



Federal Ministry
for Economic Cooperation
and Development

The Marshall Plan with Africa – Review and Outlook





Four years have passed since we presented our “Cornerstones for a Marshall Plan with Africa” – the result of a process of in-depth dialogue that incorporated many intelligent (and critical) ideas and suggestions. A process that led to a new direction in our cooperation with Africa. We introduced a new framework in terms of strategy and operations for our activities, based on the principle of equal partnership and focussing on our partner countries’ own development resources and potential. The Marshall Plan with Africa was born of the conviction that our neighbouring continent is of significantly more importance in the world – and for Europe’s future – than many Europeans realise.

Before the COVID-19 pandemic, five of the world’s ten fastest-growing economies were in Africa. In terms of digital transformation, the African continent is light years ahead of us, with many parts of sub-Saharan Africa enjoying better mobile network coverage than many parts of Germany. Promising start-ups are burgeoning across the continent, accompanied by a young and dynamic middle class. At the same time, Africa faces huge challenges even today in the year 2021. The fact that there are still so many people starving, particularly in sub-Saharan Africa, is an intolerable scandal and one that has been exacerbated by the pandemic. In addition, the virus and all its knock-on effects have mercilessly halted growth in numerous countries and pushed healthcare and welfare systems to their very limits both in Africa and in Europe. We can only overcome COVID-19 by working together.

Yet it was not just the global pandemic that made 2020 such a fateful year in the partnership between Europe and Africa. The Cotonou Agreement came to an end, requiring a new agreement to be negotiated. In addition, the important joint summit planned between the African Union and the European Union for autumn 2020 had to be cancelled due to COVID-19. Nonetheless, significant progress was made towards Europeanising the Marshall Plan with Africa. Key elements, such as reforms for more investment and employment, were successfully incorporated into the new EU Strategy for Africa and the preparations for the EU-AU

summit. In addition, a new, joint European approach, “#Team Europe”, was established.

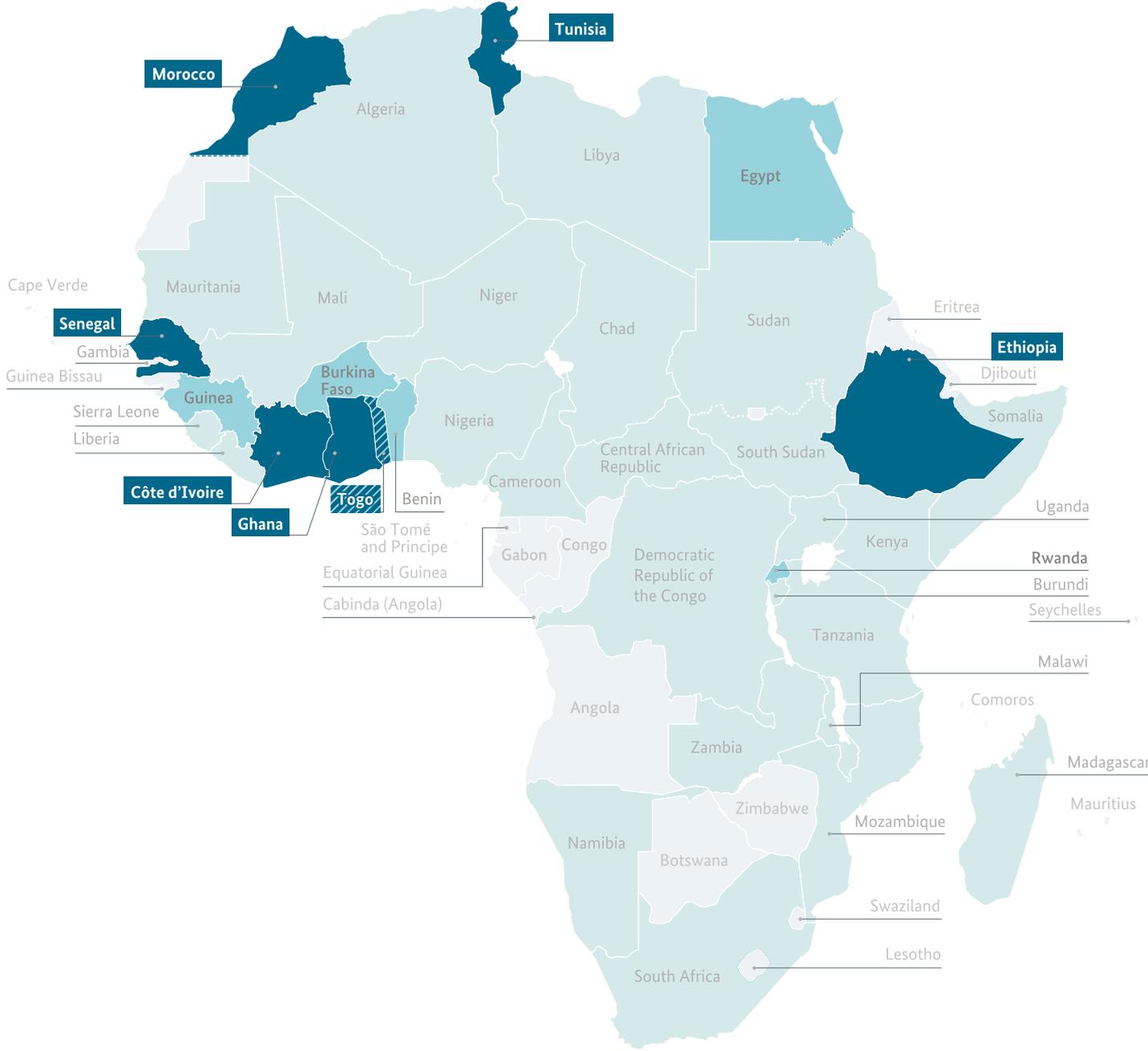
Over the past four years, we have taken some important steps forward through the Marshall Plan, laying the foundations for joint action to navigate this crisis. We have launched a new, ambitious model of cooperation with particularly reform-minded countries – “reform partnerships”, which are a core component of the plan. In a long-term approach that is now beginning to bear fruit, we are helping these countries to improve the environment they offer for economic activity and investment and thus ensure lasting job creation, based on a “more for more” principle. However, the Marshall Plan with Africa is not only concerned with cooperation with reform partner countries. We also continue to work with our African partner countries on all the major issues facing our future, from climate action to food security, health, education and energy through to peacekeeping and human rights advocacy, taking our lead from the 2030 Agenda for Sustainable Development.

This report is intended as a review of what we have achieved together since the launch of the Marshall Plan with Africa and what we hope to accomplish in the future. I hope you find it an inspiring read.

Dr Gerd Müller, Member of the German Parliament

German Federal Minister for Economic Cooperation and Development

OUR ACTIVITIES IN AFRICA



- Reform partner countries (which are also Compact with Africa countries and countries with which Germany is engaged in development cooperation)
- Planned reform partner country (which is also a Compact with Africa country and a country with which Germany is engaged in development cooperation)
- Compact with Africa countries (which are also countries with which Germany is engaged in development cooperation)
- 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.

Contents

AFRICA AND EUROPE – A STRONG PARTNERSHIP	4
THE MARSHALL PLAN WITH AFRICA	5
REFORM PARTNERSHIPS A PARTICULARLY CLOSE AND AMBITIOUS FORM OF COOPERATION	6
REFORM PARTNER GHANA COOPERATION FOR MORE INVESTMENT AND JOBS	7
REFORM PARTNER TUNISIA BRINGING HOPE TO THE REGION	8
THE MARSHALL PLAN WITH AFRICA – A REVIEW	10
ECONOMIC ACTIVITY, TRADE AND EMPLOYMENT	12
PEACE AND SECURITY	14
DEMOCRACY AND THE RULE OF LAW	15
FOOD AND AGRICULTURE	16
PROTECTING NATURAL RESOURCES	17
ENERGY AND INFRASTRUCTURE	18
HEALTH, EDUCATION AND SOCIAL PROTECTION	19
OUTLOOK	20

Africa and Europe – A strong partnership

Africa and Europe have always had close ties – in terms of history, culture, business and, with just 15 kilometres separating them, geography. What happens in Africa has an impact on Europe and vice versa.

By 2050, the African continent will have the world’s largest pool of labour resources – with all the opportunities and risks that entails. Millions of young people need jobs, housing, access to education, healthcare, infrastructure, energy and transport. Having said that, Africa has already left Europe way behind in many respects. The number of internet users is increasing rapidly; there are electronic payment systems even in the smallest of villages; and drones are used to deliver medicine to remote regions. Furthermore, the African Continental Free Trade Area (AfCFTA), which became effective in 2019, has the potential to liberate millions of people from poverty.

