



2020/2041(INI)

4.9.2020

OPINION

of the Committee on International Trade

for the Committee on Development

on A new EU-Africa Strategy - a partnership for sustainable and inclusive
development
(2020/2041(INI))

Rapporteur for opinion (*): Joachim Schuster

(*) Associated committee – Rule 57 of the Rules of Procedure

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SUGGESTIONS

The Committee on International Trade calls on the Committee on Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Highlights that the future partnership between the European Union and the African Union should be one that is built upon shared values with respect for human rights and good governance; stresses that a strong Africa is in the interest of the European Union and that the EU must therefore, together with the African partners, elaborate ambitious and appropriate plans for African growth and development that diversifies the economy on the continent and increases intra-African trade;
2. Stresses that the EU together with its Member States constitute Africa's biggest partner in terms of trade, investment, official development assistance (ODA) and security;
3. Highlights that, while there are a number of dynamic middle-income countries on the African continent, its economic development is still relatively weak in comparison to other parts of the world; stresses that many African countries will therefore face almost insurmountable challenges caused by the COVID-19 crisis and the effects of climate change, among them huge demographic shifts with climate-, economic- and conflict-driven migration, as well as other challenges such as severe biodiversity loss and the illegal arms trade; highlights that the economic situation in many African countries caused by, inter alia, a slump in demand and a continental supply shock has impeded the containment of COVID-19; underlines that the crisis is likely to have a disastrous impact on the continent's already strained health systems; stresses the need for the EU to support African countries in developing resilient economies and social programmes, as well as their health and education systems; considers, therefore, that the effects of the pandemic, in both the short and the long term, need to be incorporated in the EU-Africa Strategy;
4. Highlights the importance of ecologically and socially sustainable trade relations with the African continent; underlines that European companies have a responsibility for their supply chains; calls on the Commission to proceed with an ambitious legislative proposal on mandatory human rights, social rights and environmental due diligence obligations for EU companies; urges the Commission, in developing any such proposals, to ensure that they apply to the whole supply chain and meet OECD guidelines on social responsibility and human rights in trade and are WTO-compatible, and that after careful assessment the proposals are found to be functional and applicable to all actors on the market, including SMEs, and include provisions enabling injured parties' access to justice; highlights in this context that in the short run the EU must provide immediate aid measures such as procuring tests and laboratory equipment and facilitating the export of medical devices and personal protective equipment, to be followed by pandemic prevention measures through the development of an infrastructure of laboratories, financing of medical training measures, information campaigns and national pandemic response plans; underlines that the economic impact of lockdown will be profound on the African continent, given the size of the informal sector; stresses that the long-term goal of the partnership between the EU and Africa

must be the resilience of African economies, as well as economic autonomy which allows independence from aid and indebtedness and which should have as a side-effect the increasing resilience of the health sector;

5. Welcomes the announcement by the G20 of a temporary moratorium on debt repayments for the weakest developing countries; notes, however, that this debt relief accounts for only one third of the expected short-term fiscal loss; reiterates that debt reductions and debt cancellations are not mentioned in the current version of the Africa strategy while they are important palliatives in the COVID-19 crisis and a necessary measure beyond the pandemic, since they will contribute to the policy space of African countries that is currently taken up by repaying debt; therefore calls on the Commission, international donors and Member States to go further and to consider an extension of the moratorium in both duration and scope, enabling African countries to combat the mid- and long-term impact of COVID-19; expresses its worries about the lack of concerted action against illicit financial flows worth twelve times the annual figure for ODA, and calls on the African and European authorities to fight illicit financial phenomena, among others capital flight, tax avoidance schemes and national income loss due to tariff reduction; reiterates its call on private creditors to participate in the initiative on comparable terms, and encourages the G20, the IMF and the World Bank, as well as the multilateral development banks, to go further on debt relief and further explore the options for the suspension of debt service payments, so as to ensure inter alia that the basic human needs of citizens can be provided for; calls on the EU Member States to respect their long-standing and repeated commitment to devote 0.7 % of their GDP to ODA;
6. Highlights that the European Union has important economic ties with African states, and that these ties should be further enhanced in the future to ensure a productive transformation of the region and the building of resilience; notes that China has intensified its presence in Africa while the EU Member States have shown only very selective interest in trade with and investment in the African states, which is why the trade volume between the EU and most African states remains relatively small; underlines that the EU needs an entirely new foundation for its economic partnership with Africa, meaning that it needs to arrive at a new reality in which the EU and Africa develop a mutually beneficial sustainable partnership, reshaping economic, commercial and trade relations towards solidarity and cooperation, as well as ensuring fair and ethical trade; underlines that the prerequisite of this partnership is substantial further sustainable development in all African states; in this context, stresses the need to provide investment and targeted support and to respect policy coherence for development;
7. Underlines that the role of many African states in the international division of labour as well as in the international global supply chains is weak due to, inter alia, low productivity, which is among other things an inheritance from the past, as well as lack of targeted investment and a skilled labour force and the fact that sustainable development is not being promoted as long as African states continue to export raw materials and some unprocessed agricultural commodities while the EU exports manufactured goods, services and agricultural overcapacities; insists that the EU must create a strategy that assists the African nations with the establishment and diversification of intra-continental value chains and reduces existing barriers to trade, in

