

Towards a Whole-of-Society Approach Patrick Develtere - Principal Advisor

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"A New Look at Development Cooperation: towards a Whole-of-Society Approach for the Africa-Europe's Twin Continent"

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With globalisation continuing to shrink the world and following decades of close cooperation between the 'twin' continents, **Europe and Africa are today closer than ever**. It is not just their economies that are deeply intertwined, but their very societies – not to mention their destinies given the shared challenges they face: be it climate change and biodiversity loss, demographic pressures, migration, security, strains on the liberal world order, or the resurgence of protectionism and great power rivalry.

In his final State of the Union Address in September 2018, European Commission President Jean-Claude Juncker announced the next stage in Africa – EU relations, with the launch of a **new Africa – EU Alliance for Sustainable Investments and Jobs**. This Alliance contains the ingredients for a **much-needed paradigm shift** aimed both at recalibrating what has historically been an uneven partnership so that both sides can equally **reap the benefits of the relationship**, and at **better equipping both continents to deal with and seize the opportunities that come with long-term structural changes**.

For this new Alliance to be a success, the traditional top-down view of development must give way to a **horizontal**, **networked model** in which stakeholders share common challenges and goals. In this model, the focus must not be only on weaknesses, but also on the **strengths and opportunities** of all partners – allowing for a **long-term**, **bidirectional**, **reciprocal**, **and mutually-beneficial partnership of equals**. Thus, aid can no longer be the alpha and the omega of North-South relations, but must be embedded in a **wider framework that includes investments**, **exchanges**, **training**, **trade**, **etc**. This framework must extend beyond governments, involving **societies and economies more broadly**, in a **whole-of-society approach** that involves an **ever-growing range of state and non-state actors** collaborating and co-creating development.

Disclaimer: the views expressed in this text are those of the author and do not necessarily correspond to those of the European Commission

Let us first look at the arguments to move to a new approach. I think we have to do it because the North-South framework in which our traditional development cooperation model was embedded has been replaced by a globalisation framework. This calls for a recalibration of our relation with Africa and for a different approach. Secondly, other actors such as China, Russia, Turkey and the United Arab Emirates have entered on the scene and have introduced completely different ways of partnering with African countries and stakeholders. With such a whole-of-society approach, the EU can truly differentiate its engagement with Africa from that of those new players.

A much-needed rebalancing act

Relations between the EU and Africa have for decades followed a traditional cooperation model in which Northern countries were thought to fill gaps – in terms of funding, expertise and technology – in the South. This model was one of an imagined vertical modernisation process in which Southern countries were all at different steps of a single path inevitably leading to the Northern model of development. Thus, cooperation efforts were focused on the perceived shortcomings to advancing smoothly along that path, and were unidirectional in nature, based on a donor-recipient relationship.

The approach has evolved over the years, under a succession of bilateral and regional frameworks and instruments (Figure 1), with Africa-EU relations expanding well beyond development cooperation to encompass trade and investment relations, environmental, scientific and academic cooperation, or broader cultural exchanges.

Cotonou Agreement EU-ACP Yaoundé Lomé, etc 2001 2007 2013 2015 2017 2019 Since 2000 2020 1963 Joint Africa-EU Agenda 2063 New Partnership 2030 Agenda for African Furopean Strategy (JAES) and AU-EU Sustainable for Africa's Consensus on Continental FTA Development Development Development (NEPAD) Summits Africa-EU Africa-EU Alliance Partnership for Sustainable Summit, Abidian Investment and Jobs

Figure 1: Key partnership frameworks between Africa and the EU

Source: European Political Strategy Centre

However, it is only more recently that Africa has truly started to be considered as a continent of opportunity, entrepreneurship and innovation, able to determine its own ambitions, based on its own strengths, rather than one in need of assistance and guidance.¹

In his 2018 State of the Union speech, European Commission President Juncker lamented that **the traditional approach to the EU-Africa relationship had been 'beyond inadequate, humiliatingly so'.** Indeed, despite significant progress, the partnership has still not succeeded in supporting sweeping change across the African continent, large parts of which continue to be plagued by a lack of access to decent infrastructure, extreme poverty, health pandemics, civil wars, and poor governance.

