



Mrs. Federica Mogherini,
High Representative of the European Union
for Foreign Affairs and security Policy
and Vice President of the European Commission,
 and
Mr. Neven Mimica,
Member of the European Commission,
International Cooperation and Development

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Brussels, 17th December 2015

Excellences,

The European Business Council for Africa and the Mediterranean (EBCAM) is addressing this letter to you in relation to the new EU partnership with countries in the African, Caribbean and Pacific regions priorities of the European international cooperation and development policy and the European support to the private sector in the African countries.

During the last two decades, within the framework of the ACP-EC Partnership Agreement of Cotonou, the importance of the role to be played by the private sector for sustainable and inclusive development has been well emphasized. The 2011 Agenda for Change, as well as the more recent (2014) European Commission's Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries", form a positive conceptual framework which could possibly lead to a reinforcement of the effectiveness of European aid and its potential impact in such fields as economic diversification, development of enterprises and job creation.

In spite of its pertinence, this conceptual framework, in the opinion of EBCAM, cannot yet be considered as a real strategy, because the multiple programmes and instruments created in the last years have not always been developed in a coherent and efficient way. At the ACP level, the private sector support programmes have often lacked resources and/or an adequate system of coordination and governance. For this reason, they have achieved different types of outcome, which need to be reviewed in order to learn some lessons for the future and to extrapolate some potential guidelines to follow.

EBCAM therefore has concerns that the questionnaire currently presented to the different stakeholders as an opinion survey may not produce a sufficiently clear and conclusive outcome, given the large number of questions asked and the sometimes ambiguous and oversimplified nature of some of them.

For this reason, EBCAM, which comprises 13 European-African Business Associations, all interested in the promotion of trade and investment in Africa, would like to submit to you the attached



observations with the specific intention of developing a constructive and systematic dialogue with you and the EU services. This includes a non-exhaustive list of issues related to the role of the private sector, which EBCAM represents. A more detailed position paper, outlining some of the observations in the attachment can be made available to you.

EBCAM and its member Associations would welcome the opportunity to engage with the European External Action Service and the relevant European Commission services a structured and permanent dialogue process aimed at establishing new, improved approaches to address the challenges and multiple opportunities for private sector enterprises at the Euro-African level.

Please accept the assurances of the highest consideration of the president and the Members of the European Business Council for Africa and the Mediterranean.

The Secretary General

Alexandros Spachis

Attachment:

Observations and contributions on the occasion of the joint consultation paper issued by the European Commission and the High Representative of the union for Foreign Affairs and Security Policy.



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BACKGROUND

The world is changing rapidly and is increasingly being subjected to numerous major challenges, including a rapidly growing global population, climate, migration and security issues. It is therefore necessary to clarify the priorities and mechanisms for the future partnerships post-Cotonou in relation to Africa, as well as the Caribbean and Pacific regions with disparate characteristics. More specifically, **thanks to its rich natural resources, impressive economic growth rates and young, dynamic population, the African countries have become an increasingly attractive continent for trade and investment opportunities, although its diverse nature, comprising fifty four very different countries, should not be overlooked.**

In seeking to further insert African countries in the global economy, **the EU's efforts have rightly been focused on greater integration and on improving the domestic business environments, in particular with regard to better governance, the rule of law and the promotion of cross-border, intra-regional trade.** There are however significant improvements still to be made for the continent's infrastructure, including energy, for the health and education of its rapidly-growing population and for its capability of participation in the global and regional trade.

Europe needs to play an important role in the ongoing transformation process of the continent also in order to boost its own trading opportunities. **A more proactive approach is required in order to achieve this, in particular with regard to the various instruments available to European SME's.** These enterprises need to be made more aware of the numerous business opportunities available and the enormous potential the continent has to offer.

OUR OPINION

More specifically, we believe the time has come for Europe:

- a) **To have a clear reference point of the existing programmes and tools** in the African, Caribbean and Pacific regions, as well as in the other regions, identifying the best practices and conditions for accessing these.
- b) **To rationalise and simplify the existing instruments and creating new, more innovative ones adopted to diversified local and regional contexts.** Experience gained at the ACP level of programmes such as CDE, CTA, BIZCLIM and COLEACP should be drawn on, as well as the Aid for Trade mechanisms and EPA processes. Some will require rationalisation and

European Business Council for Africa and the Mediterranean
Rue Montoyerstraat 24 (B.5) – 1000 Brussels – Belgium

Tel.: +32 2 512 06 95 – email: info@ebcam.org



simplification, others to be replaced, so that a more practical and pragmatic approach is possible.

- c) **To recommend to the OECD a revision and modernisation of the definition of aid** so that, for example, successful PPP's and "impact financing loans" can be considered as new and additional resources for development and cooperation.
- d) **To clarify the future of the ACP group after 2020.** The EU has quite rightly developed a more regional-specific approach, particularly towards Africa through the AU and its main REC's. However, this ACP group evolved in the aftermath of decolonization more than 60 years ago and is no longer relevant to the more flexible and diversified regional programmes being implemented. **We strongly recommend that it be split into three more specific geographical groupings and no longer be considered as one.**
- e) **To make the participation of the European and local private sector representatives more effective in terms of policy dialogue, dissemination of information, networking and joint partnerships.** Organisations like EBCAM, which represents many players in the European business community active in Africa, should be considered more systematically at the EU level as interlocutors and invited as partners in the identification, design and implementation of new tools and approaches required for the realisation of PSD strategies for the continent. EBCAM is particularly interested in bringing its members' considerable experience and expertise of doing business in Africa to the future EU-ACP platform which is being established to monitor, coordinate and rationalise the various programmes in favour of the private sector within the framework of the 11th EDF.
- f) **To develop proactive EU-PPP initiatives** aimed at creating the concrete, comprehensive and complementary approaches necessary for key regional and national infrastructure projects, economic zones and trade corridors. The EU should promote initiatives to encourage groupings of enterprises capable of offering global and integrated packages of goods, finances and services for such projects, in order to compete with China in Africa.
- g) **To develop selective blending mechanisms for investment in infrastructure facilities,** with the establishment of a specialised branch of the EIB to initiate and coordinate joint investment.
- h) **To encourage the internationalisation of European SME's and young entrepreneurs and the mobilisation of the African diaspora** through the implementation of appropriate promotion tools.
- i) **To involve senior expertise available in Europe in flexible, cost-effective ways,** in local government and the promotion of the private sector in particular to support SME's and entrepreneurs.