

Emerging players in Africa: what's in it for Africa-Europe relations ?

An ECDPM-SAIIA event to further Policy Dialogue, Networking, and Analysis

With the contribution of GMF

Martin's Central Park hotel, Boulevard Charlemagne 80, Brussels, 28 March 2011

Background

The financial and economic crisis and the **new growth poles in the developing world** – China, India and Brazil (CIB), but also Turkey and South Korea to name a few - are creating new opportunities for African countries in their relations with external partners. Making the most of the development opportunities presented by the intensifying ties with the emerging economies is a key priority for the continent in the 21st century.

New processes and forums between Africa and China, India and Brazil receive high profile, and seem to galvanise African actors more than European initiatives, such as the Joint Africa-EU Strategy (JAES) and the economic partnership agreements (EPAs).

However, the involvement of emerging players in the continent provides fresh **opportunities for Europe and Africa to engage on new terms** that recognise the political and economic transformation that Africa has undergone in the last two decades and consider its increasingly complex global role. Europe's response to Africa's new partnerships will determine its own relations with the continent, especially its ability to project its values and influence. On the other hand, Africa and its states have an opportunity now to evaluate the form and substance of their engagement with both developed and developing countries, identifying good practices within each and seeking to optimise these in other relations.¹

A key dimension of the substance of the changing partnerships with Africa relates to recent developments in international cooperation. In addition to the growing role of South-South cooperation (of which CIB are major drivers) and North-South-South triangular cooperation, traditional ODA previously seen as a primary development tool is increasingly being questioned in the developing world. Not only is it important to emphasise locally-owned and led development strategies, but it is also necessary to adopt a holistic approach to engagement, focusing on **development effectiveness** rather than aid effectiveness. In such a scenario it is not only ODA that must be considered a tool of development but all international financial flows, relevant policies and the role of the domestic private sector and civil society.

A number of recent initiatives confirm these trends in international development thinking and offer **opportunities for more effective cooperation and partnerships**, in particular between Africa and its various partners, both old and new:

- The G20's endorsement of a development agenda, the 'Seoul Development Consensus for Shared Growth', focused on economic growth measures, equal

¹ For a discussion on emerging players in Africa and the development effectiveness debate, see Rampa F. and S. Bilal (2011), ECDPM Discussion Paper 107, www.ecdpm.org/dp107 (this is the preliminary outcome of a study conducted by ECDPM and SAIIA).

partnership, private sector participation, and development outcomes orientation. The G20's development working group is co-chaired by South Korea and South Africa.

- In 2011, discussions are expected to intensify in CIB on their respective development policies.
- The preparations for the 'Fourth High-level Forum on Aid Effectiveness' in Busan in November 2011, which include greater focus on what can be learned from South-South cooperation to date.
- The European Commission will table a 'Communication on a Modernised EU Development Policy' for the possible revision of the 'European Consensus on Development' towards a more growth-oriented development cooperation, less based on ODA provision.
- The acceleration of efforts by several EU Member States to encourage triangular cooperation and dialogue, at least on a sectoral or project basis.

Processes like the China DAC Study Group and the Forum for AUC-ECA Partners Dialogue² reflect the growing interest on all sides in these debates, although differences remain.

Africa is presented with both challenges and opportunities. Europe remains an important trade, investment and aid partner, as well as a supporter of more democratic political systems, although African elites may not always appreciate this. China, India, Brazil, and other emerging players provide new horizons of cooperation. Yet this does not mean that in looking East and South, Africa should neglect engaging optimally with its traditional partners, notably Europe, but also others such as the United States.

On the other hand, though it professes ownership and equal partnership with Africa, Europe has not yet recalibrated its engagement with the continent sufficiently in light of the global geopolitical changes.

Why this meeting?

Despite the increasing attention on emerging players in Africa, there is a clear **need for structured research, policy dialogue, and networking** on the implications for Africa-Europe relations of the engagement of China, India and Brazil in Africa.

Europe is still the continent's major economic partner and donor; however, should Europe adjust its policies and processes *vis-à-vis* Africa, given the new emerging power realities and their different means of engagement, from investment to development cooperation and trilateral dialogue? Creating opportunities for mutual learning can help each partner to better contribute to the promotion of inclusive growth in Africa, and could also benefit future Europe-Africa relations.

