

Co-Chairs' Summary of the High-Level Forum Africa-Europe 2018: "Taking cooperation to the digital age"

18 December 2018
Vienna, Austria

- 1) On 18 December 2018, at the invitation of the Chancellor of Austria, Sebastian Kurz, and the President of Rwanda, Paul Kagame, the High-Level Forum Africa-Europe was held in Vienna to discuss "Taking cooperation to the digital age". More than fifty official delegations from member states of the African Union and the European Union took part in the Forum along with almost a thousand innovators and start-ups from Africa and Europe, as well as established companies.
- 2) The High-Level Forum Africa-Europe provided a space for European and African heads of state or government, the chairperson of the African Union Commission, the president of the European Commission, the president of the European Parliament, representatives of international organisations, CEOs of major global companies, innovation champions, start-ups and other stakeholders to reflect and act on what needs to be done to secure prosperity and competitiveness on both continents as well as to deepen the relationship in all its aspects with a specific focus on taking cooperation to the digital age.
- 3) The Forum underlined the critical need to step up European private-sector investments in Africa and highlighted the changes to the policy and legal framework that are needed for that to happen. It emphasised the need for de-risking and blending in order to leverage resources as well as the need to focus on sectors that have the potential for high job growth in Africa in order to harness its youth dividend.
- 4) The High-Level Forum Africa-Europe aimed at contributing to the ongoing implementation of the joint declaration of the 2017 Abidjan Summit between the African Union and the European Union that was entitled "Investing in Youth

for Accelerated Inclusive Growth and Sustainable Development”. The Forum focused on unlocking the potential of the digital economy for Africa and Europe to create jobs, skills and economic development for the youth.

- 5) The High-Level Forum Africa-Europe is to be seen as one of the first contributions to the implementation of a new Africa-Europe alliance as outlined by the European Commission in its Communication on a new Africa – Europe Alliance for Sustainable Investment and Jobs: Taking our partnership for investment and jobs to the next level.¹ This Communication emphasises the need to exploit the full potential of the digital transformation of the economy, in particular eCommerce and data economy, and tackling the areas requiring reform in order to improve the business enabling environment on both continents.
- 6) Furthermore the High-Level Forum Africa-Europe contributed to achieving the development goals of both the African Union’s Agenda 2063 and the 2030 Agenda for Sustainable Development by encouraging and promoting effective public, public-private and civil society partnerships, especially those which mobilise and share cross-regional expertise in challenging policy areas.
- 7) The Forum focused on innovation and digitalisation and the need to realise the full potential of the digital transformation of our societies and our economies. In our endeavour to promote innovation and digitalisation as important enablers of future development we will work together to ensure that everyone can benefit from the ongoing digital transformation. It is our common aim to improve the cooperation between our two continents based on a fair and equal partnership.
- 8) Building on the results of the High-Level Forum Africa-Europe, the Co-Chairs look forward to further strengthening the cooperation between the African Union and the European Union in the future.

Taking cooperation to the digital age

- 9) During the high-level dialogue and the thematic round tables and side events, the participants shared their experience of and expertise on the current general state of political and economic cooperation between Africa and Europe and in particular regarding the contribution of innovation and digitalisation to sustainable economic development. The participants took the opportunity to lay out their vision of the future cooperation between the two continents.
- 10) Following the discussions at the High-Level Forum, the Chairs:

¹ 12.9.2018 COM(2018) 643 final

- a) agree to further promote innovation and digitalisation as important enablers of our future development, so that everyone can benefit from the ongoing digital transformation;
 - b) agree to harness any untapped potential for deepening the African-European partnership in technology exchange and trade, while emphasising the key role of the public and private sectors in building new partnerships;
 - c) recognise the importance of innovation and digitalisation for economic growth, creating employment opportunities, building resilient societies and fulfilling the Sustainable Development Goals (SDGs).
- 11) At the invitation of the Co-Chairs, young entrepreneurs from Africa and Europe, represented by African Diaspora Youth Forum in Europe (ADYFE), were invited to give their assessment on what needs to be done to enhance the possibilities of young entrepreneurs to do business and to thereby support a sustainable economic development in Africa. African and European governments, the African Union Commission and the European Union Commission are encouraged to recognise the need to foster the development of conducive policies and innovative mechanisms aimed at building the necessary enabling environment and legal frameworks to support private-sector development and, among other things, the establishment of diaspora companies in Africa and Europe.
- 12) The High-Level Forum Africa-Europe provided a space to focus on specific topics closely linked to the digitalisation of economy and society.
- a) **Agriculture 4.0:** As recommended by the EU Task Force Rural Africa, there is an opportunity for Africa and Europe to join forces to enhance food production and farming. More needs to be done to support the connectivity of smallholders to the internet, increase the uptake of advisory services and extend the availability of affordable e-Agriculture solutions. In addition, digitalisation along the entire food value chain calls for investments into the design and development of technologies that improve the quantity and quality of food. Agriculture 4.0 can raise productivity and make rural employment more attractive to young people, thus transforming African agriculture and ensuring the continent's future growth. The risks of digitalising agriculture also have to be addressed so that no one is left behind.
 - b) **FinTech in Africa:** The round table on financial technology (FinTech) exchanged views on the potential of FinTech markets, critical success factors and on the need for adequate and sensible regulation. The participants agreed that FinTech products deepen financial systems and that some of them can be game changers at the micro-level of economic development. The round table concluded that the potential for FinTech in

African markets is huge and that FinTech start-ups should be encouraged in African countries.

- c) **Jobs for the 21st century:** It is estimated that in the next three decades the African workforce will experience an annual growth of 15-20 million increasingly well-educated young people. In light of these figures, the discussion reflected on how to (i) support employability and access to productive jobs and (ii) best prepare workforces for the future. Participants highlighted the great potential of digitalisation in this respect. ICT skills are critical to Africa's and Europe's future development as well as the creation of an entrepreneurial environment. The panellists evaluated ideas and options for how to capitalise on multi-stakeholder dialogue and collaboration, including public-private partnerships, in order to learn and benefit from each other.
- d) **Investing in Start-ups:** The round table looked at Africa as an investment case. A pitching session was held with start-ups from Africa followed by a high-level panel discussion with investors, the European Commission and other stakeholders. The round table agreed that it is time to change the narrative of Africa: Africa is a source of worldwide talent and innovative solutions, and offers promising market opportunities. To further enhance collaboration between Africa and Europe, the organisers of the round table have announced a follow-up in 2019 (jointly organised by the African Business Angels Network (ABAN) and the Austrian Angel Investors Association (aaia)).
- e) **Sustainable Energy Access:** Eliminating the energy access gap and achieving Sustainable Development Goal 7 by 2030 requires a reimagining of energy systems from the top-down centralised pathway of the past to an integrated pathway, with digitalised energy systems and decentralised renewables playing an important role alongside grid improvements. The round-table session discussed how digital innovations are revolutionising energy systems and offering opportunities for accelerated access to affordable, reliable, sustainable energy for all.
- f) **eGovernment:** Digital solutions provide unique opportunities to guarantee transparency and inclusiveness, as well as to achieve economic growth, increases in productivity and better service delivery. Governments should ensure the best possible use of digital technologies for the benefit of the people and act as facilitators, enablers and regulators, involving all stakeholders through transparent cooperation.
- g) **eCommerce:** Against the backdrop of the Fourth Industrial Revolution, the round-table discussion focused on strengthening eCommerce to create jobs by taking concrete action in the key areas of

infrastructure/connectivity, financing/payment systems, access to markets, gender and SME development.

13) Further important topics discussed at the Forum concerned:

- a) **Disrupt collaboration:** This event focused on African and European public policies to better promote the empowerment of individuals and organisations through networks, agile teams and co-creation and which allow purpose-driven organisations from all over the world to solve local problems.
- b) **Austrian-African cooperation initiative in higher education and research:** The Austrian Federal Minister for Education, Science and Research presented a new cooperation initiative in higher education and research that aims to strengthen Austrian-African academic networks and research partnerships. Participants discussed how to further develop bilateral relations between African and Austrian higher education, science and research institutions.
- c) **Connecting Cities:** As expressed in the SDGs, cities and municipalities are confronted with challenges such as climate change and the provision of adequate living conditions. The panel addressed the challenges and stressed that it is important for local authorities to work together to find solutions to similar problems, replicate best practices and share existing expertise. Municipal partnerships offer a good opportunity for this.
- d) **Mobilising finance for climate action in Africa:** The event focused on innovative financing approaches in the digital age, which have the potential to speed up project implementation and business development in Africa. It explored ideas about de-risking and scaling up climate action projects not only to gather public money but particularly to attract more private investors. Participants learned about market structures, business development mechanisms in Africa and how digitalisation can influence and improve access to finance for climate change mitigation, but also to tackle pollution and improve public health.
- e) **Connectivity in Africa:** Access for households and businesses to basic services (energy, water and sanitation, transportation and ICT) is a prerequisite for economic growth and development. Whilst Africa has made significant strides in improving its infrastructure stock in recent years, it remains significantly underdeveloped relative to other emerging regions. Investment in these sectors is a key driver for job creation in both the public and private sectors and especially among the increasing number of young and educated Africans.

Outcomes

- 14) Businesses play an important role in the realisation of the new Africa-Europe Alliance for Sustainable Investment and Jobs. In recognition of this, the Forum was accompanied by a business to business (B2B) platform, where entrepreneurs and innovators from both continents had the opportunity to network and to exchange their concepts and solutions for the digital age. Close to 900 start-ups and innovators from Africa and Europe, as well as established companies actively participated in the B2B platform.
- 15) The Co-Chairs welcomed the launch and the first meeting of the European Union-African Union Digital Economy Task Force, which was held in the course of the High-Level Forum. The Co-Chairs look forward to the presentation of the report and recommendations of the digital taskforce, which will be presented by June 2019.
- 16) The Co-Chairs welcomed the signing of contracts by the European Commission
 - a) and the United Nations Economic Commission for Africa (UNECA) on “Deepening Africa’s trade integration through effective implementation of the AfCFTA (African Continental Free Trade Agreement) to support economic integration” (EUR 3 million);
 - b) and the Dutch Development Bank (FMO) on the creation of the NASIRA SME guarantee programme, which is the first guarantee agreement to be signed under the EU External Investment Plan. The guarantee volume to be signed is EUR 75 million, expected to generate a total investment of EUR 750 million with the aim of creating or supporting up to 800 000 jobs;
 - c) and the International Fund for Agricultural Development (IFAD) on the establishment of the ABC Fund which promotes smallholder agriculture through investments aimed at the missing middle. The EU funding is for EUR 45 million. Additionally, the Luxembourg Ministry of Foreign and European Affairs and Alliance for a Green Revolution in Africa (AGRA) are contributing EUR 5 million each.
- 17) At the Forum, the European Investment Bank finalised the signing of three major financing operations worth about EUR 500 million which will provide investments in ICT, energy and public transport infrastructure in selected African countries.
- 18) To further contribute to the common goal of establishing a new partnership between Africa and Europe, Austria will establish a new investment fund for SMEs investing in Africa. The fund will focus on smaller but innovative investments with a high potential for sustainable and inclusive growth and will be managed by the Austrian Development Bank (OeEB). The initial capital

endowment will be EUR 10 million. The OeEB will strengthen its focus on Africa and will invest about EUR 50 million annually in private-sector projects.

- 19) The Co-Chairs welcomed the presentation by the Austrian Federal Ministry of Education, Science and Research of a new cooperation initiative in higher education and research that aims to strengthen Austrian-African academic networks and research partnerships. From 2019 onwards the Austrian Federal Ministry of Education, Science and Research will provide funding for setting up this initiative and encourages interested Austrian and African institutions to join a network of higher education and research institutions to be established as part of this initiative.
- 20) To further contribute to i) collaboration on academic research, ii) cooperation in the field of investment and iii) cooperation in the fields of investment, promoting start-ups and entrepreneurship, three Memoranda of Understanding were signed between the Republic of Austria and the Republic of Egypt by the responsible ministers.
- 21) The Co-Chairs welcomed the signing of a Memorandum of Understanding between the International Centre for Migration Policy Development (ICMPD) and private sector partners to launch the “College of Practical Skills and Start-up Centre initiative”, which will roll out with a pilot project for Nigeria “The Nigerian College of Practical Skills and Start-up Centre”. The initiative will provide training and create jobs for youth, with a specific focus on women. Furthermore, it will support young entrepreneurs with start-up capital and practical assistance.