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The European strategy for a 'New Deal' with Africa

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On 17 and 18 February will take place in Brussels the 6th Summit between the European Union and the African Union - a vital meeting for Afro-European relations.

The heads of state and government (twenty-seven Europeans and fifty-five Africans) are invited to discuss issues such as financing growth, the future of health systems, vaccine production, agriculture, education, vocational training, culture, immigration, mobility, support for the private sector and economic integration, governance, peace, security, climate change and the energy transition.

The President of the European Commission, Ursula von der Leyen, who visited Senegal on 9 February, declared that the summit should identify a first set of strategic interventions in the areas of infrastructure, value chain and private sector development, vocational training and health.

The Afro-European axis is indeed one of the stated priorities of the French Presidency of the Council, which aims to establish an "ambitious and forward-looking alliance with Africa to build an area of solidarity, security, sustainable prosperity and stability". French President Emmanuel Macron announced in December 2021 his commitment to the creation of a "New Deal" with the African continent with the aim of kick-starting its economy - which is experiencing its first recession in 25 years - and the European Union believes that the African economy will need "300 billion € in funding" between 2020 and 2025 to cope with the effects of the health crisis. The summit will be the starting point of the EU initiative announced on 1 December 2021, the "Global Gateway", which embodies the resolve to build a geopolitical Europe based on power components other than "hard power".

A MEETING IMPACTED BY THE HEALTH CRISIS

The economies of African countries have been hit hard by the health crisis. A study published in December 2020 by the African Development Bank estimated that the number of people living in extreme poverty in Africa increased by 30 million in 2020. According to the IMF, Africa's GDP grew by 3.7% in 2021, after contracting by 2.1% in 2020. But recovery remains hampered by weak vaccination rates: 11.2% of the African population has received a full Covid-19 vaccination schedule and 16.5% at least one dose of vaccine.

According to estimates made by the International Monetary Fund reviewed on 25 January 2022, the economy of sub-Saharan Africa is expected to grow by 3.7% in 2022, but the figures hide significant disparities between countries: growth forecasts are 7% for Rwanda, 6.5% for Benin but only 2.7% for Nigeria. Ghana, Côte d'Ivoire and Senegal are expected to return to pre-pandemic growth rates. As oil prices continue to rise, two of the continent's largest economies, Angola and Nigeria, could benefit, although security instability in Nigeria, as well as Angola's high level of debt, present risks of instability.

The health crisis has also led to an increase in debt: the <u>public debt/GDP ratio</u> was estimated at 65% in 2021, the highest rate in twenty years. It exceeds 100% in some countries including Mozambique, Angola, Sudan and Zimbabwe. Faced with repayment difficulties, Ethiopia, Chad and Zambia applied for the <u>restructuring of their debt</u>. Some 30 countries had been granted a moratorium on servicing their debts until the end of 2021.

In addition to these macroeconomic trends, the demographic context – according to the <u>United</u>

Nations, Sub-Saharan Africa's population is expected to double by 2050. Five of the nine countries that will account for more than half of global population growth are in Africa. While the challenges for development goals are significant, ranging from poverty eradication to access to health care and education, the rapid increase in the working-age population could help accelerate economic growth.

PRIORITIES OF EURO-AFRICAN RELATION

Prior to the creation of the African Union in 2002, the first relations between the European Community and the Organisation of African Unity resulted in the Lomé Conventions (1975), trade agreements signed between the European Economic Community and African, Caribbean and Pacific (ACP) countries. There have been four of these. In 2000, they were replaced by the Cotonou Agreements. Now Euro-African cooperation falls within several areas, including the Joint Africa-European Union Strategy, adopted in 2007, and the post-Cotonou agreement governing trade relations.

The fact that Ursula von der Leyen's first official visit as President of the European Commission in 2019 took place in Addis Ababa, the seat of the African Union, is a sign of Europe's determination to renew the partnership with Africa, but also to respond to the growing presence of China and Russia on the continent. The communication "Towards a comprehensive strategy with Africa" published in 2020 identifies five priority areas for cooperation, which will structure the exchanges during the Summit:

- a partnership for a green transition and access to energy;
- a partnership for digital transformation;
- a partnership for sustainable growth and jobs;
- a partnership for peace and governance;
- · a partnership on migration and mobility;

Euro-African relations have traditionally been conducted through development policy, which plays a central role in promoting European values. Over the years, it has strengthened Brussels' status as a normative power, with the objective, stipulated by the

Treaties, of 'reducing and, in the long term, eradicating poverty' (Article 208 TFEU), as part of the Millennium Development Goals and the Sustainable Development Goals. In the years following the financial crisis and with the migratory flows of 2015, European development aid policy, in a context of the politicisation of the Union's external action, has pursued other public policy objectives, notably related to security and migration control - including the promotion of investment and job creation for young people.

The European Union and its Member States are the main donors to developing countries. In 2019, their aid totalled €75.2 billion, representing 55.2% of total world aid. In 2020, European official development assistance represented 0.50% of GNP and is expected to rise to 0.7% by 2030), which is well above the sums given by the United States (0.18%), and the average of the Development Assistance Committee members (0.21%). In the Multiannual Financial Framework 2021-2027, the Neighbourhood, Development Cooperation and International Cooperation Instrument (NDICI), which combines all the existing instruments, is worth €79.5 billion, of which €29.2 billion is dedicated to sub-Saharan Africa.

