Emerging economies in Africa and the development effectiveness debate

Francesco Rampa and Sanoussi Bilal

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## Acronyms

<table>
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<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACP</td>
<td>African, Caribbean and Pacific</td>
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<tr>
<td>AE</td>
<td>aid effectiveness</td>
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<td>AFD</td>
<td>French agency for development</td>
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<td>AMISOM</td>
<td>African Union Mission in Somalia</td>
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<td>APF</td>
<td>Africa Partnership Forum</td>
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<td>AU</td>
<td>African Union</td>
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<td>AUC</td>
<td>African Union Commission</td>
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<td>BRIC</td>
<td>Brazil, Russia, India, China</td>
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<td>BOND</td>
<td>British Overseas NGOs for Development</td>
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<tr>
<td>CAADP</td>
<td>Comprehensive African Agricultural Development Program (CAADP)</td>
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<td>CIB</td>
<td>China, India, Brazil</td>
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<td>CSOs</td>
<td>civil society organisations</td>
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<td>CSP</td>
<td>Comprehensive Strategic Partnership</td>
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<td>DAC</td>
<td>Development Assistance Committee</td>
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<td>Development effectiveness</td>
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<td>DFID</td>
<td>Department for International Development</td>
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<td>EARN</td>
<td>Europe Africa Policy Research Network</td>
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<td>EC</td>
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<td>EITI</td>
<td>Extractive Industries Transparency Initiative</td>
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<td>economic partnership agreements</td>
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<td>FOCAC</td>
<td>Forum for China-Africa Cooperation</td>
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<td>G5</td>
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<td>IBSA</td>
<td>India, Brazil, South Africa</td>
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<td>ITC</td>
<td>International Tax Compact</td>
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<td>Joint Africa-EU Strategy</td>
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<td>LDCs</td>
<td>Least Developed Countries</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>NEPAD</td>
<td>New Partnership for Africa's Development</td>
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<td>NGO</td>
<td>non-governmental organisation</td>
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<td>NSA</td>
<td>non state actors</td>
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<td>ODA</td>
<td>official development assistance</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>OECD-DAC</td>
<td>Development Assistance Committee of the Organisation for Economic Co-operation and Development</td>
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<td>PCD</td>
<td>Policy Coherence for Development</td>
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<td>RECs</td>
<td>regional economic communities</td>
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<td>SAIIA</td>
<td>South Africa Institute for International Affairs</td>
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<td>SSC</td>
<td>South-South cooperation</td>
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<td>UK</td>
<td>United Kingdom</td>
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<td>UN</td>
<td>United Nations</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>UNECA NPCA</td>
<td>United Nations Economic Commission for Africa NEPAD Planning and Coordinating Agency</td>
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<td>US</td>
<td>United States</td>
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<td>USD</td>
<td>United States dollar</td>
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<td>USA</td>
<td>United States of America</td>
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<td>WTO</td>
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Executive Summary

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 the 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.

However, the involvement of emerging players in the continent provides fresh opportunities for Africa and its traditional partners, and notably Europe, 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. In particular, 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.

The objective of this paper is to shed light on the new landscape, analyse the ongoing responses to it by different stakeholders, and in this context discuss the possible way forward for international partnerships and initiatives to better support African owned objectives and strategies.

A new landscape

The recent phenomenal economic growth of countries like China, India and Brazil (as well as Gulf countries, Russia, South Korea or Turkey, to name but a few) serves as a source of inspiration for Africa: progress on development can be made relatively quickly. Moreover it is clear that the growing presence on the continent of these emerging countries brings benefits in terms of trade, massive investment in infrastructure and resources development, opportunities for Africa to be more assertive on the world stage as well as increased development aid and technical assistance. However, there remain concerns as to the developmental impact that these emerging economies have on Africa, although several would argue it is on balanced positive.

The emergence of new international actors in Africa and their gain of political and economic ground have raised several questions as to the relationship between Africa and its traditional donors, particularly with Europe. Although the rise of the emerging economies in Africa is no longer new, it has spurred a lively debate in traditional donor countries on the comparison, in particular with China, of respective cooperation approaches and impacts and on the opportunity of trilateral dialogue and initiatives. Many Africans in turn, believe that the involvement of CIB in the continent should provide fresh opportunities not only for Africa to move its developmental agenda further but also for the traditional donors to engage Africa on new terms that recognise Africa's aspirations and take into account Africa's increasingly complex role in global relations. The response by traditional donors to such new waves of partnerships with Africa will be crucial to the their own partnership with the continent and bilateral relations with African states. Ideally, it could contribute to the capacity of traditional donors to improve cooperation with Africa, and vice versa. It may also result in changes in approach from the African states to how they view the traditional donors relationship – not simply one largely driven by development cooperation.

The changed context for Africa's partnerships relates to recent developments in the international aid debates, which relates to the growing role of South-South cooperation and emerging North-South-South
triangular cooperation \(^1\) and the increasing criticism and scepticism over 'traditional aid', which could possibly lead to the emergence of a new development paradigm.

Emerging economies reject the notion that some countries are “donors” and others “recipients” and are not members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD). In fact, China, India and Brazil are all simultaneously both donors and aid recipients, as are an increasing number of developing countries (e.g. South Africa). So they have tended to be marginal to international aid policy debates, and are not necessarily committed to 'aid effectiveness' processes like the Paris Agenda, launched in 2005 to implement the Paris Declaration, an international agreement through which signatory countries and organisations commit to harmonisation, alignment and managing aid for results with a set of monitorable actions and indicators. However, emerging economies and providers of South-South cooperation have played de facto an increasingly important role in the international development architecture, as donors, trading partners and sources of expertise. Their rising influence has been recognised in 2008 in the Accra Agenda for Action (which built on the commitments of the Paris Declaration on Aid Effectiveness), where OECD traditional donors encouraged emerging players to follow the Paris Declaration and stressed the importance of exchange of experience between developing countries for capacity development.

Concerns over traditional aid approach have contributed to refocus the attention towards more systemic factors of development and the engine for sustainable and equitable growth. Indeed, development effectiveness, in other words output and results of development policies and assistance, is gaining increasing attention internationally, somewhat at the expenses in a way to aid effectiveness, in other words input and management of aid. This is a new debate and development effectiveness means different things to different people. Since emerging economies do not see themselves as donors, they have not participated in aid effectiveness debates and processes. So, intuitively, the emergence of new players and the closer relationship between their commercial, diplomatic and assistance interactions with developing countries naturally links with development effectiveness discussions. This can be seen as a move from a narrow agenda on development cooperation to broader development considerations. Yet, caution is necessary. Simply comparing traditional aid with everything emerging economies do in all fields of their international cooperation with Africa should be avoided.

**Responses from Africa to the new landscape**

There is a clear opportunity for Africa to grab now, since both traditional and 'new' players are in an important phase of reforming (e.g. Europe) and designing (e.g. China, India and Brazil) their development policies towards Africa. How is the development paradigm perceived in Africa?

Different partners entail different business and development support models and receive different degree of appreciation. The emerging trend is a multi-facet one, where Africa can engage various partners based on their respective strengths. The resulting picture is a mixed one though. One of the advantages of the new wave of partnerships is the choice of donors to choose from for Africa, with CIB and traditional donors. It is not possible to conclude that 'one approach is best'. It depends also on sector of cooperation. There are thematic areas where the EU is still seen as the favoured partner (peace and security) and others where it is China (e.g. infrastructure), Brazil (social protection) or India (telecommunications).

Interestingly, some observers put the new context of multipolar partnerships in historical perspective, concluding that the situation of EU as the major partner of Africa and as a 'main development model' was

\(^1\) Triangular co-operation is a partnership between DAC Donors ('North') and providers of South-South cooperation to implement development cooperation programmes/projects in beneficiary countries (OECD 2009), e.g. support from traditional donors for the transfer of knowledge and experience between developing countries.
really a fact of the Cold War period. With the fall of the Berlin Wall and the rise of China, the international landscape, including in Africa, has changed radically.\(^2\) The current situation simply reflects this changing balance in international relations. The emergence of the CIB in Africa should therefore be viewed as a natural result of globalisation.

While at the broad political level, be it the Joint Africa-EU Strategy (JAES) or the “new China Africa strategic partnership” declarations and objectives (with obvious differences of thematic focus) are increasingly similar between traditional and ‘new’ partners, the reality on the ground is that perceptions on their cooperation approaches also depend on the levels of the interaction and cooperation under scrutiny (continental, regional or national) and the specific actors involved.

An enlarged pool of partners beyond traditional ones brings the opportunity of simultaneously drawing from different development models and benefit from comparative advantages of different partners. Some actors, especially government officials from both Europe and Africa, believe that what is emerging is a general tendency in Africa to adopt a ‘multiple strategy’ vis-à-vis different partners, based on what each can offer. According to this view, many African countries approach different partners to obtain different types of support: typically grants and capacity building support from traditional donors, and increased investment from CIB (in all sectors from China, and more concentrated in agriculture from Brazil and in technology transfer/telecommunications from India).

Other stakeholders however, including from civil society, academia and private sector, do not think that competition among partners is translating into a clear and coherent strategy to best benefit from each partnership, but rather into ad-hoc reactions to what each partner offers to Africa based on its own policies and interests. In other words, external pressure would drive the evolution of partnerships.

Beyond general considerations in terms of broad features and trends of African strategies towards traditional and new partners, the picture at the national level varies significantly from country to country. Very few African countries (e.g. Mauritius and South Africa) have a coherent-coordinated-complementary strategy, based on national strategic interests, which is articulated vis-à-vis different partners depending on their comparative advantages.

There seems to be a high correlation between domestic governance conditions and the ability to design and implement a solid strategy. Similarly, it seems that having good underlying macroeconomic fundamentals and economic stability in place also support maximising the contribution of external partners to development.

Though a full-fledged, totally coherent and effective strategy vis-à-vis all partners is incredibly difficult to design and implement, the cost of having no strategy is high. The absence of a bold strategy vis-à-vis traditional donors for instance led many African countries to unclear demands to their partners and scarce capacity to deliver on the African side of the partnership commitments and responsibilities. This contributed significantly to some of the drawbacks attributed to traditional donors (e.g. focus only on aid, fragmentation of objectives and programmes, etc.), with many African governments taking the route of criticizing donors rather than proposing concretely what they should change.

At the domestic level, weak institutions and capacities often mean that even where there are national development strategies these are not fully implemented, and for instance are not used as basis for accepting projects or finance from partners. Having a strategy, and one that includes building capacity and institutions, allows in the long term to address the same implementation challenges that flow from

failed institutions, weak economic and legal systems etc. and that always were part of the explanation of the failures of traditional donor-recipient partnerships in Africa.

Existing regional and pan-African plans do not address the new landscape of multipolar partnerships and do not put forward a more coherent and rational strategy vis-à-vis different partners. Some African institutions have started working towards this objective, for instance through the Forum for AUC-ECA Partners Dialogue. The African Union Commission may propose in this context the preparation of a 'common Africa strategy', but resistance is expected from certain countries which would probably prefer these strategic decisions and planning to be kept at national.

The way forward

A number of conditions should be in place for Africa to implement coherent-coordinated-complementary strategies towards different partners. The most important precondition is strengthening institutions and capacity in Africa, including for:

- governments, to design and implement such strategies, and to negotiate 'good deals' with partners; and
- non-state actors (including the media), to articulate their interests and input into the design of such strategies and to more effectively contribute to the implementation of partnerships and strategies.

Improved strategies towards different partners will also require a clear vision and a long-term horizon that trickle down to the daily operations of African institutions. High-level political backing in Africa, as well as in traditional and new partner countries, is also key throughout the process of improving partnerships and implementing agreed plans.

One question is whether African states want to have different fora of dialogue and coordination for each partner (old and new), or whether there is also value of bringing them all to the same table to dialogue in a North-South-South triangular format. A 'triangular' process of dialogue led by Africa with two or more partners from the North and South would significantly contribute to the strategic thinking about the continent's economic strategies and each partner's added value for Africa. Recent experience suggests, however, that successful triangular cooperation projects entail a dialogue dimension led by the 'beneficiary country'.

There is still a general scepticism in Africa on attempts by traditional donors to initiate triangular dialogue. In the case of EU-China-Africa Trilateral Dialogue and Cooperation initiative led by the EU for instance, recurrent questions from African stakeholders include: why should a third party like the EU deal with Africa relations with other partners; why should China try to learn from the EU in terms of engagement; why should China speak with the EU about Africa. A variety of donors' approaches constitute some form of competition among donors, increasing the choice and at time leverage of recipient countries. Emerging economies such as China often provide an attractive alternative to traditional donors. Greater coherence and coordination among major partner countries/donors is therefore not always welcome in Africa.

A number of incentives for doing things together and improve efficiency can nonetheless be identified. Sharing of lessons and practices to avoid the mistake of the past (e.g. quick aid disbursements without real absorption capacity in place, technical assistance that does not build capacity and management skills, etc.) or better reporting and monitoring cooperation inputs and results (which will be increasingly demanded also of non-traditional donors, both by their own citizens and African stakeholders). Mixing traditional donors' substantial resources with emerging economies' increasing support, drawing on their own experiences, may generate substantial positive spillovers. There is also a need to act more in line with developing countries citizens' values, expectations and needs (e.g. supporting regional integration in Africa through both policy frameworks support by the EU and rapid upgrading of regional infrastructure
by China). Finally, jointly working with a partner, which is already perceived in Africa as credible and having a positive impact in the specific sector can bring benefits to the new partner (e.g. China in mining) in terms of image and trust building.

Given current trends, and especially interests by emerging economies and Africa, the objective of triangular dialogue could realistically be to identify possible collaborations at country level, starting from specific sectors, to then draw preliminary conclusions on 'what works and what does not'. Only then would the parties be in a position to move (if possible) to triangular policy discussions.

