UK-AFRICA TRADE AFTER BREXIT: CHALLENGES AND OPPORTUNITIES
A BRIEFING FOR THE ALL-PARTY PARLIAMENTARY GROUP FOR AFRICA

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As we come to the end of the UK’s transition period with the EU, which expires on 31 December 2020, there is an urgency to ensure that the UK’s independent trade policy is not undermining Africa’s vision for development, achievement of the Sustainable Development Goals (SDGs) or UK aid spending. However, at present, against the advice of the African Union and in contradiction of the Memorandum of Understanding signed between the AU and the UK in February 2019, the UK government is using the Brexit deadline to push through bilateral deals with some select African countries without proper parliamentary scrutiny or civil society oversight. Agreeing bilateral agreements in this manner has significant impacts for regional integration in Africa and in particular the common external tariffs of Regional Economic Communities (RECs). It also contradicts the objectives of UK aid delivered by the Foreign, Commonwealth and Development Office (FCDO).

The parliamentary symposium that this briefing is based upon facilitated detailed discussion over what the real consequences of Brexit will be for the UK’s trade relations with Africa. It builds on previous work led by the APPG for Africa on the future of UK-Africa relations following the referendum result in June 2016.

The initial approach of the UK government has been to ‘roll-over’ the existing Economic Partnership Agreements (EPAs) between African countries and the EU in order to ensure continuity of market access. The APPG for Africa’s 2017 report provided an initial assessment of EPAs and considered potential alternatives to this strategy. The symposium brought together policymakers, parliamentarians, academics and stakeholders to engage in open debate and take forward some of these themes in consideration of both the immediate, and longer-term future, for trade between the UK and Africa.

The global landscape has of course changed quite dramatically since this event was held in Westminster in January of this year. The global health pandemic resulting from the spread of Covid-19 has reminded everyone of how interconnected our world has become, and how vulnerable its economies are to such a disruption. While the extent of the economic fallout is still not clear, the pandemic has brought into sharp focus the need for Africa to become more self-reliant, to reinforce its internal trade links, as foreseen in the AfCFTA (African Continental Free Trade Area), and for post-Brexit trade arrangements that support the development of our African partners. Instead, however, bilateral trade agreements are being hastily pushed through without proper scrutiny, a proper strategy or consideration of the consequences.

This briefing provides a significant contribution to the ongoing debate over the future of UK-Africa trade. It also delivers on the main focus of the APPG for Africa, which is to facilitate mutually beneficial relationships between Africa and the UK.

Chi Onwurah MP
(Chair of the APPG for Africa)

Lord David Chidgey
(Co-Chair of the APPG for Africa)
EXECUTIVE SUMMARY

Following the decision to leave the EU, the UK government has assumed responsibility for its bilateral trade policy with partners around the world. The UK will also act as an independent member state within the World Trade Organisation. At the time of writing, there is emphasis on both the negotiation of a trade deal with the United States and the post-transition arrangements with the EU. This policy briefing considers the future of UK–Africa trade within this context.

It provides a summary and a series of recommendations based on discussions at a one-day Parliamentary Symposium held in Westminster on 21 January 2020. This event was supported by the All-Party Parliamentary Group for Africa, the Royal African Society, Oxford Brookes University, and the All-Party Parliamentary Group on Trade Justice. The symposium highlighted the significant interest there is in the future of the UK’s relationship with Africa, at a time when the continent is moving forward itself with its own trade agenda, most prominently reflected in the development of the African Continental Free Trade Area.

This report identifies a number of key priorities for UK–Africa trade relations after Brexit:

- The framework governing future trade between the UK and Africa needs to acknowledge the problems that African countries have raised with respect to the EU’s trade agenda over recent years.

- The profile of Africa’s trade with the UK needs to move beyond the historical reliance on the export of minerals and primary goods and the import of high-value goods and services.

- The arrangements that govern the UK’s post-Brexit trade with Africa need to be consistent with multilateral commitments on global development and the environment, including the SDGs.

- Stakeholders in both the UK and Africa require mechanisms to allow democratic input into the discussion and negotiation of a new trading relationship.