Action has also been taken at the political level to pave the way forward. Back in 2015, the member states of the African Union (AU) set out an ambitious vision for development in its Agenda 2063 (“The Africa We Want”). In it, African policymakers committed themselves to democracy, rule of law and economic reform. Many countries have made considerable progress in these areas over the past five years. At the beginning of 2020, however, the globalised world was shaken to the core by the COVID-19 pandemic. Now, it is even more crucial that Europe and

Africa work together to ensure that the development achievements of the past few years are not undermined.

A GREEN AFRICA

There is hardly a continent on the planet that has more renewable energy resources than Africa. With thousands of hours of sunshine per year, solar power is an obvious option for Africa. Indeed, the world’s most state-of-the-art solar power plant, which generates clean energy for 1.3 million people in the region, can be found in the Moroccan desert. But our neighbouring continent is ahead of the game when it comes to other alternative sources of energy too. In Kenya, for example, around 50 per cent of the electricity currently generated is geothermal. And there is a new, bright star rising on Africa’s energy horizon: “green” hydrogen. June 2020 saw the establishment of a German-Moroccan hydrogen alliance, through which Morocco’s first large-scale production facility for green hydrogen will be built with German support, opening up the chance to make Morocco an international trailblazer in this segment. But it is not only large plants that are helping to revolutionise Africa’s energy sector. Programmes such as the multi-donor Energising Development partnership (EnDev) provide millions of people with off-grid access to renewable energy. From the smallest solar power system to state-of-the-art power plants: Africa’s future is green.



The Marshall Plan with Africa

The Marshall Plan with Africa, which takes its lead from the African Union’s Agenda 2063, was announced in January 2017. It was the starting point for a new model of partnership between Germany’s Federal Ministry for Economic Cooperation and Development (BMZ) and its partner countries in Africa. Since its launch, it has served as an overarching frame of reference for German-African development cooperation, in terms of both strategy and operations. 2017 also saw the launch of the “Compact with Africa” (CwA) under the German G20 presidency. In it, Germany has joined forces with the World Bank and other partners to support particularly reform-minded countries in Africa in their efforts to improve their business environment and thus become more attractive for private investors. The idea is that sufficient jobs for the growing population can only be created if there is a strong commitment from the private sector; and the private sector tends to invest in countries with stable and predictable business and legislative structures. The CwA countries have led the way with their reforms in these areas, as has been reflected in their response to the COVID-19 pandemic. Their economies are coping with the crisis better than other African countries and there is a good chance they will recover relatively quickly.

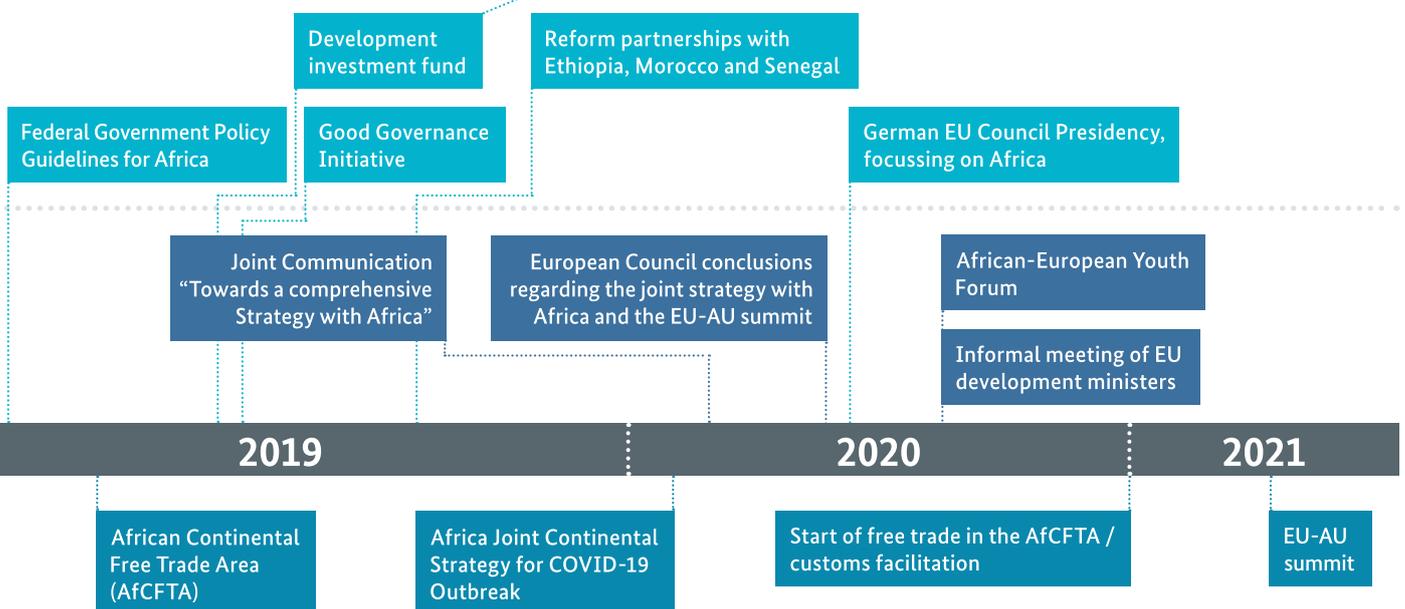
Twelve countries have so far signed up to the Compact. Germany has forged reform partnerships with six of them (Tunisia, Ghana, Côte d’Ivoire, Ethiopia, Morocco and Senegal). Preparations for a seventh, with Togo, are

underway. All seven countries have embarked on ambitious programmes of reform. Their efforts are paying off, with all of them ranking among the twelve most attractive investment destinations in Africa. In addition, Ethiopia, Côte d’Ivoire and Ghana are among the twenty fastest-growing economies in the world.

DEVELOPMENT INVESTMENT FUND

As Africa is becoming increasingly attractive for German business, we have set up a development investment fund, worth up to one billion euros, with the aim of boosting this trend. The fund supports businesses looking to make long-term investments in Africa and consists of the following 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 enterprises (SMEs) and start-ups in Africa
- **Africa Business Network: Up to 200 million euros** to advise and support German businesses on investing in Africa



Reform partnerships

A particularly close and ambitious form of cooperation

Reform partnerships are a new incentive-based cooperation model launched by the BMZ for countries that are particularly committed to reforms (reform champions). The BMZ has provided 2.8 billion euros in additional funding (for 2017 to 2020) to assist these countries in their individual reform efforts. The overarching goal of this endeavour is to improve the business environment with a view to fostering investment and sustainable economic growth and creating jobs for growing populations.

Reform partnerships

- ✓ are **Germany's bilateral contribution** towards implementing the Compact with Africa (CwA);
- ✓ are guided by the **goals of the African Union's Agenda 2063** and are aligned with partner countries' **national development plans**;
- ✓ are based on a **"more for more"** principle: A reform agenda is agreed based on close dialogue with the partner country in question. The two sides define reforms and record them in a reform matrix. Upon successful implementation of the reform steps, additional funding is disbursed to the partner country;
- ✓ are accompanied by **continuous close political dialogue**.

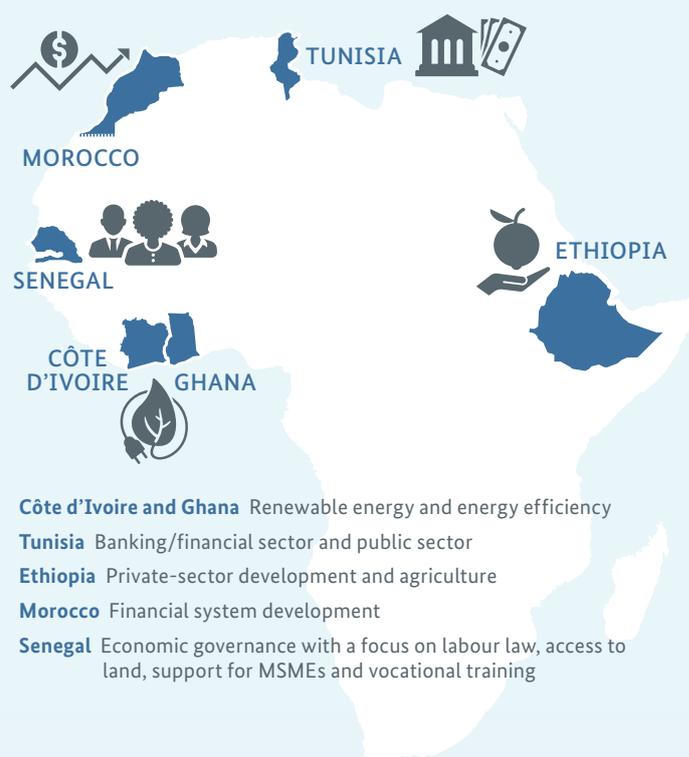
In addition to financial support and advisory services for the implementation of reforms, the BMZ has launched further instruments and initiatives to support the objectives of the reform partnerships. The main ones are:

- ✓ the **development investment fund** set up in 2019 to mobilise private capital (p. 5);
- ✓ the **Special Initiative on Training and Job Creation** to foster employment and private-sector development (p. 13); and
- ✓ the **"Good governance for more investment and jobs in Africa"** initiative (p. 15).

