



Emerging donors and rising powers in agriculture in ACP countries

Organised by CTA, the ACP Secretariat, the European Commission, Concord in collaboration with the French agricultural research and international cooperation organization (CIRAD)

27th October 2015, 9h00-13h00
ACP Secretariat, 451 Avenue Georges Henri, 1200 Brussels, room C
<http://brusselsbriefings.net>

1. Context: old and new powers

Africa has gone through a remarkable decade of economic transformation. Links with traditional partners face profound changes and relations continue to develop with emerging partners¹.

Trade between Africa and non-African developing countries grew from USD 283 billion in 2008, to USD 595 billion a year by 2012² and developing countries' exports to Africa have increased in the last 15 years from 26 to 43 per cent, while their imports from Africa have grown from 33 to 50 per cent.³ This year's *African Economic Outlook* considers Africa's surge in relations with "emerging partners", who now sit at the top tables of economic decision making alongside "traditional partners" from Europe and North America.

China takes centre stage, but other emerging partners together make up a larger share of many of the dealings. Africa's top five emerging partners are China, India and Brazil -- along with South Korea and Turkey. Europe and North America's trade share has quickly eroded, but they still account for more than half of Africa's trade and foreign investment stock, and their economic health remains key to Africa's growth performance. Prospects are good for the transfer of technology and access to finance. There is no evidence to suggest that the new players are hindering Africa's industrialisation, debt sustainability or governance, but Africa needs a clear engagement strategy and all sides must show greater transparency. To maximise development benefits from the new partnerships, African nations can draw lessons from their cooperation with traditional partners and the successful experience of the rising economic powers. Vision and ownership turn global opportunities into sustained and shared growth.

2. BRICS engagement in Africa

The expanding footprint of BRICS⁴ countries in Africa, especially over the last 15 years, has remained a subject of intense public interest in academic, development and diplomatic circles. The superlative 'win-win' has been widely used to distinguish cooperation with BRICS countries. They set themselves apart from the West, whose aid has been criticised for being *conditional*; coming with *strings attached*.

The core principles espoused in the discourse on engagement with BRICS countries include equal partnerships, mutual (or win-win) benefits, solidarity, non-conditionality, non-interference in the internal affairs of sovereign states, as well as sharing of experiences.

With these principles being a departure from the OECD aid effectiveness guidelines that have been agreed to among the Development Assistance Committee group of countries, the uneasiness among the traditional donors that the BRICS engagement could undermine their efforts is understandable.

¹ Defining Africa's "emerging partners" are economic partners of African countries which did not belong to the club of traditional "donors", the OECD Development Assistance Committee (DAC), at the outset of the millennium.: (i) they are considered "emerging" economies in the global context; (ii) their economic relations with Africa have been marginal until the last decade but are rising fast and are expected to grow further. Africa Economic Outlook. <http://www.africaneconomicoutlook.org/en/theme/emerging-partners/>

² UNCTAD. 2010. "Economic Development in Africa Report 2010: South-South Cooperation: Africa and the New Forms of Development Partnership". Book Information UN Symbol: UNCTAD/ALDC/AFRICA/2010

http://unctad.org/en/Docs/aldcafrica2010_en.pdf; African Capacity Building Foundation. 2014. Annual Report <http://www.acbf-pact.org/sites/default/files/ACBF%20Annual%20Report%202014%20Eng.pdf>

³ UNECA "New forms of partnership" Issue Paper, Ninth African Development Forum Innovative Financing for Africa's Transformation 12 October 2014 to 16 October 2014, Marrakech

http://www.uneca.org/sites/default/files/uploaded-documents/ADF/ADF9/adf_ix-issues_paper_4_-new_forms_of_partnership.pdf

⁴ BRICS refers to Brazil, Russia, India, China and South Africa.

Gabas and Tang (2014) note that North-South cooperation and its conditionalities are tainted by colonial legacy. Developing countries have by and large embraced the BRICS approach as it represents a departure from the donor hegemony that is associated with tied aid. The BRICS countries do not carry any colonial guilt and feel that they have a stronger affinity with developing countries that have been major recipients of development assistance from the West; Brazil, India and South Africa in particular were former colonies and bring in their experiences as major recipients of Western aid.