With its rapidly expanding population, Africa will become an increasingly significant region within the global economy. The UK’s trade arrangements with African countries have for many years been governed by the EU’s trade and development strategy. Brexit offers both a number of challenges, but also an opportunity, for Africa’s future trade relationship with the UK to be rebuilt on the basis of mutual trust and ambition. This policy briefing urges the UK government to learn the lessons from the EU’s trade arrangements with Africa in developing a new approach, which can deliver on commitments made to the UN Sustainable Development Goals and the Paris Climate Agreement.
INTRODUCTION

The UK has assumed responsibility for its own trade policy following its withdrawal from the EU on 31 January 2020. This policy briefing builds on the 2017 report published by the APPG for Africa on The Future of Africa-UK Trade and Development Cooperation Relations in the Transitional and Post Brexit Period and further considers the challenges and opportunities for the UK’s future trade relations with Africa in light of more recent developments. The briefing also provides a summary of the key discussions and policy recommendations resulting from a Parliamentary Symposium on ‘UK-Africa Trade and Brexit’ held in the House of Commons on 21 January 2020. The symposium followed the preceding day’s UK-Africa Investment Summit, which saw representatives from twenty-one African countries invited to London. Over 160 policymakers, parliamentarians, academics and a range of stakeholders from the UK and Africa attended the symposium to discuss the consequences of Brexit for UK-Africa trade relations.

Brexit has shaped the politics of the UK in a number of ways over recent years. It has opened up a policy debate about the future direction of trade policy to which this policy briefing contributes. It has also seen the UK government re-organise the way it conducts its wider foreign policy. Of particular importance for relations with Africa, is the merger of the previously separate Department for International Development (DFID) and Foreign and Commonwealth Office (FCO) into the new Foreign, Commonwealth and Development Office (FCDO).

In considering the future of its trading relationship with the UK it is important to acknowledge that Africa is also changing rapidly. It is an expanding market with a population of 1.3 billion people, which is expected to double by 2050. In 2019 the UK exported £18.9 billion of goods and services to Africa and imported £17.3 billion; these figures, however, represented only 2.7 per cent of total UK exports and 2.4 per cent of total imports into the UK. In the opening keynote address at the symposium, Akinwumi Adesina, President of the African Development Bank, argued that in such a context trade between the UK and Africa should be increasing but instead it has fallen from a peak of £45.9 billion in 2012. This trend is highlighted in Figure 1 (below) which shows annual data for UK-Africa trade over the last decade.

Figure 1: UK-Africa Goods and Services Trade, 2010-2019 (£ billions). Source: UK Office for National Statistics, online trade statistics.

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2 Author’s calculations from UK Office for National Statistics, online trade statistics [accessed 15 October 2020].
In terms of investment, despite a global decline in Foreign Direct Investment (FDI) flows of 13 per cent in 2018, Africa saw a growth of inward FDI in the same year of 11 per cent.\(^3\) In August 2018, the government announced its ambition for the UK, already a leading investor on the continent, to become the largest G7 investor in Africa by 2022.\(^4\) The stock of FDI from the UK in Africa in 2018 was valued at £38.7 billion. As Figure 2 (below) demonstrates almost half of this FDI was in mining and quarrying and just over a third was in financial services.

**Figure 2: UK outward FDI stock in Africa 2018 (£ millions). Source: UK Office for National Statistics.**


Brexit provides an opportunity to re-think the arrangements that have governed UK-Africa trade during the UK’s membership of the EU. It is, however, only one of a number of ‘moving parts’ that need to be considered. Africa is moving forward with its own continental economic agenda led by the African Union (AU). This includes both the development of the African Continental Free Trade Area (AfCFTA), which entered into force on 30 May 2019 and the longer-term vision expressed in its ‘Agenda 2063’ document. Both ‘Agenda 2063’ and the AfCFTA are focused on making industrialisation a central plank of the continent’s development strategy. While the Covid-19 pandemic has resulted in a delay to the launch of the AfCFTA until January 2021, it has also reaffirmed the importance of creating regional value chains and supporting manufacturing across the continent to ensure improved resilience in the future.

The EU’s relationship with Africa, meanwhile, is also going through a period of change. At the time of writing, negotiations remain ongoing between the EU and the recently re-named Organisation of African, Caribbean and Pacific States (OACPS) over a replacement to the Cotonou Agreement, which was agreed between the two parties in 2000. In March 2020, meanwhile, the EU announced a new Africa Strategy, which includes the specific aim of supporting the development of the AfCFTA.
UK-AFRICA TRADE IN CONTEXT

Brexit means that following the end of the transition period, during which the UK will remain part of the EU Customs Union (scheduled to end on 31 December 2020), the UK government will assume full responsibility for an independent trade policy. Due to the existence of the EU’s Common Commercial Policy, responsibility for the UK’s external trade agreements had been delegated to the European Commission. The terms of the Withdrawal Agreement allow the UK to negotiate and complete trade agreements during the transition period. However, unless the EU agrees otherwise, any new agreements cannot enter into force until after the transition period.

