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Migration, Sustainability and a Marshall Plan with Africa

A Memorandum for the European Commission, the European Parliament,
and the Governments of the EU Member States



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Editorial

The global developments of recent years have given rise to many challenges and uncertainties. It is by no means clear that the world will move towards a balanced state of sustainability. One scenario would involve large-scale conflicts, both between nation states as well as within countries, up to a global re-feudalisation, an ongoing erosion of democracy, an increase in the number of 'failed states', ecological collapses in parts of the world and, subsequently, growing migration flows. Steps in this hardly optimistic direction can already be observed today.

Europe's own stability is also anything but guaranteed. In the light of the great challenges associated with the desired sustainable development, and especially with the climate issue, consent for the primarily freedom-based market model is increasingly eroding, on the one hand due to increasing environmental and climate issues, and on the other hand due to a widening social gap that is evident in many places. Globalisation creates many losers, and social balance is not easy to realise, with the consequence being considerable resistance. Ideas that include planned economy models, controlled economies, and lifestyle instructions are gaining public support. Citizens disillusioned with globalisation are striving to return to a nation state and domestic orientation.

A positive future for everyone cannot be ensured in this way. In particular, if we follow this path we will not be able to bring about the required innovations in the fields of technology and international cooperation. What we need instead of isolationism is openness in thinking and the activation of market forces, albeit in accordance with appropriate regulatory conditions that address the concerns of environmental and in particular climate protection, as well as those of social balance. The latter in essence means that everybody should benefit from globalisation – in particular the majority who proportionately have the least from a national and international perspective.

The current focus at the international level is on the necessity of a green and inclusive economy. The German-speaking community has been speaking of an ecological and social market economy for a long time now.

However, bringing about such an economy is anything but easy. Making it a reality requires more than insights and words being right in principle. Words need to be 'translated' into changes to the regulation framework and related international agreements, such as the WTO framework. Massive resistance from beneficiaries of the status quo is making it more difficult to effect the required changes to the current economy. However, in general and for the people of Europe, the future does not look bright if we fail to implement such a programme on a global scale, particularly in Africa.

Given the current situation, the Club of Rome and the Senate of Economy are therefore approaching the EU Institutions and Member State governments with the recommendation to take further steps in implementing a regulation framework for a green and inclusive economy, while taking social balance within the countries into account, and in developing persuasive approaches for gaining acceptance of intelligent global cooperation programmes based on open social discourse on the issues.

An important central theme that has been under discussion among many politically experienced people for some time now, is a new partnership with Africa, a Marshall Plan with Africa, and in particular major efforts for promoting development in North Africa and parts of the MENA region. There is also a wild card here, namely the Sahara, as well as the Arabian Desert, with their incredible potential for renewable energy. This will be complemented by the potential for wind energy and hydropower in many locations on the continent, with smart integration of centralised and decentralised solutions in the energy sector. Intelligent development of this energy can have a very positive impact on the success of a Marshall Plan, because energy is a prerequisite for generating prosperity.

In the present memorandum, the Senate of Economy and the Club of Rome, based on a thematic cooperation with the German Federal Ministry for Economic Cooperation and Development (BMZ), clearly argue for this new perspective: a Marshall Plan with Africa with a special focus on parts of the MENA region. In addition to the MENA region in the immediate vicinity, this also includes Sub-

Saharan Africa. This corresponds to the related orientation of European Union policy.

The structure of the memorandum is as follows: It begins with a summary, which includes a thematic classification. Part I then presents an outline of the history of migration around the Mediterranean. Part II discusses the concept of sustainability in accordance with a consistently international conceptualisation approach. In this context, it is demonstrated that significantly increased cross-financing from rich to poorer countries is a prerequisite for achieving global sustainability as a necessary, if not sufficient, condition. If this sensitive issue is avoided, sustainable development cannot be achieved, not in Africa and not in other developing regions of the world. These relationships are explained. Moreover, with reference to experience from other areas, such as the use of European Union structural funds, it is made clear that even greater levels of public cross-financing are needed if sustainability is the objective.

However, these additional funds have to be used properly, in a way that stabilises social conditions while at the same time allowing the tax revenues of the partner countries to be appreciably increased. Intelligent use of public funds should also stimulate the economy and encourage significant additional private investment. In this context, the World Bank speaks of the need to move, in terms of dollars, from "*Billions to Trillions*" of utilised funds per year.¹ This position is also shared by the authors of this memorandum. In the same vein, the current report features a high-level commission led by former World Bank chief economist Nicholas Stern and former Mexican President Felix Calderon. The need is evident to spend 90 trillion US dollars worldwide on infrastructure construction and upgrading for the next 15 years. The OECD sees the need to invest more than 4 trillion in infrastructure per year during this period if the 2030 Agenda is to be implemented.

Part III of the text provides individual considerations on specific topics, such as the importance of corporate involvement in development, the great importance of remittances for the future of many states, the role of education, and the po-

¹ Cf. World Bank Group paper: "From Billions to Trillions: Transforming Development Finance. Post-2015 Financing for Development: Multilateral Development Finance", 2015 and the results of the conference "Finance for Development", Addis Ababa, 13-16 July 2015

tential of microcredit (in the sense of Nobel Peace Prize winner Muhammad Yunus). Among them are a number of voices from Africa.

The design of an overall approach is the subject of Part IV of the memorandum. It describes what the logic of a Marshall Plan with Africa could be, with a focus on selected parts of the MENA region. This consists of Africa's own great efforts and of international efforts on the subject, such as the African Union's 2063 Agenda. This agenda was developed in 2013 on the occasion of the 50th birthday of the African Union, with a vision for 50 years into the future. Reasons for legitimate expectations of a good future for the continent in the midst of great difficulties are the new global context, experiences with the New Partnership for Africa's Development, current activities within the Africa Global Partnership Platform, the great cohesion and greater strength of the continent, strong and functioning regional institutions, and new development and investment opportunities. Another reference to the subject consists of the so-called G20 Compact with Africa (for resilience and growth), the announcement by the President of the EU Commission for a heavily endowed Africa program (44 billion euros) and similar statements by the German Federal Government, in particular also by former Finance Minister Dr. Wolfgang Schäuble. More recently, a similar announcement was added by the new President of the European Parliament, Antonio Tajani.

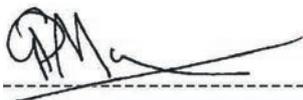
The Club of Rome and the Senate of Economy expressly urge the institutions of the European Union and the EU Member States to pursue the idea of a financially substantial and thus ambitious plan, and to discuss it with other partners. This can build on the outcome of the G20 process, which took place in 2017 under German leadership in Hamburg. The present memorandum specifically deals with financial dimensions and questions around the outflow of funds – the latter also with a view to dealing with corruption and always with regard to population issues – the most important single issue for the future of the continent.

Finally, Part V summarizes a broad range of foreseeable activities pertaining to the subject, which is largely the result of a workshop with BMZ and giz conducted by those responsible for this memorandum, on the subject of the report in Berlin in the spring of 2016. Some concluding remarks complete the text.

The authors hope that this memorandum will help stakeholders at the European level to set the course for the future in these difficult times.

In this context, the Club of Rome and the Senate of Economy are pleased that the German version of the memorandum was presented to Federal Minister Gerd Müller on 11.11.2016 at a federal press conference in Berlin. Photos from this press conference are included in this updated version of the memorandum. Both organisers welcome the fact that the German Federal Ministry for Economic Cooperation and Development (BMZ) has meanwhile submitted its own concept on the subject (cf. http://www.bmz.de/Marshall-Plan_pdf). Another important reference is the 15th Federal Government Development Policy Report "Development Policy as a Future and Peace Policy", and the current statement of the German Council for Sustainable Development, entitled "Towards a Comprehensive G20 Partnership with Africa for the Implementation of the United Nations 2030 Agenda for Sustainable Development". Lastly, there is reference to the recent book, "UNFAIR! Toward a Fair Globalisation" by Minister Dr. Gerd Müller (Murmann Publishers).

Because of the great interest from many sides and the importance of the subject, the organisers have provided the present (English) version of the memorandum, extended to Europe, which is to be handed over to the EU Commission and the President of the European Parliament in December 2017 in Brussels. In this context, we would like to thank Mr Nils Behrndt, Cabinet head for Neven Mimica, EU Commissioner for International Cooperation and Development, European Commission, Brussels, for his help in creating this extended version with reference to the EU.



Graeme Maxton
(Club of Rome)



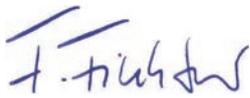
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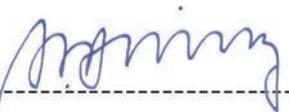
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Summary and orientation

Background

1. The authors of this memorandum for the institutions and Member States of the European Union are aware that today's problems in Africa are of a completely different kind than the reconstruction problems in Germany and other European countries after the Second World War. The Marshall Plan term at that time and the Marshall Plan term today therefore relate to very different initial situations and challenges. However, there are still a number of similarities. The most important of these are that the project should be handled in a common interest with the partners, that it involves substantial transfers of funds, and that it is tied to certain conditionalities regarding governance and the design of the economy.
2. As it was after the Second World War, the subject of the Marshall Plan is a joint endeavour. That is why the authors also speak of a Marshall Plan **with** Africa. We consider it of utmost importance that the European side integrate this plan in a wider context. These are, of course, African partners and initiatives, such as the African Union, the work toward an Africa Compact, African planning in the context of Agenda 2063, and pertaining to the MENA region, work in the areas of Europe/MENA and OECD/MENA. Please see Part III regarding the contributions of African partners to this memorandum, especially of several members of the Club of Rome.
3. The basic approach of the proposed Marshall Plan is an agreement mosaic or a coherent "gear train", which applies the principle of "standards in return for financing". At the EU level, efforts should be made to better coordinate the development activities of the 28 EU states, including to reduce the bureaucratic burden on recipient countries. For Africa, over the next few years up to \$ 200 billion in additional aid per year is proposed, designed to leverage a multiplication of private investments. In return, the recipient side is to improve the human rights situation in the country, but also to call for a stronger

sustainability orientation in the WTO. The latter, with regard to the WTO, means that the "same product" concept of the WTO, based exclusively on functional aspects of products, may be changed towards a process-oriented approach. As a consequence, products would be treated differently if social and ecological minimum standards are met in supply chains, in contrast to those not complying with them.

4. As part of a Marshall Plan with Africa, the authors suggest that much of the funding be channelled through a "Future Africa Fund". This is described in the text. The funds will be used in a partly revolving manner, i.e. this part of the money will flow back into the funds after being used and can then be invested again elsewhere. Furthermore, a large part of the funds can be capitalised. A revolving structure and partial activation via the capital market would make it easier to raise the necessary funds and to consolidate and secure the corresponding processes for Africa and its people in the long term.
5. The Marshall Plan with Africa needs to be coupled with the development of a humanitarian program in Europe for refugees and managed immigration to Europe for the benefit of all parties concerned.

Selected priorities

1. Population growth
Population issues are central. Important are, for example funding programmes for population measures, and especially for the education for women (including overcoming cultural resistance to addressing this issue).
2. Social systems
Cooperation in the development of social systems and/or social insurance systems in the participating countries.

3. Infrastructure
Promotion of infrastructures for grid-based renewable energy in Africa and parts of the Middle East, in particular concerning topics such as water, wind and sun (with respect to the sun, especially in the desert)
4. Entrepreneurial activities
Promotion of entrepreneurial activities by improving local conditions, e.g. by promoting local economic structures (chambers of foreign trade) or setting up special economic zones as starting points for economic development.
5. Long-distance energy transport / methanol as a key
Long-distance transport of controllable and renewable electricity from North Africa to both Central and South Africa. As an alternative, production of climate-neutral methanol is proposed for energy transport to Europe, which can partially replace previous oil and gas imports. This enables great prosperity gains in Africa and in Europe, as methanol-gasoline and methanol-diesel can be utilised for achieving a cost-effective solution for large parts of today's energy and climate problems in European transport, housing and chemical sectors.
6. Local forms of renewable energy
Massive promotion of local renewable energies, e.g. solar panels on houses, privately organised à la Bangladesh, wherever there is no power grid.
7. Water extraction via desalination
Climate-neutral desalination of seawater or groundwater for supplying people with water, but especially for massive expansion of agriculture, including on arid and semi-arid soils, and also to stop desertification.
8. Agriculture
Massive expansion of agriculture. This is a prerequisite for overcoming hunger and for the continent's self-sufficiency in terms of nutrition. High agricultural productivity and high humus formation can even be achieved for desert soils in some cases. The key to this is often (ground) water desalination.

9. Afforestation

Afforestation is a key for promoting 12 of the 17 SDGs, as an approach against the spread of deserts, creating a reliable renewable raw material base, and drawing CO₂ from the atmosphere. Afforestation on degraded soils in the rainforest environment opens up the potential for creating a renewable resource and protects primary rainforests from dehydration.² Many jobs and corresponding income can be generated in the course of this, leading to improvement of the climate situation, preventing it from deteriorating further.

10. Transport infrastructure

Transport infrastructures are needed if prosperity in Africa and economic cooperation between the countries of the continent are to be significantly improved. It is a central field for government action and international cooperation in the framework of a Marshall Plan with Africa.

11. Employment

Promoting employment, especially for young people, through active labour market policies, vocational training and employment programs in rural areas, as well as investment in agricultural development. The goal is many millions of new jobs per year.

12. Sustainable tourism

Tourism contains great value creation potential, promotes exchange and cooperation as well as understanding of other cultures. Good tourism leads to a valorisation of nature compatible with sustainability.

13. Microcredits

In international development policy, microcredits have proved to be an essential lever for achieving major improvements in peoples' lives. This is true of intelligent approaches stemming from Nobel Peace Prize winner Muhammad Yunus, not for "plundering" variations of microcredits.³

² Cf. also: Claude Martins, Endspiel – Wie wir das Schicksal der Tropischen Regenwälder noch wenden können, Oekom Verlag, 2015 (Report to the Club of Rome)

³ Cf. also FAW/n publication "Microcredit – Addressing an Ongoing Debate", Ulm 2014, available from www.faw-neu-ulm.de

Priorities 1 - 13 can all be considered eligible for inclusion in the Marshall Plan in terms of increased funding. Efficient use of funds is feasible, especially in contexts that are comparatively less prone to corruption. An **increase in acceptance** is a parallel objective for the proposals in Europe. This requires well thought-out communication and is a prerequisite for the Marshall Plan's success.

Core messages

1. Must the African population double by 2050 and **quadruple by 2100** before we act? No. We should immediately take action in this respect, e.g. in the form of co-operation in the development of social systems in the participating countries, and via contributions in the fields of education and training, as well as with respect to the societal role of women. Jobs for youth need to be created on a large scale. All this counteracts the population explosion.
2. Per African, EU Member States only manage **4 euros per year** for development. Within the framework of German reunification, the transfers per capita to the new federal states amounted to € 4,000 per year. The care of an unaccompanied refugee minor in Germany today costs about 5,000 euros per month, i.e. 60,000 euros per year, which is **30,000 times** the German annual contribution in development aid per African. In return for the modest help we provide, we receive a multiplication of international trade from the African countries. We also tolerate an international financial structure in which elites "park" the money from Africa in the tax havens of the rich world. Europe then profits from this once again. Obviously, no future development can be achieved for all parties involved in this manner.
3. Funds for Africa should be allocated, among others, to the fields of renewable energy, infrastructure construction, and afforestation. There are great opportunities here for Africa and the world. The Sahara in particular is a real "wild card". It is important to use the potential in Africa and parts of the Middle East for grid-based renewable energy (sun, wind, and water; especially sun in the deserts). This is essential for promoting local prosperity, including through massive programmes for the desalination of sea and groundwater using renewable energies. Of central importance is the use of resources in agriculture, in conjunction with massive afforestation programmes. This holds great potential for economic and societal development. Humus formation via agriculture and afforestation are also important keys for the promotion of 12 of the 17 sustainability goals of the world community in the context of **Agenda 2030** in Africa, and will draw a large amount of CO₂ from the atmosphere (negative emissions).

4. We propose a "Future Africa Fund", which will target Africa in particular, expanded to parts of the MENA region. The fund is conceivable as an extension of existing instruments or can be created specifically, possibly also from 2020 and later on due to the EU's planning cycle. Discussions could be held on the occasion of the **EU-Africa Summit** beginning in 2017. On the German side, the authors expect the fund to cover a total of 120 billion euros by 2030. To a large degree, the funds can be positioned via the **financial market**, thereby opening up promising opportunities for interested parties.
5. The Marshall Plan with Africa must be linked to an expansion of the European **humanitarian programme** for refugees in need, and to **controlled immigration** which will be of benefit to all sides.
6. Investments for better life prospects for people living in Africa are not only much more cost-effective than the use of social-state funds in Europe for refugees from Africa – everything that gives people an incentive to shape their future in their own country also respects the dignity of those affected to a much greater degree.

The Club of Rome and the Senate of Economy welcome the presentation of a concept for a Marshall Plan with Africa by the Federal Ministry for Economic Cooperation and Development (cf. <http://www.bmz.de/marshallplan.pdf>). Federal Minister Dr. Gerd Müller writes: "I am aware that there is not one solution, one way, or one plan for responding to the challenges of the African continent. At the same time, I am convinced that we need a paradigm shift in terms of cooperation."

I. Mare Nostrum –

The history of migration around the Mediterranean

Main contributor: Bert Beyers⁴

Background

The first part of this memorandum sets out the conceptual framework for undertaking a Marshall Plan with Africa, especially for large parts of the MENA region. It describes the varied history of cultures around the Mediterranean, from the Roman Empire to the present day. There has been an alternation of expulsion and flight, conquest and reconquest. It is not possible to understand today's MENA states without a historically enhanced awareness. Just think of the collapse of the Ottoman Empire and the subsequent arbitrariness with which the European colonial powers defined the state borders of Iraq.

The current economic and cultural situation in the Arab countries could not be more disparate: from the glittering metropolis of Dubai to the turmoil in a failed state like Libya. And, of course, there are the terrible wars, not only in Syria, but also in Yemen. Understanding the complexity requires study of local conditions: country by country. This is undertaken in the text recommended here, *"The MENA Crisis Region - How Demographic Change Is Affecting Development in the Middle East and North Africa and What That Means for Europe"*, by the Berlin Institute for Population and Development, which has recently worked out this very diverse situation via this text in an extensive study.⁵ It also makes it clear that the MENA states, as well as the states in Africa in general, have a common problem despite their diversity: the divergence of economic and demographic development. The young generation is increasing very fast and there is by far not enough work available for them, which, among other things, "fuels" massive migration.

⁴ For information on the author, see "Authors and Signatories" at the end of this memorandum

⁵ Cf. Berlin Institute for Population and Development: Crisis region MENA. The influence of demographic change on developments in the Middle East and North Africa, and what this means for Europe. Berlin 2016. <http://www.berlin-institut.org/publikationen/studien/krisenregion-mena.html>

North Africa plays a special role in this context, as a bridge between Europe and the southern part of the African continent beyond the Sahara. The population will explode in the 21st century in this part of the world.

For a long time Europe was the starting point for flight and migration. From here, people moved to North and South America or to Australia. A completely different picture emerges today: the vast majority of refugee flows are moving within and between the poorer states in the southern hemisphere. At the same time, migration is increasing worldwide. Meanwhile, Europe has become a magnet for the hopes of millions of people.

Since time immemorial, the Mediterranean has been a region for the exchange of people and their ideas. Sometimes the waves beat in one direction, other times in another. Examining the movements of the peoples and cultures in the past protects us against illusions: Europe, with about 7 percent of the world population, cannot just "wall itself off". The only realistic perspective is a new cooperation between North and South. This way the *Mare Nostrum* of the Roman Empire becomes something for *all* Mediterraneans. We can examine the complex interplay of cultures with the long view of the historian to get a sense of the dimensions. Development is a question of generations.

Flight and migration

By 1900, European emigration to America was big business.⁶ Often the emigrants, before boarding their ship, were taken advantage of by dodgy or criminal figures in the port cities. In Hamburg it was then Albert Ballin, General Director of HAPAG (Hamburg-Amerikanische Packetfahrt-Actien-Gesellschaft), who invented the "all-round carefree package" for migrants, with medical care, assistance in coping with bureaucracy, accommodation before departure, etc.⁷ All of this was at hefty prices, which is why it became a profitable business for HAPAG.

⁶ "No other epoch of history was anything like the 19th century as an era of mass remote migration. Between 1815 and 1914 at least 82 million people *voluntarily* crossed borders. That is, 660 migrants per year per million of the world's population. In comparison, between 1945 and 1980 only 215 people per million migrated". Osterhammel, Jürgen: *Die Verwandlung der Welt. Eine Geschichte des 19. Jahrhunderts*. Munich 2009, p. 235

⁷ The Ballin city in the Port of Hamburg, where migrants were housed before their departure, is now an emigration museum. www.ballinstadt.de

We have only recently begun to differentiate between migrants and refugees. Migrants leave their homeland for economic or private reasons. Refugees are people who can prove persecution because of "their race, religion, nationality, membership of a particular social group or because of their political beliefs." This is stated in the Geneva Refugee Convention of 1951, a milestone in the history of refugee law.⁸ It was created as a result of the flight movements during the Second World War and afterwards.

In the following decades, as many countries fought off European colonial rule, millions of people became refugees again, after which the Geneva Refugee Convention was adapted accordingly. As a result, Europe was the main problem in terms of the worldwide refugee question in the 20th century – as well as the theatre of war and the starting point for a global colonialism.

A completely different picture emerges today. Europeans are no longer moving in droves to North and South America or to Australia, rather Europe has become a magnet for people from Africa or the Middle East.⁹ At the beginning of the 21st century, migration tends to move from the south to the north, including as a result of globalisation.¹⁰

And yet the states neighbouring the crisis regions bear the brunt of flight and displacement – in the south. According to the United Nations refugee agency, more than 65 million people are currently fleeing.¹¹ Of these, about half come from the three countries of Afghanistan, Somalia and Syria. The country that has received the most refugees is Turkey, at 2.5 million. This is followed by Pakistan and Lebanon, each at more than one million. Relatively rarely do people cross long distances while fleeing, because they do not have the money, or because transiting or destination countries hinder entry or continued travel. So it is not

⁸ Oltmer, Jochen: Kleine Globalgeschichte der Flucht im 20. Jahrhundert. In: Aus Politik und Zeitgeschichte. 26-27/ 2016, p. 18ff.

⁹ "The Soviet invasion of Afghanistan in 1979 and the ensuing war that lasted until 1989 triggered the world's largest mass exodus of a single section of the population after 1945. The Iran-Iraq War led to a further significant increase in refugee numbers. The Near and Middle East thus became one of the largest refugee regions in the world in the 1980s." Bresselau von Bressensdorf, Agnes: Das globale Flüchtlingsregime im Nahen und Mittleren Osten in den 1970er und 1980er Jahren. In: Aus Politik und Zeitgeschichte. 26-27/ 2016, p. 32

¹⁰ Südwind Institute for Economics and Ecumenism: Migration und Flucht in Zeiten der Globalisierung. Die Zusammenhänge zwischen Migration, globaler Ungleichheit und Entwicklung. Bonn 2016. www.suedwind-institut.de

¹¹ UNHCR at a Glance. www.unhcr.org/figures-at-a-glance.html

surprising that the states in the southern hemisphere host nine out of ten refugees registered worldwide.¹²

The brunt of flight and displacement is borne by poorer states in the southern hemisphere, along with some neighbouring states of Syria. Turkey is the location that received the most refugees in the wake of the Syrian crisis (2.5 million). Lebanon faces a particularly difficult situation with its own population of about 4 million people, to which currently 500,000 Palestinian and 1.2 million Syrian refugees are added.

Much higher than the number of refugees worldwide is that of migrants, which is expected to reach 250 million people. Here, too, the picture is the same: most of them are moving in and between the poor countries of the South. While (economic) migrants, by definition, are seeking a higher income, the primary concern of refugees is to find safety and save their lives.

Most people do not go on a journey into the unknown for only one reason; in real life, many factors come into play. Nevertheless, whether someone is considered a refugee or a migrant often makes the crucial difference, because this involves political and legal categories. Will someone be rejected at the border or not? Will the person have to leave, or be allowed to stay in the country? And if so, will that person receive a job or not?

The Geneva Convention provides something like transnational standards. However, not all states have ratified this document. A global shelter for refugees is still an utopian idea. With the UNHCR (*United Nations High Commissioner for Refugees*), global refugee protection at least has an institutional framework. However, there is no comparable regime for migrants, just a 'patchwork' of national and bilateral agreements. Development policy dimensions are hardly evident in this context. Europe is also no longer in agreement on this matter. Since the refugee wave in 2015 and the de facto collapse of the Dublin Convention in 2015,

¹² Non-governmental organization Oxfam criticises the fact that the six richest nations (China, France, Germany, Britain, Japan, USA) host only 9 percent of the world's refugees. Oxfam Media briefing of 18 July 2016. <http://www.oxfam.org.uk/media-centre/press-releases/2016/07/six-richest-countries-host-less-than-9-percent-of-refugees>

the EU has been fighting for a new common policy for member states in matters of flight and asylum.¹³

There has at least been international movement, for example through the Organisation for Migration, which now has 165 states.¹⁴ There are also several international conventions in the context of the ILO (*International Labour Organisation*) for the protection of migrants. The *Global Forum on Migration and Development* provides education on migration issues as an international forum for exchange between government representatives and civil society actors. In the Sustainable Development Goals, states set themselves the goal of ensuring orderly and safe migration (Goal 10.7).¹⁵ The situation is especially dangerous on the migratory routes.¹⁶

In September 2016, the United Nations held a summit on migration and flight in New York.¹⁷ A global agreement on international cooperation on migration is planned for 2018. In this context, Prof. Straubhaar, a close scientific partner of the Senate of Economy, has added some interesting considerations to the debate on how to find a fair financing logic between the country of origin and destination and job-seeking migrants, via appropriate additional temporary taxation of the work of migrants in the destination country.¹⁸ This can be arranged in such a way that the incentives for action between all actors are significantly more favourable than is currently the case.

¹³ Meanwhile Dublin III. According to this, the state which is demonstrably the first to which the asylum seeker has travelled must carry out the asylum procedure.

¹⁴ <http://germany.iom.int>

¹⁵ Sustainable Development Goals of the United Nations:

<http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

¹⁶ Schaap, Fritz: Diese Männer werden wahrscheinlich sterben. In: Die Zeit, 34/ 2016:

<http://www.zeit.de/2016/34/niger-fluechtlingsroute-menschenschmuggel-westafrika>

¹⁷ "For the first time the community of nations will discuss the topics of escape and migration within a common framework. The success of the summit will then be measured by the success or otherwise of making the principle of shared responsibility during refugee crises and laying the foundation for the rights-based management of migration". German Institute for International and Security Affairs (SWP): The first United Nations summit on large-scale migration. SWP-Aktuell, July 2016:

http://www.swp-berlin.org/fileadmin/contents/products/aktuell/2016A49_adt_koh.pdf

¹⁸ Thomas Straubhaar, Klaus Bade: Migration policy in theory and practice: the history of humanity is the history of migration. Current migration movements confirm this truism. Migration essentially promotes prosperity. However, countries of origin and destination have different interests. An international organisation could coordinate the necessary international cooperation and use the instrument of migration tax to balance interests

People are especially inclined to leave their homeland if they do not see any prospects over a long period of time.¹⁹ An intelligent young man from Africa today has a rough idea of what is possible in the world. He also knows that it will not be a picnic for him in Europe, that he will have to fight for a place there, for himself and possibly for his children. However, if day after day he experiences that economically the vast majority of the population are unable to move forward in his home country, that their own environment is corrupt and elites are serving themselves, that the judgements of judges are being bought, that the infrastructure is not working, and if he finally realises that this is likely to still be the case in 20 years' time, he will wonder: Is that all there is for my life? Am I going to give in to this meaningless and hopeless situation? Or am I going to try my luck elsewhere?

This is a situation that especially sets young men on their way. Women with children are more cautious, only going when there is a prospect that the undertaking will largely be safe. If they can manage it, they would rather attempt to send someone to test the way. Only then, when they feel that the situation is reasonably manageable, will they also undertake the journey.

Of course, it is primarily those who have money and information who undertake the journey. Often an arrangement is made for a family member to undertake this "adventure". If there is more money in the country due to an economic upswing, it may increase the number of those who undertake the journey. In this respect, improved education can lead to a more critical attitude among people. But that does not speak against economic upswing or against a better education. Rather, an upswing should be consistently oriented toward people ultimately preferring to stay where they are, because it is good there, and they have prospects at home.

Additionally, according to UN calculations, African populations will double to more than two billion by 2050 (by then worldwide ten billion), and could quadruple by as much as more than four billion people by 2100 (by then around twelve billion worldwide) – then the potential of hopelessness in maintaining the status quo

¹⁹ The following thoughts come from a previously unpublished interview with Franz Josef Radermacher by Bert Beyers.

becomes clear.²⁰ Outlines make evident the threatening extent of south-north migration in the 21st century if we fail to reverse current trends.

The Roman Empire

From the 21st century, for the first time we are able to look back at two millennia – with the intention of better understanding the historical dimensions and interrelations of cultures around the Mediterranean.

An interesting starting point is the Roman Empire – if you will, forerunner of the EU. Its greatest expansion was under Emperor Trajan in 117 – from the border with Caledonia (Scotland) in the north-west to Egypt in the south-east, which was considered the granary of the empire. From there it stretched along the north coast of Africa to Mauritania and the strait of Gibraltar. On the north coast of the Mediterranean, the entire Iberian Peninsula belonged to the *Imperium Romanum*, naturally including Italy, Greece, and finally on the east coast today's Turkey, Syria and Judea, where today are located the state of Israel and the Palestinians, who are without their own state. Thus, the *Mare Nostrum* was completely enclosed.

The Mediterranean was an inland sea of the Roman Empire.

People from the occupied territories (the *Barbaricum*) were welcomed by the Romans – as workers or soldiers. A fatal decision fell to Emperor Valens when he allowed the Goths to cross the Danube in the year 376.²¹ Valens also wanted to gain soldiers cheaply. But things unfolded with their own dynamics and run more and more out of control.

The Goths themselves had been expelled by the Huns, who had come from Asia. Huns, Goths, Alemanni, Franks, Saxons and Burgundians set off to the west and south, but not as a continuous "migration of peoples", as the term suggests. On closer inspection, it was a disorderly sequence of individual migrations and cam-

²⁰ Department of Economic and Social Affairs (United Nations): World Population Prospects. The 2015 revision. New York 2015

²¹ Meier, Mischa: Die "Völkerwanderung". In: Aus Politik und Zeitgeschichte. 26-27/ 2016, p. 3ff.

paigms. They were triggered by population growth and thus need for land among the "barbarians", but also by desire for conquest and belligerence. The Roman Empire was broken by inner exhaustion, also as a result of a weak technological-energetic basis, and ultimately by migration from outside.

Early Islam

A common definition is: "An Arab is someone who speaks Arabic."²² Today, about 300 million people speak Arabic, from North Africa to the Middle East.²³ The inhabitants of the Arabian Peninsula are now only a minority in the Arab world. The spread of the language goes back to the triumph of Islam. To this day, the divine revelation in the Koran is still considered to have adequate expression only in the Arabic language.

It was the Prophet Muhammad who united the Arabian Peninsula into the *Ummah*, the Islamic community. Before that, the social order was dominated by tribes, sub-tribes, and clans, who were often migratory cattle breeders. Already during the time when the Prophet was at the head of the *Ummah* in Medina (622-632), something of a state structure developed: a system of law and order that transcended tribes and the beginnings of a levy and tax system. With the Islamic *Ummah*, a third major 'player' had now appeared on the political stage alongside the Eastern Roman Empire and the Persian Empire.

After Muhammad's death in 632, his successors, the caliphs, took the lead. The military expansion already started in the second caliph empire, beginning with the conquest of Roman-Byzantine Palestine/Syria, then on to Egypt, along the entire North African coast, until the capture of the Iberian Peninsula at the beginning of the 7th century.

**The military expansion of the caliph empire began soon
after the death of Muhammad (632).**

²² Halm, Heinz: The Arabs From Pre-Islamic Times to the Present. Munich 2010, p. 7. The further description essentially follows the remarks of Heinz Halm.

²³ Of the 300 million Arabic-speaking people, about 200 million are native speakers. <http://de.statista.com/statistik/daten/studie/150407/umfrage/die-zehn-meistgesprochenen-sprachen-weltweit/>

The spread proceeded relatively fast. The elite and the fighters were Muslims, and the spread of Islam with "fire and sword" was not their intention. Violent conversion of subjects to Islam has not been documented. Rather, guaranteed protection for Christians and Jews was an integral part of the Islamic legal system. However, occupied cities had to pay tribute. The treaties gave non-Muslims the status of wards.²⁴ The Arab fighters also took booty, of which a fifth went to the caliph according to ancient custom. The expansion system unfolded with its own "logic". It needed more and more non-Muslim taxpayers to maintain an increasing number of Muslim fighters: thus the conquests continued. In short, the spread of Islam into the former Roman Empire was first and foremost good business.

The Crusades

It was July 15, 1099, when the European armies of the First Crusade conquered Jerusalem, killing Muslims and Jews, and triggering a bloodbath.²⁵ A few years earlier, Pope Urban II had given a speech in which he lamented the devastation of the holy places by the Islamic Seljuk Turks and called on the European knight-hood to help their brothers in the East.

It was a bloody melee. On one of the other crusades, Emperor Frederick Barbarossa became a casualty in 1190, drowning in the river Salef. The leaders of the English and French armies became enmeshed in power struggles. Jerusalem again fell into the hands of the local population. The campaigns ended up reaching ad absurdum, as the commercial metropolis of Venice led the Fourth Crusade (1202-1204) to the Byzantine capital of Constantinople. The armies plundered the city, and the booty went back to the client by return mail. In Venice they

²⁴ "Under such conditions Damascus surrendered in 635, Jerusalem in 638, Caesarea in Palestine, and also Alexandria in 642, whereby all Egypt came under Arab Islamic rule." Ibid. p. 28

²⁵ "But when our pilgrims entered the city, they persecuted and killed the Saracens up to the Temple of Solomon, where they gathered and fought each other throughout the day, causing their blood to flow throughout the temple. When they had finally overcome the heathens, our soldiers seized enough men and women in the temple and killed and kept them alive as they pleased. A large number of heathens of both sexes had gathered on the roof of the Temple of Solomon. On the morning after our soldiers carefully mounted the roof of the temple, attacked the Saracens, men and women, and beheaded them with their swords; but others cast themselves off of the Temple". Eyewitness account. Quoted from: Thorau, Peter: Die Kreuzzüge. Munich 2012, p. 6

were satisfied, as they had shut down a commercial competitor in the Eastern Mediterranean.

The Crusades were campaigns of conquest.

Middle Ages and early modern times

At the time of the Crusades there were pogroms against the Jewish population in Europe. In many places, such as France, the Rhineland and Prague, thousands of Jews were murdered and expelled. The persecution and expulsion of Jews, not only in Europe but also in Palestine, is one of the best-known examples of forced religious migration. This includes the expulsion of the Sephardim, the Jews who lived on the Iberian Peninsula.²⁶ During the *Reconquista*, the re-conquest of today's Spain and Portugal by Christian princes, Granada fell in 1492 as the last caliphate in the Iberian Peninsula.

In the same year that Christopher Columbus "discovered" America, Isabella of Castile and her husband Ferdinand of Aragon issued the so-called Alhambra Decree, which required all Jews living in their dominions to convert to Christianity – or to emigrate. About 150,000 Sephardim then left Spanish territory and settled in Portugal, North Africa and the eastern Mediterranean. After 1492, the Spaniards extended their reach to the North African coast. However, there they encountered an equal opponent: the also expanding Ottoman Empire.

The Turkish Osman clan had already been on the rise since the beginning of the 14th century, from its principality in northwest Asia Minor. The foundation stone for the Ottoman Empire was laid with the conquest of Byzantine Constantinople in 1453.²⁷

Ottoman-Turkish rule was to continue in the Arab world for more than four centuries. From Constantinople (henceforth Istanbul), the sultans ruled over Syria,

²⁶ Lachenicht, Susanne: Religion und Flucht im spätmittelalterlichen und frühneuzeitlichen Europa. In: Aus Politik und Zeitgeschichte. 26-27/ 2016, p. 10 - 17

²⁷ Halm, Heinz: The Arabs From Pre-Islamic Times to the Present. Munich 2010, p. 76 ff.

Palestine, Iraq, Yemen and Egypt (1517). Strong governors (pashas), tax officials and judges, supported by garrison troops, enforced the law and tax policies. Especially the Janissaries, Christians forcibly recruited in the Balkans, were a decisive power factor.

On the North African coast there was a tug of war between Spanish-Portuguese forces on one side and the Ottoman influence on the other. The Spanish King Philip II finally gave up the fight, and in 1581 a truce was declared, thus consolidating Muslim rule over North Africa for a long period.

European Supremacy

There is widespread a historical view that the Arab world must have suffered a break in its development in the late Middle Ages and the early modern period. The Muslims had "missed" certain developments: the Reformation, the Enlightenment, and later the Industrial Revolution. As a result they had "fallen behind", and were later exposed to colonial access by Europe.

With the age of discovery voyages, there began an unprecedented European dominance over the world.

Undoubtedly, an unprecedented European dominance was established with the age of discovery voyages, and with Spanish, Portuguese and Dutch colonialism. In this context, one can certainly interpret the Crusades as a "prelude to this development".²⁸ It was the first time in Western Europe that it tried to solve its demographic, social, and economic problems outside of Europe.

The scientific revolution of the Renaissance coincided with early capitalism in Northern Italy. This finally led to the industrial revolution. When a machine was invented in eighteenth-century England that could transform the thermal energy of coal to produce the same raw material into mechanical energy, a completely new technological system was born. The steam engine allowed coal to be con-

²⁸ Halm, Heinz: The Arabs From Pre-Islamic Times to the Present. Munich 2010, p. 76

veyed much more efficiently, which in turn delivered the machine's fuel and, in addition, a surplus of usable energy. This abundant energy base not only improved the quality of steel, but also produced it in quantities that were previously unimaginable. The large area of mechanics, including mechanical engineering, underwent a boom. The increased exchange of goods necessitated a more efficient transport system. The railroad soon played an important role in this respect, which could convey more resources, thus invigorating trade. All in all, a highly successful, self-perpetuating, rapidly growing system was born.

The industrial and market-oriented mode of production, as established in England, has ultimately become the global economic pattern that still persists today. The tremendous dynamism of this system has not only outstripped the Arab-Ottoman culture, but also the Indian subcontinent, Southeast and East Asia, not to mention the two Americas. The Fertile Crescent increasingly came under European control. Egypt, for example, was hopelessly over-indebted by construction of the Suez Canal (1859-1869). English and French financial controllers were appointed, and took over key positions in the government.

Until the First World War, the European powers of England, France, Austria and Germany did not question the existence of the Ottoman Empire. A crucial perspective in power politics was to deny Russia its grip on Istanbul and the Balkans. However, this respect ceased after the First World War. The rule of the Ottoman Empire became history. The western colonial powers altered state borders on the Arabian Peninsula and in North Africa almost at will. Many resentments against the West are still the result of this policy, which was primarily based on its own interests and dominance.

Iran and Iraq

Another source of trouble has been smouldering for a long time between Iran and Iraq, whereby Iran can look back on a long and proud history through its connection to Persia. When the Shah was overthrown in 1979 and Ayatollah Khomeini declared the "Islamic Republic", the West lost an important ally and oil

supplier.²⁹ The Sunni-influenced Baath Party, led by Saddam Hussein, feared a spillover of the revolution. Iraq was an artificial entity in any case. After World War II, European powers took no account of ethnic and religious groups in shaping Iraq.³⁰ The result was domestic and foreign disputes. In September of 1980, Iraq attacked Iran. This resulted in eight years of trench warfare, at the end of which the borders essentially remained as they were before. It was the time of the Cold War, and the two superpowers supported the warring parties with weapons. The fighting turned many thousands of people into refugees, especially in Iran. In the 1980s, the Middle East became one of the largest refugee regions in the world.³¹ To date, these conditions have not settled down.

The MENA Region Today

The mentioned developments and sources of conflict only provide an excerpt from the history of the MENA region. For many more details, please refer to the current report on the subject by the Berlin Institute for Population and Development. The region comprises 19 states, from Morocco to Oman, from Qatar to Yemen, which, as mentioned, are all Muslim and belong to the Arabic cultural area, with the exception of Israel.³² However, the commonalities of the countries are almost exhausted. In fact, the region is characterised by strong contrasts: On the one hand, there are wealthy and resource-rich states such as Saudi Arabia and Qatar. Dubai is not only an international aviation hub with an affiliated shopping centre, but the epitome of luxury in the desert. In order to achieve this prosperity, Dubai has brought in so many immigrants that they now make up 95 percent of the population. Many of them are migrant workers, mostly from India

²⁹ Bresselau von Bressendorf, Agnes: Das globale Flüchtlingsregime im Nahen und Mittleren Osten in den 1970er und 1980er Jahren. In: Aus Politik und Zeitgeschichte. 26-27/ 2016, p. 30 - 39

³⁰ Iraq has emerged from the bankruptcy estate of the multinational Ottoman state. The borders of Iraq were established in 1916 in the secret Sykes-Picot agreement between Paris and London. "Within its arbitrarily drawn borders lived three ethnically and denominationally different and hostile ethnic groups. As in the Ottoman era, a Sunni Arab minority of about 20 percent exercised power. In contrast, the Kurds (20 percent) and Shiite Arabs (60 percent) were politically oppressed and economically disadvantaged. The power conflicts between Sunnis and Shiites had been forming since the founding of the state, as had another constant, the repeated flaring-up of rebellions of the Kurds, who were striving for independence. Buchta, Wilfried: Iraks Zerfall und der Aufstieg des IS. Zwei Seiten einer Medaille. In: Aus Politik und Zeitgeschichte. 8/2016, p. 24

³¹ Mention should also be made here of the Kurdish conflict, which to this day leads to instability and cross-border conflicts between Turkey, Syria and Iraq.