Hence, in the new global landscape Africa could utilize triangular dialogue to:

1. strengthen its ability to influence global decision-making, as the positions of and possible alliances with traditional donors and increasingly CIB will determine the global frameworks that will affect Africa in terms of climate change, trade, international tax and financial regulations, etc;
2. improve the effectiveness of one partner's approach by sharing lessons learnt as part of other partnerships;
3. Identify possible synergies and complementarities among partners towards a more comprehensive and coherent development effectiveness agenda.

In any case, Africa should take the lead in any such dialogue.

Fora and processes where to host a possible triangular dialogue already exists. These could include the Africa Partnership Forum (APF), the World Bank's multi-donor South-South Experience Exchange Facility, the UN Development Cooperation Forum (UNDCF) of the UN Economic and Social Council, the G20 and the 4th High Level Forum on Aid Effectiveness on 29 November – 1 December 2011 in Busan.

Better alignment to Africa's objectives and more coherent strategies by Africa and its partners could positively affect the overall international development debate, with a shift of focus from aid effectiveness to development effectiveness. Given the emerging focus on non-ODA flows, non-state actors and development effectiveness, it is possible to conceive a development effectiveness architecture to gradually replace, or rather absorb the existing aid effectiveness architecture premised on the Paris/Accra Agenda and Declarations, the DAC guidelines for aid management and the DAC peer review system for donors. In this context, a particularly relevant aspect of development effectiveness will indeed be policy coherence for development.
Introduction

The recent dynamics of the global economy and the new scenarios of international relations, together with the growing trade, investment and diplomatic engagement of emerging economies in Africa, are contributing to significant changes in the relationships between African countries and all their external partners. The objective of this paper is to shed light on the new landscape, analyse the ongoing responses to it by different stakeholders, and in this context discuss the possible way forward for international partnerships and initiatives to better support African owned objectives and strategies.

Section 1 briefly describes the changed context in Africa, with 'new' players, traditional donors, and lively aid debates (Section 1.1), and the different development models and approaches to cooperation with Africa (Section 1.2). Section 2 addresses the perceptions and reactions by different stakeholders to the new landscape and the different development cooperation approaches in Africa (Section 2.1), as well as the strategies that African countries are developing vis-à-vis traditional and new partners (Section 2.2). Section 3 concludes with discussions on how Africa can ensure that different partners’ approaches converge towards African-owned development strategies (Section 3.1), and on how this new landscape contributes to the shift of focus from aid effectiveness to development effectiveness, with the likely emergence of a new development paradigm (Section 3.2).

1. A new landscape

This Section briefly presents recent important changes in Africa in terms of 'new' and traditional development partners, the overall aid debates, and the different development models and approaches to cooperation.

1.1. The changed context: 'new' players in Africa, traditional donors, and the aid debate

'New' players in Africa

Over the last decade the relationship between Africa and countries such as China, India and Brazil was reenergised. The relationship is not new: their dialogue is a continuation of engagement through the Non-Aligned Movement and the struggle for independence from colonialism - their cooperation, including technical assistance, goes back to the 1950s. What is new is the growing intensity of their relations, especially economic and strategic, and the relative weight of emerging economies in the global economy and geopolitical scenarios. Indeed, as the recent literature on emerging economies in Africa have shown, making the most of the development opportunities presented by the growing trade, investment and diplomatic engagement in Africa of emerging global players seems to be a key priority for the continent in the 21st century.

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3 See for instance chapters in Part 2 of Cheru and Obi eds (2010).
The recent phenomenal economic growth of countries like China, India and Brazil (as well as Gulf countries, Russia, South Korea or Turkey, to name but a few) serves as a source of inspiration for Africa: progress on development can be made relatively quickly. Moreover it is clear that the growing presence on the continent of these emerging countries brings benefits in terms of: trade (as illustrated in Figures 1 and 2); massive investment in infrastructure and resources development (see Figure 2); opportunities for Africa to be more assertive on the world stage as well as increased development aid and technical assistance. Such strong economic links are set to increase further by 2015 therefore allowing the share of Brazil, Russia, India and China (the BRICs) in Africa’s total trade to increase from one fifth to an estimated one third (see Figure 3). However, there remain concerns as to the developmental impact that these emerging economies have on Africa, although several would argue it is on balanced positive.

Overall, China is by far the most important 'new' partner of Africa in terms of political, trade, investment, and assistance relations. Figures 4 and 5 illustrates the rapid rise of Chinese investment in Africa and by country, respectively. Its primary interests relate to the need to secure oil for its fast-growing economy. Africa, with its established and new oil fields, and relative openness to foreign investment is an obvious place to do business. The same goes for other raw materials (e.g. copper and timber) as well as land, with immense room for growth in agricultural productivity. Moreover, tied foreign aid to Africa helps to employ young Chinese abroad, as the labour for large infrastructure projects is mostly imported. Africa has also become a migration destination for many Chinese looking for new economic opportunities. Finally, Africa is an important political partner for China, with its 53 votes at the United Nations (UN) and a voice of the world's poor at global summits.

**Figure 1: Africa trade with major partners (€million)**

![Figure 1: Africa trade with major partners (€million)](http://www.trademap.org)

Source: Data from ITC Trade Map http://www.trademap.org

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5 See for instance Foster et al. (2008).
6 See for instance UNCTAD (2010).
7 See for instance Wenping (2010) and the comments by UNCTAD economist Janvier Nkurunziza who argues that China has in fact has a positive impact on social and economic development www.engineeringnews.co.za/article/china-emerging-as-key-african-trade-partner-report-shows-2010-06-18
8 See for instance Park (2009).
Figure 2: Major developing economy investors in Africa, 2008 ($ millions)

![Figure 2: Major developing economy investors in Africa, 2008 ($ millions)](image)

Source: UNCTAD, FDI/TNC database. Note: Data refer to the outward stock of the developing economies listed above to Africa as a region in 2008 or the latest year available. Data for India and Taiwan Province of China are on an approval basis.

Figure 3: BRIC-Africa trade and investment prospects 2015

![Figure 3: BRIC-Africa trade and investment prospects 2015](image)


Figure 4: China's outward FDI flows to Africa, 2003-2008 ($ Millions)

![Figure 4: China's outward FDI flows to Africa, 2003-2008 ($ Millions)](image)

Source: 2009 Statistical Bulletin of China's Outward Foreign Direct Investment
Africa gets in return booming exports to China, cheap imports for poor African consumers, exponentially growing investment (especially in infrastructure) and large volumes of development finance. And African governments tend to prefer China's large, soft loans with few strings attached to criteria-rigged loans from the IMF or the World Bank. However, the more African economies are geared to exporting unprocessed goods, the less likely other sectors like services or manufacturing will flourish. China has pledged to support industrialisation in Africa and some investment is indeed directed to processing, but so far most of trade and investment flows are limited to primary industries - as is the case for major traditional donors, a point illustrated by Figure 6.

**Figure 6: Composition of Africa trade, by main categories, as a share of total exports per major partner (2009)**

*Source: Data from ITC Trade Map http://www.trademap.org*
In addition, abundant cheap imports from China have sometimes contributed to displace local production in some African manufacturing (mainly textile) industries. Many also express concerns about a looming future debt crisis among some African economies; diversion of intra-African trade, harming in particular regional integration; and the impact of a huge, non-democratic, economic power on human rights, labour, environment, and governance conditions.

India’s economic interests and investment in Africa are also substantial, but so far seem narrower and more concentrated than those of China. India’s fragmented approach to Africa, with less backing from the state, contrasts with China’s approach combining business and government interests. India’s assistance to Africa has been considerable over the decades but largely piecemeal. This has denied it an impact similar to China. It is clear however that India intends to compete with China for its economic and political interests in the region (leveraging also the very large Indian diaspora in Africa). The first India-Africa Forum Summit was held in early 2008, with a political declaration covering issues of bilateral, regional and international interest to India and Africa, including among others their common positions on UN reform, climate change, World Trade Organization (WTO), and anti-terrorism. This Framework for Cooperation launched a new initiative to improve India’s collaboration with a number of African countries in the fields of agriculture and regional integration, but also furthering cooperation in areas like environment, health, education, energy and mining. India’s recent decision to expand unilateral duty free and preferential market access for exports from all the 50 Least Developed Countries (LDCs), 34 of which are in Africa, was another step in making the bond stronger. Despite the fact that Indian assistance may also be perceived as being increasingly linked to access to natural resources, India’s democratic system sometimes facilitates its relations with African democracies and traditional donor countries. Therefore, India may to some degree be less exposed to Western criticism than China.

Brazil’s presence in Africa is also increasing steadily, with very large investment in energy, infrastructure, food and mining. Trade as well is on the rise: since 2000, Brazil’s imports from Africa have risen more than sixfold and its exports have grown eightfold. Brazil seems to aim in particular at positioning itself as a provider of the technical assistance and manufactured goods Africa requires to shift up the agricultural value chain. With food likely to become the ‘new oil’ in the 21st century, cooperation with Brazil offers Africa greater power in managing foreign land acquisitions and negotiating more equitable global climate change and trade agreements. Brazil’s role in Africa is leveraging on its cultural links which include not only close ties with Lusophone Africa but with nearly half of the 180 million Brazilians able to trace their ancestry directly to Africa. Thus the potential closer political cooperation is evident. Will Lula’s successor, new President elect Dilma Rousseff, manage to keep up the strong political push towards Africa9 and its efforts to enhance multilateral and South-South collaborations?

Focusing on these South-South dimensions of the growing economic and diplomatic engagement in Africa of new global players does not mean disregarding the role in the continent of countries such as Russia, Republic of Korea and the Gulf countries. Their evolving partnership with Africa is an important part of the changing geopolitical and economic landscape. However the paper will often refer to China, India, Brazil (CIB), given the global relevance of these three large players and considering that they are the most prominent providers of South-South cooperation (SSC).10

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9 Lula visited Africa six times in his first term, more times than the Chinese President during same 5-year period. In July 2009 the African Union made him a guest of honour at its meeting in Libya.
10 UNDP defines South-South cooperation as “a means of promoting effective development by learning and sharing best practices and technology among developing countries”. The three largest providers of SSC are estimated to be CIB (Smith et al, 2010).
Traditional donors’ reactions

The emergence of new international actors in Africa and their gain of political and economic ground have raised several questions as to the relationship between Africa and its traditional donors, particularly with Europe. Although the rise of the emerging economies in Africa is no longer new, it has spurred a lively debate in traditional donor countries on the comparison, in particular with China, of respective cooperation approaches and impacts and on the opportunity of trilateral dialogue and initiatives. Many Africans in turn, believe that the involvement of CIB in the continent should provide fresh opportunities not only for Africa to move its developmental agenda further but also for the traditional donors to engage Africa on new terms that recognise Africa’s aspirations and take into account Africa’s increasingly complex role in global relations. The response by traditional donors to such new waves of partnerships with Africa will be crucial to the their own partnership with the continent and bilateral relations with African states. Ideally, it could contribute to the capacity of traditional donors to improve cooperation with Africa, and vice versa. It may also result in changes in approach from the African states to how they view the traditional donors relationship – not simply one largely driven by development cooperation.

As Europe is still the continent's major economic partner and donor, the paper will often stress dimensions of the partnership between Europe and Africa, and often use the example of the European Union (EU) – encompassing member states and institutions – when discussing 'traditional donors'. Europe, as many other traditional donors is also changing. Many politicians and observers maintain for instance that the new global landscape and the decreasing economic and political power of Europe should lead to bringing back key European economic/commercial/foreign policy interests to development policy and official development assistance (ODA) planning. A new reflection paper by the European Commission (EC) for instance was recently launched to trigger debate on how the EU can best support developing countries' efforts and how it can strive to leverage new opportunities to reduce poverty in the changed global context. Individual EU member states moreover, are reviewing their development policies, including for instance moves to close down their aid programmes in China and India, as they no longer see it as defensible to continue these programmes vis-à-vis their taxpayers.

'Africa' and 'Europe' are not single entities of course and the paper will attempt as much as possible to discuss such variety by illustrating specific approaches or positions of different members of the EU and AU, though country-level investigation and details on the approach of each European and African country to the issues discussed is beyond the scope of this paper.

The international aid debate is picking up steam

The final key dimension of the changed context for Africa's partnerships relates to recent developments in the international aid debates, which relates to the growing role of South-South cooperation and emerging North-South-South triangular cooperation and the increasing criticism and scepticism over 'traditional aid', which could possibly lead to the emergence of a new development paradigm.

11 “Traditional” donors are those that gather in the OECD Development Assistance Committee (DAC).
12 The opening piece of the January 2010 ‘Bulletin of Fridays of the AUC’, titled: “Can Chinese pragmatism lead the EU to reformulate its cooperation policy with Africa?”.
14 Triangular co-operation is a partnership between DAC Donors ('North') and providers of South-South cooperation to implement development cooperation programmes/projects in beneficiary countries (OECD 2009), e.g. support from traditional donors for the transfer of knowledge and experience between developing countries.
Emerging economies reject the notion that some countries are “donors” and others “recipients” and are not members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD). In fact, China, India and Brazil are all simultaneously both donors and aid recipients, as are an increasing number of developing countries (e.g. South Africa). So they have tended to be marginal to international aid policy debates, and are not necessarily committed to ‘aid effectiveness’ processes like the Paris Agenda, launched in 2005 to implement the Paris Declaration, an international agreement through which signatory countries and organisations commit to harmonisation, alignment and managing aid for results with a set of monitorable actions and indicators. However, emerging economies and providers of South-South cooperation have played de facto an increasingly important role in the international development architecture, as donors, trading partners and sources of expertise. Their rising influence has been recognised in 2008 in the Accra Agenda for Action (which built on the commitments of the Paris Declaration on Aid Effectiveness), where OECD traditional donors encouraged emerging players to follow the Paris Declaration and stressed the importance of exchange of experience between developing countries for capacity development.

In general, the modalities of traditional aid as a primary development tool are increasingly being questioned as mechanisms for lifting the developing world out of poverty. Many stakeholders and practitioners rather emphasise the importance of locally-owned and led development strategies and efforts, with development partners adopting a holistic approach to their engagement, focusing on development effectiveness rather than aid effectiveness, and taking into account not only ODA but all international financial flows, other relevant policies and the role of private sector and civil society. The increasing criticism and scepticism over ‘traditional aid’ by many of the practitioners and recipients themselves, especially in Africa, has led some to even refer to the ‘death of aid’, which is helping to diminish support for ODA and the related processes.