The first reform partnerships were concluded with Côte d'Ivoire, Ghana and Tunisia at the 2017 CwA conference. At the end of 2019, the BMZ entered into three further reform partnerships with Senegal, Morocco and Ethiopia. A seventh reform partnership, with Togo, is currently being prepared. In the following, we present two examples of reform partnership pioneers. The first is Ghana, a pillar of stability and solid values in sub-Saharan Africa; and the second is Tunisia, which arose as a beacon of hope during the Arab spring in North Africa.

COUNTRIES AND PRIORITY SECTORS

Each reform partner country focuses on one or several priority sector(s).



- Côte d'Ivoire and Ghana** Renewable energy and energy efficiency
- Tunisia** Banking/financial sector and public sector
- Ethiopia** Private-sector development and agriculture
- Morocco** Financial system development
- Senegal** Economic governance with a focus on labour law, access to land, support for MSMEs and vocational training

REFORM FINANCING – A NEW INSTRUMENT FOR THE REFORM PARTNERSHIPS

A new instrument that is used in most reform partnerships is reform financing. This involves financial resources being paid directly into the budget of the partner country. However, this is only done on the basis of clear and verifiable prerequisites.

- ✓ The reform partner country must have implemented the first reforms before any funding is disbursed.
- ✓ The partner country makes a commitment to use the funding for pre-agreed investments in the priority sectors.

In order to increase the impact and effectiveness of our efforts, we work together with other development partners in some of our reform financing programmes, for instance with the World Bank, the African Development Bank and the European Commission.

Reform partner Ghana

Cooperation for more investment and jobs

Ghana is a pillar of stability in West Africa, working in partnership with us to promote solid values. Furthermore, as the region's second largest economy, it is a key trading partner for Germany. Ghana has seen consistent economic growth for two decades and has advanced to middle-income country status. Its "Ghana beyond Aid" vision is an ambitious project to modernise the country, secure economic independence and, in the medium term, to end its reliance on development aid. As part of this, measures are also being taken to tackle corruption and increase domestic resource mobilisation. These efforts are paying off, as can be seen, for example, in the more than fivefold rise in registered Ghanaian taxpayers since 2017.

Through the German-Ghanaian reform partnership and increased private-sector involvement, Germany is supporting Ghana, one of the first reform partner countries, in its efforts. As well as focussing on the energy sector and good governance, the main aim is to improve the environment for investment. This is necessary since strong private-sector involvement is the only way for the economy to continue growing and create jobs to benefit the entire Ghanaian population. The country's political and social stability mean that the political climate for more private investment in Ghana is favourable. In 2019, it

MACRO INDICATORS

POPULATION (2020)

30.8 million

GROSS DOMESTIC PRODUCT (2019)

59.8 billion euros Up 14 per cent on 2017

PER CAPITA INCOME (2019)

1,967 euros (Average in sub-Saharan Africa: 1,416 euros)

DOMESTIC REVENUE (2018)

8.6 billion euros Up 10 per cent on 2017

FOREIGN DIRECT INVESTMENT (2016-2019)

10.6 billion euros (6th out of 54 African countries)

IBRAHIM INDEX OF AFRICAN GOVERNANCE (2019)

8th (out of 54 African countries)

had one of the world's fastest-growing economies and it is a top destination for projects by the German development investment fund, which promotes private investment in African countries (see box on page 5).

To date, the AfricaConnect component of the fund has supplied 10.4 million euros in financial support for businesses, creating or safeguarding over 4,000 jobs. When the COVID-19 pandemic struck, the fund was also able to provide rapid help to bridge liquidity gaps and prevent many a business going bankrupt.

JOBS IN THE TEXTILE INDUSTRY: THE EXAMPLE OF "DO THE RIGHT THING (DTRT)"

COVID-19 PANDEMIC

Liquidity bridging through AfricaConnect enabled DTRT to keep all of its employees.



DTRT quickly moved to production of face coverings and is **now one of the biggest manufacturers** in this segment of the Ghanaian market.



AfricaConnect supplies 4 million euros of investment aid



New machinery purchased and improvements made to existing factory



Business "does the right thing" in terms of compliance with strict environmental and social standards



1,500 additional, **quality jobs** with social benefits such as healthcare and education/training for employees' children



Approximately **2,000 employees** in total, of whom **65 per cent** are women

Reform partner Tunisia

Bringing hope to the region

Tunisia arose as a beacon of hope during the Arab spring in North Africa. After decades of dictatorship, the country successfully transitioned to democracy – a unique feat in the Arab world. Tunisia's economic reform agenda is also ambitious and we have been supporting the country's efforts as part of a reform partnership since 2017, focussing on two priority sectors.

Reform of the banking and finance sector

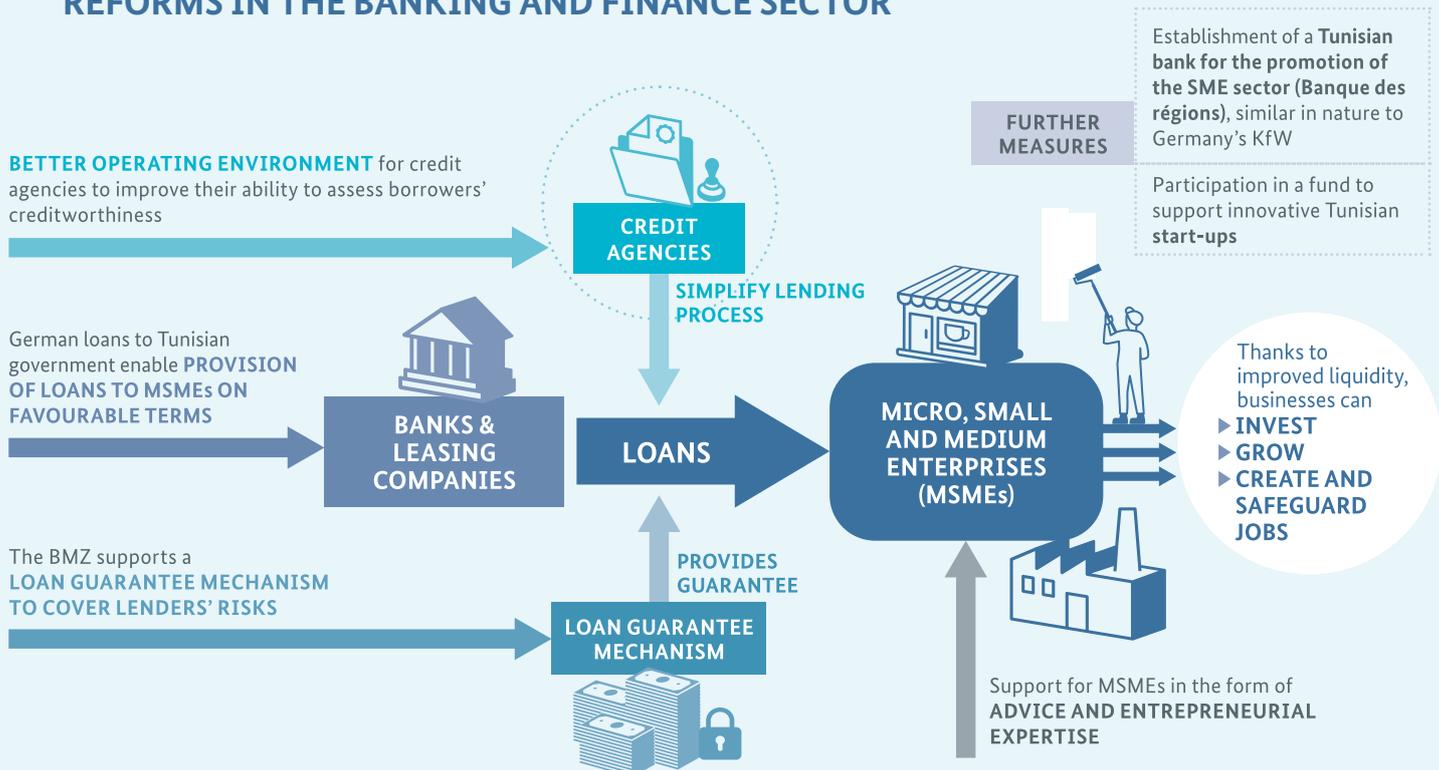
95 per cent of Tunisia's private sector consists of micro, small and medium enterprises (MSMEs), for whom loans and financial services are few and far between. Yet, it is difficult for these businesses to grow and create the jobs so urgently needed if they do not have financing. It was with this in mind that we agreed banking and finance reforms with Tunisia in 2017. The aim is to improve MSMEs' access to loans and other financial services and thus to pave the way for growth. Measures are also being taken to tackle other obstacles to investment, such as excessive bureaucracy. Examples include the investment law

