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AFRICA-EUROPE RELATIONS NEED TO FOCUS ON CIVIL SOCIETY

REPORT



This event is part of our Development Policy Forum (DPF), which brings together a number of important development actors, including the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Agence Française de Développement (AFD), the Japan International Cooperation Agency (JICA), the European Investment Bank (EIB), the United Nations and the World Bank. Reflecting the growing role of the private sector in development, the DPF has now welcomed Coca-Cola and Eni to the forum. The DPF contributes to the global and European conversation on inclusive development. Through its activities and publications, the DPF reflects the rapidly-changing global debate on growth and development and seeks to encourage a multi-stakeholdered, fresh, up-to-date thinking on the multiple challenges facing the development community.



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“We need a reset in the relationship between Europe and Africa. They are two continents separated by minds”

Mo Ibrahim

Chairman and Founder
of the Mo Ibrahim Foundation

INTRODUCTION

Europe's relations with Africa are going through a period of radical change, reflecting the continents' contrasting demographic trends and the need to improve Africa's environment for trade and business.

The Friends of Europe Africa Summit on 4 June 2018 addressed a wide range of topics, including education, trade and entrepreneurship. It followed an EU-Africa Summit held in Abidjan in November 2017, which focused on building more resilient states and societies and creating more and better jobs. Europeans want to engage African governments on migration, governance, development and security challenges.

Meanwhile, Agenda 2063, adopted by the African Union in 2013, set out the vision of “an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena”. However, the Agenda says little about what Africans want from their partnership with Europe, and the voice of African civil society representatives – including business leaders, parliamentarians, local authorities, young people and women – is often drowned out by European interlocutors and African officials. Their views are of key importance, however, if Africa-Europe relations are to thrive in a rapidly-transforming world.

FORGING NEW LINKS

“We need a reset in the relationship between Europe and Africa,” said [Mo Ibrahim](#), one of Africa’s most influential business leaders and Chairman and Founder of the Mo Ibrahim Foundation. “They are two continents separated by minds. Europe will always need migrants, but this is a truth that European politicians haven’t got the balls to tell the people. Europe is an aging continent and people in Europe are living much longer. You end up with a diminishing base of tax payers to support a larger base of old people. Who’s going to pay for that? That’s where we need cooperation.”

To be effective, this cooperation has to extend well beyond links at government level. “The European Commission thinks that you need to just deal with the African Union,” said Ibrahim. “They need to understand that, while the European Union is a union, the African Union is a club of African presidents and it has no powers. It cannot enforce any rules. So the European Union needs to widen its interaction with Africa and work more with regional economic communities, because these understand the realities on the ground. You need to interact with civil society in Africa.”

However, African civil society often struggles in the face of government suspicion, he said. “Many African countries treat civil society as criminals. Some pass laws to prevent civil society from receiving money from abroad. They say that civil actors who receive money from abroad are foreign agents. I always say to the governments: You receive funding from abroad. You go around begging for money from the European Union. Why can’t civil society receive money from overseas too?”

MAKE GOVERNANCE GOOD AND LOCAL

A crucial focus of all discussion of African development is the gap between decisions and plans made at the highest level of government and their implementation at local level. “A lot of time we have plans drawn up at a high level, but when you bring the plans to Africa, if local communities at ground level are not engaged, then those plans fail,” said [Williametta Piso Saydee-Tarr](#), Liberian Minister of Gender, Children and Social Protection. “So, it is very Important that the local communities are engaged and taken along the journey. The local government will do their own homework by having sessions with traditional leaders – elders, women and youth who can talk about issues. If a possession company is coming in, the land that it will use is the land that people survive on – for water, food and housing. So if people are coming in at a higher level, you get resistance from the community if you are not engaged with them. The conversation has to start from them. Then we can bring it up to local and national government, and they will have some ideas about what will be necessary.”

