

“Negotiations for a Productive Cooperation for Africa”

The experience from other regions

Summary notes on the Africa 21 Winter Seminar

Geneva, 15 February 2018

Venue: World Meteorological Organization, Geneva, Switzerland

The above Seminar was held under the auspices of Africa 21, a think tank based in Geneva whose main objective is to better understand sustainable development in Africa as it pertains to the Agenda for sustainable development - Agenda 2030¹-, and its 17 Sustainable Development Objectives (SDGs) – see the Annex -, adopted September 2015 at the UN Sustainable Development Summit.

Given the high level of interconnection between the SDGs and South-South and Triangular Cooperation (SS/TrC), the Seminar dealt with both issues. Further, in order to address the importance of partnerships for a successful development strategy, the Seminar gave particular focus to SDG 17: “Revitalize the global partnership for sustainable development”. However, other SDGs were also reviewed in the presentations.

Special thanks to Africa 21 for providing this platform and for its full support of the organization of the Seminar. Including the topic of negotiations and South-South and Triangular Cooperation will give a new dimension to Africa 21’s work programme. This will in turn facilitate an exchange of experiences, programmes and best practices between countries from Latin America and the Caribbean (LAC) and Asia, as well as their regional integration mechanisms.

Africa 21 aims at informing, analysing and developing knowledge and experience on sustainable development in Africa. In this vein, it aims to explore innovative ideas to address the problems and difficulties of programme implementation at the local level. This action-oriented focus thus turns Africa 21 into a Think and Do Tank.

Africa 21 frequently organizes meetings to discuss specific SDGs.
For further information about Africa 21 activities, see:

<http://www.africa21.org/a-propos-dafrica-21/>

The Seminar benefitted from discussion on wide range of topics related to the Agenda 2030 and SS/TrC. These topics are summarized herein.

¹<https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf>

What is at stake?

The Agenda 2030 set the basis for joint efforts designed to transform the world in which we live, work and do business. Poverty eradication and a commitment to *leave no one behind* are at the heart of the Agenda. A major component is the inseparability and interdependence of the three pillars of sustainable development: economic, social and environmental. Achieving its overarching goal of poverty eradication requires a coherent and holistic approach encompassing all three.

The Agenda 2030 and the Addis Ababa Action Agenda adopted at the Third International Conference on Financing for Development (July 2015) singled out SS/TrC as an essential tool in the implementation of the Agenda. There are also several other complementary development frameworks such as the Paris Agreement on Climate Change that emphasize the importance of SS/TrC.

The 17 SDGs and their targets (169), including the means of implementation, are universal, indivisible and interlinked. Enacting SDG 17 requires broad-based partnerships, as well the sharing of knowledge, expertise, technologies and financial resources. This in turn highlights how crucial it is for countries to negotiate in good faith in order to attain productive and efficient partnerships.

An effective negotiation requires a needs-based approach that brings together diverse stakeholders to devise flexible solutions that can address the complexity of sustainable development challenges. That is why the Seminar title includes Negotiations as a road to productive cooperation in Africa.

The global South² has experienced increased economic output and major improvement in human development indicators. There has been a rapid expansion of trade, investment, technological exchange and financial and other flows between developing countries.

These positive trends have occurred while the context of development cooperation itself is changing. A new development architecture has arisen in which emerging economies and developing countries are acting as key actors and exerting real influence over the process. Partnerships for sustainable development now include multi-stakeholder initiatives voluntarily initiated by a variety of different stakeholders, including governments, intergovernmental organizations, NGOs, development banks and others.

South – South and Triangular Cooperation (SS/TrC)

Discussions on SS/TrC are relevant to the African region as they present many compelling reasons for countries in the global South to participate in cooperative initiatives with each other, while also maintaining cooperation with countries of the North.

Enhancing North-South, South-South and triangular regional and international cooperation, while promoting knowledge sharing on mutually agreed terms is key for

² The term Global South has been emerging to refer "Third World" (i.e., Africa, Latin America, and the developing countries in Asia), "developing countries," "less developed countries," and "less developed regions." It can also include poorer "southern" regions of wealthy "northern" countries

developing countries. Regional integration mechanisms, such as the regional economic commissions (RECs) in Africa, and other integration agreements are a good way to enforce cooperation. Regional development banks that include developing countries' memberships and Eximbanks have also provided benefits to participating countries.