³² There is no binding definition of the MENA region. Some descriptions include Turkey, and others not - as is the case in this document.

and Asia, without any political rights. On the other hand, the acronym MENA also encompasses Yemen, one of the poorest countries in the world, with a high birth rate and enormous water problems – a country that as of late must be included amongst the *failed states*, which is afflicted by civil war and proxy war. Other crisis states have already been mentioned – Libya, Iraq and Syria – and that is not all of them. There are also stable countries in the region, such as Morocco or the prosperous Oman.

The MENA region is facing major challenges.

The MENA region is characterised by the consequences of the Cold War, by arbitrary demarcations at the end of the colonial era. The fight for oil and for water are also a reality there, as are internal Arab disputes. This evokes the founding of the Arab League after the Second World War.³³ Today it is only a shadow of itself due to the disparate interests of its members. To complete the list of problems: Inner-religious conflicts go hand in hand with traditional power structures, conflicts such as those between Shiites and Sunnis have been smouldering for centuries, and continue to break out. Bad governance and corruption generate their usual effect. The state structures are sometimes extremely weak. In Yemen, for example, the power of the corrupt ex-president Ali Abdullah Salih only ever reached a few kilometres into the outskirts of the capital city of Sanna.³⁴ Moreover, the law of tribes and clans has been and continues to be in effect. Last, but not least, parts of the MENA region have been repeatedly oppressed by extremely brutal terrorist organisations in recent years.

Causes of Problems in the MENA Region

³³ "The purpose of the pact was cooperation between the Arab countries on economic, cultural and social matters. It obligates all members to pursue foreign policy that is not directed against the interest of the other members and reinforces the rights of the Arabs to Palestine." Halm, Heinz: *The Arabs From Pre-Islamic Times to the Present*. Munich 2010, p. 109

³⁴ According to UN figures, Salih has put aside 60 billion euros in poverty-stricken Yemen and hidden it from investigators. Yemen's ex-president enriched himself to the tune of billions. *Zeit-Online*, 24 March 2015. <http://www.zeit.de/politik/ausland/2015-02/jemen-ali-abdullah-salih-vermoegen-reichtum>

What are the deeper causes of frustration and dissatisfaction in the region? And how is societal development being blocked?³⁵ There are currently about 370 million people living in the 19 MENA countries. It may increase by almost 100 million by the year 2030, according to the assumptions of demographers. In 15 years' time there will be about 28 million more Egyptians, the population of Algeria will increase by ten million, and that of Yemenis by about nine million.

So far, the number of people of working age has grown significantly faster than the number of jobs in the MENA countries.

As different as the MENA countries are, the number of people of working age is everywhere growing faster than the number of jobs (*youth bulge*). Many young people cannot find jobs, or at best low-paid ones in the service sector, without social security, for example as fruit sellers. The problem is not new; it has been building up over the course of years. Nowhere else in the world is youth unemployment so high, and the number of working women so low, as in the MENA region. In short, development of the economy is not keeping up with population development.

In addition, many MENA countries are maintaining an expensive and unproductive public sector. Military expenditures (relative to GDP) tend to be among the highest in the world. The currently low oil price is now also putting pressure on rich (oil) countries. High water and food prices, partly as a result of increasing water scarcity, are affecting the poorer parts of the population. Population growth and climate change are further exacerbating the situation.

Education is the key to success in many emerging and developing countries. But apparently this approach is not working in the MENA countries, at least not yet. Academics cite several reasons for this: children go to school, but they learn too little mathematics, their problem-solving skills are weak; foreign languages that allow an exchange with other countries and economies are too seldom taught.³⁶

³⁵ The following presentation is based on the study of the Berlin Institute for Population and Development: Crisis Region MENA. The influence of demographic change on developments in the Middle East and North Africa, and what this means for Europe. Berlin 2016.
<http://www.berlin-institut.org/publikationen/studien/krisenregion-mena.html>

³⁶ Ibid. p. 8 f.

Many who are better educated are eager to enter the supposedly secure civil service. Private entrepreneurship, which relies on higher-quality products and services in order to ultimately enter the world market, hardly exists in the MENA states. The big exception is once again Israel. And women, even if well-educated, have few opportunities in the labour market. Not even one in three women between the ages of 25 and 34 is employed or looking for a job. This results in a considerable lost potential for these countries.

In the wake of this analysis, the way forward is clear. The level of education should be raised with modern curricula and methods. The young people must be made fit to become economically active. In particular, there is need of a new, competitive entrepreneurship, because education does not really help if there are insufficient employment opportunities. On the contrary, anger, frustration and dissatisfaction often become greater than they were before. Thus, jobs are of central importance. It is important for women to be given more rights at all levels of public and professional life, although to an extent that is something met with massive cultural rejection.

The European Union and the MENA region are only separated by a few kilometres at the strait of Gibraltar. The social, economic, and historical links across the Mediterranean are narrow, so it is no wonder that for many, especially young people, the object of their hopes and dreams is Europe.

Limits of Migration and the Problems of Europe

Europe has been placed in a crisis with only a few hundred thousand refugees appearing on the Greek or Italian coasts.³⁷ A few million people should not count too much for the EU, with its around 500 million inhabitants. The countries neighbouring Syria have taken in significantly more refugees proportionately. Why is it that political crises did not arise in those cases? And why is it that rich Europe reacts so sensitively when comparatively few people are arriving at its doors?

³⁷ This passage of text refers to a previously unpublished publication by Franz Josef Radermacher.

Perhaps the problem would be less acute if Europeans, e.g. Germans, were receiving people in need from directly neighbouring countries, such as Dutch, Scandinavian or French people. There might be better understanding than in the case of interaction with people from Arab cultures. It would largely be similar, but with fewer problems with regard to foreignness. Although (and especially) neighbours can have significant conflicts with each other.

Rich societies find it difficult to accept relatively large numbers of people from poorer parts of the world. Only given orderly processes with considerable preselection can an increase of perhaps 1% of the native population per year be handled.

There are other reasons why Jordan, for example, is managing to receive Syrian refugees with relative ease, even though the Syrians live in camps that are anything but pleasant. In Jordan, of course, the standard of living is lower than in developed countries. Consequently, refugees in this country can hardly expect more than a roof over their heads, food and water. Generally, these basic needs are covered by donations from the international community. Essentially, rich nations pay for poor nations to receive people. Incidentally, this is no different in Africa. The interior of the continent undergoes the largest refugee flows in the world, many millions of people. The United Nations often have to organise reception camps in neighbouring states.

Dramatic Underfunding of Refugee Aid

That there is a wave of refugees sweeping towards Europe in recent months is by no means surprising, as it illustrates figures regarding the significant funding gaps for refugee aid in places such as Lebanon, Iraq, Jordan and Syria, which the United Nations has had to fight with in recent years. In 2014, humanitarian aid in Lebanon was only funded at 13%. Aid organisations had to prioritise and could only help the weakest. After a call for donations from the UN for 1.89 billion US dollars only 242 million resulted.³⁸ In 2015, massive funding shortages forced the UN World Food Program (WFP) to cut emergency rations for nearly a million

³⁸ Cf. <http://www.unhcr.de/home/artikel/ca73a01c25a3afac72cdc2960a339532/eine-million-syrische-fluechtlinge-im-libanon-1.html>

refugees in Iraq.³⁹ The situation was exactly the same in Jordan. The much-needed voluntary payments of the states to the UNHCR have not been forthcoming.⁴⁰ The current situation in Syria and Iraq is particularly dramatic: In Iraq, the Humanitarian Response Plan is only 2/3 funded. It is even worse in Syria: 62.7% of the required funding is missing.⁴¹ The fact that people in a hopeless situation in Syria and the neighbouring states see no other recourse but to make their way to the north should surprise no one. This frightening underfunding even at the absolute minimum level should be enough of a wake-up call to indicate that a fundamental improvement in the situation can only succeed if considerable financial resources are activated.

All of this looks very different when rich countries take in refugees. It is not just that they finance the bureaucracy, housing, and food for these newcomers. In the welfare states of Europe, much more so than in the US for example, education, health and pensions are also being cross-financed across public budgets. It is difficult to integrate people here because it is expensive, and it soon presses against the limits of tolerance if the newcomers do not quickly begin making their own contributions. It should be remembered at this point that the cost of looking after an unaccompanied minor in some European countries is around € 5,000 per month.

However, the underlying reason for the difficulties in welcoming and integrating people from poor countries is neither funding nor foreignness, but rather the complex organisation of developed countries and the way the economy works. More precisely: the division of labour and systemic creation of prosperity, which historically has a whole series of prerequisites. This is complex, requiring the practice of behaviour – in fact, from childhood – and in particular a great deal of discipline, resulting in a certain kind of behaviour about which the people in the rich world are often not happy themselves – it goes hand in hand with an increasing economisation of the entire life.

Identifying and handling the problems of integration

³⁹ Cf. <http://de.wfp.org/neuigkeiten/pressemitteilungen/massive-finanzierungsluecken-im-irak-zwingen-wfp-rationen-zu-halbieren>

⁴⁰ Cf. <http://orf.at/stories/2295934/2295935/>

⁴¹ Cf. <http://www.unocha.org/iraq> and <http://www.unocha.org/syria>

From this point of view, it is not easy for people from other cultures with different mentalities, backgrounds and languages to take root in developed countries. This also makes clear why in this respect success often only comes in the second generation. Although Egyptians and Palestinians can also become taxi drivers or taxi operators in Germany, they first have to master the language, study the taxi exam, and then pass it. More often, migrants end up in significantly lower paid jobs or working illegally. The often-quoted well-trained doctor from Syria is the exception.

All of this is not to speak against integration.⁴² However, this demonstrates the limits industrial nations have in accepting refugees. Where these limits are exactly depend on many factors. There is already a lot of historical experience in this regard. It shows that once immigrants are integrated, there is room for more. However, if integration fails, parallel societies emerge. Then the capacity to accept decreases, because the problems have increased. The foreign communities play an ambivalent role in the host countries: On the one hand, they support the newcomers and familiarise them with the new environment; on the other hand, they can also make integration into the majority society more difficult.⁴³

Traditional immigrant countries such as the USA, Canada or Australia have long since drawn their conclusions. You define a number of immigrants you think you can handle. Then you choose suitable people. Aspects in this regard are the job market or the demography of your own population. Care is taken to ensure that the new members speak the country's language and receive a good education or already have one – as a prerequisite for being permitted to immigrate, as a result of a corresponding selection program. A crucial question will be whether this

⁴² The late Rupert Neudeck is and was a good source of advice in matters concerning integration. He himself was a "smuggler" when he and his *Cap Anamur* pulled Vietnamese out of the sea and brought them to Germany against all legal provisions. Only last year, Neudeck described German integration policy as too "charitable". Anyone who flees to Europe and claims the services of the German State, must also give something in return. According to the pragmatic humanist, courses in German are not an offer, but an obligation. Incidentally, Neudeck was of the view that the Middle East would, one day, be at peace, and that the true problem child was Africa: "The worst is yet to come". German courses are mandatory for refugees. In: Die Welt, 21 September 2015
<http://www.welt.de/debatte/article146620426/Deutschkurse-sind-Verpflichtungen-fuer-Fluechtlinge.html>

⁴³ Collier, Paul: Exodus. Warum wir Einwanderung neu regeln müssen. Munich 2014, p. 53

basic pattern is transferable to Europe with its political and geographical circumstances and its more developed social systems.⁴⁴

Migration from poor to rich countries can lead to win-win situations. People who migrate, through remittances, usually finance a whole generation in their country of origin. These so-called *remittances* are of great importance internationally, and their volume is, depending on the estimation, twice to three times as high as aid for international development cooperation.⁴⁵ But the host countries can also benefit from newcomers. Germany, for example, has a very unfavourable demographic situation. Medium-sized hotel or restaurant businesses, for example, are desperately looking for workers. Among them are many companies that are already run by the third or fourth generation, and who can no longer continue their business if they do not find new, appropriate employees. Thus, they welcome young people from other countries.

Migration is a topic that is accompanied by many emotions, prejudices, and resentments. But the question is not: Is migration good or bad?⁴⁶ It is rather: How much migration makes sense and is appropriate for the opportunities, and how should it be organised? The following remarks by Thomas Straubhaar underline this point of view.

Remittances –

An important source of financing for developing economies

Author: Thomas Straubhaar⁴⁷

Increasingly, there is a growing realisation that in migration policy, symptom control in the host regions can be replaced by combating the causes in the regions of origin. It is not the consequences, but rather, the causes of mass migration, which must be mitigated. This means that people will once again be able to

⁴⁴ The fact that there is, as yet, no immigration law in Germany and that the vast majority of immigration takes place within the framework of asylum legislation is an indication of how great are the political obstacles to the discussion.

⁴⁵ According to the World Bank, the *remittances* in 2015 were around 430 billion dollars.

<http://pubdocs.worldbank.org/en/661301460400427908/MigrationandDevelopmentBrief26.pdf>

⁴⁶ "It is about as meaningful as asking them if eating is good or bad. In both cases, it's not about good or bad, it's about how much is best." Collier, Paul: *Exodus*. Warum wir Einwanderung neu regeln müssen. Munich 2014, p. 32

⁴⁷ For information on the author, see "Authors and Signatories" at the end of this memorandum

recognise prospects for the future in their homeland and want to remain there rather than put themselves through serious risk and danger in order to flee to other parts of the world.

Poverty, misery and economic backwardness are, without a doubt, essential factors which promote migration and the movement of refugees. The remittances of family members who emigrated previously are an increasingly important source of financing in many societies in Africa, Asia and Latin America. In a large number of countries, these remittances have even become the most important, most stable and, in view of the positive economic consequences, the most effective sustainable capital inflow.

According to data from the World Bank, approximately half a trillion US dollars of remittances flowed into developing economies in 2015 (World Bank 2016a, p. 4). About half of this amount (about US \$ 245 billion) went to Southeast Asia, nearly US \$ 70 billion to Latin America, US \$ 50 billion to the Middle East and North Africa, and US \$ 35 billion to sub-Saharan Africa. India received the most remittances – around US \$ 70 billion, followed by China (US \$ 64 billion) and the Philippines (US \$ 28 billion). For other, especially smaller, developing economies, the volume of remittances as measured by GDP was of considerable importance. 27% of GDP is attributed to Tonga, 18% to Samoa and 14% to the Marshall Islands. But even for the Philippines, the inflow of remittances amounted to almost 10% of GDP, in Micronesia it was around 7% of GDP and in Vietnam over 6% of GDP.

Most importantly, in recent years, the flow of remittances has been much more stable than other sources of funding. This was not just around the factor 3, i.e. significantly higher than the "Official Development Assistance" (ODA), but was also much more stable than direct investment, portfolio investment and the purchases of domestic government bonds by foreign investors. This made the remittance economy easier to plan and required less risk prevention.

From the point of view of European host countries, the integration of suitable migrant volunteers could be planned and managed much more strategically. This would considerably increase the positive momentum for economic growth and employment in the regions of origin.

A number of approaches can be improved:

- *Further reduce transaction costs for remittances*
- *Further promote the strong attachment of migrants to their countries of origin*
- *Further strengthen the macroeconomic development effects of remittances*
- *How can greater investment of remittances be achieved, e.g. with regard to securing one's own life risks?*

There is much to do in all of these areas, including in the direction of support measures for the policy. This is an issue to be addressed in a Marshall Plan with Africa and parts of the MENA region.

Outlook

Increasing international migration and also internal displacement are presenting the world community with growing problems that it is not prepared for, certainly not financially. In this respect, a particularly critical situation has developed at the European doorstep. It is not just that the MENA region is currently afflicted by terrible wars; many countries have become failed states, notably Iraq, Syria, Yemen and Libya. Conflicts have remained unresolved, to a degree for decades. Many politicians and diplomats have already tried to crack the hard nut of the Palestinian question. The central problem of development in almost all MENA countries is the *youth bulge*. The lack of jobs leads to frustration and hopelessness among the youth, as the Arab Spring has shown. The demographic transition that societies are undergoing as they evolve is simply not succeeding.⁴⁸

⁴⁸ "At the root of this development are both high numbers of children, as well as a high mortality rate, so that the population hardly grows. As living conditions improve, mortality rates, especially those of children, decline and in this second phase, a population grows strongly. Due to better living standards, after a certain period, many families opt to have fewer children, and consequently population growth decreases in the third phase of the transition. In highly developed countries, the birthrate even falls below the mortality rate, so that not only does population growth end, but even a population decline occurs without immigration. Considering natural population growth alone, i.e. births and deaths, but not immigration and emigration, Qatar is likely to be the most advanced in the demographic transition out of all MENA countries. In contrast, it has only just begun in Yemen." Krisenregion MENA. The influence of demographic change on developments in the Middle East and North Africa, and what this means for Europe. Berlin 2016, p. 14

The North African states have a special role to play in bridging the rest of Africa with its exploding population. Climate change will further aggravate the critical situation. The question for Europe is how our continent should work with this region – not just based on historical or geographical reasons, or on responsibility, but also based on intelligence and our own interests. Building fences and walls is not a solution, as the Germans know from their history.⁴⁹

Europe is not prepared to accept millions of people from the MENA region and the rest of Africa.⁵⁰ As the refugee crisis escalated around Syria, Europe was unable to secure its external borders. This was also because the neighbouring states at the external borders received too little financial support.⁵¹ Now Europe is under pressure. History shows that significant changes to date only happened under pressure. The crisis around the Mediterranean is acute. Taking into account what we know from history and from basic data concerning the future, this is not a matter of months, but of years and decades. Meanwhile, the dynamics are continuing to develop.

⁴⁹ "This topic will accompany and challenge us over the coming decades and generations. Anyone who says that it is possible to build walls or fences around Germany or Europe, i.e. 1 percent or 7 percent of the world population, to solve this problem, has not recognised this aspect." Müller, Gerd: Gedanken zu Zukunft und Gerechtigkeit. In: Senate. Magazin für eine weltweite Ökosoziale Marktwirtschaft. 2/ 16, p. 45

⁵⁰ Radermacher, Franz Josef: Europa – quo vadis. Eine Betrachtung mit zehn Merkpunkten. In: Senate. Magazin für eine weltweite Ökosoziale Marktwirtschaft. 2/ 16, p. 38 – 43

⁵¹ The world community has a great responsibility here because the World Food Programme was too underfunded to be able to adequately equip the refugee camps around Syria.

II. Sustainability – The concept and its meaning

Main contributor: Estelle Herlyn⁵²

Sustainability, the career of a worldwide concept

Since 1972, the international community has been engaged in major international conferences to anchor protection of the environment and protection of the climate at the UN level as an international task. A key United Nations conference "on the Human Environment" took place in Stockholm in 1972. The conference failed because developing countries were more concerned about catching up than protecting the environment. Not unlike the way the developed world behaved for a long time.

Indira Gandhi, as a young Prime Minister of the newly independent state of India at that time, made it crystal clear in a brilliant speech that the prosperity of rich countries arose in a way that was not particularly environmentally and climate friendly. Even today, environmental and climate protection certainly cannot be the argument for maintaining the still existing, unfair division between poor and rich countries.

The understandable wish of less-developed countries to catch up economically coupled with the simultaneous obvious need to conserve resources and protect the climate, have time and again led to vague formulations and concepts that are difficult to convert into concrete measures. This is also the case for the sustainability formula devised at the UN World Conference for Environmental Protection and Development in Rio de Janeiro in 1992, which, according to the definition of the Brundtland Commission, reads as follows:

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs and choose their lifestyle."

⁵² For information about the author, see "The Authors and Signatories" at the end of this memorandum

Today's debates have a long history. For the Club of Rome, "Limits to Growth" is the decisive starting point.⁵³ The book by Jorgen Randers "2052: A Global Forecast for the Next Forty Years" was a report to the Club of Rome offering an important retrospective that was released 40 years after "The Limits of Growth".⁵⁴ The new book by Jorgen Randers and Graeme Maxton, "One Percent is Enough: Fighting Social Inequality, Unemployment and Climate Change with Less Growth" takes a critical look at what is needed today.⁵⁵

Things have further evolved. In 2000, the Millennium Development Goals were adopted as a common set of goals for the global community for the first fifteen years of the new century. This was followed by the Kyoto Protocol and many world conferences on the climate and the environment. In the wake of the devastating financial crisis, the fundamentalist market dogma was also broken down. The focus is no longer just on being efficient in our activities, but also effective, such that the result of economic processes is something that is desired by the majority.

Market economies orientated toward social balance and environmental protection are most likely to fulfil this type of intention. In the German language, one speaks of an "ecological and social market economy", and internationally, it gets dubbed a "green and inclusive economy". After the financial crisis, more effort was finally put into achieving regulatory progress. Successes have been recorded in the fight against the hiding of money in tax havens, ending the competition among the states to offer the lowest tax rates for large companies, and in regulating the financial system. But there is much yet to be done. Even though we are much further along with green and inclusive economies than we were ten years ago, and although some changes have been made in the financial sector and in tax codes, the overall situation is still largely the same as before. In particular, the WTO, for example, pushes a trade regime in which the quality of the

⁵³ Meadows, D., Meadows, D., Randers, J., & W.W. Behrens III: The Limits to Growth. A Report to the Club of Rome´s Project on the Predicament of Mankind (1st ed.). Location: Universe Books, 1972

⁵⁴ Randers, Jorgen: 2052 – Eine Globale Prognose für die nächste 40 Jahre – Ein Bericht an den Club of Rome – 40 Jahre nach "Die Grenzen des Wachstums", oekom Verlag, 2012

⁵⁵ Randers, J., Maxton, G.: Ein Prozent ist genug – Mit wenig Wachstum soziale Ungleichheit, Arbeitslosigkeit und Klimawandel bekämpfen, oekom Verlag, 2016

process applied to produce goods does not play a role in regulation, even if slave-like child labour is involved.⁵⁶

With the Agenda 2030, there is now a new, interesting goal system with great ambitions for achieving sustainable development. However, there are many indications that it will be difficult, if not impossible, to achieve the set goals.

The 2030 Agenda

With the Sustainable Development Goals (SDGs), since September 2015 the countries of the world have a common agenda for achieving sustainable development for the first time in their history. This Agenda is the latest step in a more than 40-year political effort to simultaneously realise two major humanitarian goals, namely, "preserving the natural basis of life" and "economic development for all people".

Sustainability as a system state that cannot be individualised

Sustainability as defined by Brundtland must be understood as the state of a system and as a state of the world to be striven for. In this sense, sustainability cannot be individualised, neither at the level of individual persons nor at the level of individual countries. Individual contributions are important, necessary contributions, but not sufficient. Sustainability is, ultimately, a state for the whole human race. In a globalised, networked world, the globe is the whole system. The environmental, climate, poverty and equity issues need to be resolved at this level.

⁵⁶ Cf. the report "Umsetzung der Sustainable Development Goals (SDGs) der Agenda 2030 – Anforderungen an Global Governance und Möglichkeiten der Umsetzung", FAW/n report to the BMZ/GIZ, 2016

Sustainability is a systemic status of humanity as a whole, and cannot be "translated" into subsystems unless this is part of a viable, coordinated global plan that distributes the necessary contributions to subsystems and is capable of enforcing compliance.

Unfortunately, currently another strong tendency is apparent in many areas, namely the attempt to assign responsibility for the achievement of sustainability in the form of an "accounting distinction" or "assignment of responsibility" to individual actors, which admittedly simplifies operationalisation of the subject superficially, but which is not adequate to the task. According to this view, the individual states, countries, municipalities, companies, and individuals are required to ensure sustainability. States are then to develop their strategies to implement the 2030 Agenda nationally. Regional climate protection goals are formulated, which are broken down into individual sectors of the economy, almost in keeping with a planned economy. Some individuals practice sufficiency and withdraw from the consumer world. Many dedicated students start with themselves and their personal lifestyle.

In all of this, the systemic approach is lacking. For example, to deal with the fact that the poor understandably have a hope or even expectation of greater prosperity, that the greatest challenges in fulfilling these expectations involve other people in the rich countries wanting to consume more, not less, whereby there are legally protected freedoms at the national and international level for pursuing these ideas. Thus, individual approaches are not going to solve the problem. The goal must be a worldwide agreement. Ultimately, all businesses, regions and people need to break sustainability requirements down into their context, even though today's system does not favour such an endeavour. As it stands today, the wrong thing is cheap, and the right thing is expensive. The wrong incentives are currently the trigger for the wrong behaviour of many. Therefore, it follows that only a systemic approach has a realistic chance for reaching sustainability.

This means that we cannot pretend that all people, all states, or all regions are entitled to the same per capita environmental space, because then the circumstances in relation to the varying resources of states or the – in our societal or-

der or our economic model, fundamental – differentiation in income, wealth, economic success, etc. would be completely thwarted. Such an approach ultimately lets "communism in through the back door". Since such an approach would stifle the absolutely necessary engine of innovation, it is not feasible and viable in itself. In addition, it is not something that can persuade the majority – certainly not internationally. It is in conflict with existing international treaties, which moreover cannot be terminated unilaterally, e.g. at the WTO level.

Such an approach is also inadequate for this matter. In the current state of global governance, it is out of touch with reality and offers little prospect of departing from the current obvious path of non-sustainability. The developments to this day leave no room for misunderstanding: For years now, the Earth Overshoot Day has been falling on an ever earlier day of the year.⁵⁷

Cross-financing as an Indispensable Prerequisite

Sustainability will not be achieved without massive cross-financing. For systemic reasons, under clearly agreed rules, a great deal of money must go from the rich to the poor countries, if the latter are to forego their perhaps most important competitive advantage, namely that of undermining the rich world's standards, especially in the area of sustainability.

Sustainability and the implementation of the SDGs are not possible without significantly increased cross-financing.⁵⁸

In principle, there is no approach that will be capable of circumventing this absolute necessity, including more pressure from NGOs, more pressure on companies in the field of human rights, etc. The final question will always be whether it is better for children to work under slave-like conditions or, alternatively, starve to death. With these options, they will prefer to work as slaves. Going to school would of course be the much better alternative, but then the rich countries would

⁵⁷ Earth Overshoot Day is the day from which the consumption of natural resources exceeds the capacity of the earth to reproduce those resources (cf. Global Footprint Network). CO₂emissions play a crucial role here. If these were not taken into account, humanity's ecological footprint would be substantially lower.

⁵⁸ Cf. "Umsetzung der Sustainable Development Goals (SDGs) der Agenda 2030 – Anforderungen an Global Governance und Möglichkeiten der Umsetzung", FAW/n report to the BMZ/GIZ, 2016

have to help pay for that. Therefore, action at the international level should be in accordance with the principle of "standards in return for cross-financing": compliance with agreed development-related standards should be the precondition for financial flows towards developing countries. However, the financial flows must increase considerably compared to today's level. Otherwise, it will remain in its current state, with dire consequences for the people and the environment in many countries, and for a local elite that is promoting this, because they want a standard of living like the elites in the West, and are able to get hold of the resources they need even at the expense of their own population.

The amount of money needed is clearly indicated in the phrase "From Billions to Trillions", coined by the World Bank and the International Monetary Fund,⁵⁹ and we will return to it more frequently in this memorandum because it is so central. Ultimately, it will be important to (1) massively increase public development assistance (ODA), (2) to use it wisely, and with its help to mobilise further private money and promote private investment in developing countries. The OECD is talking about \$ 3.3- 4.5 trillion in investment needed annually to implement the SDGs.⁶⁰ On the one hand, such sums can only be raised by a massive increase in ODA funds (somewhat similar to the Marshall Plan after the Second World War), and on the other hand by mobilising massive private funds.

The Necessary Amount of ODA Funds

This is a question of how much cross-financing from public funds must be made if the SDGs are to be implemented. There is no question that it must be substantially more than today – even more than the promised 0.7% of donor GDP, which is well above today's actual donations. What orders of magnitude are required can be shown on the basis of a number of examples from the past, e.g. based on the Marshall Plan after the Second World War or the German reunification. With regard to the SDGs, the financial ambition gap amounts to between € 800 and € 1,500 billion a year. As mentioned earlier, the OECD estimates the investment amounts needed to implement the SDGs at **3.3 - 4.5 trillion US dollars** per

⁵⁹ Cf. <http://siteresources.worldbank.org/DEVCOMMINT/Documentation/23659446/DC2015-0002%28E%29FinancingforDevelopment.pdf>

⁶⁰ Cf. OECD (2016): Development Co-operation Report 2016: The Sustainable Development Goals as Business Opportunities, OECD Publishing, Paris.

year.⁶¹ So far, only 20% of the estimated total expenditure of € 1,000 - 1,500 billion per year is being covered.

In the authors' view, implementing a Marshall Plan for the MENA region will require **at least an extra \$ 100 billion per year** more than the contributions to date over the next 25 years. If used wisely, this money can be used to generate enormous positive effects for promoting implementation of the SDGs.

How much transfer is necessary if the SDGs are to be implemented?

The viability and relativisation of these seemingly very large sums are based on figures that demonstrate the level of sums that had to be paid in the past to finance 'large-scale' measures, and which are now to be invested to master the challenges ahead of us.⁶²

Cost of German reunification

According to various institutes and universities, the cost of German reunification in the period from 1990 to 2015 amounted to at least **1.5 trillion euros**. Transfer payments were made at this level from the old to the new federal states. These were largely social transfers. The investment and construction costs amounted to 'only' about 300 billion euros. With an average population size in the new federal states of 16 million people during this period, this means transfers of nearly € 95,000 per person in 25 years, so per year almost € 4,000. These figures are not based on the much higher estimates of the Dresden Ifo Institute, which, taking into account pension payments, asserts transfer payments to the new federal states in the amount of **3.4 trillion euros**.⁶³

If we compare these sums with the current ODA funding of 150 billion dollars per year, it becomes clear how alarmingly low today's funds for development cooperation are: applying this to 1 billion of the poorest people, per year there re-

⁶¹ Cf. OECD (2016): Development Co-operation Report 2016: The Sustainable Development Goals as Business Opportunities, OECD Publishing, Paris.

⁶² Figures taken from the report "Umsetzung der Sustainable Development Goals (SDGs) der Agenda 2030 – Anforderungen an Global Governance und Möglichkeiten der Umsetzung", FAW/n report to the BMZ/GIZ, 2016

⁶³ Cf. <http://www.bpb.de/geschichte/deutsche-einheit/zahlen-und-fakten-zur-deutschen-einheit/212659/die-frage-nach-den-kosten-der-wiedervereinigung>

mains only **\$ 150 a year** per person. Applied to 2 billion people in need of development, per year there remains only **\$ 75 per person**.

The fact that the initial situation in the former GDR was much better than it is today in the LDCs, for example, impressively underlines how hopeless it is to use the funds budgeted to date for implementing the 2030 Agenda. It should be noted in this context that the GDR in the former COMECON was a country with the highest standard of living and the most advanced technology. The level of education was also good. After reunification, the governance system of the (old) Federal Republic was also adopted in the new federal states. Even with the introduction of the West German governance structure, extremely high transfers per capita were required in order to achieve a comparable level of prosperity as in the West over the course of decades.

This comparison also shows how wrong the argument is that the ODA funds bring so little progress because the governance in the respective countries is so bad. The example of the new federal states in Germany makes it clear that governance is not the only issue. Even though it is often used as an argument with respect to the existing low level of assistance, it does not lead to increased aid. Actually, this more likely involves not wanting to increase aid in any case. In fact, both would be required: **much more aid, and much better governance**. Significantly increased aid could be used to leverage the achievement of much better governance.

Funding within the EU

The current EU financial framework for 2014-2020 is a total of **960 billion euros**. Of this, approximately € 325 billion is attributable to the **Structural Funds** (European Regional Development Fund (ERDF), European Social Fund (ESF)) and approximately € 363 billion to EU agricultural subsidies and **rural development** (European Agricultural Fund for Rural Development (EAFRD)).⁶⁴ Overall, this is more than 2/3 of the EU's financial framework.

⁶⁴ Cf. <http://www.tzdo.de/default.aspx/G/111327/L/1031/R/-1/T/129530/A/1/ID/134776/P/0/LK/-1>

In recent years, this money has been transferred very heavily to Eastern and South-Eastern Europe, and thus to the Balkans, in order to promote development there. This benefits about 125 million people, which is per capita about **800 euros per year**. The general assessment is that the sums transferred are far too small to achieve the desired objectives, especially with regard to the new member states in the East, although the funds applied within the EU are much higher than today's ODA funds.

The original USA Marshall Plan after the Second World War

Between 1947 and 1950, 1.3% of US gross domestic product flowed into the Western European countries in the form of loans, raw materials, food and commodities every year. Altogether this amounted to **\$ 13 billion**, in Germany's case \$ 1.6 billion.⁶⁵ The recipients in Western Europe made up a population that at that time was about twice the size of the US population.

If we apply the transfers at that time to the present situation, taking Germany as an example, we must understand the extremely difficult economic situation after the Second World War, especially in Germany's case, and take into account the magnitude of the economic expenditure at that time. Cumulative US GDP over the four-year period was about \$ 1 trillion; a share of 1.3% results in the mentioned 13 billion. Germany received 1.6 billion dollars, or about 12.3%.

Obviously \$ 1.6 billion over 4 years is a very small amount from today's point of view and in today's numbers. Today's US GDP is about 17,600 billion per year – 1.3% of this sum is about 230 billion dollars per year. The German share would then amount to about 28 billion US dollars annually. If this amount is applied to about 80 million people in Germany, this results in about 334 euros per capita. If we further consider that the exchange rate at that time was DM 4.20 for one US dollar, then with the conversion to euros at today's currency rates this would result in an increase by a factor of 2, resulting in an effect value per capita for the German population of (at least) \$ 600 per year.

⁶⁵ Cf. Radermacher, F. J. (2011): Welt mit Zukunft – Die ökosoziale Perspektive, S. 310f.

If we consider the extreme shortage of capital in Germany at that time, which, for example, amounted to a German GDP of only about DM 80 billion (in 1949), i.e. less than \$ 20 billion (now \$ 3,356 billion), the result is an effect factor for today that is significantly more than \$ 600 million per capita. The US GDP has increased from that time by a factor of (only) about 70, and German GDP by a factor of 170.

If 1.3% of the total GDP of all OECD states, which amounts to about \$ 40 trillion, were to be spent now for development cooperation, we would see a **tripling** of available ODA funds to **\$ 500 billion**. Considering that those affected in ODA recipient countries, at 6 billion people, amount to a population that is about 4.7 times the size of the population that pays ODA (about 1.3 billion people), the amount would need to be increased by a further factor of 2.35 to have a per capita relation comparable to the original Marshall Plan. By way of explanation: The countries that pay ODA are essentially the same as the OECD countries (around 1.3 billion people). The countries that receive ODA coincide with the Least and Low Developed Countries (about 6.1 billion people). If the aim is a comparable situation per capita on the receiver side to that after the Second World War, at least **\$ 1,175 billion** in ODA funds would be required per year.⁶⁶

Current refugee costs

If it were possible to eliminate the causes of migration and flight, for example with a successfully implemented Marshall Plan, enormous costs that are currently borne by Germany and other EU countries could be avoided. In Germany, the cost for underage refugees amounts to **3,000 - 5,000 euros per month**.⁶⁷ The cost of adult refugees amounts to **up to 1,600 euros per month**.⁶⁸

Approximately 400 million people live in the MENA region today. If one were to distribute the suggested additional \$ 100 billion evenly among these people, this would merely be **250 euros per year**. In relation to the above-mentioned comparative figures, this is still manageable.

⁶⁶ Cf. <http://data.worldbank.org/indicator/DT.ODA.ODAT.CD>, <http://oecd.org/dac/stats/ODA-2015-Tables-and-Charts.xls>, <http://oecd.org/dac/stats/ODA-2015-detailed-summary.pdf>

⁶⁷ Cf. <http://www.welt.de/politik/deutschland/article155401038/Minderjaehrige-Fluechtlinge-kosten-Staedte-Milliarden.html>

⁶⁸ Cf. <http://www.zeit.de/2016/21/fluechtling-kosten-haushalt-bundeslaender-unterbringung>

Cost of the Lehman bankruptcy

The financial crisis in 2007/2008 could only be dealt with via extensive government intervention. The German taxpayers alone had to manage **236 billion euros** in 2008.⁶⁹ In Germany there are an estimated 40 million taxpayers, which per capita led to a burden of 5,900 euros.

The following figure illustrates some of the previous numbers and sets them in relation to each other, thus showing that today's development cooperation expenditures are extremely small compared to other large funding and development measures. The per capita expenditures are shown in the context of various funding or development measures:

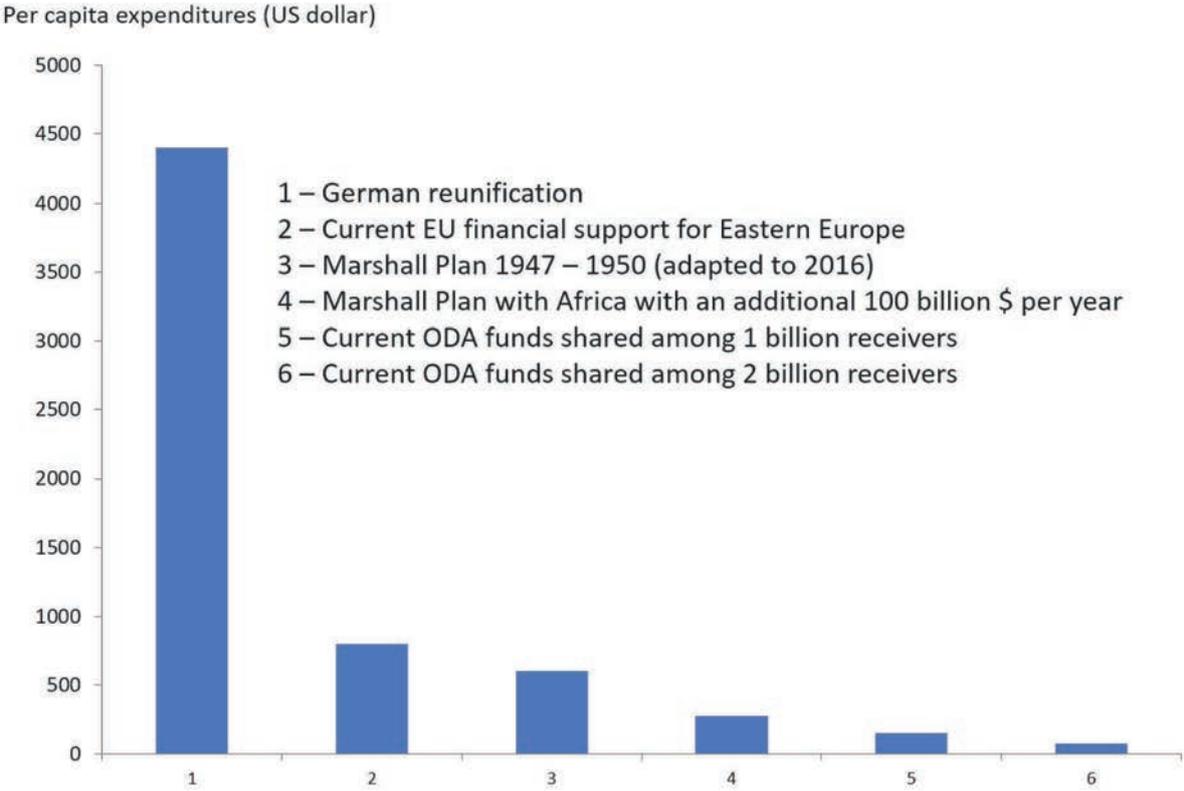


Figure 1: Per capita expenditures in the context of various funding and development measures

Green and inclusive growth as a key

⁶⁹ Cf. <http://deutsche-wirtschafts-nachrichten.de/2015/04/05/banken-rettung-kostet-deutsche-steuerzahler-236-milliarden-euro/>

After the financial crisis, the general consensus, recently confirmed by the IMF, is that markets need to be socially and environmentally regulated for positive societal development.⁷⁰ Market fundamentalists see this differently. They have lost their dominance in the political debate, even if they have not lost it in everyday political reality. Quite a lot has happened in the wake of the world financial crisis. For example, the OECD is fighting against 'tax base erosion' and works on strategies such as redefining relationships and legal frameworks, contributing to a green and socially-oriented politics. This has been reflected in the OECD's and IWF's regular reports on the importance of a certain level of social balance for societal well-being. Green and inclusive markets also aim for growth, of course, but only if it is considered to be compatible with environmental protection and the prosperity of all members of society. Economic growth is a must if sustainability is the goal.

It seems, at first, paradoxical that social and economic sustainability should only be achievable through massive economic growth: the historical insight we have gained thus far is that growth and consumption of resources are highly correlated. The Club of Rome translates this into a demand for 'total decoupling'.

Sustainability can only be achieved against a backdrop of high growth that is inclusive and green; this requires 'total decoupling'.

Sustainability, and particularly economic development, will not be achievable without massive economic growth. The rapidly growing world economy - especially the billions of relatively and extremely poor people - will need more and more goods and services if these people are to live in even modest prosperity. It is crucial, however, that the growth required meets two criteria: that it is green and inclusive. In all efforts to achieve growth, environmental and climate restrictions must be considered and even made a priority if sustainability is to be the goal. It remains to be demonstrated whether this can succeed. The overall

⁷⁰ ZEIT: "Der Kapitalismus soll netter werden - Die Mächtigen der Welt haben ein neues Projekt: Sie wollen den Gegnern der Globalisierung mit Umverteilung den Wind aus den Segeln nehmen", by Mark Schieritz, July 2016

theme is discussed below as Total Decoupling. It is important to the Club of Rome's work.

Total Decoupling⁷¹

Author: Ernst Ulrich von Weizsäcker⁷²

Decoupling is the biggest task for a green economy, as former UNEP Executive Director Achim Steiner announced straight after the financial crisis of 2008, using the slogan of a Green New Deal, in reference to US President F. D. Roosevelt's New Deal, which had successfully fought the economic crisis of the early 1930s.

