

EU-AFRICA BUSINESS SUMMIT - TAKEAWAYS

ACCELERATING OPPORTUNITIES AND OVERCOMING CHALLENGES IN EU-AFRICA TRADE AND INVESTMENTS - OPENING SESSION

In our rapidly evolving multipolar world, the engagement between the EU and Africa takes on even greater significance. The cooperation in trade and business between the two continents remains foundational and essential for sustainable development. This is especially true as this year Summit strongly emphasises sustainability and green transition. Africa has enormous trade potential and offers vast opportunities, and there is room for enhancing cooperation with the EU.

A renewed EU-Africa cooperation

The supply chain disruptions caused by the pandemic and the Russian war have highlighted the significance of strategic autonomy in Europe and the need to diversify through de-risking efforts. Therefore, collaboration between Europe and Africa is pivotal. This prioritisation is crucial for the EU and aligns with Africa's needs. Africa experiences continuous growth, possesses abundant resources, and exhibits incredible demographic dynamism. However, to favour an organic and long-term cooperation between Europe and Africa, one needs to consider three critical considerations include recognising Africa as a hub of entrepreneurial mobility, moving beyond stereotypes and investing in stable as well as high-risk areas in Africa; and attracting investors by establishing a regulatory environment that addresses concerns about corruption and creating a pipeline of viable projects.

Furthermore, several key issues require attention to enhance cooperation and coordination between Europe and Africa. Firstly, the impact of climate change and the provision of climate finance must be addressed. It is crucial to recognise that climate change is exacerbating, particularly affecting Africa as the most vulnerable continent. Moreover, the allocation of national budgets towards defence due to ongoing conflicts has created inflationary pressures. Europe is investing in climate adaptation (50%) and mitigation (50%) actions in Africa. Nevertheless, promised climate finance funds for Africa are still pending, and Europe is also working to mobilise these funds by persuading other countries. Secondly, the current multipolar international landscape allows Africa to be more proactive globally. In line with this effort, the European Union (EU) is advocating for the African Union to have a seat at the G20 table. Thirdly, the EU Global Gateway project holds significant relevance in Africa. This project is envisioned as a solution to bolster investment in Africa, with many EU member states supporting this approach. However, concerns arise regarding the regional and bilateral approach in agreements, which may hinder a more comprehensive and multilateral approach. In this regard, the African Continental Free Trade Area should be seen as an opportunity to promote a more inclusive and continent-wide approach when delivering the Global Gateway and its benefits.

Accelerating EU-Africa trade and investments

Developing local currency and a local capital market is of utmost importance. Africa has substantial potential for renewable energy, along with corresponding demand. Bridging the gap between demand and opportunity allows Africa to create added value, opening numerous business opportunities. To enhance the volume of investment, one proposed approach is the creation of a fund, which involves leveraging funds from domestic and international investors to augment investments and provide investors with a solid foundation for their investments. Regarding global trade relations, a balanced approach is essential, and there is still a need to develop new mechanisms for cooperation. In pursuit

of this, the Morocco Economic Recovery Plan serves as an effective example that could be replicated throughout Africa. Morocco has effectively capitalised on trade and foreign direct investment, extending its reach to sub-Saharan Africa. The objective is to collaborate in creating more investment opportunities, policy frameworks, risk assessment, and mobilisation to attract more significant private sector investment. However, moving away from outdated trading practices and prioritising modernisation and infrastructure development to build a robust economy is crucial.

BRIDGING THE DIVIDE: EMPOWERING AFRICAN YOUTH THROUGH THE DIGITAL EQUALITY CAMPAIGN

Africa must actively participate in the digital era that is unfolding before us. The development of youth and digital skills is crucial to drive this progress, with a primary focus on fostering inclusion in fields such as energy and electricity. Digitalization holds equal importance to energy and climate considerations. To expand the knowledge base of its young population and ensure accessibility for all, efforts must be intensified to bring power and digitalization to rural areas in Africa. Enhancing digital skills among young Africans is a top priority. Particular attention should be given to women, children, and young people. Africa needs to cultivate and support more talent within its borders. Universities must address the emerging digital occupations, which are currently in high demand. Concrete collaboration between universities and governments is required to bring about change and reverse the prevailing trend. Fostering a thriving and active start-up ecosystem is also crucial in this endeavour. Overcoming the lack of trust from banks towards young people is a significant challenge that must be addressed, as it plays a vital role in driving economic growth. Furthermore, it is essential to highlight the importance of increasing female representation in the digital sector and promoting women entrepreneurship.