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“Out of 1.2 billion people in the world with no access to energy today, 650 million are from Sub-Saharan Africa. You will never have economic growth without energy as a basis ”

Lapo Pistelli

Executive Vice President
for International Affairs at Eni
and Italy's Deputy Minister of Foreign Affairs
and International Cooperation (2013 - 2015)

Governance is essential because its impact is so widespread – from business to social unrest, said [Esther Nakajjigo](#), Uganda's Ambassador for Women and Girls. “Millions of Africans are forced to leave their homes because of armed conflicts,” she said. “Millions of euros have been invested in Africa but we have not got the Africa we want to see. It is time to deal with Africa's sickness once and for all, otherwise the ones with energy will hold a gun. My golden question to Europe is: what is Europe failing to learn about Africa? For a very long time Europe has been acting as a physician on the sicknesses of Africa, simply treating symptoms. But the time is now for Europe to act as a surgeon and cure Africa's sickness once and for all. If we continue just talking, Africans will always look at holding a gun as the only way they can share the national cake. The ones with energy will hold a gun and the weak ones will go on the move. Until Europe supports the African union to address issues of bad governance, we are wasting our time. So, I call on you to address the issue of bad governance and to stop dining with African leaders who are filthy rich – richer than their own, starving, nations and with no political plan.”

All of these challenges are arising against the background of major changes on both continents. “Africa and Europe are engaged in a very brave attempt to reset their relationship,” said moderator [Shada Islam](#), Director of Europe & Geopolitics at Friends of Europe. “It's a very important endeavour. So much has changed in both Africa and Europe over the last two decades. There are new global realities that have to be taken into account.”

AFRICA'S LANDSCAPE IS CHANGING

One area where improvement is essential is access to energy. To succeed at United Nations Sustainable Development Goal 7 – access to affordable, reliable, sustainable and modern energy for all – energy needs to be supplied to 73 million people a year, said [Lapo Pistelli](#), Executive Vice President for International Affairs at Eni and Italy's Deputy Minister of Foreign Affairs and International Cooperation between 2013 and 2015. “In terms of hydrocarbons, the African continent has twice the reserves of the US, and if you look at renewables the geographic fit is perfect,” he said. “But out of 1.2 billion people in the world with no access to energy today, 650 million are from Sub-Saharan Africa. So we have to invest a lot. I consider access to energy a basic human right: you will never have economic growth without energy as a basis. Moreover, there's tragedy within a tragedy. African women spend hours a day collecting wood and biomass. This is a stolen life. If you don't modify this energy pattern, we are really spectators of a stolen life for all African women.”

Changes in Africa are leading to new expectations from Europe. “North African countries have built all sorts of links with Sub-Saharan Africa in the economy and politics,” said [Elisabeth Guigou](#), President of the Anna Lindh Foundation Mediterranean Foundation for Dialogue. “Therefore the division between North Africa and Sub-Saharan Africa is no longer valid. The Sahel region is not a border anymore, so we

have to have a new approach. And Europe has to take into account that it is no longer the favoured player in many African countries: China, India and Japan are there. But Europe is the only continent that normally should be ready to have a shared view with Africa. China and the others have their own agendas. This means Europe and Africa need a new partnership based on equal understanding. It is not only for Europe to put the agenda on the table. It is up to Europeans to listen to Africans too.”

Europe is developing a more-unified approach to its relations with Africa. “For the first time, trade policy is being done by the European Commission here,” said [Günther Nooke](#), Commissioner for Africa and the German Chancellor’s Personal Representative for Africa at the German Federal Ministry for Economic Cooperation and Development (BMZ). “That is one issue where we can define what we want. But in the military sector and collective security, there is no shared opinion. We can do much more in saying that the issue of how to deal with Africa is a European issue. It is not China, India or the US where the Moroccans will come to look for a better life. It will be Europe. We have problem with migration and we cannot allow everyone to come to Europe. We cannot integrate millions or tens of millions of migrants into European states. That would destroy the European Union. So then we have to do something in Africa. Chancellor Merkel said the wellbeing of Africa is in Europe and Germany’s interest.”