Enforcing SDGs: the means

SDGs are interlinked. They provide a “globally shared normative framework” that complements international conventions and international law by catalysing action, mobilising shareholders and fostering collaboration between all international community members.

The SDGs contained in the Agenda 2030 also represent a way to overcome obstacles previously attributed to the *silo* mindset among shareholders, especially from politicians and institutions, in which development goals were all addressed as separate issues. This new approach emphasizes the importance of viewing these goals as interdependent. Challenges now include enforcing “policy coherence”. This simply means that countries must identify the best ways to mutually cooperate and deal with possible overlaps between the goals so as to deliver the maximum potential output of their development initiatives and programmes. For example, educational efforts for girls (goal 4) in southern Africa would enhance maternal health outcomes (part of goal 3), and contribute to poverty eradication (goal 1), gender equality (goal 5) and economic growth (goal 8). Obviously, goal 17 is there to stimulate coherent policies and strategies; to evaluate how the goals and actions of one sector can affect another, both negatively and positively. Policymakers and businessmen must identify which groups are their allies and which ones with whom they need further negotiations.³

The Africa Winter Seminar ⁴: main messages from the presentations

The session “Negotiations for a productive cooperation” dealt with the two themes. First, how do the SDG 17 provide direction to countries seeking to develop partnerships in support of the implementation of the goals in Africa and other regions, and secondly the role of SS/TrC in implementing the Agenda 2030. This presentation also discussed how cooperative actions carried out through regional integration mechanisms play an important role by reflecting the development priorities of member countries and therefore providing insight into their commitments.

Regional integration objectives are diverse and vary according to the unique circumstances of each region. Latin American and the Caribbean regional integration mechanisms include members of the Pacific Alliance, a market and free trade-oriented bloc (Colombia, Chile, Mexico, Peru), MERCOSUR, whose founding members (Argentina, Brazil, Paraguay and Uruguay) have concluded a Protocol of Cooperation and Intra-MERCOSUR Investment Facilitation (April, 2017), and are currently negotiating a trade agreement with the European Union (EU), the Central American's regional integration, the Caribbean CARICOM Single Market and Economy and a group of countries cooperating with a vision of solidarity, complementarity and reciprocity.

There is also a proposal for a potential comprehensive Trade and Economic Latin American Agreement⁵, which is still under discussion. The challenge now is to find

³ <https://www.nature.com/news/policy-map-the-interactions-between-sustainable-development-goals-1.20075#/goals>

⁴ <http://www.africa21.org/seminaire-dhivers-africa-21-cooperation-sud-sud-et-agenda-2030-jeudi-15-fevrier-a-geneve/>

common ground between the various groups of countries with diverse objectives. For example, "convergence in diversity" leads discussions between MERCOSUR and Pacific Alliance member countries. The Community of Latin American and Caribbean States (CELAC), a political forum including all LACs States, has recently advanced discussions with China for a new partnership, which includes Latin America in the Belt & Road (B&R) initiative.

African leaders have established regional solutions as a means to support peace and stability. The African Union (AU) and the RECs have carried out negotiations, which should lead to the signature of the Continental African Free Trade Area (CFTA) by March 2018. See more details below.

Asia's integration is essentially market driven; multispeed based on different levels of integration and varies across sectors. East Asia is the most integrated sub region due to its extensive regional production networks. The Association of Southeast Asian Nations (ASEAN – 1967) and the Asian-Pacific Economic Cooperation (APEC -1989) implement the regional integration policy framework, although integration remains uneven. The ASEAN Economic Community (AEC), formally established in 2015 is seen as a model of integration. Further, the 10 ASEAN members and ASEAN's FTA partners formally started negotiations (2013) for a Regional Comprehensive Economic Partnership (RCEP)⁶, with the purpose of achieving a modern, comprehensive, high-quality and mutually beneficial partnership agreement.

Multilateral Development Banks (MDBs), Eximbanks and other development finance institutions are crucial to the support of projects, programmes and policies for sustainable infrastructure, climate efforts, energy, agriculture, industrialization, science, technology and innovation, as well as financial inclusion and financing of micro, small and medium-sized enterprises..

