Putting the Marshall Plan with Africa into action
In 2017, we launched the Marshall Plan with Africa. That Plan marked a paradigm shift in how we cooperate with Africa. It takes as its starting point the belief that our future in Europe is closely linked to that of our neighbouring continent. Not only do we share great challenges but Africa also has great opportunities to offer: high growth rates, creative business talent, a wealth of biodiversity and raw materials, a dynamic young population and a growing middle class.

What the Marshall Plan with Africa is about, essentially, is bringing a new quality to our cooperation. We want to get away from the traditional roles of donor and recipient and instead forge reform partnerships that are based on both supporting and challenging the partners. These partnerships focus on improving the rule of law, enhancing transparency and encouraging greater public participation. And so they are our contribution to the G20 Compact with Africa (CwA). In implementing these reform partnerships, we are working closely with other donors, the World Bank and the African Development Bank.

The World Bank recently published its 2020 Doing Business Report, which measures how good conditions are for investing and doing business in 190 countries. It shows that the reforms that have been introduced have paid off. The business environment in all CwA countries and reform partners has improved measurably and many have managed in at least one recent year to make it into the top 10 economic reformers in the world. So while foreign direct investment has declined globally, CwA countries have been able to retain a stable level of investment.

In this brochure, we want to give you an idea of the progress made and successes achieved so far in our joint efforts to implement the Marshall Plan with Africa.

Dr Gerd Müller, Member of the German Parliament
German Federal Minister for Economic Cooperation and Development
OUR ACTIVITIES IN AFRICA

Reform partner countries (and at the same time Compact with Africa countries and cooperation countries)
Compact with Africa countries (and at the same time cooperation countries)
Cooperation countries (i.e. countries with which Germany is engaged in development cooperation)

The designations employed and the presentation of material in the maps do not imply the expression of any opinion whatsoever on the part of the BMZ concerning the legal or constitutional status of any country, territory or sea area, or concerning their frontiers or the delimitation of frontiers.
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Africa, continent of opportunities

Africa is a continent of opportunity. Six of the world's ten fastest growing economies are in Africa. And almost 90 per cent of the world's mineral resources, such as gold, platinum and cobalt, are to be found there. The number of internet users in Africa is growing by over 20 per cent annually. What is more, the continent has massive potential in terms of renewable energies. Morocco has the most modern solar power plant anywhere in the world – built with German support.

Yet the continent also faces enormous challenges. The population is set to double by 2050 and millions of jobs will have to be created for the upcoming generation of young people. And still, even today, 600 million people have no electricity – that is half the population of the continent. Climate change is also impacting some African countries particularly hard.

It was against this backdrop that the countries of Africa got together back in 2013 to adopt the African Union’s (AU) Agenda 2063, an ambitious vision for the continent’s development. The goal is an Africa that is prosperous and at peace, that is driven by the potential of the African people and creates development opportunities for all. Africa's policymakers have committed themselves to democracy, the rule of law and economic reform.

The challenge of climate change

Many countries in Africa are already feeling the dramatic impact of global warming. Catastrophic droughts in Kenya, Somalia and Zambia have killed off animal stocks, destroying the livelihoods of entire peoples. People are being forced from their homes. The World Bank predicts that up to 140 million people will have lost their homes by 2050 as a result of climate change. Almost two thirds of them will be in sub-Saharan Africa. That is why climate action is one of the priorities of German development cooperation. In Africa, our efforts are focused on renewable energies, new technologies, sustainable investment, job creation and preserving and reforesting the rainforest and mangroves. We are also supporting countries in their efforts to adapt to climate change.

