

## **Demanding Innovation**

### ***articulating policies for demand-led research capacity building***

An international policy seminar organized by  
ECDPM and DGIS (Netherlands Ministry of Foreign Affairs/Development Cooperation)

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## **Opening Address**

by

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## **Research Capacity Building In The European Community Policy**

It is an honour for me to speak here on behalf of the European Commission at the opening of this ECDPM/Netherlands Ministry of Foreign Affairs Conference.

With this I am following a tradition started by Commissioner Pinheiro when he participated in the Leiden Conference - Research Partnership for Sustainable Development - sponsored by the Netherlands Ministry of Foreign Affairs in March 1997.

And I am glad to say that, in the past two or three years a number of policies and instruments of the European Commission have been better defined or revised, in line with the Research capacity Building issue that is the topic of this policy Seminar "Demanding Innovation" : articulating policies for demand – led research capacity building".

On the one hand, development policy has been focussed on a limited number of priorities with a clear emphasis on institutional capacity building. Institutional capacity building is one of the six priority areas in the EC development policy related to all developing countries: ACP, Asia, Latin America and the Mediterranean.

Without a strongly developed local capacity, other instruments and endeavours such as North-South dialogues and partnerships remain unbalanced and meaningless. From this point of view, it is very positive that the agenda of this Seminar emphasizes that

the challenge is to link research and research capacity building to the core problems of developing country partners.

On the other hand, in view of the preparation of the 6<sup>th</sup> Framework program for research, new instruments and modalities for capacity building are to be developed by the European Commission.

These changes create both **opportunities and threats** to the possibilities to support demand-led research with the instruments available.

**Opportunities**, because openings have been created to link research to development co-operation priorities.

**Threats** because there exists a vast range of research options and available instruments, therefore research for development must compete with other well established priorities.

Let us therefore look for a moment at some trends in some of the present European efforts in the development research field:

- A major effort has until now been concentrated in the international co-operation component of the 5<sup>th</sup> European Research Framework Program, called **International Co-operation** (INCO) and notably with Developing Countries (INCO-DEV). It funds research projects under the condition that partners from both the EU and developing countries are involved. Evaluations of the INCO-DEV program have been very positive because of the high quality of the research and the lasting North-South partnerships that evolved.
- In the preparation of a more integrated approach to Europe's Research in the **European Research Area**, the Commission has proposed to replace the INCO-DEV program by a number of specific activities to support EU development policy, as was detailed in a recent Communication from the European Commission to the Council and Parliament, entitled "*The International Dimension of the European Research Area*".

Let me draw your attention to some of its main points:

- First, Science and Technological Cooperation with all Third Countries constitutes a strategic element for the progress of European science and as such European Research Area is conceived as a open space for scientists from all over the world, with the support of both Community and Member State cooperation and mobility instruments;
- Second, emphasis is laid on two fully complementary approaches to Scientific and Technological Cooperation, namely:
  - a) the opening of European-oriented thematic priorities to researchers from Third Countries; and
  - b) targeting sustainable development priorities in these countries, with particular emphasis on developing and emerging economies; and,
- Thirdly, promoting a close and effective linkage between Science and Technology Cooperation and the External Relations' policies and instruments of the European Community, with particular emphasis on the new Development Cooperation policy adopted last year by the November 2000 Council of Ministers of Development Co-operation in view of the Communication made by the European Commission.

This opens up opportunities to build synergies between the European Research Area and the instruments of development co-operation, both on the ACP front financed by the European Development Fund (EDF) and other geographical areas financed by the EU's Budget.

- In Agricultural research, Europe's efforts in support of the "Consultative Group for International Agricultural Research" (CGIAR) are now co-ordinated through an initiative known as the European Initiative on Agricultural Research for Development (EIARD).  
With the development of Global and Regional Forums for Agricultural Research, the possibility to link donor support to genuine regional agendas is increasing. The experience of the Technical Centre for Agricultural and Rural Cooperation (CTA) in the context of the Lomé Convention is very encouraging in this context.
- Europe, like most donors, supports networks of researchers such as the "Secrétariat d'Appui Institutionnel pour la Recherche Economique en Afrique"

(SISERA), based in Dakar, and the African Economic Research Consortium (AERC), with headquarters in Nairobi and covering all sub-Saharan countries as a result of recent initiatives originating from the Global Knowledge Partnership, in which the EC is participating together with the World Bank and other partners in public and private sectors developed by Southern researchers and policy makers.