In effect, the relationship remains largely unequal. Despite Africa's strong growth – a combined GDP growth of 30% over the last decade,² the aggregate GDP of the EU27 economies in 2018 was still nine times larger than that of sub-Saharan countries.

While the EU27 accounts for 36% of Africa's trade in goods³ – Africa accounted for a mere 7.5% of total extra-EU trade in goods in 2016 – less than Switzerland's share alone.⁴ And, whereas Europe is the largest foreign investor in Africa, Africa's stock of foreign direct investment in Europe is approximately 26 billion euro – significantly less than Lichtenstein's stock of foreign direct investment in Europe.⁵

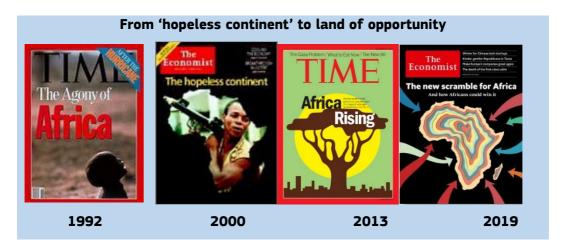
The imbalance is not just economic. More than any other continent, **Africa today faces serious ecological and health-related spill-over effects from Europe's development model**. This has been the case historically, but **even as Europe attempts to reduce its environmental footprint** as per the UN Sustainable Development Goals (SDGs), some of **its efforts have a detrimental impact on local environment and public health**. One prominent example of this is European exports of 'dirty diesel' containing hazardous concentrations of sulphur – and therefore unfit for European consumption – to Africa.⁶

At the same time, while according to UNESCO statistics the EU27 attracted some 166,000 African **students** in 2016, only around 2,900 EU27 students were enrolled in African universities. But the imbalances also go both ways: while Europe is home to more than 50 centres for African studies, only Egypt and South Africa host centres for European studies.

There is thus **ample potential to take the relationship further**; to update it to fit new global circumstances and the evolving ambitions of both partners; and to recalibrate it in a way that balances African and European priorities, thereby **giving new relevance to Europe as a credible partner for a vibrant, stable and prosperous Africa.**

A more crowded scene

While the EU27 and its Member States remain by far Africa's largest trade and investment partner and aid provider,⁷ **the massive long-term economic potential of the African continent is attracting a raft of new actors and investors** to the continent – most prominently China, but also Turkey, the United Arab Emirates, India, Russia, Qatar, Kuwait, Brazil, Indonesia, Thailand, South Africa – causing some commentators to talk of a 'new scramble for Africa'.⁸



The contribution of these new actors in terms of official development assistance (ODA) pales in comparison with that originating from the EU and its Member States. OECD estimates that the

above mentioned "new donors" collectively spend less than 25 billion USD in ODA (and the EU27 around 70 billion USD). However, this does not necessarily reflect the full extent of their growing presence on the continent.

Indeed, the financial flows stemming from these relative newcomers **do not always correspond to the OECD's formal definition of ODA**. Instead, much of their assistance to developing countries is accounted for under **'other official flows' (OOF)**, which are **not concessional but commercial in nature**. Not only is there a **scarcity of data** regarding such flows,⁹ but whether they constitute 'assistance' is also contested.¹⁰

China's overall 'development footprint', in particular, would be considerably larger taking into account available data on other official flows (OOF). This is because official development aid accounts for only roughly one fifth of its total spending flows to developing economies – the rest being in the form of commercial investments and loans.

