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Traditional and Emerging Partners' Role in African Regional Economic Integration: Issues and Recommendations

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ABSTRACT

Regional integration in Africa is still an active agenda item for African nations and pan-African institutions such as the African Union. Regional integration is motivated by the need for larger markets in order to grow trade and investment. Intra-regional trade is central to the drive for integration which, among other things, requires infrastructural development to reduce some of the supply-side constraints that African countries face, which hinder their production capacity and ability to supply goods and services to regional and international markets. Infrastructure development is therefore one of the most urgent challenges facing the continent, particularly for projects that promote regional linkages. Africa's traditional partners, mainly the EU and the US, have long supported the regional integration agenda through various sector policy and institutional support initiatives. Nonetheless, the past decade has also seen the emerging economies arise as new players in Africa, and their impact on regional integration has stimulated much discussion. In their trade, aid and investment engagements these new participants, typified by China, India and Brazil, have developed their own ways of interacting with Africa, different from the norms established by the US and the EU. This paper seeks to understand the nature and impact of emerging economies on regional integration in Africa, compared with traditional partners, and examines any possible scope for co-operation between traditional and emerging partners in Africa's regional integration and infrastructure development agenda.

ABOUT THE AUTHOR

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ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
ACP	African, Caribbean and Pacific countries
AEC	African Economic Community
AGOA	African Growth Opportunity Act
AU	African Union
AUC	African Union Commission
BRICS	Brazil, Russia, India, China and South Africa
Comesa	Common Market for Eastern and Southern Africa
DAC	Development Assistance Committee
DFID	Department for International Development (UK)
DRC	Democratic Republic of Congo
EAC	East African Community
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EPA	Economic Partnership Agreement
ESA	East and Southern Africa
EU	European Union
FDI	foreign direct investment
Focac	Forum for China-Africa Co-operation
FTA	free trade area
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GSP	Generalised System of Preferences
ICT	information and communications technology
Nepad	New Economic Partnership for Africa's Development
OECD	Organisation for Economic Co-operation and Development
PIDA	Programme for Infrastructure Development in Africa
REC	regional economic community
SACU	Southern African Customs Union
SADC	Southern African Development Community
SEZ	Special Economic Zone
TFTA	Tripartite Free Trade Agreement
Ticad	Tokyo International Conference on African Development
TMSA	Trade Mark Southern Africa
WTO	World Trade Organization

INTRODUCTION

Regional economic integration, which is widely regarded as a central element in Africa's development, has been moving ahead in some form since the 1960s. The ultimate aim is an African Economic Community (AEC) and, to that end, there are plans to guide the continent's sub-regions through phases of integration set out in the 1991 Abuja Treaty that created the African Monetary Union. This was the first of many steps towards full integration. The African Union (AU) currently recognises eight sub-regional economic communities (RECs) as the building blocks of an eventual AEC. They are the Arab Maghreb Union, the Common Market for East and Southern Africa (Comesa), the Community of Sahel-Saharan States, the Economic Community of Central African States, the East African Community (EAC), the Economic Community of West African States (ECOWAS), the Inter-Governmental Authority for Development, and the Southern African Development Community (SADC). (There are other groupings in place, including the Southern African Customs Union [SACU], but they are not identified as leading towards the AEC.) The RECs themselves are at different stages in their progress towards integration and there is also a major problem of overlapping membership. The Tripartite Co-operation Framework, launched in 2008, aims to eliminate overlap and streamline the regional integration process, particularly in Eastern and Southern Africa, by bringing together Comesa, EAC and SADC. This tripartite strategy, in turn, relies on market integration, infrastructure development, and industrial development as its three strategic pillars.

'Traditional' donors, mainly the Western developed nations, have long supported regional economic integration through trade-related development aid. A new kind of participant has, however, recently come to the fore. These are the so-called emerging partners, mainly newly developing nations among which China, India, Brazil, Russia and South Africa (the BRICS) are now the most active in the field. Traditional donors have well-established structures for technical support and capacity building through which they support regional integration initiatives, but the newcomers' *modus operandi* has yet to be properly understood. Their approach is usually project-based and tends to be bilateral in nature, giving the impression that there is no defined programme for reference. Nonetheless, the same rhetoric of support for Africa's development, through infrastructure investment among other things, is as evident in their dealings as it is among traditional donors.

This paper will investigate whether and how the emerging players might support an effective regional integration agenda in Africa, centring particularly on infrastructure projects as a tool, and the extent to which the US and EU might co-operate with them. In addition, it will explore the most effective ways of supporting regional integration, with particular reference to more traditional methods of providing institutional support to RECs. The first part briefly looks at the African regional integration agenda and identifies impediments; the second examines the continent's infrastructural development; and the third explores different ways in which traditional and emerging partners approach the African regional integration agenda, focusing particularly on infrastructure projects. The fourth section considers how these initiatives could be made more effective and the paper concludes with some recommendations.

THE REGIONAL ECONOMIC INTEGRATION AGENDA

The AEC, established under the Abuja Treaty and coming into force in 1994, is the main vehicle for driving African regional economic integration. Its operations are managed jointly by the AU Commission (AUC), the African Development Bank (AfDB) and the UN Economic Commission for Africa. Among other objectives, the AEC aims to promote economic, social and cultural development and the integration of African economies, and to co-ordinate and harmonise policies among existing and future economic communities, as means of fostering the gradual establishment of the Community.¹ The plan for economic integration follows the EU model. It lays down a linear progression, beginning with strengthened RECs and moving through regional free trade areas (FTAs) and customs unions to a continental customs union, an African Common Market, and eventually an African Economic and Monetary Union (see Table 1).

Progress so far has been very slow and it is doubtful whether the planning timelines will be met. It is important, however, to put Africa's performance into context. Regional economic integration initiatives on the continent date back nearly a century but they have been hounded by problems and failures. African conditions do not seem conducive to the kind of economic integration envisaged in the Abuja Treaty, particularly in its reliance on the European model. Highlighting major differences between the EU model and the African experience that may explain why Africa's efforts so far have been unable to meet the development challenge, and arguing that the European model cannot be replicated in Africa, Bilal *et al.* note the following:²

- Africa has 54 countries and one billion people, double the population of the EU;
- the EU began in the 1950s and contemporary Africa is characterised by a different political, economic and social ethos from the Europe of that time – differences in economic development, infrastructure, human capital, governance systems and political leadership. The motivation for integration is also different;
- Europe's regional integration agenda has been driven largely by an economic 'functional' agenda;³ and
- the political agenda in Africa dominates the economic agenda, and the majority of resources are dedicated to political ends, in particular security issues.