ADVANCING SUSTAINABLE BLUE ECONOMIES IN AFRICA

Africa's blue economy is a significant contributor to the continent's GDP, amounting to \$3 billion, and plays a crucial role in job creation. However, this sector remains largely untapped. Ongoing efforts aim to foster collaboration between Europe and Africa to expand investments in the blue economy. The African Coordinate Agreement emphasizes the importance of cooperation and coordination in this endeavour. Additionally, the Moroni Declaration seeks to advance the blue initiative and recognizes the private sector's role in promoting a sustainable economy.

The ocean holds immense importance for global concerns such as food security and job creation. Recognizing its potential, the EU Commission has issued a communication on sustainable blue economy, aiming to explore new solutions, develop new sectors, and simultaneously promote economic growth while mitigating climate change impacts. Enhancing cooperation is crucial to achieving these goals. Agriculture stands out as a key component of food security and energy demand. Investing in human capital is another crucial area of focus. While maritime spatial planning has made significant progress, there is a need to further develop entrepreneurship. One challenge is that many start-ups prioritize product development over market considerations. Early-stage funding and government initiatives are necessary to mitigate risks and encourage entrepreneurial growth. The blue economy plays a pivotal role in sustainable finance, offering advantages in terms of food security and CO2 absorption. Increased participation from the private sector is needed, as the public sector serves as a catalyst in reducing risks. However, private sector involvement is crucial for success. Effective regulation plays a key role in achieving sustainability goals, particularly in fisheries. Implementing regulations to ensure adherence to strict standards and promoting a level playing field beyond national

borders are important steps. Increased investment in research is necessary to benefit from green resources, address market failures, and provide support where needed. Capacity building, particularly in acquiring anticipatory skills for emerging job opportunities, is crucial, and public institutions can contribute to this type of investment.

The African Union focuses on fisheries, shipping and transportation, sustainable energy, and mineral resources, offering vast business opportunities. Women play a crucial role in Africa's blue economy, but they face significant challenges and missed opportunities. Ensuring women have the right to pursue their aspirations is important. Similarly, it is vital to note that African youth seek more than just financial gains. Their active involvement and sense of belonging are necessary to drive progress. Promoting awareness of organizational decisions and fostering private partnerships are vital in bringing together stakeholders for positive outcomes.

Effective example of engagement in the blue economy sector in Africa is Kenya. In pursuit of this objective, DG MARE and the Ministry of Mining, Blue Economy, and Maritime Affairs have employed our platform to formally declare the forthcoming Blue Invest Africa 2024 event. This prestigious event will be hosted in Kenya, as announced by the Cabinet Secretary for Mining, Blue Economy, and Maritime Affairs, Hon. Salim Mvurya.

DRIVING SUSTAINABLE TRANSFORMATION IN AFRICA: SMALL AND MEDIUM-SIZED ENTERPRISES' CONTRIBUTION

The case of Ecoplastile, an innovative social enterprise in Uganda specializing in waste management and construction, sheds light on the obstacles faced by SMEs in Africa. These challenges include limited financial and infrastructural resources during the initial stages and difficulties in accessing markets. Moreover, varying regulations across European countries, pose significant hurdles. To overcome these obstacles, it is essential to develop strategies that attract business opportunities.

Women play a crucial role in Africa's SME sector. They are involved in collecting plastic and participating in the value chain, creating products such as road tables and other objects. Africa possesses immense potential in this regard. Additionally, supporting and consolidating SMEs are necessary to enhance their impact. An interconnected ecosystem of SMEs can collectively address the challenges posed by larger companies. Providing grants to support SMEs is essential in encouraging companies to engage with them. Numerous projects in collaboration with the European Union aim to assist SMEs in meeting quality standards and regulations, enabling them to thrive. Elevating the value of small businesses is important since the majority of Africa's economic infrastructure consists of such enterprises. Facilitating access to technology and promoting sustainability among them are critical steps.

Efforts to incorporate small businesses in our discussions are vital to achieving Net Zero emissions targets. These SMEs offer practical solutions to real-world problems.