Developing countries and emerging economies have established bilateral, regional and multilateral institutions to provide market-based public lending. It is worth mentioning the role played by development banks such as the Development Bank of Latin America (CAF), Afreximbank, the Nigerian Eximbank, Eximbank INDIA, Central African States Development Bank (BDEAC) and the Brazilian Development Bank (BNDES), all of which are, among others, members of the Global Network of Eximbanks and Development Finance Institutions (GNEXID)⁷. For example, The BRICS New Development Bank (NDB), established in 2014 in Fortaleza, Brazil,⁸ aims at strengthening cooperation among Brazil, Russia, India, China and South Africa (BRICS). The NDB supports infrastructure and sustainable development efforts in BRICS and other emerging economies via faster development through innovation and cutting-edge technology. The Asian Infrastructure Investment Bank (AIIB)⁹ started operations on January 2016 is built on the lessons of experienced and successful private sector companies, as well as existing multilateral development banks. AIIB invests in sustainable infrastructure in Asia and beyond and is key to the implementation of the Belt and Road (B&R) Initiative.

⁵ Memorias del Conversatorio "Responder proponiendo : bases para un Acuerdo Económico Comercial Integral Latinoamericano"

<http://koha.aladi.org/cgi-bin/koha/opac-search.pl?q=an:%2290017%22>

⁶ Regional Comprehensive Economic Partnership (RCEP) is a proposed free trade agreement (FTA) between the ten member states of the Association of Southeast Asian Nations (ASEAN) (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam) and the six states with which ASEAN has existing free trade agreements (Australia, China, India, Japan, South Korea and New Zealand).

⁷ See <https://gnexid.com/> for a complete list of G-NEXID members.

⁸ <https://www.ndb.int/wp-content/uploads/2017/05/factheet-1.jpg>

⁹ <https://www.aiib.org/en/index.html#>

For further information, see “Negotiations for a Productive Cooperation” by Ana Maria ALVAREZ HERRERA, Independent Expert to Africa 21. Former UNCTAD Staff.

South-South and Triangular Cooperation (SS/TrC) is currently at an important juncture as a result of two concurrent events: the adoption of the Agenda 2030 and the forthcoming UN Second High-level Conference on South-South Cooperation, commemorating the 40th anniversary of the adoption of the Buenos Aires Plan of Action (BAPA + 40 Conference), to be held in Buenos Aires from 20-22 March, 2019.

This BAPA Conference represents a unique opportunity to strengthen and further revitalize SS/TrC. The Buenos Aires Conference put forward an epistemological rupture within the paradigm that labelled developed countries as "donors" and developing countries as "recipients", and which therefore conceived of development as a linear, automatic and exportable phenomenon that had to be achieved under a particular, rigid formula¹⁰. In contrast to this view, BAPA revealed the possibilities for developing countries to generate their own responses and to provide cooperation on account of their own national and collective capacities. With this agency, their practices are now based on the principles of equality, solidarity, respect for sovereignty and non- interference in internal affairs.

See the presentation on “The 40th Anniversary of the Buenos Aires Plan of Action. What challenges and opportunities?” by Mr Victor Ovalles Santos, Senior Economic Affairs Officer. Division on Globalization and Development Strategies, UNCTAD.

According to the UNCTAD Least Developed Countries (LDCs) 2017 Report on “Transformational energy access”, energy *for all* in LDCs requires more than access to energy for basic household needs. Rather, access to energy in LDCs must also serve productive capacities directly, by powering the structural transformation of LDC economies through the development of more productive, modern activities and sectors with adequate and reliable energy supplies.

The presentation on “South-South Cooperation and Universal energy access” focused on electrification. This issue is relevant to SDG7, *Ensure access to affordable, reliable, sustainable and modern energy for all*, and also SDG 9, *Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation*.

The energy sector is of central importance to economic development, and particularly to structural transformation through its effects on other productive sectors. More reliable, affordable and efficient energy supplies can allow for the adoption of new production techniques and technologies, raise productivity and facilitate the introduction of new economic activities. LDCs therefore need a holistic sector and systems approach to energy planning and policy. This encompasses solid institutions and regulations, as well as public-private and regional cooperation.

