

## **A Conference for understanding the past, present and future of the European development finance**

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The University of Luxembourg hosted a topical conference on European development finance beyond European borders. The conference was co-organised and funded by the University of Luxembourg, the University of Padova, and the University of Manchester. Main sponsor of the conference was The Robert Schuman Initiative for European Affairs at the University of Luxembourg.

Timely, as political momentum and the pressing development needs triggered by multiple crises since 2007, have increased the role that the European Union and its member states wish to play internationally, and put the European Public Development Banks (PDBs) at the heart of the European development finance system. Yet, research interest has been sporadic and not commensurate to their role.

The research gap has been bridged by a conference entitled “European Public Banks and their Development Role: Interdisciplinary approaches to understanding the past, present and future of the European development finance” that took place at the campus Belval on 21-22 July 2022. The conference increased the understanding of the European development finance by bringing together 27 prominent scholars from top universities of 8 EU countries and Canada, with well-known track records on PDBs research, from different backgrounds such as economy, history, and political science.

Questions central to the topic included which political, economic and institutional factors influenced the trajectory of the PDBs and their policies, which events can be considered milestones and decisive turning points in this process, which personalities played a relevant role, and how the PDBs contribute to mitigating global challenges.

After World War II, PDBs have been strengthened and new ones have been established to facilitate reconstruction and promote economic growth. Given their financial firepower, mandates and expertise the European PDBs have been called to align to the Paris Agreement and the EU’s 2030 Agenda for Sustainable Development, and to jointly support, through own and/or ‘Team Europe’ funds, an impactful development in a more open, integrated and coordinated way. Because of their ability to cooperate and join forces with multiple public and private, international and local stakeholders, and their wide range of financial tools, they can help to build back better.

The conference covered both European Public Regional Development Banks (RDBs), such as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), as well as European Public National Development Banks. Discussions developed around five distinct areas of research presented at the conference, which included i) The emergence of European development banks: challenges and historical evolution; ii) ‘Team Europe’ development banking in and beyond the EU; iii) the European Investment Bank (EIB) as development actor within the EU setting; iv) towards greening the European public development actors; as well as v) current issues in European development banking.

The first group of papers presented the evolution of European PDBs from a historical angle: the Istituto Mobiliare Italiano (IMI) and Italy’s economic relations with developing countries (1953-1972); the impact of Britain’s entry in the Community on EIB’s external development

aid mandates (1973-1983); the workings and challenges of development finance institutions: the case of the Deutsche Investitions- und Entwicklungsgesellschaft (DEG).

The second group of paper presentations shed light on the political economy of the European RDBs and examined the role of the European PDBs as part of the ‘Team Europe’: agency loss in Central and Eastern Europe? Explaining EIB and EBRD lending activity from 1991 to 2018; transition to transition: The EBRD and the neoliberalisation of the European periphery; and aspects of Development Banks, Host States and the Monetization of Refugee Governance: the case of EBRD.

The third set of papers focused on the EIB’s role as a development actor outside the EU: Team Europe’ or the battle of the banks: explaining the evolution of Pan-European Development Finance; the role of the EIB in the implementation of EU development policy: A comparative analysis of multi-annual indicative programmes; and international development finance and export credit.

The fourth group of papers assessed the efforts for greening the European PDBs: European state investment banks and the ‘state-led investment function; European Climate Finance - towards sustainable transformation or reinforcing global hierarchies; and European Public Banks in the Balkan energy transition.

The fifth group of papers discussed a wide array of current issues in European development banking: “Leveraging” private sector money for climate change: the role of Canadian and UK development finance institutions; catalytic power Europe: blended finance as political tool in European External Action; and mission creep of Public Banks: causes and remedies.

The conference hosted also two stimulating key note speeches on “what’s dynamic about Public Development Banks? The future of financing green and just development” by Thomas Marois (SOAS, University of London) and “the Trinity of European Public Banking: The strategic investment roles of EIB, EBRD and CEB” by László Andor (Foundation For European Progressive Studies).