The task is to decouple economic performance, prosperity or quality of life from the consumption of natural resources. UNEP's International Resource Panel has dealt with decoupling systematically.⁷³

Commentators often differentiate relative from absolute decoupling. Relative decoupling requires almost no effort. Technical progress results in inefficient processes being replaced with more efficient ones, which benefits the results for the economy. In environmental policy discussions, industry is often very keen to talk about relative decoupling and sells it as corporate environmental protection.

Relative decoupling also typically occurs when entire countries develop. The main reason for this is the early, resource-intensive construction of infrastructure and industry followed by a later transition to a service economy. Again, naturally, these countries describe this as 'an achievement for the environment' and 'sell' it.

However, relative decoupling is not a particularly productive outcome for environmental indicators; practically by definition, there is a 'rebound effect': the gains in efficiency are more than balanced out by an increase in consumption.

⁷¹ "This title should actually be replaced, e.g. by "ambitious decoupling", because "totally" is not possible, as I explain in the text. " (Quote by Ernst Ulrich von Weizsäcker)

⁷² For information on the author, see "Authors and Signatories" at the end of this memorandum

⁷³ UNEP (2011): Decoupling Natural Resource Use and Environmental Impacts from Economic Growth. Nairobi: UNEP; UNEP (2013) *City-Level Decoupling: Urban resource flows and the governance of infrastructure transitions*. Nairobi: UNEP; UNEP (2014): Decoupling 2: technologies, opportunities and policy options. UNEP: Nairobi. UNEP (2016): Options for decoupling economic growth from water use and water pollution. Nairobi.

Much more compelling for real climate protection and real conservation of resources is the rather more ambitious goal of absolute decoupling: resource consumption should decrease in absolute terms, with increases in consumption increasing more slowly than efficiency gains. This is far less attractive for individual companies and states than relative decoupling, since, as we know, companies and states always aim for absolute growth. Nevertheless, absolute decoupling is a political necessity; this has become clear since the 21st Climate Change Conference in Paris.

In classical, pollutant-oriented environmental protection, there has been spectacular absolute decoupling in industrialised countries, especially Germany. Pollutants in the air, water and soil have dramatically reduced while the economy has continued to grow at an almost breakneck speed. But it is easier to imagine production becoming pollutant-free than becoming 'mineral-free' or 'energy-free'. Absolute decoupling of economic output from resource consumption in this sense is difficult.

What is the practical significance of this ambitious form of decoupling? When it comes to energy, two things are of concern: the shift from fossil to renewable fuels as energy sources and an increase in energy efficiency or - more precisely - energy productivity. For mineral resources and water, the key is mainly the amount that can be recovered from processes, but part of the problem is efficiency and substitution as well. With water, the focus is on cleaning waste water and overcoming water waste in agriculture.

In climate-oriented energy policy, most active countries are generally concerned with de-carbonisation in generating energy, and this has usually meant increasing the proportion of energy produced from renewable sources. Germany has been a clear leader in this area with its EEG [Renewable Energy Act] in 1999 and subsequent amendments, but other countries have now followed suit. Efficiency has remained a largely secondary concern because it is not so easy to generate

*income this way. It can become an important trump card, however; it should be possible to achieve a five-fold increase in energy productivity.*⁷⁴

For mineral resources, the issue is the longevity and repairability of products, followed by good infrastructure for recycling. Separate waste collection, lifelong product stewardship and deposit-return systems are key to increasing the level of recycling. Remanufacturing is a somewhat more recent and promising technology, especially for products containing small amounts of metals: in this process, when a product comes to the end of its useful life, the components containing the most valuable materials are integrated into the new product as intact as possible. However, this requires a large amount of effort to be placed in designing the products 'recyclably'.

With water, waste water treatment is the primary concern, followed by drinking water treatment. Most important, however, is the efficient use of water in agriculture, especially through drip irrigation and appropriate cultivation of plants.

At the level of policy instruments, this process is only just beginning. The classic instrument of limit values for pollutants is largely meaningless for resource productivity. UNEP's Decoupling 2 report publicises a tool that has been used far too little thus far: a socially and economically compatible step-by-step increase in the use of energy and resources. Long-term investment in this instrument can be expected to maximise the potential for efficiency and recovery of resources, leading to a very ambitious level of decoupling.

Another requirement for future economic growth is that it must help reduce inequality, both at home and abroad. The vast majority of growth should in future benefit those who are currently at the bottom of the income pyramid, i.e. today's poorer countries and poorer people everywhere. Absolute equality of wealth is not the goal, however; instead, a productive form of inequality is the aim, in a balance that is compatible with sustainability.^{75,76}

⁷⁴ Ernst Ulrich von Weizsäcker, Karlson Hargroves u.a. Faktor Fünf. Die Formel für nachhaltiges Wachstum. 2010. Munich Droemer Knauer.

⁷⁵ Herlyn, E.: Einkommensverteilungsbasierte Präferenz- und Koalitionsanalysen auf der Basis selbstständlicher Equity-Lorenzkurven - Ein Beitrag zu Quantifizierung sozialer Nachhaltigkeit, Wiesbaden, 2012

The trend that must be reversed: population growth

The continual growth in the world's population is probably one of the least-discussed negative influences when it comes to implementing Agenda 2030. According to the UN World Population Report, from just 7.5 billion today, by the year 2050 there will be 10 billion people in the world and by 2100, 12 billion, of which up to 4 billion will be in Africa.

Stabilising the world population at about 10 billion people from 2050 is a key issue for sustainability and securing the future.

This scenario has become an unmanageable challenge and it is imperative that the rapid growth of the world's population is halted if Agenda 2030 is to have a reasonable chance at success. The greatest efforts are needed in Africa. This is a crucial question for the fate of Europe and the whole world. The impending four-fold increase in the African population by 2100 to over 4 billion people will be unmanageable. Conflict, refugee crises, poverty, hardship and civil wars are all too likely to result.

Possible starting points for finally stopping or even reversing population growth include education, strengthening women's rights and the worldwide development of cross-subsidised social systems. It should be noted that the latter was specifically demanded in the German Bundestag recently.⁷⁷

The following illustration visualises the high correlation between the development steps targeted as part of MDG activities, the predecessor targets of the SDG between 2000 - 2015, and the growth in population in various regions of the world:

⁷⁶ Radermacher F. J., Beyers B.: Welt mit Zukunft – Die Ökosoziale Perspektive. Murmann Verlag, 2011

⁷⁷ Cf. Sozialen Basisschutz in Entwicklungsländern schaffen, Antrag im Bundestag, Arbeitskreis "Lernen und Helfen in Übersee" e.V., 23 June 2016, source: Heute im Bundestag (hib) no. 392

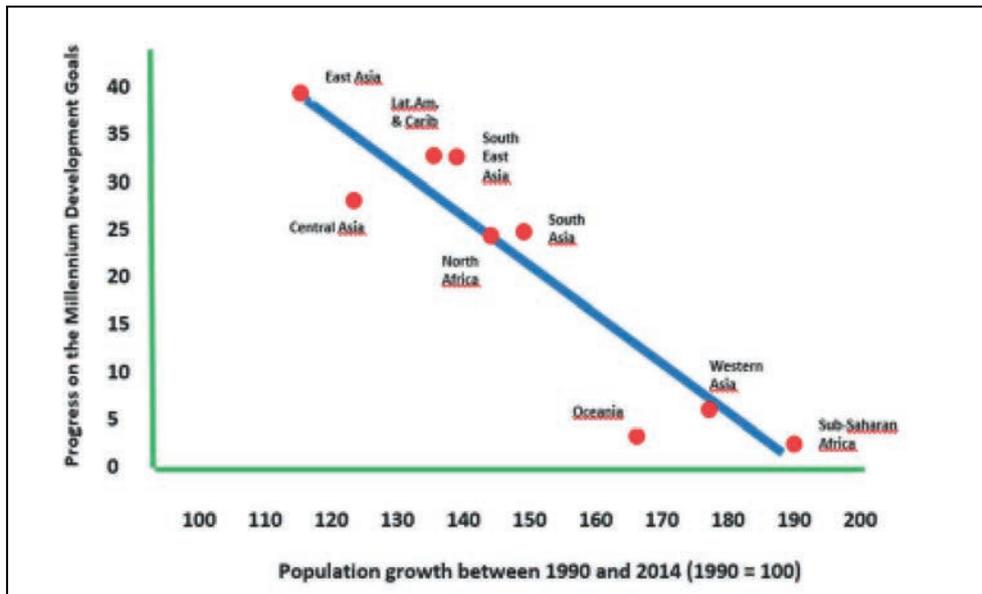


Figure 2: Correlation between developmental progress and population growth

What we can see is this: the lower the population growth, the greater the developmental progress that is achieved. This correlation will apply in exactly the same way to the Sustainable Development Goals.

Technological and political innovation as keys

Sustainable development is possible in principle. However, it will never succeed without technological and political innovation.

The question of how we generate energy is crucial to this issue and, therefore, one of the most prominent example of critical technological innovations: the world urgently needs a new energy system that is simultaneously environmentally friendly, CO₂ neutral, can be used everywhere and all the time and is inexpensive. Sustainable development also requires the transfer of environmentally- and developmentally-friendly technologies to developing countries. For this purpose, incentives must be created for the private sector, suitable financial instruments must be developed and conducive conditions must be implemented that promote access to technologies and their application in developing countries in a way that benefits everyone: people in all countries throughout the world, including the entrepreneurs and companies that produce these innovations.

Simultaneous technological and social innovations are key to sustainable development. Green and inclusive markets must be enforced. This means fairer and more free trade.

In addition to technological innovations - which are absolutely necessary - political innovations in the form of new approaches to international cooperation are required, and especially ways to overcome the existing incoherence between different policy areas. Trade policy deserves special mention; in many cases, such policy counteracts cooperation towards development, although nobody wants to admit it, because the rich countries are, naturally, always trying to further their own interests and use their various instruments of power to benefit themselves using global regulations.

Interim conclusion

There is still no proof that sustainable development in the definition used by the Brundtland Commission is possible: currently, there is no region in the world that has succeeded in showing that long-term preservation of natural resources, and particularly of the climate system and of economic development that brings prosperity for all people with a high level of social balance, is possible all at the same time.

The following illustration shows how far mankind still is from its stated goal:

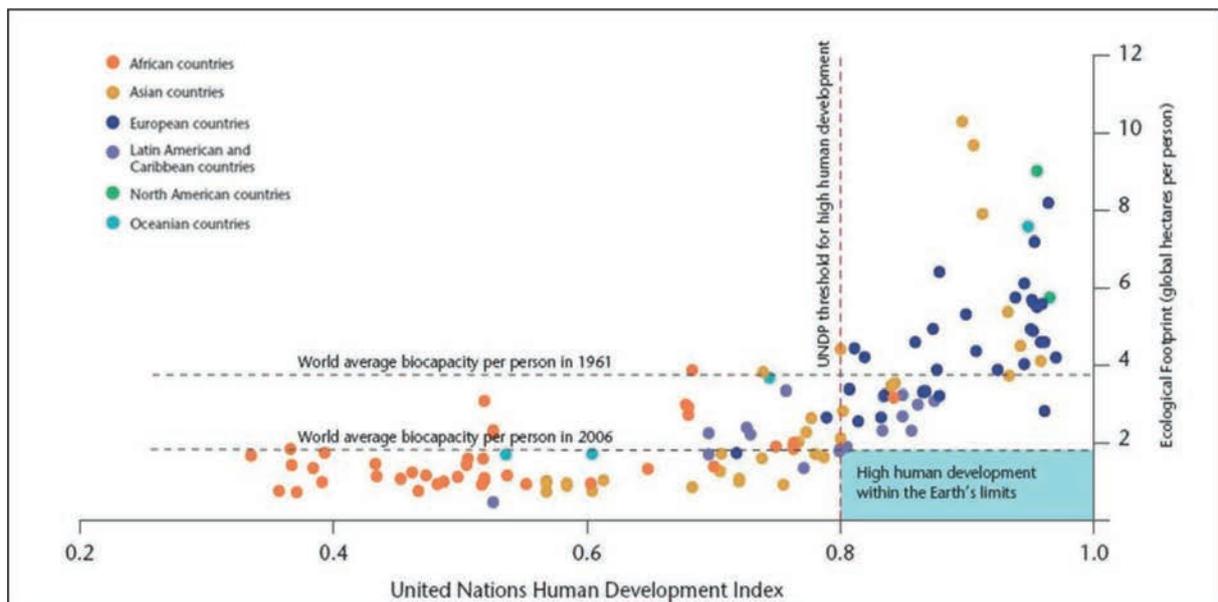


Figure 3: Current incompatibility of sustainability goals

The interim conclusion of today's status quo is sobering: a country is either economically developed and pollutes the environment, or it lives within the stated ecological limits and is poor. Higher wealth translates into greater, and ultimately very high, resource consumption everywhere in the world where it occurs.

A Marshall Plan with the MENA region and Africa as a whole offers the opportunity to show that it is possible to develop a large region with several hundred million people rapidly and to generate massive economic growth while maintaining increasing social balance, all without disregarding ecological concerns. On the contrary: the fortunate joker, the Sahara, but also the Arabian desert, should be used to bring not only parts of the MENA region, but all of Africa decisively to the fore and simultaneously to defuse the world's CO₂ problem all over the world, but particularly in Europe. More specifically, the energetic potential of the Sahara should be used as a game changer to achieve a positive effect for the environment by massively increasing the use of renewable energy sources in the MENA region in combination with massive humus production in the agricultural sector and massive reforestation programmes to withdraw atmospheric CO₂.

In the language of the illustration above, this would mean that the countries in the MENA region and Africa would significantly improve their HDI values without increasing their ecological footprint in the process. This would make it possible to implement Agenda 2030 successfully and to demonstrate that green and inclusive economies can 'deliver', provide value for money to allow real economic innovations and investment and to contribute to solving the population problem in Africa.

The following article shows how value can be generated on a large scale using reforestation and CO₂-negative emissions while protecting the environment and creating jobs. All this seems possible, especially thanks to the potential of a Marshall Plan with Africa. A successful implementation of this plan would be a promising instrument in the fight against the causes of flight and would also take the pressure off Europe that has built up alarmingly fast in recent months.

Gaining time as a key issue of climate protection- What are the benefits of achieving climate neutrality through compensation using forest and grassland development?

Author: Franz Josef Radermacher⁷⁸

One response to the challenges with regard to the climate is the process known as biological sequestering, the removal of CO₂ from the atmosphere (known as 'negative emissions') through biological activity.

In general, biological sequestration is a technique to save time. Political use can be made of this time saving to develop new energy systems using both technical and social innovations that can be used as widely as possible all over the world - at low cost and in an environmentally friendly and climate-neutral manner. Gaining time by reducing emissions or generating negative emissions, both on a voluntary basis and in addition to other obligations, financed by non-state actors, is a crucial approach that can hopefully help launch a new energy system in the near future. On the one hand, humus formation in agriculture is very important, especially in large-scale programmes aimed at stopping desertification and reclaiming soil. On the other, timber is coming into play as an important renewable resource. We would tend to use wood as a raw material and only use leftover wood for energy. It is important to take this course of action to prevent agricultural products that can be used to feed the world population being used to generate energy as far as possible or - perhaps even more importantly in large-scale projects - to generate biofuels. This is because the question of feeding the world's growing population is becoming a more and more central theme. Waste wood from large-scale reforestation in the tropics can replace other biomass in this context.

However, we don't have a way at the moment to stop climate change completely because the change has already begun and to make this change retroactively is probably impossible. Instead, the focus is the more realistic goal of stopping the climate change currently in progress at significantly below 2°C. Climate scientists say that it makes a huge difference whether we stay below 2°C or have to cope with 3°C or more, for example. In that sense, what we do today is much more

⁷⁸ For information on the author, see "Authors and Signatories" at the end of this memorandum

than just damage control. It is a crucial global challenge to keep CO₂ emissions as far as possible below a level that is compatible with the 2°C target. Our primary concern must be buying time. CO₂ is only removed from the atmosphere by reforestation at the speed at which trees grow. The effect can only be achieved once, depending on the type of wood used. When the trees are cut down, new ones must be planted immediately so that the cutting is climate-neutral. And reforestation will come with no additional CO₂ unless the wood harvested previously is used directly as a raw material, e.g. in home improvement. In that case, there is scope for two or three rounds of CO₂ capture. We then remove CO₂ from the atmosphere several times in a given time frame and save a significant amount of time.

But then, it is crucial that we use this time saving to develop new energy systems that are available, present good value for money and are environmentally friendly and climate neutral - everywhere.

Reforestation is also generally worthwhile, especially in degraded soil in the tropics. 12 of the 17 SDGs would be positively influenced by this.

Time saving is a crucial issue at the moment. Until about ten years ago, time saving was not such a central issue, but we have not used the last several years and decades in the best possible way. Now we might need lots of 'jokers' if we are to keep the temperature rise below 2°C. This is why 'Plant for the Planet', the Senate of Economy, its World Forest Climate Initiative and lots of other actors have been active in this field for a long time. There are many possible starting points in Africa in particular.

III. Individual contributions to partial aspects of a Marshall Plan with Africa

III.1 Requirements for development cooperation by companies⁷⁹

Author: Klaus Michael Leisinger⁸⁰

Cooperation in development has never been discussed in the last five decades of development independently of the dogmatic *vogue* of the time. If we look at today's policy debate, which is heavily influenced by globalisation, we are reminded somewhat of the 1968 UNCTAD conference in Delhi. Its motto was '*Trade not Aid*'. So we can see that history repeats itself, at least in part, and we can learn from it. One of the insights gained has general significance and therefore for the topic we are dealing with here as well: the mix of different motives under the guise of humanitarian intervention hurts the quality, sustainability and reputation of the work. This was true of the integration of state development aid in geo-strategic interest-driven policy during the Cold War and it is true today of the motives of marketing and market development towards strategic philanthropy by companies.

Those involved in cooperative development work in poverty-stricken areas of Africa, south Asia and Latin America have an idea of what poverty, exclusion and lack of opportunity can mean for people. But I also know what good enlightened companies can do. In the course of many stakeholder dialogues, I became aware of the extent to which political attitudes and world views predetermine the definition of what is the root cause of poverty and consequently the 'right' solution. Those who view cooperation towards development as a struggle against globalisation or against capitalism - or use it to expand markets for their own products - will always act differently from those who feel 'misericordia', or carry the 'misery' of the world on their shoulders and go from this to the impulse to take ac-

⁷⁹ Excerpt from a more extensive contribution by the author "Requirements for development work by companies", Caritas Symposium "Perspectives of Development Cooperation", Bern, 27 October 2015, see material volume

⁸⁰ For information on the author, see "Authors and Signatories" at the end of this memorandum

tion. It is fundamental to me that solidarity in development policy is part of an enlightened understanding of corporate responsibility. It is not an 'indulgence' for illegitimate action, but a component additional to inclusive, value-creating action within the company's core competencies.

Developmental cooperation is one of the biggest success stories of the last few decades: the eradication of smallpox, the comprehensive supply of measles, whooping cough, tetanus and polio vaccines, spectacular successes in reducing child mortality from malaria and curing leprosy, as well as the immense successes in agricultural development for the food security of poor people. Many other things, such as the development of infrastructure, training specialists in all disciplines or the transfer of technology (for example, in information and communication technologies) would not have been possible without cooperation in developmental work. This is not to diminish the role of national governments and the international community - on the contrary: they have played a central role in these successes. Local governments and the international community will also bear responsibility in the future for developing sustainable economic and social structures that provide a liveable future for people. Development work of this kind is also the best prevention for future poverty-related migration flows.

Of course, cooperation in development work also has a *chronique scandaleuse* or simply a *chronique de dilettantisme*. There are incompetent and corrupt politicians, demotivated officials, professional incompetents, people with helper syndrome, people who have taken on custodial duties for themselves and people who have not figured out the institutional links and power constellations and who overestimate absorption capacities. There is also a lack of coordination, problems clarifying the real needs of local people and other shortcomings. Developmental cooperation is not automatically beneficial.

For a fair overall verdict, the widespread failure of those responsible for national policy in the South is only one side of the coin. There is also a serious policy failure in the North that hampers development in 'the South'. The slow abolition of tariff and non-tariff trade barriers with which industrialised countries seal off their markets, agricultural subsidies that undermine Southern markets, the disproportionate greenhouse gas emissions at the expense of the climate affecting

the southern hemisphere as well, the decades-long practice of helping kleptocrats bring their stolen wealth to safe havens and the inconsistent treatment of human rights-abusing despots - all of this reflects a lack of 'good governance' in the fabric of relations between industrialised and developing countries. So the question is not 'Cooperation in development, yes or no?', but 'How can high-quality cooperation in development spread awareness of problems in a sustainable way, facilitate solutions, speed up reform processes, make innovative technologies accessible and empower people to work towards more local solutions?'

Cooperation in development as such has been subject to criticism from various perspectives for years. The spectrum of criticism ranges from 'useless'⁸¹ to deadly⁸². There are two problems with these criticisms: one, grotesque examples of failures are generalised; and two, basic problems with governance for which local authorities are responsible are attributed generally to cooperation in development.

Cooperation by companies towards development is even more difficult under these conditions. Even people who have a positive opinion of developmental cooperation are often suspicious that it is a smokescreen behind which companies can pursue reckless profiteering. At the very least, it is seen as a 'sweet poison'⁸³ with which people in the South are 'fed' with unsustainable production and consumption patterns that serve only the economic interests of the multinationals. This is seen to suffocate local initiatives and prevent self-governed development that is oriented around the local population's specific needs and cultural idiosyncrasies. There are, of course, examples of this happening. Developmental work must also contend with the fact that reporting scandals is often more effective at reaching large audiences than the documentation of slower, more consistent improvements in the living conditions of the poor: "*Evil always fascinates, goodness rarely entertains.*" There are scandals, but these are by definition blatant deviations from normality; otherwise, they wouldn't be scandals. Reality is al-

⁸¹ König, J., Stiftung Marktwirtschaft: Hilflose Entwicklungshilfe. Argumente zu Marktwirtschaft und Politik. no. 128, Berlin 2015.

⁸² Cf e.g. Dambisa Moyo: *Dead Aid: Why Aid is not working and how there is a better way for Africa*. New York 2009. Also Raoul Peck's film about Haiti: <https://www.youtube.com/watch?v=sqvBtbD5bmU>. Early: Erler, B.: *Tödliche Hilfe. Bericht von meiner letzten Dienstreise in Sachen Entwicklungshilfe*. Freiburg 1985.

⁸³ Cf. Peter Heller's film from 2012 "*Süßes Gift – Hilfe als Geschäft*".

ways more complex than black-and-white pictures resulting from carefully selected anecdotes.

Conceptual clarity makes judgement easier

Very different behaviours are hidden behind the phrase 'developmental cooperation by companies'. Company cultures emerge depending on values, personality structure, social sensibility and the competence of the management level that takes on very different views and attitudes towards responsibility. Some see involvement in developmental cooperation as a natural part of the responsibility portfolio of a *corporate citizen* - while others, on the contrary, are convinced that this is not *the business of business*.

Even where companies provide resources for what they call developmental cooperation, we find an astounding variety of activities. The spectrum ranges from remarkable philanthropic commitment to hypocritical - because driven by product marketing - fraud. The latter is unfortunate because it reinforces the existing mistrust of companies, which people in modern societies already do not think are working in the society's best interest.⁸⁴ Irresponsible activity and communicative counterfeiting will further increase the existing mistrust in the development sector. This, in turn, makes cooperation in large coalitions more difficult - and given the scale and complexity of today's developmental problems for sustainable solutions, this cooperation is critical.

It would be naive to believe we can overcome ideological aversions through dialogue. Cooperation will not happen under these circumstances and will not occur anyway. But to help citizens achieve a better mutual understanding, we can create conceptual clarity and disclose the motivation of the actors behind a commitment.

The motivation for developmental cooperation by companies can be roughly divided into three categories:

- ✓ Increasing the market share of a company (*shareholder value*);

84 <http://www.edelman.com/2015-edelman-trust-barometer-2/trust-and-innovation-edelman-trust-barometer/globalresults/>

- ✓ Satisfying the expectations of the company's strategically important stakeholders (*stakeholder value*), and
- ✓ The intrinsic value of solving the problems related to development, regardless of whether there is a direct benefit for the company (*intrinsic value*).

Although these three motivations rarely occur in pure form, they have characteristic effects on the choice and outcome of the companies' involvement. This is to be reflected in each individual case.

A 'warm heart' cannot stand in the way of the 'cool head'

When it comes to tax or donated money, high professionalism is an absolute requirement both for the credibility and the sustainability of the work. This is even more true for companies involved in developmental cooperation, who must meet the highest standards of quality and effectiveness in their actions: dilettantism is always embarrassing, but especially when companies engage in social affairs. There are good practices that help to ensure that projects and programmes embarked upon as part of developmental cooperation between companies remain of high quality:

- ✓ Choose projects that suit the company's core competencies
- ✓ Focus
- ✓ Sufficient professional preparation and coordination with those affected by the project
- ✓ Transparent management
- ✓ Financing according to performance criteria and smart goals
- ✓ Choosing the right partners
- ✓ Reasonable communication

Developmental cooperation by business should not copy what traditional actors are already doing. It should complement it, challenge it with a business mindset, develop new solutions for previously unsolved problems and bring in knowledge from the company to increase efficiency and productivity, management for de-

velopment and financial control as a complete package with financial resources in a problem-solving partnership. Developmental cooperation by companies should free itself from expectations of profit and marketing considerations: these are justified elsewhere in the company, but not in developmental cooperation.

III.2 A Marshall-Plan with Africa – a view from Africa

Author: Mamphela Ramphele⁸⁵

The proposed Marshall-Plan with Africa is a great opportunity for Africa to re-imagine and reposition itself in the inter-connected global community of nations.

Africa needs to reposition itself by drawing strength from its rich heritage as the cradle of humanity. It needs to re-discover the inspiration that enabled it to give the world the very first civilization and scientific knowledge that is memorialized in the Egypto-Sudanese heritage. Its pyramids, cosmology, philosophy inspired the Greco-Latin civilizations that transformed Europe so many millennia ago.

Africa's greatest challenge is sustainable human and intellectual development within transparent accountable governance systems. This challenge is also the greatest opportunity for the Marshall-Plan with Africa. Africa's youthful population is a major comparative advantage to unleash the talent and creativity that can see Africans creating and growing socio-economic opportunities on the continent rather than seek greener pastures elsewhere.

Investing in human development to ensure that every African child is educated and skilled to the best of their ability would enhance Africa's capacity to turn its challenges into opportunities for accelerated sustainable development. Acknowledgement and healing of the wounds of colonial conquest, slavery, civil wars and

⁸⁵ Dr. Mamphela Ramphele has had a celebrated career as an activist, medical doctor, academic, businesswoman, global public servant and political thinker who has played leading roles in the transformation of South Africa to constitutional democracy. She has Medical Degree, a B Comm degree and PhD in Social Anthropology. She was Vice-Chancellor of UCT, a Managing Director of the World Bank, served as Director of multinational companies and philanthropic foundations. Dr. Ramphele is the author of several books and publications on socio-economic issues in South Africa. She is a member of the Academy of Sciences of South Africa; The Mandela Institute (dedicated to ending poverty, inequality and unemployment in SA); and full member of the Club of Rome. She has received numerous national and international awards acknowledging her scholarship and leading role in spearheading projects for disadvantaged people in South Africa and elsewhere.

other conflicts, is essential to a successful peaceful future. Africa's failure to reckon with its past, acknowledge its wounds, and forgive wrongdoing, continues to weigh down heavily as inter- and intra-generational trauma. Africa needs to take charge of its present and future by boldly making peace with its past.

Africa's education systems need to be infused with a values-based approach to knowledge and development to ensure that its human centered cultures, languages, history and art forms, become celebrated anchors for its citizens. Civic education needs to become an essential part of preparing African citizens to be effective stewards of their economies and polities.

Sustainable good governance can only be secured by citizens holding their leaders accountable at all levels, and at all times. Such citizens would have enough confidence and trust in the stability and future prosperity of their countries to want to contribute their talents and reap the benefits of an Africa that is playing to its strengths.

Consideration should be given to identifying existing initiatives in different parts of Africa to ensure sustainable and accelerated desired outcomes. Areas of focus need to be: education and training; renewable energy innovations; manufacturing; agriculture; and infrastructure related to new business models and reforestation.

Education and Training

There is a very large movement of Charter schools across the continent that is providing affordable high quality education from pre-primary to tertiary levels. Identifying and supporting such schools to broaden and deepen their reach would be the catalyst that African countries need to move from the archaic failing school systems that are stealing the future of the youth. The use of ICTs to enhance education and reach those currently excluded is essential.

The German apprenticeship system has no equal globally. Incentivizing the private sector and governments in Africa to move to this models with due regard for

local conditions would create a visible pipeline of skilled artisans to drive the urgent socio-economic development in African cities, towns and agricultural areas.

Renewable Energy Program

Africa's vast natural resources including its abundant sunshine, wind and waterfalls need to be turned into the engine of development across the continent.

Identifying, supporting and expanding existing programs in this space offers huge opportunities to attract private investments, incentivizing the diaspora to re-invest their talents and creativity in a growing sector with huge upsides for this and future generations. For example, developing sustainable technologies to store solar energy is urgently needed. The likes of Elon Musk, a US citizen born in South Africa, could help lead the charge. The inter-linkages up and down the value chain could be significant beyond what we can currently project.

Entrepreneurship and Manufacturing

Young Africans face huge barriers to entry in the private sector across the continent due to structural socio-economic impediments. The legacy of anti-competitive established business practices dating back to colonial days, and perpetuated by corrupt political elites, continues to stifle entrepreneurship and economic development. The financial services sector puts a huge damp on the capacity of enterprise development by raising the cost of doing business in the name of risk management. Those outside of the tight circles of capital ownership are crippled by delays in funding and high cost of capital.

Creating a creative funding model and a supportive Enterprise Fund could unleash the pent-up energy to drive accelerated economic development across the continent. East Africa has a vibrant ICT linked set of innovations in finance and education. Investing in scaling up such efforts would yield huge returns in jobs and livelihoods. The same is true of West Africa and parts of North Africa.

European partners have much to contribute here by partnering with local manufacturers in those areas where it is already invested. For example, the auto-

industry is very well established in South Africa and West Africa. Expanding such industries and extending the reach of locally produced parts could have huge multiplier effects. BMW's keenness to use hemp products for its finishing could provide opportunities for local hemp industries to expand and provide rural jobs. The same applies to production of renewable energy equipment and infrastructure.

Agriculture and Land Use

Africa's vast land availability is an under-used and squandered opportunity. The sale/lease of land to foreign countries for their own benefit is a tragic development.

Africa can benefit from partnerships that can bring lessons from Irish (dairy farming), French (wine and citrus) and other countries about intensive farming to secure food security and drive high value exports. Kenyan floral industry is a shining example of high value agribusiness. This is an area that can do with greater investments and support the participation of women who dominate subsistence agriculture. Women led small and medium sized businesses have been shown to thrive all over the world. In particular beneficiation of agri-products would enhance food security and livelihoods for those moving up the value chain.

Infrastructure and Forestation

The approach to infrastructure investments needs to be tempered by due attention to potential disruptive technologies. High speed internet and affordable cell phones may be more productive platforms for entrepreneurship, agri-business and rural education than old fashion unexamined rail infrastructure.

Adoption of bottom-up forestation approaches such as the Grow a Tree for the Planet, a Club of Rome supported initiative that is driven by school pupils, that has already grown millions of trees in Latin America and elsewhere. Getting such a program to all African countries would create a greater awareness by pupils of the responsibility for the planet beyond their generation and also empower them to make a difference in their communities and schools.

Transforming Africa's cities into sustainable 21st century cities is an area where citizens, cities, provinces, national governments and the private sector could work together to re-imagine and rebuild the African urban landscape. Enhancing quality of housing, water and sanitation would contribute to sustainable human dignity and wellbeing of all citizens and make remaining in their countries more attractive and fulfilling.

Conclusion

It is appropriate that Germany as a beneficiary of post-WWII Marshall-Plan should lead the charge for Europe to re-imagine its responsibilities to a continent that is yet to heal the wounds of the ugly legacy of the past. It is also exciting that this is an opportunity to focus more on the human, intellectual and social infrastructure to ensure inter-generational sustainable prosperity.

The appropriate vehicle for the proposed Africa Fund needs to be carefully designed to cover the political/diplomatic imperatives whilst not compromising effectiveness and efficiency of involving civil society organizations, entrepreneurs and the private sector.

African experts with development experience as well as private sector participants need to be engaged in the design process that might require setting up "3 different windows": Inter-government; Private sector; and Civil Society. Strong expert African representation on the structure, the development of the modalities, and the monitoring of performance of the Fund is essential for success.

III.3 From free to fair trade

Author: Andrea Zeller⁸⁶

⁸⁶ Andrea Zeller examined the democratic legitimacy of the Euro rescue measures as part of her master's thesis in the "Governance" study programme at the FernUniversität in Hagen and is a part-time lecturer at the Baden-Württemberg Cooperative State University. Previously she studied Business Administration at the vocational academy in Ravensburg (Dipl.-Betriebswirtin (business economist) (BA)) and worked at a medium-sized company as a controller and project manager for seven years. At the same time, she studied Political and Administrative Sciences at the FernUniversität in Hagen (BA). Since 2013, Andrea Zeller has been involved with the

'Good economic policy is the best social policy'; this was the opinion of Ludwig Erhard, the 'father' of the German economic miracle, 1965.⁸⁷

But what is good economic policy?

Continuous economic growth? Tax advantages for companies? Low unemployment? Low social inequality? The focus depends on the perspective.

One possible answer is provided with the social market economy, which is widely regarded as a model of success in Germany and beyond. Its founding father believed 'good' economic policy meant a system

*'in which economic growth and social sustainability no longer contradict each other, but instead work together to ensure sustainable and positive development for society as a whole. [...] The social market economy is a concept that combines the efficiency of the market with equal opportunities, presenting an alternative to classical liberalism, which is based on efficiency without social balance, and to socialism, which is based on social balance without efficiency.'*⁸⁸

The social market economy, 'which works towards full employment and social progress, as well as a high level of environmental protection and improvement of the quality of the environment', A.Z.⁸⁹, is also the goal in Europe.

Do these objectives, which were set for Germany and the European Union (EU), also apply to German and European economic and trade policy towards African countries or to global economic and trade policy?

Would *economic refugees*⁹⁰ risk the dangerous journey from the African coast to the EU via the Mediterranean if there was economic and trade policy in their

Stuttgart-based local group, founded by her, of the Global Marshall Plan Initiative for a world-wide eco-social market economy.

⁸⁷ Wünsche, Horst Friedrich: Ein Beispiel gelebter Prinzipientreue. In: Ludwig Erhard Stiftung of 28 April 2016. <http://www.ludwig-erhard.de/erhard-aktuell/forum/ein-beispiel-gelebter-prinzipientreue/>, accessed on 19 October 2016.

⁸⁸ European People's Party (EPP): The Social Market Economy in a Globalised World. Congress document adopted at the statutory congress of the EPP in Bonn, from 9- 10 December 2009

⁸⁹ Treaty on the European Union (TEU), Art. 3 para. 3.

⁹⁰ The focus is on migration, and not flight from war and terror, and flight according to Art. 1 of the Geneva Refugee Convention.

home country that was compatible with a social market economy, or better, with an eco-social market economy?

The economic refugees flee from their lack of prospects and ultimately from poverty in their homeland. Of course, many aspects other than (youth) unemployment⁹¹ contribute to a lack of prospects and to poverty: even in places where war and terror are not part of everyday life, corruption, criminality, environmental problems, a lack of health care and water scarcity can make life very difficult. This can mean that young girls and women in particular in developing countries frequently face precarious living conditions.⁹²

Above all, it is these countries' own populations that should motivate their sovereign governance to become involved in the economic, social and ecological development of their homeland. Essentially, the international community can offer financial and organisational support, optimise framework conditions and provide stimuli through positive or negative incentives.

Free trade plays an important role in optimising framework conditions. This should be designed - in view of the 2030 Agenda adopted in 2015 - so that it allows those involved to implement economic and trade policy that 'achieves all social and ecological goals required for sustainability'.⁹³ In this regard, the following measures would be conceivable:

1. Support for regional integration

The example of the EU shows that regional integration can pave the way and significantly increase the trade volume of the member states with one another. The same can be observed with the MERCOSUR countries.⁹⁴

⁹¹ Cf. Berlin Institute for Population and Development: Kriseregion MENA. The influence of demographic change on developments in the Middle East and North Africa, and what this means for Europe. Berlin 2016, <http://www.berlin-institut.org/publikationen/studien/krisenregion-mena.html>, accessed on 19 October 2016, p. 7.

⁹² Cf. Stuttgarter Zeitung: Mehr Förderung von Mädchen. UN report. In ärmeren Ländern leben fast alle jungen Frauen unter prekären Bedingungen. In: Stuttgarter Zeitung from 21 October 2016, p. 4.

⁹³ Cf. Radermacher, Franz Josef/Beyers, Bert: Welt mit Zukunft. Die ökosoziale Perspektive. 5th, revised edition, Hamburg 2013, p. 259.

⁹⁴ Cf. Zeller, Andrea: Regionale Integration. Die EU und der MERCOSUR im Vergleich. Hamburg 2013, p. 61.

The African Union or the Union for the Mediterranean, for example, offer starting points for supporting regional integration (establishment of a free trade area, a customs union or a common market).

II. Bilateral agreements

The EU has numerous agreements with third countries from the MENA region and sub-Saharan Africa, such as the bilateral Europe-Mediterranean Association Agreements with Egypt (in force from 1.6.2004), Algeria (1.9.2005), Jordan (1.5.2002), Lebanon (1.4.2006) etc. or the EU-ACP Partnership Agreements (the Cotonou Agreement, in force from 1.4.2003).

A partnership implies that no partner harms another.

In this regard, it should be examined whether and to what extent the economic activity of European companies has had both positive and negative consequences for the partner countries (e.g. the ongoing oil disaster in the Niger Delta)⁹⁵, overfishing in Senegal by European fishing fleets⁹⁶, etc.). Then, measures should be taken to remedy any negative effects. Furthermore, regulations should be introduced to avoid such things in future.

The individual policy areas could be examined for coherency within the EU states and in the EU as a whole. Should conflicts arise, as they existed for years between the development and agricultural policy in the EU as a result of the promotion of exports⁹⁷, plans would need to be made to rectify them. The individual policy areas should coordinate their goals more closely in future in order to avoid conflicting goals.

The existing arrangements should be examined for opportunities for development for the partner countries: what is being encouraged here and what is not? Building on these standards, a new generation of economic/trade

⁹⁵ Cf. Süddeutsche Zeitung: Ölkatastrophe in Nigeria. Shells Schande. In: Süddeutsche.de, 8 January 2015. <http://www.sueddeutsche.de/wirtschaft/oelkatastrophe-in-nigeria-shells-schande-1.2293186>, accessed on 21 October 2016.

⁹⁶ Cf. Heinrich Böll Stiftung: "Wir sind hier, weil ihr unsere Länder zerstört". In: Heinrich Böll Stiftung of 7 April 2015. <https://www.boell.de/de/2015/04/07/wir-sind-hier-weil-ihr-unsere-laender-zerstoert>, accessed on 21 October 2016.

⁹⁷ Cf. Zeller, Andrea: Entwicklungs- und Agrarpolitik der EU. Kohärenz oder Konflikt? Norderstedt 2008.

agreements with the countries in the MENA region and sub-Saharan Africa could be developed to create global standards:

The objective should be free trade, which allows the implementation of an eco-social market economy in the partner countries. Partner countries should be explicitly encouraged to develop public services for their citizens, as well as legislation for environmental, worker and consumer protection. Furthermore, the regulations could be made reversible if they prove to be detrimental to essential parts of a society and/or the environment of a country or region.

III. International trade

Multilateralism should be revitalised. It is particularly important here to ensure that the interests of less and the least developed countries are protected in WTO regulations (e.g. state stockpiling of staple foods, development of the processing industry instead of pure raw material extraction etc.).

Likewise, the harmonisation of various international regulations, such as those of the WTO, UNCTAD, ILO and the Paris Agreement, as well as the IMF and World Bank's lending criteria, must be a focus.

Free trade structured in this way could favour the establishment of an eco-social market economy and therefore enable better living conditions in the MENA countries and sub-Saharan Africa.

III.4 MENA - Educational situation and migration

Author: Thomas Straubhaar⁹⁸

Education is the most important factor in reducing the incentives to emigrate. More education increases work productivity. It improves competitiveness and is

⁹⁸ For information on the author, see "Authors and Signatories" at the end of this memorandum

the key to economic development, growth and increased employment in the long term.⁹⁹

Investment in education generates a high return. All empirical analyses show this, and the above-average return on investment occurs in both more- and less-developed economies. Investment in education for girls in Africa is particularly profitable. This is because the better-educated women are, the more they contribute to the family income if they can become gainfully employed. That alone is a positive and helps minimise poverty and hardship.

There is a 'double return' because the higher market income of women creates incentives to reduce the birth rate. More children then tend to mean that household income is falling (as a result of the mother's reduced opportunities to earn an income on the labour market). A decline in the number of births has a longer-term positive impact on the per-capita capital base and therefore on average living standards.

The (few and) somewhat outdated empirical analyses for the MENA region confirm the basic expectations derived from macroeconomic growth and development theory. Iqbal/Kiendrebeogo (2015) identify a positive catch-up trend in education spending and education quality in the MENA region compared to other regions of the world.¹⁰⁰ But Assaad et al. (2013) in one of the few empirical studies find an 'alarming' inequality in educational opportunities in the MENA region - especially in Iraq and Yemen.¹⁰¹ Karam/Afiouni (2014) point out (only for higher education) that women are underrepresented in university faculties in the MENA countries (although it is fair to point out that this is no different in other regions of the world, including in the OECD countries).¹⁰² So although the 'female quota' in Saudi Arabia is high (60%, according to Karam/Afiouni's data (2014), Table

⁹⁹ Cf. in particular the many empirical works of Robert Barro - reviewed for the MENA region in Barro, Robert, and Jong-Wha Lee (2013): A New Data Set of Educational Attainment in the World, 1950-2010. *Journal of Development Economics* 104, 184-98.