Since the Cotonou Agreement was signed between the EU and OACPS in 2000, the direction of travel has been to move towards reciprocal trade liberalisation. The negotiation of Economic Partnership Agreements (EPAs) began in 2002 and eventually included five different sub-regions within Africa. The EU’s ambition was for comprehensive EPAs that would go beyond trade in goods to include the liberalisation of trade in services, competition policy, transparency in government procurement and the equal treatment of foreign investors.

The European Commission has consistently argued that trade liberalisation, which is at the heart of EPAs, is fundamental to the development prospects of Africa. Many African states, however, have expressed strong reservations in arguing that EPAs would limit their domestic ‘policy space’. Moreover, civil society organisations across Europe and Africa have long raised concerns over the impact of EPAs on African development.5 As a result, the EU’s EPA negotiations with Africa were significantly delayed. In contrast to the EU’s negotiations with the Caribbean region only interim agreements on goods were signed with African partners.

Meanwhile, since 2001, African states that are classed as Least Developed Countries (LDCs) have been able to trade with the EU under its ‘Everything but Arms’ (EBA) scheme. This allows for non-reciprocal duty-free and quota-free access to the European market for all exports from LDCs except arms and armaments. Trade arrangements with African countries, therefore, vary depending on their level of development. The UK government has committed to replicate the EU’s GSP scheme, which includes EBA arrangements beyond the end of the transition period with the EU.6 It should be noted, however, that the EU’s GSP scheme expires at the end of 2023 and therefore the UK will have to decide, in the near future, whether it wants to commit to continuing to replicate this or devise its own GSP.

During the first panel of the symposium there were a variety of views on the sequencing of how UK-Africa trade relations are rethought during and beyond the period of transition between the UK and EU. The UK government has acknowledged that to avoid a ‘cliff edge’ in trade relations with Africa beyond the transition, new trade arrangements need to be in place.

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Paul Walters, Head of Trade Agreements with Developing Countries at the Department for International Trade, made it clear that the main focus has been to maintain continuity by replicating the existing EU arrangements described above. He acknowledged that ‘rolling-over’ EPAs has been a challenge but argued that they are vital to ensure continuity in market access for African exporters. At the time of writing, continuity agreements have been reached with Côte d’Ivoire, the Eastern and Southern Africa (ESA) group, the member states of the Southern African Customs Union (SACU) plus Mozambique. In addition, a trade deal between the UK and Kenya, based on the terms of the EU’s arrangements with the East African Community (EAC), was recently announced. Walters concluded by noting that the UK’s ambition is to move beyond EPAs to develop a more coherent package of trade arrangements and development policy.

Other speakers took a different stance on the question of sequencing, suggesting that Brexit provides an opportunity to do something new that would improve on the EU’s existing trade arrangements with Africa. Dr. Akinwumi Adesina, President of the African Development Bank, suggested that Brexit provides a chance to learn from the pitfalls of EPAs. Dr. Vera Songwe, Executive Secretary of the UN Economic Commission for Africa, meanwhile, argued that the EPA negotiations with the EU split Africa into five groups, which did not really fit the existing Regional Economic Communities (RECs). Songwe argued, therefore, that rather than keeping EPAs as a baseline for future UK-Africa trade relations, Brexit should be used as an opportunity to start afresh. She argued that the danger is that once EPAs are rolled-over inertia will set in and the likelihood is that they will be in place for years to come.
In a similar vein, Liz May, former Director of Policy at Traidcraft, suggested at the symposium that rolling-over EPAs creates a very specific starting point for any future UK-Africa trade negotiations and that the nature of such a baseline matters. She noted the Transitional Protection Measures that the UK government had previously agreed with Kenya, Ghana, Côte d’Ivoire and Cameroon in October 2019 to ensure continuity of market access in the event of a no-deal exit from the EU. In contrast to the current approach of pursuing a roll-over EPA to ensure continued access to the UK market, as has been agreed with Côte d’Ivoire and Kenya, these could be used, argued May, as the basis for a medium-term transitional arrangement to allow space for the UK and Africa to negotiate in a more realistic timeframe. In addition, Dr. Stephen Hurt of Oxford Brookes University noted that the UK’s role as an independent member state within the World Trade Organisation (WTO) will also have relevance for its relationship with Africa. He argued that, at the multilateral level, the UK should advocate for rules that allow greater scope for non-reciprocity in trade agreements with developing countries.

