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What Role for Sub-Saharan Africa in Europe's Energy Policies?

By Richard Youngs



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Summary

As in other policy areas, the Africa–EU partnership inaugurated in 2007 promises a new beginning for energy relations between the two regions. A new beginning designed to increase Europe's access to sub-Saharan African energy sources, but also supposedly to ensure that in qualitative terms EU approaches to energy security become more conducive to development.

This paper examines the three ostensibly core dimensions of Europe's evolving policy in Africa. First, the incorporation of the continent into European external energy security policy. Second, the claimed coherence between development and energy security aims in Africa. And third, the governance dimensions of how energy sectors are managed in Africa. It highlights the incipient potential for an approach to energy that is sensitive to issues of development and good governance. In this sense, Africa compares favourably to EU energy policies in other regions. But the overall record is patchy. The paper puts forward five areas of tension in EU policy that militate against an effective link between energy security, development and governance policies.

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1. Neglecting African Potential

By the mid-2000s, Africa enjoyed the highest rate of new oil and gas discoveries in the world. It has also registered faster-growing production than any other region, up a third since the mid-1990s. Estimates of Angola's total reserves quadrupled between the early 1990s and mid-2000s, and the country is set to rival Nigerian levels of production. New offshore drilling technology and the rise in oil prices have rendered exploration of sites in the Gulf of Guinea more feasible and profitable. The long-standing second order producers of Gabon, Congo-Brazzaville and Equatorial Guinea are increasingly matched by Sudan, Somalia and Chad, which began production in 2003, all for export. Equatorial Guinea commenced Liquefied Natural Gas (LNG) exports in 2007. A large number of African states, including Ghana and Sierra Leone, have claimed sizeable new discoveries. Africa remains the least explored continent, with the greatest potential for new discoveries as yet unidentified on geological maps.

Most African oil is of high quality, with low sulphur content. Shipping routes are easy, unlike in Central Asia or parts of the Middle East. Much production is off-shore, so can be exported straight out to Western markets. Nigeria's forecast development of LNG is set to make it the world's second largest LNG exporter, after Qatar, as it aims to improve methods of oil-extraction to tap, rather than flare, natural gas². Most African governments still offer Western investors relatively generous production-sharing agreements (PSAs). Some observers caution that many in the energy industry now *overplay* Africa's potential. The European

¹ The author wishes to express his gratitude to Mick Moore, at the Institute for Development Studies (IDS), for his comments and suggested improvements to the text. A longer version of this working paper is available in Richard Youngs, *Energy Security: Europe's New Foreign Policy Challenge* (London: Routledge, 2009), chapter 6.

² As reported in the 2005 NEITI audit report, Nigeria is currently flaring at least one third of all natural gas extracted.

Commission forecasts that Africa's share of world oil production will increase modestly from 10.8 per cent in 2001 to 11.6 per cent in 2030, and its share of global gas production from 5.6 to 12.5 per cent over the same period.³ Even doubling output by 2025 would leave the continent accounting for no more than 14 per cent of world production. Notwithstanding this, few question the assumption that Africa looks set to become more important for international energy security deliberations. Demonstrating the new significance of African oil, violence in the Niger Delta has been responsible for some of the most notable hikes in the international oil price in the late-2000s.

Despite these encouraging trends, European governments have focused their energy security concerns elsewhere. The long and complex history of French energy diplomacy in Africa is seen as symbolic of a now fading relevance.⁴ Even though companies such as Shell, Agip and Total remain significant players in Africa, by the 2000s Europe's historically primary role was fast disappearing. Amid talk of Africa's energy potential, European market shares are modest. The continent accounts for under 5 per cent of EU oil imports. The Commission's list of main energy sources shows only Nigeria in the list of top gas suppliers (the fourth largest supplier, accounting for 4 per cent of EU gas imports).⁵ As is well known, US, Chinese and even Brazilian, Indian and Malaysian energy deals have gradually displaced European influence.