¹⁰⁰ Cf. Iqbal, Farrukh and Kiendrebeogo, Youssouf (2015): Public Spending and Education Attainment in the Middle East and North Africa, *Review of Middle East Economics and Finance*, 11(2), 99-118, DOI: 10.515/rmeef-2015-0020

¹⁰¹ Assaad, Ragui; Salehi-Isfahani, Djavad and Hendy, Rana (2013): Inequality of Opportunity in Educational Attainment in Middle East and North Africa: Evidence from Household Surveys

¹⁰² Karam, Charlotte M. and Afiouni, Fida (2014): Localizing women's experiences in academia: multilevel factors at play in the Arab Middle East and North Africa, *The International Journal of Human Resource Management*, 25:4, 500-538, DOI: 10.1080/09585192.2013.792857

7), the universities are segregated, which makes it impossible to draw conclusions about the quality and funding of the degrees and how much they are worth on the employment market. At some universities in the MENA region, women are virtually non-existent in roles such as assistant, associate or faculty professors (Karam/Afiouni, (2014) Table 7 and Table 8).

According to Klasen/Lamanna (2008), 'gender gaps' in education and employment are one of the strongest brakes on economic development.¹⁰³ The MENA region scored particularly badly in this area: 'The combined 'costs' of education and employment gaps in Middle East and North Africa and South Asia amount respectively to 0.9-1.7 and 0.1-1.6 percentage point differences in growth compared to East Asia.'

For the MENA region, the empirical findings are clear: there is immense potential to initiate growth, reduce inequality and sustainably improve living standards with investment in education - especially in educating women. Funding through a Marshall Plan, along with institutional knowledge transfer and organisational help, in order to support the MENA region in building a strong education system would be a very effective instrument in reducing migration incentives. With comparatively little money, relatively strong effects for the prevention of migration could be achieved at the same time *ex ante*, which would be considerably cheaper than the consequences of trying to correct unwanted migration flows.

Finally, investment in education creates the conditions for (temporary) emigration of highly-qualified workers. Their retransfer and skills acquired abroad, which could be used when they return, are important factors driving growth and development (brain gain). There are still some shortcomings in the MENA region that would need to be overcome to make the most of this potential: 'The lack of explicit pro-migration policies in the exporting MENA countries left some migrants with no efficient mechanism for seeking a job abroad or assurances of agreeable working conditions in the host country. For both reasons, migration in MENA has not been as much of a win-win game for all as it might have been'

¹⁰³ Klasen, Stephan and Lamanna, Francesca (2008): The Impact of Gender Inequality in Education and Employment on Economic Growth in Developing Countries: Updates and Extensions, Discussions Papers No. 175, Georg-August-Universität Göttingen

(World Bank 2008, p.275-276).¹⁰⁴ As a result, there is enormous potential here to use education as a prerequisite for brain gain in the framework of a Marshall Plan for the MENA region, creating a triple win situation for those affected, the countries of origin and the destination countries.

¹⁰⁴ The World Bank (2008): *The Road Not Traveled; Education Reform in the Middle East and Africa*, MENA Development Report. Washington DC (The International Bank for Reconstruction and Development), in particular chapter 8, "Education and Migration", pp. 245-280

III.5 Entrepreneurship and dual education - Experiences with Hidden Champions in Germany

Author: Walter Döring¹⁰⁵

Dr. Walter Döring, Chairman of the Senate of Economy Europe, points out the great importance of entrepreneurship for a Marshall Plan with Africa. In particular, he points to wide-ranging experience with hidden champions in Germany. A central point for the performance of the middle class in Germany in his view is the dual system in education that couples skills in practical activities with theoretical knowledge. In his view, a massive export of the dual system towards Africa in combination with improved efforts by German companies in this area is an important angle of approach for successes in this area.

III.6 Using social innovations

Author: Peter Spiegel¹⁰⁶

Peter Spiegel draws attention to new approaches to social innovation. The following three are of particular relevance:

(1) Social Innovation/Social Entrepreneurship

Approaches of this kind have been an integral part of the developmental policy discussion for years all over the world. Its innovative power and practical relevance has been demonstrated in hundreds of studies. A study by McKinsey commissioned by Ashoka estimated current sales at over 1 billion USD with an annual growth rate of over 30 per cent. At the beginning of 2015, the Federal Chancellor invited more than 130 leading social innovators from all over the world to the Chancellery and emphasised that social innovations are as im-

¹⁰⁵ For information on the author, see "Authors and Signatories" at the end of this memorandum

¹⁰⁶ Peter Spiegel is a futurologist, initiator and head of the GENISIS Institute for Social Innovation think-&-do tank and the VISION SUMMIT (since 2007), programme leader of the EduAction Education Summit 2016, discoverer of the megatrend WeQ, co-founder of the WeQ Foundation, initiator of the "Future for all " initiative, Social Innovation Officer of the Senate of Economy, Germany, author and publisher of more than 25 books, keynote speaker, formerly Secretary General of the Club of Budapest International.

portant as technological and digital ones. BMZ and GIZ work best together with this new scene.

(2) Social Business

There are three important approaches here:

- ✓ **Microfinance:** Microfinance is still an important approach in development policy. Cooperation with Prof. Yunus and the Grameen group should ensure that undesirable developments in dealing with microcredit are overcome. Prof. Yunus is key to this process.¹⁰⁷

- ✓ **Social Business:** Many social businesses with systemic innovative relevance have emerged worldwide in recent years. The Grameen-Shakti approach is one of these that could be combined with large-scale systems such as Desertec. Local, decentralised approaches and large-scale systems should be brought into a balance that is systemically necessary. There is probably nobody in the world who has produced as many systemically innovative and effective pioneering achievements as Prof. Yunus and the Grameen Group in their clever combination of 'social' and 'business'. As Honorary President of the Senate of Economy, Prof. Yunus has special significance in the context of the memorandum.

- ✓ **Revolving Social Business Funds:** Another new approach is the concept of revolving social business funds, which, in the view of Peter Spiegel, is important for the success of a Marshall Plan with Africa to 'multiply' financial resources. The Yunus approach of revolving social business funds fits in very well with the memorandum.

(3) Cooperatives

The further development of the idea of cooperatives as 'systemic innovation' is a topic to be addressed. Chancellor Merkel sees this as well and referred to the

¹⁰⁷ Cf. also FAW/n publication "Microcredit – Addressing an Ongoing Debate", Ulm 2014, available from www.faw-neu-ulm.de

immense significance of energy cooperatives and other cooperatives in her invitation to the Chancellery. Alongside other equally valuable approaches, Africa needs its cooperative approaches to be strengthened. Particularly interesting in the context of a Marshall Plan with Africa is Ashoka fellow Norbert Kunz's concept of social impact labs. With the implementation of social impact labs in Africa, the discovery and support of social innovators in Africa can be funded systematically for the most urgent development needs in the area.

III.7 Why building social structures is a key issue in Africa

Author: Andreas Huber¹⁰⁸

As a member of the German Society of the Club of Rome, it is very important to me that the countries of the world invest a lot of money in building social systems in developing countries. The construction of social systems leads to the stabilisation of local conditions in the broadest sense and is the basis for life in dignity. Building social systems is one of the most important instruments to stop the explosion in the world population, especially in Africa.

The direct promotion of the individual via social systems also helps guard against corruption. A social minimum level of financing for each individual also indirectly acts as a minimum wage. The development of welfare systems in other countries through aid from richer countries can be coupled with the demand for their support in the further development of the WTO rules. It would be particularly important to modify the concept of equality of goods so that certain minimum social and ecological standards are required for goods that would be designated as sustainably produced. There is the need for a legal right to treat these goods differently from those that are not sustainably produced. Such a legal right unfortunately is not in place today.¹⁰⁹

¹⁰⁸ For information on the author, see "Authors and Signatories" at the end of this memorandum

¹⁰⁹ Cf. study for the BMZ/giz "Globale Wertschöpfungsketten und Nachhaltigkeit – Möglichkeiten und Grenzen im Rahmen des WTO- und des EU-Rechts". Authors: F. Ekardt, E. Herlyn, Y. N. Hodu, T. P. Holterhus, K. Hossain, F. J. Radermacher und P.-T. Stoll, 2016

III.8 Well-designed tourism - important for sustainability¹¹⁰

Author: Erik Solheim¹¹¹

Erik Solheim, from Norway, the new head of the UN Environment Program UNEP, has recently stated that the environment and development must be completely merged to achieve the new common Sustainable Development Goals (SDGs).

The most obvious issue is pollution. The United Nations has been very successful in fighting communicable diseases. Polio has been eradicated in Africa, with a small stumbling block in Nigeria. Smallpox has been eradicated across the world and the rate of deaths from malaria has been reduced by 70% since the year 2000. This is a huge success. Pollution is becoming a major obstacle to development. There are more deaths from air pollution each year than from cancer. Everyone knows about cancer, but hardly anyone knows about the effects of pollution. The topic is very close to home for a lot of people. A second example is the oceans. The oceans provide a livelihood for many people in the fishing industry but it is being destroyed by overfishing and plastic waste in the sea.

All this paralyzes development - why?

The biggest job machine is **tourism**. Even running a small hotel requires a large workforce. In a car factory, only a few experts are needed to monitor the robots. But tourism is a fantastic job creator if it is done in a sustainable way. We have to find a way to move people around the world with less pollution from aeroplanes and cars, respecting nature in the process. There is a strong connection between tourism and nature conservation. People travel to see elephants or a lion. If these are gone, nobody comes anymore. Nature conservation combines environmental protection with economic development on a grand scale. It is no coincidence that Thailand has experienced enormous growth in the past few decades. One of the factors is that Thailand is one of the most popular tourist destinations. There could be a similar situation in the African states.

¹¹⁰ taken from an interview with Erik Solheim, Managing Director of UNEP

¹¹¹ Erik Solheim is a Norwegian politician. He was leader of the Sosialistisk Venstreparti from 1987 to 1997. Since 2016 he has headed the UN Environment Programme (UNEP) as Executive Director

However, peace and security are important for this. No tourist destination survives when there is no security. There is a connection here between environmental destruction and war, conflict and migration. Environmental destruction can intensify conflicts and wars can make it very difficult to solve environmental problems. In the Middle East, for example, extreme water scarcity contributes to the complex conflicts. On the other hand, the millions of refugees from Iraq and Syria place a huge environmental burden on neighbouring Jordan and Lebanon. There have been some wars in the world where the environment did not matter, e.g. Sri Lanka. This war had no close connection to the environment. But in Somalia, South Sudan and the region surrounding Lake Chad, where Boko Haram is causing problems, there is a clear connection between environmental destruction and war.

How can we ensure that money is invested in the preservation of the environment and not in its destruction?

The Chinese leadership has picked up on this subject very well in its G20 presidency. Germany has taken on the presidency for 2017 and has already announced that it will be continuing to deal with the issue. For me, the matter is very simple: there is an unbelievable amount of money in the world. There are also good ideas and projects that are being overlooked by these investors. Many of these projects are considered non-investable because the banks or insurance companies have difficulty calculating the risks. The risk seems too high. Therefore, we should look for ways for governments, the World Bank or other organisations to take on some of this risks from private investors.

Could climate insurance provide a role model for this?

There is a great deal of interest from insurance companies. But at the United Nations, we are still struggling to find the right tone and a common understanding with the private investors. Germany is the nation that does it best. There are good relationships between politics and business and there are many companies that want to do it better who want to present themselves as responsible capitalists. The global transformation of the energy systems, agriculture and water infrastructure can only be achieved with private investment. The French oil com-

pany Total has announced that it will be among the three largest solar companies in the world by 2030. That is quite a brave announcement for an oil company. They have also announced that they will not drill for oil in the Arctic. In this respect, they are more forward-thinking than many Scandinavian politicians, who are still keen on this idea. The situation is still up in the air.

III.9 Marshall Plan with Africa/Mandela Plan with Africa

Author: Obiora Ike¹¹²

1. I write this contribution in reference to the “Marshall-Plan with Africa” design, which builds on a long heritage and is deeply committed in theory and in practice, with faith and life and many more of the fundamental tenets which should guide all human activities - life, respect, community, personality, faith in the good in humanity, hard work which pays, innovativeness, belief in the youth, integrity of creation, and inclusion of the poor. This covers the sustainability of the African continent and its peoples and the idea, that Africa should be able to feed its own people, contribute to international co-operation, work for peace and live in harmony. History teaches us what to do, and we have to learn from it.
2. I want to express thanks to the Club of Rome, the Senate of the Economy and the German Government with its people for the great work they have done in creatively deepening thought leadership around the topic of a Marshall-Plan with AFRICA. I am encouraged by the positive reaction of the German government to this topic primarily as INITIATOR, hopefully also finding more support with European governments and others. The Marshall-Plan with Africa is intended to improve the collaboration between the two very near neighbours and continents since antiquity, who – unfortunately - are so far apart in the way they operate, that much greater co-operation is called

¹¹² Monsignore Professor Dr. Obiora Ike, Catholic Priest and Prelate; Doctoral Studies in Bonn, Germany, Innsbruck Austria; Professor of Ethics and Intercultural Studies at Godfrey Okoye University, Enugu; Author of over 120 Titles and Publisher President Club of Rome, Nigeria Chapter; Chairman of UPMFB Ltd Micro Finance Bank, Nigeria; Founder Catholic Institute for Development Justice Peace and Caritas; Executive Director of Globethics.net, Geneva Switzerland

for at this time. Africans do not want to migrate and live elsewhere normally. If they do so, this is because the national and global social-economic and political environment force them into migration, e.g. when wars, or famine or lack of water and other catastrophes emerge. The subject of ETHICS is fundamental in the discussion of a Marshall-Plan with Africa because the Sustainable Development Goals (SDGs) and Ethics are intrinsically bound together. They entitle all people to a full life of dignity and happiness. To reach that point is possible for humanity today with all the reservoir of knowledge and technology available.

3. The Marshall-Plan makes us remember history and learn from it. The elderly Germans and other Europeans share this experience but many others do not have the privilege. For many Africans, a plan to massively promote and engage the continent on development, progress, authenticity, recovery and social-political cohesion would run well on the brand of the name of its recent and greatest son, Nelson Mandela. He led South Africa out of apartheid into freedom by denying himself his own freedom for nearly 30 years in prison. The best way to teach others is to practice what you teach, by a life of action and integration of thought and deeds, beyond words. Nelson Mandela has this integrity and Africans know him and believe him. But we shall not debate the matter of the name of the agenda anymore. The name Marshall stands in the post Second World War era as a saving grace of help and human support for the Germans and many other European nations. But of course, African solutions to problems need African concepts to sell. Otherwise, we shall always repeat the paternalistic presumption of helping people by making them alien to ourselves. The best help is self-help, as ancient African wisdom teaches us. Enough of this. Let this great programme be a Marshall-Plan, but a MARSHALL-PLAN with AFRICA and AFRICANS.
4. I would like to share the following reflections welcoming humanity through this project of a Marshall-Plan with Africa: *"We're just beginning to glimpse the beginning of a new economic system ... this is the first economic system to emerge since the advent of capitalism and its antagonism socialism since the start of the 19th century ... it has long term effects on our children and grandchildren ..."* (Jeremy Rifkin).

5. Realising that the richest continent on earth is Africa, the cradle of humanity, it also holds the greatest potential to save our planet from destruction. It is vital, actually crucial, that all efforts be made to make Africa a success, otherwise first Europe and then the planet and humanity will fail. We must reinvent our economic system from one based on individual consumerism – as we followed it for the past centuries – to one based on solidarity and collaborative commons. Trickle-up economic economies must be nurtured, trickle-down does not work. We have no choice. Africa is Ali-Baba's treasure chest that has been taken over by the Great Gatsby bankers of our epoch.
6. Growing birth rates may spell the doom of the North African and sub-Saharan African nations and create massive problems that no one can easily solve. Therefore, a clear understanding and concerted action of all stakeholders – civic, social, cultural, religious, economic and political thought leaders - through massive awareness towards responsible parenthood is imperative in these countries. Yet, falling birth-rates may spell the end of the Western European countries. How to find the balance in geo-population political and moral discussions remains a matter for the people, not only the parliaments. Wisdom has its own ways and it teaches the wise, that is those who listen and wish to learn.
7. Bewildered bankers try to uphold the economy with negative interest rates, yet let's be frank. Europe's "plundering" of Africa and of other parts made it rich. Today, it's Europe's turn to fund the blooming of Africa, and thereby assure, that its aging population and economy will continue to thrive. Europe will soon see half its jobs lost to robots and technology. How technology will change the game for Africa is not yet clear. But with Africa's population on course to triple by the end of the century, it is from this youthful energy that the world may have a chance to survive.
8. It is now time to stop war, stop slavery and realise the obnoxious footprint the East's and West's lifestyle has on our planet. We have to start to respect our one and only earth. People need energy, food, lights, jobs, employment, innovativeness, creativity, electricity, especially green and clean energy, such

as the solar hope, which has in Africa the largest potential as the sun is there always shining. Important are as much education and massive primary and secondary health care; skills empowerment and water provision and sustainable livelihoods.

9. The German Marshall Fund of the United States has all the reason to be at the forefront of this initiative for Africa. Very soon, at least one third of the planet will be populated by people of black decent, because they are so resilient. It is time to join the winning side. Why today, as you read this, are over 20 million people starving to death in Yemen, Somalia, Nigeria, South Sudan and more widely in Africa, the richest continent on earth? And they are the potential migrants of the next decade? Humanity must do something. Yes, humanity can. Germany can lead and it's time also to lead in such a moral and humanistic business plan, as is the "Marshall-Plan with Africa and Africans".
10. Following the money trail brings us back to where? Is this the only way for the West to assure its survival? Let us go back to basics: <http://www.history.com/topics/world-war-ii/world-war-ii-history/videos/marshallplan-announced>. We must turn today's reality around by aggregating our various complementary capabilities, those of the West and those of Africa, and start by giving these 20 million people a future, as well as the many, many more people, that soon will have no alternative than to land on Europe's beaches, if they not drown in the Mediterranean, or be the target of bombs made by the Western military-industrial complex that even General Dwight D. Eisenhower warned us against <https://www.youtube.com/watch?v=8y06NSBBRtY>.
11. The irony is not lost, that General George C. Marshall, Jr. Nobel Peace Prize recipient, who did so much to better the lot of Europe, would see his protégé Eisenhower already forewarn us of the military-industrial threat that is now upon us. We must rise to the occasion, and go forward and save our planet from destruction, in a cooperative effort.

12. Agriculture in this Marshall-Plan Agenda is the key – access to financing, seeds and seedlings to farmers; access to international and national markets of farm yields through massive investment in the agricultural fields including technology and modernized farming methods; support to small farm holders; commercial agricultural schemes; mapped soil characteristics across countries and launched irrigation projects. People, who can feed themselves, usually don't do revolutions nor do they migrate. Migrations start when there is no hope for food, or survival, or development. Then, in many cases, people are ready to die in the Mediterranean sea to reach the islands and shores of Europe.

13. China has emerged on the African scene to compete, create jobs, explore resources, take the place of Europe by daring the current and doing, what Europeans have refused to do, namely the realization of massive infrastructural investment in the continent. They do this successfully. And Africans are ready to pay for it and can pay for it with their resources – human and material. Europeans have experienced Africa over centuries and have an edge on the continent – language, integration, colonial history, religious affiliation as children of Abraham. Europe has quality products, reliability, jobs creating ability, experience with technical schools and the dual system. Also, it has a transparent banking system, democratic principles, governance styles and control mechanisms, which are useful lessons for the African people. Europe can, in a cooperative way, counteract the increasing presence of China and Chinese products in Africa. It continues to baffle the mind that over one billion Africans and their market is tending to go East while they are on Western European shores. Africa lies just on the other side of Granada in Spain. The MENA regions can unite the two continents – Africa and Europe!

14. It is time for German and the Western European nations, including the USA, to take another look on Africa. And for this second time, it is a win-win scenario that is envisaged.

15. Finally, engaging only the MENA regions as a strategy to fight migrations from Africa is as selfish and short-sighted as was colonialism during the centuries. It is time to engage the entire continent – and the partnership must

be inclusive, also in managing the funds and taking into account the ideas on both sides concerning the Marshall-Plan with Africa and Africans. Besides governments, which often portray inefficiency and bureaucratic bottlenecks, the Partnership on Religion and Development (PaRD) should be integrated, as should be the civil society, the private sector, eminent elders and their councils and cultural leaders, microfinance banks for rural access, women groups, co-operatives etc. Such groups shall take over co-responsibility in a transparent process in each nation, as the MARSHALL-PLAN STAKEHOLDERS-COUNCIL for each nation. The stakeholders-council should help to make for the success in this great endeavour. The time for Africa is NOW. It is also time for optimism and renewed HOPE for what humanity can do together.

III.10 Voluntary climate neutrality for the private sector

Author: Franz Josef Radermacher¹¹³

The solution to the climate issue can only be tackled in the context of a world-wide economy that is green and inclusive. For ecologically and socially sustainable economies, however, it would require many instruments, including an international financial compensation, as has now been agreed for the first time in the climate treaty of Paris for the consequences of climate change. It promises \$100 billion per year in transfers for climate-related projects between developed and non-developed nations from 2020 onwards. The German Minister for Development Cooperation, Dr. Gerd Müller, rightly speaks of climate related financial compensation. Also relevant here is the question of the outcome of the World Climate Conference in Paris. This result has two parts: one, the agreed goals, and two, the agreed measures to achieve these goals. On the positive side, we have agreed on sensible goals. However, it is a sad truth that the states' material commitments are far from sufficient to achieve the goals that have been agreed upon, namely limiting the increase in temperature to significantly below 2°C compared with the pre-industrial world. The substantive results of the promises made in Paris refer to a 3-4°C increase, rather than 2°C.

¹¹³ For information on the author, see "Authors and Signatories" at the end of this memorandum

How are we to proceed at this point? Many observers and climate activists believe the solution at this point is to further increase pressure on states to tighten up on the commitments they made at Paris. This reflects a view that has been pursued like a prayer wheel for 20 years but that has been overcome by reality. The assumption is that countries of the world can and must solve this problem fully with regulation through agreements and political procedures. For many reasons, this is no longer possible - time is running out. We have done too little for too long. The technical hurdles are far too high today because the next major rounds of international negotiations that have a chance of substantial progress are still several years away.

For this reason, other actors have to become active today and this is both possible and, from a legal point of view, well justified in fact. This is because between them, the states can only clarify the question of justice between the states. They cannot do the same, however, for the question of justice between people; between people with low living standards and those with high. There are people in poor countries as well who have a high standard of living, just as there are people in rich countries who have a low income. This different social positioning, which results in different patterns of consumption and mobility, also leads to very different levels of individual greenhouse gas emissions. It also means that these different groups have differing levels of ability to help the situation.

Therefore, those who are capable of doing so must start helping. These are generally the same people who create the biggest burden on the climate. Capable non-state actors, from countries to towns and local authorities to businesses, organisations and individuals, must now become active where their insight allows and they are in the appropriate financial position. The guiding idea is the 'voluntary climate neutrality of local authorities, organisations, companies and private persons.'

There are several large levers behind the idea of climate neutrality that could be used to contribute to environmental protection. These include investments in better technical solutions, in more efficiency, in increased use of 'green' energy, but also in different behaviours and different lifestyles. Wherever individuals take these changes in their decisions and at their expense, they help stabilise the climate and contribute to 'closing' the 'gap of Paris'. There is an opportunity to neu-

tralise residual emissions that cannot be avoided in the short term. In these instances, neutralisation can be seen as one part of a CO₂ balance sheet. Either we ensure that less is emitted into the atmosphere as part of system designs agreed upon by the state (e.g. by discontinuing emissions allowances) or we remove emissions from the atmosphere that have already been made.

On balance, both bring about a reduction in comparison with the status quo. There are many ways to further reduce the flow of emissions into the atmosphere. Half of the European economy, for example, operates under a certificate system in which a certificate is required to be able to emit greenhouse gases. Anyone can buy or discontinue these emission allowances. Discontinuing allowances reduces the total available emission allowances, so people pay so that certain emissions previously allowable under the specifications of the European 'cap and trade' system do not occur. This is an important contribution to establishing individual climate neutrality. Alternatively, we can help finance reforestation in the tropics, for example. This reforestation binds CO₂. This means that reforestation withdraws CO₂ from the atmosphere.

If this is done on degraded soils in the tropics, it also supports various other sustainability goals, from increasing biological activity and diversity to improving the water cycle, improving the food situation and creating new infrastructures to providing renewable energies and creating jobs and income for the local population. It creates economic development by protecting the climate. That's a good constellation.

About ten tons of CO₂ can be bound per year per hectare of biological activity. A significant concern of this text is motivating actors to present themselves as climate neutral at their own expense and without being forced to do so by law, e.g. companies or organisations, and therefore to present the whole company as climate neutral, or alternatively the company's products, or even the company's employees and their families.

In the same way, political units below the state level, i.e. states, towns and municipalities can present themselves as climate neutral. And every individual person can do the same thing. It is important to take action like this and to com-

municate it widely. This is not a ransom, much less an indulgence, as interested/critical parties sometimes describe this approach. Instead, this is perhaps the most important contribution to protecting the climate that is conceivable in the short term, on a large scale and in the developed world in addition to what is already prescribed by law. This position is also strongly supported by the UN (<http://climateneutralnow.org>). It is interesting in this context that the mineral oil company AVIA has recently been offering its heating oil in a climate-neutral form and bearing the compensation costs necessary for neutralisation, not passing them on to the end consumer. This means AVIA compensates more than 1 million tonnes of CO₂ per year voluntarily and at its own expense.¹¹⁴

Companies that position themselves as leaders in climate neutrality then motivate others to do the same. We need large networks of actors to behave in the same way. Climate neutrality is one of the most important instruments available to achieve more climate protection. Their big advantage is that everyone can contribute, straight away, at their own discretion and without any big debate - true to the motto of the successful children's initiative 'Plant for the Planet': Stop talking. Start planting.

III.11 A Marshall Plan with Africa - Promoting Acceptance in Germany and Europe

Author: Dieter Härthe¹¹⁵

It will be a major challenge to create broad acceptance in German and European society for a Marshall Plan with Africa because this will come with a large price tag for the countries of Europe. This would come at a time in which the increasing number of refugees in many places has led to a feeling of 'But who cares about us?'. Many Europeans feel left behind by politics, so it is to be expected that many people will intuitively refuse to accept billions being transferred to develop the African continent. As long as the trend towards increasing inequality in Germany and Europe continues, the majority of people in Germany and Europe

¹¹⁴ Cf. <http://www.avia.de/nc/geschaeftskunden/avia-heizoel/avia-heizoel-klimaneutral.html>

¹¹⁵ For information on the author, see "Authors and Signatories" at the end of this memorandum

would look negatively at large-scale (financial) action elsewhere in the world. The German sociologist Stephan Lessenich words it in his new book, 'Beside us, the Deluge', as follows: *Without more equality in wealth, it will be difficult to find majority support for equality between North and South.*" The statement is correct as long as the majority of people do not believe that the resources used in this way could make a positive contribution to their future.

One of the goals of wider social communication should be to educate people that a Marshall Plan with Africa is a long-term-oriented approach to remedying the causes of migration from which Europeans will eventually benefit. The geopolitical situation makes Africa one of the biggest challenges Europeans are facing. If the problems are not resolved there, sooner or later they will affect Europe itself in the form of a level of flight we cannot yet predict, with consequences that will go far beyond what we have seen so far. Out of self-interest, or even insightful selfishness, Europe has a duty to contribute to improving the living conditions of people living in neighbouring Africa, while at the same time maintaining the natural foundations of these people's livelihoods. In addition, it turns out to be an economic bonus as well for the European countries.

To support this goal, we need well-designed, differentiated migration and asylum legislation as an important element of creating acceptance for a new African policy in the populace. This means clear, humane regulations for dealing with those fleeing from war and famine. The same applies to any asylum procedures that follow. There should also be an immigration law that allows migration in cases where it makes sense for all concerned. In cases like these, the principle of contractual freedom should be used as an argument. This means the migration must make sense for both sides: for us, who accept (suitably selected) people, and also for the people who come, but also their families in their country of origin and this country itself.

Essentially, the Marshall Plan with Africa is about sustainable development of the neighbouring continent as described in Agenda 2030 from which Europeans would ultimately profit because new economic activity would begin between the two continents, new energy sources would be developed etc. Underlying this is the basic idea of not achieving the Sustainable Development Goals using a de-

fensive, sufficiency-oriented approach, but instead using an offensive approach that uses market forces as well as banking on new technologies and technology transfers and new governance structures.

Only the appropriate **education** can create the necessary understanding of these approaches, which require long-term, holistic and sustainability-oriented thinking. At this point, we recognise that Education for Sustainable Development (ESD) is an absolute necessity if we are to succeed in overcoming today's global challenges. Similarly, through exchange programs on all levels and in all sectors of society, promote people's **intercultural competence**.

III.12 Desertec and the Marshall Plan with Africa

Author: Frithjof Finkbeiner¹¹⁶

If European electricity markets open up for desert power imports from North Africa as Desertec suggests, then both sides can profit from economical and ecologically sustainable electricity production and achieve developmental and environment goals. Representatives of Germany, France, Spain, Portugal and Morocco, for example, made a joint declaration at the UN Climate Conference in Marrakesh on 17.11.2016 to work together towards a road map for trading renewable energy. From Marrakesh to Neckarwestheim, a 'Solar Electricity Pipeline', a high-voltage direct current line, could connect sites of clean energy production in Morocco and the former nuclear power plant site at Neckarwestheim in the future - all the distribution networks for electricity users are already in place.

This is exactly the idea behind Desertec: the potential of the Sahara and other deserts in Africa for the production of energy, ideally combining economy and ecology. As Franz Trieb, from the German Aerospace Centre, shows, this would not require any massive expansion of national electricity networks. Instead, it would be an intelligent point-to-point solution. Germany's nuclear phase-out, for example, presents a real opportunity for renewable energies because instead of covering base load and control energy with coal and gas, i.e. fossil fuels, adjustable desert electricity, which is available around the clock, becomes the back-

¹¹⁶ For information on the author, see "Authors and Signatories" at the end of this memorandum

bone of a modern and sustainable energy system that takes into account the living conditions of future generations and other nations in equal measure and does not supply the German consumer at the expense of others, as is the case today.

Desert electricity makes it possible to convert European and African electricity systems to safe and clean renewable energy sources, which would mean the time frame imposed by the 2°C limit for global warming would be maintained and an affordable electricity price and secure supply could be guaranteed. Concerning its production, electricity from solar thermal facilities is now just as inexpensive as electricity from gas-fired power plants, but allows 100% CO₂-free and therefore sustainable energy production – however with high volatility only. Many practical questions concerning solar energy production in deserts must still be clarified, of course, such as the migration of dunes. The Arabian Peninsula offers similar opportunities as the Sahara and the transport infrastructure in some places there is even better.

The problem with implementing the Desertec facilities is not financing the power plants. There is a large amount of interest from investors in large-scale renewable energy plants. Rather, the problems are with infrastructure, such as power lines, and whether Europe is ready to import power from Africa. Infrastructures require political coordination and preliminary financing. The public sector is required to contribute more to this, perhaps in public-private partnerships or with loans and collateral.

Desertec has been forced to learn that Europe's willingness to open up the market to energy from Africa is limited. For one, the oligopoly of major electricity producers wants to seal off its conventional European plants against new competition from Africa. For another, proponents of decentralised energy, with their successful grassroots movement and millions of very small plants, favour the development of variable generation with wind power and photovoltaics and their expansion using innovative storage technologies.

It seems quite possible to achieve near-100% renewables even without solar imports, but setting the goal with solar imports from Africa would mean it could be achieved much faster and at less cost.

The power from the Sahara can, of course, be used everywhere in North Africa and throughout the rest of Africa as well. To make climate-neutral, flexible and affordable electricity from the desert become a reality, we now need to:

- ensure that the European Union will allow the import of electricity from African countries.
- ensure that companies that are major consumers of electricity are climate-neutral with desert electricity and therefore can function as pioneers and role models
- and ensure that European resources are used in building the electricity grids.

The rest will then come about through the economic system itself because imported solar energy from North Africa is economically viable in view of the emerging developments in electricity prices and the fluctuation in PV and wind power supply.

The Noor plant near the town of Ouarzazate in Morocco proves that desert electricity works. The solar facility there already produces energy that can be used for base loads today. The fact that Morocco had to import 97% of its energy until 2015 shows how important these projects are for the countries in North Africa. Morocco wants to produce 42% of its power from renewable sources by 2020.

For this reason, we now recommend a strong public commitment to desert electricity from Africa as part of this memorandum.

III.13 Forest development in the desert as perspective for people and climate

Author: Christoph Brüssel¹¹⁷

A practice-oriented perspective already field-tested for regions that otherwise have few economic opportunities, is reforestation in desert areas, using wastewater for irrigation.

¹¹⁷ For information on the author, see "Authors and Signatories" at the end of this memorandum

Developed and scientifically accompanied by the Technical University of Munich and the Ain Shams University Cairo, at least 260 ha of usable forest are currently being created in the Ismailia region of Egypt.

In the middle of a desert region, the German Forest Finance Group is building biodiverse agroforest and wooded areas. For this purpose, it uses an irrigation system based on wastewater from surrounding settlements and cities. This wastewater contains nutrients for the plants and is therefore used in a way that is efficient and friendly to the environment.

Oil crops, such as Ricinus, and palm trees offer economic possibilities and can be used for the production of bioenergy after a short period of growth. In the long term, the wood is also useful for economic purposes. 2 billion US dollars' worth of wood is currently exported to Egypt every year because it has hardly any forests of its own.

Large forested areas can also be used as a climatic regulator in terms of the environment. Keywords are CO₂ sequestration, protection of downstream agricultural areas and regeneration.

Scientific evaluation shows that in Egypt's desert alone, there is sufficient wastewater supply for 650,000 ha of forest. The space required is also available.

This scale of development would also create several hundred thousand jobs and economic prospects over decades. Economic use of these resources turns these projects into promising options for private finance.

The current project is operated by the private cooperative Desert Timber Consulting. This brings together regional investors with investors and experts from Europe.

III.14 Reforestation stores carbon, creates jobs and substitutes CO₂-intensive building material

Reforestation in the countries of Africa is a stimulus programme for the continent and approaches several causes of flight simultaneously. The initial (co-)financing of reforestation by European partners will be repaid with more than just the service of CO₂ compensation.

About 450 billion trees grow on the African continent today, or 413 trees per inhabitant.¹¹⁹ Among the 55 independent African states, the spectrum ranges from one tree per person in Egypt to up to 8100 trees per person in Gabon. With well over more than 100 billion trees, the Democratic Republic of Congo is in the lead, followed by Angola, with 42 billion.

It is important to protect these existing forest areas because they are just as irreplaceable as a habitat as they are as a carbon sink. In order to acquire timber as a renewable raw material and thereby generating a vital carbon storage, we need reforestation. The conditions for this are very good in most African countries. The climatic zone, the soil conditions and indigenous tree species all play a role, of course, but the availability of labour and knowledge of growing and maintaining trees are also important. If we look only at the availability of land, a total of around 200 billion extra trees could be planted on the African continent. This reforestation will give many millions of people long-term employment and hence livelihoods and would enrich the country with valuable raw materials and biodiversity.

In addition, these extra 200 billion trees would bind more than two billion tonnes of carbon dioxide per year, or 5% of the world's man-made CO₂ emissions.

The cost of reforestation and the initial maintenance of this 5 per cent CO₂ time joker would be approximately 200 billion euros, of which 10% would go to nurseries and taking care of the saplings and the rest to the reforestation itself and

¹¹⁸ Felix Finkbeiner, a student at the SOAS University of London, specialising in the study of Asia, Africa and the Middle East, launched the Plant-for-the Planet Children's and Youth initiative in 2007 with the aim of motivating young people to become ambassadors for the greatest reforestation project undertaken by humanity and plant 1,000 billion new trees as carbon stores and building material on currently degraded land.

¹¹⁹ Crowther, T.W. *et al.* Mapping tree density at a global scale. *Nature* **525**, 201-205 (2015) study commissioned by Plant-for-the-Planet

subsequent care of the trees.¹²⁰ This is the equivalent of € 100 for a year's compensation of one ton of CO₂. If we calculate very conservatively with ten to twenty years of growth for one tree, which also takes into account environmental influences, the cost of one ton of CO₂ compensation will be around € 10 or even € 5.

This investment will also have many positive economic and social effects, however, in addition to the environmental benefits. These 200 billion euros will not only bind a significant portion of our carbon dioxide - it will achieve more as well. If reforestation is spread over ten years, with 20 billion new trees each year, 20 million new jobs would be created by the reforestation alone, or after the first timber harvest, on to the later reforestation of the same area, which is even more important. The wood processing industry and downstream construction will also create a comparable number of jobs. The availability of cheap construction material in the region will promote prosperity and reduce dependence on large global corporations. Today, the emerging economies use around 90% of worldwide cement production and Africa is seen as a growth market by the cement industry. Wood as a construction material prolongs vital carbon sequestration by decades, while the manufacturing of cement emits three times as much carbon dioxide worldwide as all air travel, accounting for 7% of global CO₂ emissions.

III.15 Our country is changing

Author: Wolfgang Schäuble (Former Federal Minister of Finance)¹²¹

In a guest contribution, 'Our country is changing', in the FAZ from 27.9.2016, FM Dr. Wolfgang Schäuble makes remarks on the future developmental cooperation and on the necessity of a Marshall Plan with Africa:¹²²

¹²⁰ For years, the Plant-for-the-Planet Foundation has been cultivating 6,000 new trees every day on its own and with its own employees in countries in the southern hemisphere and scientifically evaluating this data.

¹²¹ Wolfgang Schäuble has been a member of the Federal Council of the CDU in Germany since 1989. From 1991 to 2000 he was chairman of the CDU/CSU parliamentary group, and from 1998 also national chairman of the CDU. Since then he has been a member of the presidium of the CDU in Germany. From 2002 Schäuble was Deputy Chairman of the CDU/CSU parliamentary group for foreign, security and European policy, before he was re-appointed as Federal Minister of the Interior in 2005. From 2009 to 2017 he has been Federal Minister of Finance. After the German elections in 2017, he became the President of the German Bundestag.

„... It seems likely that we are at the start of a phase in which developments everywhere in the world are having a more and more tangible effect on our lives.

How Africa develops, for example, has a direct effect on us in Europe. This will remain one of the great challenges in the coming years and decades. We are already beginning to experience what this means.

This is why we are spending just under 19 billion euros on the reception and integration of refugees and for the fight against the causes of flight in 2017 - this will grow to more than 77 billion euros in the entire period up to 2020.

Improving local living conditions

We have also significantly increased our expenditure for developmental cooperation. The crisis regions of the Near and Middle East and Africa - Syria, Iraq, Libya and Sub-Saharan Africa - will not be stabilised or be able to develop economically without our assistance.

As long as the living conditions in these regions do not improve, the people will flee from war, violence, hunger and poverty, and they will make their way to Europe. In these regions, we will have to create the conditions for more investment so that the people have better prospects in their homeland.

Boosting investment in Africa

Europe has a responsibility for Africa that is in its own interests. That is why we have agreed to focus on developing new markets and growth potential with our African partners as part of the German G20 Presidency. We are beginning to talk about a 'Compact with Africa' - a German push during our Presidency.

In doing so, we would like to make private investment in Africa safer, remove obstacles to investment and set incentives for investment. Europe must do more

¹²² Cf. <http://www.faz.net/aktuell/wirtschaft/gastbeitrag-von-wolfgang-schaeuble-veraenderung-keine-selbstaufgabe-14454139-p7.html?printPagedArticle=true#lesermeinungen>

to stabilise its surrounding area. If the world continues to become more turbulent around us, we will not be unaffected ...'

III.16 The situation of women

Author: RFPD and the Foundation for World Population¹²³

The situation of women in Africa is very important for the future of the world. This is especially true of reproductive rights. It is crucial to realise that the situation in Africa is not hopeless in this respect. There is no reason to give up. The focus of our activities should be chosen correctly. In Germany, for example, the Rotary Fellowship on Population and Development and the Foundation for World Population are working on population development very successfully. And this in Africa, at the interface between Christianity and Islam, for example in Nigeria. Efforts in this sector need to be strengthened further. To mark the initiative of the German BMZ Ministry for the 'Charter for the Future - Our Responsibility', RFPD and the Foundation for World Population published a joint press statement showing what needs to be done:

Joint Appeal from the RFPD and Foundation for World Population to the Federal Minister for Economic Development and Cooperation

The development of the world population, lack of access to sexual and reproductive health and rights, issues of family planning and the high maternal and infant mortality are closely linked key themes for sustainable global development.

More than 220 million women and girls in developing countries want to avoid getting pregnant but have no access to effective methods of contraception - because of lack of information, lack of availability and pressure from their partners or their social environment. When women can decide for themselves how many children they have, they usually have smaller families and the birth rate goes

¹²³ The Rotarian Action Group for Population & Development (RFPD) advocates sustainable, world-wide population development under human conditions, a sustainable balance between available resources and the number of people around the globe, and affordable access to education, family planning and basic medical care for all. The chairman of the board of the RFPD German Section is Prof. Dr. Dr. Dr. h.c. Franz Josef Radermacher.

down. At the same time, improved health care leads to increased life expectancy and more people can work for longer. This increases the proportion of people who can work compared with the proportion of children and old people who need to be cared for. When the working-age population finds decent work and the economy grows, the state generates more revenue that it can use to increase the living standards of the entire population.

The development of the Asian Tiger states has shown that this can work. However, this requires political decisions to be made. Today's youth generation is the largest in history - increased investment in healthcare is especially important for these young people so that the opportunities for reducing poverty in developing states can be utilised. This will also mean that fewer people leave their homeland.