A number of countries, such as Ghana, Tunisia and Ethiopia, have launched wide-ranging reforms in recent years. One achievement that will benefit the entire continent is the creation of the African Continental Free Trade Area, which officially came into force in May 2019. The AU predicts that it could boost intra-African trade by up to 60 per cent between now and 2022.
Marshall Plan with Africa

The Marshall Plan with Africa takes its lead from the Agenda 2063. Since 2017 the Plan has been the frame of reference for our cooperation with Africa, in terms of both strategy and operations. In that same year, under Germany’s presidency of the G20, the Compact with Africa (CwA) was launched. Together with the World Bank and other partners, Germany is using its development cooperation to help especially reform-minded countries in Africa improve their business environment and become more attractive for private investors. The only way to create jobs for Africa’s growing population is with the strong involvement of the private sector. Investors are attracted to reform-minded countries. Since 2014, foreign direct investment in CwA countries has risen from 32 to 46 per cent, while in the rest of Africa the figure has actually slumped. Twelve countries have so far signed up to the Compact and Germany has forged reform partnerships with six of them (Tunisia, Ghana, Côte d’Ivoire, Ethiopia, Morocco and Senegal. All six have embarked on an ambitious programme of reforms. The success of those reforms is evidenced by the countries’ improved ranking on the World Bank’s 2020 ease of doing business index.

THE REFORM PARTNERSHIP –
A NEW WAY OF WORKING TOGETHER

The aim of the reform partnerships is to make structural improvements to the environment for private sector activity, thus creating jobs and incomes for the countries’ young populations.

The reform partnerships…

…are key to the implementation of the Marshall Plan with Africa

…are agreed on with particularly reform-minded countries, which then receive additional financial support

…use financing for reforms as a new instrument of development cooperation

…operate on the principle of both supporting and challenging the partners. Disbursement of the funds is conditional on the partner country carrying out specific reforms.

DEVELOPMENT INVESTMENT FUND

Africa is becoming increasingly attractive for German investors. In the first six months of 2019, trade between Germany and Africa grew by 12.7 per cent on the previous year. And yet only 1 per cent of German foreign investment goes to Africa. The new development investment fund aims to support businesses wanting to invest in Africa over the long term. It is made up of three components:

- **AfricaConnect**: up to 400 million euros of support for investment by German or European businesses in Africa, provided as grants of up to 4 million euros
- **AfricaGrow**: up to 400 million euros of venture capital for small and medium-sized enterprises and start-ups in Africa
- **Africa Business Network**: up to 200 million euros to advise and support German businesses on investing in Africa.
Progress and achievements

ECONOMIC ACTIVITY, TRADE AND EMPLOYMENT

Economic activity

Sustainable economic development is only possible if business, civil society and policymakers all work together. We are increasingly using our development funding as a catalyst for improving the business climate, for example, or protecting private investment. This helps to leverage more private capital for sustainable investment that creates jobs.

Achievements so far

- Establishment of the development investment fund for sustainable investment in Africa (cf. box on page 5).
- Launch of almost 100 new joint projects with the private sector as part of the develoPPP.de programme; projects in some 30 African countries with a volume of 123 million euros, 40 per cent of which is public funding and 60 per cent private.
- Reform partner Ghana’s joining of the African Trade Insurance Agency (ATI). The ATI is an African insurance agency aimed at boosting trade and investment. It insures private investors against political and commercial risks.
- Support for African financial markets and financial service providers. Reform partner Tunisia: establishment of a regional development bank, modelled on Germany’s KfW development bank, to improve access to financial services for SMEs and provide credit guarantees for private investors.

Trade

Africa is more than just the continent of commodities. Yet many African economies have so far been lacking in diversification and their markets are too small to allow for successful investment. Very little value creation takes place on the continent itself. Two important aims of German development cooperation are therefore to build up local, sustainable value chains and to promote intra-African trade. Because the more Africa’s markets merge with each other, the better able Africa is to withstand outside competition and defend its own interests.

Achievements so far

- Contribution to the successful conclusion of the African Continental Free Trade Area (AfCFTA) with 54 member countries.
- Founding of the multistakeholder Alliance for Product Quality in Africa, aimed at enhancing the quality of products to make them more suitable for export.
- Support for a total of 18 different value chains for products such as cocoa, bananas and cashews through the programme “Green innovation centres for the agriculture and food sector”. Productivity has already improved by nearly a third on average.
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PROMOTING SUSTAINABLE VALUE CHAINS

FROM GHANA OUT INTO THE WORLD

Development of innovative ideas

Organic cultivation of hibiscus, lemongrass, mangos, shea nuts, turmeric and butterfly pea flowers