The EU's focus on energy within its Africa policies has been limited compared to the importance Europe attaches to energy questions in other producer regions. Energy was not a prominent topic in EU–Africa relations until the late 2000s. At the level of high politics, European attention to African energy resources appeared scant. Energy security was not a priority issue at the first EU–Africa summit held in 2000. Moreover, the holding of a second summit was then delayed – for reasons related primarily to Zimbabwe – until 2007. Energy was not a sector funded by the European Development Fund (EDF). Javier Solana admitted the obvious when he said that, 'We have not paid enough attention to Africa's energy potential and its needs'.⁶ Relative to other powers, Europe's energy engagement in Africa has been strikingly limited. In Washington in the wake of 9/11, there was a frenzy of briefing and advocacy activity regarding the notion of augmenting US access to African energy specifically as a means of decreasing reliance on Arab states and it is perhaps not surprising that as Africa's energy importance grew during this period, the Bush Administration moved to create a US strategic command structure for the region, AFRICOM. With US government support, US

³ Commission of the European Communities, *European Energy and Transport Trends to 2030 – Update 2007* (Brussels: European Commission, 2007), p. 27.

⁴ See N. Shaxson, *Poisoned Wells: The Dirty Politics of African Oil* (Basingstoke: Palgrave Macmillan, 2007).

⁵ Commission of the European Communities, *Energy Statistics Pocketbook 2007* (Brussels: European Commission, 2007), p. 14.

⁶ J. Solana, 'Energy in the Common Foreign and Security Policy', in G. Austin and M. Schellekens-Gaiffe (eds.), *Energy and Conflict Prevention* (Brussels: Madariaga European Foundation, 2007), p. 14.

companies quickly became the principal importers of oil from Equatorial Guinea and Angola became a more important source for exports to the US than Kuwait. Nothing of remotely the same intensity was seen in Europe.

The 2006 China–Africa summit in Beijing was the most salutary of moments that symbolised these trends. This summit attracted a far higher turnout of African leaders than any European gathering in many years. Across Africa, China engaged at the highest political level, with energy the specific priority of this new assertive diplomacy. China made 2006 the ‘Year of Africa’ and released its first ever Africa Policy White Paper. In 2007, China offered \$5.5 billion in development packages and \$10 billion of debt relief in return for being granted oil contracts, while also becoming the second largest supplier of arms to Africa.⁷ This even led to the curiosity of China constructing new parliament buildings for a number of African autocrats. Contracts for construction projects were reserved for Chinese companies. China’s African policy resembled that of European powers in the colonial and immediate post-colonial period. However such a policy does have its drawbacks: China is deeply resented by the populace of many African authoritarian states and has seen an increasing trend of attacks against its nationals.⁸ Cosying up to authoritarian regimes through the provision of military and economic assistance risks a popular backlash and reversal of fortunes should these unstable regimes be toppled.

In comparison, Europe has attached low priority to sub-Saharan Africa as an energy source. Countries such as the UK, France and the Netherlands have focused heavily on a conflict resolution agenda. Spain has tripled aid to Africa, but in its diplomacy towards the continent is almost exclusively preoccupied with the issue of migration.⁹

Initiatives to enhance the focus on energy have been implemented. Energy was a priority issue for discussions at the EU–Africa ministerial in Brazzaville in October 2006. Energy cooperation was for the first time identified explicitly as a priority focal area for the 23 billion euro EDF budget. This funding was to include a new Africa–Europe Partnership on Infrastructure, focusing in particular on energy projects. A ministerial meeting in May 2007 did appear to increase the level of political engagement and commitment. New high-level energy dialogue with African states would take shape as a special part of the EU’s overall 2007–2009 Energy Action Plan (EAP). The EU talked more explicitly about Africa being crucial to its own future security of supply, alongside the longer-standing language relating to security of local citizens’ supply.

⁷ The Stanley Foundation, ‘Africa at Risk or Rising? The Role of Europe, North America and China on the Continent’, *Policy Dialogue Brief* (Muscatine: The Stanley Foundation, May 2007), pp. 4–5 and p. 8.

⁸ David Shinn, ‘Chinese Involvement in African Conflict Zones’ (Washington DC: Jamestown Foundation), 2 April 2009, p. 2.

⁹ F. Guerrero, ‘Las Relaciones España–África Subsahariana: ¿A Remolque o en la Vanguardia de la UE?’, (Barcelona: Observatorio de Política Exterior Europea, Universidad Autónoma de Barcelona, March 2008).

The EU also appears to recognise that it has an interest in sub-Saharan Africa becoming greener in its energy policies. A 2009 report from the Commission to the Council recommended that the EU increase its assistance for clean energy projects, noting that 'there is good potential to develop biofuel production and use, with due respect for the sustainability scheme outlined in EU's Renewable Energy Directive.'¹⁰

A new Africa–EU Partnership on Energy was formally signed at the EU–Africa summit held in December 2007. The document outlining this Partnership reiterated the familiar range of commitments relating to infrastructure links, supported through new African Energy Funds; cooperation on climate change; more senior level political dialogue on energy; technology and know-how transfer, the latter through new 'twinning' programmes involving energy ministries; and the need for reform of national energy agencies in Africa. Former development commissioner Louis Michel argued that all this represented a significantly upgraded strategic commitment, based on the fact that 'Africa is a safer producer than most other regions'.¹¹ Energy was identified as one of the priorities in a broad-ranging 'action plan' that would supposedly guide EU–Africa relations.