order for more added value to be generated within the African states themselves by means of targeted investment in improved infrastructures and the development of a sustainable energy supply, as well as through special and differential treatment; underlines that European direct investment should also support better regional infrastructures; calls on the Commission to facilitate, through the channels at its disposal, the development of regional value chains, as intra-regional trade on the African continent remains marginal and leaves many of its opportunities untapped, while being a prerequisite for sustainable development as well as long-term economic independence;

8. Notes that African countries, albeit accounting for more than 50 % of the beneficiaries of the General Scheme of Preferences (GSP), only represent less than 5 % of the EU's GSP imports; invites the Commission to assist beneficiaries' actors, inter alia on adherence to rules of origin and technical barriers; regrets that the GSP has not so far contributed to the economic diversification of African beneficiary countries; reiterates its call on the Commission to consider expanding the list of products covered by the GSP Regulation;
9. Stresses that the EU and the African Union share a common interest in a stable and rules-based multilateral trading system that is centred on the World Trade Organization (WTO);
10. Calls on the Commission to appropriately revise its priorities set out in the communication 'Towards a comprehensive strategy with Africa', ahead of the planned EU-AU summit and with a view to addressing the root causes of economic, social and health weaknesses in Africa's countries and regions, in the wake of the current health and economic crisis but also with regard to the risk of upcoming threats to food security; notes that the common plan for economic recovery as well as the renewed EU-Africa Strategy need to remain in accordance with the Sustainable Development Goals (SDGs) and the Paris Agreement; calls on the Commission to consider temporarily allowing African countries to levy export taxes on commodities in order to cushion the impacts of the multiple crises and prepare recovery;
11. Calls on the Commission to support Africa in its ambitions for a continental free trade area by making the necessary adjustments in order to implement the Economic Partnership Agreements (EPAs) so that they can constitute a building block for this endogenous and self-determined project, by offering technical support for making the necessary fiscal adjustments for the abolition of customs duties, as well as helping implement resilient fiscal systems that can tackle the problem of tax evasion and reduce dependency on remittances; underlines the necessity of implementing technical assistance on border cooperation and other technical issues for the sake of regional value chain development; recalls the importance of an integrated trade area for Africa that facilitates international trade and inclusive development;
12. Emphasises that the EPAs and the GSP are important instruments of the EU-African trade relationship; underlines that so far, the implementation of the EPAs has not resulted in the desired progress in supporting regional integration, technical assistance, capacity-building on border cooperation, knowledge and data management and cooperation to improve the investment climate and enhance good governance; asks the

Commission, as a matter of priority, to increase the speed of implementation of these vital aspects; calls on the Commission to further assist the African countries in these areas without making this assistance fully conditional on the implementation of the EPAs; calls for the systematic inclusion of binding and enforceable mechanisms for the implementation of Trade and Sustainable Development (TSD) chapters on human rights, labour and environmental standards in all currently negotiated and future EPAs, while stressing that the agreements need to be coherent with development policies and with the SDGs, especially with regard to their impact on deforestation, climate change and biodiversity loss; insists on supporting the integration of African economies on a regional scale in order to make them stronger at international level;