Carmody (2013), however, cautions that win-win globalisation and the South-South cooperation mantra disguises skewed power relations between the BRICS and developing countries, noting the high likelihood for the provider of the development assistance to act as a 'Big Brother'. Mhandara et al. (2013) reiterate this, and posit that much as some relations between aid-dependent countries and Western donors have often been described as cases of neo-colonialism, cooperation with BRICS countries can also easily degenerate into that status.

2.1. China accounts for over half of the BRICS' cooperation

China accounts for over half of the BRICS' cooperation (Muggah and Thompson, 2015) and is considered both less malleable, and a bigger threat for its unique political system, governance and economic might.

In terms of providing finance, China has been Africa's most prominent emerging partner, and Chinese enterprises have increased their trade and investment relations with African counterparts by a factor of more than ten over the past decade. The growing trade and investment relations are often supported by grants or as part of the country's "Going Global" strategy, which provides soft loans and other assistance to foreign investment projects by Chinese enterprises, particular in emerging markets.⁵ Chinese banks have been increasingly involved in providing financial services to facilitate trade and investment projects in Africa; the China-Africa Development Fund (CADF), established in 2007 by the China Development Bank (CDB), has a USD 5 billion equity investment fund to assist Chinese companies in expanding into Africa.

China's phenomenal growth offers an opportunity to boost development in African countries. It has become Africa's single largest trade partner - total trade between Africa and China grew from USD 10 billion in 2000 to approximately USD 210 billion in 2013, and Chinese FDI into Africa more than doubled between 2009 and 2012, from USD 9 billion to USD 21 billion respectively.⁶ The European Union and the United States nevertheless remain the largest trade and investment partners for many African economies. Additionally, OECD DAC members provide USD 36 billion in Official Development Assistance (ODA) to Africa (and finance the bulk of the additional USD 18 billion from multilateral donors). By comparison, China's aid to Africa (defined according to DAC criteria) is about USD 1.5-2 billion.⁷

The expansion of Chinese commercial activities in Africa has led to a shift in public policy from a narrow focus on trade and investment relations, to a broad range of development issues such as supporting Africa's attainment of the Millennium Development Goals, addressing climate change, food security⁸, energy security and epidemic diseases. Since Forum on China and Africa Cooperation (FOCAC) in 2006, a new cooperation model in agricultural sector has been implemented with the Agricultural demonstration centers in 25 countries in sub-Saharan Africa. This model is based on three pillars : aid, business and trade. China itself is going through a "development cooperation" learning curve; it is likely both that its aid coordination with traditional donors will increase, and that it will pay closer attention to the implications of its assistance for governance and the environment⁹. It is important for Africa to engage China in its consideration of development cooperation policies, to ensure that China's aid is effective and complements, rather than competes with, aid from traditional donors. Interregional competition between

⁵ China and Africa: An Emerging Partnership for Development? AFDB. Edited by: Richard Schiere, Léonce Ndikumana, and Peter Walkenhorst. 2011

⁶ Elling N. Tjønneland. 2015. "African development: what role do the rising powers play?" Norwegian Peacebuilding Resource Centre Report – January 2015

<http://www.peacebuilding.no/var/ezflowsite/storage/original/application/fa8aeed1b5911794106c324bf90d0e09.pdf>

⁷ By its own accounts in 2014, Chinese ODA to Africa for the period 2012-2014 was approximately USD 7.5 billion. Elling N. Tjønneland. 2015

⁸ Gabas J.J., Tang X., 2014, Chinese Agricultural cooperation in sub-Saharan Africa. Challenges preconceptions", available <http://www.cirad.fr/en/content/search?SubTreeArray%5B%5D=2&SearchText=perspective+n%C2%B026>

⁹ Gabas J.J., Ribier V., Synthèse des quatre études de cas sur les interventions de la Chine dans le secteur agricole en Côte d'Ivoire, Ethiopie, Sénégal et Togo. , CTA, CIRAD, septembre 2015

Africa and other commodity exporting regions with which China has extensive economic ties e.g. Latin America, emphasizes the importance of strengthening competitiveness and addressing structural challenges in Africa.

