Potsdam Spring Dialogues 2010

External Shocks and Africa's Regional Organisations From Reaction to Prevention

16 – 17 April 2010

Conference Report

Introduction

Cooperation on the regional level is a chance for African states to meet the challenges of a globalised world and give weight to a conveyance of their interests at the international level. This has prompted African states to join together within the framework of the African Union (AU) and various regional organisations to enforce integration.

To what extent these regional cooperations can present effective answers and solutions to global problems such as the world economic and financial crisis or climate change was the topic at this year's Potsdam Spring Dialogues. The conference welcomed a number of representatives of African regional organisations and international experts on 16 - 17 April 2010 in Potsdam. Under the overarching theme of "External Shocks and Africa's Regional Organisations - From Reaction to Prevention" this event was again organised by the Development and Peace Foundation (SEF) together with InWEnt - Capacity Building International, in cooperation with the Renner Institute and the journal WeltTrends.

Apart from being the centre of attention during the expert talk, challenges of the global age affected the conference also in a rather practical aspect. Due to the suspension of European air traffic, owed to the volcanic eruption in Iceland, participants and organisers had to prove adaptation capacity to external shocks even in the literal sense.

Contents

External Shocks and Africa’s Regional Organisations

Reactions and Preventive Potentials

Dr Helmuth Markov, Minister of Finance and Deputy-Minister-President of the Land Brandenburg, welcomed the participants in the name of Minister-President Matthias Platzeck, to Potsdam, “the capital of tolerance” as he called it. Markov highlighted the established tradition of the Potsdam Spring Dialogues as well as the capability of the SEF to take up current discussions in the field of development and transform them into meaningful dialogue.

As the timeline to fulfil the Millenium Development Goals (MDGs) is elapsing, Markov reminded that “we need solutions more urgent than ever”, underlining the importance of development on the African continent in order to reach the MDGs. Considering the role of the European Union in Africa, Markov also shared his doubts about the Economic Partnership Agreement (EPA) in terms of the gains for African development as opposed to the open-market entry EU countries profit from.

Regarding the significant impact of the economic and financial crises and climate change on African countries, Markov remarked that “despite being less integrated in the global financial system, the `contamination´ of African countries still happens indirectly.” Indicators would be the lack of direct investments, the decline in growth and the accumulation of debts. “The challenges are immense”, he concluded, affirming nonetheless his hope for effective questions and sustainable answers, in view of the large group of experts assembled in Potsdam.

Plenum

The chair of the introductory panel, **Professor Siegmar Schmidt**, Director of the Political Science Department at the University Koblenz-Landau, also expressed his appreciation for the timeliness of the conference. Raising the question whether there would be a real chance for the Regional Economic Communities (RECs) to cope with the shocks generated by the present crises, Schmidt noted that “there is effectively more than one external shock.“ The various shocks would therefore “ask for different sets of responses.” He pointed out that the crises so far had had no effect on the political stability of African states. “And yet, climate change is a question of survival for African countries”, Schmidt exhorted and concluded with a number of pressing questions, stressing particularly the role of Germany and the EU in terms of giving support to African countries in the time of crises.

Helmuth Markov

Swift reaction by African heads of states and governments

In his keynote contribution, **Djimadoum Mandekor**, Senior Economist at the African Union Commission, underlined the rapid reaction of African states to the economic and financial crises. He highlighted the meeting of African Ministers of Finance, Economy and Planning in Tunis, convened by the African Union Commission (AUC), the African Development Bank (AfDB) and the United Nations Economic Commission for Africa (UNECA) in November 2008 already. The joint declaration issued after the meeting affirmed the determination to adhere to the macroeconomic stability as a result of the reform process launched in the late 1990s and to continue harmonising the monetary and budget policies. The African Ministers also considered the lessons learnt from the accumulation of crises: the strong dependence of African states on commodities and natural resources and the need for diversification of production structures, which had been proven by the most versatile economies in Northern and Western Africa that performed much better than other less diversified countries.

Mandekor recited the appeal of African Ministers towards the leaders of developed countries, calling for implementation of the Doha round, increase of resources for African countries as well as a reform of the international financial system. Furthermore, he added that "Africa should have a say as a whole in the Bretton Woods institutions, not only South Africa." The measures adopted by the G20 should finally be implemented, he stated, referring to the example of a suggested sale of gold reserves retained by the International Monetary Fund (IMF).

In the following, Mandekor called for an acceleration to establish African financial institutions to streamline macroeconomic policies between member states of the AU. In this context, he mentioned the African Monetary Fund, set up by the Abuja Treaty of 1991 as well as the much hoped for launch of the African Investment Bank. Explaining the higher level of integration by means of joining resources, Mandekor acknowledged the importance of intra-regional trade to cope better with future external shocks.

The post-Copenhagen obligations

Regarding the climate shock, Mandekor frankly called the Copenhagen summit negotiations (COP 15) a "disappointment for Africa." "The costs for the adaptation to climate change are enormous for African states", he declared. Drought in particular is a crucial threat, because African countries depend immensely on agriculture and risk to see their agricultural production be cut by 50 %. Therefore, Mandekor pointed out the potential of the New Partnership for Africa's Development (NEPAD) environmental plan, comprising a US $ 2 billion environmental investment plan for adaptation to climate change.