13. Calls for a concrete proposal that establishes common initiatives on a renewable energy supply on the African continent and the promotion of innovation geared towards it, including both a concrete plan to publicly finance those initiatives and a plan on how to achieve closer cooperation with regard to the future common use of the resulting renewable energy while phasing out all investments in fossil fuel-related projects; reiterates that sustainable development without comprehensive access to energy is not possible, and encourages the Commission to come up with an ambitious plan for implementing this sustainable energy partnership; underlines in this context the vital importance of meeting the goals set by the Paris climate agreement; calls for patent pooling and technology transfer for the solution of the virulent health crisis, while respecting intellectual property rights in the framework of the 2003 WTO-TRIPS Declaration on Public Health; calls on the Commission to make the achievement of the SDGs a guiding principle in all its policies with regard to the African continent; furthermore urges the Commission to have full regard for these goals when negotiating the post-Cotonou agreement in order to ensure balanced, free and fair trade with the African continent;
14. Emphasises the need for substantial sustainable investment, possibly in the form of investment partnerships in key sectors with regard to infrastructure, a sustainable agricultural sector and comprehensive energy supply from renewable sources, while also strengthening public health and public education, clean water infrastructure and supply, transport and energy infrastructures, and excluding them from any privatisation; underlines the necessity of sustainable innovation policies and projects that enable ‘leapfrogging’ with the specific goal of ecological and social sustainability, and calls in this regard for an investigation of how leapfrogging can contribute to these aims in the African states; underlines that the EU needs to pursue public investments in the development of general infrastructures and specifically cross-border infrastructures, in order to facilitate regional trade and thereby the diversification of value chains; highlights that the promotion of foreign direct investment among other programmes by the External Investment Plan should be linked to local entrepreneurship, paying specific attention to empowering SMEs, smallholder agriculture, the local services sector and local manufacturing industry, as well as sustainable innovation projects, in order to facilitate the diversification of value chains on the continent as well as for the sake of creating new decent employment opportunities while avoiding new dependencies;
15. Stresses the vital role of digital transformation and digitalisation for sustainable development and resilience of societies, as has been especially visible in the current global situation triggered by the COVID-19 crisis; calls for continued, strengthened,

systematic and mutually beneficial cooperation with the African states on digitalisation and innovative technologies and solutions at all levels of society, including on e-governance, e-commerce, digital skills and cybersecurity, in line with the Digitalisation for Development (D4D) approach;

16. Is concerned that as reported by the Africa-EU Civil Society Forum, the space for civil society has shrunk and its visibility remains weak; underlines that empowering civil society, and thereby including a social counterpart to investment structures, is a vital aspect of EU policies existing towards and with the African states; therefore asks the Commission to involve civil society at all levels of the political dialogue, especially when trade agreements are prepared, monitored and evaluated; calls for a bigger role for civil society in the Aid for Trade system;
17. Recognises the critical role of women and girls in sustainable growth and development; emphasises that the empowerment of women and girls must be mainstreamed throughout the implementation of the EU-Africa Strategy; underlines that the economic independence of women must be fostered by the promotion of female entrepreneurs; recalls that the position of women can be strengthened with strong provisions on gender and trade in trade agreements; calls in this regard on the Commission to assist the African Union with the implementation of the latter's Strategy for Gender Equality and Women's Empowerment, and to implement measures that contribute to the achievement of gender equality in its trade agreements with the African countries; calls for the introduction of a clear gender perspective in order to address the differentiated impacts of both crisis and recovery, as well as the different roles and burdens of men and women in the present crisis;
18. Underlines that the African continent has the youngest population in the world, and thus asks the Commission to firmly integrate the interests of children and young people in the implementation plan for the Africa Strategy, and to ensure that substantial investments are made in building up the expertise of young people, given their critical role in further developing strategies for an ecologically, socially and economically sustainable future for their continent; calls on the Commission to assist African youth with dedicated education programmes, under, for example, ERASMUS+, and to increase educational and professional mobility by means of a dedicated strategy in cooperation with the African Union, the private sector and financial institutions (for example by making available micro-credit for start-ups), with the aim of improving economic and trading opportunities;
19. Highlights the importance of supporting African countries' capacity to increase domestic resource mobilisation, in order to increase investment in universal basic public services; calls on the EU to support African countries by combating illicit financial flows and tax evasion by EU companies and multinationals, and to ensure that taxes are paid where profits and real economic value are generated, in order to put an end to base erosion and profit-shifting;
20. Is concerned at the CAP-supported exporting of European milk powder to West Africa, given that the tripling of exports since the EU lifted the milk quotas in 2015 has had disastrous consequences for local herders and farmers who cannot compete; calls on the Commission to work on solutions with African governments and stakeholders;

