

BRICS in Africa, Consolidating the Gains of Partnerships Multi-Stakeholder Workshop

Background

The growing economic prominence of Brazil, Russia, India China and South Africa (BRICS), is one of the major forces shaping the global economy. The acronym "BRICS" was initially formulated in 2001 by economist Jim O'Neill, of Goldman Sachs, in a report on growth prospects for the economies of Brazil, Russia, India and China which was sealed with the inclusion of South Africa in 2011. The BRICS countries state that their overarching aim is to achieve peace, security, development and cooperation. According to the International Monetary Fund (IMF), BRICS' total GDP in 2014 stood at US\$32.2 trillion (Interfax News Agency, 2015). The population of the BRICS countries combined is approximately 3 billion. The reserves of the BRICS economies stands currently at US\$5.2 trillion, with China holding US\$4 trillion, Russia US\$478 billion, Brazil US\$373 billion, India US\$316 billion and South Africa US\$49 billion as of June 2014, (IMFC, 2014). This grouping is now an important development partner for Africa in areas of cooperation as trade, investment, humanitarian assistance, technical cooperation, debt relief, loans, and grants. They have focused their cooperation in sectors such as infrastructure, health, transport, agriculture/food security information technology, mining and many others.

The continent is pregnant with expectation upon the announcement by the BRICS during their 6th summit in 2014 in Fortaleza of the New Development Bank (NDB). The bank will count initially with a subscribed capital of US\$50 billion (TRALAC, 2014). The expectation hails from the fact that the bank is aimed at financing infrastructure and sustainable development projects in BRICS and other developing countries. To ease liquidity problems and contribute to international financial stability BRICS also concluded a Contingent Reserves Arrangement

(CRA). The initial sum of the CRA is US\$100 (TRALAC, 2015). The NDB could hold great benefits for Africa (AFRODAD, 2013). According to the African Development Bank (AfDB), the continent needs US\$93 billion every year to fund its infrastructure requirements which is not met by the current financial institutions. Hence Africa can tap from this new development bank.

Africa possesses enormous economic development potential. It has abundant natural resources, growing consumer power and favourable demographics. The BRICS are also becoming significant investors in Africa, especially in the manufacturing and service sectors. The partnership between India and Africa has significantly promoted the development of small and medium-scale enterprises on the continent. Brazil and Russia are involved in the mining and energy industry in Africa through public-private partnerships (PPPs).

The emergence of the BRICS as major global players has raised hope that a win-win partnership could foster the development of the continent. Foreign direct investment (FDI) inflows and trade volume from the BRICS have increased compared to traditional partners, such as the U.S. and Europe. Africa's trade with the BRICS has grown faster as compared to any other region in the world, doubling since 2007 to US\$340 billion in 2012 and projected to reach US\$500 billion by 2015, with China accounting for 60 percent (Arkhangelskaya, 2015). The trading approaches that of the BRICS favours bilateral trade which does not encourage African coherence and regional integration which increases the bargaining power of African countries (AFRODAD, 2012). BRICS trade more with Africa than they do among themselves.

Justification

Despite the positives, BRICS engagement with Africa, their real intentions are not easily understood and concerns are being raised. The relations between BRICS economies and Africa are being considered as mutually beneficial in nature but being questioned by some quarters and they argue that they are not different from the way in which Africa was previously colonised for the sake of its natural resources. The argument is certainly plausible given that the majority of investments in Africa from these emerging markets is concentrated in the traditional resource-rich primary sectors.

It is important to acknowledge that BRICS is a global governance mechanism of intergovernmental nature and as such it is evolving and maintains its structure in a rotating manner. This trend needs to be monitored. Civil society organisations have played diverse roles in social and political change and has influenced the global processes that include United Nations conventions, multi-lateral trade and finance , just to mention a few. However there is no formal mechanism currently existing for civil society involvement in BRICS processes. The BRICS summits are closed inter-governmental meetings whose agenda have not been publicly available. The BRICS concept remains less understood and often prematurely rejected by citizens. The media also remains often disengaged.