Calling for more joint activities to enhance capacity-building in Africa, Mandekor highlighted the 'Green Wall Sahara Initiative', launched by the UN Food and Agriculture Organisation (FAO) in collaboration with the EU. Another project favoured by the AU was the cooperation with Germany in the field of solar energy (DESERTEC) in the Sahara region.

"But the insufficient availability of funds and techniques constitutes an essential obstacle for adequate mitigation and adaptation to climate change in Africa", Mandekor resumed. In this regard, the quick launch of the Copenhagen 'Green Fund' and the allocation of resources by various donors on a voluntary basis were fundamental. He further alluded that "Africa considers indemnification by the big polluters for the environmental damage occurred as imperative." In conclusion, Mandekor explained that only a united Africa could absorb these external shocks and insert itself into the wheelwork of the global economy.


Djimadoum Mandekor

A strong, united Africa as prerequisite

Due to the restricted travel conditions, the participation in the Potsdam Spring Dialogues was not possible for **Thomas Albert**, Director of the Africa Department of the Federal Ministry for Economic Cooperation and Development. His speech, which was read out in absence, criticized the tendency to underestimate the potential of the African continent. On the contrary, Albert stressed the achievements in macroeconomic consolidation made by African countries in the last decade as well as the remarkable resilience. Furthermore, he highlighted the extremely fast and consensual reaction of African states to the economic crisis and climate change. Not least of all, Albert acknowledged the strong common platform prepared by African heads of states and government in the run-up to COP 15. In his view this was vital to reach a consensus on the target to limit global warming to below 2°C. Finally, Albert identified a number of existing challenges of African RECs, such as the relatively low degree of intra-regional trade, the need for a strengthened identification of regional policy measures on the national level as well as the expansion of capacities of African RECs to react proactively to external shocks. In his conclusion, Albert reiterated the need for a strong, united Africa as well as the wish to achieve the vision of the African Union of an Africa integrated, prosperous and peaceful.

Weak trade balance and the crux of growth rates


Siegmar Schmidt

In the subsequent plenary discussion, chaired by **Professor Siegmar Schmidt**, the aspect of the weak intra-regional trade balance of African states was a central topic. In response to the speech of Thomas Albert, **Mandekor** gave an example of the initiative launched in October 2008 by the Southern African Development Community (SADC), the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) to build a preferential trade area connecting the regions and thereby tackling the problem of overlapping membership. "This is a major step towards a single market and general consolidation of existing RECs", Mandekor underlined. **Abdul-Kadir Bin Rimdap**, Ambassador of the Republic of Nigeria to Germany, drew the attention to the high amount of informal trade that is not recorded by statistics. He further deplored that the Economic Community of West African States (ECOWAS) had been completely diverted from its initial objective of economic cooperation: "It was hijacked for political problems", he stated. **Professor Lambert N'galadjo Bamba**, Commissioner of the Macroeconomic Policy Department of ECOWAS replied to him by stressing that "ECOWAS is currently being brought back to its roots." Now that the major political conflicts in the region had been solved, Bamba assured that ECOWAS could be again oriented towards economic issues.

To the general objection that the impressive growth rates in some African countries would not be in line with the African demand for higher levels of Official Development Assistance (ODA), **Mandekor** replied that a growth rate of currently 2% (African average) could not lead out of poverty for good, for it would need at least 7 %. "Vulnerability is persisting, because there is no increase in the individual purchase power." **Sadwick Mtonakutha**, Senior Programme Officer at the Macroeconomic Policies and Convergence Department of the Southern African Development Community (SADC), seconded this opinion and asked whether the economic growth had achieved something in Africa. "An average growth rate of 7% minimum before the crises has also not generated employment so far."

According to **Dr Henning Melber**, Executive Director of the Dag Hammarskjöld Foundation in Uppsala, the crucial question is not reduced economic growth, but "economic growth for whom?" Governments and elites have to be made accountable. Melber especially underlined the importance of translating growth into welfare. **Bamba** agreed that growth alone was not decisive, the problem for him was rather that there are "weak retention capacities of Africa's wealth and that is why poverty continues."

Foreign investment in agriculture


Peter Lock

Dr Peter Lock from the European Association for Research on Transformation (EART) in Hamburg drew attention to the disastrous effects of foreign land tenure in Africa, where he saw a huge potential for future social conflict." Lock elaborated that "foreign agricultural investments will provide no employment for the African rural population." **Mandekor** conceded that the economic structure of most African states relies heavily on agriculture and raw materials. He suggested a shift to the refinement of raw materials. "Thus the quality of training could be improved, people could be made more employable and develop the private sector", Mandekor added. Concerning the question of land tenure, he noted that this phenomenon had already caused political upheaval, e.g. in Madagascar. "There is only one way to solve the problem: we have to bring the people together ", Mandekor recommended. "Foreign investors must take into consideration the problems of local communities". The same was true for the extractive industry. It should be a source of capital for the local population, so that there would be employment of locals instead of workers from abroad or other African regions, he added. **Bamba** stressed the problem that "Africa is the only continent where soil as such does not have a value." The conflict, according to him, plays out between traditional (customary) land law that is based on heritage and loan and modern law, based on acquisition of private property.