This debate over aid takes place in the context of a possible major shift in the international development paradigm, which challenges the prevailing Paris and Accra agendas and, concurrently, exposes developing countries to more than one template of development.

In parallel, concerns about traditional aid approach have contributed to refocus the attention towards more systemic factors of development and the engine for sustainable and equitable growth. Indeed, development effectiveness, in other words output and results of development policies and assistance, is gaining increasing attention internationally, somewhat at the expenses in a way to aid effectiveness, in other words input and management of aid. This is a new debate and development effectiveness means different things to different people. Since emerging economies do not see themselves as donors, they have not participated in aid effectiveness debates and processes. So, intuitively, the emergence of new players and the closer relationship between their commercial, diplomatic and assistance interactions with developing countries naturally links with development effectiveness discussions. This can be seen as a move from a narrow agenda on development cooperation to broader development considerations, as discussed in Section 3.2. Yet, caution is necessary. Simply comparing traditional aid with everything emerging economies do in all fields of their international cooperation with Africa should be avoided.

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15 Headlines from the Financial Times attracted international attention when it reported that the China Development Bank and the China Export-Import Bank provided more loans to developing countries in 2009 and 2010 than the World Bank. See See Financial Times, “China’s lending hits new heights”, 17 January 2011 and Fischer (2011) for a comment.

16 The best-sellers by the Zambian economist Dambisa Moyo “Dead Aid: Why Aid is Not Working and How There is a Better Way For Africa”, published in 2009, received wide attention by the media worldwide.
Section 2 addresses how Africa’s changing perceptions and strategies vis-à-vis traditional and new partners are contributing to the overall international aid debates, and Section 3 discusses the emergence of a new development paradigm where attention broadens to development effectiveness, as away from the limited aid effectiveness focus.

1.2. Different development models and approaches to cooperation with Africa

The fundamental differences between emerging economies and traditional donors relate both to the overall development model they apply (more or less explicitly) in their interactions with African countries and to the specific cooperation modalities they favour.

Development models

China, India, Brazil and other providers of south-south cooperation see themselves as peers in mutually beneficial relationships with their partner countries, and claim not to attach to their cooperation any policy conditions on what type of development model Africa should adopt. This, accordingly, would undermine the principles of “mutual respect for national sovereignty”, “non-interference in each other’s internal affairs” and “solidarity” at the basis of the Non-Aligned Movement and the struggle for independence from colonialism that characterized the common past of many Asian, African and Latina American countries.

However, an overall development model is visible behind the interventions of the emerging economies in Africa, and is largely based on the policies and choices through which such emerging players grew their own economies. This is premised on a labour intensive industrial process with a strong component of foreign direct investment, starting with substantial investments in extractive industries and infrastructure upgrading and later progressing into more technologically advanced industries.

Traditional donors, including the multilateral development banks, have always approached their interactions with developing countries as donor-aid recipient relationships, largely based on altruism and policy conditions attached to their cooperation efforts. The overall development model informing such conditionality followed most often the western-type of approach to economic development, with policies and investment underlined by key governance principles and the institutional and regulatory frameworks to ensure an enabling environment for market-led growth. The recent focus by traditional donors on the centrality of trade liberalisation and private-sector led development implies that the industrialization path of a country should be primarily left to market forces and international competitiveness.

Cooperation approaches

In terms of specific cooperation modalities, SSC is centred on the exchange of technical skills rather than the unilateral provision of financial assistance like for traditional donors. If financial cooperation becomes part of a south-south relationship, altruism is not at the core of the engagement and interventions by the emerging economies remain explicitly driven by key national interests (e.g. energy security) and commercial considerations (e.g. market penetration). Countries like CIB provide aid in the form of “packages”, with grants, preferential loans and debt relief accompanied also by preferential trade and investment schemes, and generally their assistance is tied to the purchase of their own goods and services.
Traditional donors claim to have a clearer split between the aid relationships and their commercial and foreign policy interests or business relationship, at least in Europe. Aid programmes are not designed to promote win-win solutions, but mostly premised on the achievement of ambitious development objectives, such as those centred on social dimensions identified in the Millennium Development Goals (MDGs) in the beneficiary country. And the practice of ‘tied aid’ have been abandoned to a large extent by some donors and limited by others, in an effort to promote fair competition for aid contracts and to facilitate access by developing countries to the cheapest and most efficient providers of goods and services.

As a consequence, despite some common ultimate objectives in terms of development, the range of areas in which Africa’s different partners engage differs substantially (from the principles underpinning them to the norms and types of actors involved in development policy), as illustrated in Table 1.

Table 1: Schematic overview of new and traditional partners’ engagement in Africa

<table>
<thead>
<tr>
<th>Sector</th>
<th>Emerging economies</th>
<th>Traditional donors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>health, agriculture, education, production capacities, peace and security and infrastructure</td>
<td>MDGs, trade liberalization, promotion of democracy and human rights, and fragile states</td>
</tr>
<tr>
<td>Modalities</td>
<td>interest in flexible procedures, cost efficiency, and speedy project delivery timeframe</td>
<td>Importance of Paris/Accra Agenda; greater attention to capacity building, governance, transparency, involvement of non-state actors and accountability</td>
</tr>
<tr>
<td>Channels</td>
<td>bilateral relations; aid is almost exclusively disbursed directly to recipient governments</td>
<td>regional, pan-African and multilateral endeavours also prominent features of their approach</td>
</tr>
<tr>
<td></td>
<td>Since recently China is providing funding at pan-African level (AUC) for peace and security missions¹⁷</td>
<td></td>
</tr>
</tbody>
</table>

Competition or convergence by different partners of Africa?

In this context of different development models and cooperation approaches, there are both signs of competing interests and convergence in terms of objectives and approaches. Due to its new flexible and pragmatic approach to development and the partial failure of development programmes and policies of traditional donors, China is an alternative for Africa. Respective belief systems, strategies and cooperation practices of countries like CIB and traditional donors are unlikely to fundamentally change in the near future, and different players are likely to increasingly compete in Africa. In addition, different players have different agendas and priorities in their involvement and support to African countries and institutions;

¹⁷ Most recent funding for AMISOM was announced on 25 November 2010.
for instance regarding the balance of their support to economic governance and peace & security objectives.

The fact that CIB are perceived, as detailed in section 2.1, to be better responding to African countries' immediate needs leads to some concerns in traditional partners over the loss of political and economic influence. Beyond concerns about the possible erosion of the normative framework traditional donors like Europe have been championing, it could be argued that such debate also originates from the long-term competitive threat posed by the emerging economies in a continent where markets have been traditionally dominated by European and American interests. Indeed, although Europe remains the key trading and investment partner in Africa, its shares are decreasing to the benefit of the emerging markets. Politically, the reoccurring statements of African leaders and policy makers on the increased leverage they have as a result of the emergence of new actors such as China could not go unnoticed and has resulted in a number of rather defensive positions being adopted by European leaders. European investors have also downplayed the impact of the emergence of the CIB on their investments in Africa arguing that they maintain a competitive advantage in the sectors they invest in (i.e. banking and manufacturing).

At the same time, countries like China are also likely to increase cooperation with other major players, as growing investments, trade and political clout in Africa may foster common interest in preventing critical situations such as political turmoil, conflicts or economic and food crises. With significant scaling up of Chinese investment in infrastructure, for example, a performing state with an enabling environment becomes critical for the Chinese themselves. As a consequence, China’s "no strings attached" principle is likely to evolve and there are already signs of this. China and other emerging players also encounter challenges in their development assistance similar to those to which traditional donors have been confronted with.

Drawing lessons from and cooperative engagement with traditional donors may prove most fruitfullfor all. To that end, opportunities for cross-learning and experience sharing should arise. China has attempted to do so through the China-DAC Study Group. China has also reportedly sent a number of its experts on study tours across Europe and has also approached the European Commission to host some of its visiting fellow for a short duration as a tool for cross learning. If there is anything to learn from the traditional development community is that you need to support institutions and capacity to safeguard development gains. At the same time, traditional donors probably need to learn from CIB to be more responsive to immediate challenges, and deliver more rapidly their support.

The future scenarios on the balance between competition and convergence will be shaped by the ability of Africa to articulate and coordinate effectively its own interests towards different partners, and by the political and economic interests of different partners in the continent.

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19 China and the traditional donors have similar rules that discourage corruption in the procurement of assistance projects, though export credits are less well policed (Brautigam 2010).
2. Responses from Africa to the new landscape

There is a clear opportunity for Africa to grab now, since both traditional and ‘new’ players are in an important phase of reforming (e.g. Europe) and designing (e.g. China, India and Brazil) their development policies towards Africa. How is the development paradigm perceived in Africa?

2.1. Stakeholders’ perceptions on different development cooperation approaches

It is clear that the Africa-China partnership – and increasingly that with India and Brazil- are firmly in the minds of many Africans, including governments, regional economic communities (RECs), the African Union Commission (AUC), private sector and other non-state actors (NSA)20. And probably much more so than other processes involving Africa which are so vocally supported by traditional partners like the EU, such as the Joint Africa-EU Strategy (JAES) and economic partnership agreements (EPAs) as vehicles for regional integration and development partnership. However, beyond the popular rhetoric of media reports and political statements, what types of cooperation approaches do African actors seem to favour and why?

History favours new-comers

Broadly speaking, at present Africa’s dialogue with ‘new’ players like China may seem to be more successful than with traditional ones like the EU. The slow progress on many of the grand designs for the future of EU-Africa relations (e.g. EPAs and JAES), for instance, contrasts with the enthusiasm, at least in African political élites, for China, which could also partially be ascribed to the long-term practice of ‘playing one foreigner off against another’.21 History matters! The historical perspective is important to shed light on behaviours and moods that often tend to be underestimated. Key historical dimensions include:

• the continued South-South engagement from the Bandung conferences and Non-Aligned Movement of the 1950s,
• the importance of China for certain African countries during the liberation struggles and the cold war, China as an alternative model of development in the post-colonial era.

All this is very important as Africa celebrates 50 years of independence, with many Africans feeling it is at last the ‘time to move away from Europe’. Similarly, the fact that countries like CIB are emerging out of developing country status (with the majority of world's poorest people still leaving there) is still a very significant difference with traditional donors.

African range of perspectives on emerging economies

African views on China differ depending on who the interlocutor is. While the population of many African countries (notably labour) have expressed concerns over the human rights records of Chinese companies, African governments are more prone to seeing engagement with China as mainly positive.

20 For a civil society perspective on South-South cooperation, see notably Wanjiru (2010).
21 The following statements by AUC high-level officials in January 2010 are telling: “Today, thanks to China, Africa can turn down any offer from the West if too many strings are attached”; “Today China appears to be the great friend of Africa and seems to understand the continent better by giving it necessary assistance (which is not subject to conditionalities), by mining resources considered recently as non-profitable by the west, by providing a solution to underdevelopment of physical infrastructure, by giving Africa political support in forums where the continent is not represented.”
Indeed, South-South cooperation is popular among African governments due to the seemingly “softer side” of how CIB do business in Africa, mainly the “respect” shown in their dialogue with Africa, always having people at the same political or diplomatic level in any policy dialogue (e.g. Europe doesn’t respect this and this sours the relationship), and the similarity of approaches and experiences (many emerging economies are both donors and recipients of aid, giving them a unique perspective on the development process).

What countries like China are perceived to be offering Africa is quick and easy solutions to many of its problems. The Asian approach seems to be that of “building what is needed now”, which is the case for infrastructure. Many African government officials, together with actors particularly sceptic about the role of traditional partners like Europe, naturally compare this project-based assistance with the partial failure of international development programmes for many years. Despite the successes of this new approach are still to be measured, and certainly China has not fully replaced traditional Western donors, China is much appreciated for its flexible and pragmatic engagement with Africa, far away from a mentality of “take it or leave it” often ascribed to some traditional donors.

Moreover the emerging economies are positively associated with high speed of delivery of the assistance, its growing volumes (some rough calculations show China is close to the EC or a large EU donor in terms of aid pledges), less reporting requirements and strings attached, the ability of the government to ‘speak with one voice’ and to follow a ‘can-do/optimistic’ attitude towards Africa, let alone the cost effectiveness of projects.22

On the other hand, criticism is also on the rise. Some African actors emphasize that often emerging economies’ assistance is not delivered via a cooperation agency but through concessional loans of its public banking system. This approach is known in the case of China as ‘the Angola mode’, basically a risk management tool: packaging infrastructure development with arrangements to access natural resources, as guarantee in countries with bad credit and stability records (which drive out other investors despite the abundant resources). In addition, African NSA and businesses criticise the fact that:

- CIB’s approach involves mainly tied assistance;
- the multilayered institutional framework regulating China’s relations with Africa, involving ministries, provincial governments, and the Forum for China-Africa Cooperation (FOCAC)23 has no permanent structure and real multilateral process;
- unlike traditional donors, CIB’s cooperation lacks assistance categories, definitions, data on flows.
- Unlike traditional donors, CIB mainly focuses on bilateral relations and tend to neglect the African vision of regional integration.

