



Federal Ministry
for Economic Cooperation
and Development

The BMZ's Africa Policy: New challenges and focuses

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Contents

EXECUTIVE SUMMARY	3
NEW CHALLENGES AND FOCUSES	4
1. PROVIDING TARGETED SUPPORT TO SUB-SAHARAN AFRICAN COUNTRIES IN CRISIS AND TO THE AFRICAN UNION	7
2. STRENGTHENING ECONOMIC DEVELOPMENT IN NORTH AFRICA	9
3. FOCUS ON VOCATIONAL EDUCATION AND JOBS ("SKILLS INITIATIVE FOR AFRICA")	10
4. PARTNERSHIP FOR RENEWABLE ENERGY, CLIMATE RISK INSURANCE AND FOREST CONSERVATION	11
5. INTENSIFYING OUR COOPERATION WITH THE GERMAN PRIVATE SECTOR	12

Executive Summary

“From a continent of crises to one of opportunities” – the title of the BMZ’s first Africa Paper, published in early 2014, is still very appropriate. **A world without hunger is possible**, because Africa too is able to feed itself. It has also turned out that we made the right choice and proved to be farsighted when we made **prospects for Africa’s youth**, the **prevention of violence and displacement** and **better health care** the focus of our work.

We now want to **further sharpen the focus** of our Africa policy and adapt it to recent developments – especially with regard to **displacement and migration**, the new **global Sustainable Development Goals (SDGs)** and international **climate** agreements, and the effort to **increase cooperation with the private sector**. We will therefore launch new activities in the following areas:

1. Providing targeted support to sub-Saharan African countries in crisis and to the African Union

We will put a regional focus on six significant countries of origin, transit and destination in sub-Saharan Africa. We want to stabilize the situation in these countries and give refugees and local communities a chance to build a better future for themselves.

2. Strengthening economic development in North Africa

North Africa plays a key role when it comes to creating economic opportunities for people on the doorstep to Europe. We will reinforce our efforts to improve the environment for more investment and jobs.

3. Focus on vocational education and jobs: the Skills Initiative for Africa

Through our Skills Initiative for Africa, we want to work with the African Union (AU) and the private sector to improve the basis for young Africans to find a job and make a living, thus also tackling potential root causes of displacement and migration.

4. Partnership for renewable energy, climate risk insurance and forest conservation

Energy is a key factor for sustainable and viable development. We will significantly increase our efforts within the framework of the Africa Renewable Energy Initiative, for instance on cross-border power transmission and on leveraging private investment. We want to help provide insurance to protect people against climate risks.

5. Intensifying our cooperation with the German private sector

Among other things, we will set up new consultative networks, expand public-private partnerships, and implement our Strategic Partnership “Digital Africa.”

New Challenges and Focuses

“**From a continent of crises to one of opportunities**” – the title of the BMZ’s first Africa Paper, published in early 2014, is still very appropriate. **A world without hunger is possible**, because Africa too is able to feed itself. However, there is a need for development cooperation to do even more than had been laid down in the Africa Paper two years ago with a view to **eradicating the root causes of displacement** so that opportunities can be seized and crises, reduced. In particular, the large numbers of young people must become able to see **opportunities for themselves in their home countries**, and to seize these opportunities.

An Africa that is doing well is in the interest of Germany and Europe. There is a need for many more – and much larger – **areas of growth and prosperity** so that people will no longer feel that hope for a better future can only be found in Europe but will see hope for a better future within Africa.

It is only Africans themselves that can **lay the foundation** for this. Without responsible, transparent governance and governments’ real interest in the welfare of their own people, and without compliance with fundamental human rights standards, the push factors for migration will not diminish. We want to **live true partnerships** – from the top level all the way to everyday encounters between individuals from Europe and Africa. It is crucial that we **learn to understand each other better**. This means knowing about people’s day-to-day lives, so that players will not provide the wrong incentives because they rely on their own concepts, but rather contribute to inclusive growth. People’s day-to-day lives are shaped by their **culture, religion and worldview**. We want to give greater attention to this fact in our cooperation in general, and this includes of course our cooperation with Africa. In order not to put too much pressure on the relationship, there must be **patience and honesty** on both sides.

This also includes that each side clearly states what it stands for and what its values are. While cultural diversity and special local traditions must of course be taken into account, we consider **fundamental human rights standards** to be universal and non-negotiable. Respecting and protecting each individual’s human dignity is a task for every government, be it in Europe or in Africa, and must apply to everyone, no matter where they are staying, where they come from or where they are going.