reform and the restructuring of the Tunisian Investment Authority (TIA), which will serve as a central advice and service point for businesses looking to invest.

Reform of the public sector

Since 2020, we have been working with the World Bank, France and Japan to support the implementation of key reforms in public administration and state-owned enterprises. These include more receipt-checking so as to increase tax compliance and better structures to facilitate flexible posting of experienced public servants, including in rural areas. In addition, measures are to be taken to improve the management of state-owned enterprises that have amassed excessive debt. These reforms bring clear advantages since a transparent and efficient public sector not only provides better services, it also helps ensure increased income and efficient use of limited funds, thereby doing its part to consolidate public finances. This in turn makes Tunisia a more attractive place for investors both from inside and outside the country.

PROMOTION OF MSMEs AND START-UPS THROUGH REFORMS IN THE BANKING AND FINANCE SECTOR



A ONE-STOP SHOP FOR INVESTORS

The Tunisia Investment Authority (TIA) promotes investment in Tunisia by supporting domestic and international businesses throughout the investment process and cutting the red tape involved. The authority was founded in 2017 on the basis of the new Tunisian Investment Law as part of a reform of public investment policy. We spoke to TIA President, Beligh Ben Soltane.



Mr Soltane, what would you say has been TIA's biggest success story so far?

TIA was set up to fill in the gaps in the investment process and make investing easier. Its aim is to act as a central advice point for investors, standardise processes and simplify procedures. In my view, TIA's biggest success has been its radically new approach to local and international investment promotion. Instead of expecting investors to come to us, we reach out to them first and help them find solutions for their needs.

It really is something of a revolution! We support investors in line with Tunisia's development priorities, with the aim of creating jobs and promoting integrative, sustainable development.

“VIP service for investors”

For large investments to be implemented quickly, good advice is essential. TIA pools expertise from various government bodies and offers a VIP service for investors, enabling them to swiftly translate their business ideas into reality.

Sofiene Ben Salah, General Manager at Knauf Tunisia. The Knauf Group is a global player that has been making gypsum in Tunisia since 2004, where it employs around 240 workers.

“Transparent and fast”

TIA's digitisation and simplification of the processes involved made it possible for us to implement all the phases of our investment project in a transparent manner and faster than the old administrative cycle allowed.

Anis Touil, General Manager of Rosenberger Hochfrequenztechnik GmbH & Co. KG in Tunisia. The company has been operating in Tunisia since July 2020. It is building its first African factory in Tunisia, where it will be manufacturing glass-fibre and high-frequency components.

What investments has TIA made possible in Tunisia so far?

Since commencing operations in January 2019, we've supported 78 investment projects, with a total volume of 4.1 billion dinars (1.2 billion euros) and more than 26,000 potential new jobs. I'd say that's quite a good start! And TIA has all the resources and capacities necessary to be able to facilitate even more investment in the future.

How do Germany's development cooperation activities contribute to TIA's success?

Since the very first day, Tunisian-German cooperation activities have been helping TIA streamline the complex investment processes and move them online, which has been a great support during the COVID-19 crisis too. With our digital platform, we can now deliver online, end-to-end support for businesses – right from our first contact with them. It is also possible for investors from Germany and other countries to submit their applications to us electronically for online processing.

“Improved investment climate”

Two years after our new production facilities in the governorates of Tozeur and Kairouan came on stream, we still hadn't received the investment grants we'd applied for. But thanks to TIA's intervention, the authorities have now got back to us with a positive response and we're just waiting for the final approval. In addition, TIA successfully campaigned for an amendment to a law that restricted investment in rural regions. As well as solving the problem for us at the Sartex Group, their support will benefit all future investment projects in Tunisia too.

Rachid Zarrad, Public Relations Manager at the Sartex Group. The producer of jeans and sports clothing has been based in Tunisia since 1982 and has a workforce exceeding 5,000. In 2014, Sartex set up a training centre with the support of the BMZ. To date, more than 1,500 young people have graduated from the centre.



The Marshall Plan with Africa –
A review

ECONOMIC ACTIVITY

TRADE

EMPLOYMENT

PEACE

SECURITY

DEMOCRACY

RULE OF LAW

HUMAN RIGHTS

FOOD

AGRICULTURE

CLIMATE

PROTECTION OF

NATURAL

RESOURCES

ENERGY

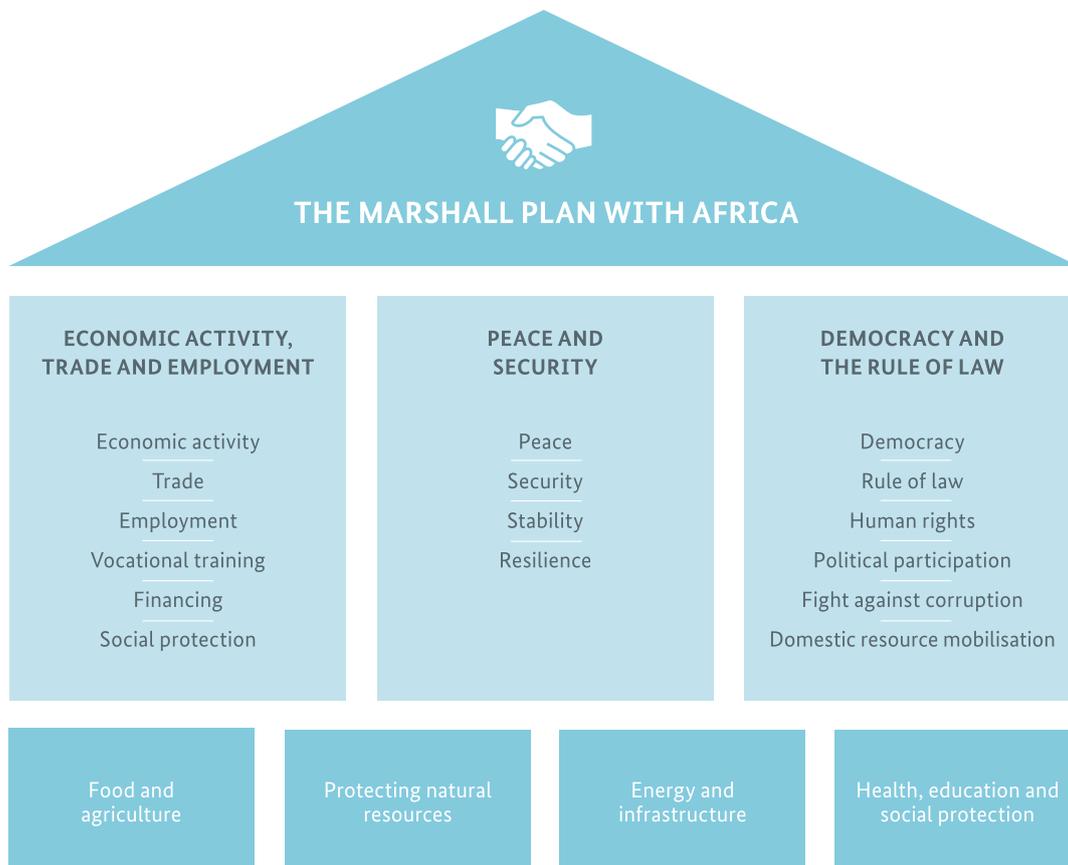
INFRASTRUCTURE

HEALTH

EDUCATION

SOCIAL

PROTECTION



BMZ 2017: Cornerstones for a Marshall Plan with Africa

2020 was a challenging year and not just for our cooperation activities with Africa. COVID-19 had (and continues to have) a severe impact on public health, business and society – an impact that poses an acute risk to the development achievements of the past few years. On the one hand, the crisis reveals weaknesses that still exist in African health-care systems, economics, social protection systems and governmental structures. On the other, it shines the spotlight on strengths and opportunities. The African Union, for instance, is proving to be a proactive, effective coordinator and a number of African governments were swift to take action and establish extensive programmes to support their citizens. Moreover, the potential offered by digital solutions is particularly evident in Africa. The Marshall Plan with Africa has proved its worth during the crisis, enabling us to build on established cooperation structures and provide rapid, flexible, needs-based support through our Emergency COVID-19 Support Programme. In particular, our close collaboration with the reform partner countries has paid off in this respect.