Jean-Christophe Hoste from the Egmont Institute in Brussels remarked that with South Africa being the 12th largest carbon emitter worldwide, Africa has among its own ranks a big polluter, too. His question whether Africa missed taking the lead in the field of sustainable energy was affirmed by **Mandekor** who recited the classic dilemma of emerging economies: "development or protection of the environment?"

Siegmar Schmidt, Djimadoum Mandekor

Overlapping memberships – the problem of coordination among RECs

Ahmada Ngemera, Ambassador of the United Republic of Tansania to Germany, broached the problem of overlapping memberships of African RECs and asked what the AU is doing to coordinate the activities of different RECs. "There is a dialogue taking place in Potsdam, but is there also one taking place in Africa between the AU and RECs?", Ngemera wondered. **Mandekor** replied by giving examples of coordination conferences on a regular basis between AU, AfDB, UNECA and the RECs. **Bamba** endorsed this by citing the example of the ECOWAS intergovernmental forum for the consultation of regional and subregional organisations in West Africa.

Ahmada Ngemera

Professor Schmidt eventually addressed the possible impact of the Euro crisis on Africa. **Mandekor** argued that a weak Greece would mean a weak Europe. Therefore he would favour an intervention by the IMF. "It is not a shameful act", he added. The African countries, according to him, were less affected by the Euro crisis, for many of them had independent currencies. "There are also alternatives to a single common currency in West Africa", Mandekor concluded.

Resuming the panel discussion, **Schmidt** noted that African states have reacted fast and effectively to the economic and financial crisis, less so to climate change. "The strong AU reaction taking the lead role to handle the financial crisis was surprising", he concluded, "and yet, there could still be more coherency within the RECs."

Regional Actions against the Climate Change Shock

Around 30 African countries have adopted National Adaptation Programmes of Action (NAPAs). The costs for mitigation and adaptation are high and answers to questions concerning the sources and allocation of funding are pressing. Cooperation at the regional level is still in its infancy and little is known at present about the specific regional impacts of climate change. This panel primarily dealt with reactions to climate change from a scientific point of view, with Dr Youba Sokona, Executive Secretary of the Sahara and Sahel Observatory (OSS) in Tunis, as regional expert.

Adaptation not without mitigation

Dr Youba Sokona presented to the panel acute problems African states face in the context of climate change. He called for an approach that contains concerted and differentiated actions in order to respond to the climate shock. "Adaptation is a matter of survival for Africa", he reiterated and underlined that every adaptation effort should be contextual and driven by local, national and regional agendas. Sokona called for new types of institutions and systematic surveillance as a prerequisite for planning. In addition, he urged "not to lose time to counter the impacts of climate change in a proactive way". Explaining the stakes and challenges for the OSS area, he dwelled on the water agenda, with a focus on transboundary groundwater resources.


Martin Janata

Sokona mentioned three illustrative flagship aquifer projects in the region (North Africa (NWSAS), West Africa (IAS) and East Africa (IGAD)). Thus, he presented the effectiveness of environmental management systems, which involve long-term monitoring, early warning systems as well as evaluation-of-action programmes. He underlined that local and earth observation systems in the region are based on a network of 30 certified observatories, managed by OSS and ROSELT (Long Term Ecological Monitoring Observatories Network). They deal with knowledge generation and management to issue recommendations for land and water governance. "The burning issue is that the implementation of national and regional adaptation strategies has been hampered by the constant lack of financial, personal and technical resources in Africa", Sokona pointed out. He argued that these insufficient resources contrasted with the widely-recognised competence of the OSS. "It is difficult to attract, motivate and retain competent experts", Sokona deplored and resumed that there should be impetus to bring together institutions and funding, "because with adequate resources we can make better efforts to raise awareness."

Regional vs. national adaptation measures

Professor Richard Odingo, former Vice-Chair of the Intergovernmental Panel on Climate Change (IPCC) and now lecturer at the University of Nairobi, was also absent due to the adverse weather conditions accompanying the conference. Therefore his speech was read out by the panel chair, **Martin Janata** from the Department of European and International Politics at the Renner Institute in Vienna.

In his contribution, **Odingo** underlined that Africa is not responsible for causing climate change and therefore cannot be hold accountable for mitigation measures. He argued that there was a crying need for institutions dealing rather with adaptation than with mitigation. Odingo singled out the problem of drought as a major shock that requires immediate attention and presented a list of African Drought Monitoring Centres, such as ACMAD (African Centre for Meteorological Applications and Development), which provide climate information. He then illustrated in his speech the exemplary case of the Intergovernmental Climate Prediction and Applications Centre (ICPAC), an institution that covers the field of information, early-warning as well as active adaption concerning the impacts of climate change. Odingo saw the secret of its success in a close collaboration with local universities, an approach that should be attempted throughout Africa. In the conclusion of his speech, he endorsed national rather than regional solutions and stressed the need to influence governments on the sub-regional level in order to work on National Action Plans (NAPAs) to tackle mitigation and adaptation on a long-term basis and to provide for adequate, robust infrastructure.

