
COMPACT WITH AFRICA: HOW IS GERMANY'S PRESTIGE PROJECT FOR AFRICA DOING?

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30.10.2018

Deutsche Welle (30 October 2018)

Twelve African heads of state will be in Berlin on Tuesday to meet with Chancellor Merkel. Together they will take stock of progress made by the "Compact with Africa" initiative Germany launched last year.

Angela Merkel is meeting 12 African heads of state in Berlin on Tuesday in what feels a bit like a re-run of a well-known play. We already know the characters; we've already heard the message. Last year, Germany invited the same countries to a big Africa summit, where the guests of honor included people like the Ghanaian president Nana Akufo-Addo and Rwanda's head of state, Paul Kagame.

This year, too, the subject is the same: Africa and Europe should work together more closely on economic issues. This should make Africa more prosperous; the number of migrants would drop, and Germany's economy would also benefit. As Chancellor Merkel said recently: "There are many conflicts in Africa; some people flee in very difficult circumstances. However, we also know that African countries can potentially be a good future market for German industry."

Commitments are not meeting needs

The magic remedy is called Compact with Africa, an initiative launched last year with considerable fanfare. Ingo Badoreck, the general secretary of the Deutsche Afrika Stiftung [German Africa Foundation: DAS], says the Compact is in fact a good initiative.

However, he also acknowledges that the initial euphoria has faded. "The Compact created a certain level of expectation in Africa: If we enter into the Compact, we will see large-scale domestic and foreign investment.' People are now being confronted with the reality that it's a long process that's going to take years," Badoreck told DW.

What the Compact means for all those involved is, first and foremost, a lot of work. In order to attract more investors, the 11 member countries have set themselves 101 goals, such as combating inflation, extending infrastructure, or changing legislation. The German Finance Ministry told DW that, in this respect, "we have seen important progress in all the countries since the Compact was made, even though, of course, there is still a lot to be done.

Germany and other partners are supporting the initiative with technical expertise and money □ and are also encouraging companies from their respective countries to get involved in Africa. So far,

according to information from the Finance Ministry, foreign investors have committed around 277.61 billion (\$277.61 billion) to the Compact countries – but a study has shown that 277.61 billion are needed simply in order to provide everyone there with electricity and water by 2030.

Investors are not queuing up

In Germany, too, progress is slow. The federal government has improved security for German companies that want to invest in Africa. When Chancellor Merkel went to Nigeria, Senegal and Ghana in August, she had a large business delegation in tow. Some firms announced new projects in Africa; Bosch, for example, is setting up a medical packaging facility, Voith a solar power plant, and Volkswagen has built a manufacturing plant in Rwanda. Familiar names will also predominate at Tuesday's conference; many, such as Allianz, Siemens or MAN, were already active in Africa before the Compact.

While all these are positive steps, experts are saying that none as yet constitute a major coup. So far only around 1,000 German firms have a presence in Africa – but it's difficult to attract new ones, particularly medium-sized companies. And, as Ingo Badoreck told DW: "The Compact countries from sub-Saharan Africa – Ivory Coast, Ghana, Benin, Rwanda – are not that significant for German industry. If the Compact is to be developed further, it has to include countries that are important for German industry, like Kenya or Nigeria. If those two countries aren't part of it, it will probably only have limited impact." And the wish list from German industry is even longer: It's calling for the government to provide more support, including more financing for its projects.

Do African countries benefit?

Furthermore, it's not actually clear yet who benefits most from the additional investment in the Compact countries – the local people, or the foreign companies. Tutu Agyare is a Ghanaian businessman. "Anyone wishing to do business on the continent should be prepared to invest in technical training, technical expertise, and some technology transfer," he told DW. "Five or ten years from now, these are things we should be able to do in partnership, or even independently."

It's unclear whether the Compact will be able to deliver on this. There has also been criticism from civil society about the choice of countries, saying that the Compact is not helping to develop desperately impoverished, crisis-ridden countries like South Sudan, where hardly any investors are willing to put their money.

Agyare, though, says it's a fantastic initiative that's forcing African countries to introduce reforms. His point is that it's not only Africa that needs to introduce reforms. "The issues around trade, the subsidies given to farmers in the West which mean that we cannot develop our agricultural industry because we're having food dumped on us; or the quota system which exists for finished products, which means that even if we develop finished products, we cannot sell them competitively – those are conversations we need to have, and they are better had in Europe than in Africa," he says.

But officially, at least, these items do not feature on Tuesday's conference agenda.

In late 2014, with the war in Syria approaching its fourth year and Islamic State making gains in

the north of the country, the exodus of Syrians intensified. At the same time, others were fleeing violence and poverty in countries such as Iraq, Afghanistan, Eritrea, Somalia, Niger and Kosovo.

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