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Atlantic Basin Initiative Summary Notes Eminent Persons Group Meeting Luanda, Angola June 22-24, 2013

"The Atlantic Space is as fundamentally important as a common focus among all actors in the South as it has been for the countries of the North."

-- Augusto Tomas, Angola's Minister of Transportation

Eminent Persons from the public and private sectors from 20 countries in Africa, Europe, North and South America met in Luanda to consider ways to advance pan-Atlantic cooperation. The Eminent Persons were welcomed by Manuel Vicente, Vice President of the Government of Angola, and by Maria Luisa Abrantes, President of ANIP, the National Private Investment Agency, and at the invitation of the Center for Transatlantic Relations (CTR) at Johns Hopkins University SAIS, particularly CTR Distinguished Fellow and former President of the Government of Spain José Maria Aznar and CTR Executive Director Prof. Daniel Hamilton.

José Eduardo dos Santos, President of Angola, also met with those Eminent Persons who were former heads of government.

The Luanda meeting followed earlier meetings of the Initiative held in La Romana, in the Dominican Republic, in January 2013 and in São Paulo, Brazil in 2012. In Luanda the goal was to move the Initiative forward with a "Luanda Declaration" on energy cooperation; to advance concrete proposals for enhancing commercial cooperation across the Atlantic; and to address pan-Atlantic concerns regarding human and maritime security. The Eminent Persons also agreed on a six-month workplan for the Initiative.

Principals agreed that the traditional term "transatlantic," which has come to be associated with connections across the North Atlantic, is insufficient to understand or tackle a growing array of issues in a world of rising countries and diffuse power. The four continents of the Atlantic are connecting in a host of new ways that have largely escaped broader attention yet are generating both challenges and opportunities.

- Mapping the Atlantic Changing Atlantic Connections, Center for Transatlantic Relations
- Rising Tide: The Growing Importance of the Atlantic Hemisphere by O.Obasanjo, G.Alckmin, J.M. Aznar and D.Hamilton

Principals supported the need to use specific projects to advance action and deepen cooperation. As at earlier meetings, the discussion was driven by three overarching questions:

- a) How might an Atlantic Basin Initiative cut through and not add to the institutional clutter of often meaningless meetings and vacuous summits?
- b) On what issues can a pan-Atlantic perspective provide added value?



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c) Where and how can the Eminent Persons present perspectives and recommendations that can motivate private actors and help existing governments?

<u>Energy.</u> The Eminent Persons agreed that energy is a clear driver of change across the entire Atlantic Basin, and deserves priority attention.

There was considerable discussion of the situation in the U.S. and Canada. The U.S. is likely to become energy self-sufficient after 2020. The proposal was made that at the next Eminent Persons meeting slated for January in Mexico the question should be addressed what growing U.S. energy self-sufficiency is likely to mean for the Atlantic.

Principals approved the "Luanda Declaration" calling for the creation of Atlantic Charter for Sustainable Energy. Next steps must include the creation of an Atlantic Energy Forum to advance pan-Atlantic cooperation, particularly by identifying 2-3 concrete projects that deserve funding and can be advanced. The measures of success will be whether such projects improve access to energy; are environmentally friendly; and are able to attract funding to implement.

Exchange of good practice was also considered worthwhile. Colombian companies' experiences were cited as an example of efforts that would be useful references by other emerging economies.

Despite this picture of growing energy wealth, the current reality for many countries in Africa and Latin America is actually energy poverty and the pressing need for access to energy. African participants underscored the need to strengthen corporate social responsibility and expressed considerable concern about trafficking in crude oil, which has accounted for 100 billion U.S. dollars in lost revenues since 2000. They also pointed to persistent problems related to development, for example Africa exports oil yet imports oil products.

Renewables are likely to be the dominant energy source in 30 years. Shale gas can be the bridge to a low-carbon future. But pan-Atlantic cooperation is necessary to move forward with an action agenda for renewables development.