Table 1: Timeline establishing the African Economic Community

Stage	Years	Date	Phase	Process	Level
I	5	1994–1998	Before FTA	RECs, strengthening of existing and creation of new ones	Intra-REC
II	8	1999–2006	FTA	Tariff barriers, stabilisation and removal timetable	Intra-REC
			FTA	Non-tariff barriers, stabilisation and removal timetable	Intra-REC
			Customs union	Common external tariff, removal timetable	Intra-REC

Stage	Years	Date	Phase	Process	Level
			FTA	Sector, strengthening integration	Intra-REC
			FTA, initial preparation	Activities, co-ordination and harmonisation	Intra-REC
III	10	2007–2016	FTA	Tariff barriers, gradual removal	Intra-REC
			FTA	Non-tariff barriers, gradual removal	Intra-REC
			Customs union	Common external tariff, adoption	Intra-REC
IV	2	2017–2018	FTA/Customs union	Tariff barriers, co-ordination and harmonisation	Intra-REC
			FTA/Customs union	Non-tariff barriers, co-ordination and harmonisation	Intra-REC
			FTA/Customs union	Common external tariff, adoption	Intra-REC
V	4	2019–2022	Common market	Sector, common policy adoption	Intra-REC
			Common market	Policy harmonisation: monetary, fiscal and financial	Intra-REC
			Common market	Application: free movement, residence and establishment rights	Intra-REC
VI	5	2023–2027	Common market, Africa	Structure, consolidation and strengthening	AEC
			Common market	Sector integration: economic, political social and cultural	AEC
			Common market, single	Establishment, initial stage	AEC
			Economic and Monetary Union, Pan-African	Establishment, initial stage	AEC
			Pan-African, Economic and Monetary Union	Establishment, initial phase	AEC
			African Monetary Union	Establishment, final stage	AEC
			Single African Central Bank	Establishment, final stage	AEC
			Single African Currency	Creation, final	AEC
			Pan-African Parliament	Establishment and election, final stage	AEC
			RECs	Harmonisation and co-ordination, final stage	Inter-REC

Stage	Years	Date	Phase	Process	Level
			African Multinational Enterprises	Establishment of structures in all sectors, final stage	AEC
			AEC Executive Organs	Establishment of structures, final stage	AEC
I–VI	34	1994–2027	FTA to Monetary and Economic Union	Minimum transition period without a six-year grace period	Intra-REC to AEC
I–VI	40	1994–2033	FTA to Monetary and Economic Union	Maximum transition period without a six-year grace period	Intra-REC to AEC

Source: Koroma S *et al.*, *Towards an African Common Market for Agricultural Products*. Rome: UN Food and Agricultural Organisation, 2008.

Critics have also argued against South–South regional economic integration based on the EU model on the grounds that there is little basis for substantial intra-regional trade: most African economies are small and non-complementary, their trade is mainly with developed countries, and tariffs remain relatively high and impede intra-regional trade. Furthermore, economic agglomeration would mean that a regional growth ‘pole’ that included bigger economies such as those of South Africa, Kenya, Egypt and Nigeria would be likely to benefit more from the process than would the proposed regional groupings, because industrial development and foreign direct investment (FDI) would be drawn to the larger economic entity.⁴ (Such an agglomeration process, exaggerated by regional political differences, contributed to the collapse of earlier attempts to form a working economic community in East Africa, because the other members considered that all the benefits of the customs union accrued to Kenya, the largest economy in the region.) Other factors that have contributed to the failure of integration in Africa include a preoccupation with metropolitan centres and a failure to link national economies and infrastructures – and, where they are linked, production structures that do not complement one another, thus obviating the need for linkage in the first place.⁵

The liberal trade model of integration is driven by three main factors: ‘incrementalism, the use of trade as a driving force of integration, and reliance on market forces as a pertinent integration mechanism’.⁶ The legacy of colonial production structures, aimed mainly at resource extraction for the benefit of overseas markets, is a major reason why countries trade in the same products and therefore have little incentive to integrate.

Economic power is a necessary condition for political influence; hence under-development and economic inequity of themselves also create political tensions. The ‘standard’ trade liberalism approach to regional economic integration also fails to take into account that successful regional integration inevitably affects national sovereignty and power relations between states. Such political tensions emerge in the workings of institutions created by African states for integration purposes: their secretariats are granted so little authority as to be generally weak bodies when they should be the hub of all activity. This situation reflects an unwillingness to accept the authority of any supranational institution exercising authority, however minimal, over the nation-state;

the result is a lack of prioritisation of regional projects and, where there is conflict between domestic and regional priorities, precedence is accorded to the former. The secretariats are too weak to operate monitoring and enforcement mechanisms to ensure that states keep to their regional commitments. For these and other reasons there is often no coherence between, or within, nations and the RECs.⁷

Other problems include:

- a lack of financial and human resources. Members are unable or unwilling to allocate the necessary funds and rely on donors to finance REC operations;
- a failure of member states to prioritise issues for the RECs, resulting in an overloaded regional agenda;
- in many cases, weak private sector and civil society and little co-ordination with, or involvement of, the business sector in regional debate; and
- poor regional infrastructure. Infrastructure development in many African countries has tended to focus on support for domestic objectives and extractive raw materials exports. Only with recent commitments to developing infrastructure corridors across the continent has the focus shifted to regional linkages.

These problems notwithstanding, the strategic plan of the AUC is clear in stating that 'integration is ... a vital tool for accelerating the economic, social, cultural and political development of African countries'.⁸ The message is not that African countries should not attempt regional economic integration, but rather that there is a need to consider other strategies more fitting in a South-South context. No universally applicable approach to regional integration exists: each region has its unique situation, in Africa as elsewhere.

AFRICA'S INFRASTRUCTURE CHALLENGES

One of the many motivations for regional economic integration in Africa has been economic development through an increase in market size, in order to build up trade and investment. In part due to this vision Africa, of late, has seen itself described as the 'next big opportunity': according to recent statements by the World Bank the 'African economic lion' is now ready to take its place beside the Chinese dragon and the Indian tiger,⁹ while *The Economist* speaks of 'uncaging the lions'¹⁰ and the McKinsey Global Institute reports on 'Lions on the move'.¹¹ Such comment is indicative of Africa's growing potential: medium- to long-term growth prospects are good and the rising middle class in most African countries will create new business opportunities. It is noteworthy that some African countries have managed to weather the 2008 global economic crisis fairly comfortably, in part due to their persevering with macroeconomic reform programmes.¹²

Infrastructure development or the lack of it has, however, always constituted a fundamental challenge for Africa's trade relations and particularly its regional integration. With so little intra-regional trade, there is limited incentive for economic integration, particularly as it seems that African countries want to see tangible results before they commit fully to the idea. At present Africa's infrastructure networks lag behind those of other developing countries and services can cost twice as much in Africa as elsewhere in the world;¹³ for example, the costs of transporting goods between landlocked countries

in Africa is double that of carrying them from Japan to Abidjan.¹⁴ In a broader context, Africa's infrastructure presents a sombre picture.¹⁵

‘[Africa] is the highest continent with a few navigable rivers; 93 per cent of the land mass is in the tropics with heavy rainfall; many African States are landlocked, and only 10 per cent of the land lies within 100 kilometres of the coast (compared to 18 per cent in the OECD member countries and 27 per cent in Latin America). Africa's transport and logistics costs are estimated to be 2.5 times the global average.’