During the crisis, we temporarily increased our reform financing for close allies and potential pillars of stability such as Côte d’Ivoire, Ghana and Morocco. Ethiopia and Senegal received emergency aid to help mitigate the social and economic consequences of the pandemic. In addition, almost all of our African partner countries were given short-term and

medium-term assistance to tackle the COVID-19 pandemic, for which around 500 million euros was reappropriated from ongoing projects.

The following sections aim to show what we have achieved together over the past four years of putting the Marshall Plan into action. As well as our cooperation focussing on reform partnerships, we also work with other partner countries in all the action areas set out in the Marshall Plan.

Our cooperation activities revolve around creating jobs for Africa’s growing population. To do that, peace and security need to be established, governmental structures improved and democratic and human rights standards complied with. It is for these reasons that the Marshall Plan is based on three pillars, which build on our past cooperation.

Since 2017, the BMZ has pledged a total of approximately eight billion euros in bilateral funds to African partner countries. This is supplemented by funding for new initiatives designed to mobilise private investment. The Special Initiative on Training and Job Creation has been working with businesses since 2018 to promote private investment in seven African countries. 445 million euros has been earmarked for this initiative and a further 600 million euros has been made available via the development investment fund.

ECONOMIC ACTIVITY, TRADE AND EMPLOYMENT

ECONOMIC ACTIVITY

Strong, sustainable economic development is vital to ensuring more prosperity for everyone. But it is not the sole responsibility of the government, nor industry, to create the conditions necessary for such development. Only through a concerted effort by business, civil society and governmental stakeholders is it possible to achieve sustainable growth that benefits all sections of society, protects natural resources and caters for the needs of future generations. Numerous African economies were showing promising growth before the COVID-19 pandemic struck and brought progress to an abrupt halt, causing tremendous challenges. Germany has responded with a raft of support measures to cushion the economic and social blow of the crisis.

- ✓ In Côte d'Ivoire, one of our reform partner countries, the African Trade Insurance Agency (ATI) had provided insurance cover for private investments worth in excess of 76 million dollars by 2020. Another of our reform partners, Ghana, has also been a member of ATI since 2019.
- ✓ **Reform partnership with Morocco**
 - As part of its reform partnership with Morocco, Germany is helping the country implement its National Financial Inclusion Strategy (NFIS). The strategy considerably simplifies access to financial services such as loans – especially for young people, women and rural communities.
 - Enlargement of a fund to guarantee individuals' bank deposits, thus strengthening investors' confidence in the banking system.
 - A comprehensive urgent action programme specifically to support Morocco during the COVID-19 pandemic. The support measures include transfer payments to household units, for example, and government guarantees for loans to micro, small and medium enterprises.

TRADE

A key element in efforts to increase growth in Africa is expansion in trade within the continent. The start of trade under the AfCFTA on 1 January 2021 was a milestone in the integration of intra-African trade and its potential is huge. The World Bank estimates that the AfCFTA could boost the total export volume by nearly 30% by 2035. Intracontinental exports could increase by as much as 80% or more. The AfCFTA would thus help to liberate almost 100 million people from poverty, 30 million of them from absolute poverty.

- ✓ Significant expansion of German support for the AfCFTA at the continental, regional and national level, with an additional 50 million euros.
- ✓ Support for preparations for increased intra-African trade through, for example, removal of technical trade barriers and measures in the area of digital trade and e-commerce. This has enabled over 1,000 professionals and managers from more than 50 African countries to increase their trade expertise.
- ✓ We are working with business to support trade facilitation alliances in twelve African countries by, for instance, digitising trade processes. Morocco's phytosanitary certificate, for example, has been converted into digital format. The new "e-phyto" document has significantly reduced clearance times for perishable goods.
- ✓ In Ethiopia, Côte d'Ivoire, Ghana, Rwanda, Senegal and Tunisia, the Alliance for Product Quality in Africa helps enhance product quality in specific sectors of industry. One example of this work is the support given to 200 farms in Ghana to help them obtain certification for foodstuffs.

EMPLOYMENT

Africa's population is growing rapidly. Each year, another 20 million new jobs are needed to secure an income and long-term prospects for the people who live on the African continent. However, in some regions, more than half of young people do not have work – a situation that has been exacerbated by the pandemic. In recognition of the con-

continent's huge human potential, one of the aims in Agenda 2063 is to conquer youth unemployment. This is to be done by ensuring widespread access to education, training and technology so that young people are better positioned to realise their potential.

- ✔ Two years of the Special Initiative on Training and Job Creation, aimed at delivering 100,000 jobs and 30,000 training opportunities in Africa in collaboration with the private sector. The initiative supplements our reform partnerships with Tunisia, Morocco, Senegal, Côte d'Ivoire, Ghana and Ethiopia as well as our activities in Rwanda.
- More than 50,000 jobs in some 900 businesses have been secured during the pandemic. One example is our reform partner country Ethiopia, where over 20,000 textile workers were kept in employment by shifting production to face coverings and stretchers.
- The newly founded "Investing for Employment" company supplies financing for investments in Africa that will have an impact on employment. This special initiative involves more than 180 German, European and African businesses in projects with various objectives, including job creation. One example is the Digital Skills Accelerator Africa (DSAA) in Ghana, Morocco and Senegal, which has been set up to create more than 1,000 new jobs in the digital sector.
- ✔ The Employment for Development (E4D) programme has provided employment for over 32,000 people in Ghana, Uganda, Kenya, Tanzania, Mozambique and South Africa. More than 100,000 people have been able to improve their employment situation, by means of increased income for instance, thanks to the programme.
- ✔ Between 2017 and 2020, the Make-IT initiative provided funding for over 80 start-up businesses in Nigeria, creating some 1,100 jobs, half of which were for women.
- ✔ In Kenya and Rwanda, the "Future.Market.Film" programme has trained more than 1,400 film-makers, leading to a more than 50 per cent rise in participants' incomes.

SPECIAL INITIATIVE ON TRAINING AND JOB CREATION

MORE AND BETTER JOBS

FOSTERS THE ATTRACTIVENESS OF BUSINESS LOCATIONS AND INDUSTRIES (CLUSTER APPROACH)

- Support for industrial and business parks
- Improvement of export opportunities



FOSTERS SUSTAINABLE INVESTMENT (BUSINESS & INVEST)

- Development of projects with enterprises, for example on training and upskilling; establishment of sustainable value chains and supply chains; quality improvements in supply industries
- Measures to address obstacles to investment, spanning a wide variety of topics such as training and customs clearance.



PROMOTES THE SME SECTOR (AFRICAN MITTELSTAND)

- Improvement of business environment and competitiveness
- Help for companies seeking to enter new markets
- Increased cooperation between African and German SMEs



- ✔ Advice centres for jobs, migration and reintegration support returnees, internal migrants and local communities as part of the "Returning to New Opportunities" programme. Currently operating in six partner countries in West and North Africa, they give advice on how people can ensure a viable future for themselves and provides options for locals to stay in their home countries through, for example, funding for start-ups. In Nigeria, the centres have so far directly helped around 74,000 people.

PEACE AND SECURITY

Without peace and security there can be no economic, social or human development. Although there has been a sharp rise in the number of democratic and peaceful transfers of power on the African continent since the 1960s, the number of armed conflicts has been increasing again for several years. The African Union (AU) is pivotal to ensuring peace and security on the continent. Over the past few years, it has installed and expanded a peace and security architecture, significantly strengthening its position. In 2020, it launched a programme entitled “Silencing

the Guns in Africa” with the aim of paving the way to a more peaceful Africa.