Processing and recycling; waste is used to make other organic by-products (e.g. insecticides)

Speciality teas, spreads and high-quality cosmetics

Products exported to Europe, Japan and the US

MARKET-ORIENTED AGRICULTURE PROGRAMME

Training at a spice company in Germany

Awarding of international organic certification

Optimisation of production process

Identification of possible markets

Access to international markets

Business transformed from one-woman enterprise to employing 26 staff

A further 800 women in northern Ghana earn an income from supplying the raw materials

Increased sales and incomes

Improved product quality and competitive standing
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Employment

The young generation in Africa holds great potential. By 2035, the continent will have the world’s largest workforce; millions of new jobs are needed. In some disadvantaged regions of Africa, youth unemployment already stands at over 50 per cent. Our activities focus on creating jobs and employment so as to offer young people a brighter future.

Achievements so far

- Launch of the Special Initiative on Training and Job Creation, aimed at creating up to 100,000 new jobs and 30,000 training opportunities in Africa. So far the initiative covers the reform partner countries: Ethiopia, Morocco, Tunisia, Côte d’Ivoire, Ghana and Senegal. There are also plans for projects in Rwanda and Egypt.
  - Expansion of vocational training activities. Reform partner Tunisia: Establishment of a German-Tunisian college for skilled trades and the Tunisian Automotive Management Academy. In Morocco: establishment of a training centre for skilled welders, the Innovation and Technology Center German Welding.
  - Partnerships with chambers of trade and commerce, professional associations and vocational training institutions. In Ethiopia: Partnership with the German Association of German Mesh Industry and its Ethiopian counterpart.
  - Support for the University-Business Partnership Programme of the German Academic Exchange Service, to strengthen cooperation between business and higher education institutions. Reform partner Ghana: cooperation between the Hochschule Bonn/Rhein-Sieg, University of Applied Sciences and the University of Cape Coast on the consumer goods industry.
  - Incorporation of environmental and social standards into the production processes of 18 textiles and clothing businesses in Ethiopia. As a result, 14,000 jobs have been brought into line with the standards set by the International Labour Organization (ILO).
  - Establishment of an Entrepreneur Establishment Program in cooperation with the African Development Bank (AfDB) aimed at assisting start-ups.

- Support through the “Make-IT in Africa” initiative for over 200 digital entrepreneurs from 22 African countries in finding business partners and attracting investment. Almost half of the businesses supported are start-ups that have been launched or co-launched by women.

- Establishment of twelve advice centres for jobs, migration and reintegration in Tunisia, Morocco, Ghana, Nigeria and Senegal to provide viable options for locals to stay in their home countries and also for returning migrants. The centres provide advice on matters such as vocational training, job creation and starting a business.
PEACE AND SECURITY

Peace and security are vital to development and economic growth. In a matter of weeks, wars can wipe out the progress achieved over many years. We are supporting the African Union (AU) in further developing its African Peace and Security Architecture (APSA) and strengthening its conflict prevention capacities. We are also supporting faith communities as promoters of peace.

Achievements so far

- Promotion of a joint approach to security, stabilisation, humanitarian aid and development cooperation as part of the Sahel Alliance launched in 2017 by the EU, France and Germany. The Alliance aims to strengthen Burkina Faso, Mali, Mauritania, Niger and Chad, countries in the Sahel region that are under particular threat from poverty and terrorism.
- Support for the AU in developing its African Peace and Security Architecture by providing expert advice and training in the areas of management and organisational development. The AU has become significantly more effective and influential in recent years and has intervened successfully to prevent crises, manage conflicts and consolidate peace.
- Training for more than 500 people to undertake civilian tasks as part of African peace operations.
- Support for the establishment and development of the pan-African AU mediation networks PanWise and FemWise (the women’s network) and for the Mediation Support Unit, which provides technical and logistical support for all the African Union’s mediation missions. Issues focused on: dealing with militia groups, inter-communal violence and climate change and violence.
- Further development of the International Partnership on Religion and Sustainable Development (PaRD), which was founded in 2016 and whose 110 member organisations represent a variety of faiths and denominations. It has become the central partner for religion in development cooperation.
- A joint flagship project with the African Union, the Interfaith Dialogue on Violent Extremism (iDove). By strengthening interfaith dialogue, particularly amongst young people, the project aims to counter violent extremism and radicalisation. Young people organise small-scale projects and training events on violence prevention. Once a year, young people from Africa and Europe come together at the iDove Intercontinental Youth Forum.