The outcome is constrained trade, increased costs of business, reduced competitiveness and, ultimately, a failure to derive full benefit from the resource advantage the continent enjoys. Most countries in Africa suffer from chronic supply-side deficiencies, which severely limit their production capacity and ability to supply goods and services to domestic, regional and international markets. This applies particularly to communications, energy, finance and transport which, with the partial exception of South Africa and its immediate neighbours in SACU, are seriously deficient.¹⁶

Infrastructure development can be either hard physical infrastructure that facilitates network services or ‘soft’ infrastructure, such as regulatory policies and trade facilitation instruments, particularly customs procedures.¹⁷ Development of both soft and hard infrastructure would encourage the free flow of goods within and outside Africa, and improve the ease of doing business, as well as encourage investment,¹⁸ and help the continent's integration into the world economy.¹⁹

The efficiency of hard infrastructural development depends on the legal, regulatory and administrative environment. Policies and regulations should promote, not impede, trade and customs administration should ease the movement of goods across borders. Without such an enabling regulatory regime, the right physical infrastructure becomes irrelevant because deficient soft infrastructure will remain an impediment. A regional approach to such infrastructure development will also enable ‘the formation of large competitive markets in place of small, isolated and inefficient ones – and – lower costs across productions sectors’²⁰ through economies of scale. In the information and communications technology (ICT) sector, for example, the connectivity of countries through fibre-optic submarine cables would halve telephone and Internet costs while regional power pools, such as the Southern African Power Pool,²¹ would reduce electricity costs.²² An enhanced regional transport infrastructure would facilitate trade,²³ and rail and road corridors would connect landlocked countries to the sea, thus facilitating global links.²⁴ At the moment infrastructure services (power, water, road freight, mobile telephone and Internet) in Africa carry a premium cost, even when compared with those of other developing regions.²⁵ Two – not mutually exclusive – explanations have been proffered for this.²⁶ The first is that production is small-scale, suboptimal technologies are used and there may be a failure to manage resources efficiently. Second, a lack of competition in infrastructure sectors creates monopolies and without effective regulation, price determination is allowed to go uncontrolled.

Infrastructure development in many African countries has tended to focus on support for domestic objectives, and on exports from extractive industries. Only recently, with the development infrastructure corridors across the continent, has attention shifted to regional linkages. The exception is SADC, which dates its infrastructure development

from the 1980s when its members were trying to reduce dependence on South Africa by redirecting cargo from South African ports to Maputo, Beira and Dar-es-Salaam, and by improving telecommunications connectivity. SADC leads all other RECs in Africa in all aspects of infrastructure development²⁷ but there is still a continent-wide need for investment in new, as well as maintenance of existing, infrastructure; this is made imperative given that growth forecasts project annual economic growth in Africa at 6% between 2010 and 2040, and gross continental product multiplied six-fold in that time.²⁸ Such levels of economic growth will place further pressure on existing infrastructure and a regional response would be the ideal.²⁹ Increased investment must cover new projects as well as rehabilitation of existing infrastructure.³⁰ The annual cost of Africa's infrastructural development, including maintenance of existing installations, is put at some \$93 billion.³¹

Initiatives are in place to jump-start such development. Two in particular stand out. The first, and the flagship, is the Programme for Infrastructure Development in Africa (PIDA) launched in July 2010; it

provides new analysis and insights to bring together, under one programme, existing or previous continental infrastructure initiatives such as the Nepad Short Term Action Plan, the Nepad Medium to Long Term Strategic Framework and the AU Infrastructure Master Plans.³²

Led by the AUC, along with the New Economic Partnership for Africa's Development (Nepad) and the AfDB, PIDA seeks to streamline the various regional infrastructure projects and ensure a more effective approach to their development. It is based on, and underpinned by, an extensive consultation and analytical process. It has identified as key infrastructure priorities: transport; energy, ICT and trans-boundary water management. Such a programme is indicative of concerted efforts towards correcting the infrastructure deficit, apparently coupled with sufficient political will and energy to put the plan into effect. Major donors to PIDA include the African Development Fund, the Nigeria Technical Co-operation Fund, the African Water Facility, the Nepad Infrastructure Project Preparation Facility Special Fund, the EU, the Islamic Development Bank and the UK Department for International Development (DFID).

The second initiative is the Tripartite Co-operation Framework, consisting of the Tripartite Free Trade Area (TFTA) with some other elements. The TFTA is intended to eliminate the problem of overlapping membership between existing regional blocs and accelerate African economic integration in the spirit of the Abuja Treaty. Its members have identified initial areas of co-operation respectively as trade liberalisation and customs co-operation; free trans-regional movement of business people, labour and services; and the development of joint infrastructure programmes.³³ The first tripartite summit communiqué also stresses co-operation and co-ordination in competition, financial and payment systems, capital markets, and commodity exchange.³⁴

The three main pillars of the TFTA strategy are first, market integration, which rests on the removal of tariff and non-tariff barriers and the implementation of trade facilitation measures; second, infrastructure development with particular reference to improving regional infrastructure, and the efficiency of internal trading, transport and services networks including ICT and energy; and third, industrial development, in particular supply-side programmes to optimise the effect of improvements in market integration and infrastructure development.³⁵

DFID is the lead development partner in the infrastructure development project. It works through the Trademark Southern Africa (TMSA) initiative, which is intended to improve trade performance and competitiveness in the Eastern and Southern Africa regions.³⁶ TMSA has championed TFTA infrastructure development projects, with the so-called North–South Corridor road and rail link³⁷ as its lead scheme.

TRADITIONAL PARTNERS' APPROACH TO REGIONAL INTEGRATION

Traditional donor activities in RECs

'Traditional' donors have been at the forefront of regional integration initiatives both bilateral and multilateral. Main individual country partners include DFID, Agence Française de Développement, the US Agency for International Development, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ, formerly GTZ), and the Japan International Co-operation Agency.³⁸ The EU and its institutions, however, remain the biggest donors.

Few specifics of each donor's efforts are available publicly: among those that are, however, some are of particular interest:

- In 2009 the Japan Bank for International Co-operation established a Facility for African Investment to provide finance to Japanese investors for projects in Africa.
- The EU–AU Infrastructure Partnership operates an Infrastructure Trust Fund that puts together grants from the European Investment Bank and other European financing institutions.
- The US has created an Africa Infrastructure Programme.
- A joint EU–African Infrastructure Partnership Strategy between EU members has been established.
- Canada has launched a Pan-Africa Regional Programme Strategy.

In addition, at their 2005 Gleneagles Summit, the Group of Eight (G8) group of advanced economies established the Infrastructure Consortium for Africa, to which all G20 countries also now belong. Housed at the AfDB, the consortium is a tripartite enterprise of bilateral donors, multilateral agencies and African institutions, designed to promote investment in infrastructure development in Africa from public and private sources. Multilateral agency members are the World Bank, International Finance Corporation, the European Commission and the European Investment Bank. Bilateral donors include all the G8 countries.³⁹ A further significant participant is the Private Infrastructure Development Group, a coalition of donor agencies that invests in infrastructure development projects in the developing world.