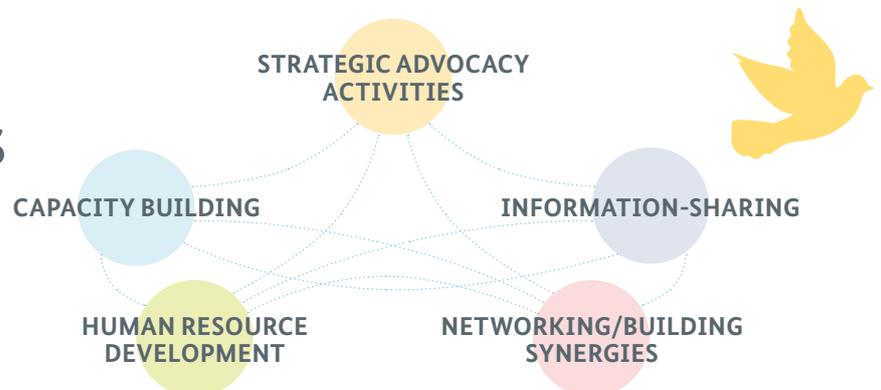
Apart from violent conflict, there are various other factors such as climate change, economic crisis or, in a recent development, the COVID-19 pandemic, which result in an increase in complex and recurring crises. We support the AU and our African partner countries in the areas of conflict prevention, mediation, peacebuilding and crisis management.

- ✓ The joint BMZ and World Food Programme (WFP) Sahel Resilience Initiative seeks to improve food and livelihood security for more than a million people in Chad, Mali, Mauritania, Burkina Faso and Niger. Examples of its work include provision of school meals and restoration of agricultural land. A UNICEF resilience initiative, supported by the BMZ, supplements these activities in areas such as education and protection of children in Mali, Mauritania and Niger.
- ✓ Support for the AU and the Lake Chad Basin Commission (LCBC) in their development and implementation of the Regional Stabilization Strategy for the Lake Chad Basin, particularly by involving civil society stakeholders and by providing psychosocial support to the civilian population in regions affected by Boko Haram.
- ✓ A joint flagship project with the AU, the “Interfaith Dialogue on Violent Extremism” (iDove), aims to strengthen multi-faith cooperation, particularly

amongst young people, and prevent violent extremism and radicalisation. 300 specially trained young people organise small-scale projects and training events dealing with prevention of violence, so far reaching more than 120 religious leaders and over 2,000 communities across several countries.

- ✓ In Lesotho, South Africa, Zambia and Zimbabwe, the BMZ supports cooperation between governmental, non-governmental and private-sector stakeholders aimed at preventing violence towards women and girls. Results have included an app and a text-message service for girls and women. To date, nine multi-stakeholder initiatives have engaged with over 30,000 women and men through these activities.
- ✓ Measures to promote the participation of young African women in peace processes, e.g. as part of the annual forums held by regional women mediator networks.

WOMEN MEDIATOR NETWORKS



Increasing women’s participation and influence in peace processes (prevention, mediation and drafting of peace agreements)

Source: <https://globalwomenmediators.org>

DEMOCRACY AND THE RULE OF LAW

Respect for human rights, democratic standards and the principles of good governance are essential to peaceful coexistence between the various groups in society. Equal opportunities for all, irrespective of gender or ethnicity, are a key factor in ensuring social justice. Moreover, good governance, in particular, is considered a lever for sustainable economic development due to its crucial role in attracting

investors. It is for this reason that improving state capacity is one of the priorities of Agenda 2063. There is great potential to be found in the spread of digital technology and its ability to make administrative services more efficient, transparent and user-friendly. We help our partner countries unlock that potential through such projects as the “Good Governance Initiative”.

✔ Reform partnership with Senegal: focus on land rights

- A new and simplified method adopted under the German-Senegalese reform partnership is intended to make the land valuation process more efficient and transparent and thus to ensure a legal basis for protecting land use rights.
- A national land management system (SGF) has been introduced with the aim of cutting the time it takes to process applications by a third. It will also increase transparency and data security.

✔ In Cameroon, the Fusion software package (developed with German support) has established effective tax data exchange between customs and tax authorities. In turn, this led to the identification of around 300 businesses that had regularly failed to pay their taxes. Fusion has also been rolled out in Guinea and Liberia.

✔ Support for currently around 80 partnerships between local authorities in Germany and Africa to promote knowledge-sharing and implementation of joint projects designed to enhance basic public services and promote good local governance, partly by means of online solutions.

✔ Support for national human rights commissions in Egypt, Mauritania, Uganda and Zimbabwe as part of their mandate to protect human rights in accordance with the Paris Principles.

✔ In Ghana’s election year, 2020, media professionals from the Greater Accra region received online training on election reporting and fact-checking from lecturers at the National Film and Television Institute (NAFTI).

GOOD GOVERNANCE INITIATIVE

Businesses are most likely to invest when there are functioning institutions in place and public service delivery is untainted by corruption. For them to venture into new markets, bureaucratic obstacles need to be removed, rule of law promoted, corruption tackled and fair taxation systems installed. Through the **“Good governance for more investment and jobs in Africa initiative”**, the BMZ delivers targeted support to develop partner countries’ political, legislative and administrative frameworks. The initiative runs in all six countries with which we have reform partnerships.

- ✔ Support for civil society organisations in Zambia to provide legal advice and representation for juvenile defendants. In 2020, these organisations helped 1,300 young adults, 125 of whom were given socio-psychological support instead of a trial.
- ✔ Successful establishment of a digicentre in Kigali, Rwanda, which works with local innovators to develop digital solutions for a variety of sectors. One example is an app that makes it easier for refugees to find banks or microfinance institutions to help them turn their business ideas into reality.
- ✔ German support helped the Kenyan Anti-Corruption Commission (KACC) increase the conviction rate in anti-corruption cases by more than 50 per cent between 2017 and 2018. In addition, more than 70 million euros in stolen assets were returned to the public purse in the 2019/20 fiscal year.



FOOD AND AGRICULTURE

With the world's largest agricultural land area and a predominantly young population, there is no doubt that Africa has the resources to feed itself. Yet the prevalence of hunger on the continent continues to rise. In 2020, there were 250 million undernourished people in Africa – approximately one fifth of the total population. A large number of them

live in sub-Saharan Africa. In 2020, the situation worsened as a result of the COVID-19 pandemic. Tackling hunger is a top priority for the African Union too, as shown by its commitment in the 2014 Malabo Declaration to end hunger by 2025.



- ✓ In 2019, the BMZ invested around 1.8 billion euros in food security, agriculture and rural development. More than 11 million people in Africa benefit from this investment through, for instance, higher incomes. Measures specifically designed to tackle hunger and malnutrition help some 1.6 million people in Africa, mainly women and infants.
- ✓ 250,000 smallholders have received support in the shape of financing and expertise via the African Agriculture Trade and Investment Fund (AATIF). In our reform partner country Ghana, cocoa and maize farmers were able to more than double their harvest, attaining much higher incomes, in the space of two years.
- ✓ Since 2017, over 175,000 farmers in our reform partner country Ethiopia have received training in modern farming methods, good agricultural practice and appropriate mechanisation. Curricula on crop production and agricultural mechanisation have been developed and used in vocational schools.
- ✓ In Benin, 220,000 people benefit from the fact that 22,000 producers and 700 agricultural MSMEs have access to loans.
- ✓ Joint food security programme with UNICEF: high-nutrient food for approximately one million infants and women of childbearing age at risk of malnutrition in Malawi to reduce the risk of physical and cognitive growth disorders (referred to as “stunting” in medicine).