However, even at this stage the question of energy was overshadowed by other issues at the summit and did not receive the political 'push' some diplomats argued it required. The new energy action plan agreed at the summit did not come with specifically allocated new money. Attention at the summit focused on two issues. First, that of Zimbabwe and the decision of UK prime minister Gordon Brown not to attend after Portugal, backed by other member states, insisted on waiving the EU's own visa ban to invite Robert Mugabe to the event. The UK lamented EU weakness on a key human rights question; other EU and African states complained that the UK was undermining Europe's prospects of regaining geo-strategic and energy security presence in Africa because of one specific post-colonial fixation.

The second issue that dominated discussions was the rejection by approximately half of African states of the Economic Partnership Agreements (EPAs) being offered – or, in African states' view, imposed – by the Commission. These required African economies to gradually open up their markets to European imports, after the WTO had ruled inadmissible the continuation of the EU's set of preferential trading provisions that had defined the post-colonial EU–ACP relationship. Whatever the merits of each side of the argument on these issues, the tensions that dominated the summit rendered questionable ministers' claims that the foundations of a new geo-strategic and energy partnership

¹⁰ Commission of the European Communities, *Report from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: EU 2009 Report on Policy Coherence for Development* (Brussels: European Commission, 2009), p. 9

¹¹ Speech at the European Policy Centre, Brussels, 5 December 2007.

had been laid. At the summit's close, Senegalese president Abdulye Wade concluded on behalf of African states: 'Europe has practically lost the battle against China in Africa.'¹²

2. The Development Dimension

Reflecting the lack of overtly politicised, strategic engagement, the European focus has been more on what might be termed the 'developmental aspects of energy' – as explained below. The sceptic might argue that this makes virtue out of necessity, with the EU better able to coordinate its complex policy machine in the sphere of development than on geo-strategy. But EU policy-makers present the 'development lens' – the focus on improving access to energy for poor communities, though aid initiatives - as a strength of the evolving European approach towards Africa.

Over 500 million Africans have no access to electricity. Despite possessing massive energy resources, the whole of Africa has less generating capacity than Spain. European diplomats concur in stressing that, far more fundamentally than in other regions, energy partnership with Africa is to be understood through the lens of development policy and governance issues. Energy commissioner Andris Piebalgs has claimed that the EU's approach is distinctive in marrying European security of supply concerns with development policies, in particular through a focus on broadening access to energy within Africa itself.¹³

The EU Energy Initiative for Poverty Eradication and Sustainable Development was launched in 2002 at the World summit for Sustainable Development in Johannesburg. It is significant that the EU's main energy initiative in Africa to date concerned improving access to energy as part of poverty reduction strategies. One instrument agreed under this initiative is a 220 million euro Energy Facility, to support projects strengthening energy delivery to rural areas. This is coordinated from a Secretariat within the Commission's Development directorate. Similar initiatives exist at the national level. The Dutch government has developed an 'Energy for All' initiative to increase World Bank investment in improving energy-access of the poorest communities in Africa.

The October 2005 EU Strategy for Africa attached priority to the funding of regional energy infrastructure, including links between Sub-Saharan and North Africa.¹⁴ Energy was one of the 'fiches' of the statement on 'Policy Coherence for Development' (PCD) agreed in 2005, that committed

¹² *Financial Times*, 9 December 2007.

¹³ A. Piebalgs, 'Energy and Development', speech to the External Energy Policy Conference, Brussels, 21 November 2006.