See the presentation on “South -South Cooperation and Universal energy access” by Ms. Matfodhi Riba, Economic Affairs Officer. UNCTAD LDC Section, Division for Africa, Least Developed Countries and Special Programmes, UNCTAD

¹⁰https://www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/dcf/brief%204_SSC_SDGs_BAPA%2B40_DGCIN_Argentina.pdf

MDBs can be effective institutional mechanisms to support the implementation of SDGs. However, their support has fallen short vis-à-vis the financial needs of developing countries. Their conservative loan approach and narrow capital base are among the limiting factors to scale-up lending.

Given these shortcomings, some long-established MDBs have recently undertaken initiatives to raise their lending capacity. The AIIB model is an alternative way to leverage resources for infrastructure development by using “special funds” resources treated separately from the bank’s ordinary resources. Through them, it may finance different parts of the same project or programme supported by ordinary funds. This gives the bank greater capacity to finance projects in infrastructure and other productive economic sectors, which are at the core of its mission. AIIB’s Project Preparation Special Fund can provide significant resources to eligible members for preparing innovative, complex, and regional projects such as the Belt and Road (B&R) initiative that cover several countries. B&R provides a more flexible working relationship between China and its partner countries, and is anchored in joint investments and infrastructure projects.

With the New Development Bank and AIIB there is some expectation that development banks will help spur the reform of global economic governance and expand opportunities for developing countries.

Some questions were raised in the presentation including what will China’s answer be to “blended finance” trends in Official Development Assistance – ODA-? Another concerned China’s willingness to invest and introduce new ideas and dynamics in international development: what will/should be the response from the international community?

See presentation on “Scaling – up finance for the SDGs: experiments by development banks”, by Daniel Poon. Economic Affairs Officer. Division on Globalization and Development Strategies. UNCTAD

The African Agenda 2063’s flagship project is the Continental Free Trade Area (CFTA). With an integrated sustainable development agenda, the CFTA aims to create a single market for goods and services, and will be the biggest African trade agreement by bringing together 55 countries.

CFTA has ambitious long-term goals in deepening integration among AU member States, promoting the African Economic Community as envisaged in the 1991 Abuja Treaty of the Organization of African Unity and realizing Africa’s Agenda 2063 to build a prosperous and united Africa. The main objectives of the CFTA are the facilitation, harmonization and better coordination of trade regimes as well as the elimination of challenges associated with multiple and overlapping trade agreements across the continent. It is hoped that integrated African economies can strengthen the competitiveness of local industries, realize economies of scale for domestic producers, better allocate resources and attract foreign direct investments.

The CFTA is widely seen as an important opportunity for African countries in an increasingly globalized world. Eliminating tariffs can help African countries boost economic growth, transform their economies and achieve the SDGs. Furthermore, the positive impact of the CFTA is expected to be even greater if non-tariff measures are addressed, informal trade is integrated into formal channels and the agreement includes trade-in services as well.

Despite the large potential for growth and industrialization from CFTA, not everyone is guaranteed to gain. Flanking and follow-up policies, as well as flexibility of existing

policies are fundamental to address adjustment costs in the public and private sector, along with other potential adverse side effects.

See the presentation on “The African Continental Free Trade Area: an opportunity for structural transformation”, by Mr. Christian Knebel. Trade Analysis Branch, Division on International Trade, in Goods and Services, and Commodities, UNCTAD.

African countries face two important challenges: a global one based on meeting the Agenda 2030 goals and its associated 17 SDGs, and a regional one: the African Agenda 2063 and its 20 Goals to be implemented through 10-year implementation plans, the first of which to take place from 2014 to 2023. The Africa Regional Forum on Sustainable Development (ARFSD) serves as a multi-stakeholder regional platform to follow-up, monitor and evaluate the progress of both agendas by sharing good practices and lessons learned, and identifying and agreeing upon policies and other measures best suited to achieving the implementation of both the global and regional agendas. To that end, the ARFSD has already contributed by better articulating Africa’s priorities in the context of the High Level Political Forum on Sustainable Development (HLFP). It is worth noting that 11 African countries have volunteered to participate in Voluntary National Reviews at the HLFP 2018.