A 2006 study by the Botswana Institute for Development Policy Analysis offered insights into some traditional donor initiatives in the SADC region⁴⁰ (although given the date of the study, the picture may have changed since).⁴¹ Among its salient points are:

- donor support for regional integration involves many different contracts and implementing parties; sometimes it does not even involve the SADC Secretariat, with funding distributed outside formal SADC structures;
- donors have shifted their priorities from projects and infrastructure to institutional development;
- for the past ten years most donors to SADC have laid greater emphasis on governance, peace, human rights and security issues;
- DFID, GIZ and the EC provide technical assistance and project funds to the SADC Secretariat for trade matters, particularly implementation of the SADC trade protocol and negotiations with the EU on the EPA; and
- the same organisations are also involved in hard infrastructure projects in the energy sector, development corridors, in spatial development initiatives and telecommunications.

The US strategy no longer includes direct support to regional secretariats (previously it provided technical support to the SADC Secretariat on trade, finance and investment) but concentrates on the establishment of 'African global competitiveness hubs' in Ghana, Senegal, Kenya and Botswana, aimed at providing technical assistance and capacity building on trade, investment and business in the regions they serve.⁴² This process builds on the African Growth and Opportunity Act (AGOA), a preferential market access scheme that opens up the US market for specific products from specific countries. In 2009 Washington outlined a new vision for a US–African partnership. It includes a renewed commitment to AGOA, addressing the challenges that face recipient countries in utilising its preferences and making renewed efforts to improve Africa's competitiveness and to support its regional economic integration.⁴³

Japan established the Tokyo International Conference on African Development (Ticad) in 1993. So far it has held five conferences. The 2008 declaration adopted by Ticad IV in Yokohama emphasises the need for Africa to take 'ownership' of the partnership and determine its own destiny, and includes a section on boosting economic growth and the importance of developing region-wide infrastructure. Japan committed itself to doubling its aid to Africa by 2012 and has also promised to make available \$4 billion in soft loans for the development of infrastructure, with a focus on transportation. The Japan Bank for International Co-operation also offers financial support for Japanese investors in Africa.

The EU and regional integration

The EU dominates all other traditional donors in Africa's regional integration efforts. It is also the continent's major economic and development partner, with relations currently defined mainly by the Economic Partnership Agreements (EPAs) it is negotiating with various regional economic groupings in sub-Saharan Africa.⁴⁴ At a global level the EU seeks to enhance regional integration in Africa, Caribbean and Pacific (ACP) countries through its trade and aid policies. Its approach embraces preferential trading schemes under the Generalised System of Preferences (GSP) of the World Trade Organization (WTO); and free trade agreements such as the EPAs now being negotiated in Africa.⁴⁵

The EU's success with its own regional integration has led it to champion efforts towards regional integration in Africa. The process has not been without complication and controversy. Under the provisions of the 2000 Cotonou Agreement between the

EU and ACP, EPAs are supposed to build on existing RECs within ACP states.⁴⁶ In East and Southern Africa, a region spanning Comesa, EAC and SADC, there has, however, been little inclination shown for countries to rationalise their REC memberships, and for the most part members have avoided withdrawing from one REC to join another. Where such a decision has been made, some countries still remain members of more than one configuration, be it a REC or an RTA.⁴⁷ The aim of EPAs was to reinforce regional integration as a principle, but multiple memberships make this difficult. Technically, however, EPA groupings could in effect force countries into a decision, because it is necessary for members to opt for only one REC as a platform for negotiation and co-operation with the EU in all areas covered by the Cotonou Agreement.

Particularly in East and Southern Africa, however, this has not happened. Indeed, the exact opposite has been the case. Two groups, the Eastern and Southern Africa (ESA) group and the SADC group, were initially formed for EPA negotiations. Five ESA countries (Madagascar, Malawi, Mauritius,⁴⁸ Zambia and Zimbabwe) are members of both SADC and Comesa. The Democratic Republic of Congo (DRC) was negotiating with ESA until 2005, when it joined the Economic and Monetary Community of Central Africa EPA, even though it is not a member of that REC.⁴⁹ The ESA grouping changed again in November 2007 with the creation of the EAC–EPA negotiating group, comprising all members of the EAC. The creation of this group also saw Tanzania abandon SADC in favour of the EAC. Currently, the ESA comprises Comoros, Djibouti, Eritrea, Ethiopia, Madagascar, Malawi, Mauritius, Seychelles, Sudan, Zambia, and Zimbabwe. Of those members, Madagascar, Mauritius, Seychelles and Zimbabwe signed the Interim EPA, in operation since May 2009. SADC is technically a SACU-plus grouping, consisting of all the SACU members with the addition of Angola and Mozambique. South Africa formally became a member of SADC in February 2007,⁵⁰ having initially only observer status as a result of its bilateral 1999 Trade, Development and Co-operation Agreement with the EU. Botswana, Lesotho, Mozambique and Swaziland signed an Interim EPA in 2009 but this has not been implemented pending the negotiation of the comprehensive agreement. The fact that some countries have signed interim EPAs while others have not has left the groups further fractured. Table 2 shows the current status of RTA and REC memberships and EPA configurations.

EPA groups do not have the formal legal status enjoyed by their constituent RECs; they are in principle separate and additional. African country negotiators are not mandated to sign on behalf of all countries in the group, hence the patchy initialling of the interim EPAs. Although REC secretariats assist with negotiations, the lack of a unified approach within EPA groups means that ultimately, the administration and implementation of EPA provisions will be up to individual member countries, especially those that have opted for bilateral EPA agreements to safeguard their market access to the EU. EPAs have therefore served as an additional fissure in a fragile regional integration structure and have also created an additional layer of complexity in what has been described as the ‘spaghetti bowl’ of Africa’s regional integration. The main reason for this convoluted situation is that, with the sole exception of the EAC, EPA negotiating groups were not based on existing regional groupings.⁵¹

As a result of the fragmented EPA initialling process, REC members now differ in their trading relations with the EU: some are trading under the Interim EPAs, others through the GSP programme, and less developed countries that have not yet initialised the EPAs are under the aegis of the EU ‘Everything but Arms’ preference scheme.⁵² This situation

is not a problem for countries that are part of an FTA but it raises serious questions about prospects should those countries decide to enter into a customs union, which is part of the future agenda for most RECs.

Table 2: Sub-Saharan African countries' memberships of regional integration bodies and EPA configurations

Country	SADC	Comesa	EAC	EAC-EPA	SADC-EPA	ESA-EPA	LDC	EPA not equal to REC obligation
Angola	X				X		X	
Botswana	X				X			
Burundi		X	X	X			X	
Comoros		X				X	X	
Djibouti		X				X	X	
DRC	X	X				*	X	X
Egypt		X				***		
Eritrea		X				X	X	
Ethiopia		X				X	X	
Kenya		X	X	X				
Lesotho	X				X		X	
Libya		X				***		
Madagascar	X	X				X	X	X
Malawi	X	X				X	X	X
Mauritius	X	X				X	X	X
Mozambique	X				X			
Namibia	X				X			
Rwanda		X	X	X				
Seychelles	X	X				X		X
South Africa	X				X			
Sudan		X				X		
Swaziland	X	X			X			X
Tanzania	X		X	X			X	X
Uganda		X	X	X				
Zambia	X	X				X	X	X
Zimbabwe	X	X				X	(X)**	X
Total REC or EPA members	15	19	5	5	7	11	14	9

Source: Braude W, 'SADC, COMESA and Conflicting Regional and Trade Agendas', Occasional Paper, 57. Johannesburg: Institute for Global Dialogue, 2008.