LONG-TERM TREND IN LEADERSHIP CHANGE IN AFRICA (SINCE 1960)

Fewer coups d'état, more elections

Source: ISPI 2019
DEMOCRACY, RULE OF LAW AND HUMAN RIGHTS

Good governance is a lever for sustainable economic development. If the private sector is to invest in Africa, it needs the right political, legal and administrative setting in which to operate. Businesses are willing to invest and create jobs when there are functioning institutions and a state that can be relied on to apply the rule of law and where public service delivery is untainted by corruption. Human rights are the very foundation for social justice and for peaceful coexistence between the various groups in society.

We are supporting our African partner countries in their efforts to fight corruption and economic mismanagement, to slash red tape, to mobilise and increase domestic revenue and to improve legal certainty.

Achievements so far

- Improvements in ease of doing business and regulatory environment for businesses in all CwA and reform partner countries over the last five years (2020 World Bank ease of doing business index). Côte d’Ivoire and Senegal have actually moved 32 and 30 places up the rankings respectively.

- Improved tax ratio in nearly all African countries since 2000. In many countries, this was achieved by reforming the tax administration. Reform partner Ghana: the number of people paying income tax nearly doubled between 2010 and 2018, rising from 1 million to 1.9 million. And the period 2014 to 2018 also saw tax revenues more than doubling.

- Launch of the BMZ initiative “Good governance for more investment and jobs in Africa”. Its focus is on domestic resource mobilisation, anti-corruption and rule of law.

- Support for the AU in its anti-corruption efforts, for example through a project in cooperation with Transparency International, “Towards the Enforcement of Africa’s Commitments against Corruption”. By helping civil society to monitor anti-corruption efforts, the project contributes to implementation of the AU Convention on Preventing and Combating Corruption.

- Publication of the AU’s first African Governance Report in February 2019. The report will appear annually and provide updates on progress made on implementing the governance aspects of the Agenda 2063.
Putting the Marshall Plan with Africa into action

**FOOD AND AGRICULTURE**

Africa has the potential to be food self-sufficient. But instead, it spends billions of euros each year on food imports. Inroads have indeed been made in recent years against hunger and malnutrition; yet 2018 saw a rise in the number of people living in hunger for the third successive year. Most of the hunger-affected countries of the world are in sub-Saharan Africa.

With the special initiative “**One World – No Hunger**” and the expansion of the green innovation centres for the food and agriculture sector, we are helping to boost food security and resilience to famine and also creating incentives for agricultural innovation. And we are helping to establish sustainable agricultural value chains and improve working and living conditions for the local population.

**GREEN INNOVATION CENTRES IN AFRICA**

Objectives  
To increase yields, to boost incomes, to create jobs, to improve food supply  
**Target groups**  
Smallholders, small businesses, business start-ups, cooperatives and civil society organisations  
**Approaches**  
Training, access to financing, extension, networking  
**Partners**  
Civil society, research community, private sector, associations

Over the next five years, the BMZ will invest some **390 million euros** in the Green Innovation Centres in Africa.

Achievements so far

- ✔️ Germany is investing some 1.5 billion euros annually in food, agriculture and rural development across the world. This is benefiting over eleven million people in Africa. Measures targeting malnutrition are benefiting 1.25 million Africans, particularly pregnant women, mothers and small children.

- ✔️ 14 Green Innovation Centres in Africa are promoting agricultural innovations (for example in cultivation methods, mechanisation, cold chains, new methods of cooperation and marketing) and are training small farmers. So far nearly one million small farmers have been able to boost incomes and productivity by almost 30 per cent.

- ✔️ Establishment and development of the German Initiative on Sustainable Cocoa, which benefits around one million African cocoa producers.