We therefore appeal to you, Mr Federal Minister, to give the key issues described here even greater prominence in your policy and help Germany step up its efforts to fully implement sexual and reproductive health and rights in the course of international processes such as the Post-2015 Development Agenda.

III.17 Impressions, experiences and findings from cooperation with the German University in Cairo

Author: Werner Smolny¹²⁴

(1) Introduction

The German University in Cairo (GUC) is a private foundation university founded in 2003 by Ashraf Mansour in cooperation with the universities of Stuttgart and Ulm. Prof. Mansour holds a doctorate from and qualified as a professor at the University of Ulm. The foundation was supported by Egyptian sponsors, actors from the University of Stuttgart and Ulm and the German Academic Exchange Service (DAAD). The GUC is supported via the DAAD with resources from the

¹²⁴ Prof. Dr. Werner Smolny received his habilitation in November 1997 with a teaching licence for the subject of Economics. Since 1999 he has been research professor at the ZEW in Mannheim. Since the winter semester 2002/03 he has been Professor for Economic Policy (Ludwig-Erhard Endowed Professorship) at the Faculty of Mathematics and Economics of the University of Ulm.

Federal Ministry for Education and Research in the programme 'Study options at German universities abroad', and since 2006 from a scholarship from the Federal Foreign Office. The concept and range of subjects are based on the programs of German technical universities and courses are taught in English. There are currently around 10,000 young people studying about 70 bachelor's and master's programmes there. The GUC maintains close relations with partner universities in Germany and has maintained a location in Berlin since 2012.

One of the key issues in growth and development research that I am particularly interested in is why some countries are so rich and other countries are so extremely poor. This is followed by the question of why some countries succeed in catching up and others do not. In terms of economic policy, the question arises of the requirements for stable and self-sustaining growth and catching-up processes, as well as the factors that can trigger and accelerate this process. In analysing these issues for the MENA region (Middle East and North Africa) and for Egypt in particular, two areas can be distinguished: firstly, the role of economic factors, which are significant for a self-sustaining growth and development process from the perspective of economic research, and secondly, the importance of economic policy that creates the conditions for this kind of growth process or that prevents or destroys them.

(2) *The importance of economic factors*

Economic growth and development research distinguishes between the factors that influence economic growth and the factors that are a condition for (stable) economic growth. Classical growth theory first differentiates between the production factors of labour, land and capital. The land factor is usually limited. Population growth leads to an increase in total income, but a decline in per capita income. Only through an accumulation of capital can an increase in per capita income be achieved in an economy. The modern growth theory based on this focuses on technological progress. Capital accumulation alone cannot secure long-term and sustained growth because the marginal return of capital decreases as capital spending increases. This effect can be overcome in the long term with technological progress.

Something that is particularly relevant for development theory is that technological progress and the knowledge that arises from it can be transferred, in principle, to other companies or countries. This means that poorer countries can profit, in principle, from technological developments in richer countries. As a result, a catching-up process can take place in which the income of the poorer countries approaches that of the richer countries. This growth process, however, is not automatic. The level of education in the workforce is a crucial factor. On the one hand, better education increases productivity in work; on the other, a well-educated workforce is a requirement for the use of modern technologies. A second important requirement is a stable economic framework, in connection with reliable economic policy institutions. We may take these institutions for granted in Germany, but in many other countries, and particularly the Arab countries, this is not the case. The violent clashes between social groups in which other powers regularly assert themselves and in which a significant portion of the capital is destroyed, create an environment that is less than friendly to investment.

(3) *The importance of economic policy*

This means economic policy is of central importance in creating the conditions for a stable growth process. National economic policy is the starting point; this will create these conditions. There is broad agreement in economic research on what aspects are important for this. The central framework for the analysis is institutional economics. In Germany, this builds on the analyses of the social market economy, which has been the foundation for successful economic and political development in Germany and many other countries since the 2nd world war. A recent contribution from this area comes from Daron Acemoglu and James Robinson, who emphasise the importance of 'inclusive institutions' in their book, 'Why Nations Fail - The Origins of Power, Prosperity and Poverty'. However, such institutions do not emerge spontaneously in isolation; international support can be helpful in creating them. We should be aware, however, that simple solutions do not always work.

A promising economic and political opportunity to help and have a positive impact on development in the region is supporting education for the young generation. First of all, education is an important factor that has a significant impact on

the productivity and income of the workforce. Furthermore, high-quality training is a requirement for the use of modern technology and therefore for economic growth. After all, education in a more general sense is a requirement for political participation and therefore also the basis for creating inclusive institutions. A high-quality education enables people to be economically successful and to think independently about politics. It is therefore an important factor in the creation of an active middle class that can bring about positive change.

(4) *The importance of the German University in Cairo*

The GUC is an institution that provides high-quality education for young people in Egypt. It was created by an Egyptian who was educated in Germany and created, using his experiences and support from German institutions, an educational institution that enables students to have the same experiences as he had. The GUC sends a large proportion of its students to Germany. The students get a professional education that would not be available if they studied in Egypt only and they gain experience of the way of life and economic and of the political system in Germany. When they return, they can eventually enter leadership positions and help shape the system. The GUC is also an example of how human capital can be transferred from one generation to the next, i.e. how sustainable development can best be set in motion.

In my opinion, the support the GUC receives from the DAAD and partner universities from Germany is an example of development aid that works. Many environmental aid projects do not work and the term 'environmental aid' has gained a negative connotation. The problem with this is that some parts of the developed world have introduced solutions that work in their countries, but in other countries, might not. People in these countries frequently do not want foreign intervention, there is no local support, and our projects are perhaps not the best solution for these countries. The GUC is a project that does not come from abroad, and education is a very important topic for long-term economic and political development. The GUC project therefore has considerable potential to set positive development in motion sustainably.¹²⁵

¹²⁵ A more detailed text is available from the author.

III.18 Some observations

Author: Graeme Maxton¹²⁶

Migration from Africa to Europe will probably increase massively in the coming years and decades because of the foreseeable consequences of climate change. The new free trade agreements between Europe and 13 African countries - the European Partnership Agreements (EPAs) - might result in the migration situation becoming worse, because they could potentially destroy local industries that are no longer able to compete with European imports. For this reason, limits on imports from Europe in some specific sectors should be considered.

Another reason why migrants from West Africa come to Europe is over-fishing on the Atlantic coast caused by large European fishing fleets, but also by Chinese and Russian boats. As a result, many African fishermen are out of work. But because they still have their boats, some now earn their living by bringing people over the sea to Europe.

In addition to the war between Iran and Iraq, the later wars in Afghanistan, Syria, Libya, Yemen and the longstanding conflict in Palestine have massively aggravated the situation in the Middle East. The West carries a big responsibility for that, not unlike it does for climate change.

Young people who immigrate from the MENA region are hoping for a good standard of living in our countries, which is very understandable. The Marshall Plan with Africa must convey a sense of optimism for a 'MENA Dream' or an 'African Dream', just as the American Dream and Chinese Dream have done in the past.

It is important that the proposals for a Marshall Plan with Africa are made with the goals in mind of not increasing mankind's global ecological footprint and even reducing it in the future. This is probably the biggest challenge.

Jorgen Randers, member of the Club of Rome, believes that the number of people in the world will stabilise at a peak of around 8 billion in 2030 and then will

¹²⁶ For information on the author, see "Authors and Signatories" at the end of this memorandum

decline. This will happen as a result of ecological crises that will affect the world at this time. This obviously deviates very much from expectations of the size of the future world population on which this memorandum is based.

A list of proposals I have prepared on steps that must be taken towards sustainability are listed below as bullet points.¹²⁷

- Better use of tax revenues
- Agricultural reform
- Overcoming trade barriers for poorer countries
- Urgent introduction of a worldwide minimum income
- Creation of more cooperatives, including the credit sector
- Change in the legal system
- Waiver of national debt
- Investment in clean energy, water and wastewater treatment
- Improvement of distribution situation between north and south

127 A more detailed text is available from the author.

III.19 Investing in the MENA region

Author: Oliver Steinmetz¹²⁸

A Marshall Plan with Africa is an important issue for the future of the world. And the use of solar energy in the Sahara as a "wildcard" is a key element of implementation. More and more is happening now regarding the important topic of "financing", too. The **President of the European Investment Bank (EIB), Werner Hoyer**, presented the EIB's "Resilience" initiative with the aim of strengthening economic resilience in a speech at the UN Summit on Refugees and Migrants in New York in September 2016.¹²⁹ This will boost EIB financing in MENA and the Western Balkans from the previously planned € 7.5 billion to € 13.5 billion, which should trigger additional investment of around € 15 billion by 2020.

This EIB initiative complements the **Investment Plan for Third Countries (External Investment Plan - EIP)**,¹³⁰ which EU Commission President Juncker had announced a week earlier in Strasbourg, and which will provide € 4.1 billion from the EU budget and the European Development Fund to support innovative guarantees and similar instruments to encourage private investment, whereby the investment should be mobilised to reach a total of up to EUR 44 billion.

In this way, the EU will make a significant contribution to curbing migration flows by strengthening existing partnerships and tackling the long-term causes of major migratory movements.

Roadblock 1: Investment security: In addition to the above-mentioned EU guarantees and more Hermes guarantees, the private insurance industry should be more involved. This would be an interesting new business prospect for the private sector. Since the Arab Revolution, investors have not really wanted to

¹²⁸ Oliver Steinmetz is Head of the IT Programme Management Office of the European Investment Bank (EIB) in Luxembourg. He is co-founder of the DESERTEC Foundation and responsible for EU-MENA. He is also the founding president of Fulbright Alumni Germany. He is the holder of a Ph.D. and diploma in Computer Science and Business Administration, a rare combination in higher education.

¹²⁹ Cf. <http://www.eib.org/infocentre/press/releases/all/2016/2016-211-eu-bank-calls-for-partners-to-confront-migration-challenge-and-to-support-its-new-economic-resilience-initiative.htm>

¹³⁰ Cf. http://europa.eu/rapid/press-release_IP-16-3002_de.htm

invest in MENA, especially not in long-term projects such as energy infrastructure, because such projects are weak investment prospects. But if it was possible to offer customised **insurance against the investment risks**, this particular "roadblock" would be removed.

Roadblock 2: The lack of competent "project promoters." These are companies who bring projects to a "bankable" state by organising expertise and developing the necessary project documentation to make projects attractive to banks and other investors. Until that can be done by MENA locals, however, a lot of long-term education still needs to take place. In the meantime, for example, the EIB helps with "technical assistance". These are subsidies which, for example, can be paid to consulting engineers to produce the aforementioned documents.

III.20 Observations on the Arabian Peninsula

Author: Folkert Herlyn¹³¹

The decline in the promotion of oil resources, which is foreseeable in the next few years, is of great importance to the future of the MENA region in some of the states. Dubai is already facing this problem today. Therefore, the Caliph of Abu Dhabi had to step in with a lot of money for Bjur al Arab, otherwise the tallest building in the world would still not be finished yet. Now the building is called Bjur Kalifa.

The waste of money on buildings, which are, to some extent unnecessary, and the waste of energy in the rich MENA countries, is unimaginable to us in Europe:

In the oil countries, self-consumption of crude oil and gas is set far below the market value. Energy saving projects do not get off the ground, not even solar solutions, even though there is such a high level of solar radiation available. There is a distorted energy cost base in this sense, and the consumption figures also have to be considered critically. In many places, there are no energy costs

¹³¹ Folkert Herlyn is a former manager at ExxonMobil, a self-employed oil industry consultant, especially in the Arab world, and a member of the Club of Rome EU Chapter

for the locals and energy is supplied free of charge. In some cases, consumption cannot even be determined because no metering facilities are used between the producer and the consumer. The natural gas enters houses unchecked. Petrol costs are also only a fraction of what they usually cost in non-oil countries.

All of this applies to the oil-producing countries that are rich today.

There is almost no solidarity between poor and rich countries in the region and, against the background of the anticipated increasing pressure resulting from the end of the oil age, it is unlikely to be expected in the future.¹³² More money is spent on mosques, but is only limited in infrastructure.

A particularly big problem is the water shortage. Usable water 'production' by desalination is very expensive and is mostly carried out using oil rather than solar power. Population growth is high, especially in those countries where natural living conditions are difficult. Birth control, however, is not a popular topic in the Islamic world.

It makes a lot of sense to use the Sahara as a location for solar energy. The Arabian Peninsula is also largely desert, partly bordered by roads, and has similarly good solar conditions to the Sahara. 180 km of bushes and trees have been planted between Abu Dhabi and Dubai, meaning that the sand is kept in place. This works. Water hoses and pipes that water the plants constantly run along this stretch of land. The water is also recovered here by desalination carried out using fossil fuels, which is problematic.

The water emergency is so big in Iran that rivers have actually dried up. The groundwater then decreases and plantations are left in dire straits. This can be dangerous if the balance between the pressure from above and the pressure from below gets out of balance.

¹³² Cf. <http://www.sueddeutsche.de/wirtschaft/opec-leidende-oelstaaten-ringgen-um-ihre-zukunft-1.2949665>

III.21 Ensure the ability to act in difficult times

Author: Joachim Gersbach¹³³

At present, the economy and society are in a low state of organisation. This goes together with the irresponsible overexploitation of nature. There is a lack of systemic approaches to achieving a sustainable balance. One cause is a misunderstood free market economy where the strong eliminate the weak, and the market is left to work itself out. The price at which this sometimes happens is often hidden. The majority of ordinary citizens will foot the bill in the end - as they did in the last world financial crisis.

For a higher state of organisation to be achieved, a different way of thinking and proceeding in the aggregation of individual interests is required.

The supposed "free market economy" increasingly turns out to be a path towards bondage and lack of liberty. Development is becoming dangerous for more and more stakeholders. Uncontrolled growth with no end in sight, and the corresponding actions taken by market participants without ensuring a sufficient basic supply and a careful handling of the environment and climate will lead to the delegitimation of the free market economy and capitalism.

Among other things, our difficulties today result from the fact that interest groups pursue their dogmatic thinking and acting in the belief that their growth aspiration can continue almost endlessly, at the cost of causing catastrophic conditions, the loss of vital resources and an always increasing generation of uncontrolled greenhouse gas emissions.

Uncontrollable growth has a decomposing and dissolving effect, while systemic thinking and action creates a higher level of organisation and is capable of producing smart growth within existing system boundaries.

¹³³ Joachim Gersbach, self-employed entrepreneur, Managing Director of GMS AG, Switzerland. He has extensive international experience as a government consultant in restructuring and privatisation projects in many countries around the globe.

In the face of increasing national threat and danger to the European states due to war and conflict in the African countries and the Middle East, which results in mass migration to Europe, especially from the MENA countries, and additional expected problems resulting from climate change (climate refugees), there are no alternatives to the present proposal of a "Marshall plan with Africa", borne by developed countries, especially those in Europe.

The associated political feasibility risks on the ground, especially in countries with predominantly Muslim populations, should be considered critically.

These feasibility risks must be clearly communicated in Europe from the outset. This must be part of an open communication relationship with the public, which in turn is a prerequisite for being able to pave the way for a Marshall Plan with Africa in our countries at all.

An important point in this context is that, in addition to human rights issues, we are also more concerned with security issues than before. In view of the high deficits that currently exist, the issue of strengthening Europe's external intervention options must be discussed in addition to the Marshall Plan with Africa (prevention fund). This applies both to the civil sector (civil peace corps) and to joint European military intervention capacities (a prevention army), which must be set up swiftly.

The question of financing arises in relation to all these topics. Where will the money come from? Now, protecting Europe from eventual disintegration and conflict with migrants, as well as possibly neighbouring states, is an investment which protects existing values. Investments in the economic recovery of North Africa are also investments in the economic recovery in Europe. Given the favorable public sector leverage opportunities that currently exist, all opportunities should be exploited to make capital in the financial markets productive as part of a Marshall Plan with Africa, and to thereby bring such a plan into effect. For the most part, public-sector contributions can be of the indirect type, therefore having a high leverage effect. The state can make a difference by providing collateral and favourable credit, but also by designing a taxation programme (depreci-

ation models) and engaging in sub-areas in addition to developing corresponding regulation, without this costing much of its own money.

These considerations also apply to the proposed "Future of Africa Fund". The \$ 120 billion in financial spending planned there by 2030 could demand too much of European policy. However, just a part of this amount may be enough in the proposed fund model. Proper placement of the key levers will significantly improve the financing conditions for the proposed Marshall Plan with Africa. A mixed public-private funding of the "Future of Africa Fund" can substantially improve the chances of bringing this important project to realisation.

III.22 Remittances: An important source of financing for developing economies

Author: Thomas Straubhaar¹³⁴

Increasingly, there is a growing realisation that in migration policy, symptom control in the host regions can be replaced by combating the causes in the regions of origin. It is not the consequences, but rather, the causes of mass migration, which must be mitigated. This means that people will once again be able to recognise prospects for the future in their homeland and want to remain there rather than put themselves through serious risk and danger in order to flee to other parts of the world.

Poverty, misery and economic backwardness are, without a doubt, essential factors which promote migration and the movement of refugees. The remittances of family members who emigrated previously have become an increasingly important source of finance in many societies in Africa, Asia and Latin America. In a large number of countries, these remittances have even become the most important, most stable and, in view of the positive economic consequences, the most effective sustainable capital inflow.

According to data from the World Bank, approximately half a trillion US dollars of remittances flowed into developing economies in 2015 (World Bank 2016a, p. 4).

¹³⁴ For information on the author, see "Authors and Signatories" at the end of this memorandum.

About half of this amount (about \$ 245 billion) went to Southeast Asia, nearly \$ 70 billion to Latin America, \$ 50 billion to the Middle East and North Africa, and \$ 35 billion to sub-Saharan Africa. India returned the most remittances - around US \$ 70 billion, followed by China (US \$ 64 billion) and the Philippines (US \$ 28 billion). For other, especially smaller, developing economies, the volume of remittances as measured by GDP was of considerable importance. 27% of GDP is attributed to Tonga, 18% to Samoa and 14% to the Marshall Islands. But even for the Philippines, the inflow of remittances amounted to almost 10% of GDP, in Micronesia it was around 7% of GDP and in Vietnam over 6% of GDP.

Most importantly, in recent years, the flow of remittances has been much more stable than other sources of funding. This was not just around the factor 3, and therefore significantly higher than the "Official Development Assistance" (ODA), but was also much more stable than direct investment, portfolio investment and the purchases of domestic government bonds by foreign investors. This made the remittance economy easier to plan and required less risk prevention.

From the point of view of European host countries, the integration of suitable migrant volunteers could be planned and managed much more strategically. This would considerably increase the positive momentum for economic growth and employment in the regions of origin.

A number of approaches can be improved:

- The transaction costs for remittances have indeed fallen significantly in recent years (World Bank 2016b). Ten years ago, they still accounted for about 10% of the transfer amount, while today they are less than 6%. As pleasing as this trend is, transaction costs are still much higher at 6% than for financial transactions within developed countries and between developed countries.
- There are huge differences in the cost of transactions between the individual developing countries. Some of the differences are characterized by country-specific risks, others by technological inadequacies. Often, however, they are also due to market power of the intermediaries (banks, or money transaction orders).

Further reduce transaction costs for remittances

The aim of policy measures should be to further reduce the transaction costs for remittances, prevent market power, and to mitigate risks. The current most effective transaction channels could serve as a benchmark.

- The amount of remittances is very much related to how strong the migrants' roots are to their countries of origin. The closer their relationship is, the more money they send home.
- The level of remittances is very much related to the migrant's trust in the political stability of their countries of origin and, in particular, the security of ownership of the remittances (e.g. free access, no nationalisation of private property).
- The amount of remittances depends on the real return expectations of the migrant. The higher the real return, the higher their interest in sending remittances.
- The amount of remittances depends on (real) exchange rate developments. The weaker the currencies of the countries of origin, the greater the value of a remittance.

Further promote the strong attachment of migrants to their countries of origin

The aim of policies should be:

- a) to ensure that strong links with the countries of origin remain. This also promotes the probability of return. The preservation and strengthening of political rights in the regions of origin can serve this purpose (for example: India)
- b) to ensure that governments in the regions of origin provide special creditor protection for remittances (this could be done by providing guarantees to Eu-

ropean host countries, or by agreeing and securing guarantees with governments and the financial sector of the countries of origin);

c) to ensure that remittances are hedged against inflation and similar types of instability;

d) to ensure that remittances are hedged against exchange rate developments and similar types of instability;

c) and d) could be realised by special accounts (foreign currency accounts or preferential accounts);

a) - d) could be achieved by allowing European financial institutions to carry out the transfer and management of remittances both offshore and onshore, and by the governments of the regions of origin providing the necessary flexibility and legal protection to the European financial institutions.

The EU could pursue the establishment of a PPP remittance network as a political project.

Further strengthen the macroeconomic development effects of remittances

- The macroeconomic development effect of remittances very much depends on their intended use. If they are spent on consumption costs, the effect is less than if they are invested. When investing in small businesses which are already characterised by overcapacity (e.g. construction or taxi operations), the effect is less than if they are used to finance manual or small industrial enterprises.

The aim of policies should be:

to improve the effectiveness of the use of remittances. This offers a lot of

possible projects. For example, remittances could be channelled into public joint PPP projects from European host regions. Alternatively, joint investment projects could be promoted (e.g. training of health workers, teachers and skilled workers, following the example of the Philippines)

Increasing the effectiveness of using remittances in joint strategic projects could be useful for European policy.

References:

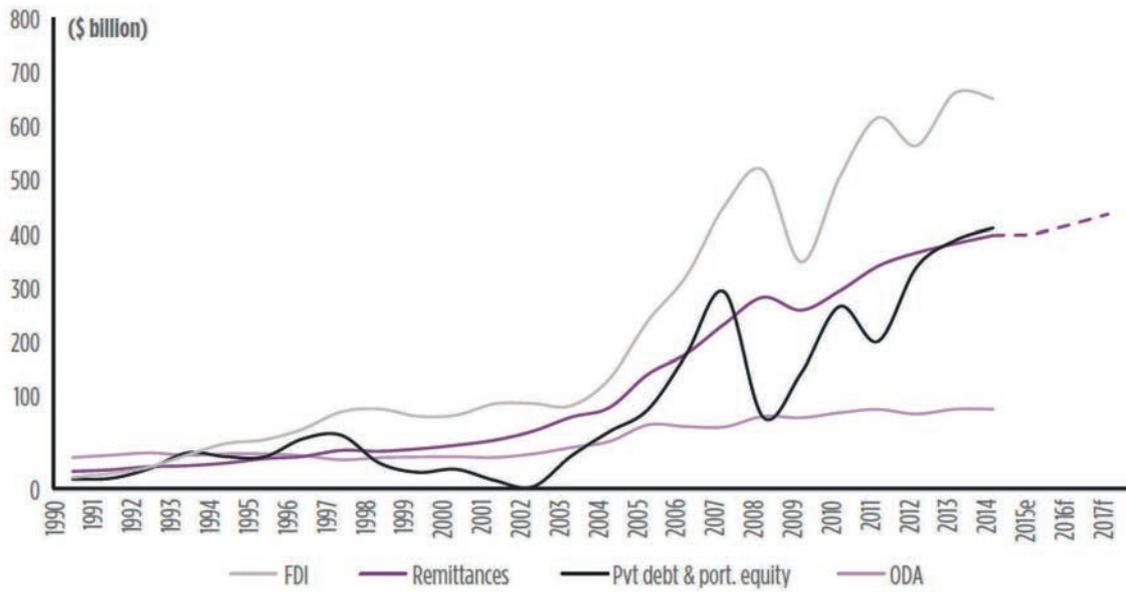
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TABLE 1 ■ Estimates and Projections for Remittance Flows to Developing Countries

	2010	2013	2014	2015e	2016f	2017f	2018f
	(\$ billions)						
Developing countries	331.7	416.6	429.9	431.6	447.9	465.7	484.7
East Asia and Pacific	94.1	113.4	121.8	127.0	131.0	135.5	140.3
Europe and Central Asia	31.4	47.7	43.4	34.6	36.3	38.3	40.3
Latin America and Caribbean	55.7	61.1	63.6	66.7	69.3	71.9	74.6
Middle-East and North Africa	38.9	48.8	50.8	50.3	51.6	53.0	54.5
South Asia	82.0	110.8	115.5	117.9	123.3	129.3	135.8
Sub-Saharan Africa	29.7	34.7	34.8	35.2	36.4	37.7	39.1
World	460.5	573.0	592.0	581.6	603.2	626.4	651.3
Memo: Developing countries (2010–2015 classification)*	343.0	432.6	447.2	446.7	463.8	482.4	502.4

FIGURE 5 ■ Remittance Flows Are Larger than Official Development Assistance (ODA), and More Stable than Private Capital Flows



Sources: World Bank Staff calculations, World Development Indicators, OECD. Private debt includes international bonds and borrowing through commercial banks.

Figure 1 Global Average Total Cost for sending USD 200ⁱⁱ

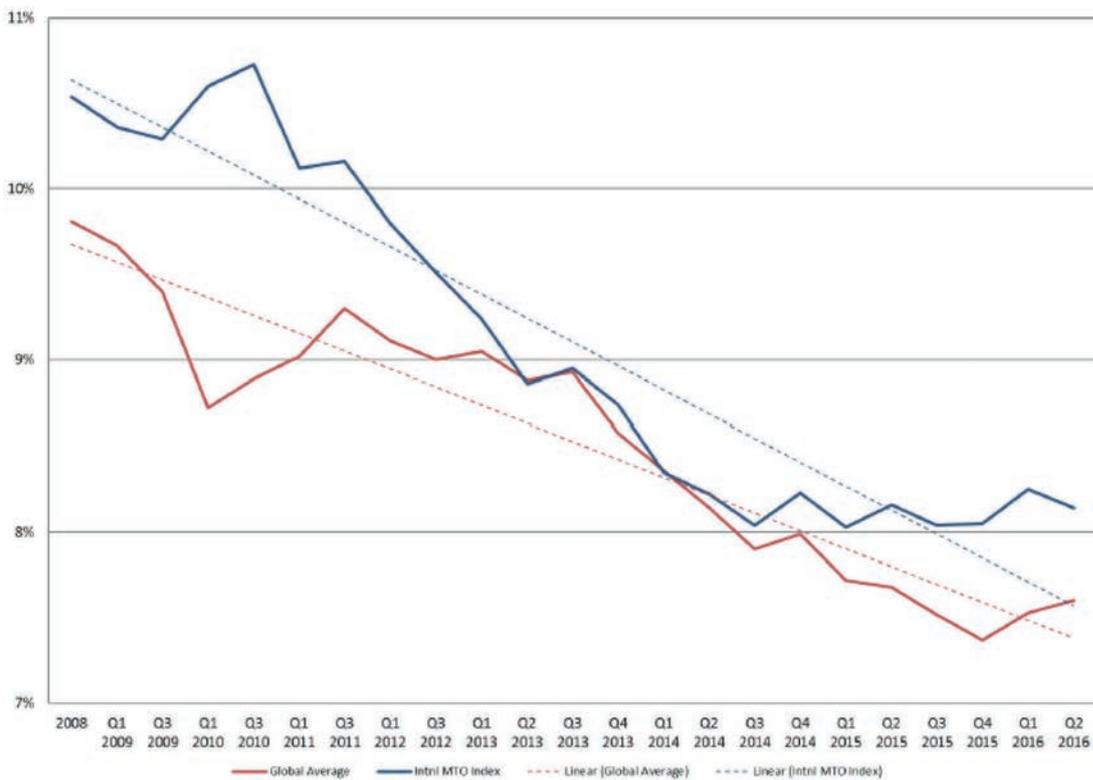
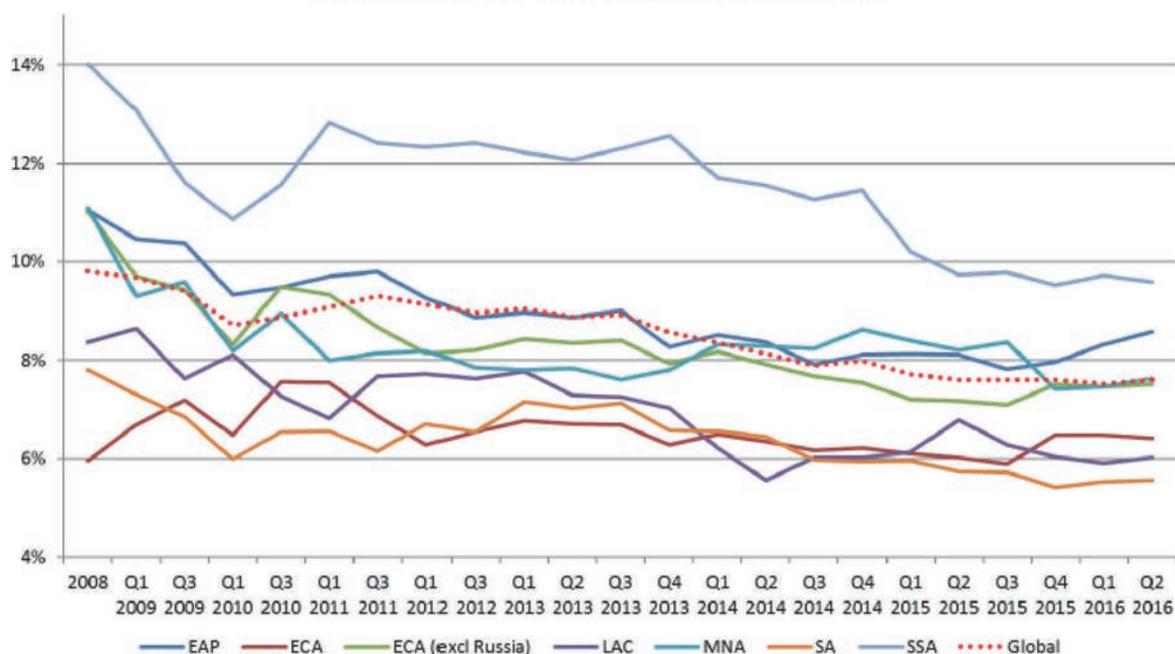


Figure 10 Average total costs by region of the world



Abbreviations: EAP- East Asia and Pacific; ECA- Europe and Central Asia; LAC- Latin America and the Caribbean; MNA- Middle East and North Africa; SA- South Asia; SSA-Sub-Saharan Africa

III.23 Reflection on an Implementation Approach to the Marshall Plan with Africa

Author: Obiora Ike¹³⁵

Preamble

The displacement of people in the MENA region due to political crisis and war as well as the massive arrival of migrants from these countries in EU-member states has motivated the EU to consider a Marshall-Plan with Africa. This paper is aimed at highlighting some elements that should be taken into consideration in the context of the implementation of the Marshall-Plan.

In the first place, the Marshall-Plan should not be limited to the MENA region solely but rather to the greater continent so that all Africans can benefit from

¹³⁵ Monsignore Professor Dr. Obiora Ike, Catholic Priest and Prelate; Doctoral Studies in Bonn, Germany, Innsbruck, Austria; Professor of Ethics and Intercultural Studies at Godfrey Okoye University, Enugu; Author of over 120 Titles and Publisher; President Club of Rome, Nigeria Chapter; Chairman of UPMFB Ltd Micro Finance Bank, Nigeria; Founder Catholic Institute for Development Justice Peace and Caritas; Executive Director of Globethics.net, Geneva Switzerland

such a bold and sustainable project. If this is overlooked, we would face the same problem as today again, in 20 years time, where the MENA region then will have to deal with the same problem as Europe today.

In view of this, some of the elements, the Marshall-Plan should watch out for and articulate in their initiative, are the following:

A. Goal

Articulate the goal in such a way that it provides inspiration and hope. For example the overall goal could be stated as follows: *"Build/Rebuild sustainably in the rising continent for future generation and for making Africa the place to live"*.

B. Mission

The same applies for the mission of the Marshall-Plan, which could be defined as follows: *"Work together for the sustainable transformation & development of the rising continent WITH AFRICAN Leaders."*

C. Objectives

Given the above, the main objectives of the Marshall-Plan would aim at ensuring the following in 10 years' time:

- Eradicate famine in Africa
- Stop wars and local conflict
- Build sustainable infrastructure
- Empower women and leaders

D. Rethink the Current Development and Aid Model

The overall assessment of development is largely critical. This requires that the international community rethink the current political and economic model which has been the guiding development model for more than 50 years. Therefore, there's a need to reflect on those failures and on poor impact of development

programmes and projects. As such the Marshall-Plan should take into account the following:

- learn from the mistakes of development undertaken by Western countries in Africa
- empower government so that they can deliver in a responsible & ethical manner
- align & coordinate aid to government to achieve effectively the sustainable development goals 2030
- continue humanitarian aid to the real emergency activities, such as draught & floods so that government takes responsibility in community development

E. Philosophy of the Marshall-Plan

The philosophy underpinning the objectives of the Marshall-Plan should be on the effective rebuilding of Africa, using value-based thinking. Even if the reconstruction of Europe has been a success following the original Marshall-Plan, one should not ignore the drawbacks that have resulted in an economic model which has locked the Western markets together in such a way that the rest of the world has been left out and has served as a goldmine for the Western industries. This is one of the reasons why the South has remained still underdeveloped today as economic interests have led to conflict on the ground in local conflicts. This has encouraged the business of armed weapons and led to growth of dependent and biased military forces in numerous countries, which dictators kept in their safe ivory tower. If the world is where it is today, Western policies and business models and their leaders should be held greatly responsible, due to their lack of ethical orientation.

Learning from these mistakes, the initiators of this initiative should rather make the project more inspiring to ensure genuine buy-in and ethical commitment from Africans. The calling of the project is maybe worth to be reconsidered with reference to Nelson Mandela as the Mandela Plan for Africa. This name would definitely drive other forces so as not to reproduce the errors of the past. The benefits that Western countries will take advantage of, will be the capacity of

Africa to attract foreign direct investments and to make possible exports of agricultural products and offer places for exciting and safe tourism.

F. Who should be part of it?

The approach should embrace representatives from key leading institutions such as intergovernmental institutions, development institutions, financing institutions and religious and charismatic religious leaders in Africa so as to form an **African Council for the Marshall-Plan**. The following institutions should be considered. Representatives should be gender balanced:

Governmental Institutions

- AU - African Union
- Commonwealth Secretariat for Africa
- ECOWAS - Economic Community for West African States
- COMESA - Common Market for Eastern and Southern African
- ECCAS - Economic Community for Central African States
- CEMAC - Communauté économique et monétaire de l'Afrique Centrale
- EAC - East African Community
- ECOWAS; SADC; and others in the region
- CEN-SAD - The Community of Sahel-Saharan States
- UMA – Union du Maghreb Arabe
- OIF - Organisation internationale de la Francophonie

Development Partners Directors for Africa

- EU (Danish, Belgian, etc.)
- German Institutions and Entrepreneurs and Banks
- DFID - British
- FOCAC – China-Africa Cooperation Forum
- CIDA - Canada
- USAID - America
- AFD – French

Financing Institutions

- ABRD – African Bank for Reconstruction and Development
- IMF – International Monetary Fund
- World Bank

Religious Leaders

- Catholic
- Protestant
- Anglican
- Muslim
- Jewish
- etc.

Other institutions

- ICRC – International Committee of the Red Cross
- WHO – World Health Organisation
- MSF - Médecins Sans Frontières
- UNEP – United Nations for Environment Programme
- UNDP – United Nations for Development Programme
- WEF – World Economic Forum
- OHCHR - Office Of The United Nations High Commissioner For Human Rights
- IRF – International Road Federation
- Global Fund

G. Economic, Social & Environmental Development of Africa

The rebuilding of Africa should take into account the challenges faced by 10 key areas/sectors and undertake some profound transformation that will make ethical and sustainable development happen. Hereunder are the sectorial approaches to be considered in the context of such a plan:

- Education – make it mandatory for all and include ethical behaviour from primary to tertiary studies, including professional institutions
- Housing – Build sustainable houses for the communities with access to clean water and renewable energy for electricity

- Health – Build hospitals and health centres that provide an ethical public health service to all
- Transport – Build road and sustainable public transport means that allow children to go to school and people to go to work
- Economic – Develop the market ethically and sustainably & build capacity of entrepreneurs through associations of professionals for job creation and to encourage innovation
- Administration – Reinforce the administration with e-Services for procurement and customs
- Judiciary – Build the capacity of the judiciary to act ethically and efficiently
- Security – Build the capacity of the police to act ethically and to respect the law
- Banking – Provide an encouraging financing model for business and support micro-credits to empower women
- Agriculture – Rethink and adopt modernised and sustainable agricultural processes

The above areas and sectors could be country-led so that each country can bring in their successful experiences on programmes or projects. For all these sectors, the principle of ethics and sustainability must apply in particular for all procurement and private-public partnerships that such initiative will entail. Those programmes and projects should include innovation, technology and know-how transfer that would benefit both the local and the Western businesses. However, the Marshall-Plan should not make foreign investment a condition as experience shows that these have been more detrimental and are very questionable, in particular in industries like weapons, pharmaceuticals, mining, oil & gas, agriculture, etc.

H. Role and Responsibilities of the Council

The Marshall-Plan council should meet on a quarterly basis to ensure that the objectives of the Marshall-Plan are implemented in the respective countries and supported by the respective institutions, too. The members will have to report and follow on to progress in their respective institutions and areas.

I. Role of Globethics.net

Globethics.net (www.globethics.net) could contribute greatly to the successful implementation of the Marshall-Plan, given our presence in African through our regional offices and huge network of experts on the ground. With this as a background, Globethics.net is willing to act as a key partner or player to the development of the Marshall-Plan as follows:

- Implementation of African Marshall-Plan councils
- Participate in selection process of stakeholders and meetings of the African Marshall-Plan council(s)
- Ensure the ethical and sustainable implementation of the Marshall-Plan
- Set up digital modules and local platforms of experts on the ground to monitor implementation at the national level
- Organise training and campaigns for government, business & academic leaders on the need to build an ethical and sustainable Africa.

III.24 Solutions for the future of Africa

Author: Frauke Thiel¹³⁶

I consider the public interest, and therefore the private investors' focus on Africa within the framework of the Marshall Plan with Africa, to be the central approach to reducing the potential for global conflict and creating sustainable global development. Above all, I welcome the clear focus on the population issue, which I have been committed to myself for years. However, projects in this area should always be integrated into a cooperative overall context, for which I will outline a few starting points below (www.oneworld-citizens.org).

¹³⁶ Dr. Frauke Thiel is a doctor and medical computer scientist. As Deputy Chairwoman of the Rotarian Action Group for Population & Development German Section, she has organised several development aid projects in Africa and Asia in the Rotary priority area of health for mother and child. The focal points of the project reports are in the fields of education, voluntary family planning and quality management in hospitals. She has worked in an academic capacity at a variety of universities and institutes, both in Germany and abroad, including at the German Institute of Medical Documentation and Information (Cologne, WHO Collaborating Centre), as well as in a medical capacity at a variety of hospitals.

Knowledge as a resource

Knowledge is the resource which increases when you share it. Learning from each other is therefore the central approach to a constructive partnership (www.alueducation.com). Among other things, by sharing knowledge with one another, Europe can learn how to use natural resources sparingly, and Africa can learn to avoid the mistakes that Europe has made in the course of its development, as well as to skip unnecessary intermediate steps.

Energy and water

The direct use of regenerative energy sources, both decentrally and centrally generated, is of central importance, for sale and, for example, the operation of irrigation through groundwater and seawater desalination. In addition, training is needed to enable small businesses and communities to ensure their own supply of drinking water. For this purpose, Henk Holtslag (www.henkholtslag.nl) has developed simple techniques, such as the "ropepump", which anyone can produce from easily accessible material after receiving brief training on-site (www.ropepumps.org). These are supplemented by the refilling of groundwater by seasonal rainwater (<http://www.connectinternational.nl/english/smartmodules/smart-tec/water-storage/waterrecharge/>).

Health

Education is also central to the human right to good health. For example, the deaths of many pregnant women can be prevented by care early on in the pregnancy, early hospital appointments and prevention of unwanted pregnancies (www.rfpd.de). It is particularly effective to train young facilitators (www.dsw.org). The still often-practiced agonizing female circumcision is unbearable from a human rights perspective, leads to massive health impairments and is often a major obstacle to giving birth due to scarring. It often results in obstructed or prolonged labour, with the death of overstressed tissue. As a result, in the women and girls who survive, this often results in fistulas between

the bladder, vagina, and intestines, with incontinence and disastrous hygienic conditions. These women and girls are then usually rejected by their family and socially completely marginalized. The only help for them is then an operational recovery of continence, combined with vocational training for social reintegration. Vocational training for women and their independence further promote gender equality and the end of these agonizing practices. In this particularly sensitive area, it is also essential to work with local initiatives and regional leaders (www.intact-ev.de). Religious leaders are included in particularly effective approaches to this topic, for example, with the presentation of the Golden Book by Ruediger Nehberg's organisation Target (www.target-human-rights.de).

Social security systems

Education and equal rights can also serve as central starting points for creating social security systems. This is how the Ethiopian Zumra formed a model social security system in Awra Amba (www.visitawraamba.com). Education, gender equality, democracy and secularisation form a central point from which solidarity can grow, with the establishment of schools, hospitals, nursing homes and so on. The formation of women's groups also helps to mitigate risks and create solidarity. An example in this area is the Grameen Bank, which was founded by Muhammad Yunus. In this way, the social security gap can be temporarily bridged until urgently needed state welfare systems are established. Population growth will only become manageable if pensions and care for the elderly is ensured without the necessity for (numerous) biological children.

III.25 The Marshall plan must be specified in concrete terms - The view of the African Association of German Business e.V.