During the following panel discussion the question was raised by **Dr Michèle Roth**, Executive Director at the Development and Peace Foundation, and **Dr Henning Melber** whether solutions dealing with adaptation to climate change should be state focused (Odingo) or regionally pooled (Sokona). In a similar vein, Melber agreed with Sokona that climate change is a regional problem, but at the same time he noted that "ownership at the state level is necessary." Taking the example of the transboundary water issue, Melber predicted conflicts in the near future, for "regional interests will stand against narrow national interests." In his reply, **Sokona** differentiated between mitigation and adaptation, stressing that "adaptation in particular is contextual." Taking the example of transboundary water issues he explained the varying importance for each state. In some regions there was a lot of surface water and in others the ground water was the prevailing issue. The knowledge brought to the stakeholders by OSS would be, according to Sokona, to some degree focused on national and to some degree on regional adaptation.

Bernd Kuzmits, Research and Programme Coordinator at the Development and Peace Foundation, questioned the 'project-related-thinking' concerning funding. He was interested in the question whether ROSELT was also subject to project circling. By confirming the need and the justification for measurement and monitoring systems, **Sokona** indicated the possibility of donor fatigue, "in case countries feel that climate issues are not that important." He also complained that RECs had little interest to implement such networks.

Diverging interests in Africa

Melber raised the question of how to deal with diverging interests of African states. States that do not abide by environmental standards, such as South Africa as a major carbon emitter or oil-producing Nigeria whose petrol industry is putting strain on the ecosystem of the Niger Delta, have different strategies of how to cope with climate change compared to the least developed states that emit less and therefore pursue different interests. "There is a need for institutions that are able to face these 21st century problems", **Sokona** said in his response. He further elaborated that the regional agendas would have to be updated to take note on how Africa could develop joint strategies and speak with one voice in its reaction to the climate shock.

Concerning China's role, **Sokona** assumed that a G77 including China could be a strength and a weakness for Africa at the same time. "China can support Africa to express its voice internationally, but it can also be a hindrance for African states in terms of ignoring African interests." The problem of the Copenhagen Summit, Sokona argued, was that the Sudanese President, who led the G77 delegation, did not speak on behalf of African states, but on behalf of G77, dominated by China.


Youba Sokona

Comparing the situation within EU and AU, **Melber** argued that "the EU is far from adopting a comprehensive position in all areas either." The problem of the AU is another; the membership does not give it a common denominator when it comes to issues like climate change. In addition he questioned how "the big cake of funds associated with climate can best be distributed among African countries."

Sokona objected to the idea that the focus should be on specific challenges and not on common positions. "We have to start working on the allocation mechanisms of financial resources", he urged and underlined that "if you put 100 billion on the table for adaptation measures in Africa, there are not many countries that can make quick and efficient use of it."

Responses of African RECs to the Economic Shock

The afternoon panel focused on the responses of African RECs to the economic shock. Pressing problems that determine winners and losers, such as food and energy shortages, questions concerning land tenure and unemployment were in the centre of the panel discussion.

Effects of the crisis

After a brief introduction by the chair of the panel, **Albrecht Ansohn**, Director of the Development Policy Forum of InWEnt - Capacity Building International, Germany, **Professor Lambert N'galadjo Bamba**, Commissioner of the Macroeconomic Policy Department of ECOWAS, pronounced the most pressing issue. Indirect effects of the economic crisis, he asserted, became evident in the sinking international demand for petrol and agricultural goods, which belong to the most important export commodities of ECOWAS states. Other indicators, he added, were the drop of foreign direct investment in the region, declining contributions to international development cooperation as well as decreasing remittances from ECOWAS citizens living abroad. "And yet, the impacts of the global crisis are felt directly by the population."

Albrecht Ansohn

In order to tackle the pressing energy issue, Bamba indicated that there was firm collaboration between ECOWAS and China in terms of developing the electricity infrastructure in West Africa (involving the construction of four electric power stations and one dam). In terms of responses to the food crisis, Bamba highlighted the example of the rice forum, held in October 2008 in Mali in cooperation with the AEC (African Economic Community) to draw up a road map for rice production on a commercial basis in the region as well as rice investment plans.