- ✔️ Establishment of the multistakeholder Global Coffee Platform in Kenya and Ethiopia for the development and implementation of a sustainable development strategy for the coffee sector.

- ✔️ Reform partner Ghana: Since 2009, nearly 188,000 jobs have been created in the agricultural sector. In total, over 100 small and medium-sized businesses and 900 microenterprises have received support, providing mainly women with new opportunities to earn money from processing pineapples, mangos, citrus fruits, cashews and rice.
CLIMATE AND PROTECTING NATURAL RESOURCES

Climate change is a determining factor in humankind’s survival. People in Africa are amongst those suffering worst from its impacts. Seven of the ten countries at greatest risk are to be found in Europe’s neighbouring continent. Climate change puts essential sources of livelihood such as farmland, water supply, ecosystems and supply infrastructure at risk.

We are backing the African Union in its goal of making Africa into a green, resilient and sustainable continent. That is why we are supporting measures aimed at helping communities adapt to climate change and providing insurance against climate risks.

Achievements so far

✔ Active involvement in the Global Commission on Adaptation (GCA), founded in 2018. Its aim is to increase the resilience of people living in rural areas to the impact of climate change. With Germany’s support, it plans to support over 50 million Africans.

✔ Doubling (from 750 million euros to 1.5 billion euros) of Germany’s support for the Green Climate Fund for adaptation to climate change and emissions reduction. The Green Climate Fund is currently implementing over 45 climate projects in Africa.

✔ Support for 28 African countries as part of the InsuResilience Global Partnership (IGP), the most important worldwide initiative for climate risk insurance. The IGP was founded in 2017 at Germany’s initiative to enable poor countries to better prepare for natural hazards by using pre-agreed financing and risk transfer solutions for climate and disaster risks.

✔ Expansion of the African Risk Capacity (ARC) drought insurance scheme, which currently insures Chad, Côte d’Ivoire, Gambia, Mali, Niger, Senegal and Togo.

✔ Conducting of climate risk analyses and profiles by the Potsdam Institute for Climate Impact Research (PIK), which serve as a basis for investments in adaptation in the partner countries. Under the NDC partnership, which supports the implementation of Nationally Determined Contributions (NDCs), pilot study findings are being incorporated into the national climate strategies of Ghana and Ethiopia.

✔ Expansion of the Blue Action Fund in cooperation with Sweden and France. The Fund supports non-governmental organisations in particular in establishing and expanding marine protected areas, sustainable fisheries management and mangrove protection in countries including Tanzania, Kenya, Mozambique and Madagascar.

✔ Rainforest protection in the Congo Basin. Germany is supporting the Central African Forest Initiative (CAFI) together with France, the UK, Norway and the European Union. The initiative is committed to preventing illegal logging and the burning of forests. In addition to this, the BMZ has established the ProGreen programme together with the World Bank. This global programme is aimed at protecting and rehabilitating tropical forest regions.
ENERGY AND INFRASTRUCTURE

600 million Africans still have no electricity. That presents both a challenge – and an opportunity. Africa has the opportunity to leapfrog the fossil era and become the first “green” continent, meeting its energy needs solely from renewable sources. Off-grid renewable energy solutions can be used to quickly and effectively deliver electricity to rural areas. And large solar power plants can provide coverage for conurbations. At the same time, water, sanitation and transport systems all urgently need to be further developed so as to meet the needs of a growing population.

We are supporting Africa on its journey towards becoming a green continent.

Achievements so far

- Establishment of the “Green People’s Energy for Africa” initiative as a contribution towards a sustainable energy transition in Africa. The initiative supports the introduction of renewable energy systems in rural areas of Africa and gets both local communities and private investors on board. Particular emphasis is given to ensuring the participation of local authorities, cooperatives and local businesses.

- Support for the Africa Renewable Energy Initiative (AREI), which has so far invested over 2.6 billion euros in rolling out renewable energies. Through this initiative, together with France and the EU, 206 projects have been adopted, providing capacity of 10 gigawatts.