We will continue the **broad range of partnerships** that exist between companies, schools, higher education institutions, cultural institutions, municipalities, sports organizations and faith communities. We will continue to support vocational education. And in addition to our official development cooperation programs, we will offer support for better lives in Africa through programs based on direct cooperation with nongovernmental organizations, faith-based organizations and political foundations.

Europe and Africa worked together well when the global **Sustainable Development Goals (SDGs)** were adopted at the United Nations in New York in September 2015. The SDGs have been laid down in the 2030 Agenda for Sustainable Development, which constitutes a pact on the world’s future. Since the beginning of 2016, the 2030 Agenda has been our common frame of reference. It applies to all countries worldwide and guides our actions. We want to give special support to African countries that lead the way on implementing the Agenda. At the **COP21 climate conference** in Paris, a binding basis was agreed for climate-friendly and climate-proof sustainable development worldwide. The implementation of the SDGs and of countries’ national contributions to climate action under the new agreement has already started. This must be given a stronger role in the development agendas of Germany and of the countries of Africa and, thus, also in the focus of German development

BMZ STRATEGY PAPER 4 | 2016
 THE BMZ'S AFRICA POLICY:
 NEW CHALLENGES AND FOCUSES

cooperation with African countries. The decisions taken at the **G7 summit at Schloss Elmau, Germany**, as part of the **Africa Renewable Energy Initiative** had already lent fresh impetus to support for giving people electricity from renewable sources, and the G7 had also decided to further increase the African climate risk insurance pool, the African Risk Capacity.

Germany is already in a good position to address all these issues through its development cooperation. But our cooperation can still become even better – that is, more effective, more cost-effective, and more aligned with partners' needs. One element we will be using to that end is new **information and communication technologies (ICT)** and a strategic partnership with the private sector for a Digital Africa. This is a major contribution to the German government's Digital Agenda.

One aspect that is closely related to this is our **focus on good governance**, which will continue to be at the heart of German development cooperation. This is about strengthening democratic institutions, guaranteeing freedom of speech and of information and the rule of law, building the capacity of public financial systems, and fighting corruption. Another factor is increased **cooperation with the private sector**. We are launching new initiatives with the business community in Africa and in Germany to help create **more jobs and self-sustaining economic growth**. We are planning to work closely with the African Union, with NEPAD and with the German business community to make **vocational education** a brand essence of German development cooperation. In that way, we are linking Germany's traditional international image with the current challenges and highlighting our vocational training work through an important additional facet.

The **Ebola epidemic** in parts of West Africa has highlighted the importance of strengthening health systems. Poverty-related illness, malnutrition and a lack of schooling in a person's first ten years of life can become the cause of limited options for that person later on. If development cooperation is to be successful, that link must never be forgotten.

Preventing and ending war and civil war, refusing to support corrupt and irresponsible governments, alleviating the consequences of natural disasters and climate change and seeking to avert crises wherever possible all help to eradicate the causes of displacement. However, this will not make a great difference in **reducing the migratory pressure** on Europe from people who are hoping for a better life there. The **high rate of population growth** will likely even increase that pressure in future. What is needed, above all, is the creation of long-term income opportunities for Africa's many young people. So we need massive investment in creating a basis for economic development, and we need to discuss population policy in our dialogue with African partners. **Economic growth, manufacturing jobs and, in particular, labor-intensive infrastructure and reforestation projects** will become **key elements of our development cooperation**. The countries of North Africa have a central role to play in this regard. **Growth in North Africa** must be considered an EU program that is in Europe's economic interest.

The Valletta summit on migration in November 2015 marked the beginning of a long-term process for the implementation of the Action Plan adopted there. The newly established **EU Trust Fund to address the root causes of displacement** focuses on economic development and job creation, food security, improved migration management, and better governance in African countries of origin and transit. We will play an active role in implementing the Fund, especially in the fields of migration management, vocational education and employment promotion.

At present, the number of refugees and migrants who are coming to Germany and the EU from African countries is relatively low compared to other regions of origin. In Germany, some **12 per cent of all applications for asylum in 2015 were filed by people from African countries**. However, these figures cannot serve as an indicator when it comes to projected migration movements from Africa to Europe, because even excellent economic growth will only partially be able to keep pace with expected population growth. By 2050, the **population of Africa** will probably more than double, **from currently**

1.2 billion to 2.5 billion. Climate change, too, will increase the pressure on natural resources and, thus, on people's livelihoods in sub-Saharan Africa.