NEW GROWTH OPPORTUNITIES

Africa is going through a period of strong economic growth and is producing a growing number of entrepreneurs. To be successful, they need greater opportunities to expand, as well as the means to trade more easily both within Africa and with the rest of the world. Digitalisation is expected to bring an additional \$300 bn to Africa by 2026, but it is not always easy to convert ideas into businesses. “No country has ever developed without investing in their own people,” said [Pauline Mujawamariya Koelbl](#), Managing Director of the African Innovation Foundation and Programme Director of the Innovation Prize for Africa and Innovation. “We have seen that innovation does not happen in a vacuum. We need to accompany innovations along the value chain.”

The fields are wide-ranging. For example, prizes have gone to innovative alternatives to antibiotics for livestock to address financial inclusion where small-scale farmers find difficulty to attract funding. Other areas include ICT, manufacturing and services, as well as the environment energy and water industries. The challenges of doing business in Africa mean that only the most robust products will survive, said Koelbl. “There is a popular saying: When it works in Africa, it works everywhere. So if you have a solution for something in Africa, it is probably going to work here but the reverse can be hard. If we can target solutions by Africans bearing in mind the reality on the ground – such as the environment and the culture – we can eradicate many of the issues that are being discussed in development circles. It’s about how to unleash talents.”

“No country has ever developed without investing in their own people. Innovation does not happen in a vacuum”

Pauline Mujawamariya Koelbl

Managing Director of the African Innovation Foundation and Programme Director of the Innovation Prize for Africa and Innovation

“It has to be about exploiting the complementarities that exist between Africa and Europe. It’s to co-design, co-develop and co-enjoy the fruits of the work”

Arancha Gonzalez

Executive Director
of the International Trade Center

Digital technology is seen as a particularly promising area for African entrepreneurship. “By the end of this century, 40% of the world population will be living in Africa, and by 2035 Africa will have the world’s largest workforce,” said [Jean Philibert Nsengimana](#), Special Adviser to the Executive Director of Smart Africa and Rwanda’s Minister of Youth and ICT from 2011 to 2017. “To realise the demographic dividend a lot of work needs to be done. We need to put in place systems that are future-proof for education, infrastructure, healthcare, social security, trade, finance and governance.”

Smart Africa aims to put ICT at the centre of the socio-economic development agenda and to improve access to it. “From seven countries in 2013, today we are 24 countries with a combined population of more than 600 million. The recent movie Black Panther got everyone wondering about the real magic ingredients that Africa has,” said Nsengimana. There is great potential from technology, such as Internet connectivity, the fourth industrial revolution, the Internet of things and blockchain, he said. “To bring all that together we need partnerships and leadership. That is what Smart Africa brings. We started back in 2013 a Miss Geek competition in Rwanda for the most brilliant young girls, so as to empower young African women. By 2015 it had become a pan-African competition.”

The 2018 winner was [Latifa Salissou Hassane](#) from Niger. Her winning design is the “First responder” app, which facilitates communication between people caring for accident victims and emergency services. It also allows medical staff to give advice on basic first aid before they arrive at the scene. “Our app can help deal with emergencies and crises and reduce the time for intervention,” she said. “When there is an accident or fire, it takes a long time for emergency services intervention. So we created an app that can reduce this time. In Africa girls are mostly not interested in ICT,” she said. “But when girls enter ICT they can innovate and create beautiful solutions. Girls who see me can then say, ‘why not me?’ It could incite them to action.”

Financing is an important condition for launching a business – but to access it, businesses must first make themselves visible to potential investors. “It’s a combination of being at the right trade shows and having people who get to know you,” said [Sindiso Khumalo](#), Designer and Founder of Sindiso Khumalo Fashion, which works towards promoting sustainable and ethical African creations. “You do not have to go to the government to get funding. Venture capital funding is one of the ways. But no one will pay attention to you unless they can see you.”

The ability to scale up quickly is essential in the clothing industry. “From a skills development point of view, once you get that big order from Net-a-porter or Barneys, you need to be able to produce a product that is on the same level as a Gucci or a Dior. So, we need proper investment into skills development if we want to manufacture in Africa. This needs a lot of time, focus and money.”