2.2. Brazil involvement with Africa - comparative advantages and strategies ¹⁰

Brazil is bringing in new perspectives on the benefits of modern agricultural development, and its accommodation of social movements in development cooperation has been applauded.¹¹

Brazil is presenting itself as a development partner (rather than a business partner) familiar with the development challenges of the South, including all of Africa, due to similar ecosystems. It is sharing its successes in biomedical and health research, agriculture and food security with Africa as entry points for furthering its foreign policy and as a means of gaining economic presence and securing markets for its manufactured goods.¹² Through the innovative research work of the *Empresa Brasileira de Pesquisa Agropecuária* (EMBRAPA), Brazil has become a foremost authority in tropical agriculture. With its machinery and agricultural research developed under similar conditions to Africa, the country presents its equipment as 'tropicalized technology'. The dominant narrative presented by the country is that its cooperation is an horizontal relationship between countries sharing common problems and development challenges.¹³

A major feature of Brazilian cooperation, distinguishing it from traditional donors and China, is that much less disbursement of cash is involved; De Bruyn (2014) presents Brazil as a source of 'inspiration' and China as a source of 'financial resources'. Agriculture has the largest portfolio in Brazil's cooperation programmes with Africa, and the major thrust of its technical cooperation is characterised contributing towards global development and food security through sharing knowledge and successful experiences (Farani and Arraes 2012).

Among the BRICS countries, Brazil made the greatest strides in poverty reduction and increasing food security (Oxfam 2010). With food insecurity rampant due to low agricultural production and a large proportion of the continent's inhabitants deriving their livelihood from agriculture, most African countries view Brazil's successful transformation of family farms as a model that can be adapted by them. Two prominent examples stand out in Brazil's successful response to food insecurity: the Zero Hunger programme and the *Programa Mais Alimento* which formed the basis of the *Programa Mais Alimento África* that also includes a credit line facility for African smallholder farmers to gain access to agricultural inputs, notably machinery and new technologies.

The strategy that Brazil has chosen, to promote itself as a world power of note, does not infringe on the interests of traditional donors, and indeed a significant portion of Brazilian cooperation is delivered under trilateral frameworks with traditional donors and/or international organizations to build synergies and maximize its limited funds.¹⁴

3. Triangular Cooperation

In tandem with south-south cooperation, triangular cooperation has also emerged as a global vehicle for the provision of development assistance, particularly as emerging economy and developing countries themselves seek opportunities to engage with traditional donors and each other, as partners in the delivery of development cooperation. In a 2012 survey on the state of play triangular cooperation by the OECD, three quarters of respondents – who included providers of development assistance, international organisations and developing countries – were said to be involved in triangular cooperation.¹⁵ Technical cooperation is the most common form of support provided under this framework, and the agricultural sector is among the key areas of intervention. The benefits that triangular cooperation presents vary, but

¹⁰ Zimbabwe-Brazil cooperation through the More Food Africa programme Langton Mukwereza

¹¹ Cabral and Oxley 2013

¹² Muggah and Thompson 2015; Patriota and Prerri 2012; Stolte 2012.

¹³ Cabral and Oxley 2013; Stolte 2012

¹⁴ Farani and Arraes 2012; Cabral and Weinstock 2010

¹⁵ OECD. 2012. Triangular Co-operation: What can we learn from a survey of actors involved? <http://www.oecd.org/dac/dac-global-relations/OECD%20Triangular%20Co-operation%20Survey%20Report%20-%20June%202013.pdf>

the knowledge or skills sharing and learning potential of working in a triangular partnership are major motivating factors. Additionally, it may be felt that a Southern country may have the best skillsets and technical means to provide another Southern country with assistance in certain domains.

The OECD (2012) defines it as “a partnership where one or more providers of development co-operation support South-South co-operation, joining forces with developing countries to facilitate a sharing of knowledge and experience among all partners involved.” The lack of a concrete definition or criteria for triangular cooperation is a major stumbling block to the collection of data on these projects, and the UN (2008) has brought attention to the lack of reliable data on triangular cooperation.¹⁶ This makes these partnerships and projects especially challenging to evaluate, replicate and upscale. Furthermore, the lack of data to substantiate the benefits of triangular cooperation, by comparison with North-South cooperation, has led to increasing scrutiny and some criticism about its impact.¹⁷ Information on financial contributions to triangular cooperation is especially weak.¹⁸

Ashoff (2010) highlights four risks that may arise from triangular cooperation: (a) lowering quality standards of development support or aid; (b) failure to align the assistance with the beneficiary countries’ needs, priorities, and strategies; (c) higher transactions costs to involve three partners as opposed to two; and (d) further fragmentation of the international aid architecture.¹⁹ Additionally, those countries or organisations which themselves are involved in triangular cooperation report coordination of triangular cooperation initiatives as the greatest challenge that they face.