Seven out of the ten top recipients of Chinese ODA are African countries, with Angola and Sudan as prominent recipients.¹¹ In fact, it is estimated that China has loaned over 144 billion US dollars to African governments and entities between 2000 and 2017.¹² And, in 2018, it pledged another 60 billion US dollars over three years to be spent on industrialisation, agricultural modernisation and infrastructure as a matter of priority.¹³

The scale of these loans – which may be cheap compared to market rates but still incur interest payments – is fuelling concerns of a possible new debt crisis to come, both due to the often limited repayment capacity of recipient countries, and due to the fact that many Chinese projects are not vetted for economic viability, but instead dominated by geostrategic, geo-economic or political concerns.¹⁴

While hardly a newcomer to Africa, **Russia has also been stepping up its presence on the continent**. While humanitarian and sustainable development goals feature prominently in Russia's development assistance policy,¹⁵ so do other objectives – the very first of which is '**to influence global processes**'. Another idiosyncratic goal is '**to strengthen the credibility of Russia** and promote an unbiased attitude to the Russian Federation in the international community'.¹⁶

Defence- and defence industry-related interests also appear to play a significant role in Russia's increased presence in Africa. Indeed, Russia has struck military cooperation deals with several African countries. In 2017, Russia sold twice as much weaponry to Africa as it did in 2012, at times **bypassing European arms embargoes** to some African countries.

Beyond defence, **Russia's interests in Africa appear to be in large part commercial** and span several sectors. In **nuclear energy** for instance, Russia has been since 2017 cooperating with Sudan and Egypt to build power plants.²⁰ Russia is also investing in **mining** activities and **hydrocarbon** projects across Africa (Figure 3).





Figure 3: Russia expanding its scope of activities in Africa

Source: Financial Times research, Sipri

Not only are these new or re-emerging actors scaling up their financial flows to the African continent and deepening their commercial relations, they have also been stepping up their diplomatic presence – with new embassies sprouting across the continent in recent years (Figure 4).

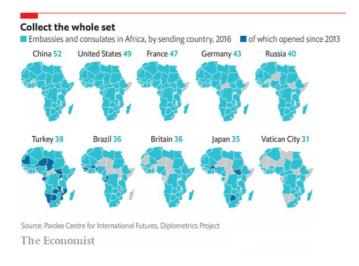


Figure 4: The diplomatic courting of Africa

Source: The Economist, Pardee Centre for International Futures, Diplometrics Project

Some are also mirroring French and British efforts to promote their respective culture and language. **China, for instance, boasts 54 Confucius Institutes in 38 African countries**. By comparison, *L'Alliance française* is present in 37 African countries, although more intensively (126 institutes). In 2018, *Rossotrudnichestvo* announced it would open **new Russian cultural centres in Africa**, among others.

'Principled aid': Ensuring development cooperation remains win-win-win²¹

As new donors emerge – but also with the recent rise of populism worldwide and ever-more squeezed government budgets – the idea of ensuring that development aid should be 'in the self-interest of the donor' has been gaining traction.

This not only represents a shift away from the prevailing view in past decades that poverty alleviation and global solidarity were ends in themselves, but it also tends to overlook the fact that development aid is, in itself, in everyone's national interest as it contributes to a safer, sustainable and more prosperous world.

This trend towards a more short-termist and unilateralist approach to development aid, concentrating on securing narrower commercial or geopolitical interests, can be observed not just among non-Western donors such as China, but also among a number of EU Member States, where the commitment to 'public spiritedness' has been withering.

The concept of 'principled aid' seeks to restore the notion that aid is, by definition, self-serving in the long-term, in particular in light of the growing number of cross-border, global challenges such as climate change, terrorism or migration.

The Africa - EU Alliance: a paradigm shift in the making

Against this backdrop, the EU has also been looking to update its already longstanding relationship with Africa.

As part of this process, the Africa – EU Alliance for Sustainable Investments and Jobs,²² proposed by President Juncker in his State of the Union Address on 12 September 2018, seeks to deepen the economic and trade relationship between the EU and the African Union through mutual investment and job creation.