¹⁴ Commission of the European Communities, *EU Strategy for Africa: Towards a Euro-African Pact to Accelerate Africa's Development*, COM (2005) 489 (Brussels: European Commission, 12 October 2005), p. 5 and p. 37.

the Commission and member states to tighten coherence between aid efforts and the range of other EU policy concerns in Africa. This statement insisted that 'Non-development policies should respect development policy objectives and development cooperation should, where possible, also contribute to reaching the objectives of other EU policies.' The issue at stake was to look beyond 'the frontiers of development cooperation, and consider the challenge of how non-aid policies can assist developing countries in attaining the Millennium Development Goals'.¹⁵ It also committed the EU to strengthening twinning programmes in the energy sphere, regulatory frameworks, regional cooperation and the integration of energy into poverty reduction strategies. The underlying approach is said to be all about allowing developing states to make their own 'energy choices'.¹⁶

All this is interpreted as a pivotal commitment to 'integrating energy interventions into development cooperation.'¹⁷ A European Consensus on Development was agreed in 2006 as the first common set of guidelines for European development policies. This reiterated a conviction in the two-way linkage between security and development: development was said to be necessary for security; security necessary for development. In line with the overarching PCD maxim, it was to be ensured that all security policies impacted positively on development policies and the attainment of the Millennium Development Goals. Crucially, development efforts were presented as the principal means of improving energy security.¹⁸

Opening the Africa–Europe Energy Forum in March 2007, the Commission's director of development policy reiterated that the EU's focus was on 'access to energy' for poor communities.¹⁹ An updated review of EU–Africa cooperation issued in April 2007 was almost exclusively about infrastructure development; the extension of internal market principles to Africa; and means to ensure the use for development of oil and gas revenues. The proposed way forward was mainly for dialogue on these issues through an Africa–EU Energy Alliance.²⁰

The EU formalised an Energy Initiative for Sustainable Development and Poverty Eradication whose aim is to push member states to increase the share of their aid cooperation allocated to energy issues. A new annual roundtable between European and African public and private bodies was to review progress, especially on the 'development-oriented use of oil and

¹⁵ Commission of the European Communities, *Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee, Policy Coherence for Development*, COM (2005) 134 (Brussels: European Commission, 12 April 2005), p. 3, p.4 and p. 10.

¹⁶ *Ibid.* p. 18.

¹⁷ L. Van Schaik, 'Policy Coherence for Development in the EU Council: Strategies for the Way Forward', *Fiche on EU Energy Policy* (Brussels: Centre for European Policy Studies, June 2006), p. 118.

¹⁸ European Parliament–Council–Commission, *The European Consensus on Development*, 2006/C 46/01 (Brussels: European Parliament–Council–Commission, 24 February 2006), p. 4, p. 7, p. 13 and p. 14.

¹⁹ A. Theodorakis, keynote speech at the Africa–Europe Energy Forum, Berlin, 6–7 March 2007.

²⁰ Council of the European Union, *Presidency-Commission Joint Background Paper on Energy Cooperation between Africa and Europe*, 8376/07 (Brussels: European Council, 17 April 2007).

gas revenues.’ A particular effort was to be made to use Economic Partnership Agreements to gain commitments to improve investment conditions in Africa’s energy sector.²¹ The Africa–EU Partnership on Energy highlights the aim of ensuring an ‘increased development-oriented use of oil and gas’.²²

In short, the whole tone of European energy policy in Africa has been strikingly different from strategy towards Russia, the Caspian, Central Asia or the Middle East. Officials in the Commission’s development directorate insist that the new energy action plan will not be dictated by the EU; rather, the latter will ‘wait to see what ACP states want to do with it’. This is language not likely to be heard in relation to policy on Russia or the Middle East, where energy policy is much more explicitly infused with geopolitics.

The official European line is that the developmental approach is not only a coherent part of EU energy security strategy, but indeed the most sustainable means of pursuing Europe’s own interests. The British prime minister lists as a new UK priority the provision of clean energy sources to Africa and links this to broader UK energy interests. The primary effort to increase energy efficiency and productivity within ACP states will increase capacity and thus the amounts available for export; the prospect of greater export to European markets will in turn drive improvements in capacity and efficiency, in a virtuous circle of better governance and resource allocation.

3. Trade-offs and Tensions

In practice, however, tensions have emerged in the implementation of the ‘development-led’ approach. Tempering these tensions remains vital if the EU is to convincingly lay claim to a genuinely development-sensitive policy.

First, many parts of the European foreign policy machinery, in Brussels and national capitals, remain unconvinced of the development dimension. It often appears that the Commission’s development approach to energy questions is merely a default option, propelled by the absence of competence and unified planning at the strategic level. The Council Secretariat’s Africa unit strongly laments that in this region energy policy

²¹ *Conclusions of the Council and the Representatives of the Governments of the Member States’ Meeting Within the Council on Energy Cooperation between Africa and Europe*, 9562/07 (Brussels: European Council, 15 May 2007).