- These networks might in future become more intrinsically linked to the development agendas of regional political and economic bodies. A very interesting development indeed.

From the European Community perspective research for development hinges on four crucial issues:

1. Strengthening Southern research capacity,
2. Linking to a genuine Southern agenda
3. Linking Science to innovation, and
4. Ensuring long term support and acquiring critical mass.

Let me share with you some insights and **lessons learned** related to these four issues:

1. Strengthening Southern research capacity

Institutional capacity building is one of the six priority areas in our development policy related to all developing countries. This is a very important priority.

Capacity building should not be an add-on but a major element, with serious spending. We are talking about the ability to change, not just to get things done.

Building local research and analytical capacity is an essential part of this support. As I already said, without a strongly developed local capacity, other instruments and endeavours like North-South dialogues and partnerships remain unbalanced and meaningless. Building local capacity is also essential in order to allow civil society to become involved in reflections and the debate on development policies and strategies

2. Linking to a genuine Southern agenda

There is still a disturbing lack of dialogue in developing countries between the science community and the users of knowledge: policymakers, private sector and civil society.

As a result, the research agenda is often geared towards the needs and the views of those that co-fund the research: mainly the Northern donors and the International Institutions. The weak links with the users' needs and priorities result in low effectiveness of the output. This in its turn results in a lack of legitimacy of research and research funding, increasing yet again the "distance", the gap between research and the potential users.

For that reason, an important challenge is to link research and research capacity building to the core problems of development for every single society. This requires a process-oriented instrument that helps to build platforms that give control over both the "agenda setting" and implementation to the key stakeholders in the South.

This concept of "partnership" is essential in all the EC-South dialogue in the sphere of development.

I am convinced that your discussions in the coming days with the presence of representatives from both the North and the South will contribute to the development of such a genuine North/South dialogue on this particular point.

3. Link Science to innovation

**The piecemeal approach** in which different donors has targeted different aspects of Science and Technology in the developing countries **has led to a fragmented system** in which available skills are out of balance.

Also, **basic research has absorbed too much attention**, neglecting the systemic character of innovation and resulting in many research reports but with little impact on real action, policy making and production.

Key elements of a new systemic approach must be:

- Balancing scientific and applied research, product and policy development,
- Linking international, regional and local research,
- Creating a legal and policy environment conducive to private sector research and development among others by ensuring Intellectual Property Rights and by ensuring -of course - the respect of the World Trade Organization rules (TRIPS).

4. Ensure long term support and critical mass

When it comes to donor support to research a key factor to success is the earmarking of funds for research for **a sustained period**.

- At the same time, successful donor impact on sustainable development requires a **critical mass of resources and of effort**. There is no lack of major national, regional or global problems properly identified but which have only been addressed with modest and totally inadequate and insufficient resources.

The European Commission is now studying the examples of the long term support given to developing countries by some bilateral donors such as Sweden and Canada to establish new EC actions of development cooperation in the field.

In this conference you will discuss more concrete proposals on how to enhance the ownership of key stakeholders in development research. Commissioner for Research, Philippe Busquin, recently at a meeting of ACP Ambassadors - called for a process of bi-regional dialogue which would aim at the identification, preparation and launching of a Euro-ACP Initiative on Knowledge for Sustainable and Equitable Development, on the occasion of the Johannesburg Rio + 10 Summit in October 2002.

You might consider making your conclusions to be an input to this initiative, broadening it -where needed- to non-ACP developing countries.

In the past, the European Development Fund, the European Budget and the European Investment Bank have financed many programmes with research components in many areas like agriculture, fisheries, health, energy, telecommunications and industrial development. The joint Lomé bodies, the Centre for the Development of the Enterprise(CDE) and the Technical Centre for Agricultural and Rural Cooperation (CTA) have been involved –of course- in this exercise.

I want to convey to you the message that the European Commission is fully convinced that research has to be part of the development cooperation, in the context of the globalisation, as Commissioner Poul Nielson pointed out in his speech to the recent World Bank meeting held in Brussels in June this year.

Let me finish by saying that the timing of this Maastricht Conference fits perfectly in the timetable of the regional programming for the future implementation of the new Cotonou Partnership Agreement at regional level and it is also timely as regards some initiatives to be taken in the field of development co-operation in the Mediterranean and Asia-Latinoamerica areas.

Thank you for your attention and I wish you a successful Conference.