

## Investing in EU-Africa Partnership

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The **EU-Africa Summit** offers **three major opportunities** to boost the partnership between Europe and Africa.

**First**, it allows the European Union (EU) and African Union (AU) to get the **political endorsement at the highest level of their joint ambitions and flagship activities**.

Most of it could be achieved without a formal Summit, but the backing of the leaders is a welcomed boost. It is particularly timely for the EU, which is finalising the process of identifying the [key priorities and allocation of its aid for the coming years](#), the so-called EU programming process under the EU budget for the period 2021-2027.

Next to peace and security, and migration and mobility, the major issues centred around a **prosperous and sustainable Africa and Europe**. In practice, this means an ambitious agenda related to the **COVID-19 pandemic, its health and socio-economic consequences**. This includes vaccine sharing, as well as the [manufacturing of vaccines and medical products](#) through the establishment of regional hubs in several African countries. These health-related issues have major implications for investment, technology transfer, trade and regulatory cooperation, within Africa and among the two continents.

Other major priorities include **sustainable growth and decent job creation, climate change** and the green transition, **digitalisation**, and human development, with education and skills development. From the European side, these reflect well-identified priorities, often already announced, as in the [2020 Comprehensive Strategy with Africa](#), and the December 2021 [Global Gateway](#), which focuses mainly on investment in infrastructure (transport, digital connectivity and green energy), as well as health, and education and research. The **Summit is an opportunity for the EU to speed up and package its key initiatives** and main programmes for Africa, and boost synergies for joint action.

**Second**, the Summit offers an opportunity to **launch new initiatives** and **address issues of concern** and possible tension.

Given the [widening divergence in the recovery](#) between advanced economies and developing countries, as highlighted at the start of the year by the [World Bank](#), the Summit offers an opportunity to **make new commitments**.

A major step forward would be for **EU countries to collectively pledge to [reallocate a share of their special drawing rights \(SDRs\), or a budget equivalent solution, to countries in need](#)**.

So far, the Netherlands [indicated](#) it would rechannel through the Poverty Reduction and Growth Trust (PRGT) of the International Monetary Fund (IMF) only the equivalent of [\\$300 million](#) (i.e. 2.5%) of the \$11.9 billion SDR-equivalent it was allocated by the IMF last August. In particular, **budgetary equivalent solutions** could be very attractive, to beef up the capital endowment or provide guarantees to national development finance institutions (e.g. FMO), the European Investment Bank (EIB), and to work through African own mechanisms and initiatives (including regional development banks).

The [debt-sustainability of some African countries](#) is also a priority for their recovery, which could jointly be addressed by African and European countries, including in multilateral fora.

On **climate change**, while the importance of the issue is shared, there are some different emphasis on how to address it. The EU Green Deal stresses the climate mitigation efforts needed, whereas Africa would like to see: (i) more considerations given to investment towards a [fairer energy transition](#), taking into account the social and industrialisation needs of Africa, and (ii) a much greater emphasis on **investment for [climate adaptation](#)**.

Third, **the EU-Africa partnership provides a strategic framework for (joint) actions by countries from both continents**. The ‘**Team Europe**’ approach is a powerful conduit to mobilise and synergise the efforts of individual EU member states with those of the EU and its partners. **The Netherlands has much to gain in leveraging its own strategic engagement with Africa in the context of the EU-Africa partnership and Team Europe approach**. This is the case for instance in European endeavours to leverage public and private investments for Africa’s infrastructure, productive capacity and jobs (e.g., in transport, water infrastructure, clean energy, agriculture, technology, services).

In that respect, the **African Continental Free Trade Area (AfCFTA)** provides not only an attractive entry point for addressing **trade** and trade-related issues (including in synergies with the EU free trade agreements and EU generalised system of preferences), but also **investment**. For instance, the development of **sustainable agri value chains**, within Africa and with Europe, offers opportunities for win-win cooperation between the Netherlands and Africa, promoting private sector involvement and leveraging private finance. To stimulate investment, financial institutions (for development, and commercial ones) have a important role to play. This is the case in particular of **FMO** in the Netherlands and its critical role at the European level notably through the association of European DFIs (**EDFI**), as well as the European Investment Bank (**EIB**) and its new arm for development, [EIB Global](#), **which should be strengthened to more actively engage with Africa**.