21. Expresses its concern at the growing number of Investor-State Dispute Settlement (ISDS) cases taken out against African states, especially by European companies; calls on governments and companies in the EU to refrain from using ISDS, and to put an end to the numerous ISDS cases taken out against African countries;
22. Calls on the Commission to work on solutions with African governments and stakeholders and to implement the recommendations of the Task Force Rural Africa (TFRA); takes the view that stable investment and (wo)manpower for developing an African food chain for regional circuits under African ownership could best contribute to increasing the health and wellbeing of African people;
23. Underlines that Africa, and sub-Saharan Africa in particular, will have the world's highest population growth in the coming decades; calls in this respect for the EU to follow the conclusions of the TFRA on the need for investment in African food chains, with the focus on value-added commodities;
24. Highlights that the EU and its Member States together remain the largest donor to Africa with 31 % of total aid; recalls the importance of a paradigm shift in European development policy towards market-oriented structural reforms and good governance;
25. Calls on the Commission, in view of the documented growing risk of dissemination of zoonotic pathogens in Africa, to promote more stringent standards in African countries in terms of sanitary and phytosanitary (SPS) measures and animal welfare, through regulatory cooperation and dialogue.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	3.9.2020
Result of final vote	+: 33 -: 2 0: 7
Members present for the final vote	Barry Andrews, Anna-Michelle Asimakopoulou, Tiziana Beghin, Geert Bourgeois, Saskia Bricmont, Udo Bullmann, Jordi Cañas, Daniel Caspary, Anna Cavazzini, Miroslav Číž, Arnaud Danjean, Paolo De Castro, Emmanouil Fragkos, Raphaël Glucksmann, Markéta Gregorová, Enikő Győri, Roman Haider, Heidi Hautala, Danuta Maria Hübner, Herve Juvin, Karin Karlsbro, Maximilian Krah, Danilo Oscar Lancini, Bernd Lange, Margarida Marques, Gabriel Mato, Emmanuel Maurel, Maxette Pirbakas, Carles Puigdemont i Casamajó, Samira Rafaela, Inma Rodríguez-Piñero, Massimiliano Salini, Helmut Scholz, Liesje Schreinemacher, Sven Simon, Dominik Tarczyński, Mihai Tudose, Kathleen Van Brempt, Marie-Pierre Vedrenne, Jörgen Warborn, Iuliu Winkler, Jan Zahradil

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

33	+
GUE/NGL	Emmanuel Maurel, Helmut Scholz
NI	Tiziana Beghin, Carles Puigdemont i Casamajó
PPE	Anna-Michelle Asimakopoulou, Daniel Caspary, Arnaud Danjean, Enikő Győri, Danuta Maria Hübner, Gabriel Mato, Massimiliano Salini, Sven Simon, Jörgen Warborn, Iuliu Winkler
RENEW	Barry Andrews, Jordi Cañas, Karin Karlsbro, Samira Rafaela, Liesje Schreinemacher, Marie-Pierre Vedrenne
S&D	Udo Bullmann, Miroslav Číž, Paolo De Castro, Raphaël Glucksmann, Bernd Lange, Margarida Marques, Inma Rodríguez-Piñero, Mihai Tudose, Kathleen Van Brempt
VERTS/ALE	Saskia Bricmont, Anna Cavazzini, Markéta Gregorová, Heidi Hautala

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ECR	Emmanouil Fragkos, Dominik Tarczyński

7	0
ID	Roman Haider, Herve Juvin, Maximilian Krah, Danilo Oscar Lancini, Maxette Pirbakas
ECR	Geert Bourgeois, Jan Zahradil

Key to symbols:

+ : in favour

- : against

0 : abstention