- Action: 1. Issue the "Luanda Declaration". The Declaration was issued on final day of conference and is available online and below.
  - 2. Convene an Atlantic Energy Forum to develop an Atlantic Charter for Sustainable Energy and to promote pan-Atlantic energy cooperation. CTR will work to identify the funding to host the Atlantic Energy Forum in fall 2013.
- An Action Agenda for the Eminent Persons in the Energy Realm
- <u>'Luanda Declaration'</u>: Towards an Atlantic Energy Charter [NEEDS TO BE UPDATED WITH CORRECT VERSION]
- <u>The Proposed Luanda Declaration: Towards an Atlantic Basin Charter for Energy Governance</u> by Paul Isbell and Vicente Lopez-Ibor



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- Atlantic Action Alliance for Renewables Deployment in the Southern Atlantic and the Reduction of Energy Poverty by Paul Isbell and Steve Thorne
- Energy and the Atlantic: The Emergence of an Atlantic Basin Energy System, Paul Isbell
- An Atlantic Agenda for Biofuels, Paul Isbell

### Tackling Challenges of Human Development: How Could an Atlantic Frame Help?

Principals endorsed two propositions advanced at the meeting. The first is that the U.S. and EU, either as part of their new Transatlantic Trade and Investment Partnership [TTIP] or as a complementary process, should consider ways to align their respective trade preferences for low-income African countries. The second is that the TTIP, once negotiated, should be open to third parties.

There was discussion whether Latin American countries could join in a transatlantic trade preference regime for low-income African countries, but South American participants argued that this would be exceedingly difficult, given that such countries each have very different trade relations with the U.S. and with the EU.

There was considerable debate regarding the Center's proposal for consideration of an Atlantic Finance Corporation for Infrastructure. Some argued that such an initiative was necessary. Others argued that money was not the problem; the issue was to understand why so many projects remained incomplete or unbankable. Often the problem is due to project preparation or to high risk premiums on investments in Africa. Sometimes the problems are political rather than economic.

The African Development Bank's Africa 50 Fund for infrastructure was cited; considerable funding is already in hand, but it must be matched by private investors.

In the end a working group of the Principals developed a statement and work plan, endorsed by the larger group. The statement reads as follows:

"As a bridge between worlds and sectors, the group of eminent people of the ABI will engage with private and public stakeholders in understanding and facilitating the successful implementation of infrastructure projects that improve livelihoods of the most vulnerable, keeping in mind the values of the Atlantic. We will start with energy."

Action: 1. Study what has worked and what has failed and why (enable the environment

for investments to take place. Ease of doing business).

Action: 2. Identify 2-3 projects that can become stories of success due to the intervention

of the eminent people in removing obstacles.

Action: 3. Consider the Eminent Persons as a "political swat" team to help remove

obstacles.



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- <u>Harmonized Trade Preferences for Low Income African Countries: A Transatlantic Initiative</u> by Eveline Herfkens
- A Trans-Atlantic Deal for Africa by K.Y. Amoako, Daniel Hamilton and Eveline Herfkens
- <u>Towards an Atlantic Finance Corporation for Infrastructure (AFCI): An Atlantic Basin Initiative Finance Project</u> by Cesar Canedo, Paul Isbell and Juan Jose Juste

### Improving Human and Maritime Security in the Atlantic Basin

As pan-Atlantic economic activity grows, as oil and gas reserves come on stream, and as fishing patterns change, new safety and new security demands arise. Latin America's security challenge of criminal violence is now interacting with challenges of weak governance in many parts of Africa, fueled by arms provided by North America and driven by drug demand in North America and Europe. Traditional north-south distinctions between producing and consuming countries are breaking down as drug consumption increases in Latin America and is noticeable in Africa. Narco-trafficking devastates the rule of law and democratic institutions. The drug trade, arms flows, human trafficking, piracy, political instability, and terrorist infiltration are not only becoming concerns of pan-Atlantic scope, in many cases they are interacting, fueled by the growing engagement in the region of both traditional and new non-regional players and the relative absence of effective governance or enforcement mechanisms.

Augusto Tomas, Angola's Minister of Transportation, and Samuel Domguia, head of the African Union's Task Force on Maritime Security, introduced the topic and the discussion. The Minister argued that since 90 percent of African exports and imports are transported by sea and millions of Africans rely on the oceans for food, the challenges of maritime security were becoming acute. It is also big business; the Minister valued African maritime trade at 1 trillion U.S. dollars. It was critical that ports comply with international security norms. The Yaoundé ECOWAS meeting on security in the Gulf of Guinea developed a code of conduct that could be useful as a guideline for enhanced cooperation.

Other participants indicated useful lessons from South American experience. Yet not all countries of the Atlantic always agree on how to approach these challenges. The suggestion was made to draw up a comparison of similar and different approaches by countries to these issues, including such topics as whether to pay ransoms to pirates, approaches to illegal fishing, etc. These groups know how to exploit such differences between governments.

A second comparison was also noted. Generally speaking, criminalization in Africa has been linked to state failure. A number of Latin American countries, however, have emerged out of failure. How to build state capacity out of failure was identified as a good topic for comparative discussion among Eminent Persons with substantial government experience.