The profile of Africa’s external trade with Europe has changed little since colonial times. African countries often rely heavily on the export of raw materials, in exchange for finished goods and services. There is a marked contrast, for example, in the significance of manufactures when we look at trade within the continent, compared to exports going to the rest of the world. Analysis has shown that for the period 2015–2017, manufactures accounted for 45 per cent of trade between African countries, but represented only 20 per cent of African exports leaving the continent.7

A number of speakers at the symposium argued therefore, that the nature of trade between the UK and Africa needs to change. Reference was made to the continental ambitions expressed in the AU’s ‘Agenda 2063’ plan, which Liz May suggested should be the starting point for considering future trade arrangements. The ambition of the AfCFTA, meanwhile, is to generate ‘significant growth of Intra-Africa trade and assist Africa to use trade more effectively as an engine of growth, job creation, reducing poverty and sustainable development’.8 The viability of this African vision is significantly influenced by the nature of Africa’s place in the global economy. It is possible, therefore, that trade arrangements with external partners (such as the UK) may stifle such continental aspiration.

In this context of an increasingly continental approach to trade, African policymakers have made it clear that the design of the continent’s external trade policy is important in setting the parameters for development. In particular, there is an acknowledgement that trade arrangements with third parties need to allow sufficient space for African countries to pursue a strategy of industrialisation. The UN Economic Commission for Africa (UNECA), for example, has argued specifically with regard to EPAs that they ‘would see a significant influx of European Union exports to African countries in almost all sectors (especially in industrial goods) … which may undermine efforts to industrialize and diversify’.9 As a result, Liz May argued at the symposium, that pan-African rules of origin should be at the heart of any future UK-Africa trade agreement to address these concerns.

The potential impact of any future trade agreement between the UK and Africa will also be shaped by the UK’s wider trade strategy and the agreements it might sign with other countries. Akinwumi Adesina argued at the symposium, that any new trade arrangements with the UK should ensure that African exports are treated more favourably, than those governed by future trade agreements that the UK might sign with third parties.

Things become particularly interconnected in relation to the design of ‘rules of origin’, which determine how firms authenticate that goods are produced in the particular country governed by a trade agreement. Where African exporters are involved in triangular value chains, which include producers who are based in third countries/trading blocs that are likely to negotiate new deals with the UK, things become complicated. For example, the car industry in South Africa receives parts from production lines in the UK, which are then included in their domestic assembly plants. For South African firms to be eligible for preferential access into the EU market they will need to be able to show that parts that are sourced from the UK meet ‘local content’ requirements. This will be governed by the way rules of origin are defined in any future trade agreement between the UK and EU.10

POWER AND INTERESTS

The second panel at the symposium focused on the power dynamics and varying national and regional interests underpinning any future trade negotiations between the UK and Africa. The discussion included a focus on the mechanisms by which wider stakeholders will be able to contribute to the debate over future arrangements and scrutinise trade negotiations. It also considered how, given the emergence of the AfCFTA, African countries and regions will position themselves in any post-Brexit trade discussions with the UK.

A number of speakers at the symposium highlighted the need for mechanisms to allow input from stakeholders in both the UK and Africa. Ruth Bergan of the Trade Justice Movement, argued that there is a need for a much more democratic approach to trade policymaking in the UK. At present, the UK government has unilateral power to set a mandate for any trade negotiations and any final deal needs to be simply put before parliament for 21 sitting days. There is no requirement for a parliamentary debate. Bergan noted that five different parliamentary committees have called for a more democratic process to be adopted.11 This is an issue which has been championed by an informal alliance between a range of representative groups including the Trades Union Congress, the International Chamber of Commerce, the Confederation of British Industry and NGOs via TJM.12 The ongoing movement of the Trade Bill through the legislative process in the UK has led to further debate on the issue of scrutiny over the negotiation of trade deals. A range of organisations from the National Farmers Union to the British Medical Association have supported calls for amendments to this legislation to ensure parliamentary and stakeholder scrutiny.