Agricultural triangular cooperation has been facilitated by international organisations such as the United Nations Food and Agriculture Organisation. It has partnered with the Philippines to provide Pacific island countries with technicians and experts in relation to crops, water management, livestock and fisheries. It also worked with Vietnam on a project that benefited a range of developing countries, including Benin, DRC, Madagascar, Mali and Senegal, for the provision of over 50 experts and 326 technicians who contributed to programme management, monitoring and evaluation systems implementation demonstrating new technologies, and sharing simple Vietnamese tools.

Notable in terms of food and nutrition security is the **Haiti Food Security Project**, funded by Argentina in conjunction with Brazil, Canada, Spain and IFAD, whereby experts were trained in Creole with the aim of teaching Haitian women in the countryside how to strengthen food security.

In this regard, the regional dimension of triangular cooperation can be seen as a potential benefit from this form of cooperation over traditional North-South development assistance and it raises the opportunity for DAC donors to collaborate with, or provide assistance to countries or regions that may not have been part of their traditional roster of development partners or beneficiaries.²⁰ There is increasingly also the opportunity for the private sector to get involved, especially in terms of infrastructure investment and capacity building.

4. The way forward

The economic independence that African economies are gaining from globalisation can be sustained if countries draw up their own development policies and co-ordinate them at regional and continental level to better negotiate with their traditional and emerging partners.

¹⁶ UN Economic and Social Council. 2008. “Trends in South-South and triangular development cooperation” Background Study for the Development Cooperation Forum April 2008 http://www.un.org/en/ecosoc/docs/pdfs/south-south_cooperation.pdf

¹⁷ OECD DAC member countries submit annual reports on their ODA to the OECD DAC

¹⁸ The OECD survey on triangular cooperation found that only half of respondents could provide this type of information, either because they included it as part of a larger project or programme, from which it is difficult to disaggregate data, or else the type of assistance or technical support provided may be given as an in-kind contribution.

¹⁹ Guido Ashoff. 2010. “Triangular Cooperation: Opportunities, risks, and conditions for effectiveness”, Special Report Deutsches Institut für Entwicklungspolitik (German Development Institute) in World Bank Institute Development Outreach https://openknowledge.worldbank.org/bitstream/handle/10986/6081/deor_12_2_22.pdf?sequence=1

²⁰ OECD. 2009. “Triangular Co-operation: What Do We Know About It?” Factsheet (2009) <http://www.oecd.org/dac/dac-global-relations/What%20do%20we%20know%20about%20triangular%20co-operation%20-%20factsheet%202009.pdf>

In most development discourse, private companies are considered to give the greatest impetus to globalisation. The increased footprints of BRICS countries have been described as globalisation of state power, as their governments (rather than private companies) have been taking the initiative. The Brazil-Zimbabwe cooperation in agricultural mechanisation aptly illustrates this point, as negotiations have been spearheaded by governments, and the programme will be implemented by both the state and private sectors of the two countries.²¹

A key feature distinguishing the BRICS countries' cooperation from that of traditional donors is that aid, trade and investment are often provided in combination, with the boundaries between each of them often blurred. Engagement with the BRICS is often of a longer term with a bias towards visible 'hard' sectors (e.g. infrastructure and capital equipment). Developing countries have welcomed the aid thrust, as capital and infrastructure no longer feature prominently in the aid portfolio of traditional donors who are increasingly focusing on 'soft' interventions (education, health, capacity building and governance) instead.

It is instrumental for African countries to seek leverage in order to turn this burgeoning opportunity for collaboration and support from Southern partners into sustainable, broad based development, which targets poverty, unemployment, food security and structural transformation, these being key challenges the continent struggles with. Additionally, the issue of governance – both in the public and private sector – should not be overlooked, and therefore it is incumbent on both African countries *and* traditional partners to remain on board with development cooperation frameworks and policies that call for transparency, ownership and accountability in all development cooperation and related forms of collaboration.