The goods and bads of Chinese businesses in Africa, including for the European private sector

One key dimension that always shapes the reality of international relations is the role of private sector interests and businesses’ behaviour. Africa has not been that lucrative to the private sector in developed countries and emerging economies, China in particular, are aiming at creating and stimulating this interest by providing incentives to their businesses to engage on the continent. The Chinese government has provided various policy incentives to encourage Chinese companies to invest in developing countries, with the China-Africa development fund for example set to increase to US$ 5 billion to help the expansion of Chinese investment in Africa. By the end of 2008, of the top 20 destinations for

22 A figure quoted by African officials is telling: a European engineer on a project for 1 year costs around USD 150,000, a Chinese one doing the same job only USD 19,000.
23 www.focac.org/eng/
China’s outbound investment, 12 were developing countries, and 1,600 Chinese companies had invested US$ 7.8 billion in the African continent. Of these, at least 700 are state-owned companies from China.\footnote{24} This leads to concerns for the future presence of the private sector from Europe and other traditional donors countries in Africa, given the competitiveness levels and pace of penetration by CIB business. With obvious exceptions (e.g. Total-Fina from France is still the largest oil producer in Africa), the bottom-line of the current trend and mood of many European businesses’ involvement and investment in Africa is: “we are not willing and we are not welcome”. ‘Not willing’ due to the current economic crisis (and needed focus on core-business and defending the EU market); ‘not welcome’ due to African political mood for favouring China, including its private sector. Despite in few sectors (such as energy, telecommunication, financial services) European businesses are large players and compete successfully with CIB actors, for the vast majority of EU businesses, ‘Africa is not on the map’. European businesses also tend to be more risk averse than some of their counterparts\footnote{25}. Hence, they tend to favour better established emerging markets, notably in Asia, perceived as politically more stable and economically less uncertain than African markets, in spite of the high growth potential of some of them.

In addition, European firms perceive to be playing in Africa on an “uneven playing field” for various reasons. The large majority of Chinese companies in Africa are state-owned and/or heavily subsidised and politically backed by government-to-government relations when they enter a new market. Regulatory frameworks in African countries, especially on services, are not conducive to businesses development in general and tend to discriminate against foreign operators (without offering legal security, guarantees on political risk, etc), but Chinese companies do get legal and other types of security thanks to umbrella informal agreements (and some say ‘side deals’) between China and African governments. In other cases, Chinese private sector operates through local ‘dummies’ who can benefit from ‘domestic status’ and privileges.\footnote{26} Where regulatory frameworks exist (and are protected by international rules such as WTO ones), Chinese companies are simply more competitive and capture-often facilitated by political deals-most business opportunities, such as in the public procurement market (construction, etc).

Responding to such concerns of marginalization, some believe that economic growth in the continent (hopefully accelerated through relations with CIB), together with demographic trends, will make the European businesses relevant and interested again in the medium term, with enlarging Africa markets and increasing demands for technologically advanced goods and various services (related also to growing middle class, and demands for health and education services, complex financial intermediaries, etc).\footnote{27} What Africa likes and does not like of the traditional donors

African stakeholders in general appreciate traditional donors for their large volumes of ODA. Some stakeholders stress the importance of support to human rights and governance, as Western focus on these had allowed for the broadening of the political space in many African countries. Any push to remove

\footnote{24} It will be important to assess the balance between purely private investors and state-owned ones, though the perception in Africa is that often also private companies are led by former public sector officials, which makes them through state-connections more similar to state-owned companies.

\footnote{25} Several factors can explain this, including the prevailing business culture in Europe, some traditional perceptions about Africa, and lower state guarantees and insurance compared to some of their new competitors in Africa, notably China. European businesses have often a short-term horizon for their business-plans due to the current crisis and cash-flow constraints (many now have to look at two quarters rather than one or more year planning cycle as usual).

\footnote{26} There is however a new trend indicating that more and more companies are investing independently from support from the Chinese government.

\footnote{27} McKinsey estimates some 200 million Africans will enter the market for consumer goods in the next five years and Africa’s working age population will double from 500 million today to 1.1 billion in 2040. This creates opportunities for both new and old partners, as the continent is not saturated, unlike parts of developing Asia are becoming.
governance from the agenda would be counterproductive for freer politics in Africa. Different donors of course are perceived differently in different African countries, including due to historical reasons, existing economic and political relations, current levels of ODA, etc.

Some donors like the USA are perceived as global players, which imply their capacity to lead innovative approaches to global challenges, including poverty, and can influence behaviour by others and alignment of improved practices. Despite different European donors and EU institutions such as the European Commission generate different perceptions, the EU in turn is appreciated for its:

- substantial volumes of aid largely disbursed via budget-support;
- efforts to improve aid effectiveness;
- support for African regional integration (particularly important for trade, food security and other African-owned processes and objectives);
- assistance to NSA and governance.

To some extent traditional donors are perceived to have followed and fuelled until recently an ‘unfair pessimism’ approach to Africa. Moreover, they are often seen as not showing enough ‘respect’ in their dialogue with Africa, for instance by being represented at a lower level than the partner countries. A particularly relevant criticism against the EU from all African stakeholders is the ‘European institutional cacophony’, with slow pace for decision-making and too complex institutions. Many, including within EU institutions, believe that the ‘time for change in the EU’ does not simply match the pace of current global changes.

*The more the merrier*

Different partners entail different business and development support models and receive different degree of appreciation. The emerging trend is a multi-facet one, where Africa can engage various partners based on their respective strengths. The resulting picture is a mixed one though. One of the advantages of the new wave of partnerships is the *choice of donors to choose from for Africa*, with CIB and traditional donors.

It is not possible to conclude that ‘one approach is best’. It depends also on sector of cooperation. There are thematic areas where the EU is still seen as the favoured partner (peace and security) and others where it is China (e.g. infrastructure), Brazil (social protection) or India (telecommunications).

Interestingly, some observers put the new context of multipolar partnerships in historical perspective, concluding that the situation of EU as the major partner of Africa and as a ‘main development model’ was really a fact of the Cold War period. With the fall of the Berlin Wall and the rise of China, the international landscape, including in Africa, has changed radically.

The current situation simply reflects this changing balance in international relations. The emergence of the CIB in Africa should therefore be viewed as a natural result of globalisation.

While at the broad political level, be it the JAES or the “new China Africa strategic partnership” declarations and objectives (with obvious differences of thematic focus) are increasingly similar between traditional and ‘new’ partners, the reality on the ground is that perceptions on their cooperation approaches also depend on the levels of the interaction and cooperation under scrutiny (continental, regional or national) and the specific actors involved (e.g. NSA and Ministries of Social Affairs probably still favour the EU approach over the Chinese as it brings resources and focus to them). In this respect for instance, some stakeholders

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28 For instance, in processes like Paris and Accra Agenda demonstrated, African countries mostly send their ministers of finance, whereas the donors send their (junior) ministers or secretaries of state on development.

stress that in any case the actual loss of economic weight and general influence of the EU in Africa should not lead to a decreased attention in the continent for some of those principles characterising EU support such as democratic governance and promotion of NSA.

2.2. African strategies vis-à-vis traditional and new partners

Against the backdrop of a changing geopolitical and economic landscape and the different perceptions about different partners' cooperation approaches described above, what are African strategies vis-à-vis traditional and emerging partners, and how are they evolving?

A multiple strategy or ad-hoc reactions to external pressures from emerging economies?

Most stakeholders agree that one of the greatest benefits of the new development landscape for Africa, with an enlarged pool of partners beyond the traditional ones, is the increased competition among partners. This brings the opportunity of simultaneously drawing from different development models and benefit from comparative advantages of different partners. Some actors, especially government officials from both Europe and Africa, believe that what is emerging is a general tendency in Africa to adopt a ‘multiple strategy’ vis-à-vis different partners, based on what each can offer. According to this view, many African countries approach different partners to obtain different types of support: typically grants and capacity building support from traditional donors, and increased investment from CIB (in all sectors from China, and more concentrated in agriculture from Brazil and in technology transfer/telecommunications from India).

Other stakeholders however, including from civil society, academia and private sector, do not think that competition among partners is translating into a clear and coherent strategy to best benefit from each partnership, but rather into ad-hoc reactions to what each partner offers to Africa based on its own policies and interests. In other words, external pressure would drive the evolution of partnerships; the important goal of effective management of political and economic cooperation based on each African country’s needs would not be the subject of specific efforts by African governments. According to such interpretation, rather than an articulate plan, African governments would be explicitly pursuing only closer relationships with those partners that can deliver tangible results quickly in terms of economic and social advancements. The most critical views consider that such closer relationships are only aimed at outcomes that can support the African elites to be perceived as successful and remain in power.

An example regarding China-Africa relations is useful to illustrate the advantages of designing and implementing a ‘multiple strategy’ over simply reacting in an ad-hoc way to external pressures by one or the other partner. A strategy towards China seems to be under development in the majority of African countries, as indicated at least by the frequency of visits to China by African Heads of State and the size of their delegations, including businesses and various ministries. The objective of such intense diplomatic efforts is to secure sources of development finance as an alternative to, and in a more flexible way than, traditional donors and to agree with China on ‘trade, investment and assistance’ packages. In this context, China sees itself, and is seen by many in Africa, as a foreign investor. Rather than guiding China to support an independent national economic strategy, African government often seem to simply strike an ad-hoc deal

30 For instance, it was noted by relevant actors from both Europe and Africa that the delegation and agenda for the last mission by President Zuma to China was impressive, and no South African mission to any European country could ever match the size of that delegation or the range of issues on that agenda. President Zuma was accompanied by 14 Ministers and more than 380 business persons, and signed various memorandums of understanding for cooperation with Chinese authorities in different areas such as transport, minerals, energy.
on a particular sector or investment project of interest to the Chinese side. Africa attracts Chinese investments mainly because of its natural resources. However, a more proactive and strategic engagement on the African side could steer the Chinese interventions more towards investment in new industries, creating more value for the host country and stimulating industrialization. Similarly, it seems that such ad-hoc strategies passively accept that China’s engagement in Africa is becoming increasingly multilayered.

Indeed, Chinese provinces are also stepping up efforts to expand their presence in Africa as traders, project builders, investors, aid providers and intergovernmental actors. But a ‘multiple strategy’ based on what each actor can offer would imply a clear demand by the African government to China to better coordinate the different cooperation stakeholders and move to a more coherent approach, e.g. via creation of a single development agency or central authority. In addition, clear requests could be articulated for China to do more to support the development of capacity, institutions and regulatory frameworks in the continent, rather than focusing on infrastructure upgrading.

A multiple strategy would allow not only to put in place a more coherent and long-term horizon interaction with one specific partner like China but also to link one partners’ interventions to what other partners are doing, stimulating cross-learning and more effective actions by all involved. For example India’s longstanding technical co-operation with Africa has more recently been supplemented by a formalised business conclave initiative. This particular form of government-to-business relations could emerge as a new model to be promoted through India, which could counterbalance the China’s approach, where all decisions must go through a government-to-government process (‘Angola mode’).

The case of Europe as a rapidly evolving traditional partnership: tensions or new stimulus?

The increased competition triggered by an enlarging pool of partners also affects the traditional partnerships of Africa, bringing new challenges and opportunities, creating both tensions and incentives for improvement. Europe, for many years and still the continent’s major economic partner and donor, feels more than others the impact of the increasing presence and influence of China and other emerging economies in Africa, including in terms of reduced political clout. This has recently created tensions. Based on the rhetoric of ‘equal partnership’ characterising China-Africa relations, African governments and institutions such as the AU and the regional economic communities (RECs) demand a more equal political partnership in their relations with Europe. In spite of its rhetoric, the partnership with Europe is often perceived in Africa as very unequal and driven by an EU agenda. The Joint Africa-EU Strategy adopted at the first Africa-EU Summit at the end of 2007 in Lisbon was meant to strengthen political partnership and enhance cooperation on common interests at all levels, by providing an overarching long-term framework for Africa-EU relations. Three years later, most actors, in Africa but also in Europe, have expressed dissatisfaction with the lack of progress and effective results. While it is too early to make a final judgement on the merits of the JAES, several problems have limited the effectiveness of this new partnership. These include:

- a lack of ownership, both at the national and regional levels, the process being mainly dominated by the European Commission and AU Commission;
- a gradual dilution of the political substance of the partnership, with insufficient political leadership and increasingly dominating technocratic approach;
- a cumbersome and somewhat ineffective institutional structure, which risks to transform the partnership into a mainly bureaucratic process;
- a lack of clearly identified deliverables, based on well defined added value of the JAES and attention to immediate quick wins; and

31 See for instance Roque (2009).
The responsibilities for the difficulties encountered in the JAES are shared by all parties. But the fact that many African governments consider China as an increasingly important partner in terms of political and economic relations, at times at the expense of the EU, may also partly explain the lack of political leadership in Africa to drive its partnership with Europe. Yet, if the JAES is to become an effective framework to strengthen the relations between Africa and the EU, as reaffirmed by Head of States during the 2\textsuperscript{nd} Africa-EU Summit in Tripoli in November 2010, significant changes in attitude are required, which include:

- the dialogue between both continents should be more open, frank and qualitative to tackle all delicate and contentious issues where major divergences of opinion and interests exist on both the African and EU sides;
- the JAES needs to overcome the traditional donor-recipient dichotomy, so as to deal in all openness with common concerns and interests in the global and EU-Africa context
- the partnership needs some concrete results and outcomes
- it needs to recognise and adjust to the current asymmetry between the EU and Africa; this requires a fundamental change in the partnership culture, which should be based on consistent mutual respect that is expressed not only in words but also in deeds.\textsuperscript{32}

Trade relations between Europe and Africa also seem to have been affected by the new role of China in the continent. Economic partnership agreements represented the major attempt by the EU to link development and trade policies in Africa, especially in terms of creating an enabling environment for economic development, following the European model of growth through regional integration followed by effective integration into the global economy. These new free trade agreements have always created significant tensions among many African countries and regions. Africa was, and largely remains fearful that by liberalising its trade with the EU, African markets will be swamped by EU products that will jeopardise African production. In the early stages of the process, Sub-Saharan Africa saw EPAs mainly as an unavoidable outcome to preserve not only its preferential access to the EU market, but mainly its privilege relations with Europe. However, negotiations towards final EPAs have been dragging on (they started in 2002 and no final agreement has yet been concluded) and have even lost momentum. Despite progress achieved in some regions, finding mutually acceptable compromise has proved particularly difficult, notably regarding the development dimension of the EPAs and some of their key parameters in terms of market access, as well as a number of unresolved “contentious” issues. These protracted negotiations and the lack of tangible satisfactory results has led to a general EPA fatigue, which is shared by all parties. By the same token, it is quite apparent that the political attention and economic focus are shifting away from the EPA negotiations. The EU trade attention has turned to Asia and Latin America, and the strengthening of its neighbourhood policy. As for many African countries and regions, the EPA process has in many cases tarnished the EU’s reputation as a friendly partner. Meanwhile, emerging powers such as China, Brazil and India have become attractive alternative new partners. Such countries are often perceived as offering greater development prospects, with fewer conditions attached.

