



State of the Union 2018: Towards a new 'Africa - Europe Alliance' to deepen economic relations and boost investment and jobs

Brussels, 12 September 2018

The Commission is proposing today a new 'Africa – Europe Alliance for Sustainable Investment and Jobs'.



On 12 September, on the occasion of his State of the Union Address, President Jean-Claude **Juncker** said: *"Africa does not need charity, it needs true and fair partnership. And we, Europeans need this partnership just as much. Today, we are proposing a new Alliance for Sustainable Investment and Jobs between Europe and Africa. This Alliance, as we envision it, would help create up to 10 million jobs in Africa in the next 5 years alone. I believe we should develop the numerous EU-African trade agreements into a continent-to-continent free trade agreement, as an economic partnership between equals."*

The European Commission is proposing a new '[Africa – Europe Alliance for Sustainable Investment and Jobs](#)' to substantially boost investment in Africa, strengthen trade, create jobs, and invest in education and skills. Today's package builds on the commitments taken during the [African Union – European Union Summit](#) which took place in November last year in Abidjan, where the two continents agreed to strengthen their partnership. It sets out the key strands of action for a stronger economic agenda for the EU and its African partners.

High Representative/Vice-President Federica **Mogherini** said: *"Europe and Africa share many of the same interests: we both want a stronger Africa – with quality jobs for its youth, a better business climate, and peace and security for all. In these years we have started to build a real partnership of equals with Africa. We are already strong political partners, the next step is to be true economic partners and deepen our trade and investment relationship. We want to give young people opportunities to achieve their aspirations. Boosting responsible investment in Africa is a win-win for both sides."*

Commissioner for International Cooperation and Development Neven **Mimica** said: *"This Alliance is about unlocking private investment and exploring the huge opportunities that can produce benefits for African and European economies alike. It is about stepping up our partnership and putting our weight behind African initiatives such as the African Continental Free Trade Area."*

Today's proposal shows commitment to reinforce the Africa-EU Partnership and outlines a series of key actions that include:

- **boosting strategic investment and strengthening the role of the private sector**, notably through increased de-risking of investment projects via blending grants and loans, and guarantees;
- **investing in people by investing in education and skills**, at continental and national level to strengthen employability and match skills and jobs, also including scholarships and exchange programmes, in particular through Erasmus+;
- **strengthening business environment and investment climate**, in particular by strengthening the dialogue with African partners and supporting their reforms in this field;
- **tapping the full potential of economic integration and trade**: building on the African Continental Free Trade Area implementation, the long-term perspective is to create a comprehensive continent-to-continent free trade agreement between the EU and Africa. To prepare this, Economic Partnership Agreements, Free Trade Agreements including the Deep and Comprehensive Free Trade Areas on offer to the countries of North Africa, and other trade regimes with the EU should be exploited to the greatest extent, as building blocks to the benefit of the African Continental Free Trade Area;
- **mobilising an important package of financial resources**, as reflected in particular in the [ambitious proposal](#) for the future Multi-Annual Financial Framework of the EU on external funding,

where Africa is highlighted as a priority region.

Expected results

The Alliance will lead to concrete results such as the creation of up to 10 million jobs in the next 5 years. With EU financial support mobilised by 2020:

- 35,000 students and academics from Africa will benefit from Erasmus+ by 2020. A further 70,000 will benefit by 2027, reaching a total of 105,000 in ten years.
- 750,000 people will receive vocational training for skills development.
- 30 million people and companies will benefit from access to electricity thanks to the EU's leveraged investment in renewable energy and a boosted generation capacity by 5 GW.
- 24 million people will have access to all season roads through our leveraged investment in transport infrastructure.
- 3.2 million jobs in Africa are expected to be created under the [External Investment Plan](#) just by the Investment Programmes focussed on small and medium-sized enterprises.
- With a guarantee of €75 million, a single investment programme from the External Investment Plan will generate 800,000 jobs.

Consultation and dialogue with African partners will be organised in the coming months to jointly define priorities and take further action. The Alliance will take into account the diversity across the African continent and the specificities of each country, including the contractual relations of the Northern African countries through their Association Agreements and their experience of co-operation with the EU through the European Neighbourhood Policy.

Background

The Commission's proposal for an '[Africa – Europe Alliance for Sustainable Investment and Jobs](#)' is part of a package which also includes a proposal for a more efficient financial architecture for investment outside the European Union, which will also support further investment in Africa.

Under President **Juncker**'s leadership, the EU has been strengthening its partnership with Africa, including with new innovative tools, on top of traditional cooperation instruments, notably the very ambitious [External Investment Plan](#).

The EU is Africa's closest neighbour and biggest investor, the main trading and development partner and a key security provider. The EU is providing €31 billion in Official Development Assistance to Africa between 2014-2020 to boost Africa's economy to give young people in the continent a chance to build a future, to ensure food security and access to energy, and to anchor good governance and respect of human rights. The EU's Member States held an investment stock of €291 billion in 2016, making the EU the biggest investor in Africa. The EU also offers free access to the EU market via Economic Partnership Agreements, Free Trade Agreements including the Deep and Comprehensive Free Trade Areas with the countries of North Africa and the Everything But Arms scheme with African countries.

For More Information

- [State of the Union 2018 - Main webpage](#)
- [State of the Union 2018 - Africa](#)
- [MEMO - State of the Union 2018: Questions and Answers – Towards a 'Sustainable Investment and Jobs Alliance between Africa and Europe'](#)
- [Press release - African Union - European Union Summit: Investing in Youth for a Sustainable Future \(30/11/2017\)](#)

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