Another vehicle for EU engagement is the European Development Fund (EDF), which in the past provided support to regional integration programmes in ACP countries. Since the ninth EDF phase (2002–07), support has been through regional programmes instead of bilateral deals between individual REC member countries. The tenth EDF programme has been prepared by the EU together with ACP regional organisations through regional strategy papers and regional indicative programmes. The financial allocation has been double that of the ninth EDF phase.

The EU has also set out a policy framework on ‘Regional Integration for Development in ACP Countries’ which identifies five priority areas for EU support. They are:

- *building regional integrated markets* through effective implementation of existing regional trade-in-goods commitments and the integration of the services sector, and investment and regulatory standards;
- *facilitating business development* by improving the regulatory environment, strengthening productive capacities and mobilising capital;
- *connecting regional infrastructure networks* with an emphasis on completing the ‘missing links’ between national road, energy and telecommunications networks;
- *strengthening regional institutions*, particularly with a view to promoting regional governance and co-operation for peace and security, and to improving national institutional capacities to implement regional policies; and
- *developing regional policies for sustainable development*, especially with regard to food security, the common management of natural resources and social cohesion.

The Africa–EU Partnership on Trade, Regional Integration and Infrastructure is aimed at supporting the integration objectives laid down in the Abuja Treaty. Finance for it included the establishment of the EU–Africa Infrastructure Trust Fund in 2007. Examples of projects supported by the fund include hydro-electric projects (Felou in West Africa); electricity interconnection schemes (Benin–Togo, Namibia–Zambia); roads, railways and ports (Beira, Walvis Bay, Pointe Noire, Port Louis, Nairobi, Livingstone); and the East African Submarine Cable System, a fibre-optic cable linking southern and eastern African countries into the international communications network.⁵³ Nevertheless, such initiatives must take into account fragmented co-operative instruments and trade regimes, and the extent to which their technocratic nature puts them at a remove from the practical problems of Africa’s regional integration.⁵⁴ The initiatives have also been de-linked from the EPA processes despite the fact that it is the EPAs that constitute the primary tool of the EU’s African regional integration drive.⁵⁵

Traditional partners and African infrastructure development

Traditional partners’ support and engagement on regional integration in Africa can also be viewed through the lens of the Aid for Trade initiative. Emphasising the fact that aid for trade is part of normal overseas development assistance, a 2009 OECD–WTO study on aid for trade trends and flows identified five main categories through which donor countries, primarily traditional donor partners, channel their aid.⁵⁶ They are:

- *technical assistance for trade policy and regulations*: for example, helping countries to develop trade strategies, negotiate and implement trade agreements;
- *trade-related infrastructure*: for example, constructing roads, ports and telecommunications networks to connect markets to the global economy;
- *productive capacity building* (including *trade development*): for example, supporting the private sector to exploit its comparative advantages and diversify its exports;
- *trade-related adjustment*: helping developing countries meet the costs associated with trade liberalisation, such as tariff reductions, preference erosion, or declining terms of trade; and,
- *other trade-related needs*: trade-related development priorities in partner countries' national development strategies.⁵⁷

This list aptly sums up traditional partners' donor activity but the OECD report is also important in respect of infrastructure investment and support. One of the defining features of emerging partners' activities in Africa has been infrastructure investment, filling the space left by traditional partners, which appeared to have put such development on the back-burner. One authority has attributed this neglect to a stress on 'short-term palliatives aimed at reducing the visible symptoms of low levels of economic productivity'.⁵⁸ Traditional donor support for infrastructure development declined in the 1990s when there was an assumption that private investors would fill the funding gap.⁵⁹ This was acknowledged as a 'policy mistake' in the UK-based Commission for Africa 2005 report.⁶⁰ Infrastructure development is once again on the traditional donor agenda;⁶¹ by 2009, donor support in this sector had increased four-fold compared with 2002–2005.⁶² Most of the funding has gone to primary infrastructure services for trade, energy and transport.⁶³ One might question the timing of the shift in traditional donor priorities, coming as it does against the backdrop of massive infrastructure projects undertaken by emerging partners. Even if their motivation is to compete more strongly for influence on the African continent, however, the new direction in traditional partner support will benefit regional integration if it leads to the resolution of supply-side constraints created by infrastructure deficiencies.

EMERGING PARTNERS' APPROACH

Who are the emerging partners?

In this paper the term *emerging partner* is used as a synonym for *emerging power*. Alden defines 'emerging powers' as⁶⁴

a phrase coined to describe a new group of states which has through a combination of economic prowess, diplomatic acumen and military might managed to move away from developing country status to challenge the dominance of traditional mainly Western powers.

The past few years have seen what may prove to be a major shift in the balance of global economic power, exemplified by the emergence of the BRIC⁶⁵ economies against the background of recession in Europe and the US. In addition to this increased economic influence, a third, political component underlining the significance of the new landscape has been noted by some observers: this is the demand from the developing world for an increased voice in international governance structures.⁶⁶ This group extends beyond the BRICS countries but several share characteristics with them. Goldman Sachs has identified among these countries the 'next 11' (Bangladesh, Egypt, Indonesia, Iran, Korea, Mexico, Nigeria, Pakistan, Philippines, Turkey and Vietnam).⁶⁷ South Africa is very active in development co-operation in Africa, particularly the SADC region, and should not be overlooked in the list of emerging development partners. Nevertheless, in their engagement with Africa, it is three emerging powers – China, India and Brazil – that are leading the way.

It is important to note that what is being experienced now is a re-emergence of countries that have been involved in Africa for many years, albeit not on a significant scale.⁶⁸ Their renewed activity has coincided with the international financial crisis⁶⁹ and is commensurate with changes in a global political economy in which the economic clout of the emerging powers is growing.⁷⁰ Traditional donors seem at odds over how to react to the new situation, especially as the emerging economies have continued to grow (though more slowly) while traditional powers have had to contend with economic stagnation. In the renewed competition for influence and relevance in Africa, the value to traditional donors of aid as a bargaining tool is dwindling, although those partners remain indispensable.

Emerging partners have employed meetings and forums to further explore co-operation with African countries and cement political ties. China established the Forum for China–Africa Co-operation (Focac); Brazil has the Africa–South America Summit (ASA), and India has begun an India–Africa Summit. Their engagement is also marked by the involvement of private sector interests and development finance institutions with expertise in the exploitation of natural resources in recipient countries.