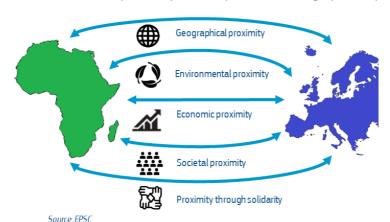
It does so by focusing on four pillars:

- Boosting strategic investment and strengthening the role of the private sector to create jobs: 4.1 billion euro worth of grants will be available under the External Investment Plan (EIP) between 2017 to 2020, for blending and guarantees. This is expected to leverage a total of 44 billion euro in public and private investments by 2020. The increase of dedicated funds for Africa from 32.5 billion euro in the 2014-2020 budgetary period to 40 billion euro in the 2021-27 period is expected to leverage even more funds and create up to 10 million new jobs in Africa within five years. Infrastructure investments enabled by these funds are expected to contribute to improved transport infrastructure to the benefit of some 24 million people, and access to electricity for 30 million people and businesses.
- Investing in people by investing in education and skills: the expansion of the EU's Erasmus+ should provide some 105,000 Africans with the opportunity to study or teach in Europe by 2027, and 750,000 more with vocational training for skills development. The Alliance also supports an African Union skills initiative aimed at developing an African continental qualification framework, and supports skills

- **development** at national level to match skills with each country's strategic development choices and labour market needs.
- Strengthening the business environment and investment climate through dialogue and cooperation with the African Union and financial support to business and investment climate reforms worth up to 300-350 million euro a year.
- Tapping the full potential of economic integration and trade: the Alliance supports the ongoing African continental free trade agreement negotiations, upon which, in the longer term, a continent-to-continent free trade agreement could be built. The Alliance also supports intra-Africa connectivity and strategic linkages between the EU and the African Union.

The Africa-EU Alliance differs from other countries' approaches to Africa in several key respects.

First, it is different in **scale** to other countries' engagement with Africa. This is both a consequence and a driver of the unique historical ties, geographical proximity, and interconnectedness of the European and African economies and societies, which other actors would find difficult to rival. Because the destinies of both continents are inextricably linked, the degree of mutual engagement is greater than it is with any other continent or country.



Africa and Europe: a unique and unparalleled strategic proximity

Second, it is different in its **duration**. Because Africa and Europe's futures are so much linked, they cannot afford to take a short-term approach to their relationship. It is a shared responsibility to deliver a better future for both continents. As the partnership becomes more oriented towards mutual interests, **it becomes longer-term**, **as well as based on the premise that all parties should benefit from it as much as possible**.

Third, it is different in **scope**, as it seeks to initiate a broader shift towards a '**whole-of-society**' **approach**. In this sense, the approach of the Alliance is one of **horizontal co-development** in a **bidirectional and reciprocal partnership where both parties have interests and resources**. In this new emerging framework, **aid still has a significant role as catalyser, but is embedded in a much broader set of policy instruments** – relating to global governance, security, investments, exchanges, co-creation, etc. – and with a much broader range of partners – *inter alia* academia, diaspora, NGOs, local and regional associations, social partners, and most importantly, citizens.

The *nec plus ultra* of this evolution is a full **whole-of-society approach**, where **all actors in a** given society and economy are intertwining with their counterparts in another society

and economy. Together they can reinforce their respective positions because they discover unexpected joint opportunities and unleash new dynamism.



This of course cannot come without **experimentation, innovation and risk-taking**, which are dimensions that were previously marginal or even avoided. Indeed, the traditional adherence to detailed planning of every step to be taken has to make place for a more **human-to-human**, **interactive and iterative process** that allows for serendipity and the unexpected.

One step at a time: overcoming the obstacles to a mainstreaming of the whole-of-society approach

While already gradually becoming a reality on the ground (see Box), the whole-of-society approach is still in its infancy and will need time if it is to establish itself as the new paradigm. This was also the conclusion of several discussions held between government officials, the private sector and civil society in 2018 in Botswana and in the Democratic Republic of Congo, as well as at a Policy Forum and a dedicated workshop in Brussels in 2019.