Author: Christoph Kannengiesser 137 (African Association of German Business e.V.138)

¹³⁷ Christoph Kannengiesser studied law in Bonn and Munich and was a research assistant at the Department of Public Law at the University of Bonn. He was admitted to the bar in 1995 and holds responsible positions in associations and foundations, including the German Chamber of Industry and Commerce (DIHK), the Confederation of German Employers' Associations (BDA), the Konrad Adenauer Foundation (Deputy General Secretary) and the Trademark Association (General Manager). Since 2012 he has been Managing Director of the German-African Business Association. Kannengiesser has also performed important public functions during his association career. For example, he was Chairman of the Administrative Council of the German Federal Em-

With the "Marshall Plan with Africa", the Federal Government has recognised the special importance of entrepreneurial engagement for the development of Africa. However, the instruments announced in the new Future Treaty with Africa need to be specified and implemented, so that companies actually invest and sustainable growth is achieved. In addition to lacking in concrete measures, the cornerstones of the new partnership particularly require urgently needed new concepts. A couple of observations regarding this:

1. Instruments for economic promotion of the Federal Ministry for Economic Affairs and Energy should be better integrated with development policy. However, it is necessary first and foremost to create new instruments which meet the conditions and challenges in Africa.
2. The same applies to the planned tax incentives for investments in Africa. Improved tax conditions are a help, but on their own, they will not trigger additional investment.
3. It is also unclear how the new investment products mentioned in the paper, such as funds and bonds for retail investors, will be developed, and who will develop them, or how government development funds (ODA) will be used specifically to mobilize private capital to create more employment.
4. The further development of risk transfer instruments in the form of loans or instruments to guarantee loans, as well as new guarantee instruments financed by development funds, are positive examples of new ways for-

ployment Agency and a member of the "Independent Commission on Immigration" (Süßmuth Commission) and the "Council of Experts on Immigration and Integration".

¹³⁸ The German-African Business Association (AV) is a nationwide, cross-industry foreign trade association of German companies and institutions with an interest in economic cooperation with the countries of the African continent. As an outstandingly networked link, it promotes the exchange between German and African representatives from business and politics. In this, it is committed to building a new image for Africa in Germany: Africa as a continent of opportunities. The Association provides information about countries and markets in Africa, establishes contacts and represents the interests of its members at home and abroad. The currently approx. 600 members are provided with a comprehensive range of services that they can call on at any time. The German-African Business Association feels the pulse of the markets through its tight network of contacts in Africa. The members hear about new developments and business opportunities in a timely and targeted manner (<http://www.afrikaverrein.de>).

ward. We do not yet know how these can be tailored to corporate needs so that the middle class will actually use them.

5. Also, the proposal to support African financial markets and financial services providers through, for example, local currency loans and the assumption of currency risk and guarantees, tackles an urgent problem. Which actors should, and can, do this remains unanswered.

The plan for a new partnership certainly contains many good approaches. Now it is important to bring them to life as quickly as possible. The opportunity to develop a new Africa policy should be used in any case. The cornerstones of a Marshall Plan with Africa are a good starting point for this, but they still clearly persist in general announcements.

The Federal Government's approach in G20 and a "Compact for Africa" to focus Africa's development on the agenda and to look for alternatives to traditional development aid is also clearly a step in the right direction. After all, German policy has also recognised that only the creation of jobs can offer prospects to local people and therefore reduce migration. The focus must be on an accelerated economic catch-up process in Africa. This can be achieved if future cooperation with African countries focuses on the following aspects: promotion of direct investment, more regional integration to create relevant regional markets, strengthening infrastructure and the local private sector, training skilled workers and supporting economic diversification in African countries.

Support for the private sector must finally be given an outstanding status - both nationally and internationally. Our companies require reasonable risk hedging and fair competition conditions. For example, Hermes guarantees must be better prepared for Africa. The high risk phase of project development requires partial state coverage. Long term projects can only be privately funded if financially efficient actors are at risk.

The current OECD consensus and the logic of the public development cooperation (ODA) are sometimes counterproductive. As a result, our companies often have no chance of competing with China and actors from other BRIC countries. It

should not surprise us that German companies often feel discouraged. The G20 summit agenda therefore urgently needs to align the rules of the game in trade with OECD countries and the BRIC countries (Brazil, Russia, India, China). And: It should be coordinated much more intensively on an international level. Then more will happen too.

III.26 European Marshall Plan for the Development and Prosperity of Africa

Author: Kolawole Ajao Owoka¹³⁹

The Europe Marshall-Plan for the development and prosperity of Africa is a much appreciated initiative coming at the right time. It is as if Africa had said “What next?” and Europe had replied with an economic rescue program that will move African countries into a league of developed nations through a new partnership for peace, development and a better future in a win-win situation.

New Orientation

What Africa needs to make the giant leap is not by giving her “fish” but by teaching her how to fish plus securing at least the rights to fish before the African coast and not to sell these rights to others. Also making sure, Africa gets all the equipment and knowledge needed for sustainability is essential.

Migration Flow

While Europe will be happy to curb the migration flow northward across the Mediterranean, African countries are equally eager to increase trade and attract

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foreign investors. The prosperity of Africa will definitely create opportunities for the growing number of youths within the African states and create a win-win situation for both Europe and Africa.

Economic Activities, Trade and Development

This will enrich economic development and drastically reduce unemployment. It is now time for big businesses in Europe to build factories in Africa. Nigeria, in particular, has less than 5,000 megawatts of electricity for a population of 180 million people. The Government will welcome with open arms private investors who can bring in solar energy to supply electricity. After all, we are a tropical country with a lot of sunshine all year round.

In addition, some private sectors in Africa should be helped to be able to penetrate European markets. Solar energy for all our schools and hospitals will be developed, as well as other infrastructures. This will help to reduce maternal and child mortality and morbidity. It will also improve education and enlightenment of the society, which will translate into an improved contraceptive prevalence rate.

Apprenticeship

German companies are known for placing youths to learn directly on the job. I am aware that the Federal Ministry for Economic Cooperation and Development in Germany is already in talks with Lagos state Chamber of Commerce and Abuja Chamber of Commerce in Nigeria. Apprenticeships increase the number of skilled workers and such workers will be needed as the economy expands. Luckily, Africa has a large population of youths, and apprenticeships will help to sharpen their skills. Other European countries can follow the example of Germany.

Dual Vocational Training

This type of educational system is a good way to prepare many youths as skilled health workers that can be trained as skilled birth attendants or family planning providers. Eventually, Nigeria will have the chance to effectively exploit the opportunities of the demographic dividend from a concentrated youth population.

Nigerian Rotarians and German Rotarians

Cooperation between Rotarians in Nigeria and Germany has been established since 1985. We have cooperated in family planning, HIV aids education; maternal and child health; vesicovaginal fistula project; obstetrics quality assurance and now in maternal and perinatal death surveillance and response. With the Marshall-Plan, there will be greater opportunities for further projects, that can all be scaled up to many other countries in Africa, hence helping to develop the health system in many African countries.

Developing New Crops of Entrepreneurs

The Marshall-Plan will help a new group of young urban and educated entrepreneurs to develop their business ideas in Africa and this will positively influence African ownership, such that Africa will no longer be dependent too much on aid. This new crop of people also needs to be introduced early in life to family planning so that as they start raising family it will be part and parcel of them to raise small families.

Building up Destroyed Areas

The North Eastern parts of Nigeria have been taken over by Boko Haram terrorist some years back before the Federal Government waged war to take them back. These areas need massive infrastructural development. The Marshall-Plan can help to build up those areas that have been ruined by terrorists. Regeneration can be brought about in these areas with massive resources from Europe which can be in form of machinery, technical advisers, goods, loans and food.

Girl Child Education

The Marshall-Plan will also help to focus on educational development of the girl-child. Once this is achieved, it will be easy to give IEC (information, education and communication) materials to them. This will help in curbing population growth, family planning promotion, and reduction in maternal and fetal mortality and morbidity. A girl-child properly educated will, in general, not marry early in life and when married will not have a large number of children. She will also space the number of years between her deliveries. It has been proven that maternal mortality increases when the interval between deliveries is only one year.

Opportunities for the Youths

The Marshall-Plan can bring several opportunities for the youths. They will be better and be able to improve their skills and see a good future for themselves in their countries. This will hopefully give them a fresh start in different professions. The sky will be their limit in their country.

Value Creation for Export

The Marshall-Plan will provide knowledge for Africa to say more often “NO” to direct export of raw materials and instead create a local value chain for most of its products and enhance their value for export. This will enrich them better than exporting raw produce.

Europe needs to encourage mechanized farming so that Africa can do away with hoe and cutlass. The large population that give rise to youth bulge can bring economic prosperity if their energy is channeled to mechanized farming.

Right Political Environment

Sustainable economic development relies on the rule of law and good corporate governance. This will, hopefully, be provided in the right political environment with peace and prosperity that could come in the wake of the Marshall-Plan. With prosperity, political stability and peace will come to Africa.

Reform Partnership

The Marshall-Plan will come with commitment to agriculture and rural development. In a developing country such as Nigeria, the majority of the population lives in rural areas. Germany will listen to the African Union for a well-packaged reform partnership and ownership so that the African Union can implement African solutions through NEPAD. Extension of agricultural work will help rural farmers.

Strong Institutions

Africa needs strong institutions for sustainability. The Marshall-Plan will encourage African countries to build strong and lasting institutions that can compete in equitable global trade. Africa needs to stop illicit financial inflows and outflows, stop illegal arms transfers and develop an enhanced role in the world trade organization (WTO).

Internally Generated Revenues

The Marshall-Plan will encourage Africa not to rely too much on ODA (Official Development Assistance) but to mobilize more domestic revenues from taxes of their residents and companies and so to increase internally generated revenue for development.

In Conclusion

Europe intends to give a commitment via the Marshall-Plan such that Europe will play its part and leaves nobody behind. Basic needs such as food, security, water, energy, infrastructure, health, digitalization and access to education will all be on the front burner for consideration.

Africa is the world's last untapped market, lying at the doorstep of Europe. Proposals such as the Marshall-Plan mean for Europe to be in the forefront of triggering Africa to reach the zenith of its potentials in all ramifications.

III.27 Contributions of non-governmental organisations to the Marshall Plan with Africa

Author: Robert Zinser ¹⁴⁰

The Marshall Plan with Africa states, among other things, "our goal is for Africa to be an international frontrunner in terms of quality of life, and for human capital to be fully developed as its key resource", in line with the African Union Agenda 2063, which is both a vision and an action plan. Among other things, Africa should ensure "early and comprehensive sexuality education for its citizens" and the BMZ [Federal Ministry for Economic Cooperation and Development] wants to

¹⁴⁰ Prof. Dr. Robert Zinser studied economics and wrote a dissertation on "The GATT and Most Favoured Nation status". He is honorary professor for "International Management" at the University of Giessen, and has worked at BASF, most recently spending 15 years as head of the Asia division. As the founder and long-time director of the German-Korean Business Association (DKW), he received the Order of Diplomatic Service Merit from the Republic of Korea. In 2016 he received the German Federal Cross of Merit for his 35 years in development aid. In Rotary International (RI) he served as district governor, co-founded the Rotarian Action Group for Population & Development (RFPD) in 1995 and founded the first country section in Germany. He has received the "RI Service Above Self Award", has been a member of several RI committees and led the RI-UNFPA conference "World Population Growth and Development" in Zurich in 2000. Since 2010 he has been Managing Director of RFPD.

expand initiatives for training health professionals and for family planning and maternal health.

Non-governmental organisations (NGOs) can, and should, also be involved. The **NGO Rotarian Action Group for Population & Development (RFPD)** has initiated, supported and co-financed Rotary club projects to support "Maternal and Child Health" (MCH) including family planning for 20 years. RFPD originated shortly after the World Population Conference in Cairo in Autumn 1995, when the international community decided that all people should have access to voluntary family planning. MCH has been one of the six priorities of Rotary International since 2013, to which RFPD has contributed with relevant projects. Since its founding, the Action Group RFPD, initially a service-oriented fellowship, has been working to help Rotary International and the Rotary Foundation promote family planning projects, including the provision of contraceptives. The membership of RFPD, the first and largest Rotary action group, rose quickly to an impressive number of approximately 20,000 members.

The Federal Ministry for Economic Cooperation and Development (BMZ) asked for comments on the Marshall Plan with Africa. The Rotarian Action Group for Population & Development (RFPD) pointed out in its commentary that the projects focusing on family planning in Africa have seen an increasing acceptance of family planning within the population in the past years. In the priority country Nigeria, the Ministry of health (FMoH) has given a mandate for 8 current state projects, which will, among other things, broaden and improve access to family-planning services. Africa's annual strong population growth is leading to the population becoming ever younger, with the result that youth unemployment continues to increase. This "youth bulge" (an excess number of young people) has been destabilising African countries for many years, leading many unemployed and dissatisfied youth to give in to migratory pressures, as they have no other prospects. In order to make effective use of the opportunities presented by this demographic development, we recommend that the Marshall Plan specifically promote and support family planning. The aim is to initiate a "demographic dividend" by improving access to family planning services, especially to the more than 225 million women who would be happy to take contraceptives. By a **targeted promotion of family planning and embedding this in the Marshall**

Plan with Africa, a significant step would be taken to remove the **taboo surrounding family planning**. Then in Africa, the demographic challenge would create an opportunity for more educated young workers, who are the potential of the "demographic dividend". States with a large population who are actively employed benefit from an increase in national income due to stronger capital formation and lower costs for economically dependent age groups. Economists showed that the demographic dividend between 1965 and 1990 resulted in up to 40 percent of economic growth in the Asian tiger economies.

Many **African states are in the early stages of the "demographic dividend"** with relatively few seniors to be cared for, and a high potential of young workers. An economic growth spurt will be enabled in the phase of demographic transition, which presupposes that the growing number of people of working age will also be able to find productive employment. The state must create the appropriate conditions for this, including an efficient education system and a functioning basic infrastructure. The prerequisites for the initiation of the dividend are changes to the reproduction behaviour of the population and existing family planning services which are available nationwide. In order to give both women and men the same educational opportunities on the labour market, in addition to improving the educational infrastructure, it is also important to aim for an improvement in healthcare with family planning services. In the Western world, family planning services have been offered everywhere for more than half a century and have been used by the vast majority of people. On the other hand, in the development aid provided by the West, family planning projects among citizens and their organisations are still often a taboo area, although requests from Africa for such assistance have been increasing for years. In Nigeria, our family planning projects, which are coordinated with government agencies and traditional religious leaders, have found encouragement and acceptance in all project regions across the country. Prof. Obiora Ike, from Nigeria, who has been CEO of the Globethics.net Foundation in Geneva since 2016, supports our projects, always pointing to the "responsible parenting" which is preached by the Catholic Church. He adds that people should not only be taught the natural method as a means of contraception, but they should also be informed about other methods that exist for self-determined family planning. Of course, there are some reservations about family planning in Nigeria, especially in the Muslim northern re-

gion. The Emir of Kano, Mohammed Sanusi II, recently publicly pointed out that the citizens there would have **to break away from such taboos**. He literally said, "what is the purpose of a large population that is not educated, that is jobless, that is unemployed?" African governments are increasingly publicly advocating family planning.

Although one out of four women in developing countries would like to use contraceptives, they often lack access to such contraceptives. The result of this is more than 74 million unwanted pregnancies and 70,000 maternal and 500,000 perinatal deaths worldwide each year. In many sub-Saharan countries, women have more than 4 children on average, which is why many cannot receive higher education. In order to give women, especially young girls, better life prospects, RFPD has been improving and supporting access to family planning services for 20 years. To this end, Nigeria's RFPD works at various levels in collaboration with the Federal Ministry of Health (FMoH), state health ministries and 65 hospitals. At the local level, women and their families are educated in community dialogues, and are invited to receive advice on family planning issues from professionally trained nurses in the hospital. The nurses are being trained to become "family planning providers" by RFPD and an expert from the Ministry of Health, meaning they can also be advised on the choice of contraceptive methods. The benefits of family planning include fewer unwanted pregnancies, improving maternal and child survival, and opportunities for women to receive an education which can help them find a decent job. This can make a decisive contribution to the "**demographic dividend**", whose foundation is family planning.

The family planning project of RFPD in Nigeria, which is the **largest family planning project to date supported by the Rotary Foundation**, has been led by our Project Chief Midwife for many years. She is supported by Prof. Oladapo Shittu, an expert in maternal and child health, who is the official head consultant for the Nigerian healthcare system. Together with Prof. Shittu, with whom we have been working together for more than 20 years, RFPD is increasing family planning within Nigeria's health system. In addition, RFPD is accelerating and supporting the implementation of the national WHO / MPDSR (Maternal and Perinatal Death Surveillance and Response) guidelines by 2018 with the introduction of decentralized data collection and evaluation of core parameters to

reduce the mortality of mothers and children by means of mobile devices. With the web application, specific measures can be taken in the context of the MPDSR reporting, analysis and cause information to avoid maternal and child deaths. The Nigerian Federal Ministry of Health intends to extend this procedure to all of Nigeria in a timely and comprehensive manner. In developed countries, the model of obstetric quality assurance has spread to other disciplines. Therefore, it can be expected that this will strengthen the Nigerian health system as a whole.

NGOs can also contribute to dual education. RFPD has been supporting a vocational school in Nigeria, starting with a pilot project in **entrepreneur training, that young people in Africa urgently need**. For this purpose, the **Student Training for Entrepreneurial Promotion (STEP) has proven in several African countries** that the entrepreneurial skills of young people have been strengthened. This training meets the challenge of high youth unemployment in these countries. It provides entrepreneurial skills which allow young people to start a career as entrepreneurs. Entrepreneurship is seen as a central starting point for the fight against poverty and youth unemployment. The training supports young people in starting their own businesses and creating their own jobs as well as jobs for others. The participants start up a real business in teams of four to seven people during the training. In order to bring their entrepreneurial ideas to realisation, the teams receive start-up financing of, for example, \$ 100, which is repaid at the end of the training. All the exercises participants work on during training are geared towards running their real business. In this way, the participants use the strategies discussed in class directly in their own company. It directly combines theoretical knowledge with entrepreneurial practice, therefore enabling intensive "learning-by-doing". STEP was developed together with local partners at East African universities, and is therefore tailored to local needs. The training modules are run exclusively by local lecturers in order to take the cultural context into account and to enable a regular continuation of the training independently of the German partners. The local lecturers are trained in "train-the-trainer" workshops in an action-oriented training methodology. (Michael M. Gielnik, www.leuphana.de).

Demographic change has had a significant impact on sustainable development in the world, especially in Africa. The **African Union** was quick to name **the theme**

for 2017 "Harnessing the Demographic Dividend Through Investments in the Youth". Consequently, the "demographic dividend" was placed on the agenda of the scheduled meeting between the African Union and the EU in November 2017. The Marshall Plan with Africa should not just casually mention the demographic dividend, as it is at the heart of the Marshall Plan and deserves its own separate chapter. The great opportunity of successively achieving a demographic dividend with the Marshall Plan with Africa needs to be fully exploited, and all stakeholders should be involved, including governments, business and the civil sector, and non-governmental organisations as well.

III.28 Agriculture and other care topics of a Marshall Plan with Africa

Author: Emmanuel Adedolapo Lufadeju¹⁴¹

As a Professor of Agriculture, with emphasis on Crop-Livestock Integration, I emphasize this topic strongly. Food and agriculture are crucial for Africa's future. Due to the high population growth rates in sub-Saharan Africa a certain skepticism continues to reign with respect to the idea that Africa could feed itself. Malnourished children are omnipresent in Nigeria and poverty cannot be solely responsible for hunger. The Nigerian agricultural sector has been suffering for many years. Agricultural products are produced for subsistence and if cash crops are grown these are being exported without being profitable for the farmer or the African countries. For many years, the calls have not stopped requesting a better and more equitable market access for African exports and an end to illicit financial flows from Africa and tax evasion by multinational companies. What needs to be followed are investments to improve the productivity of the African agricultural sector and to establish and develop agricultural value chains.

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One of the issues raised in connection with the Marshall-Plan is Fair Trade which is supposed to “contribute to sustainable development by offering better trading conditions to, and securing the rights of, disadvantaged producers and workers – especially in the South”. Presently Germany is the key market in Fair Trade products made in African countries and has therefore the biggest impact on the Fair Trade export market. Producers of products such as bananas, coffee and roses benefit from a growing European consumption market. Still, the access to the European markets remains restricted and difficult due to the highly subsidized European agricultural sector. Therefore, it is vital to ensure that Fair Trade in Africa continues to improve the lives of the poor by providing higher prices, greater access to credit, and promoting environmentally friendly practices. However, Fair Trade presently represents only a niche market and should complement the conventional trade of agriculture products. One way this can happen is to ensure preferential market access to the EU for more African countries.

Throughout the Marshall-Plan document, employment and job-creation is been valued as a major challenge to African countries. When comparing employment shares in the three economic sectors it becomes apparent that the agricultural sector is the main source of youth employment. The demand for rural jobs can be regarded as higher than in urban areas. To meet its role as a rural job motor and to benefit from it, the priority should be laid on increasing the productivity in agriculture. Not only by removing the barriers for the commercialization of agricultural products combined with an equitable market access, but also via land reform and deregulation.

In addition to increasing the agricultural productivity, exploiting the role of farming could offer opportunities while the local and regional demand for food is high. Improving the quality of education by offering training programs on agriculture and including sustainable systems will help to quickly generate jobs and increase food security. On the long run, this will foster agricultural productivity and enable farmers to produce products not only for the local but for the export market. By establishing a Dual Education system, combining apprenticeships in a company and vocational education at a vocational school, students also living in rural areas will have the opportunity to gain higher education. The outcome would be that

the number of unskilled agricultural workers would drop and at the same time the agricultural productivity would grow.

The aim to establish a well-functioning system of agricultural financing is in the long term a good idea, but the Marshall-Plan should also consider more urgent measures. As an agriculturalist, I had planned to buy a larger number of tractors and agricultural machines in Nigeria. Most of the resellers only have a limited selection of tractors and prices far above market level. With the help of my German contacts I approached KfW and tractor manufacturers in Germany to seek support to import tractors directly. Regrettably KfW informed me that they cannot financially support and secure the much-needed investment in tractors. This shows impressively once more why African countries still lack behind not only in the availability of mechanized farming methods, but it is close to impossible to secure the import of new or used tractors.

III.29 The Marshall-Plan with Africa and its implementation – Considerations from African Youth

Author: Faustine P Nyanda¹⁴² / Guy Ngayo¹⁴³

Executive Summary

¹⁴² Faustine P Nyanda: Since 2015 Founder and President of the International Campaign for Africa (ICA) (www.ic-africa.org) in Zurich, Switzerland. F. Nyanda is a Tanzanian respected leader of creative teams, familiar with multimedia divisions and communications departments. He conceptualizes and orchestrates socio-economical campaigns that effectively reinforce and build a stable society. He has a wide range of knowledge in international relations, multiculturalism, national and international socio-economic challenges. He also has a proven ability to mobilize communities, high ranking leaders and policy-makers on issues that matter and execute successful project launches.¹⁴³ Prof. Guy Ngayo Fotso: International Campaign for Africa (ICA-) Senior Advisor and Board Member. Since 2011 Founder and Managing Director of Vertica Coaching, Zurich, Switzerland. He has experience in management consulting, is Lecturer in Marketing, Strategic Management and International development and Leadership and offers Leadership development coaching. From 2007-2010 he was employed as Global Product Manager at HILTI AG, Schaan, Liechtenstein. From 2005-2006 he worked as Trade Strategy and Marketing Director at HILTI, Paris, France.

¹⁴³ Prof. Guy Ngayo Fotso: International Campaign for Africa (ICA-) Senior Advisor and Board Member. Since 2011 Founder and Managing Director of Vertica Coaching, Zurich, Switzerland. He has experience in management consulting, is Lecturer in Marketing, Strategic Management and International development and Leadership and offers Leadership development coaching. From 2007-2010 he was employed as Global Product Manager at HILTI AG, Schaan, Liechtenstein. From 2005-2006 he worked as Trade Strategy and Marketing Director at HILTI, Paris, France.

- This is a conference report about the understanding of the Marshall-Plan with Africa and its implementation process, through the lens of the African people: The African Group of Ambassadors, the African Diaspora, professionals and academics in Switzerland. This may not be a general idea from all African people, but the facts in which it is based, and the dilemmas it faces, are real.
- The report shows the complexities around integration of African countries in the implementation process of the Marshall-Plan with Africa, setting out possible solutions that combine measures to achieve the four bottom lines of addressing the growing African population and its future economic development, social inclusion, environmental sustainability and to develop new EU-African co-operation.
- It is a report designed to help the Marshall-Plan with Africa initiative, governments, academics and development professionals to actualise individual steps taken towards the implementation of the Marshall-Plan with Africa.

Introduction to the Marshall-Plan with Africa

The Marshall-Plan with Africa (MPA) is an initiative by the German Senate of the Economy and the Club of Rome, co-ordinated with the German Federal Ministry for Cooperation and Development; aiming at addressing, in depth, the issue of the growing African population and its future sustainable economy. It aims at developing a new EU-African co-operation by investing into the economic development and social systems, with particular emphasis on African countries that already invest and focus on the fields of education, training and job creation for their youth on a larger scale.

The social exclusion of young people is certainly one of the most important challenges facing many African countries today. Young people are confronted with multiple forms of exclusion, from the labour market, within educational structures, and also in terms of social rights and personal development processes. The MPA believes that the current African migration crisis intensifies the problems considerably – although it is important for positive economic growth in many of the African countries.

The MPA initiative provides an opportunity for European and African people to effectively participate in intensive dialogues for a better and sustainable implementation of the MPA. The implementation should lead to investments for better life prospects of living in Africa by providing African youth with incentives to shape their future within their own territories.

The MPA is calling on the German government, the World Bank, the EU, the African Development Bank, the African Union and its regional economic communities in the context of governance in the field of fund management, to make the strengthening of the MPA a key priority in its joint work programme.

The overriding aim of the partnership's activities is to secure equal and fair opportunities for all European and African people, through an exchange of knowledge and good practice and by supporting the development of a sense of solidarity.

The Marshall-Plan with Africa inspired by the former Marshall-Plan for Europe

Although the Marshall-Plan for Europe after the World War has inspired the creation of the Marshall-Plan with Africa, the two plans are quite different in context.

The Marshall-Plan for Europe implemented after World War 2 had as objective to rebuild Europe. The objective was to provide funding to initiate the reconstruction. The necessary bases were already there and actually kept developing during war. The bases incorporates such elements as: competence, skills, and knowledge.

In the case of Africa, there is a need to first develop the bases: competence, skills, and knowledge while assisting the continent in embracing economic and social growth.

Reasons why the Marshall-Plan with Africa is needed

- The current International Aids to Africa amounts hardly more than 0.1% of the GDP of the OECD states, which is really low and more so in comparison to a 2% of U.S. GDP that Europe received during the Marshall-Plan after World War 2. There is a need to increase considerably the part of GDP dedicated to International Aid.
- The African population is growing very fast at a rate of 2.5% per year and at this speed, by 2050 the entire population in the continent will be over 2.4 billion. There is an urgent need to provide the necessary conditions to manage this population growth in terms of: poverty, hunger, peace, justice, and employment to list a few.
- The overwhelming ongoing migration crisis is forcing policymakers to pay significant attention to managing the inflow of a high number of migrants. One possible action to reduce the migration crisis could be to provide valuable opportunities within the migrant's home country.
- The difficult economic situation in the Euro-zone with a growth rate of less than 2% for 2016, a systematic decrease of the middle class and an increasingly aging population are significant arguments for change in terms of investigation into growth opportunities outside of the Euro-zone.

Barriers for the implementation of the Marshall-Plan with Africa

- **Failing to involve African stakeholders** (policy-makers, business men, academics, etc.) from the start will be a major barrier to the success of the Marshall-Plan with Africa. A key recommendation would be to start talking more about a **Marshall-Plan with and for Africa** to stress a co-creation and co-implementation part of the Plan.
- **Poor governance and lack of political will** from the African countries tackling arbitrary policy making, unaccountable bureaucracies, unenforced or unjust legal systems, the abuse of executive power, a civil society un-engaged in public life, and widespread corruption with good governance is one of the most important challenges that African countries currently face. Without reforms that dismantle the above mentioned factors, the MPA will be unable to be implemented.

- **Failure to reach a common taxation agreement among countries.**
One of the most important international campaigns of the Marshall-Plan with Africa is country to country reporting of taxing of international companies. But it's not easy to have a consensus on this issue. Some states in the developed world do not support this idea, particularly the tax havens. This also can happen with African countries which do not like country to country reporting. But of course, the MPA will help to be concentrated on states that are willing to improve governance, to improve transparency and to go for country to country reporting.
- **Failure to understand, to respect and to consider the differences within socio-political systems** in some of the African countries. Some of the African countries do have a very unique and complicated socio-political systems under kinships and clans.
- **Poor strategic and methodological approaches to the African people** on the implementation of the Marshall-Plan with Africa. There is a need to use African people/NGOs for connection with African governments and their people.

Ways through which the MPA can be implemented

1. Four levels of stakeholders
 - Germany/EU: Overall in charge
 - African Union: Co-ordinator of the 54 countries / the interested countries
 - African Regional Economies and African States: Implementers - Grass-roots leaders: Facilitators
2. One country one approach
Every African country has its own specificities: social, economical, technological, legal, political. Therefore, difficulties faced in one country will be different in another. The implementation approach should be, for that reason, tailored country per country and be context specific.

3. Select the optimal country to start or to proceed with the Marshall-Plan. To do so, it is necessary to identify key criteria to look at. Possible criteria could be: Maturity of governance, good reputation and capability of the selected institutions, state of infrastructure, aligned vision, to list a few.
4. Focus on the optimal area of change. Infrastructure should be the overarching focus area as it clearly affects all of the other areas. From ICA perspective here is a short list of areas of focus in terms of priority:
 - Agriculture (land, technology, practice)
 - Education (all ages, trade specific tailored to countries' needs)
 - Mineral resources
 - Energy (renewable, clean, solar)
 - Tourism
 - Healthcare
5. Clear accountability and transparency through **project progress reports** and clear **traceability of money** invested.

Next steps

The International Campaign for Africa considers the Marshall-Plan with Africa as a great initiative for Africa today and for the future. It falls under the ICA's main goal which is to: "empower African youth with correct and complete information that will encourage them to stay in Africa and economically contribute to their home countries, assist in problem solving, decision making and improving opportunities and standard of living."

The ICA team, in Arusha (Tanzania) had a meeting with the Secretariat of the East African Community, departments of Productive and Social Sectors, Planning and Infrastructure and Political Matters (International Relations and Co-operation).

For the meeting with the Secretariat of the EAC, our objectives have been to:

- Raise awareness of issues regarding the Marshall-Plan with and for Africa (MPA) today and potential challenges in the future
- Develop a common awareness of issues, challenges, opportunities and ways forward in terms of a Marshall-Plan with and for Africa (MPA)
- Identify shared solutions and implementation plans

The 2 main topics of the meeting were:

- Understanding the Marshall-Plan with and for Africa (MPA)
- Investing in East Africa

Favoured issues:

A key outcome of our meeting is the development and refinement of new ideas of advocacy and participation in the Marshall-Plan with Africa towards partnerships and sustainable solutions. We hope to foster a growing commitment towards solidarity, as well as an appreciation for diversity, interdisciplinary learning and inter-professionalism towards an improved standard of living for all.

- A shared perspective on the Marshall-Plan with and for Africa
- A shared perspective on solutions to implement
- A shared possible implementation roadmap
- A shared agenda and themes for investing in East Africa

Acknowledgements

The ICA Team wishes to thank all those who took the time to attend our conference scheduled on March 24th, 2017, at Hirschengraben 66, 8001 in Zurich, Switzerland, from 13:00 pm to 19:00 pm and provide feedback and inputs on **the Marshall-Plan with Africa** agenda. In particular, we want to thank our key speaker on the topic mentioned above Prof. Dr. Dr. Dr. h.c. Franz J. Radermacher. Thanks also go to the African Group of Ambassadors to the Swiss Federal Government, to the Swiss Business School, to the African Diaspora in Switzerland, civil societies and individuals from different parts of the world for their thoughtful comments and inputs. Another thank goes to Miss Melissa Whaling for editing.

III.30 The fight against corruption should be a cross-sectoral issue in the implementation of the Marshall Plan with Africa

Author: Sieglinde Gauer-Lietz¹⁴⁴ (Transparency International Germany e.V.¹⁴⁵)

Transparency Germany welcomes the "Marshall Plan with Africa" presented by the Federal Ministry for Economic Cooperation and Development (BMZ), which is seeking new approaches to sustainable and cooperative cooperation with Africa, attaching great importance to the fight against corruption. This is in line with the fact that the fight against corruption has become more important politically, both internationally and nationally, through the 2030 Agenda and the German Sustainability Strategy, to which Transparency Germany has contributed.

In the first step, the Marshall Plan primarily refers to reform-oriented African states which are committed to the African Union (AU) Agenda 2063. Part of this political agenda should be good governance and the fight against corruption. When choosing partners, the seriousness with which they fight corruption must be an important criterion.

Three interdependent pillars are at the heart of the Marshall Plan, "Economy, Trade and Employment", "Peace and Security", and "Democracy and the Rule of Law". Economic growth and employment are important, but without security and peace, and without the rule of law and democracy, there will be no prosperity in terms of sustainable development.

Transparency Germany has repeatedly pointed towards the destabilising effect of corruption in the countries of the South, in particular the negative impact on economic growth and, above all, on direct foreign investment. Transparency

¹⁴⁴ Sieglinde Gauer-Lietz is a qualified teacher and has been advising on non-formal education in various development aid projects in Africa and Asia for many years. She has worked in the field of ethno-pedagogic learning models, with a special focus on museums in India, at the Institute for Educational Learning Fields and Occupational Field Research at the University of Münster. At the Brandenburg University of Technology in Cottbus at the Department of Intercultural Studies, she focused on European politics and international relations, as well as project management. She has been a member of Transparency International Germany since 2007, and has headed the Working Group for Governmental Development Cooperation since 2011.

¹⁴⁵ Transparency International Germany was founded in 1993. The non-profit and politically independent organisation is dedicated to the fight against corruption in Germany and is instrumental in raising public awareness of the negative consequences of corruption. Transparency Germany is the national section of the non-governmental organisation Transparency International, which was also founded in 1993. Transparency International, the "coalition against corruption", is now active in over 100 countries.

Germany welcomes the efforts of the BMZ to promote transparency and integrity in the economy, as sought, for example, by the Alliance for Integrity (AFIN), with whom Transparency Germany is already working closely. As a member of the textile alliance, Transparency Germany is also committed to ensuring sustainable supply chains and preventing corruption.

Peace and security are endangered by corrupt military and police in many countries, as well as by other factors. But this also applies to the basic themes mentioned in the Marshall Plan. In particular corruption prevents progress in the areas of health, education and social protection. In order to ensure a consistent approach, corruption must therefore be given due consideration as a cross-sectoral issue in all work areas. When planning and executing all activities, it is important to analyse the country context, as well as the risks and consequences of corruption, and to provide for prevention and containment measures.

In the 10 theses of the Marshall Plan, Transparency Germany welcomes the fact that Thesis 6 calls for political framework conditions for efficient administration free from corruption. Likewise, Transparency Germany welcomes the fact that, in its selection of partners, Thesis 7 not only pays attention to the implementation of good governance, but also to its efforts in the fight against corruption.

A large number of action proposals for Africa, Germany and the international region are listed for each of the three pillars under the topic "what needs to happen". As fighting corruption is explicitly assigned to the third pillar, the fight against corruption should also be given due consideration in the proposals for action as a cross-sectoral issue. In addition to calling for the implementation of the UN Convention against Corruption, and for paying administrative salaries to administrators, it would be important to build institutions such as anti-corruption agencies and strengthen financial and fiscal authorities.

Civil society plays a central role in the fight against corruption. Throughout Africa, for example, Transparency International's chapters collaborate with German development cooperators on anti-corruption approaches. Strengthening civil society in its monitoring function should be an essential element of the Marshall Plan. Transparency Germany is happy to provide its expertise for this purpose.

We fully agree with the International Secretariat of Transparency International that the third pillar international recommendations for action should include the call to halt illegal financial flows. It would be necessary, for example, to have an overview of the competent authorities and the methods used in identifying and combating illegal financial flows, references to the recommendations of the Financial Action Task Force (FATF), and the requirement for transparency with regard to beneficial owners.

It should also be pointed out that the flexibility of development cooperation instruments proposed for Germany, as well as the shortening of planning and implementation phases, may harbour corruption risks.

Transparency Germany welcomes the fact that this future plan should also be an impetus for public discussion, and that the intention is to include the results in the G20 process. Africa has been declared by the government as the focus of the G20 presidency, and 2017 in Germany has become Africa's Year. Transparency International calls for the fight against corruption to be stepped up and given an appropriate role in this concept.

The offices of Transparency Germany and Transparency International have coordinated their comments.

IV. Guiding Principles of a Marshall Plan with Africa

(1) Something needs to happen

The Club of Rome and the Senate of Economy recommend that EU leaders, as well as EU Member States, share the concerns of many in Europe about the current political situation, which is characterised by an internal European crisis and an ever-growing refugee problem, with a resolute initiative that has the potential to change the situation significantly: a Marshall Plan with Africa, with a focus on North Africa and parts of the Middle East.¹⁴⁶ At the same time, the following urgent challenges should be addressed:

- ✓ Solidarity with Europe and securing its future
- ✓ Successful implementation of the 2030 Agenda, especially in Africa - where the problems are greatest
- ✓ Solving the population issue in Africa and displaying a path to prosperity for the continent
- ✓ Solving the refugee issue worldwide, particularly in Europe
- ✓ Prove that a green and inclusive economy can "deliver" in the sense that it enables implementation of the 2030 Agenda
- ✓ Preventing forced management and a resource planned economy
- ✓ Simultaneous achievement of sustainability, avoiding climate change, social balance and greater material wellbeing for everyone
- ✓ Creating more social balance instead of radicalization, nationalism, demolition of democracy and internationalisation
- ✓ Providing value creating investment opportunities for capital
- ✓ Promotion of real economic innovations and investments
- ✓ Initiation of green and inclusive growth

¹⁴⁶ Note: A Marshall Plan combines the individual responsibility of the beneficiaries with clear criteria for controlling the efficiency of the funds used. This was also the case with the Marshall Plan after the Second World War.

A programme of orientation and hope

The Club of Rome and the Senate of Economy recommend a programme to the institutions of the European Union and the governments of the member states which addresses the enumerated challenges simultaneously and effectively, in a Marshall Plan with Africa with a special focus on North Africa and parts of the MENA region.

German Development Minister Dr. Gerd Müller recently made a statement in the context of a trip to Africa in August 2016.¹⁴⁷

(2) Europe as a pioneer

- ✓ Europe has been directly challenged. We have reached the highest level of supranational integration, but now we are in danger of losing it again.
- ✓ Of course, such a great task can only be accomplished in partnerships with partners in Africa, such as the African Union and G20 level partners. The involvement of the United Nations, such as the OECD, is also important.
- ✓ We have entered into multilateral treaties and regulation-based international structures in Europe. This approach is at risk.
- ✓ Europe is making the biggest contribution to development cooperation globally, but unfortunately, up to now, it has not been enough. Development is progressing too slowly in Africa in particular. The population explosion is so powerful that it threatens long-term prosperity. Europe is in demand.

¹⁴⁷ Development Minister Müller calls for Marshall Plan for Africa: Prior to his trip to Africa, German Federal Development Minister Gerd Müller (CSU) called for a Marshall Plan for the continent to combat the causes of flight. "We need a Marshall Plan for Africa: a large investment over decades in smart solutions for the future, in green energies, in vocational training in future industries, with investments in the processing of raw materials," said Müller to the "Bild am Sonntag". "We need the economy for that."

- ✓ The refugee question has been troubling us in Europe. At the moment it is overwhelming European politics, and we need new, viable solutions for both those affected and for European policy.
- ✓ In addition to the exemplary treatment of people seeking asylum or fleeing from war and endangering their lives, Europe should finally pursue a smart immigration policy which invites people to the EU for mutual benefit, who may fulfil the necessary prerequisites and qualifications. This is about benefits for both sides - under conditions of contractual freedom.
- ✓ All rich countries are being called upon to help facilitate the implementation of SDGs around the world. The SDGs are not an environment in which one should deal with the prosperity problems of rich countries by navel-gazing. This is all about mastering global challenges. In this context, rich countries need to get involved at a global scale far more than they have done before.
- ✓ Cooperation in development requires regional focal points. Europe particularly faces demands in Africa and the Middle East. Africa is the continent of our destiny.
- ✓ Because of its geographical proximity, North Africa and parts of the Middle East are of particular importance to Europe, even though Africa as a whole is the focus of the Marshall Plan Initiative. We have historical roots and responsibilities there. We share multiple cultural references and close links, and not only since the colonial era. We have been severely affected by the refugee issue. We have a shared identity that goes back further than the times of the Roman Empire.
- ✓ Europe must invest massively in North Africa and parts of the Middle East, especially in the countries bordering the EU, just as in Africa as a whole. It should be a win-win situation. Investments should be intended to significantly advance the countries concerned, to substantially involve the South of Europe in its bridging role, and to advance Europe as well as Africa as a whole.

- ✓ For European politics, it is important that in the long term all neighbouring states are safe countries of origin for people seeking asylum, as far as possible. Assistance for these states and arrangements for hosting a fair share of the asylum seekers are required and should be negotiated.

(3) Climate change and migration in the MENA region¹⁴⁸

The MENA region will be particularly affected by the negative consequences of climate change. This also applies to many other parts of Africa. It can be expected that climate change, in addition to political and economic instability, will be additional drivers for migration in the region.

Background

Climate change in the MENA region is expected to increase the strain on livelihoods, reduce available ecosystem services, and ultimately accelerate migration. The same applies to many other African states. However, it is difficult to determine exactly what impact climate change will have on the multifaceted justification for human migration and mobility. However, the trend could take on a dramatic scale: global estimates are generally based on up to potentially 250 million people who will migrate due to climate change by 2050. We will discuss climate-induced migration in this context. The World Bank speaks of an imminent crisis. In countries where livelihoods are mainly based on agriculture which is dependent on natural rainfall (such as in Morocco, Tunisia, Syria, Sudan), droughts and heat waves have created additional problems and increased mobility, accelerated urbanization and brought about the rapid growth of poverty, insecurity and the risk of social unrest.