Africa is important to the emerging partners as a potential market, particularly for manufactured goods. It is also a major source of materials needed for their manufacturing industry, as it is for the developed economies, and serves as a destination for investment, often with high returns. Trade between emerging economies and Africa, particularly with China, India and Brazil, is growing rapidly⁷¹ and current projections are for a rise to more than \$1 trillion by 2015.⁷² These trade patterns mirror those with traditional partners in that Africa exports commodities and imports manufactures. A deficit is particularly evident in Africa's trade with China, although the picture is somewhat distorted because trade centres on only a handful of resource-rich African countries that provide such commodities as oil, gas and minerals.

One distinctive aspect of emerging powers' engagement with Africa, and indeed developing economies elsewhere, is that grants and loans are bundled with trade and investment programmes.⁷³ Aid, investment and development finance are therefore presented as one package and it is often difficult to isolate different elements for detailed analysis.

Assistance is provided as part of South–South co-operation schemes, with donor and recipient being 'development partners'. China, Brazil and India therefore do not see

themselves as conventional donors but as basing their co-operation on equality, solidarity, mutual development and complementarities. Their own past (and sometimes present) experience as aid recipients makes them averse to the terms ‘donor’ and ‘recipient’, and for the same reason they profess more direct and relevant knowledge of the needs of developing countries.

China is at the forefront of the debate addressing emerging economies dealings with Africa, and as the biggest trading partner and investor among them its practices have attracted most attention. Its engagement with Africa is closely related to its foreign policy aims and it has defined a strategic approach that fulfils African economic, diplomatic and security aspirations, while promoting its own economic interests and at the same time positioning itself as a champion of the developing world.⁷⁴ The core of Chinese involvement in Africa is resource-based but three overall objectives inform the process: they are respectively strategic, economic and diplomatic.⁷⁵

Strategically, the aim is to gain access to key raw materials. In pursuit of this objective China offers loans, grants and investments, debt relief, weapons sales and project funding, among other inducements. Secondly, in pursuing its economic aims China has been very successful in transforming its state-owned enterprises into internationally competitive transnational corporations, and it therefore needs to ensure continued access to Africa’s markets. As regards the third, diplomatic objective, China’s relations with Africa are based on a discourse of ‘historic connectivity, political equality, respect for sovereignty [and] non-intervention’;⁷⁶ in charting a greater role for itself in international forums, China has sought to ally itself with African countries in exchange for reciprocal support.

South Africa’s minister of trade believes that China is increasing aid to Africa in order to ‘reduce the starkness of its commercial ambitions and to connect with Africa on terms with which it is more familiar’.⁷⁷ There is little, if any, distinction between China’s aid and investment, and it is easy to gloss over the mercantile aspects of the relationship. In part this is because there is little information available on the exact nature of, or statistics related to, Chinese aid and investment or its development assistance. The reason for this is that:⁷⁸

Chinese assistance is highly politicised internally as well as externally; it is closely related to other activities, and it is used to facilitate Chinese investment abroad; the government fears that greater transparency may lead simultaneously to greater demands for aid by recipient countries and domestic criticism because of the widespread poverty in China ... information on Chinese aid is considered a state secret.

Behind the veil of secrecy it seems that China is increasing both aid and investment to Africa, and pledges made at Focac indicate its willingness to go even further. Two criteria have been identified that guide funding allocations: the first is that recipients must adhere to the ‘one China’ policy which, in effect, requires them to renounce diplomatic ties with Taiwan; and the second is the economic and political importance to China of the recipient country as a source of raw materials and diplomatic support.⁷⁹

The ‘Angola model’, or ‘resources for infrastructure’, which Beijing has touted as a prime example of its win-win co-operation in Africa, is an example of China’s package approach. Under this arrangement China uses concessional loans to assist recipient countries with large-scale infrastructure projects and other economic development vehicles, and when –

as is usually the case – countries cannot provide sovereign guarantees, proceeds from the sale of natural resources are used to secure the loan.⁸⁰ In most cases the sales are made to Chinese state-owned enterprises and the loans are thereby guaranteed.⁸¹ China entered into this kind of arrangement with Angola in 2004 and since then has used the mechanism to fund post-civil war reconstruction of Angolan infrastructure in areas of energy, water, health, education, fisheries, road, rail and airports.⁸² The Angola model is not unique to China. Indeed it originated with Western private banking institutions, but an essential difference is that China's loans are much larger, running into multi-billions of dollars.⁸³

India's engagement on the African continent mirrors that of China, partly because of the competition for global influence between the two countries.⁸⁴ Unlike those of China, India's ties with Africa run deep, given the large Indian communities in some African countries.⁸⁵ Like China, however, India hews to the principle of non-interference in the recipient country's affairs. Also like China, India sees its engagement with Africa as a means of garnering international political and economic influence, and has been actively increasing its diplomatic and economic footprint. Countries that are resource-rich and have significant Indian communities are the main targets, but efforts are being made to spread beyond them into the rest of Africa. India's trade with Africa was worth \$42 billion in 2011 and Delhi also extended lines of credit to five of Africa's Heavily Indebted Poor Countries.⁸⁶ At the moment the balance of trade with India favours Africa, which exports commodities while importing mainly Indian-manufactured products.⁸⁷

The stress on resource-rich countries is made clear in India's 'Focus Africa' programme, launched in 2002 specifically to promote trade and investment with Africa. Originally it was aimed mainly at Nigeria, South Africa, Mauritius, Kenya, Ethiopia, Tanzania and Ghana, but later expanded to the rest of Africa.⁸⁸ Investment from India is also increasing, with Indian firms investing in telecommunications, agriculture, health, pharmaceuticals, infrastructure and ICT, in addition to the energy sector.⁸⁹ India also offers tied development assistance, under which products and services related to a development co-operation project must be sourced from India.⁹⁰ Another source of development co-operation is through the Indian Technical and Economic Co-operation (ITEC) programme, which is used as a vehicle for bilateral development, providing mainly technical support.⁹¹

A further advantage to development aid is that it has helped India divert attention from its domestic poverty problems, and instead, emphasise its new role as an emerging force in international affairs.⁹² Its investment in Africa has been led by private interests, although some state-owned enterprises are also involved. Activity has been concentrated mainly in the east and south of the continent. Recipient countries are selected for state-led programmes, particularly development finance and aid, on the basis of their economic or political value to India.⁹³ Delhi also seeks to bolster commercial ties by offering export subsidies to Indian companies that trade with Africa.⁹⁴

Brazil hitherto has concentrated on links with North America, Europe and Latin America and, until recently, its involvement with Africa was minimal.⁹⁵ The re-emergence of Africa in Brazil's foreign policy was driven largely by the administration of President Luiz Inácio (Lula) da Silva, whose voice was one of the loudest among emerging country leaders promoting Africa's advancement. He made several visits to Africa, accompanied by private sector representatives pursuing trade and investment opportunities on the continent. The Africa 'offensive' is motivated by Brazil's developmental and commercial aspirations, and is part of a broader foreign policy response to globalisation.⁹⁶ It is also

driven by a desire to forge strategic relationships with the developing world in order to further the South's objective of reforming global governance and the international system, and also to help Brazil become a significant global player in its own right: Africa could prove a valuable ally in furthering Brasilia's ambition to secure a permanent seat on the UN Security Council.⁹⁷