In a paradoxical way, EPAs, which should have strengthened and anchored the ACP-EU economic relationship, seem to have had the opposite effect. Many African countries resent the EU’s insistence on domestic reforms and ambitious commitments in comprehensive economic and trade agreements. They want to maintain the policy space to determine for and by themselves the levels of ambition and commitment at which they will pursue their own development objectives. In spite of the EU rhetoric, they also resent the EU’s lack of flexibility in responding to some of their specific concerns on a range of issues,

\textsuperscript{32} For a discussion, see Bello (2010), Bossuyt and Sherriff (2010) and Faria and Laporte (2010).
which are deemed contentious. Last but not least, the EU tendency to lecture Africa on how to pursue
development with an EPA has more often been a source of irritation than inspiration. Ultimately, it is up to
African countries and regions to determine how best to pursue their own strategies for development and
reform.\textsuperscript{33}

Some would argue that, unlike eight years ago at the start of the EPA negotiations, today having or not an
EPA with the EU will not make much difference for a continent that is increasingly oriented towards
emerging players, from both a political and economic points of view. The recent difficulty for the EU to
secure the guarantee of treatment no less favourable than the one that African governments may offer to
their new partners (via a ‘most-favoured-nation’ clause in EPAs) is telling of how little willingness there is
today in some African corners for considering the EU as a ‘privileged partner’. This is not to say that the EU
does no longer matter for Africa. It still does! But Africa has become less dependent on the EU, and more
assertive, in view of a rapidly changing international landscape, with emerging economies providing new
additional opportunities.

According to several EU institutions officials, a mood seems to emerge within Europe to respond to these
tensions in the rapidly evolving partnership with Africa, including through a new and more transparent
approach that should be more growth-oriented and less based on ODA provision, aimed at exploring win-
win solutions without concealing that the EU, as any other player, pursue its own economic and foreign
policy interests, and not only international solidarity objectives.\textsuperscript{34} In 2011 the European Commission “will
table a Communication on a Modernised EU Development Policy that will include, inter alia, the
consideration whether it is opportune to review the European Consensus on Development”.\textsuperscript{35} Some
observers indicated that such new EU development policy might be “modernised” as a result also of the
emergence of global players like China as key partners for developing countries. In general, all donors will
be increasingly interested in not being seen only as donors, both by the emerging economies and the
poorer countries alike, and this new global landscape could act as a stimulus for improvement.

As in the case outlined above for China, adopting a ‘multiple strategy’ rather than simply reacting in an ad-
hoc way to external pressures could allow Africa to turn tensions into a new stimulus to improve the
effectiveness of EU-Africa relations for the benefit of Africa. A proactive African strategy would imply much
more than just seating at a table with Europeans to react to a new “modernised EU development policy”,
presenting comments to be possibly captured on paper; or even let an important traditional partnership
evolve towards a marginal one, in favour of Asia. It would require exploiting the current situation, with
ongoing institutional changes within the EU\textsuperscript{36} and the AU, their focus on regional integration processes and
their evolving geopolitical interests, to really guide the process of bringing their relationship to a new
strategic phase, beyond the already very important economic, political, cultural, and aid ties. This might
include adjusting various Africa-EU arrangements in line with the experiences of political cooperation and
business development of other partners in the continent.\textsuperscript{37}

Against this background, it is also important to note that new opportunities for better EU-Africa partnership
may arise again in the future, and that, beyond recent disappointing developments, no relation is cast in
stone. Early reactions in some quarters lamented that Africa now favours other new partners like China and

\textsuperscript{33} For a recent discussion, see Bilal and Ramdoo (2010a and 2010b).
\textsuperscript{34} As emphasized by several actors in Europe, this may also be affected by the fact that the EU has now enlarged to
27 member states, with new ones not having a traditionally close relation with Africa or much experience with
development policies, and pointing on the contrary to the importance of assisting new EU member states and EU
neighbouring countries in catching up with economic development levels.
\textsuperscript{35} See European Commission (2010), “EU development policy in support of inclusive growth and sustainable
development Increasing the impact of EU development policy”, Green Paper, November.
\textsuperscript{36} Notably with the entry into force of the Treaty of Lisbon on 1 December 2009.
\textsuperscript{37} For an insightful assessment and a discussion, see BOND and ECDPM (2010) and EARN (2010).
the EU is too late to remain relevant for Africa. However, a number of actors both in Europe and Africa stress that **development in the continent will keep the EU approach and model relevant**, with increasing demands for assistance for governance, NSA, regional integration, etc., all areas where the EU has a long history of both internal improvements and external support.

*Few African countries articulated a coherent national strategy vis-à-vis different partners*

Beyond the above general considerations in terms of broad features and trends of African strategies vis-à-vis traditional and new partners, the **picture at the national level varies significantly from country to country**. There seems to be a consensus among involved stakeholders that only very few African countries have a coherent-coordinated-complementary strategy, based on national strategic interests, which is articulated vis-à-vis different partners depending on their comparative advantages.

**South Africa** has such strategy in place; but it is a special case, given its strong institutions and economy, which make it the only African member of G20 and one of the largest investors in the rest of Africa. South Africa recently even announced the creation of a US-style development aid agency, as it seeks to play a more prominent role as donor in Africa. Based on its national development strategy and the assessment of what China already does and what could be doing better for the national economy, South Africa has **engaged China in a dialogue to make the partnership more effective**. This resulted in the establishment of a Comprehensive Strategic Partnership (CSP), signed at Heads of State level, the first between an African country and China (China has signed a CSP with only eleven countries throughout the world). South Africa “views the CSP as the beginning of a new Chapter in our relations that would guide and serve as a framework for South Africa–China relations for the next ten to fifteen years”.\(^{38}\) For the first time China has undertaken in the CSP to a series of innovative commitments vis-à-vis South Africa such as working towards more balanced trade, establishment of a Joint Working Group on trade statistics, encourage Chinese enterprises to increase investment in South Africa’s manufacturing industry, promote value-adding activities in close proximity to the source of raw materials. In addition new areas were identified for future cooperation in the CSP, including science and technology, agriculture/agro processing, water, vocational training, tourism development, poverty alleviation and rural development.

**Mauritius** is the other country that is always mentioned as having a coherent national strategy to effectively engage different partners. Additional countries often referred to as successfully moving in the same direction are those that emerged from conflict, and where the revolutionary forces turned into current political leaders: Rwanda, Uganda, Ethiopia, Angola, Mozambique. The case of Mozambique is often quoted as a country heavily reliant for decades on EU assistance, that has more recently played very well a balancing act between the EU and CIB, maximising benefits from their different contributions through a coordinated multiple strategy.\(^{39}\) The common element here seems to be ‘regime cohesion’, a product of revolutionary and/or armed struggle, with the government having institutionalised long term strategic thinking and global power distribution as a normal procedure. More generally, there seems to be a high correlation between **domestic governance** conditions and the ability to design and implement a solid strategy. Similarly, it seems that having good underlying macroeconomic fundamentals and **economic stability** in place also support maximising the contribution of external partners to development.

Though a full-fledged, totally coherent and effective strategy towards all partners is incredibly difficult to design and implement, the **cost of having no strategy is high**. The absence of a bold strategy towards traditional donors for instance led many African countries to unclear demands to their partners and scarce

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39 For instance, see Roque (2009).
capacity to deliver on the African side of the partnership commitments and responsibilities. This contributed significantly to some of the drawbacks attributed to traditional donors (e.g. focus only on aid, fragmentation of objectives and programmes, etc.), with many African governments taking the route of criticizing donors rather than proposing concretely what they should change.

Finally, at the domestic level, weak institutions and capacities often mean that even where there are national development strategies these are not fully implemented, and for instance are not used as basis for accepting projects or finance from partners. Having a strategy, and one that includes building capacity and institutions, allows in the long term to address the same implementation challenges that flow from failed institutions, weak economic and legal systems etc. and that always were part of the explanation of the failures of traditional donor-recipient partnerships in Africa.

A regional and pan-African strategy?

In the African context of cross-country differences in capacity and economic/political interests, pan-African or regional strategies are designed either to support weaker countries or to compromise national interests to achieve a common goal. At the continental level, the most important one is the African Action Plan of the AU New Partnership for Africa’s Development (NEPAD), which most recently was used by President Zuma as the basis for requesting assistance from China on specific support to infrastructure upgrading that are highlighted therein. If other African countries were to stick to it as the basis for requesting assistance to their partners, there would be greater alignment of CIB projects with Africa’s continental developmental plans, as discussed in Section 3.1. China in turn has pledged during the FOCAC meeting of September 2010 to increase its coordination with and support to regional and pan-African initiatives, including by continuing to provide support to the Comprehensive African Agricultural Development Program (CAADP) of NEPAD and to regional infrastructure.\[^40\]

Existing regional and pan-African plans do not address the new landscape of multipolar partnerships and do not put forward a more coherent and rational strategy towards different partners. Some African institutions have started working towards this objective, for instance through the Forum for AUC-ECA Partners Dialogue (first held in December 2009), whose objectives 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”.\[^41\] The AUC may propose in this context the preparation of a ‘common Africa strategy’, but resistance is expected from certain countries which would probably prefer these strategic decisions and planning to be kept at national (bearing in mind also the extreme variety of needs among African countries). However, there are indications that some African countries (e.g. Ghana) have requested a dialogue between their different partners in order to organise the different partners’ contributions to the development plan. In addition, some actors believe that the AU is still very weak, and Africa too diverse, including in its relations with new partners; and that the AU’s role might be to coordinate and facilitate exchange of experiences in dealing with CIB and traditional donors, rather than harmonising the approach and seeking for Africa to ‘speak with one voice’ on CIB matters.

It is also important to note that if it is not easy to have a strategy on strategic partnerships at national level, it is even more so at regional and continental levels; the same is true for other regions than Africa. For instance, an analysis of EU documents reveals that while the EU has identified – or is working on – nine strategic partnerships (Canada, the United States, Mexico, Brazil, South Africa, Russia, China, India and

\[^40\] See Joint Communique of the second round of political consultations between Chinese and African foreign ministers, FOCAC, 23 September 2010 www.focac.org/eng/zfgx/t755828.htm

Japan), there is no real clarity nor agreement on a unified definition of what constitutes a strategic partnership and on what are the differences among strategic partnerships. This leads to ambiguity regarding the nature and the objectives of the partnerships but also regarding the list of strategic partners (there is no official list of the EU strategic partnerships).

However, recent common African negotiating positions, such as on climate change negotiations for the Copenhagen Summit or on WTO talks, have demonstrated the importance of speaking with one voice and probably confirm the emergence of at least a basic multiple strategy by Africa on the international scene, whereby certain objectives are best pursued bilaterally and others as regional or continental blocs. Simultaneously drawing from different development models and comparative advantages of different partners, and acting at bilateral, regional and multilateral levels in different groupings and blocs, is an attempt by African countries to balance international power relations by leveraging with different alliances and international fora depending on specific topics and negotiating positions.

3. The way forward

How can Africa ensure that different partners’ approaches will converge towards African-owned development objectives and strategies? And how can the new multipolar landscape contribute to a shifting focus from aid effectiveness to development effectiveness, with the likely emergence of a new development paradigm?

3.1. Aligning partnerships and international initiatives to African owned objectives and strategies

As discussed above, to maximise the developmental benefits of all its partnerships, Africa needs to implement coherent-coordinated-complementary strategies vis-à-vis different partners, so that they can better align their actions and approaches to African owned objectives and plans. What are the preconditions for such better strategies and alignment? Can triangular cooperation and dialogue foster such needed improvements? What features and added value should characterise a triangular dialogue?

**Strengthening capacity and institutions as precondition for better strategies and alignment**

Many stakeholders from both Europe and Africa believe that a number of conditions should be in place for Africa to implement coherent-coordinated-complementary strategies towards different partners. Firstly, more awareness by all stakeholders is needed about trends, institutions, processes, and impacts of the interactions between Africa and its partners. The most important precondition is **strengthening institutions and capacity in Africa**, including for:

- governments, to design and implement such strategies, and to negotiate ‘good deals’ with partners; and
- non-state actors (including the media), to articulate their interests and input into the design of such strategies and to more effectively contribute to the implementation of partnerships and strategies.

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42 As one European diplomat dryly put it, the term strategic partnership was thought up a few years ago “without anyone ever really defining what it meant and whether, indeed, the others regard us as their strategic partners.” See also http://euobserver.com/24/30748
Capacity building includes the capacity to generate and use evidence on the actual impact of different partners’ approaches and actions (very different from country to country, and partner to partner). Significantly one of the major reasons for increasing interest for triangular dialogue on the part of traditional donors was indeed the lack of information, and data in particular, as well as an understanding gap regarding the role and impact of non-traditional donors. Being able to assess the relative comparative advantages of different partners through sound methodologies and analysis is also important. Moreover, building capacity does not equate technical assistance (which unlike the rest of traditional ODA is still 'tied' in most cases), but rather endogenous capacity development, so that local stakeholders are able to directly undertake the needed analysis and work, and not external consultants who do not leave skills behind.

A growing number of voices have questioned the effectiveness of only having experts from traditional donor countries to provide capacity building based on best practices from OECD countries. More emphasis is now placed on the transfer of contextually relevant lessons and experiences between developing countries through South-South cooperation, particularly from emerging economies with successful track records in addressing challenges common to developing countries.43

It seems that these needs in terms of strengthening capacity and institutions are clearly identified by some think-tanks in Africa (such as the African Center for Economic Transformation (ACET) and the South Africa Institute of International Affairs), but not clearly yet by governments. Traditional donors have a long tradition and experience with capacity building and institutional strengthening, while SSC is still relatively new and small in this respect. However, if a clear demand to do more were to come from the South, also the emerging economies would probably consider increasing their contribution to capacity development. African actors point to the risk of 'self-interested' capacity and institutional strengthening that could emerge, as in cases where the negotiating partner offers assistance to its counterparts for the negotiations themselves (for instance EPAs).