1. **Sindiso Khumalo**, Designer and Founder of Sindiso Khumalo Fashion, working towards promoting sustainable and ethical African creations

2. From left to right : **Annicent Busingye**, Operations & Maintenance Director, Frontier Energy, a leading investor in the African renewable energy market; **Christoph Beier**, Vice Chair of the Management Board, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)



“We need to work with the private sector much more seriously and ask what the main reasons are that they are not investing”

Christoph Beier

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EUROPEAN ROLES IN AFRICAN BUSINESS

One success is the partnership of IKEA with African designers who will produce a bespoke collection for the chain store. “Ten of us partnered up with this major global brand and produced a collection that is going to be in all 200 stores next year,” said Khumalo. “It wasn’t a marketing ploy. It was a clear economic development project by a private entity. IKEA is now one of my clients and that is something that can only happen with the right kind of funding and the right introductions. The model with IKEA should be one for other European brands, so that African creators can collaborate in a meaningful and powerful way and show that we are open for business. Manufacturing in fashion can launch a whole supply chain, starting with the textiles. One garment can empower many, many communities.”

Europe can help promote of African entrepreneurship in a number of ways, said [Arancha Gonzalez](#), Executive Director of the International Trade Center. “Where do I see a huge Intersection point between Europe and Africa?” she asked. “It has to be about exploiting the complementarities that exist between Africa and Europe. It’s to co-design, co-develop and co-enjoy the fruits of the work. There are three areas for this intersection. The first one is financing: it is one thing to be innovative; it is another to bring your innovation to market. The second is skills development. Why not set up fashion schools? Why not have innovation labs? The third is about better leveraging the African market. The moment Sindiso can sell her amazing clothes not just in London, not just in Cape Town, but all across Africa – and she can tie the amazing ingredients that make the fashion chain in Africa, and she can do that without facing barriers or the myriad of non-tariff barriers she faces today – then she is in a much better position to leverage her relationship with Europe.”

RISK AND GOOD GOVERNANCE

A major challenge for economic growth is good governance, without which foreign investors will be reluctant to set up in Africa. “We need to work with the private sector much more seriously and ask what the main reasons are that they are not investing in this market,” said [Christoph Beier](#), Vice Chair of the Management Board of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). “We have not been successful in creating sustainable growth also because of governance issues: economic governance in most countries is really bad. So what will we do? Carry on like before in the hope of better conditions in 30 years? We can’t do that because we have time pressure.”

There are three things related to jobs and inclusive growth that should be done differently now, he said. One is to find opportunities to contribute to a conducive environment for sustainable jobs, even if this is not the case in a whole country. Free-trade zones could help in this. Another is the example of the GIZ’s role in building 10

universities for the Ethiopian government. “We tried to increase local content by concentrating on the local labour market,” he said. “We developed the skills. We supported small- and medium-scale industries. We created 700,000 jobs, and a lot of small companies can now serve the African market in general. You need the demand side of investments as well as the supply.”

A second point of action is financing, especially for small businesses. And a third is to improve conditions in the informal sector. “Maybe 80% of economic development is in the informal sector. In the poorer part of this, we have to use social security to unlock entrepreneurial potential. A lot of people want to become entrepreneurs but are struggling to survive on a day-to-day basis.”

The private sector is also concerned about the risks of doing business in Africa, and the European Investment Bank (EIB) is finding ways to mitigate those risks. “What is changing from the MDGs (millennium development goals) to the SDGs (sustainable development goals) is that public funds and grants will never be enough to bridge the €2.5 trillion of annual investment that is required to meet the SDGs,” said [Richard Amor](#), Head of the Global Partners Operations Directorate at the European Investment Bank (EIB). “How do you bridge that gap? It’s all about crowding in private sector finance – that is, making sure that new areas and people can be part of working in Africa. Two-thirds of recent EIB activity in Africa is targeted at private investors – institutional investors such as pension funds and capital markets. How do we engage with these actors who haven’t traditionally been comfortable with the risks associated with doing projects in Africa? How do we bring them along and get them involved? The commission’s great new flagship External Investment Plan (EIP) takes some of the lessons learned inside the EU under the European Fund for Strategic Investment (EFSI) and applies them outside the EU.”