Towards a monetary integration in West Africa

Leading over to ECOWAS' responses to the financial crisis, Bamba emphasized the swift reaction of the Central Banks and the launch of a "Strategic Monitoring Committee" consisting of ministers of economy and finance and other important actors to produce regular economic reports. He stressed the importance of accelerating the monetary integration: "We finally want to realize the macroeconomic convergence between our 15 member states in order to introduce a single currency." In order to attain a greater degree of regional integration, he acknowledged infrastructural development to be indispensable, mainly in the fields of energy and transport. Presenting the ECOWAP (Agricultural Policy in West Africa), Bamba resumed the positive synergy in the national-regional cooperation and acknowledged that the crisis was an occasion to foster cooperation. "The EU remains the point of reference for ECOWAS", but there would be reason to worry, he said. Referring in particular to the Economic Partnership Agreements (EPAs), Bamba criticized the fact that the EU was insisting on a single framework for partnerships and trade agreements, also in relation with other partners who wish to intervene in the region.

Macroeconomic implications and mitigating policies

The fact that Africa has been hit by several, partly interleaving crises, was also emphasized by **Sadwick L. Mtonakutha**, Senior Programme Officer at the Department of Macroeconomic Policies and Convergence of SADC. "Preceding the world economic crisis there was a dramatic rise in food and fuel prices as well as power shortages", he pointed out emphasizing that it led to rising inflation and exhaustion of reserve margins. Mtonakutha elaborated: "Given the close relationship between power consumption and economic growth, electricity shortages inevitably limited growth potential in the region." He especially drew attention to the many layoffs in the manufacturing sector due to interrupted production. With regard to the financial and economic crisis, Mtonakutha noted, that the SADC region was mostly affected by a more pronounced second round of consequences in 2009. "The growth rates in the following slowed down, but remained positive in most member states", he declared pointing out in return that external balances were still deteriorating and public debt was on the rise (but not more than 60 per cent of the GDP in average).

Sadwick L. Mtonakutha

Explaining some of the measures taken to mitigate the impact of the crisis on the SADC region, Mtonakutha mentioned that there had been agreements between ministers to expand fiscal policies whilst rationalizing government budgets as well as tax relief for critical companies to save employment. Part of the lessons learnt from the crisis, according to Mtonakutha, was the recognition that states with considerable financial reserves and surpluses were capable of taking fast and effective countermeasures. He also underlined that prudent macroeconomic reforms had contributed to master the crises effectively on the national level.

Furthermore, there would be a need to step up issues of climate change into the macroeconomic policy and planning area, because of the presumed indirect causal chain. Regarding EU involvement, Mtonakutha mentioned the problem of funding procedures and stated: "SADC states do not have the capacity to absorb and neutralize big amounts of funding money on time". Concluding his speech, he called upon African states to shift their focus from mere reaction to more self-dependent and preventive action. "Most importantly, we have to ask ourselves if and which changes generated by those external shocks are going to stay with us."

Agricultural productivity and regional integration

In his commentary to the preceding presentations, **Dr Detlev Puetz**, Principal Evaluation Officer at the Operation Evaluation Department of the African Development Bank (AfDB), highlighted two important points: agricultural productivity and regional integration. Firstly, he drew attention to the fact that the real problem prior to the economic crisis was not the decrease of commodity prices, but the increase of prices. As a result there was a clear distinction between winners and losers of the situation. Petrol-producing states such as Angola profited from rising prices, whereas agricultural-oriented and countries depending on import of commodities faced a much harder lot. "On top of this, many of these are small, land-locked countries with hardly any access to markets", Puetz explained by referring to a study published by the AfDB and IFAD (International Fund for Agricultural Development) dealing with reasons for food scarcity. According to this evaluation, regional integration would be essential for agricultural productivity, because it entailed improved infrastructure and provided for transboundary action, which is much needed to manage more effectively the exploitation of natural resources and the fight against diseases. "Many African problems can be reduced to sheer implementation issues", Puetz reasoned. "African politicians are suspicious about recent initiatives as they discern them to be too much externally driven." An example, according to him, was the NEPAD's Comprehensive Africa Agriculture Development Programme (CAADP). "There is no alternative to an enhancement of regional integration in Africa," Puetz affirmed and underlined the need for awareness-rising on the regional level, especially with politicians who would still think too much in national structures.

Detlev Puetz

Another part of the problem, according to Puetz, was the complex relationship with member states who tend to complicate the procedures. A typical example, he quoted, was the strong objection to AfDB regional offices. "As a consequence there exist only national offices presently", Puetz emphasized. "Regionalism so far is not in the hearts. The main impetus in the past was about how to grab power within the region – not to identify with it." However, he maintained that it needs symbolic actions to enhance regional peace and harmony, "Great statespeople do great gestures", he quoted and alluded to Willy Brandt in Warsaw, Assad in Israel etc. But in Africa regional elites are neither as much legitimized nor accepted by the people as for instance popular artists that are known and appreciated across countries and regions.

Correlation between crises

In the ensuing discussion, chair **Albrecht Ansohn** commented on a presumed correlation between food and energy crisis and the financial crisis. **Bamba** replied that the food crisis was not yet over and hence African resources to respond to the financial crisis were limited. "We do feel the second-round effects of the financial crisis, despite being decoupled from the world market."

