



First EU-African Online Business Lab for SMEs

How does the EU support SMEs in Africa and in Europe?

Antti Karhunen DEVCO Principal Advisor

16th July 2020

Why is the EU a useful partner for European and African SMEs?

- SMEs are the backbone of economy, job-creation and innovation, both in Europe and in Africa. SMEs play a key role in our joint efforts to achieve the SDGs by 2030.
- In the EU, SMEs account for 99% of businesses, 85% jobs, 2/3rd of private employment. In Africa, SMEs account for 90% of all businesses and about 50% of GNP.
- However, European and African SMEs face many obstacles when doing business in Africa such as access to finance, business environment, access to markets, access to information, low skills, poor digitalisation.
- The EU has put in place general policies and specific tools, and measures to support EU and African SMEs in doing business in Africa.

What can the EU offer?

- We support EU SMEs through our trade policy, investment agreements and internationalisation of EU SMEs (e.g. National SME Contact points, Market Access Database, IPR SME Helpdesk, Trade Defence Helpdesk)
- We support also MSMEs in Africa including in informal sector (e.g. EUR 17 million project “Supporting access to services for the informal sector”)
- We facilitate access to finance through EIP, EFSD and blending operations (e.g. NASIRA)
- We promote business friendly environment and investment climate (e.g. TPSD facility, facility with the WBG, facility with EUMS)
- We improve access to markets including support to regional integration and trade (e.g. support to AfCFTA, value chain upgrading, standards, QI AfT and trade facilitation).

- We develop skills, TVET, and provide business development services (e.g. Erasmus+)
- We promote networks, partnerships, business linkages, dialogue with private sector (e.g. SB4A, EBOs, Enterprise Europe Network)
- We develop digital opportunities for SMEs (e.g. programmes in benefit of SMEs in Cameroon, DRC, RC and Madagascar)
- Women's economic empowerment is an integral part of our work on supporting SMEs and entrepreneurs in Africa (e.g. Women's Financial Inclusion Facility ("WFIF") with KfW)
- We have adjusted our offer due to COVID 19 crisis (e.g. increased working capital for SMEs).

Where are we with COVID 19 response?

- The crisis hits hard:
 - BROOKINGS - extreme poverty increases 50 million people more
 - WTO - world trade falls sharply, between 13% and 32% in 2020
 - ITC - Africa risks \$2.4 billion worth of exports lost in 2020
- Need for a common response
- “Team Europe” - EUR 36billion (emergency response, health, socio economic recovery)
- Africa is clearly in this picture.

- Communication “Towards a comprehensive strategy with Africa” of 9th March 2020
- Five priorities:
 - green transition,
 - digital transformation,
 - sustainable growth and jobs,
 - peace, security and governance,
 - migration and mobility
- Remain valid for the immediate pandemic response, the recovery phase, and for our long-term cooperation with Africa
- Our strategy with Africa is a partnership of equals.

What next?

- Our collective response and “the new normal” - resilient, digital, inclusive, sustainable and multilateral
- Programming process - the next Multiannual Financial Framework (MFF) for 2021-2027
- Trade Policy Review - a public consultation including for SMEs
- AU EU Summit and EU Africa Business Forum October 2020
- Your involvement is important!

Thank you



© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

Slide xx: **element concerned**, source: e.g. [Fotolia.com](https://www.fotolia.com/); Slide xx: **element concerned**, source: e.g. [iStock.com](https://www.istock.com/)