In addition, improved strategies vis-à-vis different partners will also require a clear vision and a long-term horizon that trickle down to the daily operations of African institutions. Some actors suggest this is required to guide partners and their future interventions, pointing to the fact that current interventions by partners, in particular by the emerging economies, mostly follow shorter-term strategies, without necessarily being linked to longer-term visions.

Another important element of any new successful strategy is the high-level political backing in Africa, and in traditional and new partner countries, throughout the process of improving partnerships and implementing agreed plans. The JAES, for instance, has been disappointing so far precisely because of the lack of political leadership and involvement. Instead, the JAES process has been mainly 'bureaucratized' by officials, as discussed in Section 2.2. This has been partly due to the fact that both Africa and Europe have not been able to really move beyond a donor-recipient relationship and patterns of behaviour. Yet, the required high-level political backing for a strategy and partnership can only be effective if institutions and decision-making processes are sufficiently strong, efficient and accountable.

Aligning partnerships and international initiatives to African owned objectives and strategies requires dialogue, not only cooperation projects

Capacity, vision and political backing will not lead to partners’ alignment to African owned objectives and strategies without a convincing dialogue led by African actors themselves. As in the case of aid and trade

43 See also UN (2010).
relations, those who have clearly articulated strategies and needs get more and better results from dialogue with partners. One question is whether African states want to have different fora of dialogue and coordination for each partner (old and new), or whether there is also value of bringing them all to the same table to dialogue in a North-South-South triangular format.

Despite current triangular cooperation still consists mainly of scattered, small-scale initiatives, it is increasing because both traditional donors and new global players realize they can work together to support Africa's development efforts. But triangular cooperation projects are not enough to effectively contribute to support African strategies and plans. A minimum common ground is needed at policy level on what it means to work synergetically for African development. A dialogue is necessary to accompany projects so that African actors can articulate openly their further needs and the parties can identify coherent-coordinated-complementary ways for each to contribute to the related response strategies. Moreover a 'triangular' process of dialogue led by Africa with two or more partners from the North and South would significantly contribute to the strategic thinking about the continent's economic strategies and each partner's added value for Africa.

Indeed some studies have already concluded that successful triangular cooperation projects entail a dialogue dimension led by the 'beneficiary country', with good results achieved when:

- beneficiary countries participate actively in and have ownership over projects and programmes, helping to adapt them to local realities;
- partners divide responsibilities based on their area of expertise, so as to make best use of their comparative advantages
- providers of South-South co-operation and DAC donors align to beneficiary countries' development priorities.44

All this requires a dialogue among the all parties involved. However, for many years, this has not been possible, due mostly to ideology and the North-South divide, with SSC providers and traditional donors simply speaking different languages.

Perceptions on, and efforts for, triangular cooperation and dialogue

Triangular dialogue and cooperation starts with the interest by all involved for sharing knowledge and approaches and with trust that cross-fertilisation can lead to improving own practices; cooperation should in principle lead to better final outcomes for development. Hence the need to examine what triangular cooperation means to each potential partner, and what benefit they can derive from it.

Traditional donors

In general, traditional donors are still some distance away from mainstreaming triangular cooperation in their development cooperation strategies. They have originally addressed the issue as engagement of non-DAC donors through DAC processes, which by many in the South was perceived as an 'outreach' based on the alleged superiority of North-South over South-South cooperation. However, in the past five years an increasing openness can be registered among traditional donors, including as part of the DAC processes, to learn from CIB's ways of interacting with Africa and to do it outside of the traditional schemes of DAC and possible competition between North-South and South-South cooperation.45

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44 See Grimm et al. (2011) and Yamashiro Fordelone (2009).
45 See for instance Smith et al. (2010) and Yamashiro Fordelone (2009).
The EU member states and institutions are particularly interested in triangular dialogue and cooperation—although there are differences between EU member states and the Commission on what this entails. The EU institutions are in the process of studying the issue and informally discussing with interested member states, though this has not been formally tabled within the overall EU Council procedures yet. At the 2007 EU-China Summit, the two sides agreed “to continue their dialogue on African issues, and actively explore effective ways and channels of cooperation among China, the EU and Africa in appropriate areas.” The EC then issued in 2008 a Communication titled “The EU, Africa and China: Towards Trilateral Dialogue and Cooperation”.\(^{46}\) EC officials noted that such initiatives were discussed with both the Chinese and African representatives before the Communication was launched. However, these attempts have been perceived as largely driven by the EU, without the Chinese and African necessarily feeling the same affinity. As a consequence, this initiative has not yield much results, and has been perceived as too formal and top-down. Some EU officials do recognize that a totally new approach is needed to take onto account this lack of partners’ involvement and current changes in the international economy and global governance. A mood seems to emerge within the EC for broader triangular approaches, having a particularly wide scope of entry points for such initiatives: ODA, migration, governance, climate change, etc. But no single unified/balanced approach is yet in place within the European Commission, including all relevant Directorate Generals. In addition, there is an emerging consensus among EU member states and institutions that the EU could contribute to fund activities (including through multilateral agencies such as UNDP) to build the capacity of African actors to engage CIB and develop effective partnerships. During bilateral discussions with European partners, the issue is now often addressed; for instance, the High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton recently discussed African questions with both China and India. Indeed, with the reforms introduced by the Treaty of Lisbon and the creation of the European External Action Service, there is a greater chance for the EU to re-think its “foreign policy”, including its overall relationship with emerging global players, and ‘speak as one’ also on development issues.\(^{47}\) According to several EU officials, however, it is worth pursuing an active triilogue only if the EU can be in a position to act as a global-player, i.e. a player that can credibly lead by example on development issues, and influence others through bilateral and multilateral fora, including during Summits with CIB.

Although many EU donors still adopt a rather traditional approach, others seem more keen on pursuing triangular cooperation and dialogue, at least on a sectoral or project basis. Germany for instance provides funds to South Africa to assist other African countries, and started developing its own trilateral dialogue with China and Africa, including possible joint work on multilateral issues such as climate change talks and initiatives. The UK has also established its own trilateral dialogue with China and Africa, including joint work on the water sector in Tanzania. France as well, with a yearly France-China Strategic Dialogue on Development aiming at an early deliverable in 2011 in terms of one or more trilateral programmes with African countries. France is taking a modest and pragmatic approach to triangular cooperation, including joint work between the French agency for development (AFD) and the Brazilian Agency for Cooperation. The initiative has started small in terms of volumes of aid involved (maybe only exchange of experts in certain cases), but aims at developing larger joint programmes in the future building on pilot projects, selected at local level in line with sector dynamics and opting for areas of intervention where both France and CIB have something to offer (such as agro-economic research or sustainable forest management). In parallel, the French G20 Presidency in 2011 will put triangular dialogue for development as one of its priorities, among others exploring the possibility of a stronger role for emerging economies also in the

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\(^{46}\) See EC (2008) and for a discussion, Hackenesch (2009) and Wissenbach (2009).

\(^{47}\) The importance of speaking with one voice on development policies, including via the High Representative, will have to be balanced with the principle of not mixing development and foreign policies objectives. Success will depend on the exact set-up and operation of the new External Service. For a broader discussion, see ECDPM (2010) and Gavas and Koeb (2010).
funding of multilateral initiatives and global funds (such as the Global Alliance for Vaccines and Immunisation).

**Emerging economies**

In general, emerging economies are doubtful and **politically sensitive to any attempt by traditional donors to use triangular cooperation to impose a process** or an objective upon their way of doing business with Africa (e.g. aid effectiveness and other DAC processes). India is particularly strong in stressing the differences with the 'North', while China and Brazil are more open to talk about engagement. However, there is **interest by CIB in pragmatic, case-by-case, technical cooperation**, with a number of cases of triangular pilot projects. Brazil has been on the triangular scene for some time, e.g. with Canada and Haiti on peace and security. In Kenya, for instance, China has attended some of the donors’ coordination meetings as an observer - and if the Kenyan government were to ask China to participate fully it would, according to several other participants. More broadly, as seen above, emerging economies have an incentive to cooperate with more traditional donors towards greater stability in Africa, including by strengthening laws and regulatory frameworks in Africa, to ensure that foreign support and investment occurs in a safe, legally certain and sustainable way. An important example is China being member of the Group of Friends of the Great Lakes Region, which comprises both traditional and non-traditional donors.

In the case of **China**, willingness to engage depends also on which body is involved. The External Aid Department seems more conservative, the China Development Bank not interested, while the Ministry of Foreign Affairs participates in initiatives as part of its wider mandate of managing diplomacy. Several observers have noted, however, that without an active role of the Ministry of Commerce and the State Council, involvement of other government bodies alone cannot be considered as a fully effective engagement.

A particularly interesting effort for triangular dialogue is the **China-DAC Study Group**, aimed to facilitate the sharing of experiences and promote learning on growth and poverty reduction.\textsuperscript{48} It focuses on two key dimensions:

- China’s experience of growth and poverty reduction, including the contribution of international assistance, and its relevance for other developing countries; and
- China’s economic cooperation with Africa and its impact on poverty reduction.

This setting allows DAC members to be exposed to and engage on Chinese lessons for Africa, as opposed to former processes where the DAC was mainly trying to tell China about the best ways to support Africa. Most observers consider the China-DAC Study Group a successful case of engagement, pragmatic, gradual and on equal basis.\textsuperscript{49} Its shortcomings include:

- as an informal platform for dialogue, its future beyond the current workplan (up to mid 2011) is uncertain;
- Africans were involved but without continuity, and a better institutional anchor in African processes is needed;
- Chinese policy makers get involved only indirectly through senior Chinese researchers’ reports about this process.

\textsuperscript{48} www.oecd.org/document/36/0,3343,en_2649_34621_44173540_1_1_1_1,00.html
\textsuperscript{49} Some interpret the existence within DAC of this process only for China as the factual predominance of China in Africa compared to other players. However others in DAC believe the same should be done for India and Brazil.
Brazil has seen triangular dialogue and cooperation quite positively - though mainly through project-based approach - including as a way of increasing the financial resources at the disposal of Brazilian project initiatives. Despite keeping a low profile, Brazil has been engaged at technical level in triangular initiatives as well as in learning from traditional donors how to run effectively a development agency. A dialogue is ongoing with the DAC Secretariat and the French Ministry of Foreign Affairs. In addition, the ‘Macau Forum’ is an interesting example of economic and trade cooperation forum, with China, Brazil, Portuguese-speaking countries (Angola, Cape Verde, Guinea Bissau, Mozambique, Timor-Leste) and Portugal. International awareness and analysis of the role of India lags behind, due to the smaller size of its assistance and trade and investment flows with developing countries. This is certainly not countered by the Indian government, which has been less transparent and forthcoming in sharing information on assistance flows and cooperation compared to China and Brazil. Less responsive to proposals by the North to dialogue on development questions, both under bilateral and triangular processes, India seems increasingly focused on South-South cooperation. However, it has increasingly distanced itself in practice from the Non-Aligned Movement on various issues, and seems more open than in the past to discussing new opportunities.

Africa

There is a general scepticism in Africa on attempts by traditional donors to initiate triangular dialogue. In the case of EU-China-Africa Trilateral Dialogue and Cooperation initiative led by the EU for instance, recurrent questions from African stakeholders include: why should a third party like the EU deal with Africa relations with other partners; why should China try to learn from the EU in terms of engagement; why should China speak with the EU about Africa. Apparently, the draft final communiqué of the Fourth FOCAC meeting in Sharm el Sheikh in November 2009 contained a whole paragraph on triangular cooperation, which was removed at the insistent request of the African side. Africa stressed that FOCAC was about China and Africa only and this focus should remain. Only at later stages could other partners be considered. Some stakeholders stress, for instance, that Chinese actors need to make a greater effort to understand Africans in the first place, and are concerned that tripartite cooperation may not help to build up trust between the two parties. Rather it risks bringing to the open tensions between Africa and Europe which would not be conducive for instance to Africa having a transparent and constructive dialogue with the third party in the room, China. If there is any condition for a relevant tripartite cooperation it is that it first requires the full endorsement by the African partners. African stakeholders are also concerned that donors might ‘gang up’ against Africa. A variety of donors’ approaches constitute some form of competition among donors, increasing the choice and at time leverage of recipient countries. Emerging economies such as China often provide an attractive alternative to traditional donors. Greater coherence and coordination among major partner countries/donors is therefore not always welcome in Africa.

Features of a triangular dialogue process

The above discussion shows that there is a range of interesting models and examples of triangular initiatives, both in terms of dialogue processes and actual projects. But moving to an agreed ‘trilateral framework’ with a regular dialogue component and a common overarching approach is a different story. There is really quite some confusion and no consensus on what should be the objective and outcome of ongoing dialogue between traditional and emerging donors. Some actors feel it should be ‘norm-setting’ like the Paris Declaration. Others believe that the only realistic objective is accepting differences of cooperation approaches and try and synergize to maximise impact. On the other hand, it is clear that development effectiveness is in the interest of all, and a number of incentives for doing things together and improve efficiency are often emphasized by actors. Sharing of lessons and practices to avoid the
mistake of the past (e.g. quick aid disbursements without real absorption capacity in place, technical assistance that does not build capacity and management skills, etc.) or better reporting and monitoring cooperation inputs and results (which will be increasingly demanded also of non-traditional donors, both by their own citizens and African stakeholders). Mixing traditional donors’ substantial resources with emerging economies’ increasing support, drawing on their own experiences, may generate substantial positive spillovers. There is also a need to act more in line with developing countries citizens’ values, expectations and needs (e.g. supporting regional integration in Africa through both policy frameworks support by the EU and rapid upgrading of regional infrastructure by China). Finally, jointly working with a partner, which is already perceived in Africa as credible and having a positive impact in the specific sector can bring benefits to the new partner (e.g. China in mining) in terms of image and trust building.