PROTECTING NATURAL RESOURCES

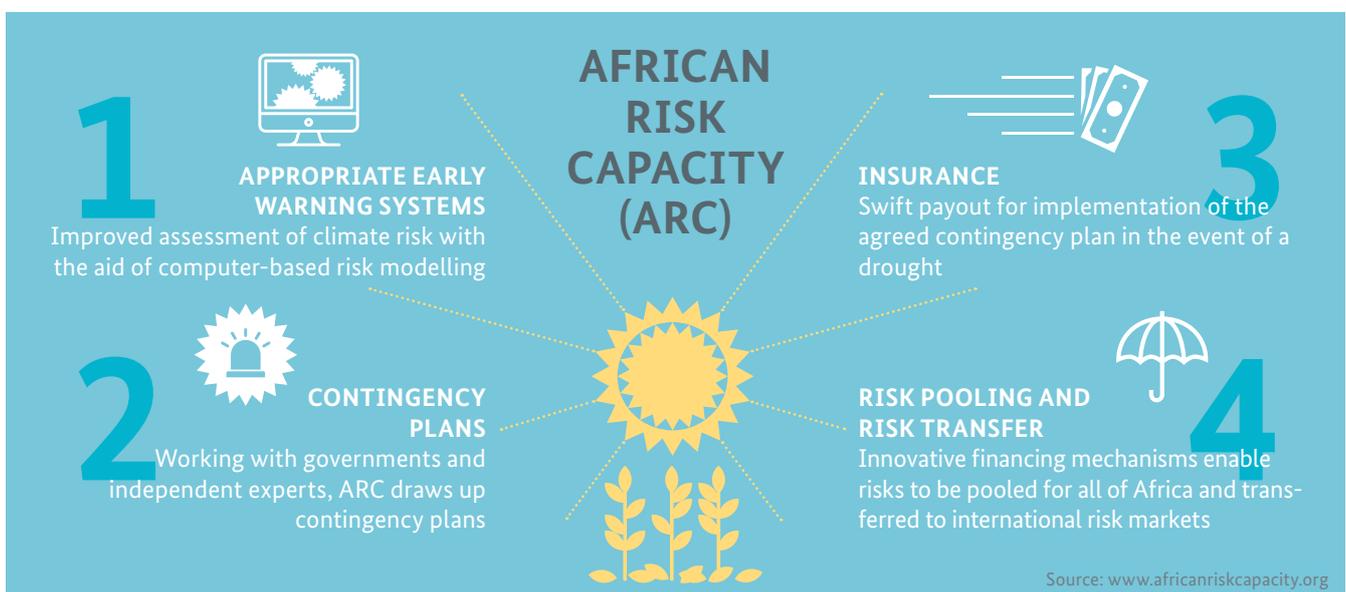
Despite being responsible for as little as 6 per cent of the world's greenhouse gas emissions, Africa is particularly hard-hit by climate change. Again and again, countries and entire regions are plagued by persistent drought or flooding, destroying entire harvests and cattle herds and thus essential resources. At the same time, the continent

has huge, intact ecosystems such as the Central African Rainforest in the Congo Basin. The forest is still home to innumerable animal and plant species as well as being one of the green lungs of our planet. The African Union has set out to make Africa a green continent and we are working to support this goal.

- ✓ 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 between 2020 and 2023. Currently, more than a third of the Fund's climate projects are being implemented in Africa.
- ✓ Support for the InsuResilience Global Partnership (IGP), the most important worldwide initiative for climate risk insurance. It is currently active in 36 African countries and had provided cover for more than 47 million people in sub-Saharan Africa by the end of 2019.
- ✓ Support for African Risk Capacity (ARC), which supplies insurance for African countries against the impact of drought and hurricanes. Around 11 million people in 11 African countries are currently covered. By the middle of 2020, approximately 65 million US dollars had been paid out for disaster relief in Mauritania, Senegal, Malawi, Niger, Côte d'Ivoire and Zimbabwe to protect more than 3.2 million people. Additional funding from the BMZ Emergency

COVID-19 Support Programme is providing drought cover for up to 20 million additional people.

- ✓ Pilot studies for comprehensive climate risk analyses for the agricultural sector have been produced for Ghana and Ethiopia in cooperation with the Potsdam Institute for Climate Impact Research (PIK). Two more climate risk analyses (for Burkina Faso and Niger) are in preparation.
- ✓ Madagascar: Over 2.5 million hectares of rainforest, dry forest, savannahs and marine protected areas have been given protected status thanks to German support. Furthermore, carbon emissions were cut by more than 1.6 million tonnes by carrying out reforestation measures and avoiding deforestation.
- ✓ In Southern Africa, a COVID-19 rescue package was created to preserve biodiversity and protect the tourism industry. It will help keep nature reserves running during the pandemic.



ENERGY AND INFRASTRUCTURE

Even though Africa's electrification is continuing apace, 548 million people in sub-Saharan Africa (almost half the population) still have no access to electricity, resulting in both a tremendous challenge and a historic opportunity. As it moves forward with its electrification, Africa can become the first continent to go fully renewable. The African Union's vision is of a continental energy grid

- ✔ Reform partnership with Côte d'Ivoire – focus on renewable energies
 - Payment of 100 million euros in reform financing to support, for example, reforms to simplify private investments in the energy sector. Significant progress has been made with reforms in this sector.
 - Construction started on the country's first ever solar power plant to be connected to the electricity grid. It will have an installed capacity of at least 37.5 megawatts and supply clean energy for around 35,000 rural households every year.
 - Since 2019, almost 350 trainees and employees from SMEs have received training in photovoltaic systems and energy efficiency.
- ✔ To date, the "Green People's Energy for Africa" initiative has provided training on renewable energy technologies for more than 200 teachers and professionals. More than 100 social institutions and 50 local charities have received support with the planning and installation of local renewable energy systems and community energy projects.
- ✔ Establishment of local energy structures in rural regions through the Energising Development (En-Dev) programme, giving 4.2 million Africans access to electricity and modern cooking energy for their homes.
- ✔ Water for refugees and host communities in East Africa: In Ethiopia, the BMZ is working with UNICEF and UNHCR to help build a local water supply system to ensure a sustainable supply of drinking water. The pilot project resulted in a 90 per cent drop in drinking water prices. There are plans to expand the programme to other East African countries.

that supplies reliable, affordable and sustainable power for the population and, above all, for future generations. Apart from its energy supply system, Africa is looking to expand its water, sanitation and transport infrastructures as it readies itself for the future. We are supporting Africa on its path towards a green future (see also the "A Green Africa" box on page 4).

EXPERTS FOR A NEW ENERGY ERA IN CÔTE D'IVOIRE

When physics student Eunice Mikane Degui heard about the chance to gain a qualification in the field of renewable energies, she applied straight away. "Job prospects on the green energy market are very good in Côte d'Ivoire", she explains. It was not long before she became one of 75 participants in the ProFERE vocational training project, set up under the Ivorian-German reform partnership. The project provides young people with a combination of theoretical and practical training on photovoltaics and energy efficiency. It is intended to spawn a new generation of experts in Côte d'Ivoire in support of the country's aim to increase the share of renewables in its electricity mix from 0.1 to 16% by 2030.

During her training, Eunice Mikane Degui did two stints of practical experience in a small local business, learning the basics needed to conduct energy audits and install and maintain photovoltaic systems. The 24-year-old already has a good chance of a contract and even hopes to perhaps co-found an energy audit agency.