²² EU–Africa Summit, *The Africa-EU Strategic Partnership*, adopted by the Lisbon Summit, 9 December 2007, pp. 56–8.

is jealously guarded by the Commission's Development directorate and consequently lacks 'political input'. Many energy policy-makers reject the notion that African states' own development should be any part of their concern or remit.²³ Tensions have intensified as responsibility for many political issues have been transferred from the Commission's external relations department to its development directorate (that is, from DG RELEX to DG DEV), making strategic direction more difficult.²⁴ Development experts bemoaned the increasing primacy, as they saw it, of security forums; security experts perceived an imbalanced primacy of development perspectives.

European policies are hardly bereft of the 'harder' approaches to energy security. In 2005 the UK bilaterally joined the US in establishing the Gulf of Guinea Energy Security Strategy; the French and Dutch governments subsequently joined a number of monitoring missions under this initiative designed to crack down on illegal bunkering. The European Commission and most other member states are highly critical of this strategy, arguing that it is 'too strategic' and insufficiently development-oriented.

Critics judge European governments' new efforts in Africa to be a fairly crude realpolitik reaction to Chinese ascendancy rather than a genuinely new approach to security challenges. For example, EPAs contain a clause requiring African states to grant the EU at least as generous commercial conditions as those offered to any other major trading partner.²⁵ Policy-makers suggested that one of the main challenges for the EU in Africa is to get China signed up to market rules in order to bring down the energy prices Beijing is offering, which are squeezing medium-sized European companies out of the market.

Second, most African producer states have limited domestic supplies as rising international prices make it more attractive to increase exports. Energy policy-makers still tend to worry that placing such an overwhelmingly priority focus on aid projects designed to boost local energy consumption risks reducing exports to the West. Diplomats attest to tension consequently increasing between DG TREN and DG DEV. In reality, these fears are exaggerated: international market pressure and the interests of political elites in producer countries will ensure that intense export activities continue. Without major political reforms, local energy supply concerns are unlikely to affect international trade in most African producer states.

From the development perspective, the concern is the opposite, namely that new energy projects are, despite all the pro-development rhetoric, geared more to export markets than local access. In private the

²³ Van Schaik, op. cit. p. 121.

²⁴ J. Kotsopoulos, 'The EU and Africa: Coming Together at Last?', *EPC Policy Brief* (European Policy Centre: Brussels July 2007), p. 3.

²⁵ B. Stocking, 'Seismic Rupture', *The World Today* 64/1, January 2008, 21–2.

Commission acknowledges that it tends to indulge governments who want big showy infrastructure projects, often oriented towards increasing export capacity to Western markets, rather than civil society actors who want better local access to energy. One influential report admonishes the UK and other donors for, in practice, still devoting limited funds to improve access to energy in Africa.²⁶ This links to sensitivity over market liberalisation: African governments accuse the EU of pushing this as an instrumental fillip to their own supplies when combating local energy poverty is more a question of state intervention and redistribution.

Third, the relationship between the development and climate change policies is less than completely harmonious. Like other producer states, African countries admonish the EU's hypocrisy – as they see it – in talking of new 'jointly owned' energy partnership while they pour more funds into their own efforts to find alternatives to developing states' oil and gas. If Africa is to enjoy better and more sustainable access to energy, investment in renewable sources is the absolute priority. And yet European funding for renewables in Africa has been extremely low – despite experts pointing to the continent's huge potential in alternative energy sources. Notwithstanding the myriad of financing facilities for various environmental programmes in the developing world and emerging powers, one expert derides the scale of climate change financing forthcoming so far as 'pitiful'.²⁷ In 2008 the Commission committed 300 million euros through the EU's Global Climate Change Alliance with developing countries, an amount the EP and most commentators have decried as derisory.

Member states have resisted fuller use of Emissions Trading Scheme revenues for climate financing in developing countries.²⁸ The World Bank notes that the financial crisis has pushed European donors to cut back on investment in renewables in the developing world. In July 2009, the UK launched its Copenhagen manifesto with calls for a \$100 billion pot for climate financing in the developing world, but conspicuously failed to make any firm commitment itself – indeed, it placed more emphasis on the need for private sector finance and for 10 per cent of existing ODA to be diverted to climate change objectives.²⁹ When the Commission finally made a climate financing offer in September 2009, this was highly imprecise. The offer suggested that the EU could provide between 2 and 15 billion euros per year for developing states. Even the maximum figure of this extremely wide range is criticised by environmental groups as

²⁶ High-Level Task Force on UK Energy Security, Climate Change and Development Assistance, *Energy, Politics and Poverty* (Oxford: Oxford University Press, 2007).