Given current trends, and especially interests by emerging economies and Africa, the objective of triangular dialogue could realistically be to identify possible collaborations at country level, starting from specific sectors, to then draw preliminary conclusions on ‘what works and what does not’. Only then would the parties be in a position to move (if possible) to triangular policy discussions.

In any case, Africa should take the lead in any such dialogue and indicate clearly its objectives and the priority actions needed by external partners, bearing in mind that realistically North-South and South-South cooperation, whatever degree of convergence, will keep some of their distinctive features. As further discussed in Section 3.2, better articulating objectives and priorities by Africa will involve also a clearer position on whether the emerging shift from aid effectiveness to development effectiveness is indeed something Africa encourages and is willing to engage in. From a pragmatic standpoint, such ‘African lead’ may not manifest itself through explicit efforts and effective leadership by all African countries; more likely within Africa few countries can be expected to take the lead, and in the interest of efficient dialogue external partners will have to deal closely with them.

Added value of triangular dialogue and possible demands from Africa

In the new global landscape Africa could utilize triangular dialogue to:

4. strengthen its ability to influence global decision-making, as the positions of and possible alliances with traditional donors and increasingly CIB will determine the global frameworks that will affect Africa in terms of climate change, trade, international tax and financial regulations, etc;
5. improve the effectiveness of one partner’s approach by sharing lessons learnt as part of other partnerships.
6. Identify possible synergies and complementarities among partners towards a more comprehensive and coherent development effectiveness agenda.

The sustainability of the process and its outcomes will also depend on the evolving balance between cooperation and competition by different partners in Africa, as mentioned in Section 1.2. However a dialogue by itself can contribute to smoothen tensions, clarify approaches and thus enhance the chances of maximizing the opportunities for Africa from a multi-partners approach.

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50 Recent exchanges and visits by Brazilian and Chinese officials to DAC technical and statistic departments confirm this.
51 In spite of coordination efforts, including through formal institutional setting as the DAC, it is important to stress that each donors tend to keep its specificity, so traditional donors’ approaches are far from unified, let alone the one from emerging countries. The distinction between traditional and new donors, while reflecting different general patterns, is made in this paper for the sake of simplicity of the argument.
52 For further discussion, see also Ashoff (2010), UNDP (2010) and Wanjiru (2010).
If one of the objectives of such dialogue should be to promote partners’ convergence toward African own development objectives strategies, partners should be prepared to display the related political will and adapt their instruments to respond to better articulated demands by Africa. A triangular dialogue agenda could support such effort, including by Africa outlining more clearly to partners its key long term objectives and plans, such as the diversifying away from primary commodities production and export. A triangular dialogue would indeed have the advantage of **structuring the demands for improvements from Africa to its partners**, in a situation of power imbalance. This happened already for instance in the case of the China-DAC Study Group, where China was asked to elaborate policy and assistance also at the African regional and continental levels, and not only at the national level, to address global and regional public goods and policies that cannot be properly tackled from a country perspective alone (such as peace and security, economic integration, infrastructure development or agriculture and food security).

In terms of traditional donors, African demands relate to improving donors’ capacity to react more quickly to expressed needs and donors’ strategies and practices in line with positive elements that Africa favours in the approach by emerging economies (e.g. better integrated public-private approach, etc.). Many actors, for instance, including among EU member states and EU institutions, point to the complexity of EU institutions and the related necessary slow response, as well as lack of flexibility on adjusting positions once an internal EU compromise has been reached. Among the current global players, Japan also faces problems in adapting to the fast pace of change, while apparently China displays more flexibility (its priorities and redlines are clear, but compromises and concessions to partners are possible in order to achieve mutually beneficially outcomes).

Despite general enthusiasm and political rhetoric of ‘CIB and Africa working together’, it is clear that in some cases the interests and positions of emerging economies and Africa are not aligned. For instance, CIB struck a deal with the US, the EU and others in Copenhagen without taking into account the positions and demands of African countries. In another instance, Brazil has recently threatened to challenge Senegal through the dispute settlement mechanism of the WTO over a trade dispute. This shows the need for Africa to have deeper and more structured dialogue, as well as better-articulated demands, for its new partners.

The likely demands from Africa to the CIB, and in particular China, could include:
- to share in a more systematic and structured way their development experiences and practices (including how they maximised effectiveness of international agencies’ and partners’ cooperation);
- capacity and institutional strengthening - Africa is not Asia (or Latin America), investment focus will not suffice given existing conditions of governance and economic enabling environment;
- China to join the OECD anti-bribery convention (as Brazil did);
- having Chinese companies join governance-support initiatives such as the ‘Extractive Industries Transparency Initiative’ (EITI);
- having some CIB companies and their participated African subsidiaries listed on African countries stock-exchanges to improve transparency of their operations and avoid ‘side-deals’ between public and private sectors.

**Options for hosting a triangular dialogue process**

**Fora and processes where to host a possible triangular dialogue already exists.** Some of them provide useful ways to work together on a specific set of issues. The Africa Partnership Forum (APF) for instance, comprising Africa, G8, OECD and other development partners, discusses and monitors the
implementation of development commitments by African and G8 partners. The World Bank's multi-donor South-South Experience Exchange Facility, financed by both traditional donors and countries like India and China, work on knowledge sharing. Other processes have a broader mandate and stronger political traction, possibly providing an incentive for Africa, emerging economies and traditional donors to use them as a channel for discussing how to align partnerships and international initiatives to African owned objectives and strategies.

The UN Development Cooperation Forum (UNDCF) of the UN Economic and Social Council is a platform bringing developing countries, 'new' donors and traditional donors together to identify mutually acceptable principles and priorities for cooperation, towards joint norm-setting. Although all recognise its full legitimacy due to the UN membership, the major criticism is that participants are too many, leading to very broad discussions and slow decision-making, also due to replication of geopolitical groupings' dynamics like within the UN (G77, Security Council, etc.).

The G20 recently adopted a modern approach to development issues, 'sustainable economic growth for all', through which increasing aggregate demand in low & middle-income countries would sustain global demand and recovery. The G20 has recently outlined its approach to development by adopting the Seoul Development Consensus for Shared Growth on 12 November 2010 in Seoul. The G20 will pursue a 'global development partnership' in support of 'sustainable and balanced' economic growth policies and measures in developing countries (in particular investment, trade and infrastructure) rather than traditional development cooperation measures and financial handouts (to be left to DAC donors-G8-etc.). Indeed, the current focus of discussions within G20 around outputs (impact) rather than inputs (management) is less aid effectiveness oriented and more in line with the approaches of emerging economies who thus feel more comfortable also with the process. While bearing in mind that G20's priority mandate is to tackle global economic phenomena, not development as such, the G20 future work will also be interesting for some as an opportunity to improve accountability by emerging economies on their role as 'donors' and partners of Africa (all G20 members should report from 2011 on their Action Plans for development). In addition, as the French G20 Presidency in 2011 will put triangular dialogue as one of its development priorities, proposals could emerge for the creation of a 'G20 fund' (with a narrow mandate and a policy dialogue component, based on the example of the India-Brazil-South Africa Fund). The major weakness of the G20 as the possible process to build and sustain a triangular dialogue for convergence to African owned objectives is the fact that only South Africa is represented at the G20. Although other African Leaders are regularly invited, lack of membership by African countries undermine the credibility of G20 as a forum where to achieve concrete outcomes for African development.

A final venue to host the triangular dialogue could be the process leading to the 4th High Level Forum on Aid Effectiveness on 29 November – 1 December 2011 in Busan, Korea. Part of this, the 'Bogotá Statement Towards Effective and Inclusive Development Partnerships' (March 2010), based on 110 case stories of SSC, was a breakthrough agreement in areas like greater transparency for SSC and strengthened mechanisms for peer-to-peer knowledge sharing and exchange. In Busan, traditional aid

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53 www.africapartnershipforum.org
54 For information on the South-South Experience Exchange Facility, see http://go.worldbank.org/IXY2U54190; and for a discussion of triangular dialogue from the World Bank, see Aschoff (2010).
56 For a civil society perspective on UNDCF, see BetterAid (2010).
57 http://media.seoulsummit.kr/contents/dlob/1E3_ANNEX1.pdf
58 Interestingly, in September 2010 the IBSA Fund to fight hunger and poverty, made with funds from India, Brazil and South Africa and administered by the United Nations Development Programme was awarded the prize "Millennium Development Goals", in recognition of its role in South-South Cooperation.
59 http://portal.oas.org/LinkClick.aspx?fileticket=2F3Dzw1Kv%3D&tabid=293
effectiveness will also be at the centre. So, in preparation for Busan, the case of Africa and how to make its different partnerships more effective and aligned could be the subject of a triangular dialogue process, bridging aid effectiveness discussions as part of the Paris Agenda and SSC debates like the Bogota agenda, for a convergence between traditional and non-traditional donors on more effective development cooperation and results.

The final section of the paper analyse these issues more in detail, bearing in mind the difficulties so far, with traditional aid and SSC still viewed by many as two completely different concepts/processes.

### 3.2. From aid effectiveness to development effectiveness: towards a new development paradigm?

Previous sections have shown how the new landscape of coexistence in Africa of different partnerships, with their different development models, seems to lead both to a re-thinking of traditional donors' approaches to cooperation and to moves towards new African strategies vis-à-vis traditional and new partners. This stimulus for change is also an opportunity for better aligning partnerships and international initiatives to African owned objectives and strategies, which requires dialogue among the parties, including in a trilateral South-South-North format. This section highlights how such better alignment to Africa's objectives and more coherent strategies by Africa and its partners could also affect the overall international development debate, with a shifting focus from aid effectiveness to development effectiveness. In turn, a common understanding on what development effectiveness is and on how to improve the effectiveness of different types of partnerships could support the overall strengthening of collaborative efforts for economic growth in developing countries, starting from Africa.

**The development effectiveness debate**

Recently, *traditional ODA has been questioned* as primary tool for lifting the developing world out of poverty. Many stakeholders and practitioners rather emphasise the importance of locally-owned development strategies and efforts, with development partners adopting a **holistic approach** to their engagement, focusing on outputs rather than inputs and taking into account not only ODA but all international financial flows, other relevant policies and the role of private sector and civil society. This challenges the prevailing Paris and Accra agendas, with development effectiveness (DE) (output and results of development assistance), gaining increasing attention internationally, at the expenses in a way to aid effectiveness (AE) (mainly input and management of aid).

This is a new debate and **development effectiveness** means different things to different people. Everyone wants to speak about it but there is still confusion about what ‘development effectiveness’ is. **Four interpretations seem to be used so far:**

1. DE interchangeable with AE;
2. DE as going beyond aid (hence looking at policy coherence for development);
3. DE as paying attention to also NSA and their impact, and differentiating approach to specific countries (fragile, middle-income, etc.) - a term to call on donors to look beyond the results of their own individual interventions, focusing on impact at country level to see whether the collective work of donor-partner cooperation makes a difference;

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60 For an early discussion, see Lockhart (2004), and for a recent discussion, see NEPAD (2010) and OECD (2010), among others.
4. DE as looking beyond economic development, to target human development - to underscore the need to reflect a multidimensional definition of poverty in how aid is given shape, while for many reasons it continues to be very focused on income poverty levels.

It is very important and urgent to get to a common understanding, if not definition, of the concept of development effectiveness, since different definitions and measures can lead to very different assessments about the effectiveness of an approach. For instance, an assistance programme can be very cost effective in building hardware (a road) but without achieving any improvement in terms of software (sustainable management capacity, which also is a contribution to development), and vice versa.

The uncertainties surrounding this debate relate also to the origins of the discussion on development effectiveness. Some stakeholders think the debate emerges out of the pressure on traditional donors from the increasing role of the emerging economies in international development, and the supposed higher interest by developing countries in development effectiveness rather than aid effectiveness. Others believe that development effectiveness is the latest stage of the imperative to show results (results-based management), including to domestic taxpayers, especially in a time of economic crisis and decreasing government budgets in traditional donor countries.

**Different perceptions about development effectiveness**

Effectiveness is in the interest of all, African governments and citizens, traditional donors aid managers and taxpayers, as well as emerging economies decision-makers. So, in general, the perception about the emergence of the development effectiveness concept depends on what instruments each partner or stakeholder favours and/or uses in its cooperation with Africa. Those who provide ODA mostly through government-to-government relations may have more difficulties in abandoning AE in favour of new DE principles and processes; others may be more open to this, especially those who advocate for a focus on trade and investment and a stronger role of non-state actors in development.

Most actors in traditional donor countries do not question the fact that the new landscape of multiple partnerships for development together with mixed results of traditional ODA will in the medium to long term lead to a stronger focus on DE rather than AE. However, some, particularly from EU institutions and member states, see AE and DE as parallel concepts and both should be used to improve impact of interventions on the ground; the improvements that can come from AE processes should be exploited to the fullest before moving to development effectiveness. Many officials who work on aid management and international aid processes, especially within the DAC, tend to believe that, given the problem of definitions, measurement and other conceptual difficulties, it may be easier in the end to discuss between traditional donors and emerging economies about aid or assistance effectiveness rather than development effectiveness.

**Emerging economies** like CIB do not see themselves as donors, hence never participated in aid effectiveness debates and processes in the first place. On the other hand, the emergence of these new actors as key partners of developing countries and the closer relationship between their commercial, diplomatic and assistance initiatives naturally bring countries such as CIB as de facto active players in any development effectiveness discussion. In many international fora (such as the UN) and when reporting on their relation with Africa, Chinese officials for instance often maintain that it is better to help developing countries build long-term sustainability than to resort to short-term interventions and be overly dependent on foreign aid. According to them, an integrated and holistic approach should therefore be adopted by
incorporating trade, investment, technology transfer, capacity building and other elements into the development policies.