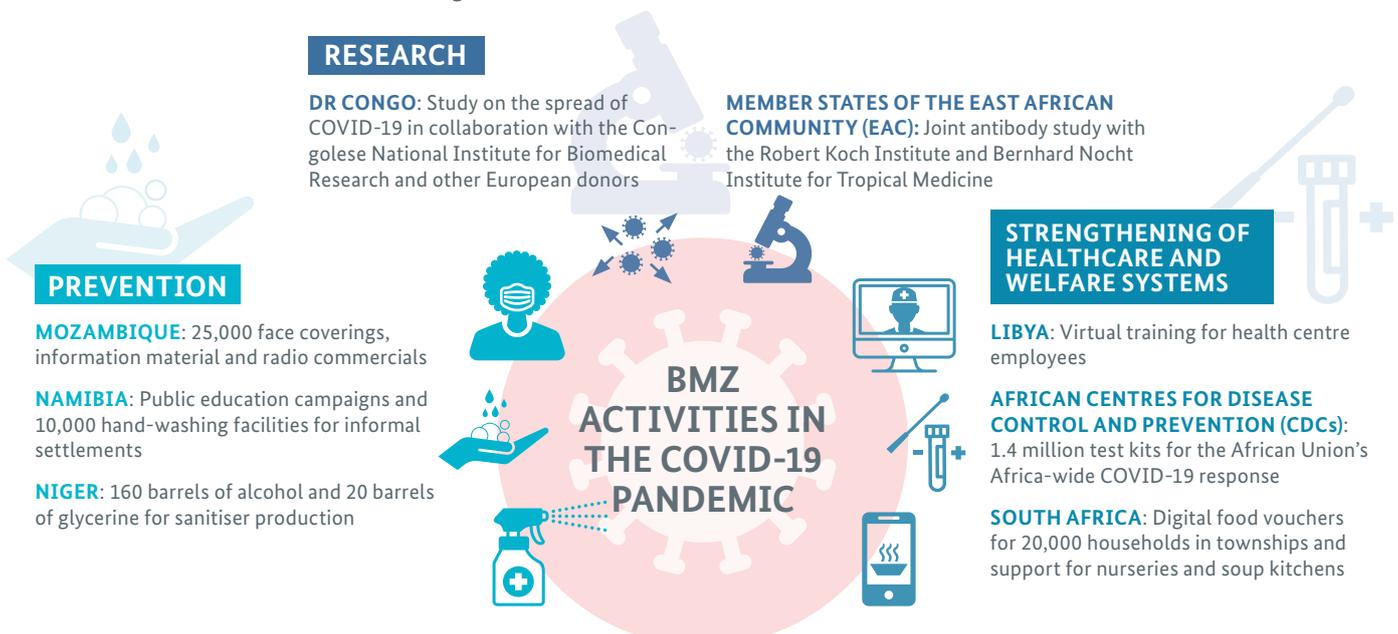


HEALTH, EDUCATION AND SOCIAL PROTECTION

A person's prospects in life depend on the education opportunities and healthcare afforded to them. The axiom that held true before the COVID-19 pandemic is now even more true: those who suffer most in times of crisis are society's most disadvantaged members, primarily women and children. When schools stay closed for months on end, polio vaccinations are cancelled or parents can no longer get the HIV drugs they need, it is women and children that are hardest hit. And the consequences of what that means for the future are not yet clear.

Many African countries' education, healthcare and welfare systems were not adequately developed or financed even before the pandemic. Having said that, major progress has been made in recent years in such areas as the fight against and treatment of polio and HIV/AIDS and measures to reduce maternal mortality. With those achievements now acutely at risk, we are working to boost healthcare systems, improve access to education and develop social protection systems.

- ✔ Thanks to the Global Polio Eradication Initiative, supported by Germany, there have been no new cases of wild poliovirus infections in Nigeria since August 2016.
- ✔ Financial support for around 200 partnerships between German and African hospitals and healthcare centres through the Hospital Partnerships Initiative founded by the BMZ and Else Kröner-Fresenius Foundation, for example for emergency hospital care in Malawi.
- ✔ Support for African students and joint projects with African higher education institutions through the German Academic Exchange Service (DAAD). In 2019, some 2,500 African university staff and students took part in around 80 projects and just under 1,900 students received scholarships.
- ✔ Since 2019, school refurbishments and educational supplies have opened up access to education for 800,000 children in North East Nigeria.
- ✔ The "Sport for Development" programme, which operates in countries including Ethiopia, Côte d'Ivoire, Ghana, Kenya, Morocco, Mozambique, Namibia, Senegal, Togo, Tunisia and Uganda, has benefited 700,000 children and young people by building and maintaining 150 sports grounds, training 1,300 coaches and advocating the incorporation of the "Sport for Development" approach in school curricula.
- ✔ Support to improve social protection for almost two million people in Burkina Faso, Mali, Mauritania, Niger, Senegal and Chad through the World Bank's Sahel Adaptive Social Protection Program (SASPP).
- ✔ 1.8 million medically assisted births and access to family planning for nearly nine million couples in African partner countries made possible between 2017 and 2019.



OUTLOOK

TOWARDS A NEW PARTNERSHIP

Europe sees Africa as a fascinating place full of challenges and opportunities. For that to apply vice versa too, we need to put our partnership on a new footing. In today's world, after all, Europe is by no means Africa's only partner nor even its natural partner. That was true even before the COVID-19 pandemic, which has made it exceedingly clear how complex and interconnected our world is. However, despite the arrival of new players in recent years, China first and foremost, there is still a special bond between Europe and Africa. In particular, it is in the areas of climate action, energy and food security – issues that will decide humanity's future – that Africa and Europe have the same interests. Furthermore, there is an urgent need now for Europe to support Africa in its efforts to ensure that the pandemic does not undo years of development progress.

The expiry of the Cotonou Agreement last year presented a historic opportunity to initiate a new, modern partnership agreement that is based on equality and reflects these shared interests. Following a long and rigorous negotiating process, the text of the new agreement is now complete. It reaffirms the signatories' commitment to implementing the 17 Sustainable Development Goals and the Paris Climate Agreement and rings in a new era of African-European cooperation. Furthermore, it facilitates increased cooperation in trade, economic activity and migration. The text of the agreement reflects numerous priorities set out in the Marshall Plan with Africa, partic-

ularly in its focus on good governance and economic development, especially the mobilisation of investment and the pivotal role of the private sector. Europe is also seeking to step up cooperation in the area of climate action. Indeed, it is essential we do so because there is no other way to achieve the target of limiting the rise in global average temperature to 1.5 degrees above pre-industrial levels. The EU's development cooperation activities in this area (including those with Africa) are guided by the European Union Green Deal.

We firmly believe that the new partnership agreement builds solid foundations for our joint efforts to tackle all the challenges facing us over the next few years.

The joint summit between the African Union and European Union will also bring new impetus to the African-European partnership. Unfortunately, the pandemic prevented the summit from taking place as planned in the autumn of 2020 and we now eagerly await the rescheduled event this year. The question of how to overcome the social, economic and health-related effects of the COVID-19 poly-pandemic is certain to feature heavily on the agenda.

Against this backdrop, the historical significance of the African Continental Free Trade Area (AfCFTA) becomes all the clearer. Hopes that the AfCFTA agreement would have a positive impact were high even before the pandemic. Following the shock to the economy caused by COVID-19 – from abruptly interrupted global supply



chains and sharp drops in commodity prices to the almost complete collapse of tourism – it is impossible to underestimate the importance of a growing, more independent African market. It is crucial that the European Union supports this momentum and, in the long run, strives to bring about a European-African trade agreement that provides a fair basis for trade between the two continents – now and in the future.

A MARSHALL PLAN FOR THE FUTURE

So what lessons can be learned from the crisis and what form could a Marshall Plan for the future, once the pandemic is over, take?

- ✓ Countries and societies must increase their resilience to external crises. As well as further economic diversification, this primarily entails strengthening health-care systems and social protection systems.
- ✓ Fair access to vaccines must be established worldwide over the next two years. We cannot allow COVID-19 to become a “Global South virus”.
- ✓ In addition to short-term debt relief, a long-term strategy is required to ensure African countries’ debt burdens remain sustainable in order to prevent the COVID-19 pandemic becoming a “pandemic of debt”.
- ✓ Africa’s regional integration must be promoted on all levels. Among other advantages, this will help make Africa an economically independent continent, as set out in Agenda 2063. The AfCFTA could form the heart of this regional integration process.
- ✓ Africa’s renewable energy potential must be utilised and the continent must play a bigger role in the global green energy revolution. Besides solar power and hydropower, the main drivers in this respect are “green” hydrogen and Power-to-X.
- ✓ Africa’s greatest potential lies in its young generation. With this in mind, we are preparing the launch of the first African-German Leadership Academy, where trainee managers from reform partner countries and Germany will be able to develop their leadership skills.
- ✓ Like elsewhere, the spread of digital technology offers undreamt-of possibilities for Africa – both economically and socially. We should support the transition to a digital economy and, here too, draw on the innovative potential of young people.



PUBLISHED BY

BMZ Division 200 –
Africa policy and initiatives

DESIGN AND LAYOUT

FLMH Labor für Politik
und Kommunikation, Berlin

PHOTO CREDITS

Pages 9 and 18

© Deutsche Gesellschaft für International
Zusammenarbeit (GIZ) GmbH

Page 20

Left: © Thomas Imo/photothek.net

Right: © Ute Grabowsky/photothek.net

Page 21

Left: © Ute Grabowsky/photothek.net

Right: © Thomas Imo/photothek.net

AS AT

March 2021

ADDRESSES OF THE BMZ OFFICES

→ BMZ Bonn

Dahlmannstraße 4

53113 Bonn, Germany

Tel. +49 (0) 228 99 535-0

Fax +49 (0) 228 99 535-3500

→ BMZ Berlin

Stresemannstraße 94

10963 Berlin, Germany

Tel. +49 (0) 30 18 535-0

Fax +49 (0) 30 18 535-2501

CONTACT

poststelle@bmz.bund.de

www.bmz.de

