



Global crisis – perspectives from Africa

In preparation for the first-ever European Report on Development (ERD), African and European experts and policy-makers will meet in the Ghanaian capital Accra from 21 to 23 May to take stock of the impact of the global economic crisis on the world's most vulnerable countries and discuss coping strategies to deal with the fallout.

The two-day conference in Accra – entitled ‘Financial markets, adverse shocks and coping strategies in fragile countries’ – will bring together 80 prominent researchers and policy-makers from Africa, Europe and international organizations to discuss ways out of the emerging crisis. The gathering will focus on two main issues: financial markets in African countries in situations of ‘fragility’ (see box below), and how well these countries are coping with external shocks, such as rising food prices. Top Ghanaian academic figures, such as Ernest Aryeetey from the Institute of Statistical, Social and Economic Research (University of Ghana) and Yaw Nyarko from the New York University, will participate in this high-level brainstorm.

This event is part of the preparations for the first-ever European Report on Development (ERD), a new research initiative spearheaded by the European Commission and several EU Member States.

Africa and the crisis

Despite earlier hopes to the contrary, the global financial and economic crisis is having an adverse effect on many of the most vulnerable countries in Africa. “While the initial effects of the financial crisis were slow to materialise in Africa, the impact is now becoming clear. It is sweeping away firms, mines, jobs, revenues, and livelihoods; it is in short a full blown development crisis,” concluded a recent report by the African Development Bank¹.

This crisis threatens progress made by African countries towards achieving the Millennium Development Goals – which seek to reduce extreme poverty and its various effects. Avoiding such an outcome requires close coordination and co-operation between African and donor governments, as well as other stakeholders, including civil society, private sector and academia.

Less than a week after the G20 Summit in London, the European Commission was the first to act by outlining a series of actions which the EU could take now to help developing countries weather the ongoing crisis, notably by frontloading and

¹ <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/impact%20of%20the%20crisis%20and%20recommendations%20to%20the%20G20%20-%20March%202021.pdf>

refocusing existing aid commitments on the most vulnerable². In addition, the Commission also initiated a process of identification of the countries hardest hit by the economic slowdown, building on a comprehensive set of vulnerability indicators at macroeconomic, social and political level. This analysis shall notably help implementing a coordinated and effective EU response, tackling the countries most in need.

A European perspective on development

This conference is being organised in the context of the preparations for the first-ever European Report on Development (ERD). The ERD seeks, in close co-operation with developing and donor country partners, to enhance the European Union's perspective on development issues on the basis of knowledge excellence, innovation and the building of bridges between the European research community and policy-makers. It is a concrete manifestation of the commitment of the EU, the world's largest provider of development assistance, to the MDGs.

The first edition of the ERD is elaborated by the European University Institute (EUI) and is due out in October 2009, following intense networking activities with academics, policy-makers and civil society. States' fragility will be a central topic in this first edition. The ERD launch workshop took place in Brussels (BE) in February and focused on understanding African development in the context of fragility. In March, a meeting in Cambridge (UK) considered the role of the agriculture and food security in fragile countries, while an April gathering in Florence (IT) explored the role of governance and State-building in difficult political contexts. In May, a meeting in Barcelona (ES) analysed the root causes of fragility and its implications for development policy and donor engagement.

Fragile, handle with care

Many Sub-Saharan African countries are in situations which can be described as 'fragile'. The root causes of this fragility can be manifold and include conflict, post-conflict, poor governance, weak institutions etc.

Countries experiencing fragility are extremely diverse in terms of their socio-economic and cultural make-up and circumstances, and so there can be no 'one size fits all' approach to their development challenges. However, one thing they share in common is that their fragility has severely affected their development prospects. If they are to make progress towards the MDGs, they and aid partners need to find new and innovative ways of overcoming their vulnerability and moving away from their fragility.

Since 2005, the issue of 'fragility' has been a high on the EU development agenda. In the European Consensus, the EU states that it "will improve its response to difficult partnerships and fragile states, where a third of the world's poor live"³. The Commission, in association with EU Member States and institutions, as well as civil society, is now

² http://ec.europa.eu/development/icenter/repository/COM_2009_0160_4_EN.pdf.

³ http://ec.europa.eu/development/icenter/repository/european_consensus_2005_en.pdf.

working on an implementation plan, to be presented in 2009, with concrete proposals for a more coherent and strategic European approach to fragility.

Further information:

There will be a ‘meet the press’ session on the sidelines of the conference on 22 May at 18:00 at the La Palm Royal Beach Hotel. If you are interested in attending or would like to arrange an interview with one of the key speakers, please get in touch with us using the contacts below.

For the press conference in Accra: media@esn.eu – Bettina Braun – tel: + 32 2 287 15 31

For further information on the conference and about the ERD initiative, please visit the ERD website at <http://erd.eui.eu/>.

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