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As discussed in the previous section of this policy briefing, Africa has a vision for its development. A number of speakers during the symposium mentioned the push for industrialisation as a route to job creation across the continent. While this is to be welcomed, we should be wary, however, of treating Africa as a unitary actor. The continent has diverse needs and as Figure 3 below, demonstrates, UK trade with the African continent is concentrated in a few key markets. South Africa and Nigeria alone, accounted for over 40 per cent of the UK’s total trade in goods and services with Africa in 2019. As Dr. Eka Ikpe of King’s College London noted at the symposium, the focus on roll-over EPAs does not cover all of the UK’s existing major African trade partners. Most notably, Nigeria who have not signed an EPA with the EU, are not party to these negotiations. As a result, trade between the UK and Nigeria will be governed by standard GSP terms. Beyond these short-term challenges, the UK government needs to be wary of concentrating its trade focus on a small number of key markets. Only 21 African countries received invites to the Africa-Investment Summit on 20 January 2020 and a number of diplomatic representatives from other parts of the continent expressed their disappointment about this at the parliamentary symposium.

From an African perspective, the UK is an important strategic trade partner, but as highlighted in the introduction to this policy briefing, the volume of UK-Africa trade has declined over recent years. The increasingly significant role of China in Africa and in particular its focus on infrastructure and mineral resources raises the question of what the ‘added-value’ will be for Africa’s trade with the UK. Eka Ikpe argued at the symposium that this gives African countries some agency in any future trade negotiations with the UK. She also sounded a note of caution in that the composition of trade between China and Africa is not necessarily supportive of Africa’s aspirations for industrialisation. Therefore, as discussed in the previous section of this policy briefing, the UK has the scope to agree new mutually acceptable trade relations with Africa that are supportive of this continental ambition.

Figure 3: Africa’s Total Trade in Goods and Services with the UK in 2019. Source: UK Office for National Statistics, online trade statistics.
The creation of the AfCFTA also changes the dynamics of the UK’s trading relationship with Africa. At a time when the UK has just left a much bigger trading bloc, conversely African countries are taking the first steps towards the creation of a continental trading bloc. The UK government has expressed its support for the AfCFTA in a Communiqué signed with the AU in February 2019. Moreover, at the UK-Africa Investment Summit a range of support measures were announced on issues like trade facilitation. Of course, it is important to note that implementation of the AfCFTA is going to be a huge challenge. Nigeria, as one of the African economies with the biggest manufacturing sectors has taken a particular stance. As Eka Ikpe argued at the symposium, Nigeria is worried about the impact of the AfCFTA on its own process of industrialisation and has only very recently formally ratified the agreement.

Paulina Elago, Executive Secretary of SACU, meanwhile, welcomed commitments made by the UK government to support developing countries in its post-Brexit trade policy, and argued that these need to be complementary of this process of trade liberalisation across the continent, which is expected to be fully completed by 2040. Given this timeframe, she said negotiations with the UK are likely to remain on a regional level in the first instance, but that we should expect increasing co-ordination between the RECs as the AfCFTA is developed. However, the recent agreement of trade deals with Côte d’Ivoire and Kenya raises doubts over the extent to which the UK’s post-Brexit trade policy is consistent with these regional and continental ambitions.

For those African countries yet to sign a roll-over EPA with the UK, more immediate concerns were made apparent at the symposium. Joseph Owona Kono, previously Co-President of the ACP-EU Joint Parliamentary Assembly, highlighted the issues facing banana producers from West Africa. He supported the suggestion made by Liz May, discussed in the previous section of this policy briefing, for the use of Transitional Protection Measures as a way to allow time for more measured negotiations with the UK. More broadly, the agricultural sector in African countries has shared a long-standing concern over the EU’s Common Agricultural Policy and the restrictions it has placed on export opportunities. At the symposium Akinwumi Adesina urged the UK government to develop a new policy on agriculture that will allow African countries to export value-added food and agricultural products to the UK.