²⁷ Nick Mabey, 'Sustainability and Foreign Policy', in David Held and David Mephram (eds.), *Progressive Foreign Policy*, (Cambridge: Polity, 2007), p. 110.

²⁸ Leo Peskett, Natasha Grist, Merylyn Hedger, Tessa Lennartz-Walker and Imme Scholz, 'Climate Change challenges for European Development Cooperation: Emerging issues', Policy brief no. 3, EDC2020 project, 2009, p.3.

²⁹ Department of Energy and Climate Change, 'The Road to Copenhagen', 2009, p. 44 and p. 61.

being well under half what is needed and a reduction from the 25 billion euros that the Commission had previously hinted at. This money is not promised as an addition to all existing ODA. Moreover, such funding has been made strictly conditional on developing countries accepting emissions reductions of equal magnitude to rich states, in contravention of previous UN agreements.³⁰

Fourth, the wider European conflict-resolution engagement in practice remains modest, providing little obvious buttressing to energy security strategy. There has been no enhanced EU political will to undertake military interventions in conflict situations. The EU has largely limited itself to furthering 'multilateral subsidiarity' through support for the interventions of other organisations, particularly the African Union in the cases of Somalia and Sudan.³¹ Experts point out that the new EU Battlegroups established in 2007 merely repackage much existing military capacity.³² The European Security and Defence Policy has settled itself into a comfortable niche of narrowly delineated military-civilian crisis management operations, divorced from broader security challenges, including that of energy.³³ Energy officials admit that conflict resolution policy still has no link to deliberations or planning on energy policy. Reflecting the need for links to be strengthened between traditional development issues and security concerns, British development minister Douglas Alexander laments that the Department for International Development (DfID) still needs to move from being 'an aid agency' to acting as 'a development ministry'.

³⁰ Euactiv.com, 11 September 2009 and 22 September 2009; *Financial Times*, 11 September 2009, p. 5.

³¹ M. Gibert, 'Monitoring a Region in Crisis: The European Union in West Africa', *Chaillot Paper* 98 (Paris: European Union Institute for Security Studies, January 2007), p. 30.

³² C. Mölling, 'EU Battle Groups 2007: Where Next?', *European Security Review* 31, December 2006, p. 7.

³³ J. Howarth, *Security and Defence Policy in Europe* (London: Palgrave Macmillan, 2007).

4. Transparent Governance and Energy Security

A **fifth** area of concern is that the EU still fails to incorporate governance issues as the essential link between the external and internal dimensions of Africa's energy policies. The formal EU argument insists that more stable, transparent and prosperous states will get more oil and gas out of the ground, manage it better and increase exports under more predictable conditions. Better governance is presented as the lynchpin conjoining better energy access within Africa, on the one hand, and increased energy exports to Europe, on the other. Perhaps unsurprisingly, more effort is still required to inject European policies with more significant good governance dimensions.

As explained in other EDC2020 publications, the Extractive Industries Transparency Initiative (EITI) is widely seen as the key initiative in the linkage between energy and governance reform. But within the overall range of European policies this remains relatively limited in scope. The EITI only covers the transparency of payments into national budgets. There has been no combined European attempt to widen its scope. Most member states and the Commission (especially under former development commissioner Louis Michel) reject the notion that producer states should be pressured in any concrete way to join the initiative. Most diplomats see it as a well-meaning development initiative, but one which has no significant bearing on EU energy security. An evaluation of EITI in Nigeria and Ghana revealed that the greatest gains from the initiative thus far have been in institutional reforms and public advocacy.³⁴ Indeed, at the December 2007 summit the EITI was transferred out of the EU–African energy plan and into the analogous governance action plan.

Beyond the EITI there are certainly a large number of European commitments and initiatives that focus on the issue of governance reform. The 2005 Strategy for Africa included a Governance Initiative and an EU–Africa Forum on Human Rights.³⁵ And from the 10th EDF budget, 2.7 billion euros (out of a total 22 billion for 2008–13) were set aside to be allocated as a reward for those ACP states committed to cooperating with the EU on governance reforms. The Commission promises that absolute priority would be attached to 'good governance [...] and democratization [...] even in the most difficult country situations' in Africa.³⁶

However, the concrete substance of good governance policies remains weak. The EU has declined to use sanctions against any major energy

³⁴ EITI field work conducted by CISLAC, ISODEC, Oxfam International, and FRIDE in 2009.