Several obstacles to the mainstreaming of the whole-of-society approach were identified during these discussions. On the side of the EU, the difficulty lies in the persistence of **pre-conceived views** that continue to consider the EU and Member States as 'donors' rather than 'partners'. This lays the ground for an **asymmetric relationship**, largely defined by their respective wealth and vested interests. On the side of Africa, the difficulty resides in the continuation of a **top-down mentality** among some **governments**, **which all too often overpowers the capacity of non-state actors** to take a leading role in the process, and can result in **inefficiency** in conducting dialogue and pursuing objectives with different actors.

Despite these caveats, the **whole-of-society approach can** in the right circumstances **benefit** from institutional support from national administrations and bodies. This is already the

case for instance in the United States and in the Netherlands. In the US, **USAID's Global Development Alliances (GDAs)** promote the whole-of-society approach. These **Alliances are partnerships involving USAID, the private sector, civil society and other government agencies**. They have a strong focus on impact, are based on complementary interests, look for market-based solutions and mobilise significant private resources, and they are co-created, co-developed and co-implemented.

Such an approach could be mirrored at EU level to transform the Africa-EU Alliance and make it more comprehensive, win-win, and based on a longer-term perspective that addresses shared economic, societal, environmental and cultural challenges..

This will require continuous and iterative political dialogue – both in EU – African Union formats, but also in multilateral fora such as the United Nations, as well as in alternative fora involving the full set of stakeholders – from business to academia and researchers, to local and regional associations, diaspora, social partners, NGOS, and citizens.



The 'whole-of-society' approach in practice. Source: EPSC

The whole-of-society approach: already becoming a reality on the ground The Whole of Society approach is slowly becoming a reality, as a variety of nongovernmental initiatives have been taken in Africa and Europe:

- Launched in 2013, the Next Einstein Forum (NEF) shaped by its belief that the next Einstein will be African is an initiative of the African Institute for Mathematical Sciences and a European foundation. It aims to connect science, society and policy in Africa and the rest of the world, bringing together key stakeholders from academia, innovators, investors, journalists, industry and governments to study critical areas such as energy, health, fintech, climate and smart agriculture. The Forum also has a fellows programme for Africa's most brilliant young scientists and animates a dynamic platform for the African community of scientists.
- Since 2017, the Emerging Valley international summit is organised to connect African and European investors, start-ups, innovators and digital companies, with a view to supporting the 600+ tech hubs on the African continent and removing obstacles to access to finance. In 2018, more than 1,000 people participated, including more than 100 African start-ups, 40 investors and 35 African incubators. The event features speed-pitching sessions for start-ups and investors giving rise to new ideas and collaborations.
- Since 2015, an African and a European business angel network have been collaborating on

the training of more than one thousand local African investors — host joint **training** sessions, running boot camps and masterclasses, and organising innovation tours and networking events.