The key, he said, is focused policy dialogue aimed at making institutional investors and the private sector comfortable with taking the risks involved. “One example is, when we went out and asked businesses in the renewable energy market and asked them: ‘What’s stopping you from doing more business in Sub-Saharan Africa?’ The answer was not really a technical problem of getting projects in place. Instead, they were worried about the risk of not getting paid. So, we’re setting up a new structure under the EIP that partially covers the risk of non-payment from an uptaker. It’s dealing very specifically with what institutional investors want and providing an innovative response to that policy need.”

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Head of the Global Partners
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“The relationship with Europe is not just about cheap imports but about generating exports”

Frank Matsaert
 , Chief Executive Officer
 of Trademark East Africa

PHYSICAL INFRASTRUCTURE NEEDED

One major African initiative is the Continental Free Trade Area (CFTA), which was signed up to in March by 44 of the African Union's 55 member states. They agreed to remove tariffs from 90% of goods, allowing free access to commodities, goods, and services across the continent. Increased trade has potential to make African business more competitive and, eventually, reduce its large trade deficit with Europe.

“When we think about EU-Africa trade, it has to be clear that it needs to be a reciprocal agreement,” said [Frank Matsaert](#), Chief Executive Officer of Trademark East Africa. “In Kenya, I see four containers coming in full and three containers going out empty. So, only one container goes out full of exports. The relationship with Europe is not just about cheap imports but about generating exports. That's important and it's not just about exporting raw commodities – it's about adding value. The African FTA potentially offers a great opportunity for Africa to trade with itself, because in the end it may be easier to export to your neighbour than it is actually to export to where we are now in Belgium. So, the CFTA is a great step forward, but we need a reality check on the unconstrained optimism. It will need political will, particularly from some of the big players on the continent, such as South Africa and Nigeria. We are not seeing all that political will there. Also, it needs to address the on-the-ground constraints of trade.”

Infrastructure is a major deciding factor in the ease of doing business in Africa, as it still takes too long to move goods around Africa. “A recent article looked at movement of day-old chicks from Côte d'Ivoire to Ghana,” said Matsaert. “The delays at the border meant that all the chicks were dead on arrival, because it took seven days to get through the border. Think about that. Seven days. How much does that cost? It costs a lot.”

One problem is cartels that block the movement of goods. However, there has been some progress. “At ports there are big levels of delay and corruption,” said Matsaert. “We have managed to reduce time through the ports with our partners by 50% over the last five years. Borders are a massive problem, but it is solvable with political will. We have seen reduction of about 70% in the time through the average east African border. Automation has massive potential to increase efficiency. For example, in Rwanda the time it takes to import goods has fallen from 11 days to less than one day. So these things can be done but it will need that concerted work on the ground.”

Other progress he cited includes a 40% reduction since 2010 in the time it takes to move goods around in east Africa. In 2010, it took 21 days to move a container from Mombasa to Kampala – 1,200 km – but this can now be done in six days. “We are now seeing businesses conduct business across east Africa that didn't before. We are beginning to see the emergence of some regional division of labour and value chains, because in many parts of Africa that's totally absent.”

EDUCATION FOR EMPLOYMENT

It is important that trade and investment lead to sustainable jobs. [Annicient Busingye](#), Operations and Maintenance Director of Frontier Energy, pointed out that projects have an economic effect beyond that goes beyond themselves. “Of course, this kind of investment creates jobs,” she said. “But what we need to focus on is the sustainability of the jobs created. If you focus on only direct jobs, then you will miss the point. Hydropower plants employ very few people. But if then you look also at the induced jobs, this is the biggest portion of jobs created. Sometimes you find that Europe will bring investment and create jobs but on top of that export the labour from Europe to do those jobs that were created. They say there is not enough skilled labour in Africa. It means that we need to focus on developing vocational skilling projects that can empower people to take on these jobs once they become available.”

Schools and colleges, too, could help by focusing studies more on skills that can be used in the jobs market. “Many are not trained for the kind of jobs needed,” said Ibrahim. “There are dysfunctional education systems in many African countries, which are not training people for jobs. I appreciate art. But Africa needs to build roads and dams and to supply water. We need technicians and agronomists. Agriculture is a very important part of our economy. But just 2% of our university graduates study agriculture, whereas 27% study humanities. I think it should be the other way round. We need to eat before we recite Shakespeare. We need to focus on what kind of training people need.”