³⁵ Commission of the European Communities, 12 October 2005, op. cit. p. 25.

³⁶ Commission of the European Communities, *Communication from the Commission to the Council and European Parliament, Proposal for a Joint Declaration by the Council, the European Parliament and the Commission on the European Development Policy*, COM (2005) 311 (Brussels: European Commission, July 2005).

producer in Africa. These producers have received increased amounts of budgetary support provided directly to government coffers. Development policy-makers view budget support positively as the key means to enhance local ownership; but local civil society stakeholders within energy producing states lament that such direct transfers merely compound the very rentier dynamics that cause such serious problems for development. Crucially, while governance reform is stated as an integral part of the EU's approach to energy security in Africa, in practice there is little link between policy-making in the two areas. The Governance unit in the European Commission has no meaningful input into energy policy deliberations.

The paucity of European governance policies can be seen across Africa's main energy producers, in particular in Angola, Equatorial Guinea, Sudan and Chad. But it is in Nigeria where this supposedly key dimension of energy security has most strikingly struggled to gain traction. Nigeria is Africa's most under-funded state in terms of its ODA/GNP ratio. The European Commission and the British government are the only two European donors of any meaningful size. In 2003 the UK allocated \$43 million to Nigeria; a figure rising to \$100 million by 2006. Commission aid for the period 2001–7 was just below 50 million euros a year.³⁷ No other European state donated more than \$10 million a year. Conversely, European arms sales have increased, France extended its RECAMP military programme to Nigeria, and Germany stationed a team of officers for capacity-building.

Indeed, as Nigeria's internal strife has worsened, the European funding that has been forthcoming has exhibited a strong security orientation. The Commission acknowledges that it has failed to put in place a broad-ranging civil society funding package. British development projects have supported public scrutiny of federal budgets; NGOs in the Delta to track oil revenues; the Ministry of Finance to set up an Oil and Gas Accounting Unit; benchmark ranking between federal states on transparency; and the Economic and Financial Crimes Commission.³⁸ But the UK's development agency, DfID, also admits that its strategy is heavily government-focused, and that little progress has been made in reducing the pervasive effects of patronage and corruption.³⁹ One British diplomat argued that the EU could not push for reform for fear that Nigeria would 'fracture...and then we would lose *all* the oil'. In mid-2009 DfID withdrew funding from the Nigerian EITI for the latter's lack of progress in combating government corruption in the energy sector. This was an unfortunate decision given that EITI has brought about important reforms in a country where political progress is scarce. For one critic, EU detachment can be explained by the

³⁷ Nigeria–European Community, *Country Support Strategy and Indicative Programme for the Period 2001–2007* (Brussels: European Commission, 2001).

³⁸ DfID, 2007, op. cit. pp. 17–18.

³⁹ DfID, *Nigeria, Draft Country Assistance Plan 2004* (London: UK Department for International Development, 2007), pp. 3–18.

fact that the oil illegally bunkered in Nigeria increasingly finds its way to Europe anyway.⁴⁰

At the same time, European concerns have grown over the impact of Nigeria's failure to consolidate its new democracy or to contain corruption. President Obasanjo once appeared highly beneficial to energy interests, rescinding contracts awarded to military cronies under the Abacha regime and clearing the field for international oil companies. But he gradually moved back to favouring his own associates for contracts, most of whom had little expertise in the oil business.

The EU strongly criticised the running of local elections in 2003 for failing to meet even minimal democratic standards. A Census Support project was the Commission's biggest initiative in Nigeria, providing over 100 million euros for a new and fairer census prior to the 2007 elections. Both the UK and the Commission professed an intention to exert greater pressure for governance reform at the state level, including through shifting funds towards those states most committed to tackling corruption. DfID declined to offer new direct budgetary support, because of the likelihood of such funds being siphoned off to finance the nepotism that increasingly pervaded the Nigerian polity. DfID insisted that central to its new approach was a more systematic focus on the links between the development and security agendas, for example through increased efforts to introduce transparency reforms in the Niger Delta. UK officials insisted that security cooperation also began to adopt a reform angle, with the aim of increasing democratic control over the security forces and restraining the latter's tactics. European engagement was certainly not as securitised as that of the United States, as the latter provided new military hardware to the Nigerian government to patrol the Delta, and even began pushing NATO to get involved in the Gulf of Guinea.