- Over the last 15 years, an international social enterprise has been seeking to bridge the
 digital divide by offering high quality, computers donated by corporations or public
 organisations to educational, medical, entrepreneurial and social projects in Africa.
 To date, over 700,000 ICT assets have reached more than 3 million beneficiaries.
- An international disability organisation has developed a social franchising model for eye
 care hospitals in the DR Congo to help fight preventable blindness. Franchise hospitals
 have 80% financial autonomy, with the franchiser providing all the necessary support to
 local partners as well as training and quality assurance.
- Dairy cooperatives from Europe have set up factories in several African countries to liquefy milk powder, increasingly sourcing their milk from local African dairy farmers, who they assist with training, quality improvement, cross breeding, productivity, access to transport and milk collection infrastructure.
- African and European trade unions and employers' organisations have been exchanging
 practices and experiences in collective bargaining, mobilisation of public opinion,
 membership management and advocacy, and developing joint strategies to promote social
 dialogue at national, regional and international level.
- European and African think tanks and universities have been partnering up through
 joint research projects, conferences and publications, as well as personnel
 exchanges, to better understand developments on both continents and improve relations.
 They pay special attention to their role in achieving the SDGs.
- European businesses present on the African market, are improving financial inclusion
 through mobile payment and the distribution and availability of medicines through better
 logistics. For this, they work together with local governments, the business community and
 international development partners.
- A worldwide network of small hostels promotes sustainable tourism in Europe, Asia,
 Latin America and Africa. In Africa, there are travellers' cafés and hostels in Mali,
 Senegal, Ghana and Uganda. Each year they reach over 250,000 travellers, have over 200
 local artists on stage, train hundreds of tour leaders, organise nearly one hundred
 excursions and connect millions of km of distance.
- European and African **mutual health insurance organisations** are working together to promote universal health coverage, care supply improvement and prevention and health education in both continents and worldwide.
- A website, apps and videos are developed with audio-visual training materials in 75 different languages to help farmers in Europe and Africa tackle crop diseases. Therefore a network of over 300 communication professionals were trained. The videos are used by over 2,500 organisations across Africa. Broadcasts by hundreds of radio stations and 44 TV stations reached an estimated 60 million rural people with no-fee contacts.



- 7 UNESCO UIS Statistics, Education Dataset.
- ⁸ Financial Times, '<u>The scramble for business in Africa</u>', September 2018.
- ⁹ https://data.oecd.org/drf/other-official-flows-oof.htm
- ¹⁰ According to the OECD, OOF include: grants to developing countries for representational or essentially commercial purposes; official bilateral transactions intended to promote development, but having a grant element of less than 25%; and, official bilateral transactions, whatever their grant element, that are primarily export-facilitating in purpose.
- 11 https://www.aiddata.org/china-official-finance
- ¹² S. Horn, C. Reinhart & T. Christoph, China's Overseas Lending, Kiel Working Paper, No 2132, Kiel Institute for the World Economy, Kiel, June 2019
- ¹³ https://www.brookings.edu/blog/africa-in-focus/2018/01/30/foresight-africa-viewpoint-chinas-engagement-in-africa-what-can-we-learn-in-2018-from-the-60-billion-commitment/
- ¹⁴ International Monetary Fund, see Foreign Policy, '<u>China's Debt Diplomacy</u>', April 2019; Center for Global Development, '<u>Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective</u>', March 2018 IMF and Louis Berger analysis
- ¹⁵ see Russia's 2007 Development Assistance Concept
- 16 https://www.minfin.ru/common/upload/library/2007/06/concept_eng.pdf

- ¹⁸ https://www.ft.com/content/62b1e38c-bd83-11e8-94b2-17176fbf93f5
- ¹⁹ https://www.ft.com/content/a5648efa-1a4e-11e9-9e64-d150b3105d21
- ²⁰ https://newafricanmagazine.com/17662/
- ²¹ ODI, 'The Principled Aid Index: understanding donor motivations', March 2019.
- ²² https://ec.europa.eu/commission/africaeuropealliance_en

¹ See the European Political Strategy Centre's, '*The Makings of an African Century*', May 2017.

² International Monetary Fund, World Economic Outlook Database, October 2018.

³ European Commission, 'Strengthening the EU's partnership with Africa', September 2018.

⁴ Eurostat, *EU-Africa Trade in Goods*, 2006-2016.

⁵ Eurostat, EU direct investment positions, flows and income, breakdown by partner countries, 2017.

⁶ https://www.theguardian.com/commentisfree/2016/dec/09/africa-dirty-fuel-pollution-corporate-behaviour

¹⁷https://www.theguardian.com/world/2019/jun/11/leaked-documents-reveal-russian-effort-to-exert-influence-in-africa