Climate change is a significant stressor that may trigger unplanned and prominent migratory movements both inside and outside the MENA region and beyond the Africa continent, unless meaningful adaptation measures, including better-planned migration, are brought into current national and regional policies. So far, there are no specific strategies to create better living conditions for migrants (e.g. integration), or to support people who want to stay in their homeland and

¹⁴⁸ Input from Hajo Junge (GIZ) at a BMZ/GIZ workshop in Berlin on 31 May 2016

tackle the challenges of climate change (adaptation). Institutions that would be capable of developing and implementing such strategies and programmes at regional and national level are, in many cases, not yet adequately prepared for such a mammoth task. Nor is the local public discussion on all these questions even at the level of knowledge that is required. Improving the information situation in this regard is a self-contained thematic focus of the proposed Marshall Plan with Africa.

Possible strategies and action areas

In order to be better prepared for the dynamics of climate-induced migration, institutions in the MENA region should be strengthened both at the regional and the national level. The development of innovative adaptation and integration measures, as well as future-oriented strategies on the basis of climate forecasts and vulnerability assessments could be a sensible starting point. A clear link should be made with the SDGs and the Climate Change Agreement of Paris.

Such a **strategy** should act on two levels:

1. Effective regional policy development and implementation through improved regional governance - interplay between regional organisations (e.g. the Arab League and others) and particularly affected member countries.
2. Cooperative design and implementation of pilot projects for measures to deal with climate-induced migration movements and concept testing (adaptation strategies in the country of residence, planned relocation within the home country or to a neighbouring country, social and economic integration into host communities).

On this basis, the following **action areas** could be in the foreground:

- ✓ Better analyses in order to better understand the challenges and opportunities of dealing with increasing climate stress in the region. The aspect of migration effects must also be taken into consideration.

- ✓ Develop policy options and strategies to better manage migration at a national and regional level.
- ✓ Building and consolidating the capacities of regional and national institutions (e.g. the Arab League, African Union and others) to promote effective cooperation and coordination, and to implement measures to better manage climate-induced migration.
- ✓ Political dialogue and learning processes within and between the regions.

(4) Regional positioning

The Marshall Plan with Africa targets the whole African continent. There is a special focus, however, on North Africa and the MENA_region with regard to sustainability. The following map shows North Africa and the MENA region.

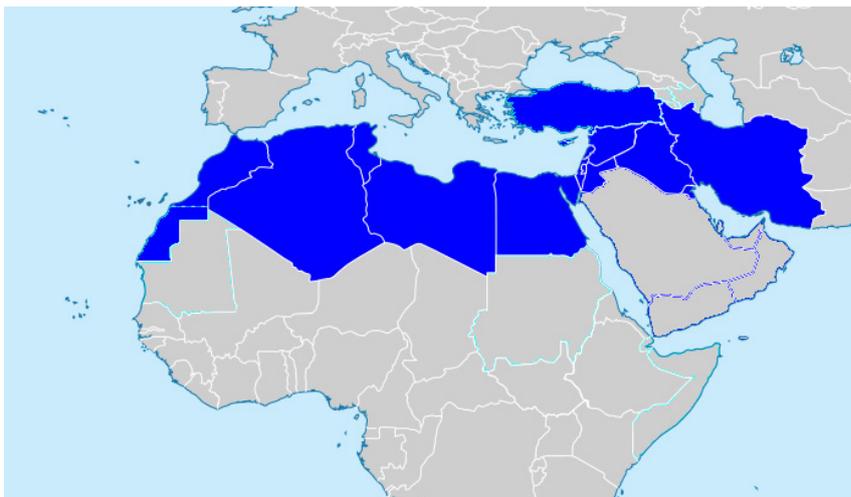


Figure 4: North Africa and part of the Middle East:
the MENA region

The MENA region includes in particular states neighbouring the EU. There are particularly strong cultural references, a long common history and good conditions for more prosperity. Investments must comply with the restrictions described below. Among other things, these aim towards better local and regional governance. Reform partnerships between these countries and European partners are important, as well as G20 and OECD partners. In such partnerships financing issues in connection with conditioning can be meaningfully addressed. Due to the difficult situation on the ground, a sense of proportion and flexibility are required in every case. Also, it will not be possible to be active on this scale

in some countries, at least temporarily. In general, the path is the destination! The successful achievement of goals cannot be demanded in advance as a condition of cooperation.

Orientation line:
Cross-financing towards development-dependent standards

As shown in Part II of the memorandum, cash flows are linked to the implementation of development-dependent standards. Very important are investments in limiting population growth, in particular by building or promoting local social systems, improving education, especially at work and on a dual level, and focusing more on women and young girls, even if, due to local cultural reasons, this is not the primary concern on the local side. Infrastructures must be created, but it is also necessary to have more transparency in tax matters, property issues and the cash economy. The well-known large corruption problems in many of the states must be addressed. Improvements are required.

Cross-financing flows into the construction of social systems, population campaigns, building infrastructures, building educational institutions, promoting entrepreneurship and the middle-class economy and, above all, into creating jobs for young people. We are reminded of a request from the former German President Horst Köhler here, that Europe and Africa must enter into a learning partnership, and that over the next 30 years, 20 million new jobs must be created each year in Africa for young people, if peace, stability and prosperity are the goals.¹⁴⁹

(5) A key issue: financing

Many forms of commitment are needed for the proposed plan, but in particular **a massive amount of funding**. There is not enough of many things, especially money. And the aid is far too low. The EU member states together only spend about 4 euros per person per year in Africa. The occasional claim that we are

¹⁴⁹ Speech by former Federal President Horst Köhler at the Africa Congress of the CDU/CSU parliamentary group: For a new culture of cooperation with Africa, German Bundestag, 16 March 2016

demotivating African countries with our development cooperation funds does not address the essence of the problem, as described in detail in Part II. It is true that we sometimes do not use the funds wisely. The level of corruption in particular is often unbearable. But we are aware, for example, from the regional programmes of the EU, e.g. from the process of German reunification, how expensive it is to advance substantial development.

It is described in Part II that spending on development cooperation is far too low to be effective. It could be shown how large the level of underfunding is when looking at the financial equalisation of the German states, the integration of new EU members from South-East Europe, the historical Marshall Plan and other comparable programmes. We need to increase public funding in Africa by at least a factor of 4 over several years.

We therefore propose that the European Union and its member states, and other states in Europe, and possibly the entire community of states, significantly increase their use of resources in Africa over the next few years, in coordination with local partners. This is presented in detail below under (6).

The EU, its member states and other partners should massively expand their use of resources for the target region over the next few years, while also considering a large funding solution. The process can be coordinated through the EU Commission and the EU Parliament, in coordination with local partners. Funds can be linked to existing EU programmes or can be created, the latter probably not until 2020. A substantial part of the funds could be activated via the capital market and would represent an interesting new form of investment.

Many politicians have recently argued in favour of a significantly increased use of resources for Africa and the MENA region, particularly former Finance Minister Schäuble in Germany.¹⁵⁰ A significant number of European programmes are be-

¹⁵⁰ Also of interest are key messages from a speech by former German Federal Minister Dr. Schäuble at the presentation of the World Economic Prize 2016 on 19 June 2016 in Kiel: These include references to the Agenda by Minister Dr. Müller. This builds on an interview by Dr. Schäuble on the subject in ZEIT newspaper. Some of the relevant points:

✓ To work on a moderate revolution in the century of globalisation

ing prepared. Here, we should be even bolder and include the approaches proposed in this study.

For example, development assistance to Africa amounted to US \$ 47.8 billion in 2014, of which the countries in North Africa - Egypt, Algeria, Libya, Morocco and Tunisia - received about US \$ 7.1 billion, compared with a total of \$ 161 billion in development assistance worldwide in the same year. Countries in the Middle East, including Iraq, Iran, Jordan, Lebanon, Palestinian territories and Turkey, also received support with a total of just under \$ 15.1 billion.

World Bank initiative¹⁵¹

At an event on the Middle East and North Africa (MENA) Financing Initiative chaired by UN Secretary-General Ban Ki-Moon and WBG President Dr. Jim Yong Kim, the Parliamentary State Secretary Silberhorn, promised a German contribution of € 20 million. The MENA Financing Initiative aims to support the refugee-receiving countries of the region as well as to stabilise and rebuild the region after the current conflicts have ended. The MENA Financing Initiative was first presented at the WBG Annual Meeting 2015 in Lima and has since been developed in a work group of interested partners including Germany. The core of the MENA Financing Initiative is, firstly, a Concessional Financing Facility (CFF) to support the neighbouring countries of Syria which are receiving refugees, in particular Jordan and Lebanon. These countries currently have a refugee population of respectively more than 15% and 25% of the total population. Through the CFF, donors can make loans from multilateral development banks cheaper in order to achieve the favourable interest rates necessary for these countries in view of their enormous burdens. The WBG itself also contributes US \$ 200 million in highly concessional loans through IDA to Jordan and Lebanon, which are other-

- ✓ **Promotion of growth, especially in developing and emerging economies**
- ✓ Increased focus on sustainability in industrial nations
- ✓ Resolute opposition to growing inequality
- ✓ Avert the danger of growing social incoherence
- ✓ Strengthen the resilience of economies through structural reform, investment and sustainable fiscal policies
- ✓ Focus of the G20 Presidency: *Enhancing Resilience* and *Shaping Digitalisation*
- ✓ Making digitalisation and sustainable global development compatible
- ✓ Richer countries give more attention to disadvantaged regions
- ✓ **Increased attention given to Africa and MENA, encouragement of investment in these regions**

¹⁵¹ From: World Bank Group, Report from the Office of the German Executive Director at the World Bank Group, April 2016, Issue 9

wise not entitled to IDA. Secondly, the MENA Financing Initiative includes a guarantee facility (GF). The purpose of the GF is to facilitate the reconstruction and stabilisation of the entire region through state guarantees from donors. The CFF will mobilize a total of US \$ 1 billion in grant funding over five years, which will allow US \$ 3-4 billion in loans from participating multilateral development banks to be discounted and leveraged. In the first donors conference, **commitments were made to CFF totalling US \$ 141 million in grants and just over US \$ 1 billion in highly concessional loans**, equivalent to a further approx. US \$ 110 million in grants. France also made their first pledge to the GF, the amount of which, however, depends on the participation of other donors.

First Global Infrastructure Forum

The first Global Infrastructure Forum was opened as an aside to the Spring meeting of UN Secretary-General Ban Ki-Moon and World Bank President Dr. Jim Yong Kim. In addition to representatives of multilateral banks, member states and NGOs, the presidents of the New Development Bank (NDB) and the Asian Infrastructure Investment Bank (AIIB) also presented themselves for the first time. In terms of content, the focus was on mobilising the private sector to take part in large-scale infrastructure projects and on better cooperation between development banks, especially in project preparation. The Forum was established on the basis of a decision of the 3rd VN Conference for Financing for Development (Addis Ababa, August 2015).

The OECD DAC countries (Development Assistance Committee) made a total contribution of US \$ 137 billion in 2014, of which EU members contributed US \$ 75 billion. The Federal Republic of Germany, the third largest contributor, contributed US \$ 16.6 billion. The United States of America, on the other hand, contributed \$ 33.1 billion, and United Kingdom \$ 19.3 billion. Note: A significant effect of high, reliable funding commitments would also be the decline in the current capital flight from Africa, which is estimated at around \$ 40 billion a year, as investment incentives would be increased in Africa, and part of the Marshall Plan with Africa is to have proper controls in the financial sector.

(6) Current EU initiatives and decisions

**(6.1) Joint Communication to the European Parliament and the Council:
A new impetus for the Africa-EU Partnership**

1. INTRODUCTION

2017 will be a landmark year for the partnership between Europe and Africa. In a rapidly changing global environment, Africa faces profound economic, political and social changes, and its relevance to the internal and external dimensions of security and prosperity in Europe is becoming increasingly apparent. Europe and Africa could benefit greatly from an increase in political and economic relations, but they also have much to lose if they do not take action.

The 5th Africa-EU Summit, which will take place in November 2017, is an important opportunity for African and European leaders to redesign and deepen the partnership between Africa and the EU within the context of these changing circumstances.

This document proposes a renewed framework for joint action, which the EU and its Member States could bring to the summit, and which could lead to the creation of a roadmap for the period 2018-2020. The goal is a closer, deeper and more action-oriented strategic partnership which would bring more prosperity and stability to both continents. It presents the political priorities and the first concrete initiatives for the period 2018-2020 and beyond, which are coordinated and consolidated with the EU Member States and which have to be developed further together with the African partners according to their own *Agenda 2063*,¹⁵² and on the basis of *the Global Strategy for EU Foreign and Security Policy*.¹⁵³ Particular attention will be paid to the wishes and needs of young people, whose involvement in the whole process will be strongly encouraged.

This document contributes to the ongoing considerations that have been introduced with the common document "*A Renewed Partnership with the African, Caribbean and Pacific States*"¹⁵⁴ to provide input into the negotiations to be launched in 2018 in order to renew the EU's longstanding partnership with the African,

¹⁵² Cf. African Union, [Agenda 2063](#), 2015.

¹⁵³ Cf. [Global strategy for the foreign- and security policy of the EU](#), 2016 - the "EU Global Strategy".

¹⁵⁴ Cf. [Joint communication "A renewed partnership with countries in Africa, the Caribbean and the Pacific Ocean"](#), JOIN(2016) 52 final.

Caribbean and Pacific States, with particular emphasis being placed on the Africa pillar.

The document is based on international frameworks such as the United Nations Sustainable Development Agenda 2030,¹⁵⁵ the Addis Ababa Action Agenda (AAAA) for development funding¹⁵⁶ and the Paris Climate Change Convention.¹⁵⁷ It is also in line with other relevant EU policies.¹⁵⁸

2. CHANGES IN AFRICA

Africa - in all its diversity - is becoming more self-confident, dynamic and optimistic on the international stage than ever before.

Africa has made impressive economic progress over the past two decades. Positive changes have taken place in a number of countries. An increasing number of African governments and regional organisations are taking a leading role in tackling security issues, policy challenges and poverty reduction within their borders and beyond, and are more actively engaged in good governance and the rule of law. In a number of countries, this has made it possible to improve the resilience of the state and society: citizens' political participation has increased, and progress has been made in bringing about structural change.

However, these encouraging developments are often not yet consolidated, and are not yet inclusive or sustainable enough to improve the prospects for a large part of the population, especially for the growing number of young people in Africa. While the political space is opening up in some countries, there are tendencies towards decline in other countries. Some countries have not been able to reform or recover from conflict to the required extent and speed, and are therefore affected by their fragility. Many countries still face major obstacles to sus-

¹⁵⁵ Cf. United Nations, [Agenda 2030 for Sustainable Development](#), 2015.

¹⁵⁶ Cf. United Nations, [Addis Ababa Action Agenda](#), 2015.

¹⁵⁷ Cf. United Nations, [Paris Convention](#), 2015.

¹⁵⁸ These include, in particular, the proposed new European Consensus on Development, the European Neighbourhood Policy, the European Agenda for Migration, the Valletta Action Plan, the EU Action Plan on Human Rights and Democracy and the existing binding Association Agreements with each of the North African countries (with the exception of Libya) and the ACP States.

tainable economic development and rely heavily on the use of natural resources. On the whole, there is currently a slowdown in economic growth on the African continent. In addition to local factors, cross-border security issues pose a threat to regional stability and sustainable development, in particular organised crime, including trafficking in human beings, and terrorism. Environmental damage on land and at sea, the consequences of climate change and infectious diseases such as Ebola are also obstacles to progress. The famine in South Sudan, Nigeria and Somalia shows the effects of insecurity, climate change and food and water scarcity and their interrelationship. The result is flight and displacement in Africa at an unprecedented extent. Moreover, this has led to an increase in irregular migration, especially within Africa, but also towards Europe, which in turn increases the pressure on political leaders and authorities in all the countries concerned.

This demographic development is one of the most significant structural changes happening in the 21st century world. By 2050, Africa's population will have grown to 2.4 billion, most of which will be young people.¹⁵⁹ The way in which politics and business respond to these changes will be crucial to the future of the continent and beyond.

On the one hand, demographic projections for Africa leave little doubt as to how important it is to create millions of new jobs. The forecasts in sub-Saharan Africa show that 18 million jobs need to be created each year by 2035 in order to accommodate new workers.¹⁶⁰ Currently, only 3 million regular jobs are being created each year. Moreover, given the small size of the formal sector and the lack of social protection systems in most countries, the majority of young people will continue to work in the informal economy, including working in subsistence agriculture.

On the other hand, population growth can offer significant potential for the economy. By 2025, there should be an increase in total private consumption by

¹⁵⁹ Cf. United Nations, [World Population Prospects](#), 2015. By contrast, the population of the EU is expected to drop to 500 million by 2050 and the proportion of older people will increase.

¹⁶⁰ Cf. IWF, [Regional Economic Outlook](#), 2015.

the growing middle class¹⁶¹ to € 2 trillion per year,¹⁶² and companies in Africa are expected to spend € 3.3 trillion per year on an even larger sales market.

3. STRATEGIC OBJECTIVES OF THE EU

In this changing global context, it is clearly in the EU's strategic interest to further develop and adapt its longstanding partnership with Africa.

Over the past 10 years, the EU and Africa have already built a stronger and more concrete political partnership based on shared values and interests. This is rooted in the Joint Africa-EU Strategy.^{163,164} Today, the EU is Africa's largest foreign investor, their most important trading partner,¹⁶⁵ an essential guarantor of security, their main source of remittances, and the most important partner for development cooperation and humanitarian aid. An ever-closer network of contacts facilitating the exchange between people strengthens the bonds between the citizens of both continents.

On the basis of the Joint Africa-EU Strategy, the EU should pursue three inter-linked strategic objectives:

- greater mutual engagement and closer cooperation on the world stage, based on shared values and interests, including within the framework of bilateral relations;
- security on land and at sea and stronger controls against transboundary threats as an investment in security on both continents;
- sustainable and inclusive economic development in Africa, in order to create the jobs that Africa needs, and to seize the opportunities that result for Europe.

¹⁶¹ Cf. African Development Bank, [Tracking Africa's Progress in Figures](#), 2014.

¹⁶² Cf. McKinsey Global Institute, [Lions on the move II](#), 2016.

¹⁶³ [Common Strategy Africa-EU](#), 2007.

¹⁶⁴ foreign direct investment by the EU in Africa amounted to 32 billion EUR (33% of total foreign direct investment in Africa). In 2016, the EU accounted for 33.5 % of African imports and 41% of African exports. In addition, EIB financing in Africa accounts for more than 2 billion EUR per year.

¹⁶⁵ The EU offers free access to the EU market for all goods under the Economic Partnership Agreements (EPAs) and the Everything But Arms initiative, which benefits the least developed countries, and for many goods under the Free Trade Agreements with Egypt, Algeria, Morocco and Tunisia and within the framework of the Union's Generalised System of Preferences.

(6.2) Proposal for a Regulation of the European Parliament and of the Council on the European Fund for Sustainable Development (EFSD), and the establishment of the EFSD Guarantee and the EFSD Guarantee Fund

CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

On the 7th of June 2016, the Commission adopted a document regarding a *new partnership framework for cooperation with third countries in the context of the European Agenda on Migration*.¹⁶⁶ In addition to its proposal for a package of measures to address the most urgent needs of refugees and to support the host communities, the Commission calls for a long-term strategy that will enable the EU to support the objectives of the 2030 Agenda for Sustainable Development, and to further tackle the root causes of migration.

This is also in line with the EU's Global Strategy on Foreign and Security Policy, which integrates challenges, such as migration, into the EU's overall foreign policy, in order to ensure coherence and synergy with the EU's development and neighbourhood policies, and to ensure economic diplomacy.

On the 28th of June, the European Council invited the Commission to submit a proposal for an ambitious third country investment plan (EIP) by September 2016. The EIP will build on three closely linked pillars: a new investment fund (Pillar 1), technical assistance (Pillar 2) to help local authorities and businesses to develop more sustainable projects and attract investors, and finally a set of specific thematic, national and regional programmes for EU development cooperation, in conjunction with a structured political dialogue aimed at improving the investment climate and the general political environment in the countries concerned (Pillar 3). Pillar 3 of the EIP represents the link between the European Fund for Sustainable Development (EFSD) and the broad partnership between the EU and its partner countries. This partnership is materialising in the political dialogue and policy dialogue that the Commission is leading, with the help of EU delegations and political contacts.

¹⁶⁶ Cf. COM (2016) 385.

Pillar 1 is implemented by the EFSD. The main objective of the EFSD is to provide an integrated financial package for investment financing, firstly in Africa and then in the region neighbouring Europe.¹⁶⁷

The EFSD will be composed of regional investment platforms providing funding from existing mixed financing facilities¹⁶⁸ with the EFSD guarantee. It will serve as a one-stop-shop for accepting funding proposals from financial institutions and public or private investors, and will provide a wide range of financial support for eligible investments.

The main objective of the EFSD is to provide an integrated financial package to finance investment, which will create growth and jobs, maximize additionality, deliver innovative products and attract private sector funds. This will take place firstly in African countries, the signatories of the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States (ACP), on the one hand, and the European Community and its Member States on the other, which was signed in Cotonou on the 23rd of June 2000 ('the Cotonou Agreement')¹⁶⁹ and in countries neighbouring Europe. It is expected that the EFSD will mobilize up to € 44,000,000,000 by 2020, with funding of € 3,350,000,000 from the general EU budget and other sources.

- **Consistency with the existing regulations in this area**

Within the framework of the principles and objectives of the EU's external action, the revised European Neighbourhood Policy,¹⁷⁰ the European Consensus on Development¹⁷¹ and the Agenda for Change¹⁷² and its subsequent amendments and additions, a central objective of cooperation under this Regulation is to reduce

¹⁶⁷ As defined for Africa in the Cotonou Agreement (ABl. L 287, 4 November 2010) and for the European Neighbourhood in Regulation (EU) No. 232/2014 of the European Parliament and of the Council of 11 March 2014, establishing a European Neighbourhood Instrument (ABl. L 77 of 15 March 2014, p. 27).

¹⁶⁸ Cf. Decision (2015)5210 of the Commission (Africa) and Implementing Decision (2016) 3436 of the Commission (Neighbourhood Region).

¹⁶⁹ ABl. L 317 of 15 December 2000, last amended through ABl. L 287 of 4 November 2010.

¹⁷⁰ JOIN (2015) 50 final

¹⁷¹ ABl. C 46 of 24 February 2006, p. 1.

¹⁷² COM (2011) 637 final

and, in the long term, eradicate poverty, in accordance with Article 208 of the Treaty on the Functioning of the European Union (TFEU), thereby addressing the root causes of migration. Cooperation under this Regulation will also help to promote sustainable and inclusive economic, social and environmental development and to consolidate and promote democracy, the rule of law, good governance, human rights, gender equality and the relevant principles of international law, implementing a rights-based approach embracing all human rights, performed in line with the associated guiding principles (transparency, participation, non-discrimination, accountability) and the Gender Action Plan¹⁷³.

The EFSD aims firstly to support investment in African countries which are signatories to the Cotonou Agreement and in countries neighbouring Europe as a means of achieving the Sustainable Development Goals, thus tackling the root causes of migration and sustainable reintegration of returned migrants to their countries of origin. The EFSD is therefore consistent with the EU's external financing instruments and existing investment facilities.

By emphasising the involvement of the private sector, the EFSD will also promote the objectives set out in the document "Strengthening the Role of the Private Sector in Delivering Inclusive and Sustainable Growth in Developing Countries"¹⁷⁴.

- **Coherence with EU policy in other areas**

The EIP is part of the new EU Partnership Framework for cooperation with third countries in the context of the European Agenda on Migration.

It is based on the revised European Neighbourhood Policy (ENP),¹⁷⁵ which focuses on supporting economic development in partner countries in order to progressively stabilize the transition from emergency aid to structural actions. The EIP is also aligned with the Addis Ababa Action Plan on Development Financing.

The EFSD is in line with the EU's internal climate change policy, as it supports the implementation of the Paris Agreement on Climate Change (COP 21),¹⁷⁶ in-

¹⁷³ SWD (2015) 182 final

¹⁷⁴ COM (2014) 263 final

¹⁷⁵ JOIN (2015) 50 final

¹⁷⁶ COM (2015) 81 final/2.

cluding related international climate finance commitments. As explained in the Commission document "*Regarding Paris: Evaluation of the Consequences of the Paris Convention*",¹⁷⁷ this agreement represents an opportunity to transform the economy and to create jobs and growth. It is a key element for the implementation of broader development goals and the priorities in the areas of investment, competition, environmental services, research, innovation and energy. The consent of the European Parliament and the Council of the European Union has already been approved. This will allow the legislative process to be completed shortly after the summer break.

(7) Funding Proposal

The global resources for development cooperation with Africa were approximately \$ 54 billion in 2014. The EU member states contribute about € 10 billion between them. Germany contributes about € 2.3 billion. The German share amounts to around € 2 per person per year for the entire African population, which should be between 1 and 1.2 billion people. If we add the Middle East, therefore considering Africa and the MENA region, we arrive at around € 3 billion euros in German aid. With a correspondingly larger population this again comes to about € 2 per person per year. If one counts all the EU countries together, this amount increases to around € 10 per person per year.

Obviously, it is unrealistic and unlikely to be successful, to try to tackle perhaps the most important issue for the future of Europe (and Germany) with funding of only € 2 or € 10 per person per year. We, and our partners, must do much more. Aid given to Africa by donor countries should rise rapidly from \$ 54 billion to \$ 200 billion or more. On the one hand, these funds must be used for social stabilisation (e.g. building social systems to address the population issue), on the other hand for investment (e.g. infrastructure development).

Where will the funding come from? The proposal is that Europe - in its own interests - should take a big step, and that Germany should march ahead as a trendsetter, by contributing a higher proportion. For this, ODA must be increased rap-

¹⁷⁷ COM (2016) 110

idly and significantly, not only to 0.7%, but to at least 1%. The share of Africa and the MENA region should continue to grow at a higher proportion.

That will not be enough by any means to cope with the foreseeable challenges, therefore, we believe that the establishment of a **"Future Africa Fund "** is a must. Such a fund forms a central element for government action and international cooperation in the framework of a Marshall Plan with Africa.

"Future Africa Fund"
Initial amount of € 120 billion by 2030
Financing should take place partly via the capital market
Central European contribution to achieving the Agenda 2030
A further objective: A ring of stable and secure third countries around the EU's external borders

ODA and Funds resources together would be a good starting point and appropriate for the existing challenge. In this way, the annual target level can be reached and perhaps even exceeded using funds of \$ 200 billion per year for Africa. More is possible, if further partners can be convinced to invest, too. The allocation of resources is in part of a socially stabilising nature, whereas another part has an investment character.

The socially stabilising part (e.g. for building social systems) stimulates the economy directly, ensures that children can go to school and is mainly directed against a further explosion of the population. This is perhaps the single most important issue. As the promotion of greater transparency, less corruption, and measures to significantly increase the tax revenue within the country should all be followed in an interconnected way, significant indirect effects can also be achieved in this area. Above all, the wise use of increased tax revenues can significantly stimulate the capacity for investment. We therefore believe that indirect effects of \$ 400 billion per year are possible.

For the allocation of resources towards investment, loans and guarantees should primarily be relied upon in order to mobilize private investors. Without massive stimulation of private investment, the situation in Africa cannot be changed for

the better. Viewed in perspective, if \$ 100 billion per year is used as a "lever", \$ 400 billion can additionally be activated in the private sector.

Overall, the described package has a potential value of \$ 1 trillion, with the possibility of attracting additional funds. This will create opportunities, fostering the necessary sustainability compliant prosperity process for Africa, all in accordance with the Addis Ababa Programme "From billions to trillions".¹⁷⁸

"Future Africa Fund"

Positioning

The fund could be initiated by Germany and discussed in the context of the planned EU-Africa summit in 2017. It should be an EU fund which is managed together with African partners. Of course, it can also be integrated into existing instruments, even if that is almost impossible. Due to the cycle of budget planning, EU programmes are unlikely to start making any major progress until 2020 at the earliest. The fund is aimed at the implementation of Agenda 2030, a major economic boom in Africa and in the MENA region and stable, secure neighbours surrounding Europe, in terms of safe, stable third countries.

Volume

The German contribution could start in 2018 with a volume of € 6 billion (1 billion for 2016, 2 billion for 2017, and 3 billion for 2018). Thereafter, the deposit amount will increase annually by one billion; the deposit amount per year achieved in 2030 being 15 billion, a maximum that should be kept constant until further notice.

Deposits in the proposed funds are expected to reach at least 120 billion by 2030.¹⁷⁹

¹⁷⁸ Cf. World Bank Group paper "From Billions Trillions to: Transforming Development Finance. Post-2015 Financing for Development: Multilateral Development Finance, 2015 and result of the "Finance for Development" conference, Addis Ababa, 13-16 July 2015

¹⁷⁹ For comparison: This is less than the shortfall, currently reported in newspaper reports, for the (undoubtedly important and necessary) preservation of German infrastructure (about 10 billion per year). The fund, on the other hand, aims for a more prosperous future for more than 1.2 billion people. The achievement of the target is of the utmost importance for the future of Europe.

Means of allocating the funds

The funds will partly be allocated as outright grants, particularly for supporting the construction of social systems, and they will be partly used as rolling investment contributions, such as collateral, loans and microcredits, which will always, ultimately, return to the Fund. The fund must make commitments over many years to some extent and learn to cope with a high volatility. Therefore a fund model is needed, in particular with an approach whereby their capacity to act does not depend on annual budget decisions of the EU and its member states.

Means of financing

The "Future Africa Fund" can largely be financed by issuing securities, which will allow much of the funding to be shifted to the private sector, i.e. to interested investors. Investors would be offered interesting new investment options. The market is waiting impatiently for attractive offers. By pursuing appropriate investment strategies involving African partners, Africa has an enormous potential which is attractive to financial markets, and can be developed to the benefit of all involved. The funds for financing social systems (about 50% of the fund's volume), which are awarded as lost grants, could be procured by the states through guaranteed debt securities at rates similar to those of government bonds. The state guarantee is crucial for the customers. By holding the securities, an additional CSR dimension can be developed for the lenders.

The other half of the funds (initially 60 billion) would be used to stimulate entrepreneurial activities such as infrastructure development or building businesses. In this case, the fund will even generate surpluses for longer periods of time. The EU could, in cooperation with the member states, place this part in such a way that the EU itself could manage the important main risk portion by, for example, assuming 20%, while the remaining funds totalling € 48 billion will be divided into two risk classes, which will entail different returns for private investors. The interest rate could be higher in the riskier portion, namely 2% above the interest rate of e.g. German government bonds, while in the safest portion it could just be 1% above. At the same time, the EU could guarantee interest performance over the entire period with Member States. This could be an interesting offer for many investors.

Future Africa Fund		
(grey blocks display the proportion assumed by the capital market)		
Objective use of funds: Social stabilisation (€ 60 billion)	Objective use of funds: Investment, infrastructure, business (€ 60 billion)	
Debt securities (Interest the same as German government bonds) + CSR dimension	low risk (Interest 1% above interest rate for German government bonds / guaranteed by the EU and its member states) + CSR dimension	40 %
	higher Risk (Interest 2% above interest rate for German government bonds / guaranteed by the EU and its member states) + CSR dimension	40 %
	Risk proportion (highest risk) assumed by the EU ("reinsured" by the member states)	20 %

Governance

The fund needs to be professionally managed. The EU, the African Union, the World Bank, the African Development Bank and other partners could participate in the supervisory bodies in order to pool investment opportunities in Africa.

Conditions for obtaining funds

African states wishing to participate in the Fund's resources may be required to achieve the following:

1. Support the ongoing international initiatives for transparency in the payment of taxes by large corporations (Country to Country Reporting)
2. Show proof of annual progress in the increase of their own tax revenue
3. Proof of a minimum level in the Transparency-Corruption-Index

4. Tackling the implementation of minimum sustainability requirements for value chains in one's own country (BIS Label)¹⁸⁰
5. If the states are members of the WTO: advocate for a change in the products equality concept of the WTO ("same product") to the effect that products may be treated differently (i.e. can be classified as different), if BIS requirements have been complied with or not along the value chain ("BIS appropriate operationalisation" of sustainability in international value-added processes)

Explanations regarding the funding proposal:

1. Use of funds

The money should be used in such a way that it requires only a manageable increase in bureaucracy at EU level and at the level of the member states and, if possible, that it reaches the areas it is needed, and areas where the lowest possible risk of corruption exists. This is core to the proposal made.

2. Building social systems

Of particular importance is help in the construction of social systems, as in the case of the Bismarckian reforms in Germany. Smart insurance systems for illness, unemployment and old age are central to human rights, allow children to go to school, etc. They are crucial for achieving rapid success in the population policy. There has already been a motion for resolution in this direction in the German Parliament.

¹⁸⁰ For the BIS standard, compare the FAW/n study for the BMZ/giz "Global value chains and sustainability - possibilities and limits within WTO and EU law". Authors: F. Ekardt, E. Herlyn, Y. N. Hodu, T. P. Holterhus, K. Hossain, F. J. Radermacher and P.-T. Stoll, 2016. The Basic International Standards (BIS) label promotes sustainability aspects along the (main) steps of the international value chain for material goods. The required qualities affect only existing international standards, which have taken years to negotiate, namely those of the Kyoto Treaty, the Paris Agreement, the Convention on Biodiversity, and (weakened) core standards of the ILO. (The weakening of the ILO core standards affects particularly compliance with the US position, as it was agreed in TTIP, too.). Wherever a state does not enforce these principles, the companies concerned will be offered the chance to take individual action in their production chains. Failure to conform with the labelling requirements will not exclude goods from trade, but may lead to disadvantages at different levels of impact on the German/European market. Higher compensatory transfers of development funds, very low levels of development, and additional tariff reductions on trade with EU member states (using the relevant special rules of the WTO) are juxtaposed against these tools. Developing countries will receive development aid provided they support the BIS label, at least at the political level. The WTO should be actively involved in the definition of details and classifications.

If Europe is able to help around 200 million underserved people with \$ 0.5 a day to build social security systems, 200 million times a year, around € 150 a year is needed, meaning \$ 30 billion a year. If care is taken of more people with more resources, this will quickly reach a figure of 100 billion.

Note: Support for the financing of social systems allows the recipient countries to react positively to required changes to the "same product" definition of WTO and to promote more sustainable supply chains. This would suddenly make the creation of many smart solutions for more sustainability possible.¹⁸¹

3. Infrastructure development: What the public sector need to do

Infrastructures are the prerequisite for prosperity. This applies to infrastructures for physical mobility, but also for infrastructures for energy. In terms of infrastructure, public sector support is required, either in the form of private public partnerships or through (massive) co-financing, whether through guarantees, or through cheap loans. In any case, this is a good way to motivate private individuals to invest in real growth and wealth dimensions. There will potentially be good returns here after a long period of recession. Securing support from the public sector is often necessary, for example in the field of water resources development. According to available estimates, this will amount to about 4 trillion dollars a year worldwide. If the public sector uses only one-tenth of a year in private-public partnerships to capitalise loans and guarantees, that's \$ 400 billion a year. From this, \$ 100 billion per year could be directed towards Africa.

4. Agriculture

Agriculture is of key importance to Africa. The continent is able to feed its citizens, even with a growing population. Agriculture can triple its production (even without genetic engineering), even in semi-arid areas and therefore also halt the spread of deserts. Desertification (more than 10 million hectares per year in Africa) can be prevented. Millions of adequate jobs can be created. This is a focal point of the Marshall Plan with Africa, as about 20 tonnes of negative CO₂ emissions from biological sequestration due to humus formation per hectare and year can be linked to this. This is also the key to the possible climate-neutral produc-

¹⁸¹ Cf. Study for BMZ / giz "Global value chains and sustainability - possibilities and limitations in the context of WTO and EU law". Authors: F. Ekardt, E. Herlyn, Y. N. Hodu, T. P. Holterhus, K. Hossain, F. J. Radermacher und P.-T. Stoll, 2016

tion of gasoline and diesel fuels (without soot and resulting in very little nitrogen oxides), including those for export to Europe.

5. Reforestation

In Africa, an annual reforestation program of 10 million additional hectares per year on degraded soils in the tropics can be implemented over many years. The investment required for the additional annual reforestation is around € 10 billion a year. 100 million tons of CO₂ will additionally be removed from the atmosphere via biological sequestration. CO₂ certificates can generate revenues of around € 1 billion per year. The largest part of the accrued € 10 billion per year is covered by the subsequent use of the wood and other system benefits resulting from the forest.

6. Climate neutral petrol / diesel based on methanol

One solution, and therefore a valuable contribution to the energy-efficient conversion of primary into secondary energy can be made by the production of methanol. The conversion of primary energy, especially energy from regenerative sources, into the **secondary energy carrier methanol** is technically simple, secure and scalable upwards to any extent. Electricity, if possible from renewable sources, is used to decompose water into hydrogen and oxygen by means of electrolysis. Methane and methanol are produced from hydrogen and CO₂ from climate-negative large-scale processes (e.g. power plants, industry). In addition, it is possible to technically use the pure oxygen generated. As an alternative to CO₂ use, methanol can also be produced directly from methane, which is today often burned off unused in the exploitation of oil fields or (especially harmful to the climate) is discharged directly into the atmosphere ("stranded gas").

Methanol can also be converted directly into fuels for transport, while being particularly environmentally friendly and low in emissions. This also applies to the currently discussed particulate matter and nitrogen oxide problem. This has enormous potential for the automotive industry in Europe, but also for consumer behaviour and the value of consumer assets.

Methanol can equally be used as a raw material in the chemical industry or for (re)transformation into electricity.

Methanol can be **stored** without losses to almost any extent. It can also be **transported** in pipelines or tankers. Energy can therefore be generated in an environmentally friendly and efficient manner and converted into the secondary energy carrier methanol, which is cheap to produce and can be transported to any location. Existing technology, such as pipelines or tankers, can be used for this purpose, meaning that a timely completion or conversion of the secondary energy chain to methanol or methanol-derived products (methanol gasoline and methanol diesel) is possible.

This approach has special significance for generating **energy from solar radiation in North Africa**. Here, the approaches of promising projects, such as e.g. the DESERTEC project (now DESERTEC 2.0), which the Club of Rome has long supported, can be implemented without being blocked by the current transport problem.

Now, new ways can be found to connect Africa and Europe and implement holistic and sustainable energy, but also climate projects.

The generation of electricity from solar energy in large-scale plants, which can be used for up to 25 years and more, is already possible in North Africa at a cost of 2€ct/kWh.

This also gives investors the opportunity to make interesting investments in Africa. The funding is an important contribution to a prosperity explosion required for Africa. This is in the obvious interest of Europe, especially Southern Europe, and will be an important contribution to the implementation of the United Nations 2030 Agenda.

With the **energy problem solution** regarding the secondary energy source methane, the **climate problem in Europe can also be solved much easier using holistic approaches** in the form of **cooperation with Africa**. The decisive factor is the **neutralisation** of the CO₂ emissions, e.g. in local coal and gas-fired power plants, which are used in methanol production. This is mainly due to large-scale humus formation in agriculture and reforestation, especially on de-

graded soils in the tropics. Both approaches have great potential for Africa, especially for added value and job creation. This will happen using 2 major strategies in particular:

(1) On the one hand, **reforestation projects** will be established in Central Africa, which prevent the rainforest from drying up,¹⁸² and at the same time produce valuable timber while relieving the rainforests of other continents.

(2) On the other hand, **desert will be re-planted** and a lasting, holistic **agricultural use** supplied, meaning large amounts of CO₂ will be removed from the atmosphere due to humus formation.

7. Tourism as a source of income

An important role is played by tourism, which can be described as sustainable: For long-distance travel, € 1000 can be set per tourist per week, if they remain in the country. This money is spent on overnight stays, transport, restaurant visits, museums, safari, shopping, etc. With an average of 2 million tourists over 50 weeks, this means a cash inflow of € 10 billion.

(8) An important wildcard - the desert

Creating wealth in underdeveloped countries is difficult. Requirements should be fulfilled in eight dimensions:

1. a well-functioning, efficient governance system
2. excellently trained, suitably oriented and motivated people (in particular: education, health and age as the core social questions)
3. excellent infrastructures on an international level
4. excellent capital stock
5. access to required resources

¹⁸² Cf. Martin, C.: On the Edge – The State and Fate of the World's Tropical Rainforests, A Report to the Club of Rome, Greystone Books, May 2015

6. efficient research and internationally competitive innovation processes
7. an efficient monetary and financial system
8. close integration of companies and people in global value creation networks

If we want to and have to achieve a lot in this regard, we need favourable conditions, as in China or in the last 50 years in Singapore. It helps a lot to have one **wildcard**.

North Africa has the **Sahara** and therefore a corresponding wildcard - a decisive wildcard in the view of the authors - first with regard to the topic of energy, especially renewable energy, but also far beyond. In just 6 hours, the deserts of this world receive as much energy from the sun as humanity consumes in a whole year.¹⁸³ Energy is the most important material requirement for prosperity. The Arabian Peninsula is similarly well positioned. The high level of wealth of fossil fuels can be added here. However, in the course of the impending decarbonisation of the global economy, reorientation is required. The region is currently struggling with the drop in oil prices. In addition to resources, appropriate human potential must be added or built up in parallel with the improvement of the energy and water situation. Much is possible when a large quantity of energy is available cheaply, also with regard to the working potential of appropriately educated people. Out of all the deserts in the world, the Sahara is considered to be the one with the **greatest potential** for the objective pursued here.

However, with sustainability in mind, we need new types of energy. No carbon-based energy and, as far as possible, (for reasons of acceptance), no nuclear power, i.e. energy from renewable sources, in particular sun and wind, but of course also hydropower, which has very considerable potential in many parts of Africa. Energy production must be climate-neutral and economically inexpensive. That's the 'magic formula' for sustainability. It is important for sustainable development to generate new prosperity in poorer countries and **energy surplus instead of scarcity**, and all this without inducing environmental and climate problems. On the contrary, the climate situation should even be improved. At the same time, the production of supergreen methanol and related fuels can create

¹⁸³ Cf. Gerhard Knies, www.desertec.org

an interesting (climate-neutral) solution for the transport sector, the heating sector, the chemical industry and parts of heavy industry in Africa, but in EU countries as well. This is a win-win situation for both sides and can be fully financed by the market.