At present, the vast majority of Africa's **15 million displaced people** (namely, 12 million) are internally displaced or are staying in a neighboring country. Thus, African countries are **not only countries of origin but also countries of transit and of destination**, which is an enormous burden on the countries concerned, many of which are very poor. Nigeria alone has more than two million internally displaced people who fled from the terror of Boko Haram; and close to 180,000 Nigerian refugees are staying in neighboring Cameroon, Chad, and Niger. Climate change is further exacerbating these pressures. Helping displaced people in Africa and tackling the root causes of displacement are tasks that demand new responses, not just from the Development Ministry but from the entire **German government** and from the **international community**. We need a comprehensive approach based on **more coherence between our development policy and our domestic, foreign, foreign trade, agricultural and security policies**.

In **fragile states** in particular, development cooperation must address security-related issues: **reducing the causes of conflict, supporting peaceful conflict transformation, and engaging in conflict prevention**. In this field, the African Union and Africa's regional economic communities have shouldered a great deal of responsibility, assisted by the German Development Ministry with regard to the civilian components of such programs. As part of what is called the **African Peace and Security Architecture**, they are developing crisis prevention instruments and undertaking practical actions to stabilize countries, consolidate peace and help with post-conflict recovery. In the past few years, the AU and the regional organizations have been able to respond to half of all new conflicts through diplomacy, mediation and peace missions. This is a remarkable achievement, not least in comparison with other regions. Through our support for the **Tana High-Level Forum on Security in Africa**, we will continue to foster the exchange between political decision-makers.

The priority areas which the BMZ defined in early 2014 for its development cooperation with Africa continue to be pertinent today:

- **Preventing violence and displacement**
- **Creating new prospects for young Africans: training, economic development and employment promotion**
- **Improving health**
- **Africa can feed itself**
- **A diversity of partnerships for a diverse continent**

In these key areas, we have already launched more than 50 new initiatives, some of them on a very large scale, together with our African partners. This includes our ten **Green Innovation Centers** in Africa and our new **African-German Youth Initiative**. We were able to by far exceed our goal of committing at least 100 million euros in additional funding for **Africa, the priority continent of our work**. **Country-specific commitments** alone were **about 1.66 billion euros in 2015**, compared to 1.25 billion euros in 2013 and 1.5 billion in 2014. **In addition, 414 million euros** was provided from the BMZ's new special initiatives: ONE WORLD – No Hunger; Displacement and Migration; Stability and Development in the MENA Region; and the German Climate Technology Initiative (DKTI).

Over the next two years, we will further sharpen the focus of our Africa policy, introducing activities in the following areas:

1 Providing targeted support to sub-Saharan African countries in crisis and to the African Union

We will **put a regional focus on six significant countries of origin, transit and destination in sub-Saharan Africa**. We want to stabilize the situation in these countries and give both refugees and local communities a chance to build a better future for themselves. The focus countries are **Ethiopia, Somalia, Eritrea, Kenya, Sudan, and Nigeria**. Depending on the specific challenges in each country, we will provide support with regard to **meeting the needs** of refugees and internally displaced persons and facilitating their **integration** (short-term actions), with regard to **vocational training and job creation** (medium-term actions), and with regard to **developing economic and social infrastructure and fostering democratic institutions, human rights and good governance** (long-term actions). In order to reduce conflict between displaced people and host communities, we see to it that our support always benefits both groups.

The cross-border nature of refugee and migration movements also means that **regional policies** are needed. The **African Union (AU)**, as a pan-African institution, is an important political player in this regard, as are the regional communities. We support the AU in the areas of peace and security, regional economic integration, and good governance. In the future, we will include displacement and migration in our program of cooperation.

WHAT DOES THAT MEAN SPECIFICALLY?

- In the short term, we will give more support to **UNICEF** with regard to food security, vocational education and job creation in the Horn of Africa.
- In **Ethiopia**, we will increase our support for services for displaced people and host communities in terms of urgently needed basic infrastructure and vocational training.
- In **Kenya and Ethiopia**, we are planning to increase our cooperation with the private sector on vocational education and employment promotion. In Kenya, we are helping to build government capacity through cooperation on anti-corruption efforts.
- In **Eritrea**, we are exploring ways of working with churches and civil society organizations to improve people's living conditions. One potential area of intervention in Eritrea is the creation of job opportunities for young people who have completed national service. In Eritrea, we have been calling for progress on human rights as a basis for our cooperation.
- In **Sudan**, we will support Eritrean refugees and host communities in the eastern part of the country through vocational training and drought resilience measures. In that way, we want to give the refugees hope for a better future in Sudan.