Kenya is an important example that demonstrates the need for taking a more considered approach. It signed an EPA with the EU but its fellow East African Community (EAC) member states have refused to join. The UK has just recently, in November 2020, agreed a standalone Free Trade Agreement (FTA) with Kenya. This is causing political friction between EAC member states. Such an agreement will undermine the EAC’s Common External Tariff and the ambition of developing regional supply chains. It is also in direct contradiction to the UK aid budget that has been seeking to support regional trade in the EAC by providing funding, alongside other donors, to TradeMark East Africa. Kenya has yielded to pressure to sign an FTA to avoid losing preferential access for

15 Trading under the AfCFTA had been scheduled to begin on 1 July 2020 but this was postponed by the AU due to the impacts of the Covid-19 pandemic.
their exports to the UK after the transition period with the EU ends on 31 December 2020. A similar situation is faced by Ghana and Cameroon who, at the time of writing, are still resisting pressure from the UK to sign similar agreements.

Trade negotiations, however, are not just about tariffs and quotas. Discussion at the symposium also considered digital trade, non-tariff barriers (NTBs) and the significance of product standards.

The views of the UK and the African Group of states in the WTO are divergent on discussions on digital trade. Plurilateral negotiations on e-commerce were launched at the WTO in 2019. African countries have resisted attempts to devise a set of regulations, which they argue will make it even more unlikely that African enterprises in this sector will be able to ‘effectively compete with multinational corporations, who have become global digital leaders, and have decimated smaller companies’.16 As an extensive empirical study has recently demonstrated, African workers are already embedded within digital global value chains although the value-added remains heavily concentrated in corporations based in the Global North.17 Ruth Bergan expressed concerns at the symposium that the ongoing negotiations at the WTO may result in rules that prevent the effective regulation of digital spaces.

NTBs can have quite specific sectoral impacts on African economies. There has been the suggestion, for example, that the UK should rethink the EU’s current sanitary and phytosanitary (SPS) measures on ‘citrus black spot’ (a fungal disease), which producers of citrus fruits in South Africa would like removing.18 Ultimately the scope for such changes will depend on the nature of any new trade agreement between the UK and EU.

These are just some of the trade negotiation issues that UK and African partners are currently faced with. Paulina Elago highlighted that in the case of the roll-over EPA agreed between SACU and Mozambique and the UK, a forward-looking agenda was included, to allow further discussion on rules of origin, SPS measures and technical barriers to trade. Beyond the initial phase of roll-over EPAs, therefore, UK-Africa trade arrangements are going to have to consider these ‘beyond the border’ trade issues in any future negotiations.

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18 House of Commons International Trade Committee (2018) Trade and the Commonwealth: developing countries, House of Commons, p. 36
TRADE AND UK FOREIGN POLICY TO AFRICA

The third and final panel at the symposium considered where trade will sit within the wider foreign policy agenda that governs UK-Africa relations. It acknowledged that Africa’s re-engagement with the UK is taking place in a broader global context where multilateral systems appear to be weakening. Participants discussed the role that the UK’s foreign aid budget will play and how trade policy will relate to commitments made to both the Sustainable Development Goals (SDGs) and the Paris Climate Agreement. This is in a context where UK aid spending is to be cut by £2.9 billion as a result of the Covid-19 pandemic.19

Andrew Stephenson MP, then Minister for Africa, reminded participants at the symposium that the UK government had developed a new ‘Africa strategy’ in 2018 based around the five themes of: prosperity, security and stability, climate change and sustainable natural resource management, the demographic transition and a specific focus on the Sahel. He reassured the audience that the SDGs remain a primary concern of the UK government and that it was a positive sign that all major political parties remain committed to the 0.7 per cent of GNI target for Official Development Assistance (ODA). He argued that the UK should be a global advocate for free trade because of the role it can play in generating economic growth, which he suggested is the best route out of poverty. He highlighted the increase in both diplomatic staff and country missions across the continent as evidence of the UK’s renewed commitment to Africa.

Other speakers also discussed the place of Africa within the UK’s evolving foreign policy agenda. Dr. Mukhisa Kituyi, Secretary-General of UNCTAD, noted that over the next few years the UK’s ‘Global Britain’ agenda is going to be driven by an effort to mitigate the impacts of Brexit. He welcomed the attempts to build a new relationship with African partners but cautioned against any forms of ‘imperial nostalgia’ and urged the UK to develop a relationship based on mutual respect.