In the absence of formal structures civil society organisations in the BRICS countries have organised alternative summits in Durban, 2013 and Fortaleza 2014. The CSOs have however secured meetings with high level officials in South Africa and Brazil. They have also held side conferences alongside annual meetings including workshops on the new Development Bank, extractives and inequality.¹ The 2014 BRICS summit in Brazil was marked by the first large alternative civil society conference. While there was an increase in the number of CSOs, the African civil

society were under represented in the discussions even though African lives and livelihood are usually the centre of discussions.

It is AFRODAD's intention that African CSOs should not only participate in such meetings but establish its African Forum and share experiences on how best they can engage their governments and the BRICS. AFRODAD has done several works regarding BRICS/Africa engagement. In one of its current Strategic Objectives, AFRODAD aims to influence the consolidation of capacity among African states to understand and engage on the implications of aid from emerging sources (BRICS) and monitor its effects on development and poverty reduction. AFRODAD had conducted research as follows:

- *Mapping Chinese development assistance in African. An analysis of the experience of Angola, Mozambique, Zambia and Zimbabwe, synthesis report*
- *Mapping Chinese development assistance in African. An analysis of the experience of Ethiopia, country case study*
- *Mapping Chinese development assistance in African. An analysis of the experience of Cameroon, country case study*
- *Profiling BRICS in Africa. research*
- *Transparency and accountability of aid agreements between BRICS and six African countries (Angola, Cameroon, Ethiopia, Mozambique, Zambia and Zimbabwe)*
- *The Role of South Africa in BRICS bloc. Implications for Africa, Policy brief*
- *South-south and triangular cooperation, a key to development, Policy brief*
- *BRICS Development Bank, A new model for Africa, Policy brief*
- *BRICS at a glance, Opportunities and challenges for Africa, Policy Brief*

¹ Buffardi. A : *Role and influence of civil society in 21st century global processes, Germany, July, 2014*

The organisation has also participated in the BRICS summit CSO side events in South Africa, Brazil and Russia. It has presented on high level forums on BRICS issues such as on the DCF platform and on major South-South and triangular

cooperation events. The organisation brings a lot of wealth as it has also engaged in the discourse of development cooperation such as on aid effectiveness.

Overall Objective

After the Seventh BRICS Summit to be held in Russia, in July, 2015, AFRODAD will co-host a Multi-Stakeholder Conference with CSOs in Africa to share experiences and adopt strategies towards the monitoring of Africa/BRICS engagement. The workshop will provide a platform for African CSOs to interact with CSOs within the BRICS countries

and promote learning and knowledge exchanges on first hand information and experiences towards the engagement. The workshop will draw experts from Governments (EAC and SADC), CSOs (from Africa and BRICS countries), Parliaments, Academics and development partners.

Specific objectives of the conference:

1. To provide a platform to share knowledge and dialogue on issues related to development cooperation between BRICS and Africa with a specific focus on development financing.
2. To capitalise on Pan African and BRICS Civil Society Organisations' strong base to influence the BRICS Summit and help ensure greater accountability and transparency
3. Raising greater public awareness of the BRICS and related opportunities, through a more informed media.
4. To recommend policy shifts and strengthen identified best practices of engaging BRICs in Africa;
5. To facilitate development of regional platform and strategy for CSOs/academics in African countries to monitor the operations of the BRICS operations including the upcoming New Development Bank

Expected Outputs

The Workshop will result in:

1. Southern African platform for CSOs on Africa/BRICS engagement
2. Sustain a momentum of an African led process of defining priorities in post 2015 agenda and aligning them with NEPAD and overall AU priorities;
3. A clear and better understanding of the importance of south-south cooperation (Africa/BRICS) as the new development architecture;
4. Recommendations of CSOs participants on Africa/BRICS engagement to be transmitted to African and BRICS governments



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