Of late, Brazil's Africa trade and investment have grown exponentially. Trade increased from some \$4 billion in 2000 to about \$20 billion in 2010,⁹⁸ while in much the same period Brazil's FDI stock in Africa rose from \$50 billion to \$181 billion.⁹⁹ Most trade has been with Nigeria, Egypt, South Africa and Angola. Although all these countries are resource-rich, Brazil's engagement with them is driven not by resource considerations but rather by markets and profits.¹⁰⁰ Africa is also a major beneficiary of technical co-operation initiatives under which Brazil shares its expertise and experience in overcoming structural deficiencies and encouraging economic growth. Of 81 technical projects in which Brazil is involved around the world, 36 are in Africa.¹⁰¹

The primary beneficiaries of Brazilian development assistance in Africa have been the Lusophone countries, a situation that reflects language and cultural affinities, as well as a shared colonial history, but development co-operation has now extended to 15 sub-Saharan countries.¹⁰² Generally, Brazilian enterprises have operated without government backing, although a leading mining company, Vale SA, initiated a trend of commercial diplomacy by persuading Lula to lobby on its behalf in Gabon.¹⁰³ In 2008 Brazil also began to offer export subsidies to companies trading with Africa under a scheme labelled 'Programme Integration with Africa' which, by 2009 had disbursed some \$477 million.¹⁰⁴ It is worth noting that Brazil's economy is based on private enterprise, although Vale and Petróleo Brasileiro SA (Petrobras), two of its biggest companies, originated as parastatals before being partially privatised.¹⁰⁵

Along with China and India, Brazil attaches particular importance to infrastructural projects¹⁰⁶ with its credit lines mostly extended for such schemes. Like that of China and India, Brazil's project assistance is conditional on procurement of Brazilian construction materials and services.¹⁰⁷ Brazil has, however, also chosen to provide the technical assistance and products necessary to boost agricultural productivity and add value to agricultural products.¹⁰⁸ Such projects are in progress in the 'cotton four' countries (Mali, Benin, Chad and Burkina Faso), as are programmes for cocoa cultivation in Cameroon and Republic of the Congo, rice in Senegal, and biofuels in Ghana, Sudan, Senegal, Nigeria, Angola and Mozambique.¹⁰⁹ Rampa and Bilal consider that one benefit of Brazil's co-operation with Africa is that it gives the continent greater leverage in managing large foreign land acquisitions, while boosting the chances of equitable outcomes in international negotiating forums on climate change and trade.¹¹⁰

Regional engagement

To date, emerging partners have had little direct involvement in regional integration initiatives, which are not a major part of their stated agenda. Instead, they tend to engage with individual countries, even when such dealings may have regional ramifications, and support transport corridors as a means of assisting regional integration.¹¹¹ This approach may constitute tacit recognition that given the weakness of Africa's regional structures, involvement in regional integration based on a top-down approach would be much more

political than economic in its effects (although China has developed some degree of relationship at a continental level with the AU and, among other things, built the new AU headquarters in Addis Ababa, inaugurated in January 2012).

CAN TRADITIONAL AND EMERGING PARTNERS WORK TOGETHER?

The questions remain of how to improve understanding of traditional and emerging partners' objectives in Africa's regional integration, and of how Africa can best harness their interest in the continent for its own developmental and integration goals.

There is no doubt that the emerging partners' new initiatives have led traditional donors, and Africa itself, to think about new forms of co-operation. African countries tend to welcome emerging partners' involvement, seeing it particularly as an alternative to traditional partner initiatives that come heavily laden with stringent conditionalities. However, questions have been raised as to the sustainability of the emerging partners' approach. Their assistance is usually free from overt political or economic conditions but in most cases development finance instruments are tied to the procurement of a large proportion of contract value from the source country. The borrower therefore loses the opportunity to develop its own expertise, and forgoes many of the benefits of technology and skills transfer.

Triangular co-operation

Led by the EU, traditional partners have sought ways of working with emerging partners. A popular term in this discourse has become 'triangular co-operation', an arrangement whereby traditional partners act as financiers or brokers between emerging partners and Africa, and in essence facilitate exchanges between Africa and its new partners. Triangular co-operation is mainly an EU response to the growing presence of China in Africa, although multilateral institutions are sometimes also involved.

The EU has made formal proposals on triangular co-operation that centre on four sectors (peace and security; African infrastructure; sustainable environmental and natural resources management; and agriculture and food security).¹¹² Under the suggested arrangement the EU and China would co-operate on these and other issues in Africa, and conduct regular discussions to ensure more co-ordinated and co-operative action. The EU and China would keep each other informed on their activities and support positive developments in Africa in line with the 2005 Paris Declaration on Aid Effectiveness; the EU and African countries would share their experience of unequal development partnership for the benefit of China, which has limited experience in Africa; while China and Africa could work together to encourage the EU to modify its aid delivery mechanisms.¹¹³

The proposed triangular co-operation has not been well received by either China or Africa. There was also disagreement within the EU, some member countries welcoming the new approach as a way of establishing genuine partnership with China, while others saw it as means to induce China to abide by European standards.¹¹⁴ China regarded the

idea as an attempt to compel it to fall in line with aid and development frameworks such as the OECD Development Assistance Committee (OECD–DAC) and the Extractive Industries Transparency Initiative, especially as China has been courted to sign up to such institutions and currently holds observer status at their deliberations.¹¹⁵

The EU is also reported to have broached the idea with China alone,¹¹⁶ reinforcing the perception that the entire proposal was aimed at reining in the Red Dragon. For its part, Beijing was concerned that the EU had not reached out to Africa in its proposal and that its focus on China was probably a way to circumvent Chinese resistance to Africa as an agenda item in EU–China consultations. A further concern for China is the extent to which triangular co-operation mechanisms might jeopardise its image as a developing country engaged in South–South co-operation with Africa.¹¹⁷ African acceptance of the triangular co-operation initiative is a precondition for China’s support.¹¹⁸ In Africa, however, the proposal has met with opposition, largely because it is seen as an attempt by Europe to reassert its influence and dominance on African issues.¹¹⁹

The idea of triangular co-operation is evidence of a degree of pragmatism that, in turn, reflects a need to streamline the activities of a multiplicity of participants and ensure that African developmental initiatives are not derailed by unco-ordinated action. Without African support, however, the approach is rendered redundant, particularly at a time when the global political economy is changing and the South, including Africa, is becoming more assertive. Given African countries’ strident defence of their national sovereignty, it would also be unwise for donors to enter into discussions on Africa without African participation. Africans question why it should be the EU that leads discussions on Africa; why and what China would learn from the EU; and indeed why China should engage at all with the EU on African matters.¹²⁰ These are fair questions given that not all EU development initiatives have been entirely successful in achieving all their intended objectives.

