a link as the most traditional forms of European engagement with Africa. Both national governments and private companies (particularly from France) have operated in the enclave sector of oil for the past several decades. And the EU has leveraged economic and political asymmetry via development policies allowing preferential trade and acting as a vehicle for normative and security provisions. But things are changing. The ambitious fusing of governance and sustainable development in a broad development-energy security nexus appears an unproblematic form of holistic foreign policy for Brussels. It certainly bespeaks a vastly more global, all-encompassing view that the EU appears to have of itself. But it may also be a reaction to gather all the myriad economic, political, security and environmental issues together in a single policy bundle and deploy it at the most obvious target. One could argue that this reaction is borne out of the geopolitical tremors felt in Brussels as a result of assertive new policies by the US and China in Europe’s former *domaine privé*.

The Africa-EU Strategic Partnership document argues that with the right support, reciprocal benefits could tie the two continents together in a way that allows sustainable energy sector development in Africa’ and reduced energy insecurities in Europe. The question is whether an overtly politicised, securitised development policy that now highlights energy security as a key feature of the EU-Africa relationship can operate in practice.

Moving forward

The EU’s foreign policy substance is increasingly hybrid, blurring boundaries with traditional policy-making over both energy and development. Development policy now twins poverty reduction with good governance as the preferred method of ensuring both political stability and se-

7. Quotes in this section from, The Africa-EU Strategic Partnership, December 2007, p. 2, available at http://ec.europa.eu/development/icenter/repository/EAS2007_joint_strategy_en.pdf, accessed 1st September, 2008

curity. It is judged that this will foster the improved investment climate necessary to encourage internal progress and external support to either kickstart, or reorient the various national energy industries of these countries in the general direction of Europe. But a number of considerations will be important moving forward towards a better implementation of this holistic approach.

First, the three components – development, security and energy security – remain split competences. The Commission certainly ‘manages’ development; the Council is steering towards greater acquiescence – if not acceptance – of EU security principles; but energy security remains firmly in national hands. The main balance to be struck must therefore be an internal consensus between market and geopolitical requirements in which a hybrid policy is not only acceptable, but indeed, presented as the only real solution to a host of externally-derived issues (not least migration and energy security).

Second, it must be considered whether such a tight linkage between development and energy security is only really pertinent to Africa or more generally applicable. At present the EU’s focus on energy security in Africa exhibits a tone distinctive in many respects from that which prevails in other producer regions. In Africa the focus on energy has grown out of development concerns and is strongly oriented in philosophy towards issues of energy poverty. In the Middle East and Russia it remains more geopolitical.

Third, the EU still needs to develop a truly inclusive approach that incorporates all member states’ national policies and the actions of European multinationals into a more governance-oriented policy. Absent this, the EU will be accused of fine-sounding words that do little to mitigate the traditionally far more Machiavellian and power-centred approaches to energy. Critics charge the West with sucking out oil and gas from Africa’s coastal regions and preventing the continent’s energy wealth from ever making it into the African hinterland – a view that sees

development and Western energy security as being in direct conflict with each other not mutually enhancing. EU policy statements now promise to avoid just this phenomenon. But it would be naïve to suggest that such harmful dynamics are in practice completely absent from European policies. Much remains to be done to convince the EU’s own sceptics that a development-centred approach is a necessary part of – and not substitute for – security self-interest.

Fourth, this relates to the EU’s very obvious reluctance to push hard on democratic governance in many producer states that remain authoritarian and marred by deep internal poverty. This has been seen not only in Russia and the Middle East but also in Angola, Sudan and Chad. It is routinely argued that China has gained influence by ‘under-cutting’ the West to the extent that it does not ‘hector’ African states on democracy and human rights. But, in practice, the EU’s policies are themselves not strongly coercive and do not in overall terms impose conditionality related to political reform. It is still not clear how the EU can more effectively balance its poverty-reduction and democracy promotion goals. And while this link is not clear, the additional link between both of these and energy security will be even more nebulous.

Fifth, beyond the holistic policy designs, in political terms the EU still struggles to gain meaningful presence in Africa’s main producer states. In Nigeria overall funding and diplomatic activity is limited. In Sudan the focus on Darfur diverts attention from the simmering tension between North and South that undermines any prospect of deeper energy co-operation. In Equatorial Guinea, the US has gained the primary market share, encouraging Spain in particular to make new efforts to engage president Obiang. Until it recuperates some of its lost diplomatic clout in Africa, the EU will not be in a position to wield the leverage needed to lock together energy and development aims as both these policy areas present more acute challenges up to 2020.

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