Kramo Akissi Bony Assoua, Councellor from the Embassy of the Republic of Côte d'Ivoire, asserted that currently the real problem of Côte d'Ivoire was the decline and fluctuation of prices for raw materials. "EU subsidizes raw materials and agricultural products – that is a huge problem for the African economies." The issue of price fluctuations, **Puetz** replied, needed to be addressed with appropriate policies to cushion the effects of global price developments. "Single countries, like Côte d'Ivoire cannot act entirely on their own; the region has to react in unison." **Bamba** in turn deplored that producers of raw materials have no weight on the world market, where the big multinational corporations determine the conditions.


Kramo Akissi Bony Assoua

Thorsten Vogl, German Representative at UNIDA, asked about the role of the micro-economy. Especially the informal sector would be of major importance for lending money. "Through loans this sector supports 'micro-companies' and can thereby help to diversify the revenue sector," he suggested.

Dolly Afun-Ogidan, Research Assistant at the European Center for Development Policy Management (ECDPM), agreed that the informal trade processes are usually not taken into account. Asking **Puetz** about the implementation of multi-donor trust funds, she raised the problem of ownership. "Why are these funds, which could create a sense of ownership, not supported by the AfDB?" In response, Puetz clarified that each organisation, the AfDB included, needed to be selective and had to set priorities. "AfDB decided not to support specific sectors, because it does not have a strong sector focus." However, he continued, that AfDB supports development corridors, bearing in mind that "it is a relatively small player in this field that has to be cautious in terms of funding."


Jean-Christophe Hoste

Traditional vs. new partners

Jean-Christophe Hoste recurred to the previous topic on cooperation with China in the field of energy infrastructure and asked for details about the Chinese conditions regarding the deal. In his response, **Bamba** asserted that ECOWAS had to compensate the region's power deficit. With the EU, he elaborated, it was a long process to bring a project on its way - up to five years from draft to implementation. "China simply offered us a faster solution, after five months the construction was already started." Bamba acknowledged that China obviously had its own interests. Traditional partners would have to change their reaction schemes, otherwise new partners like Brazil or China came in, he declared.

Amplifying Africa's Voice in Emerging Global Fora

How can African states better accentuate their proper interests in international fora? This question was in the centre of the concluding panel of the second conference day chaired by Dr Henning Melber.

The need for an 'African middle class'

The keynote contribution was delivered by **The Right Honourable Paul Martin**, Former Prime Minister of Canada, who is active in different committees and boards on African affairs. In his speech, he put the main focus on two burning questions: first, why African influence was lacking on the international stage and second, what the EU could do to assist Africa. Martin started off by stating that the domestic governance problems and continuing poverty of the people prevented Africa from achieving its deserved place in world politics. "It is Africa's biggest weakness that it lacks an effective middle class that can hold the governing elites to account," he stated. To illustrate the need for regional cooperation, Martin gave an example of the China-Africa summit in 2007. "One man (Hu Jintao), representing over 1 billion people, faced 48 leaders representing Africa." Bearing in mind that until 2030 China's population would flatten out and Africa in turn would have about 1.5 billion people, he underlined that Africa had to seize its chance. Martin further affirmed the need to build on the existing RECs and to reduce overlapping memberships. But he also pointed out the obstacles, one of which was Central Africa that could not rely on a functioning regional economic community. "Also, the dialogue between the RECs and the Pan-African institutions must be mainstreamed as well as the private sector incorporated", Martin insisted.

Paul Martin

European Union – a model of integration?

Addressing the EU, his opinion was that it should take the lead in consulting African countries regarding transition funding. Taking the EU as an example, he stated that weaker countries should be supported and compensated during the integration process. As for the allocation of transition, his opinion was that the AfDB had to take a decisive role together with wealthier African countries, "and then the EU and private sector initiatives will come in." Martin continued to list a few inevitable measures the EU should support, such as the construction of transmission lines, e.g. in the context of the Inga Dam project in the Democratic Republic of Congo. He further pointed out that larger African states had foreign exchange reserves that were best to be invested in these kinds of projects.

"Europe should give Africa the benefit of its experience", Martin encouraged, "for example with respect to the creation of a common market, regulations how to fight tax evasion etc." However, he reminded that Europeans should acknowledge that Africa is not Europe. Addressing the Africans in turn, Martin urged that "a simple institutional transfer does not work." He referred to the emulation of institutional equivalents like the European Commission and suggested instead "to take the intergovernmental way of integration, which means a step-by-step approach."

Switching to climate issues, Martin noted that "Africa's position in Copenhagen should have been straightforward and strong, because unlike many other states it is not a cause of climate change." Consequentially, Africa would be entitled to compensation in order to mitigate and adapt to climate change. Instead, Africa had barely been noticed at the Copenhagen climate negotiations. He ascribed this first, to a lack of coordination among African leaders prior to the conference and second, to a lack of African environmental expertise and scientific skills set at its universities.

"African positions continue to be hidden behind China's in the G77." Especially regarding climate change, Martin asserted that China's interests contrasted with African interests. He exemplified the need to elaborate pan-African positions and have them represented by an African lead negotiator of international stature. "Also, Africa should insist on greater respect", he underlined. "One should not underestimate the increasing influence China as well as India have on Africa. "The West tells a lot to Africa, but it has less time to listen to the Africans", Martin concluded.