The theme of the HLFP 2018 convened under the auspices of ECOSOC (9-18 July, 2018) will be "Transformation towards sustainable and resilient societies". The set of SDGs to be reviewed in depth will be 6, 7, 11, 12, 15, along with Goal 17 that will be reviewed every year.

See presentation entitled “Towards an Effective Africa Regional Forum on Sustainable Development”, by Mr. Nassim Oulmane, Chief, Green Economy and Natural Resources Section. Special Initiatives Division. Economic Commission for Africa. UN Economic Commission for Africa (ECA). Addis Ababa, Ethiopia

The International Trade Centre (ITC) is fully engaged in ensuring trade as an instrument of inclusive and durable economic development. ITC contributes directly to SDGs 1, 2, 4, 5, 8, 9, 10, 12, 16 and 17.

ITC deals with targeted programmes designed to support youth and women. In view of current irregular migration trends, particularly from Sub-Saharan Africa, ITC is promoting innovation projects for sustainable employment. For example, irregular migration to Europe represents a challenge for the Gambian society and economy and puts the country’s citizens at risk. Job creation and meaningful income opportunities at home are therefore crucial. The Youth and Trade Roadmap developed as part of ITC’s Youth Empowerment Project (YEP), places skills development and entrepreneurship at the heart of its new effort to create jobs and opportunities in the country. In addition to setting out to create opportunities for youth and strengthen trade, the roadmap presents an action plan with activities and priorities for integrating value-chain development that will enable youth to access business opportunities in the target sectors.

One such targeted effort is The Ethical Fashion Initiative, which connects marginalised artisans (particularly women) from the developing world to international fashion houses. The initiative is the operational arm of the ITC’s Poor Communities and Trade Programme (PCTP), which aims to reduce global poverty by involving micro-entrepreneurs from developing countries in the international and regional trade markets.

Other programmes like INTEGRA support irregular migration of Guinean youth, and others like the Refugee Employment & Skills Initiative (RESI) aim to link Refugees in Dadaab, Kenya to IT-Enabled Market Opportunities were discussed in the presentation on “ Innovative approaches to address women and youth employment in Africa to meet with the SDGs agenda” by Ms Aïssatou DIALLO. Senior Trade Promotion Officer, Office for Africa - Division of Country Programmes.

To understand the implementation of the Agenda 2030 and the SDGs from the point of view of end users, i.e. the public and stakeholders from the international community, it is useful to focus on the following items:

- A selection of themes with a long-term approach;
- the provision of financing which entails a coordination mechanism between the various funding sources;
- programme design based on priorities and values that reflect local needs
- partners guided by ethical principles,
- a thorough impact analysis on sustainability.

Each item needs to be analysed from the point of view of opportunities and risk management.

These aspects are found in the presentation “Experiences from the implementation of cooperation activities in Africa”, by M. Pierre CHAMPSAVOIR, Africa 21 expert on operational risks; founder of COREUM a French-based enterprise in charge of managing risks, among others.

| Annex: Sustainable Development Goals ¹¹ (SDGs) | |
|--|--|
| Goal 1. | End poverty in all its forms everywhere |
| Goal 2. | End hunger, achieve food security and improved nutrition and promote sustainable agriculture |
| Goal 3. | Ensure healthy lives and promote well-being for all at all ages |
| Goal 4. | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all |
| Goal 5. | Achieve gender equality and empower all women and girls |
| Goal 6. | Ensure availability and sustainable management of water and sanitation for all |
| Goal 7 | Ensure access to affordable, reliable, sustainable and modern energy for all |
| Goal 8. | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all |
| Goal 9. | Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation |
| Goal 10. | Reduce inequality within and among countries |
| Goal 11. | Make cities and human settlements inclusive, safe, resilient and sustainable |
| Goal 12. | Ensure sustainable consumption and production patterns |
| Goal 13. | Take urgent action to combat climate change and its impacts * |
| Goal 14. | Conserve and sustainably use the oceans, seas and marine resources for sustainable development |
| Goal 15. | Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss |
| Goal 16. | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels |
| Goal 17. | Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development |

¹¹ http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&referer=/english/&Lang=E