Participants agreed that more work was required before a clear common agenda could emerge.

Action: 1. Ask the policy research network to do further work in this area, with a view to teasing out potential common agenda items. CTR will host a workshop on September 5 with commissioned papers in this area.



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- Issues with Security and Human Resiliency by Nancy E. Brune
- Getting Smart and Scaling Up Responding to the Impact of Organized Crime on Governance in Developing Countries by Camino Kavanagh

### Keeping Focus on Shared Values and Challenges of Inequality

Principals were encouraged not to lose sight of two other topics moving forward. The first is the notion of shared values. Principals affirmed their belief that a shared commitment to such basic principles as freedom, democracy, rule of law, transparency, human rights, open societies and open markets, and the need to build institutions in society that reflect and uphold those values, offers a unifying pan-Atlantic foundation upon which to tackle common challenges together, even as such principles may be applied in different ways due to specific national conditions. They agreed that the strength of the Atlantic Basin Initiative is in inviting those with shared values as well as interests, and in being primarily non-governmental. It can offer a place where sound politics and technical solutions can productively intersect, and where its members bring their personal influence to bear in realizing solutions and opportunities. This is enhanced by the predominance of reformers within its ranks who have significant experience in managing change.

The second issue is that of income inequality. Most high and middle income countries are more unequal now than they have been since at least the 1920s. Some countries in Latin America, for long the world's most unequal continent, have done better by investing in education and cash transfers to the poor. Africa is a mixed story of extremes both in improving equality and polarization. Today consensus exists among relevant institutions (OECD, IMF, World Bank) that income equality positively correlates with economic growth. Some principals argued that it is time to make reducing inequality a central economic goal. Principals agreed that the topic deserved greater attention at the next Eminent Persons meeting.

# Action 1. Adopt a renewed focus on values and inequality and prepare specific proposals for the January 2014 Eminent Persons Meeting.

• The Post-2015 Millennium Development Goal Framework: Time to Deal with INEQUALITY, Eveline Herfkens

#### **Next Steps**

Principals agreed generally on a series of steps to consolidate the Initiative and take it forward. There was agreement that the Initiative should be demand-driven; consider itself a mixed 'think-and-do tank; and play to its strengths as a value- and personality-driven network of reform-minded individuals able to harness their extensive public and private experience to drive greater cooperation across the Atlantic Hemisphere. Concrete projects are important, but often an Eminent Persons Group can also add value by influencing others to go ahead with projects.

Essentially the goal of the Atlantic Basin Initiative is to create a public-private-partnership to identify and tackle common challenges across the Atlantic Basin.



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The issue of funding remains critical. The Initiative must meet the market test of raising sufficient funds to conduct the many activities being proposed. Individual Members offered to be helpful in this regard. In the meantime the Initiative must proceed step-by-step and only take on tasks that it can reasonably complete until greater funding and staff capacity can be built.

### **Notional Timeline and Work Agenda**

### September

- September 3-5 authors' workshops on economic and human security issues at CTR -- discussion of final papers
- Publication of Rising Tide article in major journal; translation into Spanish, Portuguese and French
- Eminent Persons White Paper draft prepared
- Preparation for experts meeting on Atlantic Ocean issues October 29 in Washington, DC

#### October

- Papers edited and prepared for book
- Eminent Persons White Paper draft distributed to Eminent Persons for comment/edits/critique
- Invitations to Eminent Persons meeting Veracruz Mexico January 2014
- October 29 meeting on Atlantic Ocean issues in Washington, DC. <u>The Atlantic Ocean: The Growing Need for a Pan-Atlantic Agenda</u>, Dan Hamilton and Paul Isbell
- Atlantic Energy Forum meeting

#### November

- Eminent Persons White Paper and ABI Book finalized for publication
- White Paper and Book translated into Spanish and Portuguese

#### December

• December 4-5 Eminent Persons White Paper and ABI Book Released in Washington

#### January 2014

- Eminent Persons meeting Veracruz Mexico Approval of Atlantic Energy Charter
- Eminent Persons White Paper event in Mexico City

### February 2014

- Eminent Persons White Paper events in Europe -- Madrid, London, Brussels, Paris, Berlin, Rome *March* 2014
  - Eminent Persons White Paper events in South America
  - Atlantic Energy Forum meeting

#### June 2014

• Eminent Persons meeting Canada June 2014

The Eminent Persons agreed to meet again -- notionally January 10-11, 2014 in the Mexican state of Veracruz -- to advance their cooperation.

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