Rich continent, poor populations

The first one to deliver his comments on Paul Martin's speech was **Professor Lambert N'galadjo Bamba**. He stated that Africa itself was not poor, but that the African people were. He therefore agreed with Martin that a stronger middle class was essential in order to put more pressure on governments. "Africans must be convinced that the African continent is rich, Africans just do not know how to harness the wealth." He also emphasized the implementation of social security structures to relieve the working people. "These structures could give rise to a new middle class in Africa", Bamba added.

Lambert N'galadjo Bamba

With regard to the role of the EU, he supported the idea of transition funds, but argued in favour of a compensating mechanism for smaller countries, which otherwise would be neglected. As a consequence, he recommended that this mechanism should be institutionalized, backed by an EU contribution. Concerning the common African voice, Bamba deplored: "The same African countries continue to be in the position of beggars and therefore are obliged to compete for international funding and donors among each other." He pointed out the problem of the 'absorbing states' that should be taken into consideration by donors.

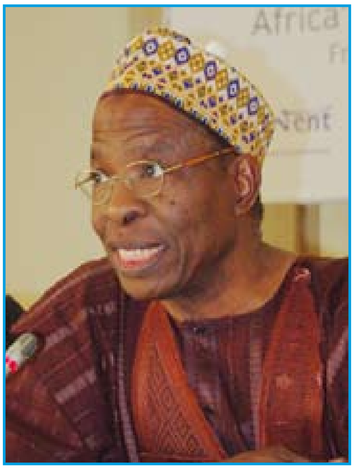
Challenging the African position

The suggestions expressed by Paul Martin were also commented by **His Excellency Adbul-Kadir Bin Rimdap**, Ambassador of the Republic of Nigeria to Germany, who outlined the enormous difficulties linked to the development of a common African position. With his statement "Africa is not one state", he emphatically pointed out the diversity and differences between African states, which made him question whether Africa would ever be able to speak with 'one voice'. Referring also to the Copenhagen Conference, Rimdap admitted that even within the Nigerian delegation, ministers were pursuing different interests. Concerning climate change, he made clear that OPEC states, such as Nigeria, had certainly different interests than Burkina Faso for example.

According to Rimdap, "African governments cannot do more, because most of them are dependent on the West for their economic development." He pronounced this dilemma even more directly, by stating that Africans would first need to free themselves from dependency. "What kind of voice do you expect from a continent where there is a lack of the rule of law, is a lack of basic freedoms, where education is lacking and ignorance is the rule?" Concerning corruption, he mentioned the fact that the big affairs were instigated by firms from developed countries, e.g. Siemens, Halliburton, Daimler-Benz.

Rimdap endorsed the point made by previous speakers regarding the problem of a missing middle class: "The African middle class has been eroded." One of the main reasons, he pointed out, were structural adjustment programmes induced by the IMF.

Finally, Rimdap stressed the responsibility of the European states, who as former colonial powers were particularly obligated to help Africa. He



Abdul-Kadir Bin Rimdap

explained that Africans would take grievance, because all their capital made in Africa went to Europe. As a result, "the people want to follow the money to Europe", which is creating the problem of migration, Rimdap argued.

Modes of integration

During the subsequent exchange with the panel experts, chaired by **Dr Henning Melber**, the exemplary function of the European integration process was a major topic. The European experience to start the integration process with a small number of states and to extend in accordance to the approach of variable-geometry could also be used in Africa, was the opinion of **Paul Martin**. "At the same time, European states illustrate the difficulties of regional integration", because in a number of instances individual interests were prioritized and no unanimous position was reached, he criticized.


Henning Melber

Regarding the interests of the EU, **Dr Youba Sokona** questioned them altogether: "Is it not in the interest of the EU to continue the situation as it is?" His criticism was directed against the general fail to consult African scientists. "During the Copenhagen Summit no African experts were invited, neither are they invited by African institutions and organisations." At the preparatory conference for Copenhagen in Kinshasa, Sokona had been the only African among numerous European scientists, he deplored. "Africans basically have not understood, yet, that climate change is a question of development and not only environment", he concluded.

Professor Siegmar Schmidt elaborated on the best approach for Africa's integration process and asked whether the federalist option of 'function follows form' or an initial focus on selective issues like the common market were preferable. "Problematic are spoilers, like Eritrea and Zimbabwe, who are not willing to give up any sovereignty", he pointed out and directed the question to the panel. "Is it realistic that countries give up sovereignty for regional integration?" **Martin** in turn claimed that the vision of regional integration was limited too much to the European concept. Furthermore, he stressed that his own concept for Africa would be strictly economic, targeting primarily the common market. "Asians are also creating economic unions, such as the Association of Southeast Asian Nations (ASEAN) and are going to leave Africa further behind", Martin predicted and inferred from it that Africa has no other choice but to integrate economically, "otherwise its small markets are unable to compete."