Equally, African institutions also need to consider how they should respond to the changing landscape and what the possible impacts may be on their relationship with traditional partners, notably Europe.

The first of a series of policy dialogues by the European Centre for Development Policy Management (ECDPM) and the South Africa Institute of International Affairs (SAIIA), this meeting, organised with the support of the German Marshall Fund (GMF), will bring together key stakeholders from Europe, Africa, CIB, representing government, private sector, civil society and the research community, to address three key dimensions of the implications for Africa-Europe relations of China, India and Brazil's engagement with the continent:

A) **Public policy:** are the existing frameworks covering Europe-Africa relations (e.g. EPA, JAES, etc.) comprehensive and cohesive or fragmented and disparate? Are there lessons from Africa-Europe relations and experiences that can inform the partnerships between Africa

² The China-DAC Study Group focuses on China's experience of growth and poverty reduction, including the contribution of international assistance, and its relevance for other developing countries (www.oecd.org/document/36/0,3343,en_2649_34621_44173540_1_1_1_1,00.html); the objectives of the Forum for AUC-ECA Partners Dialogue include "providing a forum, in which the different players would initiate a process to redefine the emerging role of Africa in the changing political, economic, environmental and security architecture of the world" (www.uneca.org/PartnersDialogue/index.htm).

and emerging players (e.g. a greater focus on regional institutions and regulations to respond to existing transborder challenges such as food security)?

B) **Private sector:** businesses are important stakeholders in promoting growth and development, and flows of private resources are much larger than ODA. Many impediments still constrain the growth of an indigenous private sector in Africa. How can external private sector actors contribute to Africa's development in a way that ensures win-win outcomes for both commercial and developmental interests? Can a stronger interplay between ODA and other financial flows enhance development effectiveness? How can corporate social responsibility be harnessed more effectively for development? What lessons can be derived from European experiences in this terrain?

C) **Possible mutual learning:** what processes/forums may encourage sharing experiences, best practices and lessons learnt in public policy and private sector actions? What are the institutional and capacity strengthening needs for African stakeholders to be able to integrate such mutual learning both nationally and continentally?

The **specific objectives** of the meeting are:

- to scope out the key elements impacting on Europe-Africa relations arising out of the engagement of emerging powers in Africa;
- to explore the potential interest for mutual learning among African, European, Chinese, Indian and Brazilian actors in the 'government to government' and private sector sphere, including through triangular dialogue opportunities and other processes that are ongoing; and
- to identify priorities for further analysis, capacity building, and dialogue aimed at better aligning the European's and other partners' initiatives to African owned objectives and strategies.

Expected outcomes

The meeting is expected to provide initial contributions towards the following outcomes:

- consensus on the key dimensions of the CIB-Africa relations affecting the Europe-Africa partnership and strategic thinking around options for policy adjustments by Europe;
- identification of potential forums for cross-fertilisation of experiences on public policy and private sector engagement and exchange of lessons learnt in aligning partnerships to African objectives;
- opportunities identified for triangular cooperation and dialogue that could contribute to the promotion of inclusive growth in Africa, with a list of relevant processes in Europe, the emerging economies and Africa to be supported and targeted in 2011;
- better understanding of the institutional & capacity strengthening needs in Africa for the design and implementation of coherent-coordinated-complementary strategies vis-à-vis traditional and new partners; and
- priorities identified for future work on the implications of CIB-Africa for Africa-Europe relations: structured Policy Dialogue, Networking, and Analysis.

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Provisional Agenda

9:00 Welcome

9:30-13:00 **Session 1 - Africa, the emerging powers and implications for Africa-Europe relations**

Inputs:

- 1) **Emerging players in Africa: an African perspective** on the *public policy* implications of emerging powers, specifically China, India and Brazil in Africa, including how Africa may reconstruct its relations with the Europe in a multipolar world.

Ms. Elizabeth Sidiropoulos - South African Institute of International Affairs (SAIIA)

- 2) **An emerging player perspective on the private sector engagement in Africa:** what mutual lessons on Corporate Social Responsibility (CSR)?

