

Round-table and Interactive Dialogue

New Players on the Field: The Impact of Emerging Actors in Africa

11 October 2018

European Parliament, Room A3H-1

With security, migratory, and economic pressures rising in Africa and Europe, many analysts agree that a strong partnership between the two is imperative to the prosperity of both continents. In an ideal world, robust cooperation between the EU and AU could provide solutions to rapid demographic changes, irregular migration, and illicit financial flows, ultimately proving that multilateral cooperation and strong governance are the best solutions to global challenges.

However, as the two blocs prepare to reshape their relationship within the context of the upcoming post-Cotonou negotiations, current trends indicate that several obstacles may prevent this ideal from becoming a reality. The lackluster outcome of last year's AU-EU Summit showcased a limited capacity to agree to shared priorities, with institutional deficiencies, post-Colonial frustration, and empty rhetoric underpinning the lack of meaningful commitment.ⁱ

This delicate situation is further compounded by the increasing presence of new actors in Africa, such as China, Russia and the Islamic Development Bank, which have fundamentally shifted traditional power dynamics by diversifying sources of concessional finance, trade, and development aid - often with fewer conditionalities. Trade between Africa and China increased from \$3bn in 1995 to over \$200bn in 2014,ⁱⁱ and since 2010, China has been a more significant trading partner for Africa's 34 least developed countries than the EU.ⁱⁱⁱ

This rapidly shifting geopolitical landscape presents both risks and opportunities for future EU-Africa cooperation. Several studies show that emerging economies may be setting new norms for faster, unconditional financing without concern for human rights, debt sustainability, or inclusive growth.^{iv} In this regard, it is essential that policy makers more closely analyze the empirical impact of new FDI, trade, and aid flows on behavior at the national and sub-regional level.^v Conversely, these developments also present opportunities to identify new, innovative partnership approaches, such as reciprocal commitments for transparency reforms from European and African states.^{vi}

In light of these challenges and opportunities ahead, this round-table discussion will bring together a small group of 30 experts, EU officials, and civil society to develop pragmatic approaches to address the geopolitical obstacles facing a successful EU-Africa partnership. This discussion will not only consider how to strengthen the EU's competitive advantage, but also explore avenues for new partnership models, and potential collaboration with China and other regional powers.

Format:

Speakers will deliver brief opening remarks, which will be followed by an open, moderated debate between participants. All interventions should be kept as brief as possible to allow participants to constructively debate and build upon each other's ideas.

Draft Discussion Questions:

1) What concrete steps (such as improved project management, transaction expertise, and technical capacity building) should be taken to better ensure new sources of financing serve national and local interests in African states? How do needs, gaps, and appropriate responses vary on a country-by-country level?

2) Analysts widely concur that as Africa's population grows, it can trigger endogenous growth by manufacturing and consuming more of its own commodities. What types of investments and trade policies should be prioritized to support the continent's structural economic transformation and African-driven growth?

3) Where can the EU and African improve cooperation help strengthen national institutions, improve investment safeguards, and reduce corruption? How should this be integrated in the next EU-Africa partnership, the new EFSD+ in the next MFF, and the implementation of the new Africa-Europe Alliance for Jobs and Sustainable Investment?

Confirmed Speakers:

- **Ambassador Awad Sakine** - AU Permanent Representative to the EU
- **Ambassador Birgitte Markussen** - EEAS Deputy Managing Director for Africa
- **Ambassador Marc Otte** - Vice-President of the European Institute for Peace, Senior Associate at Egmont Institute
- **Prof. Xinning Song** - VUB, Renmin University of China

ⁱ BIC-RHR. (2018). "Lessons Learned from the 5th AU Summit." Available at: <https://www.bic-rhr.com/lessons-learned-from-the-fifth-au-eu-summit/>

ⁱⁱ Busse, M., Erdogan, C., & Mühlen, H. (2016). "China's Impact on Africa - The Role of Trade, FDI and Aid." *Kyklos*, 69(2), 228-262.

ⁱⁱⁱ Nowak, W. (2016). "The European Union's Trade with Africa and Latin America." *Economic and Social Development: Book of Proceedings*. 689-696.

^{iv} Kosiński, D., & Qian, S. (2014). New Friends, Old Friends? The World Bank and Africa When the Chinese Are Coming. *Global Governance*, 20(4), 601-623. See also: Tierney, M. J. (2014). Rising Powers and the Regime for Development Finance. *International Studies Review*, 16(3), 452-455.

^v Swedlund, H. J. (2017). Is China eroding the bargaining power of traditional donors in Africa?. *International Affairs*, 93(2), 389-408.

^{vi} BIC-RRH. (2018). "Chinese Engagement in Africa: Understanding the Risks and Opportunities for the European Union." Available at: <https://www.bic-rhr.com/chinese-engagement-in-africa-understanding-the-risks-and-opportunities-for-the-european-union/>