Deserts as a "stroke of luck"

Deserts with a high degree of solar radiation and lots of wind offer the best conditions for the production of renewable energy. Of all deserts in the world, the Sahara is the cheapest. It has the greatest potential in this regard and offers the opportunity to become a prosperity engine through energy exports to southern Africa, and even to the whole continent. The renewable energy available is also the key to an agricultural 'explosion' on the edge of the Sahara (and preventing further desertification) by allowing ground and seawater desalination via hydrolysis. Further potential lies in the production of green methanol. The basis for all this is year-round sunshine, as well as the large number of unused and extremely sparsely populated areas.

A key element of the proposal is to promote in the Sahara substantial private sector investment, public support and credit security in the field of renewable energy, and then continue this investment into other sectors of the economy. There are promising factors. The world's largest solar power plant was commissioned in 2015 in Ouazzarate, Morocco. A similar thing happened in Egypt. The Kuraymat hybrid power plant, with a power output of 150 megawatts, should also be mentioned. Both power plants can be operated around the clock. Thanks to a heat accumulator, Quarzazate can even operate for several hours without natural gas.

While this memorandum does not focus on DESERTEC, some of the core ideas are taken up. In particular, the DESERTEC idea is still highly topical today. So far, however, it has not yet been possible to realise large power lines in North Africa, the necessary condition for much of the above. It is known from experiences in Germany how difficult it is to realize corresponding infrastructures and how detrimental it is if they are absent. As described above, one alternative is methanol, as it facilitates cheap electrolysis using the existing solar power.

Methanol can be further developed into methanol gasoline and diesel and become an export hit for Europe, as it can solve local requirements posed by climate protection challenges in the field of transport, as well as fine dust problems, at low cost.

The crucial bottleneck for the further expansion of energy production in the Sahara are corresponding infrastructures, including for the transport of controllable and renewable electricity to Europe. Politicians should be pro-active in making investments as part of the proposed Marshall Plan.

The development of infrastructures, especially of electricity grids, ground- and seawater desalination facilities, water pipelines, water electrolysis plants, production of (super-)green methanol and downstream production in North Africa and parts of the MENA region will induce a high added value capacity.

These real economic innovations, especially in the massive expansion and increase in productivity of agriculture and the construction of methanol-based fuel production facilities, should and will generate high returns, namely those of a material world economic type, opposed to mere financial constructs. A lot of capital in today's financial markets is freely available, looking for yield and has not been invested in material world economic projects. Such projects mean that money can finally serve a meaningful economic purpose, e.g. through the proposed "Future Africa Fund". This money will then finally generate interest again. The production of cheap energy is only the beginning. Induced further potentials, which then have an effect far beyond the pure energy range, concern:

- ✓ Broad use of solar energy
- ✓ Climate-neutral production of water through ground- and seawater desalination and (depending on demand) climate-neutral transport over long distances
- ✓ Massive use of climate-neutral energy and climate-neutral water and new methods to build up agriculture, massively increasing agricultural productivity and generating a large number of jobs

- ✓ Massive greening programmes on the edge of the Sahara, with simultaneous halting and reversal of desertification
- ✓ Generation of negative emissions through afforestation and agriculture (humus formation), resulting in a greater degree of environmental protection and climate protection if there is greater afforestation and a massive expansion of agriculture.
- ✓ Resulting jobs in the timber industry. As a renewable raw material, wood should be used in always more material processes.
- ✓ Development of a large production capacity for (super-)green methanol and development of high revenues from the export of climate-neutral fuels (petrol/diesel) to Europe
- ✓ Investment in appropriate infrastructure
- ✓ Development of an industrial and service sector to give all these processes an entrepreneurial base in terms of personnel and material
- ✓ Goal: annual creation of upwards of 5 million jobs in North Africa and selected parts of the MENA region in the business areas described
- ✓ Positive influences on population development and investment in social systems

(9) Employment now¹⁸⁴

The improvement of the employment situation for (young) people in Africa as a whole, and the MENA region in particular, is one of the most urgent challenges for Europe and the world if sustainability and the safeguarding of the future are to succeed. The approaches to agriculture, afforestation, methanol-based fuel production and the induction of such investment as described above could, according to the authors, create an additional 10 million new jobs per year. There is hope here. These topics are complemented by the following remarks.

In their work, authors Joachim von Braun¹⁸⁵ and Chiara Kofol argue that the low levels of employment and worsening employment situation for young people in Africa and the Middle East is increasingly becoming a major driver of poverty,

¹⁸⁴ Input from Joachim von Braun and Chiara Kofol: Employment Now - addressing the challenge in Arab Region and Africa" The paper addresses topics such as the promotion of agriculture and local processing, productive job creation, etc. The full article is available with the authors.

¹⁸⁵ Cf. chapter "The Authors and Signatories" at the end of this memorandum

stress, frustration and political instability. The authors describe where starting points exist for the creation of more jobs, with different priorities in North Africa and sub-Saharan Africa. They advocate an unorthodox policy. Productive work must now be created in a targeted way. In North Africa and the Arab region, the focus must be on the rapid expansion of productive employment for school and university graduates, who are often unemployed and frustrated after completing their training. In Sub-Saharan Africa, the focus must be on rapidly increasing employment in rural areas, including through productive job creation programmes, such as those successfully implemented by China in the 1980s and 1990s, and agricultural subsidies.

It is clear that many more jobs must be created very quickly. Former German President Horst Köhler has pointed out the need for 20 million more jobs per year for young people in Africa over the next 30 years. What is being tried today are programmes that actively aim at creating jobs, or indirect programmes in the fields of education and agriculture.

The authors describe the importance of migration to urban areas and international migration. Mass employment today only exists in non-productive activities in the services sector, where over 40% of the workforce already work in many African countries. This figure makes it clear that the substantial growth in GDP in recent years has not led to a sufficient increase in the employment rate.

One problem described is the low level of private investment, which in turn is related to the instability of many countries in the region. One particular difficulty is the low employment rate of women, which in turn has a significant impact on reproductive behaviour. Morocco has the best employment-to-population ratio (around 50%), while Tunisia (around 30%) has the lowest. The authors note that the skills of local young people are often insufficient to fill existing positions due to a lack of appropriate training and education. Employment rates for young people are not only low by international standards, but have even been negative in some of the countries over the last decade.

In discussing what needs to be done, active labour market policies and indirect employment promotion through training measures are recommended. Priorities

include vocational training, wage subsidies, public employment programmes and the promotion of self-employment through start-up loans. In the countries of the MENA region, e.g. Tunisia, special programmes are in place for well-trained young people, as well as programmes for those without training. However, what is being tried today is far from sufficient. The authors therefore compare the situation in Africa with that in other countries of the world, especially those where massive increases in employment rates have been achieved, namely in China in 1980-1990, in India from 2010 and in Ethiopia from 2010 onwards. Specific recommendations of the authors require **new thinking** and **unorthodox political activities**. The specific recommended measures are reproduced here in their entirety.

(10) Cooperation with China

China has been active in Africa for many years. In the public discussion allegations are repeatedly made against the Chinese side in this context. It is often claimed that China is exclusively concerned with securing resources. From a historical viewpoint, however, Europeans and Americans, too, have always pursued resource security in their own interests, especially in Africa. In this respect, one should not accuse China of pursuing similar goals with regard to its own, very large population.

Rather, it must be acknowledged that the Chinese side has also promoted positive developments, e.g. in the infrastructure sector, often using their own labour force, but still. It is also undisputed today that increased South-South cooperation is important for development and is of increasing significance. China knows more than rich countries about how to work its way out of the poorest conditions, step by step. In that sense, the development of Africa should not be a field for the settlement of conflicts with China. On the contrary, Africa needs all the assistance that can be mustered. As part of the Marshall Plan with Africa, therefore, the goal must be to organise beneficial cooperation with China. In this context, it should be noted that on 11 May 2017, the German-Chinese Centre for Sustainable Development (ZNE) was opened in Beijing by German Federal Minister Dr. Gerd Müller and Chinese Minister of Commerce, Zhong Shan, which

among other things deals with joint development cooperation and the implementation of the 2030 Agenda. This can be taken as a starting-point for further measures.

V. Action areas within the framework of a Marshall Plan with Africa

A Marshall Plan unfolds through its details in particular. These hide considerable challenges in diverse detailed issues and the adequate addressing of these. Various explanations in the material volume on the German version of the text are informative in this context, e.g. Ms. Sonja Palm's (GIZ) essay on making better use of Africa's resource wealth for sustainable development. With reference to Chapter III, we should remember Prof. Leisinger's remarks on the important role of companies in development, and the advice given by Prof. Werner Smolny on the basic prerequisites for the prosperity of states and experience gained in education with the German University in Cairo, and finally, Peter Spiegel's comments on the role of social innovation and the beneficial effects of microcredit in the work of Nobel Peace Prize winner Muhammad Yunus (not microcredit of a "plundering" type).¹⁸⁶

Extensive knowledge of the basic opportunities and local "best practices" is available through the diverse experience of the German Federal Ministry of Economic Cooperation and Development (BMZ) and German Society for International Cooperation (GIZ). Volumes can be filled with this experience. Doing so is neither the core competence of the authors, nor does it form the content of this memorandum. However, attention is drawn to the following action areas, which should be taken into account when drawing up concrete measures in the context of a Marshall Plan with Africa.

Political involvement

✓ Increased political coordination and parliamentary exchange

Greater political attention given to Africa as a whole and the MENA region in particular. Establishment of regular political consultations. Regular interactions at the parliamentary level.

¹⁸⁶ Cf. also FAW/n publication "Microcredit – Addressing an Ongoing Debate", Ulm 2014, available from www.faw-neu-ulm.de

✓ **A pan-African free trade area**

Economic cooperation within Africa, building on the existing Regional Economic Communities, would provide new opportunities. A fair free trade zone would help. European commitment to establishing such a zone is important.

✓ **North Africa as a bridge to the south of the continent**

North Africa has great economic and cultural potential as a bridge to the rest of the continent. Activities in North Africa and the MENA region must be supplemented with improved North-South and East-West cooperation, investment in development programmes and development partnerships for the rest of Africa, i.e. the largest part of the continent.

✓ **Intensive use of existing political structures**

The Barcelona-based UfM (Union for the Mediterranean) is to be integrated into Marshall Plan activities. Furthermore, the African Union and RECs (Regional Economic Communities) are to be given objective consideration. Some information on this is given in this document.

Strengthening of public aspect on the ground

✓ **Development of the public sector / governance**

At the beginning there is the question of the role of the state. This is central in the field of security (here, the African Union has established resilient inter-governmental structures) and in the field of green, inclusive regulation (there is still much to do in this area). What is important is that the state does not do the wrong things and, for example, strangle private enterprise through bad rules and inefficient administration. Issues such as education, infrastructure, health, protection in old age, but also border protection in the context of refugee and migration issues and the risk of terrorism, must be tackled. Use of digitisation tools in all of the aforementioned areas will be helpful. The aim is for all neighbouring EU states to achieve the status of "safe countries of origin".

✓ **Strengthening of public administration**

The strengthening of public administration, e.g. tax authorities, security forces, border organisations etc. is an important topic. One aspect is capacity building. Compliance is an issue, as is the fight against corruption, the use of new digital tools in this area and the development and expansion of statistical offices. On the other hand, there is the danger of excessive and inefficient bureaucracy massively hampering private enterprise, especially small and medium-sized enterprises.

✓ **Sustainable use of raw materials and revenues from these**

Africa has a very high quantity of economic resources. Demand for raw materials from Africa (oil, gas, metals, rare earths) will continue to increase in the future. The revenues from these hold great potential for economic growth and increased sustainability in the respective countries, but only with good raw material governance. Resources should also be used as a source of wealth and job creation. In any case, it is important to avoid focusing on raw materials. The goal is a broad, differentiated economy. The special potential in the field of raw materials is described in an essay by Sonja Palm entitled "*Economic diversification from raw materials*", which is available in an material volume to the German version of this document.

✓ **Conflict prevention and security as a task**

In the face of multiple new threats, conflict prevention and security should be developed as common themes in close cooperation. This is primarily aimed at counter-terrorism, as well as data protection, the stability of the information structures, better links between infrastructures (e.g., coupling of power grids), transport networks for water, etc.

✓ **Sustainable urbanisation**

The growth of many cities in Africa is massive. The urbanisation process is a major challenge and can fail with respect to sustainability aspects - but it does not have to. The urbanization process in Africa therefore contains enormous opportunities and risks for sustainable development. The positive potential should be tapped as well as possible through cooperation. At the same time, a strong focus should be placed on existing regional centres and regional structures in order to increase the attractiveness of these cities and

regions for younger people, thereby somewhat countering the "flight" to the big cities.

✓ **Population development / family planning**

Family planning is a key issue and a crucial necessity for Africa and the world. As a major topic, family planning and mother-child health must be placed at the centre of activities. This also includes the development of social and pension systems in the countries concerned. This must be accompanied by rich countries - as shown in Part II of the memorandum. The German Bundestag recently formulated an important initiative in this direction.

(Note: A quadrupling of the size of the African population to more than 4 billion by 2100 is like a "ticking time bomb". This must be counteracted - through family planning and an eco-social agenda.)

Promotion of the economy

✓ **Generation of energy savings through renewable energies**

Cooperation in the area of climate protection and climate neutrality should be promoted. The goal is the massive use of solar and wind energy, especially in the Sahara, but also in the Arabian desert, which is better developed and less "threatened" by shifting dunes. Also important is the activation of the extremely high potential of hydropower south of the Sahara. Power grids must be urgently expanded. Today these represent the biggest bottleneck, which must be counteracted through the expansion of efficient power lines and other transport infrastructures. Energy exports to the south of the continent, as well as to Europe, must be made possible. The goal is "prosperity on the ground based on green energy".

✓ **The Sahara and the Arabian peninsula as an energy hub for the future**

Unlocking the energetic potential of the Sahara is an essential element of the sustainable development of the continent. This is a key element of the pro-

posed Marshall Plan for parts of the MENA region and Africa as a whole.¹⁸⁷ Essential elements concern the use of energy for the massive expansion of agriculture and the construction of methanol production facilities. This can become an export hit in the form of climate-neutral fuels for Europe.

✓ **Climate-neutral ground- and seawater desalination / generation of wealth from water**

Solar or green energy should be used for ground- and seawater desalination. The goal is an "abundance of water" in a region where, today, water scarcity induces a conflict-prone and development-inhibiting state. In places where the desalination of groundwater is not enough, overland pipelines for water must be developed as part of general water management with innovative solutions. Transport should largely be handled by pipelines based on renewable energies. In particular, water should serve as the basis for a "productivity explosion" in agriculture and, with it, millions of new jobs.

✓ **Afforestation**

Afforestation plays a key role worldwide in implementing the SDGs and avoiding climate catastrophes. Afforestation promotes 12 of the 17 SDGs. Amongst other things, afforestation stabilizes the water cycle and can prevent the rainforests from drying out - thus eliminating a particularly critical "tipping point" of the climatic system. The goal is massive progress in agriculture on the edges of the Sahara, with the additional goal of preventing the spread of the desert. Forests are to be used as "jokers". In the context of climate neutrality, further desertification is prevented. Fertile land is won back from the desert, instead of continuing to accept the continual large annual loss of usable land to the desert. New agricultural activities and new forests mean climate protection, enough food and a renewable raw materials base for crafts / house construction / light industry, etc. At the same time, this leads to CO₂ neutralisation. Simultaneously, efforts must be made to protect the existing rainforest through agreements and significant financial transfers. Money must be paid in order to preserve the rainforest, and not for its products in the context of deforestation.

¹⁸⁷ Cf. the material volume to the German version of this document: Abderrazak El Badraoui gives an insight into the mood in Morocco and current activities there. Franz Trieb points to an economically viable cooperation between North Africa and Europe in the field of renewable energy.

✓ **Large-scale financing of rural areas and agriculture**

Although Africa could feed itself, it currently imports food for approx. \$ 35 billion a year. North Africa was once the granary of the Roman Empire, but under more favourable climatic conditions than today. Many new, thoroughly modern jobs can be created in agriculture, but the productivity of agriculture must be massively improved. Agriculture in Africa has great potential. This must also be harnessed to nourish the rapidly growing African population and to feed humanity. Agricultural production in Africa can be massively increased in the coming years.

Above all, the authors also consider the greening of (semi-)arid areas and also the reversal of desertification to be highly promising. This affects about 10 million hectares per year. The key to this is the desalination of (ground-)water based on renewable energy. Humus formation will become a key factor in the climate issue - about 20 tonnes of CO₂ per year and hectare can be tied.

Innovation through better seeds, customised and improved irrigation, and functioning storage and functioning transport (cold chains), as well as efficient processing and marketing, are crucial for the transformation of African agriculture. The refinement of agricultural raw materials in particular brings greater added value and creates new jobs. New information technologies (mobile phones) bring innovations and attractive activities to the countryside. However, the investment climate needs to be improved. This includes changing EU agricultural policy in ways that help agriculture in the Middle East and Africa. It is clear that there will be many new jobs in this sector, if it is done the right way, and these can be modern jobs with a lot of technology and IT use, which are then attractive to young people, too. To this end, agriculture must be well connected to the secondary and tertiary sectors. Appropriate schooling phases must be added for training. Regions must become more attractive so as to at least create a counterbalance to increasing urbanisation.¹⁸⁸

¹⁸⁸ Cf. the material volume to the German version of this document: "Employment Now - addressing the challenge in Arab Region and Africa" by Joachim von Braun and Chiara Kofol

✓ **Land policy**

Land policy is becoming increasingly important, also in conjunction with securing access to water. This issue is crucial for prosperous development in Africa and a successful future for the people. In many parts of Africa, it is necessary to finally set up land registry offices to document land ownership. This also serves to protect small owners and is often the prerequisite for obtaining loans. Important: The prevention of further desertification and reversal of desertification to perhaps 30 - 50 million hectares dramatically changes soil and agricultural conditions.

✓ **Expansion of the transport infrastructure**

Infrastructure development in the transport sector is a central topic for development. Here, the Marshall Plan must begin with large-scale co-financing, also in an east-west direction. Innovations in the areas of IT and mobility based on renewable energies should also play an important role.

✓ **Expansion of tourism**

Tourism is of great significance to sustainability. The head of the UN Sustainability Bureau has pointed out that well-designed tourism has great potential for international cooperation and new forms of value creation. What is at stake is the preservation of creation and of biodiversity. Nature is valued and preserved, which is different and better than e.g. deforestation. Green solutions, IT-based design, nature adventures, and even nature adventures in the desert as an objective are attractive (sustainable tourism).

✓ **Increased efforts towards company start-ups**

Promotion of fair trade / allowing of trade preferences. The activities of the private sector, primarily SMEs, are central to the future of the MENA region and Africa, not least in view of the multi-faceted annual demand for 20 million new African jobs for young people over the next 30 years. The promotion of these processes, especially among SMEs, is of central importance. Promotion of entrepreneurship and forging of links to countries' great traditions in crafts and handicrafts. Focus on the promotion of SMEs while taking digital aspects into consideration. Put Muhammad Yunus' motto into action: "Don't

wait for a job: create one yourself!" However, in this context, many state-imposed hurdles have yet to be removed.

✓ **More loans and guarantees**

It is now international consensus that development requires significantly more funding, according to the Addis Ababa motto "From Billions to Trillions". These funds must be largely capitalised as private sector capital. However, often the preconditions for this have not been met. The prerequisites must be created in both regulatory terms and with the accompanying financial instruments. The granting of favourable, long-term loans and the assumption of guarantees by the public sector in the context of development cooperation are among the most important instruments that must be in place in order to move forward in this area. A realistic leverage factor would be 4, which would mean that public funds used in this area would produce five times the effect.

✓ **Promotion of fair trade / allowing of trade preferences**

Utilisation of the relevant WTO special rules. More asymmetric provision of advantages given to African countries. Also: Initiate initiatives for truly rules-based fair and free trade, and not just free trade. Follow the advice of former IMF head and former German President Horst Köhler on the topic. A crucial issue for policy coherence is to allow for trade-related asymmetries, aiming at increased development.

✓ **Microcredit**

In international development policy, microcredit, and then also microinsurance, has proved to be a major lever, especially with regard to small businesses, for making considerable progress in people's lives and economic performance. This is also of particular importance when hundreds of millions of people who have no job today should find a job in the future. In smart approaches, which can be traced back in particular to Nobel Peace Prize winner Mohammad Yunus, loans are granted only in connection with a viable business model and in an environment that supports the borrower. Unfortunately, in the meantime there have also been "plundering" forms of microcredits that have abused this instrument in exactly the same way as the important general credit instrument was abused by stakeholders in the context of the

world financial crisis. Abuses such as these must be precluded through a regulatory framework, particularly in order to ensure that the instruments themselves remain usable, as these instruments, when configured properly, contain considerable levers for creating an attractive future for many people.¹⁸⁹

✓ **Promotion of European and international investment**

Africa has great potential. China has launched a large number of initiatives in Africa. Europe and the OECD countries could do much more to promote this development - for their mutual benefit. The G20 should also increasingly be persuaded to support reform partnerships and invest more. German policy must initiate partnerships in the political sphere as part of the Marshall Plan idea. Here the authors see an opportunity in a few years' time for self-supporting, highly profitable developments in agriculture on millions of hectares of currently degraded soil, and also in the production of climate-neutral, methanol-based fuels for export, e.g. to Europe.

✓ **SME partnerships**

One of the secrets of the German economy's success are its internationally successful SMEs, often family-run, and also often "hidden champions". This group could effect much change - for both Africa, and also for their own future. By 2050, the population of Africa will already exceed 2 billion, which will constitute the youngest population in the world. In Africa, the conditions for small and medium-sized companies and start-ups must be improved. Less bureaucracy and fewer state-imposed hurdles are important to release more dynamism and the creative power of companies, especially small businesses.

✓ **Promotion of structures instead of individual projects**

Economic structures, and not individual projects, should be promoted locally. There are many organisations in African countries with which cooperation could be initiated today. These include in particular chambers of commerce in other countries.

✓ **Special economic zones**

¹⁸⁹ Cf. also FAW/n publication "Microcredit – Addressing an Ongoing Debate", Ulm 2014, available from www.faw-neu-ulm.de

Special economic zones, i.e. defined geographical areas within states that provide special legal and administrative facilities for investors, should be created. These can then act as centres of or starting points for economic development.

✓ **Climate-neutral fuel production**

One possible promising approach for the energy-efficient conversion of primary to secondary energy is the production of methanol on African soil. This is described in detail elsewhere in this text.

Education and research

✓ **African youth as an opportunity and a challenge**

Nowhere in the world will there be as many young people as there will be in Africa in the near future. This represents an opportunity if development succeeds, but also a great risk if it does not succeed. For Europe, with its much older population, the opportunities are obvious. With regard to the refugee issue, the risks cannot be denied. For this reason it is vital to invest in African youth. At the same time this must be clear: young people want interesting jobs with potential. However, too many want to join the state administration or the bureaucracy of big companies. This is certainly not enough to provide all those interested with interesting job opportunities. Grasping the problem and initiative are required. Many younger people should - in the language of Muhammad Yunus - create their own jobs. In this sense, dual education as a basis is more sustainable in its breadth than the so frequently observed fixation on an MBA. Setting a new course here is also a question of psychology and the management of expectations.

✓ **Education of women and girls**

The advancement of women and girls is a key issue for the future of the region, especially in terms of shaping population growth in terms of sustainability. Here, the Marshall Plan approach must also focus on countering local resistance on cultural grounds. A strong focus on women and girls must be part of the intelligent conditioning of cooperation. Assistance with the develop-

ment and expansion of state social security systems must also include corresponding focus points.

✓ **Training initiative for craftwork**

Significant strengthening of vocational training, promotion of crafts, etc., in particular in order to increase the number of jobs and for economic development. Consider the digital aspects. Enable bi-lateral partnerships.

✓ **Promotion of dual education**

Dual education is important for all relevant topics covered in this text, e.g. digital aspects in education. Dual education is an "export hit" of the German education system. National education systems shouldn't produce only more MBAs, but people on the ground who can take immediate action in the physical economy with both their hands and their head. In Africa too, crafts will "find gold". A great deal of human skill is required. There is potential here for many new activities.

✓ **Strengthening of universities and colleges**

Well-educated graduates of universities and colleges are indispensable for the development of the region. This affects the anchoring of all topics that are important for a Marshall Plan, i.e. the **green economy, entrepreneurship** etc. The digital aspects of the topic must be considered. A good example of what is possible is the German University of Cairo, cf. the text by Prof. Dr. Werner Smolny in chapter III.

✓ **Opportunity for digitisation**

Digitisation is opening up huge opportunities for Africa, some of which have already been exploited. Certain innovations work markedly better if classical infrastructures are **not** available. With the expansion of digital financial solutions and tele-health solutions based on mobile telephony and data services, these can already be studied today. Corresponding research and development projects make sense in such an environment.

✓ **More exchange and study programmes**

The strengthening of cooperation between Europe and Africa and the advancement of African youth to their mutual benefit must place particular emphasis on exchange and study programmes (e.g. Erasmus and so on). Reciprocal stays, ranging from a few weeks to one to two years, cooperation in research projects, etc., are ideal instruments for the needed learning communities between Africa and Europe promoted by former German Federal President Horst Köhler.

Listing of contributions from the material volume of the German version of the memorandum on "*Migration, Sustainability and a Marshall Plan with Africa* " - Memorandum for the Federal Government of the Club of Rome and the Senate of Economy / Further important individual topics

Abderrazak El Badraoui: Sustainable Euro-African Partnership in the area of renewable energy in the example of desert energy from Morocco (expert opinion for a BMZ / GIZ workshop on the topic)

Joachim von Braun and Chiara Kofol: Employment Now – addressing the challenge in Arab Region and Africa, Center for Development Research (ZEF), University of Bonn, Draft, October 10th, 2016 (expert opinion for this memorandum)

Hajo Junge, Franz Josef Radermacher, Roland Wöller: Material collection from a BMZ / GIZ workshop on the subject. This document contains in particular additional information by Hajo Junge on the topic of climate change and migration in the MENA region, by Peter Spiegel (GENISIS Institute) on the subject of learning cultures, on the subject of efforts towards start-ups and modern training courses, and by Hans-Joachim Tesmer (Senate of Economy) on the subject of "Development of Africa" and on the subject of public/private partnership, especially for infrastructure, electricity etc.

Horst Köhler (German Federal President emeritus): "For a new culture of cooperation with Africa", speech at the Africa Congress of the CDU/CSU parliamentary group, German Bundestag, 16 March 2016

Klaus Leisinger: Requirements for Cooperation in Development by Enterprises

Graeme Maxton: Policy proposals to progressively reduce unemployment and inequality in the poor world

Sonja Palm, giz: Employment for Development / Skills for Oil and Gas

Wolfgang Schäuble (former German Federal Minister of Finance): "What we need is a moderate revolution". Speech in Kiel on the increasing impositions and risks of social change / inequality, but with no return to national niches.

Werner Smolny: "Personal insights and experiences from the environment of the German University in Cairo" (expert opinion for this memorandum)

Thomas Straubhaar: Migration Policy in Theory and Practice

Franz Trieb, DLR: Solar power export as a building block of an energy partnership between Europe and North Africa (expert opinion for a BMZ/GIZ workshop on the topic)

Concluding remarks

It should have become clear that Europe, with its again highly topical migration issue, finds itself in the midst of a historical process that has shown many facets over the centuries. However, given the continuing rapid growth of the world's population, what is going to happen to us over the next few years could go beyond all historical experience. At the same time, we need new, courageous approaches that at the same time make it clear that the 2030 Agenda adopted in New York and the World Climate Programme adopted in Paris are not just words, but also real opportunities for implementation. In this context, the representatives of a globalised economic order must prove in particular that an adequately regulated market, i.e. a green and inclusive market, can "deliver". Delivering means creating jobs for more and more people or means other approaches, that can guarantee an adequate income for all people. At the same time, the environment and the climate must be protected. It is possible to do all of this at the same time. Significant economic growth, especially in poorer countries, is possible, and compatible with sustainability.

In this connection the Sahara Desert, one of the most interesting deserts in the world in this context, is the joker in the pack. It opens up new opportunities for the production of controllable and renewable energy, and for making it available in the most diverse places on the continent and beyond - a prerequisite for the creation of new prosperity. Central to this is the large-scale expansion of agriculture (on semi-arid soils) and the production of climate-neutral (methanol-based) fuels for Europe.

In addition, the potential for energy cooperation in the EU-MENA region should also be taken into consideration, similarly to that of the beginnings of the EU, when, through the European Coal and Steel Community, the first steps were taken towards a common future. A further political vision could be to use energy, agriculture and reforestation projects to develop Africa in subsectors as a key to tackling the climate problem for the world, especially in partnership with Europe, while creating millions of jobs and prospects for young people in Africa in these sectors.

Significant funding is needed, and development assistance to Africa must be at least doubled, or even tripled. This should be granted on an equal footing in conjunction with appropriate conditionalisation under appropriate agreements. This will be configured separately, individually and specifically, i.e. in the most appropriate form from state to state. Thus, it should be possible to induce a huge physical-economic value increase, one which is also highly attractive for Europe, and in particular for countries in southern Europe, in many places. We see an opportunity for large-scale, self-sustaining economic activities through massive production increases in agriculture, on the one hand, and climate-neutral, methanol-based fuels, on the other. Both approaches are closely tied to the use of local renewable energy and the massive binding of CO₂ through humus formation and reforestation.

Such a catalogue of measures could bring optimism back to our part of the world and, as a result, bring about a situation in which substantial interest can be paid on invested capital. The proposed "Future Africa Fund" proposes a means of raising and deploying such funds. In this context it is important to involve the financial markets, too, by means of appropriate bonds. In this way, investors are also offered the opportunity to invest in valuable and future-proofing activities.

Education, and especially educational cooperation, which will make it possible for people from Africa to gain experience in the member states of the EU, which they can then use to their advantage in the home country for the local society, are of great importance for the future. At the same time, such measures also reduce the distance, still frequently perceived, that is felt to the neighbouring continent and its people by the European populace, and build mutual trust.

The challenges are great. The same applies to the opportunities. A bold project, such as a joint "Marshall Plan with Africa" that could induce an economic miracle, has great prospects of bringing European citizens even closer to the EU, with pride in the great efforts that the EU has made to secure the future of its citizens, its neighbours and the world. We therefore urge the European Union, and specifically the EU Commission, the European Parliament and the Council, to act

boldly in close cooperation with the member states and launch a Marshall Plan with Africa, with a focus on North Africa and parts of the Middle East.

For the Marshall Plan programme with Africa, we recommend the setting up of an accompanying advisory board with outstanding personalities who can promote the subject in a credible way and based on their experience in the political process.

The Club of Rome and the Senate of Economy, in particular the Senate Institute, will continue to address the fields of action described in the coming months and contribute to the process of implementing a Marshall Plan with Africa in a variety of ways.

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Dr. Walter Döring

After finishing secondary school, Walter Döring studied history and English in Tübingen and gained a doctorate as Dr. phil. In 1982, he entered the teaching profession and taught as a secondary-school teacher until 1988, first at the Gymnasium in der Taus in Backnang, then at the Gymnasium bei St. Michael in Schwäbisch Hall. Walter Döring was the first and so far only member of the Baden-Württemberg Landtag to voluntarily relinquish his official status as a teacher. Dr. Walter Döring continues to pursue his joy in teaching and is active as a lecturer at the Baden-Wuerttemberg Cooperative State University in Stuttgart.



In 1980, Walter Döring became a member of the FDP (liberal) party. In 1981 he became district chairman of the FDP for Schwäbisch Hall/Craillsheim/Limpurger Land, since 1983 he was a member of the FDP Baden-Württemberg state executive, and from 1985 to 1988 he was national chairman, an office he was again elected to in 1995. From 1985 to 1988 and from 1995 to 2004 he was a member of the FDP Federal Executive Committee. From 1988 to 2006, Walter Döring was a member of the state parliament of Baden-Württemberg. During this time he was chairman of the FDP/DVP parliamentary group from 1988 to 1996.

From 1996, Dr. Walter Döring was Minister of Economic Affairs and Deputy Prime Minister of Baden-Württemberg in a coalition government between the CDU and FDP/DVP.

Since leaving ministerial office, Dr. Walter Döring was a member of the supervisory and advisory boards, as well as consultant, for a variety of companies and founded ADWM GmbH, the Academy of German World Market Leaders, in 2012.

The object of ADWM GmbH - the Academy of German World Market Leaders - is the promotion of science and research. This is achieved in particular by the organisation of scientific events and training, especially the annual summit meeting of world market leaders, formerly the German Congress of World Market Leaders (congress for leading, globally active German companies with experts from science, research, business, business and politics). He has further published his own research series and assigned research work, as well as published research results on economically relevant topics in order to give impulses to the entire German economy, true to the motto: "Learn from the best." Since 2015, Dr. Walter Döring has been Chairman of the Senate of Economy Europe.

Frithjof Finkbeiner

Frithjof Finkbeiner is an entrepreneur, curator of the Global Marshall Plan Foundation, chairman of the board of directors of the Plant-for-the-Planet Foundation, vice-president of the German Society of the Club of Rome and chairman of the supervisory board of the Desertec Foundation.



As a student he became involved with the AIESEC student organization, founded the Rotaract Club Augsburg and coordinated the development of Rotaract in Germany.

Between 1986 and 1994, as an entrepreneur, he created the basis for his economic independence. Al Gore changed his life in 1994 with his recognition that people must work together to change the global environment.

In 2001 he founded, together with the scientist Franz Josef Radermacher, the Global Contract Foundation, Hamburg. In 2003 they started, together with Austrian Vice Chancellor emeritus Josef Riegler, Franz Fischler and Uwe Möller the Global Marshall Plan Initiative.

In January 2007, Felix Finkbeiner's 9-year-old son founded the Plant-for-the-Planet initiative for children and young people. The children and young people of Plant-for-the-Planet from 193 countries promote the idea that every human should plant 150 trees. In 2011 UNEP transferred the official tree counter to the children. Since then, businesses, governments and adults have been reporting the number of trees that they've planted to children: the number has now reached 14.2 billion. 1,000 billion trees is the target for 2020.

From the very beginning Finkbeiner has advocated "power from the desert" within the Club of Rome. At the end of 2013 he assumed responsibility for the Desertec Foundation as chairman of the supervisory board.

Dieter Härthe

After training in handicrafts and business management, Dieter Härthe founded, already back in the early seventies, a medium-sized service company. For 40 years he has been a leader in associations of SMEs and chairman of the Senate of Economy since its foundation. He is also chairman of the Vienna-based Senate of Economy International.



Dieter Härthe represents the Republic of Senegal as Honorary Consul General in Hamburg and Schleswig-Holstein.

Prof. Dr. Estelle Herlyn

Estelle L.A. Herlyn is a professor at FOM University of Applied Sciences and head of the FOM Competence Centre for Sustainable Development. She works freelance for the FAW/n. Most recently, she worked on a feasibility study of Agenda 2030 as part of projects with the BMZ, as well as the possibilities and limitations of implementing higher environmental and social standards in global value chains. She is the vice chairperson of the Senate Institute.



After studying business mathematics at TU Dortmund, she initially worked for various international companies for a number of years before completing a doctorate on issues concerning balanced income distributions as a crucial aspect of the social dimension of sustainability at RWTH Aachen University.

Andreas Huber

Andreas Huber is managing director of the German branch of the CLUB OF ROME, honorary board member of the DESERTEC Foundation and a lecturer.



Andreas Huber studied international management and business law in Rotterdam and Pforzheim. In addition, he attended lectures in philosophy and intercultural communication, obtaining the so-called "Ethikum" certificate issued by universities in Baden-Württemberg. He dedicated his diploma thesis, which was supervised by Prof. Dr. Dr. Franz Josef Radermacher, to the question of how to enforce social standards in world trade. Following his graduation he started working for the Global Marshall Plan Foundation, of which he later became managing director. At the same time he also started working for the German branch of the CLUB OF ROME and the Plant-for-the-Planet Foundation. At the German branch of the CLUB OF ROME he initially supported the coordination of the network of CLUB OF ROME schools in particular. He also worked for several years as a tutor in the online seminar for Education for Sustainable Development, which is offered to students across universities in Baden-Württemberg.

<http://www.andreas-huber.org>

Prof. Klaus Leisinger

Klaus Michael Leisinger is the founder and president of the Global Values Alliance (<http://www.globalewerte-allianz.ch/>) and Professor of Sociology at the University of Basel (specialisation in Business Ethics and Corporate Responsibility). He served UN Secretary-General Kofi Annan as a Special Adviser on Corporate Social Responsibility and the Global Compact as well as a Special Adviser on Post-



2015 Development Goals and Business Ethics. Klaus Leisinger has and continues to lecture as a visiting professor at numerous European universities, as well as at the University of Notre Dame, the MIT Sloan School of Management at Cambridge and DePaul University. He is a member of the European Academy of Science and the Arts. He is also a member of the governing body of the Sustainable Development Solutions Network, chaired by UN Secretary-General Ban Ki-moon and chaired by Jeffrey Sachs, President of the German Business Ethics Network, and a member of the steering committee of the Ethics in Action initiative of the Pontifical Academy of Sciences. He is a member of an international consortium

established by the EU to develop framework conditions to ensure high ethical standards in clinical research in low-income countries. Until 2013, he was President and CEO of the former Novartis Foundation for Sustainable Development.

Graeme Maxton

Graeme Maxton has been a full member of the Club of Rome since 2013 and, since 2014, its Secretary-General. The Club of Rome is an association of distinguished personalities from science, culture, business and politics who are committed to a liveable and sustainable future of humanity, taking a global perspective.



As a vehement critic of the current economic system, he is co-author of the best-seller "One Percent is Enough: Fighting Social Inequality, Unemployment and Climate Change with Little Growth" (oekom Verlag 2016) and author of the Spiegel bestseller "The Growth Lie: Why we must no longer leave the world to politicians and economists" (FinanzBuch Verlag 2012).

Before this he served as Regional Director for The Economist Group in Asia, Resident Vice-President for Citibank, Senior Associate Consultant for Booz Allen Hamilton, and Visiting Professor at Cass Business School, London. Graeme Maxton was born in Scotland and has been living in Switzerland since 2014.

Prof. Dr. Dr. Dr. h.c. Franz Josef Radermacher

Professor of Databases and Artificial Intelligence at the University of Ulm, and at the same time executive director of the Research Institute for Applied Knowledge Processing (FAW/n) Ulm, President of the Senate of Economy, Bonn, Vice-President of the European Eco-Social Forum, Vienna and a member of the Club of Rome.



He studied mathematics and economics (RWTH Aachen, University of Karlsruhe), and received his habilitation in mathematics at RWTH Aachen University in 1982. His research interests include global issues, learning organizations, risk management, issues of people and systems responsibility, sustainable mobility, sustainable development, overpopulation issues, global nutrition, climate and energy, and regulation of the world financial system.

He received, among others, the Planetary Consciousness Award of the Club of Budapest, the Future Research Prize of the State of Salzburg (Robert Jugk Prize), the Karl Werner Kieffer Prize, the "Integration Prize" of the Appletree Foundation (Stiftung Apfelbaum) and the "Golden Tree" environmental prize of the Ecology and Democracy Foundation. Since 2013 he has been a fellow of the World Academy of Art & Science (WAAS). In 2013 he also became the chairman of the Rotarian Action Group for Population & Development (RFPD). In 2013 we has awarded an honorary doctorate from the International Hellenic University in Thessaloniki.

Prof. Dr. Thomas Straubhaar

Prof. Dr. Thomas Straubhaar has been Professor of Economics, specialising in international business relations, at the University of Hamburg since 1999. At the same time he is director of the Europa College, Hamburg. Since September 2013 he has been a non-resident fellow of the Transatlantic Academy in Washington DC. In the 2015 and 2016 summer semesters he was Theodor Heuss guest professor at ITAM and UNAM in Mexico City.



Thomas Straubhaar studied economics at the University of Bern, where in 1983 he received his doctorate as Dr. rer. Pol., and in 1987 received his habilitation following a research stay at the University of California at Berkeley. Straubhaar has worked as a professor at the Universities of Bern, Constance, Basel and Freiburg im Breisgau and Professor of Economics at Helmut Schmidt University (HSU) in Hamburg. From September 1999 till August 2014 he was first president of the Hamburg World Economic Archive (HWWA), and subsequently head of the Hamburg World Economic Institute (HWWI). His research interests include international economic relations, and in particular transatlantic relations and population economics, with a focus on migration.

Prof. Dr. Ernst Ulrich von Weizsäcker

Prof. Dr. Ernst Ulrich von Weizsäcker is an environmental scientist and politician. He is a graduate physicist (Hamburg) and obtained the title of Dr. rer. nat. in zoology from the University of Freiburg.



He was Professor of Biology at the University of Essen, President of the University of Kassel, Director of the United Nations Centre for Science and Technology (New York), Director of the Institute for European Environmental Policy (Bonn, London, Paris), President of the Wuppertal Institute for Climate, Environment and Energy, Member of the German Bundestag for the SPD

(1999-2002), Chairman of the Enquête Commission for Globalisation (2002-2005), Chairman of the Environment Committee), Dean of the Bren School of Environmental Sciences and Management, University of California (Santa Barbara, USA) and President of the International Resource Panel. Since 2012 he has been Co-President of the Club of Rome, and since 2010 Honorary Professor at the University of Freiburg.

Ernst Ulrich von Weizsäcker is a member of the European Academy of Sciences, the World Academy of Art and Science and the Association of German Scientists.

He has received honorary doctorates from the Soka University of Tokyo, the University of Belgrade and the University of Nagoya. He is a recipient of the Takeda Award for Environmental Excellence, the German Environmental Award, the German Federal Cross of Merit, the Theodor Heuss Prize and the Order of Merit of Baden-Württemberg.

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