Changing the focus of education is difficult though. “First, we need the administrators in our education system to connect with society and with business people so that they understand what is needed: what kind of skills and what kind of jobs,” said Ibrahim. “Now we need a discussion between education administrators and civil society and business. Our education system is rooted in our requirements. We need technical colleges. We need to change our mentality and attitude towards education.”

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Annicient Busingye
Operations and Maintenance
Director of Frontier Energy

CONCLUSIONS

The following recommendations could help to make the most of the 21st century's opportunities:

- The European Union should look at the positive potential impact of African migration. Europe's societies are aging, while African can be a source of working-age people.
- Development actors should focus on governance, as it is often the cause of slow development. In particular, they need to look beyond high-level government and engage with local communities
- Africa's education systems need to change. Instead of focusing on humanities and university education, they should equip young people with the skills that are most in demand in the jobs market.
- New African enterprises need to develop networks in Europe so that they get greater access to financing and markets. Global corporations in Europe should actively seek tie-ups with African partners.
- Africa needs to improve its transport links – especially from sea ports to major cities. Border crossings need to be smoother to let goods pass more quickly.
- It is important to find ways to mitigate the risks – or perceived risks – that foreign investors face in Africa. Partial guarantees from international organisations and development banks can help.



1. **Lapo Pistelli**, Executive Vice President for International Affairs, Eni

2. **Latifa Salissou Hassane**, Miss Geek Africa 2018

3. From left to right: **Richard Amor**, Head, Global Partners Operations Directorate, European Investment Bank (EIB); **Annicent Busingye**, Operations & Maintenance Director, Frontier Energy, a leading investor in the African renewable energy market;

Christoph Beier, Vice Chair of the Management Board, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and **Frank Matsaert**, Chief Executive Officer, Trademark East Africa, a not-for-profit company working on growing prosperity in East Africa through trade





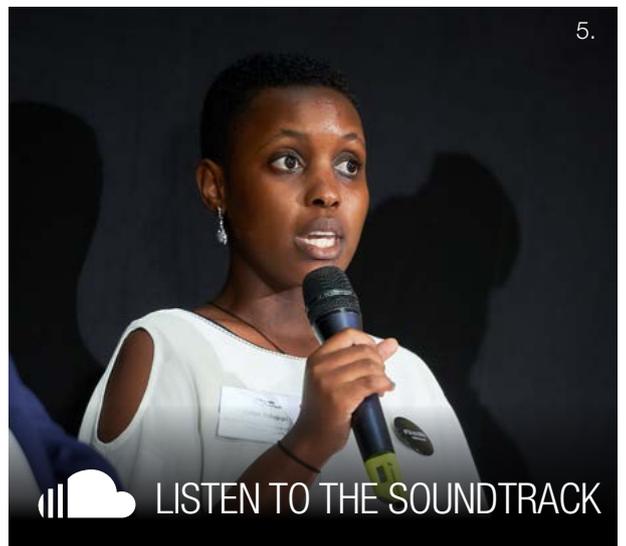
1. **Shada Islam**, Director for Europe and Geopolitics at Friends of Europe with **Mo Ibrahim**, Chairman and Founder of the Mo Ibrahim Foundation

2. **Williametta Piso Saydee Tarr**, Liberian Minister of Gender, Children and Social Protection

3. **Arancha Gonzalez**, Executive Director of the International Trade Center

4. From left to right : **Latifa Salissou Hassane**, Miss Geek Africa 2018; **Pauline Mujawamariya Koelbl**, Managing Director, African Innovation Foundation and Programme Director of the Innovation Prize for Africa and Innovation Ecosystems; **Arancha Gonzalez**, Executive Director, International Trade Center; **Jean Philibert Nsengimana**, Special Adviser to Smart Africa; Minister of Youth and ICT of Rwanda (2011-2017) and **Sindiso Khumalo**, Designer and Founder of Sindiso Khumalo Fashion, working towards promoting sustainable and ethical African creations

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