- Support through the Global Energy Transformation Programme (GET.pro) for 100 businesses to develop decentralised energy projects in Africa. The aim is to mobilise 650 million euros of private funding. GET.pro also promotes access to local energy supply through digital payment systems. So far, advice has been provided on 14 projects using digital payment systems, with expected investment of 80 million euros.

- Establishment of decentralised energy structures in rural regions through the Energising Development Programme (EnDev). This will provide 2.2 million Africans with access to electricity for domestic use. Through EnDev, 6,600 social service providers, such as schools and health posts, and 17,300 small and medium-sized businesses now have permanent access to a modern energy supply.

ELECTRICITY GENERATION CAPACITY FROM RENEWABLE SOURCES IN AFRICA IN MEGAWATTS (MW)

Sources: IRENA database, AFREC database, Tracking SDG7/WBG, Africa Energy Portal
HEALTH, EDUCATION AND SOCIAL PROTECTION

Education and health are vital in shaping a positive future. Yet sub-Saharan Africa, in many cases, lacks teachers, modern curricula and well-equipped educational facilities. As a result, many people have no access to high-quality education. Girls, in particular, end up dropping out of school. Africa also continues to face great challenges in the field of health. This is despite the positive progress that has been seen in recent years, such as the increase in the number of births attended by skilled health staff and the steady fall in the HIV rate.

We are supporting our partner countries in their efforts to further improve the quality of their education and health systems and also make those services more easily accessible.

Achievements so far

✔ Strengthening of education systems in 40 African countries in the fields of administration, teacher training and school construction as part of the Global Partnership for Education. In Ethiopia: between 2013 and 2018, 400,000 teachers took part in training opportunities. Over 170 million schoolbooks, teachers’ manuals and teaching materials were distributed to schools.

✔ Launch of the #eSkills4Girls initiative during Germany’s presidency of the G20 in 2017. Together with UNESCO, UN Women, the International Telecommunication Union (ITU) and the OECD, we are helping girls and women in Cameroon, Ghana, Morocco, Mozambique, Nigeria, Rwanda, South Africa and Zambia to develop digital skills.

✔ Support for Africa Code Week, an annual event initiated by German software company SAP. Its aim is to help children and young people develop digital skills and a knowledge of programming. In 2018, over 8,000 young girls and women took part in programming workshops in 16 African countries.

✔ Support for 25 million couples in using modern contraceptive methods to avoid unwanted pregnancies; training for over 33,000 healthcare staff in obstetrics, resulting in over 4.5 million births attended by skilled health staff.

✔ Support for the Global Fund to Fight AIDS, Tuberculosis and Malaria, which deployed 65 per cent of its funds in Africa between 2017 and 2019. Germany is the Fund’s fourth largest donor.

✔ Support for 156 partnerships between German and African hospitals and healthcare facilities as part of the Hospital Partnerships initiative launched by the BMZ and the Else Kröner-Fresenius Foundation.
THE MARSHALL PLAN WITH AFRICA – A NEW PARTNERSHIP FOR DEVELOPMENT, PEACE AND A BETTER FUTURE

In 2017, the Federal Ministry for Economic Cooperation and Development undertook a realignment of its cooperation with Africa. Since then, the Marshall Plan with Africa has formed the superstructure for its Africa policy in terms of strategy and operations. Its focus is on creating jobs and income opportunities for Africa’s young people. That will require peace and security and also improvements in the functioning of the state in the countries concerned. That is why the Marshall Plan is based on three pillars, which themselves build on our cooperation to date.

Through its bilateral official development cooperation with African partner countries, the BMZ committed funding of around 2.3 billion euros for activities in 2019.

A PACT ON THE FUTURE, WITH AFRICA

ECONOMIC ACTIVITY, TRADE AND EMPLOYMENT
- Economic activity
  - Trade
  - Employment
  - Vocational training
  - Financing
  - Social protection

PEACE AND SECURITY
- Peace
  - Security
  - Stability
  - Resilience

DEMOCRACY AND THE RULE OF LAW
- Democracy
  - Rule of law
  - Human rights
  - Political participation
  - Fight against corruption
  - Domestic resource mobilisation

Food and agriculture
Climate and protecting natural resources
Energy and infrastructure
Health, education and social protection