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African economic integration and the role of the European Union

Training and Dialogue Session AMENET



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I. Introduction: EU-Africa economic relations
II. Political and financial EU support to reg. integration
III. Trade support?: Inconsistencies on EPAs
IV. Conclusions

To analyse:
EU's political, financial and trade policy support

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I. Introduction: on EU- Africa relations

2000

2011

2013





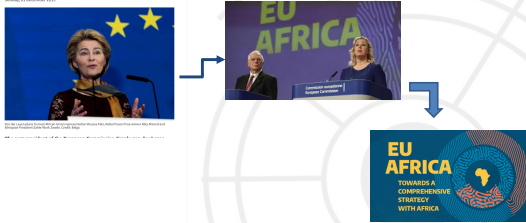
- African economies capture increasing attention in global scene

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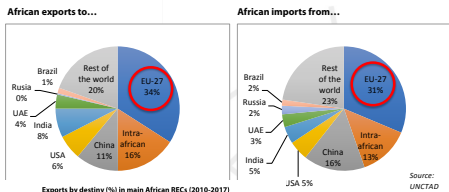
- the new European Commission (EC) is putting EU-African relations to the fore: less paternalistic: 'partnership of equals'

Ursula von der Leyen's first official trip outside the EU will be to Ethiopia



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I. EU-Africa relations: trade and investment: state of play and trends



Exports by destiny (%) in main African RECs (2010-2017)

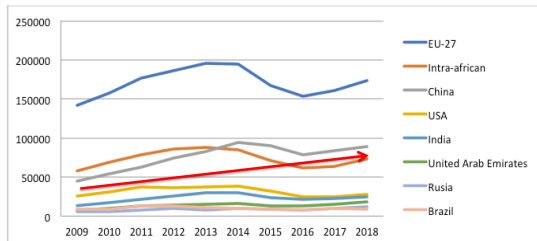
	Intra-regional	China	USA	European Union	Rest of Africa	Rest of the world
ECOWAS	2	34	15	20	4	25
SADC	19	20	8	20	3	30
UMA	3	5	8	63	2	19
ECOWAS	9	3	12	29	7	40
COMESA	9	12	4	27	8	36
IGAD	14	21	3	16	12	34
CEN-SAD	7	5	9	40	5	34
EAC	20	5	4	19	18	34

Intra-regional trade 2015-2017

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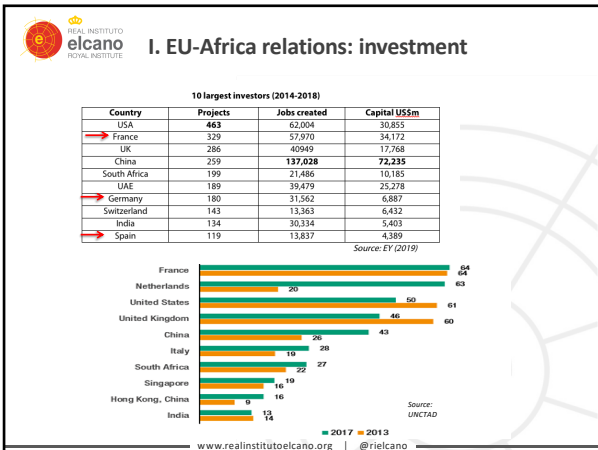
I. EU-Africa relations:

African imports (goods) by origin. (Millions of US dollars)



Source: own elaboration from UNCTAD

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II. Political and financial EU support to regional integration

In short: the EU is still main trade and investment partner but...

- ✓ Africa is diversifying foreign economic partners and allies

SO: the continent has become a crucial arena of competition

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II. Political and financial EU support to regional integration

- [year 2000] Cotonou Agreement: art. 28:
 - “Cooperation shall support: (...) Regional integration institutions and organisations set up by ACP States.”
 - And also “national governments and parliaments in matters of regional integration”
- But at the same time: art. 37:
 - “Economic Partnership Agreements shall be negotiated”
- Post-Cotonú Agreement (end of negotiations April 2021): ¿?

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Jean-Claude Juncker, African Union-European Union Summit, Abidjan, 27 November 2017

In his State of the Union Address on 12 September 2018, President Jean-Claude Juncker proposed to deepen the EU's economic and trade relationship with Africa through investment and job creation.




Strategic investment and job creation



Investment in education and matching skills and jobs



Business environment and investment climate



Economic integration and trade

Result [2018]: New Africa-Europe Alliance for Sustainable Investment and Jobs (Eur 2.4 billion). #7 Supporting the African Continental Free Trade Area negotiations

- Financial support to AfCFTA: 2014-2020: €47 million.

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II. Political and financial EU support to regional integration

- 9th March 2021: Joint Communication for defining a new strategy for Europe



EUROPEAN COMMISSION

HIGH REPRESENTATIVE OF THE UNION FOR FOREIGN AFFAIRS AND SECURITY POLICY

Brussels, 9/3/2021
JUR/2021/4 Final

JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL
Towards a comprehensive Strategy with Africa

1. A partnership for green transition and energy access;
2. A partnership for digital transformation;
3. A partnership for sustainable growth and jobs;
4. A partnership for peace and governance; and
5. A partnership on migration and mobility.

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Main Step 9th March: proposals on paper: Joint Communication for defining a new strategy with Africa

- Key actions:** 5 partnerships: checklist 10 actions
- General ideas:** continent's economic expansion and potential to boost human development, youth and women main drivers, welcome of world players' increasing interest, the need of partnership translated into a strong political alliance and common action in global affairs.
- Partnership III** (joint action for sustainable growth and jobs): (i) boosting trade and sustainable investments in Africa; (ii) improving investment environment, (iii) regional and continental economic integration

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III. ¿Trade support? Inconsistencies on EPAS

- **Main ideas:**
 - ✓ The EU market is open to African exports
 - ✓ The EU trade policy towards Africa is complicated and diverse. Not one trade regime, nor one trade agreement.
 - ✓ Trade regimes with Africa
 - ✓ EBA initiative: 31 LDCs
 - ✓ EPAs: 10 countries+ SADC (6 countries)
 - ✓ North Africa: 4 FTAs (and negotiations for 2 DCFTAs)
 - ✓ GSP: 3 countries

... in the meantime in Africa: pursuing the AfCFTA

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IV. Conclusions

- Financial and political support is given
- The EU trade approach: proliferation of agreements
- Incoherence_ EPAs aim at the promotion of regional integration, their immediate impact is bigger fragmentation of existing RECs'

Carlos Lopes @LopesInsights · 2 ene. 2019 ...
 This is an ideological piece. Equating EPAs and #afcfta is absurd. One is to interfere in the regional integration process whereas the other is to boost it. Africa cannot ignore value chains dynamics. [mondediplo.com/2017/11/10Africa-fretrade](https://mondediplomacy.com/2017/11/10Africa-fretrade)

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V. Conclusions and recommendations

- **The EU has often been accused of setting instruments and timings with limited involvement from African Actors.** In order to pursue an African understanding of common interests and legitimate partnership:
 - as soon as possible, a **one and only trade regime**, negotiated between the EU and the African Union, should be put in place. This will reassure that the EU is supporting in practice the pan African integration agenda that African leaders are pushing forward with the AfCFTA

➤ Tangible action along with partnership rhetoric.

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