Beyond the development aid policy, as part of the effort to establish more equitable and balanced relations with the African continent and in the context of the development of the African continental free trade area (which should eliminate 90% of tariff barriers for intra-African trade, contributing to the attractiveness of Africa for investments), trade and support for SMEs and VSEs play a central role. The search for diversification and relocation of value chains by Europe, as part of the quest to develop strategic sovereignty, could also benefit the countries around the Mediterranean. Indeed, cooperation in the Mediterranean basin should be at the centre of the discussions. Although partnerships exist in several sectors, such as the automotive and aeronautics industries, the European Union's share of trade decreased in all countries of North Africa, dropping from 67% to 53% in terms of exports and from 55% to 39% regarding imports between 1999 and 2019. As a result, the EU has been overtaken by China and India as Africa's largest trading partners.

The deepening of the Economic Partnership Agreements (EPA), which fully open EU markets to signatory countries, while the latter only partially open their borders to EU imports, will also be under discussion. These agreements are complemented by a "generalised system of preferences", whereby imports from developing countries can be made at reduced or zero rates. A European Commission proposal dated 22 September 2021 wants to introduce a clause allowing for the cancellation of trade preferences in case of serious environmental damage, as well as the issue of non-tariff barriers. But it could be the focus of debate.

SUPPORT FOR THE FIGHT AGAINST CLIMATE CHANGE AND THE QUESTION OF VACCINES

Despite its extremely marginal contribution to global warming the African continent is one of the most vulnerable areas as far as climate change is concerned, which could have catastrophic effects on food security and ecosystems. In 2009, at the Copenhagen Climate Change Conference, the most developed countries committed to mobilise \$100 billion per year until 2020 for climate change mitigation and adaptation policies: this amount has not been reached! The UN believes that developing countries will need up to 300 billion \$ yearly by 2030 for climate change adaptation measures.

The European Union, which is trying to take the lead in the fight against climate change, should put these concerns at the centre of the new Deal with Africa. Its action will be important in the run-up to COP27 in November in Sharm el-Sheikh, Egypt, where financing the climate transition in developing countries will be the focus of negotiations.

Access to energy and the development of decarbonised sources remain major concerns - 48% of the continent's total population did not have access to electricity in 2020, according to the International Renewable Energy Agency. Yet the potential for clean energy development, including off-grid solar photovoltaics, encouraged by the continent's rapid digitalisation, is enormous.

Another major aspect of the Summit will be the African countries' access to vaccines against COVID-19. Although Ursula von der Leyen <u>ruled out the possibility</u>

of lifting patents on vaccines, she stressed that the EU has made proposals to facilitate the use of "voluntary" or "compulsory" licences and is "investing to increase production capacity in Africa, with over 1 billion € committed to this effort".

Security aspects, with the definition of a renewed architecture for peace and security, will also be on the agenda, as several coups d'état have taken place in Africa in 2021. During the African Union's 35th Summit on 5 and 6 February 2022 in Addis-Ababa, the president of the Peace and Security Council stressed that "at no time in the history of the African Union have we had four countries suspended in twelve months: Mali, Guinea, Sudan and Burkina Faso". The war in Ethiopia between pro-government forces and the Tigray People's Liberation Front was not reported. Eleven of the fifteen most vulnerable countries identified by the Fund for Peace's Fragile States Index are in Africa. In the face of long-standing conflicts in Somalia, South Sudan and the Central African Republic, and the worrying situation in the Sahel, Europeans and France are keeping the fight against terrorism as a priority.

GLOBAL GATEWAY AND THE RUSSIAN AND CHINESE PRESENCE IN AFRICA

In December 2021, the European Commission launched Global Gateway, "Europe's new strategy to develop smart, clean and secure digital, energy and transport links and to strengthen health, education and research systems worldwide". Seen by many experts as Europe's answer to China's New Silk Roads, a first investment project worth €1.6 billion over five years was announced on 9 February 2022 in Morocco for green energy projects.

The "Global Gateway" will be the focus of the investments that the Europe-Africa summit is expected to pinpoint. Asked about the geopolitical dimension of the EU initiative, aimed at countering Russian and Chinese influence in Africa, the Commission president said that "too often investment options in Africa have hidden costs. The financial, political, environmental and social costs are sometimes very high. These options often create more dependency than real links".

Indeed, since the early 2000s, and especially after 2014, Russia has continued to increase its influence in Africa, especially in sub-Saharan Africa, in economic, military and security areas. Between 2014 and 2020, nineteen military cooperation agreements were signed between various countries on the African continent and Russia; the first Russia-Africa summit took place in October 2019 in Sochi.

As for China, although its investments in the African continent are experiencing a certain slowdown, according to the French Treasury, Beijing is still the largest creditor of sub-Saharan Africa. In 2020, China held 62.1% of Africa's bilateral external debt. However, the conditions for allocating loans with regard to conditionality clauses linked to borrowing - such as the role of Chinese companies that leave few opportunities for local actors - the non-transparent selection of projects or the indebtedness of participating countries are often unsustainable. Moreover, China is expanding its security footprint in Africa and its first overseas military base, whose role is mainly to protect Chinese companies, is in Djibouti!

More particularly and <u>as stressed by Achille Mbembe</u>, the growing competition between the major powers in Africa is taking place within the framework of "*fierce* competition between different political models". Against this background, it is essential for the European Union to be involved in supporting democracy in Africa "to be able to meet the central challenges of the "Anthropocene" and "to meet Europe's long-term political and security interests in Africa".

The 17-18 February Summit is an opportunity for Europe and Africa to design a strategic partnership based on mutual interests, taking into account both the new challenges raised by the Covid-19 pandemic and new international realities. For the European Union, the launch of a substantial investment package in the framework of the Global Gateway initiative represents the achievement of a more "geopolitical" agenda.

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