The EU criticised Obasanjo's grab for a third term in 2007. The UK and the Commission worked with Canada and Japan on UN election preparation projects, in the face of government efforts to curtail external monitoring.⁴¹ EU monitors were strongly critical after the poll, giving what they claimed was the EU's most damning election rebuke ever issued anywhere in the world.⁴² However, there was universal agreement among EU policy-makers that punitive measures would not be desirable against Nigeria, with diplomats citing energy supply concerns as a primary reason for their reticence. The EU worked with the electoral commission trying to influence from 'inside', and a number of member states sought to water down the European electoral monitoring effort. And while some Nigerian protestors talked of emulating Ukraine's Orange revolution, they did not receive the

⁴⁰ Shaxson, op. cit. p. 202.

⁴¹ J. Ibrahim, 'Nigeria's 2007 Elections: The Fitful Path to Democratic Citizenship', *Special Report* 182 (Washington, DC: United States Institute for Peace, January 2007), p. 8.

⁴² *The Economist*, 28 April 2007, p. 45.

kind of European backing that activists received in Kiev in 2004. Indeed, European diplomats cautioned the opposition to be 'responsible'.⁴³

President Yar'Adua has adopted a more conciliatory and consultative approach to the Delta conflict, offering militants an amnesty and dialogue. He has not, however, addressed the root grievances related to local control over oil and gas revenues.⁴⁴ Oil output has decreased.⁴⁵ By late 2007, increasing popular anger was erupting at the details emerging regarding the corrupt management of the oil sector during the Obasanjo era; this prompted the new president to promise far-reaching governance reform of the oil industry.⁴⁶ Against this background the EP criticised EU governments for moving straight back to 'business as normal'. It also urged use of article 96, but member states blocked this. The EU did not monitor local elections in late 2007, which were violent and unfree. With tensions growing, diplomats revealed that a new high-level EU–Nigeria political dialogue initiated in March 2008 – in large part due to energy security concerns – has achieved few tangible advances.

5. A Final Reflection

The European focus on energy security in Africa exhibits a tone distinctive in many respects from that which prevails in other producer regions. The focus on energy certainly did arise from development concerns, and remains strongly rooted in philosophy surrounding issues of 'energy poverty'. Critics often accuse the West of 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. All EU policy statements promise to avoid just such an occurrence. This paper demonstrates that it would be naïve to suggest that such harmful dynamics are completely absent from European policies, but also that the development strand of energy policy has become more prominent. Some policy-makers interpret this in a positive light; others lament that in Africa the EU still has a development policy but no energy security strategy relevant to its own supply needs.

The link made by the EU between energy and governance is apparently clearer in Africa than in other regions. Governance efforts in the Niger Delta provide perhaps the best example of this link being made in practice. However, elsewhere, attempts at strong energy-related engagement approximate at least in some measure to power politics approaches. It is routinely argued that China has gained influence by 'under-cutting' the West to the extent that it does not 'hector' African

⁴³ *Africa Confidential* 48/9, 27 April 2007.

⁴⁴ ICG, 'Nigeria: Ending Unrest in the Niger Delta', *Africa Report* 135 (Brussels: International Crisis Group, December 2007), p. 1.

⁴⁵ *Ibid.* p. 9.

⁴⁶ *Africa Confidential* 48/23, 16 November 2007, p. 6.

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.

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. China's presence encouraged greater EU interest after Europe had begun to neglect Africa from a security point of view. But the EU's incipient new political commitments in Africa require significant deepening before the EU can hope to regain some of its lost ground on the continent.

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Over the next decade, Europe's development policies will have to act on a combination of old and new domestic issues and substantial changes in the global landscape. Change in Europe's internal architecture – with implications for development policy – takes place in times of wide-ranging global shifts, and at a time when questions of European identity loom large in national debates. A key questions is: How will the EU, how will "Brussels" and the member states be working together on common problems? Global challenges include three issues increasingly facing EU's development policy agenda:

- The emergence of new substantial actors in international development,
- The linkage between energy security, democracy and development and
- The impact of climate change on development.

Public and policy-making debates need to be informed about future options and their likely effects; and decisions need to be based on good research and sound evidence. EDC2020 seeks "to improve EU policy-makers' and other societal actors' shared understanding of the above named emerging challenges facing EU development policy and external action." EDC2020 will contribute to this shared understanding by promoting interaction across research and policy-making, aiming at establishing links to share perspectives across different arenas, and mutual learning. To this aim, EDC2020 will provide policy-oriented publications, a shared project website and high-level European policy forums.

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