

## **Towards a new Africa-Europe partnership after the Corona crisis**

The coronavirus crisis presents an extraordinary global challenge. With Europe now at the epicentre, the response of the European Union has been hotly debated, raising fundamental questions about the EU's solidarity and credibility. Nevertheless, it is imperative that the EU looks beyond its borders and delivers the global leadership this crisis demands, particularly in the relation with Africa as its closest neighbour. The EU can do so by supporting major economic recovery programmes that are environmentally sustainable, by helping to build effective public services and by moving towards a reciprocal interest driven partnership.

In March, before the pandemic took hold, the EU outlined a long-awaited new Africa strategy with the ambition of forging a “partnership of equals”. The coronavirus now puts this strategy at risk and will be the first major test of the EU's ambition. As the EU's foreign policy chief Josep Borrell said: *“If we don't solve the problem in Africa, we will not be able to solve the problem in Europe. Africa is of particular concern to us”*.

As Europe's leading network of international cooperation and sustainable development think tanks, the **European Think Tanks Group (ETT**G) calls on the EU to look beyond its own economic recovery and to work with Africa as our ‘twin continent’ and ‘closest ally’ to avert the worst effects of the crisis and to craft a new partnership for the longer-term. History has taught us that major crises create opportunities for accelerating social, economic and political reforms. The coronavirus crisis provides an opportunity to finally transform the old paradigm of donor-recipient aid relations towards a model of genuine international cooperation between Europe and Africa.

To lay the foundations for this the EU must:

### **1/ Support an economic stimulus package for Africa.**

While the health impacts of the pandemic have not yet hit Africa as hard as Europe, the costs to economies and livelihoods could be enormous. The collapse of oil and commodity prices will have a devastating impact on several countries that depend on these for more than half of their exports. Sectors that depend on demand from Europe's consumers are reeling – from hospitality to horticulture. African finance ministers have called for an economic stimulus of at least \$100 billion to curb the impacts of coronavirus. Our analysis shows that the average stimulus in Europe so far is 15 times higher than in poorer African countries. Therefore, while welcome, the EU Foreign Affairs Council's recent decision to reallocate €15 billion from existing budgets to partner countries, including Africa, to offset some of the health and economic impacts can only be a first step.

More will be needed, particularly in the area of debt relief, the provision of emergency soft loans and substantial financial aid. The EU must give its fullest support to multilateral fora such as the G20 (and its recently announced Global Action Plan), IMF and World Bank; and to initiatives by the African Union and the African Development Bank.

## **2/ Work with Africa to rebuild economies in a climate compatible way.**

Our recovery from the most unprecedented economic crisis since the Great Depression of the 1930s provides an opportunity to take a giant leap towards a low carbon and climate resilient future across both continents. It is our responsibility and intergenerational duty to stimulate economic recovery programmes that should be guided by equitable and environmentally sustainable plans, including national climate change strategies and the EU's recently launched European Green Deal.

Reconciling transition towards climate compatible economies, growth and pro-poor development policies creates a significant challenge for Africa, and it will be exacerbated by impacts of coronavirus on demand, public resources and institutions. In its ambition to imitate China, the EU may have over-emphasised in the past years investments in extractive industries and

infrastructure in Africa. This has increased debt, dependency and vulnerability, and reduced resilience to economic and environmental shocks.

The post-pandemic economic recovery is an opportune moment to shift the emphasis to investing primarily in diversifying and supporting sustainable African domestic economies rooted in new and green technologies and local value chains. The focus should be on micro-, small and medium enterprises that create jobs for a rapidly growing and underemployed population. Recovery is also an opportunity to innovate and further advance the digitalisation of both European and African economies and public sectors to improve productivity and access to services. Particularly in Africa the younger urban generations have embraced the digital agendas. It will be a challenge to broaden this digital access to the poorer populations and to avoid potential inequalities.

**3/ Tackle the weak underbelly of globalisation.** Nobody will contest some of the major achievements of globalisation in terms of international trade and investment, free movement of people and opportunities for increased interaction and exchanges in this world. But the COVID-19 crisis has also made us aware of the vulnerabilities created by the free market. The over-dependence on global supply chains and the 'just-in-time' production was painfully illustrated by the major shortages of strategic stocks of medical equipment in several countries. While the integration of the global economy is inevitable and should be continued, it might be wise for both Europe and Africa to ensure a globalisation which is more regional in nature with less external dependency of global markets. The experience of the EU, prioritising the construction of a common internal market over global supply chains, can be an inspiration both for today's EU and for Africa's Continental Free Trade Area under construction.

**4/ Invest in effective and well performing public sectors.** The crisis of the healthcare system in many countries has made us aware that an effective and well functioning public sector remains essential in building healthy,

wealthy and fair societies. This 'governance' dimension may have been neglected in recent years in the Africa-EU partnership.

Inevitably, the question will be raised whether strong and effective public policies could best be achieved through liberal (democratic) or illiberal (authoritarian) governance models. It is not unrealistic to assume that a growing number of African and European leaders may be attracted by a Chinese versus European governance model. For some governments this crisis could be a pretext to postpone electoral processes *sine die*. Lack of progress in tackling poverty and inequalities, in combination with freedom-restricting measures, could become an explosive cocktail of political destabilisation, mainly among the younger generations of Africans. Restoring governance agendas in the Africa-EU dialogue requires a different approach than in the past, with more sensitivity and realism while also acknowledging the specificity of different historical and political contexts. Reciprocity will also be key, for instance, by inviting observers from the AU to electoral processes in EU member states.

**5/ Put an end to traditional North-South dependency relations.** This crisis provides a unique incentive for Africa and Europe to break with the power imbalances of the past. Several African countries, with far more experience in responding to epidemics, have shown assertiveness by not just accepting European one-size-fits-all recipes that would be difficult to implement in African contexts. The impacts of a pandemic and economic crisis of this size can only be tackled through increased mutual exchange of experiences, knowledge sharing and joint action between both continents. In that context, Europe could learn from the ways in which African countries have dealt with large scale public health crises.

While substantial EU support to Africa and debt forgiveness remains crucial, this crisis could also provide an opportunity for African elites to avoid the trap of external aid addiction. In the longer term, Europe and Africa must make a priority of delivering greater domestic resource mobilisation and addressing the issue of illicit financial flows so that public resources can be invested in public services that redouble efforts to fight inequality.

When the dust of this crisis will have settled, it is time to build a new foundation for Africa-EU relations and to fully seize the opportunities that this crisis could provide.

**Signed by the Directors of the European Think Tanks Group (ETTG)**

- Anna Katharina Hornidge, Director German Development Institute (DIE) – Bonn
- Carl Michiels, Director European Centre for Development Policy Management (ECDPM) – Maastricht/ Brussels
- Sara Pantuliano, Chief Executive of the Overseas Development Institute (ODI) – London
- Nathalie Tocci, Director of the Istituto Affari Internazionali (IAI) – Rome
- Sebastien Treyer, Director Institute for Sustainable Development and International Relations (IDDRI) – Paris
- Geert Laporte, Director European Think Tanks Group (ETTG) – Brussels
- Vera Mazzara, Coordinator, European Think Tanks Group (ETTG) – Brussels