In his State of the Union Address on 12 September 2018, President Jean-Claude Juncker proposed to deepen the EU’s economic and trade relationship with Africa through investment and job creation. Significant progress has been made and the commitments under each of the four strands are well on track to be met.

"What happens in Africa matters for Europe, and what happens in Europe matters for Africa. Our partnership is an investment in our shared future. It is a partnership of equals in which we support each other, help each other to prosper and make the world a safer, more stable and more sustainable place to live."

President Jean-Claude Juncker, African Union–European Union Summit, Abidjan, 27 November 2017

An Africa–Europe Alliance for Sustainable Investment and Jobs

The aim of the Alliance is to take the EU’s partnership with Africa to the next level, building on the commitments taken at the African Union – European Union Summit in Abidjan, Côte d’Ivoire, in November 2017. To do so, the European Commission proposed to boost sustainable investment, further attract private investors, support education and skills development for employability, as well as to boost trade and improve the business climate. The Alliance will support the creation of 10 million jobs by 2023, particularly for women and young people.

The EU is already Africa’s first partner in trade, in foreign investment and in development.
Boosting private sector investment requires an enabling investment climate and business environment, including macro-economic stability, open trade, investment and financial systems and increased private sector credit. To this aim, the Alliance seeks to facilitate structured dialogues and cooperation with African partners, and the implementation of conducive policy and regulatory reforms.

Africa has the youngest population of any region of the world and continues to experience strong demographic growth. An economic partnership seeking to boost investments and create jobs must look at advancing cooperation on education and skills, including digital skills, to improve employability and provide youth with opportunities to make a decent living. To this aim, the Alliance seeks to further enhance the mobility of students, staff and academics, and expand vocational education and training with a focus on the sectors with the highest potential for job creation. Erasmus+ (student mobility programme), the Emergency Trust Fund for Africa (to address the root causes of instability, forced displacement and irregular migration), and the Panafrican programme (support to the Africa-EU Strategic Partnership) are EU’s main tools.

The private sector holds the largest potential for generating jobs and growth and it is therefore essential to boost responsible private investments — both domestic and foreign — in Africa. The main EU tool to encourage investment in Africa and the EU Neighbourhood is the EU External Investment Plan (EIP).

Recent EU Investment Initiatives under the External Investment Plan

**FMO Ventures Programme**
This €40 million guarantee agreement is a partnership with the Dutch development bank (FMO). It targets Sub-Saharan Africa and the EU Neighbourhood. It will guarantee venture capital provided by FMO to start-up companies, in particular led by young entrepreneurs. The guarantee will target companies offering digital solutions in a wide range of areas, from agriculture, energy access and financial services to education, healthcare, transport and logistics. It will support up to 125,000 jobs, directly and indirectly.

**Archipelagos One4A – One Platform for Africa**
The €30 million Archipelagos guarantee agreement is a partnership with Cassa Depositi e Prestiti (CDP), the Italian Development Bank, and the African Development Bank (AfDB). It will support access to finance across Africa for high potential small businesses. It will also enable financing partners to share the risk of investing in projects. By doing so it will generate up to 50,000 jobs, many for young people, and benefit about 1,500 small businesses in 10 African countries.

The EU is also facilitating structured public-private dialogue in 32 African countries, as part of the Sustainable Business for Africa platform of the EIP, and there are currently 21 EU Chambers of Commerce across the continent.

**Strengthening business environment and investment climate**

Boosting private sector investment requires an enabling investment climate and business environment, including macro-economic stability, open trade, investment and financial systems and increased private sector credit. To this aim, the Alliance seeks to facilitate structured dialogues and cooperation with African partners, and the implementation of conducive policy and regulatory reforms.

**Investing in people by investing in education and skills**

The EU is also facilitating structured public-private dialogue in 32 African countries, as part of the Sustainable Business for Africa platform of the EIP, and there are currently 21 EU Chambers of Commerce across the continent.

Additionally, 450,000 Africans have benefitted from vocational education and training supported by the EU since 2014.
Investments in value-adding and labour intensive sectors require markets for the products and services. Advancing the economic integration process at regional and continental level in Africa and boosting sustainable trade relations with the EU are therefore essential. Building on the African Continental Free Trade Area (AfCFTA) implementation, the long-term perspective is to create a comprehensive continent-to-continent free trade area between both continents.

Economic Partnership Agreements, Free Trade Agreements, including the Deep and Comprehensive Free Trade Areas for North Africa, and other trade regimes with the EU should be promoted to the greatest extent, as building blocks to the benefit of the AfCFTA.

## Working together in strategic areas

A key component of the Africa-Europe Alliance is the sectoral policy dialogue between both sides. Four joint task forces – bringing together experts from both the public and private sectors across both continents – have been set up in the areas of agriculture, digital economy, energy, and transport.

The commitment to establish these task forces and provide recommendations during 2019 is well on track to be met, with two of the Joint Task Forces already having presented recommendations.

### Task Force: Rural Africa

**Recommendations** Published in March 2019

- Key recommendations focused on:
  - Income and job creation
  - Land and natural resources management
  - Agriculture transformation
  - Food industry and market

### Task Force: Digital Economy

**Recommendations** Published in June 2019

- Key recommendations focused on:
  - Access to broadband
  - Skills for the digital economy
  - Digital Entrepreneurship
  - eServices

### Task Force: Energy

**Recommendations** Published in November 2019

- Key recommendations focused on:
  - Access to energy
  - Renewable energy generation and energy efficiency
  - CO2 reduction

### Task Force: Transport

**Final Report** Expected by the end of 2019

- Key recommendations will focus on:
  - Air Transport
  - Connectivity
  - Road Safety

## Mobilising a substantial package of financial resources

This plan is supported by the Commission’s current and future budget, for which Africa is highlighted as a priority region.

### EU Budgetary period 2014-2020

- Dedicated funds for Africa (grants): €32.5 billion
- Other funds bringing the total to €42 billion

### EU Budgetary period 2021-2027 (Proposed)

- Expected other funds bringing the total to €62 billion (budget proposal)
- Expected other funds bringing the total to €40 billion (budget proposal)
Fisheries Agreements

There are currently 11 active Sustainable Fisheries Partnership Agreements (SFPA) with African Countries (Cabo Verde, Côte d’Ivoire, Guinea Bissau, Liberia, Morocco, Senegal, Mauritania, Mauritius, São Tomé and Príncipe, Seychelles, and the Gambia). These agreements establish partnerships based on transparency, which go beyond sustainable fisheries through contributing to governance, food security; and the economic, social and environmental development of partner countries.

Trade agreements, arrangements and schemes in place between Africa and the EU

Currently, 52 African countries benefit from a trade agreement, an Economic Partnership Agreement (EPA) or a trade arrangement (Everything But Arms and the two Generalised Scheme of Preferences, Standard GSP and GSP+) with the EU to grant privileged access to its market. These countries pay fewer or no duties on exports to the EU, giving them vital access to the EU market and contributing to their growth.

Negotiations for a deep and comprehensive free trade agreement with Tunisia are ongoing, and negotiations to deepen the existing Economic Partnership Agreement with Eastern and Southern African countries have been launched.

More information: www.africa-eu-partnership.org

**The Agreement in the form of an Exchange of Letters between the European Union and the Kingdom of Morocco on the amendment of Protocols 1 and 4 to the Euro-Mediterranean Association Agreement, which entered into force on 19 July 2019, provides for the extension of tariff preferences to products originating in the non-self-governing territory of Western Sahara.**