

Mr Charles Michel
President
European Council
Rue de la Loi 175
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8 December 2020

Dear President,

2020 has been a decisive year for EU-Africa relations. In March, the Commission published its communication "Towards a comprehensive strategy with Africa", with the aim of adopting a joint strategy with the African Union at the EU Africa Business Forum. While the disruptions caused by the COVID-19 pandemic eventually led to the postponement of the summit, the pandemic's direct and indirect effects make a redefinition of EU-Africa relations even more urgent.

With the GDP of Sub-Saharan Africa expected to fall by 3% in 2020, the region is experiencing its first recession in 25 years. This could push up to 40 million people in the region into extreme poverty. The EU's measures to support African countries face the immediate crisis (e.g. repurposing EIP guarantees, debt relief) are welcome, but now we need to define ways in which we can jointly work towards reigning in the pandemic, achieving a fast economic recovery as well as more resilient, sustainable and prosperous societies in the long run. Achieving the sustainable development goals and a green transition remain crucial in this regard.

This is why, ahead of the informal Africa-EU Leaders' meeting on 9 December, the European business community would like to share with you its priorities for EU-Africa relations that truly deliver on growth, jobs and sustainable development in the aftermath of the COVID-19 pandemic:

- The **African Continental Free Trade Area (AfCFTA)** should be put high on the agenda. The agreement covers a total of 1.2 billion consumers with a combined GDP of over two trillion euros and will eliminate tariffs on 90 percent of product lines on the continent. Africa's GDP could increase by one percent, total employment by 1.2 percent per year and intra-African trade by 33 percent. The AfCFTA, more than any other single factor, has the potential to boost Africa's economic growth and combat extreme poverty in the long term.
- **Economic Partnership Agreements (EPAs) as drivers of change are important instruments to boost economic relations between Africa and Europe.** If implemented properly, they will remove tariff and non-tariff barriers to regional and international trade and prepare the ground for deeper disciplines that encourage investment in value-adding sectors. Boosting trade and investment and encouraging the creation of regional value chains, EPAs should be used as building blocks to continental free trade in Africa. Broadening the existing EPAs to include deeper disciplines, such as services trade, investment, intellectual property rights or competition, will play a critical role in this regard.



- **The EU should pursue a Team Europe approach in its cooperation with Africa.** This should include more coordination between different Commission directorates general, European development financing institutions, European export credit agencies, commercial banks and Member States. It should also involve the creation of a strong development financing institution at EU-level that can combine development and export finance. Moreover, the EU needs to increase the visibility and communication of its external financing instruments in order that more companies are aware of the opportunities they offer. Finally, EU-funded programmes should be limited to entities from countries that grant reciprocal access to their external financing instruments and they should have measures in place to exclude abnormally low bids. All this would help European companies provide their sustainable long-term solutions in Africa, particularly in the area of infrastructure and connectivity, and contribute to the creation of jobs and growth.
- **Education and professional training that provide people with the skills required by the labour market are key factors for development.** Cooperation between universities, research institutions and vocational education and training (VET) programmes from both continents need to be strengthened, including under the EU Erasmus+ programme. Moreover, private sector-driven initiatives on VET as well as entrepreneurship in Africa should be supported and better coordinated. In this regard, the pandemic has emphasised the importance of both digital skills and digital learning methods.
- **A closer dialogue between the public and the private sector in African countries** at all levels can be a strong catalyst for reforms, helping to identify problems, find solutions and create an enabling and inclusive business and investment climate. The EU delegations as well as European private-sector organisations should help to foster dialogue. In this regard, industrial partnerships should be stressed as key tool to deliver growth and seize opportunities deriving from the complementarities between the companies involved on a co-development basis.

Our views are set out in detail in our position papers "[Recommendations on the EU external financing instruments](#)" and "[A better investment climate in Africa - Business views](#)".

We will continue to cooperate proactively with the European Institutions on this issue and remain open to exchange further with you and your services.

Yours Sincerely,


Pierre Gattaz
President


Markus J. Beyrer
Director General