In this regard, African countries and other developing countries benefiting from south-south and triangular cooperation, can look enhance the long term potential of this new dynamic in global relations by:

- **Linking regional integration** to so south-south and triangular cooperation, in order for the policies and networks driving regional trade to be able to benefit from additional investment, technical and other capacity building support and to also avoid the duplication of activities.
- Strengthening **monitoring, evaluation and feedback loops** to establish a clear picture of the types and scale of engagement, to promote transparency and to learn from past experiences.
- Supporting **private sector south-south and triangular networks**, in order to empower businesses, entrepreneurs and investors to establish mechanisms and terms of engagement that can catalyse their access relevant information, skills transfers, new markets, finance etc.

Objectives of the Briefing

To improve information sharing and promote networking, CTA, the DG DEVCO from the European Commission, the ACP Secretariat, Concord and various media organise bimonthly briefings on key issues and challenges for rural development in the context of EU/ACP cooperation. The Briefing on 27th October 2015, will discuss the key challenges and new opportunities to enhance South-South and Triangular cooperation. The Briefing will: i) review successes and the lessons learned from research and practice; ii) promote the exchange of information on best practices and drivers of success; iii) feed into the debate various perspectives on policy options.

Target group

More than 150 ACP-EU policy-makers and representatives of EU Member States, embassies of ACP countries, civil society groups, research networks and development practitioners, and international organisations based in Brussels.

Available material

Input and comments before, during and after the meetings will be included in the Briefings blog: <http://brusselsbriefings.net/>. A short report and a Reader in printed and electronic format will be produced shortly after the meeting.

²¹ Langton Mukwereza. Zimbabwe-Brazil cooperation through the More Food Africa programme. Future Agricultures. 2015. <http://www.future-agricultures.org/publications/research-and-analysis/working-papers/1946-zimbabwe-brazil-cooperation-through-the-more-food-africa-programme/file>



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Programme

8h00-9h00 Registration and Welcome Coffee
9h00-9h15 Introduction of the Briefing: *Isolina Boto, Manager, CTA Brussels Office*

Introductory remarks: *Patrick.I. Gomes, Secretary-General of the ACP Group of States; Bernard Rey, Deputy Head of Unit DEVCO/C1, Food security, rural development, nutrition EuropeAid, European Commission; Jean-Cyril Dagallier, Research & Strategy Directorate, CIRAD; Isolina Boto, Manager, CTA Brussels Office*

9h15-11h00 Panel 1: South-South and triangular cooperation: what do we know?

This panel will review the key challenges and opportunities in South-South cooperation in agriculture and the lessons learned from research and practice.

Panelists:

- Is there a Chinese cooperation model in agricultural sector in sub Saharan Africa?
Jean-Jacques Gabas, Senior Researcher, CIRAD
- Cooperation between Brazil and Africa on agriculture: best practices
Erich Schaitza, Expert, EMBRAPA, Brazil
- Working with China in the Pacific: prospects for trilateral cooperation
Denghua Zhang, Researcher, State, Society and Governance in Melanesia Program Coral Bell School of Asia Pacific Affairs, Australian National University
- Triangular cooperation and PPPs : the key role of the private sector
Jérémy Rubel, Senior Consultant. Gannibal Consulting, France

11h00-11h15 Coffee break

11h15-13h00 Panel 2: Best approaches & partnerships in South-South and Triangular cooperation

This panel will look at examples of successes in South-South and triangular partnerships across the ACP.

Panelists:

- Food Purchase Programme (PAA) in support of Food and nutrition security
Vincent Martin, FAO Representative, Senegal
- Best practices in South-South and triangular cooperation with Mexico
Carlos Cortés Zea, Expert, Mexico
- Triangular cooperation in support of conservation agriculture
Saidi Mkomwa, Executive Secretary, African Conservation Tillage Network, Kenya
- East-Africa-India cooperation : new opportunities for farmers in ICTs
Paul Thangatta, EAFF, Kenya
- South-South cooperation in the cashew industry in Africa
Mary Adzanyo, Director Private Sector Development, GIZ, (ACi), Burkina Faso

Conclusion
Networking Lunch