BMZ STRATEGY PAPER 4 | 2016
THE BMZ'S AFRICA POLICY:
NEW CHALLENGES AND FOCUSES

- In **Somalia**, we will support options for Somali refugees living in neighboring countries to return voluntarily to Somalia, and we will invest in developing urban water supply and the health system and improving the food and nutrition situation.
- In **Nigeria**, we will support a new project for internally displaced persons and host communities. We will also continue our support for sustainable economic development, vocational education and employment, and sustainable energy, all of which forms the basis for economic development.
- **AU Open Fund for Policy Advice on Displacement and Migration.** In order to provide advice to the AU on displacement and migration issues, the BMZ will make available funding for a special advisory fund. The idea is to assist the AU in carrying out its mandate on migration and displacement issues, especially with regard to the implementation of the Action Plan on displacement and migration that was agreed between the EU and the AU at the 2015 Valletta summit. There will also be engagement with other regional organizations (including EAC and ECOWAS).
- In our **cooperation with fragile states**, it will be mandatory in future for *all* our projects and programs and country strategies to make a targeted contribution to conflict prevention, conflict transformation and peacebuilding – from the planning stage all the way to implementation.

2 Strengthening economic development in North Africa

North Africa is right on our doorstep. The countries in the northern part of our neighboring continent are increasingly turning from countries of origin into countries of transit and destination for refugees and migrants. And the region is closely linked to the Middle East, and it is facing similar challenges: low growth rates, high levels of youth unemployment, human rights violations, and in many cases also an unstable security situation.

As we seek to **strengthen our political and economic relations** with North Africa in the context of displacement and migration, we need a political perspective that takes account of the link with the Middle East, and a European perspective that considers the region as a part of the greater Mediterranean region. It is key that the countries of North Africa themselves undertake efforts to significantly improve regional integration within their region.

Development policy helps to advance **economic and political structural change** in North Africa and helps the region stabilize and improve its competitiveness. The programs of the BMZ are aimed at improving the environment for more investment and jobs. The BMZ is pursuing these efforts within the framework of a **separate strategy for the MENA region**.

WHAT DOES THAT MEAN SPECIFICALLY?

- In 2015, we launched an **infrastructure program for North Africa**. It includes investment and training programs to improve the employment situation. Under Germany's chairmanship during its G7 Presidency, we expanded the **G7 MENA Transition Fund**, which is geared toward economic reform and good governance. After its expansion, it now also provides support for small and medium-sized enterprises with a view to fostering job creation.
- Since 2014, we have been implementing the **BMZ's special initiative for stability and development in the MENA region**. Its main focuses include employment promotion, vocational education and economic development.
- We are continuously increasing the **SANAD Fund** (from the Arabic word for "help"), which finances investments by micro, small and medium-sized enterprises.
- We are expanding our **programs for sustainable economic development in Tunisia, Morocco and Egypt**, for example an alliance for jobs in Tunisia which seeks to boost employment and training and is based on collaboration between the government, enterprises, and civil society.
- As part of the **EU Trust Fund** on migration, we will carry out **migration management** activities.
- We are supporting the **reintegration of migrants returning from Germany** to Tunisia by offering them training programs and advice on how to start a business.

3 Focus on vocational education and jobs (“Skills Initiative for Africa”)

Our Skills Initiative for Africa is intended to contribute effectively to a **better future** for young Africans, by creating **more employment and income** – thus also tackling potential root causes of displacement and migration. It combines regional or multi-country efforts with country-specific work. Cooperation with the private sector is particularly important, not least because this will help ensure that training will link up with actual job opportunities.

WHAT DOES THAT MEAN SPECIFICALLY?

- The Skills Initiative consists mainly of a **new regional program on vocational education, based on cooperation with the African Union (AU/NEPAD)**. Under that program, public and private entities in certain countries can apply for funding for vocational training and job creation activities. Support will be provided, among other things, to the enhancement of **training centers, job placement services, and practical training opportunities** within companies. There will also be special support for activities that target **women**. Contributions from other donors, for example the EU member states and/or the EU (for instance through the EU Trust Fund) and the African Development Bank, are welcome.
- We will expand our program with NEPAD on **vocational education in the agricultural sector** from six to twelve countries and launch a new agricultural training program with a focus on women in general and on women who are starting their own business in particular.
- We will increase our **bilateral cooperation in the vocational training sector** (at present, we have activities in more than 20 African countries). Among other things, we will do that through our Green Innovation Centers and through our **vocational training partnerships with the private sector** (an additional ten partnerships).
- The **Employment for Development** program, which provides incentives for job creation in the private sector, will be expanded to cover more countries.