Significantly, within the same country, preparedness to discuss and develop the concept and objectives of development effectiveness depends on different stakeholders and their roles. ODA and assistance managers tend to be more conservative, policy-makers more open, while politicians are sometimes more visionary. The private sector, on the other hand, tends to be less interested as most businesses tend to find formal high-level processes and policy frameworks rather unrelated to economic realities and thus of little direct relevance (e.g. the Paris Agenda, EPAs, JAES, EU-Africa Business Forum, etc). While CIB in many respects do not as yet have domestic constituencies which wield much influence over their development policies, in most traditional donor countries parliaments have a vision of what effective development is which may differ from that of officials working in that country’s development agency; while civil society organisations (CSOs) often tend to have another approach as well. Many CSOs stress that focusing on development effectiveness should not be used as an indirect way to escape existing ODA commitments (Gleneagles, etc); on the contrary, many smaller, fragile and post-conflict developing countries for many years to come will still be relying on ODA as crucial contribution to public service delivery and development prospects in general.

Non-ODA flows, non-state actors and development effectiveness

The development effectiveness debate has been picking up steam thanks to the increasingly widespread recognition that in the long-term non-ODA flows such as trade, investment, remittances and domestic resources mobilization through taxes are more important than official development assistance. Alternative sources of development finance, and related new approaches (including public-private interventions, grant/loan mix, new national/international taxes for development), are necessarily gaining centrality also for quantitative reasons, due to the size of non-ODA flows, which are much larger than ODA (e.g. in Africa ODA is only 3% of GDP). This is compounded by the likely downward trend of ODA in a time of economic crisis and sluggish growth in traditional donor countries, with subsequent difficulty to justify taxpayers’ money going to development budgets. More in general, moving towards development effectiveness will also imply dedicating more attention to non-typical development policy issues such as technology transfer and migration. Greater emphasis is also put on the question of policy coherence for development (PCD). It is easy to see from this why there is some reluctance in certain traditional donors’ quarters to talk about development effectiveness, which is much less measurable and hence more difficult to manage and report on, when compared to ODA. Some donor countries’ officials maintain that development effectiveness is impacted upon by too many intervening factors between input and outputs to be able to be measured and assessed through transparent and objective criteria, let alone based on agreements between different actors and countries.

Taking into account not only ODA but all international financial flows (investment, trade, remittances), the implementation of other relevant policies (e.g. support for peace and security, governance), and beyond the focus on government’s role- integrating the private sector and civil society into the national (and regional) development agenda, will also mean building horizontal partnerships to work with all NSA. These new partnerships among different stakeholders are likely to emerge soon, with an increasing number of developing countries and donors thinking of a more holistic approach to development efforts. In general, since the adoption of the Accra Agenda for Action, the dialogue within the DAC on aid effectiveness has ‘opened up’ to include new actors that were formally recognised in Accra as development

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62 www.accrahlf.net
actors: partner country government officials, CSOs’ representatives, parliamentarians. The EU in particular
is gearing up to a new holistic approach, as clarified in the November 2010 Green Paper, which states:
“The question therefore arises whether the EU should consider new Joint Strategies for Inclusive Growth in
partnership with the individual or regional groupings of developing countries, also involving private-sector
stakeholders — businesses, foundations, academia and CSOs at large, etc. — all committed to the goal of
making measurable progress on issues where they can act together”. Other fora are also moving in the
same direction, for instance the G20, as demonstrated by recent work and declarations under the
leadership of the Korean Presidency in 2010 and probably even more so the French 2011 Presidency.

The opportunity for a holistic approach - integrating a stronger role for non-ODA flows and non-state actors
for development - will have to be judged against the current overarching approach prevailing in most
traditional donors’ systems of separating ODA policies and decisions from national businesses’ interests.
This is sometimes mentioned as a cause of competitive disadvantage for Northern companies vis-à-vis
their competitors from countries like China, which on the contrary benefit from opportunities created by
'overall packages' of public assistance and business agreements facilitated by government-to-government
relations. However, in general, one of the underlying rationales to move from AE to DE is to ‘take the best
of two worlds’, i.e. to better use and synergise ODA flows and policies with non-ODA flows and policies,
using innovative approaches but keeping on the agenda also traditional ODA-related practices such as
sustained capacity building efforts. Despite the much larger volumes of private flows compared to ODA,
some donors believe that such flows should be complementary to ODA and development policies should
remain the ‘lighthouse’, and not the other way around: horizontal partnerships should mean coordination
and alignment of NSAs’ contributions to public policy objectives.

Indeed an aspect that is gaining currency is that although countries are increasingly under pressure to
have ODA as part of their national interests agenda, this is not necessarily inimical to development in
developing countries, provided it operates within certain ethical and sustainable frameworks. In other
words, a commercial focus does not mean that development cannot be achieved. The example of
South African companies going into Africa and increasing state revenues, creating jobs and improving
competitiveness in other parts of Africa is very relevant, though not uncontroversial.

A more holistic approach will be an important part of a greater international focus on development
effectiveness, and could be developed based on existing work and processes. The NEPAD-OECD Africa
Investment Initiative for instance is aimed at raising the profile of Africa as an investment destination while
facilitating regional cooperation and highlighting the African perspective in international dialogue on
investment policies. Business actors have also autonomously put in place several private sector-led
initiatives around ‘corporate social responsibility’ or ‘transparency initiatives’ (EITI, Kimberly Process, etc).
Finally, within the DAC, traditional donors have started a dialogue with businesses on their contribution to
development in the context of aid effectiveness, especially on what can be done on the ground, since
businesses are only interested in concrete work at sectoral and country level. Such engagement revolves

63 Some EU member states are moving in this direction as well. For instance the UK Department for International
Development (DFID) has announced a new policy direction, aimed at stimulating the private sector to become a
much bigger engine of growth in the developing world, bringing new enterprise and more investment to the poorest
countries of the world.
64 European Commission (2010, p.12).
65 See “French Priorities for the G20: The Choice of Ambition”,
www.carnegieendowment.org/events/index.cfm?f_a=eventDetail&id=3041
66 For instance, during his speech at the September 2010 MDG Summit, President Obama claimed that in the USA
development policy and assistance will be elevated at same level of the other pillars of National Security. See
67 www.oecd.org/document/51/0,3746,en_2649_34893_36167091_1_1_1_1,00.html
around capacity of local actors, triangular cooperation, conducive environment and regulatory framework, and linking incentives with long-term development goals.

Towards a development effectiveness architecture?

Given the emerging focus on non-ODA flows, non-state actors and development effectiveness, it is possible to conceive a development effectiveness architecture to gradually replace, or rather absorb the existing aid effectiveness architecture premised on the Paris/Accra Agenda and Declarations, the DAC guidelines for aid management and the DAC peer review system for donors. Such a development effectiveness architecture could take the form of an agreed framework for supporting developing countries based on common objectives/principles (e.g. ‘ownership’ of DAC coincides with ‘sovereignty’ of South-South cooperation) and a common denominator in terms of acceptable practices (e.g. environmental assessment for infrastructure projects, or guidelines for non-concessional loans), with an attached process for policy dialogue. Such framework could take different formats, from a simple political declaration launching a dialogue process, to a ‘soft law agreement’ to a legal rule-based system.

In this context, a particularly relevant aspect of development effectiveness will indeed be policy coherence for development, which despite many critiques will be important to guarantee a focus on development objectives. Many actors, especially in Africa, believe that the current processes for discussing policy coherence for development are driven by traditional donors, while the concept is unclear and overloaded with meanings. They suggest the concept should be approached pragmatically, i.e. to what extent a specific public policy/private sector action supports or hampers the objectives as identified by developing countries themselves.

A majority of actors tend to believe in a shift in the long term from an aid architecture to a new development effectiveness architecture with a new development paradigm, though many think this is not the time yet. The two concepts can actually live and progress together, bearing in mind the importance, including for credibility, to fulfil existing ODA commitments, not only in terms of quantity, but also - and perhaps mainly - in terms of quality and effectiveness. According to several EU officials, for instance, being both ‘development effective’ and ‘aid effective’ in the long run could define which of the partners’ developing countries, including in Africa, will favour. Any future development effectiveness architecture and development paradigm, it is argued by others, will also have to account for differences within what today are called “developing countries”, since UN-based categories (including at the WTO, World Bank, etc.) do not reflect the economic development reality anymore. China for example continues to receive in many cases the same treatment, e.g. at the WTO, as very small developing countries.

The likely medium-term convergence of cooperation approaches in line with a commonly defined development effectiveness concept and objectives will require principles, especially if the ‘package approach’ to development becomes the accepted practice. Countries such as France and the US, but also China, integrate for instance business and military interests quite prominently in their foreign assistance which raises strong criticisms from some actors, CSOs in particular.

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Possible features of an international dialogue process on development effectiveness

Despite current difficulties to clarify the concept and likely long debates on how to measure development effectiveness, the medium-term will most likely see the emergence of an international development effectiveness process, as discussed above. It is important thus to analyse the possible features and likelihood of success of such development effectiveness process, also taking into account that while there is little doubt about a shared interest among traditional donors, emerging economies and developing countries for the common objective (effectiveness), agreeing on a common process towards that objective will prove most challenging.

Given the history of aid effectiveness processes from Paris to Accra to Bogota and the existing differences between North-South and South-South cooperation, additional efforts for a global dialogue on development issues with the full involvement of emerging economies can only be sustained if the focus of the process is broader than simply ODA flows. Whatever the specific process and level (national-regional-continental-multilateral), whereby involved actors will discuss a possible development effectiveness 'common framework', the starting point will be agreeing on a fresh, neutral start so that all involved feel ownership. It is not for one party to be joining a table/process that has been initially conceived and developed by others. For this, simple relabeling of a process will not work. Fresh objectives (e.g. DE rather than AE), fresh definitions (what is development effectiveness) and fresh dialogue tables (not the DAC, since there is no real counterpart of DAC officials in CIB) are likely to be needed. All parties will also need to acknowledge each other's differences, including in terms of methods (e.g. conditionality, equal footing basis, etc.), development levels (e.g. extreme poverty levels in India will probably never allow India to devolve 0.7% GNP to aid), and contributions to development. Indeed, several officials from emerging economies have confirmed that they have no objections to setting rules for cooperation with developing countries, provided those rules are jointly set by all involved.

A second important element will be keeping ambitions and expectations around the process manageable. The first steps could thus be taken in terms of achieving consensus at technical level, on sector by sector approaches and actions, with concrete application at country level, rather than at political level on policies that all should pursue, and guidelines to frame the work in all developing countries involved. In other words, consensus is more likely to emerge from the experience and development of multiple relationships on the ground, where it is easier to also clearly identify common goals (on a theme-by-theme basis), rather than from the aggregate experience of traditional donors compared to that of SSC providers.

With respect to the formats and modalities to take forward this discussion on development effectiveness, it is more likely that at the outset there will not be one single process or forum. Rather one such process or forum could be the outcome emerging from a combination of multiple processes and fora where currently development effectiveness debates are taking place (as presented in Section 3.1: DAC, G20, SSC fora, UNDCF, etc.), each with its dynamics, current objectives and power structures. Any unified future global dialogue will have to build on all such relevant processes, and in particular not only those generated from the DAC.

The sooner such different processes and fora can be taken forward in a coherent way and towards a convergence of objectives, the sooner it will be possible to jointly work on development effectiveness, and for a future DE 'common framework'. Whether such complex exercise will be able to match the pace of global changes like the new wave of partnerships for Africa, a sine qua non condition for this debate to stay relevant, remains an open question. In this context, it will be important to utilize any
result and acquis achieved through one specific process/fora, building upon it to progress towards consensus. An example of common principles subscribed to by both traditional donors and emerging economies was the G8-G5 Leaders’ Joint Declaration 'Promoting the Global Agenda' of July 2009. Under the French Presidency 2011, the G20 may go in the same direction, with an element of accountability as well, since all G20 members will report from 2011 on Action Plans for development, likely focused on outputs rather than inputs. So, the G20 Development Working Group might be considered a first step for a dialogue towards a rule-based system. The more specific these Action Plans will be, the higher the chances of moving from Declarations to operationalisation of agreed principles, and of increasing transparency on real progress and contribution of each partner. Given their preference for pragmatic approaches, these would constitute incentives for emerging economies to join trilateral efforts and move beyond South-South cooperation only.

Caution has been expressed by several stakeholders on what will happen to aid effectiveness after 2011 Busan Summit. To some, a concrete risk is that aid effectiveness in 2011 will die, also due to an ‘aid effectiveness fatigue’, to be replaced by an unclear concept of development effectiveness; and on top of that, venue for discussions will move from the DAC to the UN-DCF, with enlarged membership but lower chances of concrete outcomes. To avoid this, the Busan process could be used to clarify the concept of development effectiveness (to be communicated easily), and to have strong conclusions and outline concrete follow-up on South-South cooperation and the roles of non-state actors. This leads to a further consideration on the seniority level of officials involved in development effectiveness discussions. In the case of AE processes, while partner countries mostly send their ministers of finance, the donors have always tended to send their (junior) ministers or secretaries of state on development. This means that while partner countries might want to discuss ‘beyond-aid’ issues, most donors would lack the political authority to do so. So if these were to be discussed in Busan, and if the development effectiveness process has to succeed, unlike Paris and Accra, equal partnership will have to mean equal seniority as well.

The final key element for the possible future process towards a development effectiveness common framework will be much more ownership and guidance from developing countries themselves, to avoid DE debates to replicate patterns of donor-predominance as experienced in the AE processes. In this sense a stronger focus on outcomes through DE, rather than inputs through AE, could in itself provide an incentive for developing countries, especially from Africa, to enhance their direct involvement and leadership in the process.

69 “11. We are committed to strengthening our dialogue and partnership with low income countries on the basis of a set of core development principles: Promoting effective and responsible policies for sustainable development; ... Promoting good governance, accountability and transparency; ... Promoting partnership, dialogue and capacity development; Strengthening multilateral and regional institutions ...”. See www.g8italia2009.it/static/G8_Allegato/G8_G5_Joint_Declaration.pdf
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- to improve cooperation between development partners in Europe and the ACP Region.

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- Development Policy and International Relations
- Economic and Trade Cooperation
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