Mr. Shuaihua Cheng – International Centre for Trade and Sustainable Development (ICSTD) Geneva

- 3) **A European perspective on the changing Africa-Europe relations:** how can structured Policy Dialogue, Networking, and Analysis on emerging powers in Africa be useful in improving Africa-Europe relations?

Mr. Francesco Rampa - European Centre for Development Policy Management (ECDPM)

10:30 *Coffee Break*

Discussion:

Speakers:

Ms. Adriana Queiroz - Brazilian Center for International Relations (CEBRI)

Mr. Federico Bonaglia – Senior policy analyst, DCD/OECD

Key questions:

- *Substance:* Are Europe-Africa relations too narrowly focused on ODA? Is the influence of emerging economies contributing to a shift from MDG-type ODA to support to “sustainable economic growth for all” (à la G20)? How could Europe learn from China on how to complement ODA and non-ODA flows and promote horizontal partnerships involving businesses? How could emerging economies and Europe exchange and learn from each others' experience in terms of using 'soft power' and CSR to contribute to African development?
- *Processes:* Is the rapidly evolving traditional partnership between Africa and Europe on the path to more tensions or new stimulus? What are successful examples of triangular dialogue to date (e.g. China DAC Study Group)? What CSR processes are available and which of them are producing good results?

13:00 – 14:00 *Lunch*

14:00 - 17:00 **Session 2: Way forward on thematic priorities and processes**

The purpose of this session is to identify thematic priorities and main processes for further Dialogue, Networking, and Analysis, and which policy processes to target.

14:00 - 15:30 **Discussion on thematic priorities**

Speakers:

Mr. Jim Kolbe – German Marshall Fund (GMF)

Dr. Saroj Kumar Mohanty – Indian-based Research & Information System for Developing Countries (RIS)

Mr. Uche Igwe - Hopkins University, School of Advanced International Studies,

Intended as the first in a series of dialogues organised by the ECDPM and SAIIA, the meeting aims to facilitate frank and open discussions around the following questions:

- What are the **key economic, institutional, and political issues** in the relations between Africa and China, India and Brazil that affect the Europe-Africa partnership? What do they mean for the way in which Europe and Africa engage each other? And what are the implications for the relations with other traditional partners such as the United States (US)?
- How can external **private sector investment** be leveraged for development, especially domestic entrepreneurial initiatives? What are the modalities for a better interplay between ODA and other financial flows? Is corporate social responsibility promotion an added value of Europe (or other traditional donors such as the US) and what is its role in African development?
- What are the institutional & capacity **needs in Africa** to ensure a more effective design and implementation of a coherent and coordinated strategy vis-à-vis traditional and new partners?

- What policy areas within the Europe-Africa partnership **should Europe consider for adjustment** given the new trends in CIB-Africa relations (e.g. EPA, JAES, trade and infrastructure support, etc)?

15:30 – 15:45 *Coffee Break*

15:45 – 17:00 **Discussion on processes**

Prof. Hong Zhou - Chinese Academy of Social Sciences (CASS)

Mr. Peter Craig-McQuaide – Head of Unit ‘Relations with international organisations and non EU States’ DEVCO European Commission (EC)

Mr. Cheikh Niang - Permanent mission of the African Union Commission in Brussels - Brussels (AUC)

- How can existing **regional & pan-African processes** address the new landscape of multiple partnerships (given that certain objectives are best pursued bilaterally, while others at regional/continental levels)? Are there lessons from Africa’s engagement with Europe that can be used in assisting to coordinate the increasing multitude of donors and partnerships?
- How can enhanced policy dialogue among Europe/traditional donors, Africa and emerging powers contribute to the promotion of inclusive growth in Africa? Are **triangular dialogue** processes a vehicle for such exchanges enabling alignment of different partnerships to African-owned objectives? Is there a role for dialogue processes at the national, regional and continental levels in Africa?
- What are in Europe, US and emerging economies the ongoing processes and new **plans for private sector** engagement in development in Africa, including CSR, and for the better interplay between ODA and other financial flows?
- What processes for **policy dialogue** may be usefully promoted, supported and targeted **in the coming months?** (e.g. G20 Working Group on Development; continuation of China DAC Study Group; Forum for AUC-ECA Partners Dialogue; Modernised EU Development Policy; NEPAD-OECD Africa Investment Initiative, etc.)