4 Partnership for renewable energy, climate risk insurance and forest conservation

At the G7 summit in Elmau in 2015, the African Union and the G7 countries agreed to launch a new **Africa Renewable Energy Initiative**. The Initiative is geared toward a massive increase in **access to energy** and a **low-carbon development strategy**. (The target is an additional 10 gigawatts from renewable sources by 2020 and an envisaged 300 gigawatts by 2030.) This is a major contribution toward achieving the climate targets adopted in Paris. Relevant efforts also include work on climate risk insurance and on an Africa-wide initiative to restore 100 million hectares of forest landscape by 2030.

Energy is a **key factor for viable economic and social development**. It creates **jobs and income**. Cross-border, regional cooperation on energy is also a tool that can help to build **peace and security**. Investment in energy supply thus makes a direct and indirect contribution toward reducing displacement and migration factors.

The BMZ is providing a total of **3 billion US dollars** in the period up to 2020, thus contributing significantly to the total amount pledged at Paris for the Africa Renewable Energy Initiative, which was 10 billion US dollars.

WHAT DOES THAT MEAN SPECIFICALLY?

- **Cross-border power transmission.** We will support the expansion of the West African and Southern African Power Pools on a large scale, and also the linking of national grids to regional power pools along the border river of Ruzizi, which links Burundi, Rwanda, and the DR Congo.
- **Leveraging private investment;** fostering South-South cooperation. Together with other donors, we will expand our schemes for supporting private investment in renewable energy through improved regulatory environments and risk guarantees. The schemes will cover more countries in the future (including South Africa, Zambia, and Uganda).
- Together with other donors, we will continue our support for an **energy transition in Morocco** (including the world's largest solar power plant in Ouarzazate).
- **Expansion of the Energising Development partnership.** Through this multi-donor approach, we are supporting rural electrification, cooking efficiency, energy for social infrastructure, and the productive use of energy by small and medium-sized enterprises.
- **Climate risk insurance** (G7 initiative). We want to provide insurance to at least 200 million people in Africa by 2020. This is a direct contribution toward reducing the root causes of displacement. Our contribution to the African Risk Capacity is about 100 million euros. In addition, agricultural insurance will cover crop failure risks.
- **Protection and restoration of forest landscapes.** Through the AFR100 initiative, which is based on a partnership with the AU and NEPAD among others, 100 million hectares of degraded forest land and agroforestry landscapes are to be restored by 2030. This will help the countries of Africa to implement their national contributions to the Paris climate agreement. More productive landscapes also reduce push factors for migration.

5 Intensifying our cooperation with the German private sector

Without economic development, Africa's development will fail. There is a need for companies to make sustainable investments in Africa that particularly benefit the poor. We want to give stronger, and multi-faceted, support and backing to such investment.

New jobs and income opportunities will give people in Africa new **options for a better future**. We will intensify our cooperation with the German private sector in Africa.

WHAT DOES THAT MEAN SPECIFICALLY?

- We will expand our **consultancy network for the private sector in Africa** (support for German chambers of commerce through CIM experts, development of a service network).
- We will work with the private sector to **develop industry-specific solutions**, for instance in the field of environmental technology, with support from the Green Climate Fund.
- We will launch new **development partnerships** (public-private partnerships) with the private sector under our **German Initiative on Sustainable Cocoa** and our **Partnership for Sustainable Textiles**, and we will start partnerships for other sustainable supply chains (for example, establishment of the **Action Alliance for Sustainable Bananas**).
- Under our **Strategic Partnership "Digital Africa,"** we will invite enterprises to take part in six

ideas competitions ("Lab of Tomorrow") in order to develop and implement, together with our partner countries, digital solutions to specific development challenges.

- **Public-private partnerships in North Africa.** We will increase our development support for investments by German companies in North Africa. At present, there are 18 projects under our develoPPP.de program in Egypt, Tunisia and Morocco.
- **More export credit guarantees for Africa.** We will seek to broaden coverage options for German exports (Hermes export credit guarantees) to include more African countries, and to improve coverage terms for companies.

BMZ STRATEGY PAPER 4 | 2016
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