Strengthening the private sector

Dwelling on the joint EU-Africa strategy, which was no success so far, **Andrew Sheriff** from the European Centre for Development Policy Management (ECDPM), asked Paul Martin about designated issues on the next EU-Africa summit agenda. His colleague, **Dolly Afun-Ogidan** in addition asked how aid dependence on EU funds could be avoided and the influence of external voices be reduced. Regarding the EU-Africa summit, **Martin** expressed his hope that infrastructure would become a major issue.


Andrew Sheriff

In this context, Martin also stressed that there was a need for more involvement of the AfDB, primarily giving security guarantees to investors in the private sector, whose representatives were often alienated by the political risk in many African states.

However, he remarked that there should be no rush on the private sector without political stability, created by a common market, which first and foremost would include a coherent taxation system. Martin further warned that there would be a reduction in ODA capacities during the following years, for which African states should prepare. His advice was to build on the existing RECs and to "start small."

His Excellency **Ambassador Ahmada R. Ngemera** alluded that there should be more respect for African countries, noting that the EU tried to impose e.g. the abolition of tariffs on African countries. Picking up the keyword, **Thorsten Vogl** wondered whether European states in turn were ready to eliminate tariffs and subsidies. **Bamba** responded to Vogl that African wealth did not stay in Africa. "In the context of the current economic structure, large parts of the capital go out to other countries", he deplored. Furthermore, one important lesson was the need for coherence in terms of external support and regional integration. Bamba exemplified that "if a country like Burkina Faso is given external funding for something that counteracts integration, then ECOWAS has no means to compensate."

Bilateral relations between Africa and Europe

The final topic of the panel debate dealt with student exchange between Africa and Europe, as it is the young generation who will determine the relationship between the two continents. **Bamba** noted that many of his generation still went to Europe for study. The exchange was an important source of knowledge. "Today these student exchanges are stopped due to restricted EU migration policies – as a consequence African students no longer go to Europe to study, but to the US or Asia." This was a reason, he explained, "why Europeans no longer know Africans and vice versa." Together with **Rimdap**, he consequently called for more European scholarships for African students.

In his summing-up of the panel discussion, **Melber** reminded the participants of the Potsdam Spring Dialogues that Africa was trying harder than ever to reach a common position."The AU has put integration above sovereignty and this is a very important step." Melber also raised a few visionary questions, concerning e.g. a change in criteria for a seat in the UN Security Council. According to him, there should be a shift from economic weight to best practices, favouring those states that have governments for the people, governments that care for human development and rights. "Abiding exclusively by rules of hegemonic criteria is not advisable", he reinforced. An important ingredient for development was not only the existence of a vibrant middle class, Melber added, "but the existence of a patriotic bourgeoisie in Africa that invests into their own states and does not transfer revenues to foreign banks." He asserted that colonial bonds were not the predominant feature in African-European relations anymore. "Western influence is diminishing", Melber noted bearing in mind that besides China there were other powerful players, such as Brasil and India for example. He concluded the conference with an encouragement for Africans to seize the opportunity to become a global player.

Lambert N'galadjo Bamba, Paul Martin, Henning Melber, Abdul-Kadir Bin Rimdap

List of Acronyms

ACMAD	African Centre for Meteorological Applications and Development
AEC	African Economic Community
AfDB	African Development Bank Group
AFTZ	African Free Trade Zone
AMU	Arab Maghreb Union
AU	African Union
AUC	African Union Commission
CEN-SAD	Community of Sahel-Saharan States
COMESA	Common Market for Eastern and Southern Africa
EAC	East African Community
FAO	UN Food and Agriculture Organisation
ECCAS	Economic Community of Central African States
ECOWAP	Agricultural Policy in West Africa
ECOWAS	Economic Community of West African States
EPA	Economic Partnership Agreements
ICPAC	Intergovernmental Climate Prediction and Applications Centre
IFAD	International Fund for Agricultural Development
IGAD	Intergovernmental Authority on Development
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
MDGs	Millenium Development Goals
NAPAs	National Adaptation Programmes of Action
NEPAD	New Partnership for Africa's Development
ODA	Official Development Assistance
OSS	Sahara and Sahel Observatory
REC	Regional Economic Community
ROSELT	Long Term Ecological Monitoring Observatories Network
SADC	Southern African Development Community
UNCCD	United Nations Convention to Combat Desertification
UNECA	United Nations Economic Commission for Africa
UNFCCC	UN Framework Convention on Climate Change

Report on a conference organised by the Development and Peace Foundation (SEF) and Capacity Building International (InWEnt).

In cooperation with the Renner Institute and the Journal WeltTrends, and co-financed by the Federal Ministry for Economic Cooperation and Development

Author: Nadja Douglas
Editors: Bernd Kuzmits
Jacqueline Jaspert
Layout: Gerhard Süß-Jung

STIFTUNG ENTWICKLUNG UND FRIEDEN
DEVELOPMENT AND PEACE FOUNDATION

inwent
Capacity Building International
Germany

Federal Ministry
for Economic Cooperation
and Development

RI RennerInstitut

Welt Trends
Zeitschrift für internationale Politik