According to one observer, three principles must underpin the process if triangular co-operation is to succeed. First, ‘beneficiary countries [should] participate actively in and have ownership over projects and programmes, helping to adapt them to local realities’; secondly, ‘partners [should] divide responsibilities based on their area of expertise, so as to make best use of their comparative advantages’; and thirdly, ‘providers of South–South co-operation and DAC donors [should] align to [sic] beneficiary countries’ development priorities’.¹²¹

The EU might consider it wise to recast its approach on triangular co-operation and, in the first instance, deal with the primary target(s) of the initiative. As traditional and emerging partners compete for Africa’s resources and markets, the need for triangular co-operation becomes more pronounced. Africa itself, however, must define precisely what it wants from its development partners. Africa’s approach to regional integration and its policies underpinning economic growth both followed the EU model. Since the global economic crisis of 2008, however, developing nations, African countries included, have begun to question such policies and look to the emerging economies for an alternative growth model. They should, however, be conscious of the danger of merely switching from West to East in search of economic and regional integration templates without first establishing their suitability to African circumstances.

RECOMMENDATIONS

At the most basic level, African governments should:¹²²

- *monitor trade, aid and FDI dealings* with emerging countries;
- *analyse the strategic objectives of emerging economies*, and opportunities and threats arising from them;
- *develop a strategic focus* to maximise benefits and exercise ownership over aid initiatives; and
- *act together* with other African governments, the AU, AfDB and regional groupings to maximise bargaining power and avoid ‘incentive wars’.

At the same time they must ensure that mistakes that may have been made with traditional partners are not repeated in their dealings with the new emerging economies.

At a broader level, it is important to acknowledge that traditional and emerging partners can complement each other in their operations in Africa. Traditional partners tend to concern themselves more with socio-political issues, whereas emerging partners focus on productive sectors; the latter also tend to concentrate on hard infrastructural development, and traditional partners on both hard and soft infrastructure.

Africa’s infrastructural development in support of regional integration should be informed by a strategic approach to new and old partners alike. While negotiations for the TFTA are in progress, it is important that African leaders keep in mind that one of the purposes of the proposed trade bloc is increased harmonisation and trading on the continent; hence efforts geared towards securing FDI and aid should be based on a common platform. For instance, the selection of infrastructure projects should take into account regional and continental initiatives – a particularly important point bearing in mind the bilateral nature of much investment, particularly from China. The same is true of regional trade blocs: if the negotiating position of African states is based on inward-looking policies, it would be easy for investors to play one off against another and for African countries to slip into an ‘incentives war’ – in essence a race to the bottom to secure investment that would run counter to the overall goal of regional integration. There is therefore a need to harmonise regional infrastructure development schemes to avoid duplication of projects and wastage of resources.

It has already been noted that most foreign powers involved on the African continent, particularly emerging partners, concentrate on resource-rich countries. A regional approach to project aid would help spread the benefits of these interventions to other, less well-endowed countries, bearing in mind that in the normal course local projects are often too small to attract foreign investment.

There is an obvious tendency for governments to use national development goals to direct investment into projects that are purely domestic in nature (for example government buildings and national stadiums). If this is done, it should be in broad consultation with national stakeholders. An enhanced understanding of regional priorities would help ensure that even domestic projects are relevant to broader regional goals. Institutions such as the AU, AfDB and Nepad, as well as REC secretariats, are channels through which liaison could take place.

African countries must establish a negotiations framework that seeks to protect their interests. It would not necessarily be fashioned according to traditional donor standards but it should at least be designed to foster sustainability of the relationship between emerging partners and Africa. Governments should not be blind to pitfalls the new partnership might contain. These include the potential debt crisis embodied in tied aid packages¹²³ and the fact that the relationship with emerging partners, particularly in matters of trade, remains essentially the same as with traditional donors. There should be a sustained campaign for improved market access for Africa into both traditional and emerging partners, particularly for products carrying added value. Africa could use to its advantage the fact that if anything, emerging partners appear more avaricious for raw materials than are traditional donors. Although China, for example, has pledged to support industrialisation and has directed some investment towards value addition, the bulk of its funding remains committed to resource extraction.¹²⁴

China's ministry of commerce has, however, established eight 'special economic zones' (SEZs) across the continent though they have not been wholly successful. Only one, in Egypt, is fully operational and another in Zambia is partially so. Ethiopia, Mauritius, Algeria and Zambia each have one non-operational zone and Nigeria has two.¹²⁵ (Their failure is ascribed to 'poor infrastructure, limited political support and planning shortfalls' and to different political and social frameworks: factors that make for successful SEZs in China are not necessarily present in Africa.)¹²⁶ In a similar vein, in 2010 China also signed a Comprehensive Strategic Partnership with South Africa, according to which China will 'increase investment in South Africa's manufacturing industry and promote the creation of value-adding activities in close proximity to the source of raw materials'.¹²⁷ It remains to be seen whether any benefits will accrue from this arrangement. Nevertheless, in principle, such partnerships should be encouraged.

That Africa has been touted as a new growth frontier provides a useful opportunity to change the nature of its relationship with traditional partners. Competition for influence between new and old donors could serve Africa well if it uses its position to bargain for greater benefits.

Instead of concluding countless agreements that are never implemented, African governments should fulfil their regional trade commitments. This can be done through strengthening regional secretariats and according them greater authority. African statesmen are averse to any initiatives that would limit their own sovereignty, even though ceding authority to regional institutions such as SACU, SADC, Comesa and ECOWAS would strengthen their capacity to deliver on regional commitments. In addition, once the secretariats are free to function independently of national interests, they will be able to engage with aid partners at a regional level, and to represent regional interests.

RECs should adopt a co-ordinated approach to aid partners, including the EU and the US, and communication and co-operation between RECs should be improved with a view to establishing such a common policy. Development of a common agenda for REC-level engagement will bolster efforts to secure FDI and assistance for regional projects which, in turn, would help foster Chinese relations with the AU and encourage the mooted triangular co-operation.

CONCLUSION

Traditional trade, aid and investment partners remain indispensable to Africa's development: despite a growing engagement with emerging economies, the EU remains the continent's largest development partner. There are, however, complementarities between old and new in that the emerging partners focus on those sectors most neglected by traditional donors. The success of both traditional and emerging partners' development efforts depends on Africa's response to their initiatives, central to which is the development of strategic objectives for its relations with partners. The mooted triangular co-operation scheme offers the most pragmatic approach to co-operation between traditional and emerging partners on regional integration and other development but it is still to be defined, and control of the process has to be transferred to Africa if the initiative is to be effective.

Traditional partners have already put in place many regional institutional support mechanisms. Emerging partners, by contrast, have none. Nevertheless, given that they are themselves developing countries and only recently emerged as economic powers, they understand the challenges faced by Africa and have the potential to further the African regional integration agenda – potential that can be realised only if Africa has a clear and unified plan that avoids the burden of assuming a junior role in relations with both traditional and emerging partners.

At root, the question of whether emerging partners help or hamper regional integration is one of how African countries manage them. Emerging partners cannot map the regional integration options and priorities for Africa; their interest in the continent is based not on developing country solidarity and concerns for Africa's economic health, but on their own economic and political needs. The key to turning engagement with emerging partners into economic growth lies in Africa's ability to articulate its own development agenda, based on its own unique circumstances.

ENDNOTES

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