Historically, Africa has featured most prominently in the UK’s development policy, although it was clear from discussions at the symposium that African countries are increasingly keen to move away from a dependence on aid. The UK government’s development assistance strategy has seen significant change in recent years. Andrew Stephenson noted at the symposium, that in 2015 the decision was taken that not all ODA spending had to go through DFID. While this acknowledges the multi-faceted nature of development, there have been concerns raised in a recent report commissioned by DFID, over the levels of transparency of ODA spending in these other government departments.20 More recently, the launch of the new FCDO in September 2020 marks another major organisational change to the delivery of the UK’s aid budget. It is claimed that this merger of DFID and the FCO will improve the effectiveness and coordination of the UK’s foreign policy. It is important, however, given the increased focus on linking ODA to the UK’s national interest, discussed further below, that such organisational changes do not encourage the use of development assistance to put undue pressure on African countries during trade negotiations.

Beyond these organisational matters, a broader change in approach by the UK government, whereby development assistance is justified on more explicitly ‘national interest’ lines, has been apparent over recent years. This is often justified on the basis of a desire from recipient countries for a relationship with the UK based on trade and investment rather than aid.

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This shift was outlined in DFID’s 2015 aid strategy document, which states that the aim is to ‘make UK aid even more effective in tackling the great global challenges of our age, in order to eliminate poverty and – crucially – also advance the UK’s national interest’.

Dr. Sophia Price of Leeds Beckett University, however, outlined her concerns at the symposium over these changes. She highlighted how in recent years we have seen two key turns in the UK government’s view of development assistance. First, an increased use of aid to support investment including an enhanced role for the CDC Group (the UK’s development finance institution). Second, a much stronger emphasis on the ‘value for money’ agenda, which is concerned with ensuring that aid spending is delivering maximum impact for UK taxpayers.

These changes have led to a focus on mutual economic gains, which was most prominently demonstrated through the launch of the UK government’s Prosperity Fund in 2016. This is a seven-year programme with a total budget of £1.2 billion and a priority on middle-income countries eligible for ODA.

A recent report by the Independent Commission for Aid Impact suggested that ‘the mutual prosperity agenda does create pressures to spend aid in the developing countries that are most likely to be important trading partners. There are risks that this could lead to the global allocation of UK aid becoming less pro-poor, and less focused on the most marginalised’. Sophia Price reinforced such a view at the symposium, arguing that investment in Africa that is supported by development assistance needs to be focused on delivering gains to the poorest sections of society. As a result, she urged caution in moving away from a focus on social development spending.

Mukhisa Kituyi, meanwhile, emphasised that an effective relationship between trade and development assistance requires a focus on coherent policymaking. He argued that development spending should be diversified in order to support African-led development initiatives. Two examples, noted by Kituyi, are the use of ODA to de-risk investment into sustainable agricultural production and aid to support African technology companies develop their ideas without having to sell their intellectual property to venture capital.

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It is crucially important that trade policy complements other aspects of the UK’s relationship with Africa. Joined-up government that provides clarity and consistency in the UK’s approach to Africa is required. It is important that different government departments do not undermine the development work of another. In February 2020, the UK government announced a wide-ranging inquiry into foreign, defence, security and development policy. One of its aims is to seek new ways to promote UK interests abroad at the same time as maintaining the 0.7 per cent of GNI commitment to ODA. It is important that this Integrated Review takes note of the views of stakeholders, some of whom have already expressed concerns as to its outcome. For example, Stephanie Draper (chief executive of BOND) has argued that ‘the UK’s approach to trade and investment must strengthen rather than undermine the delivery of the SDGs and other international commitments on development, climate change and human rights’.24

Precisely how these broader ambitions are realised was debated extensively at the symposium. Akinwumi Adesina argued that the non-execution clause present in the current EPAs should be removed in any new agreement(s) with the UK. This clause allows for the suspension of trade as a result of political violations. Stephen Hurt argued that any future trade agreement with Africa might consider including clauses to ensure fundamental human rights including labour rights such as ‘decent work’, which is part of the SDGs agenda. Whereas, Vera Songwe suggested she was not keen on political human rights clauses only being included in trade agreements with developing countries, arguing that there is a need for equal treatment of all third parties. An alternative instrument to trade agreements for ensuring binding rules on human rights and the environment, throughout the supply chains of EU-based companies, was proposed by the European Commission earlier this year. A wide range of NGOs and trade unions, including the Corporate Responsibility (CORE) Coalition, are calling for similar legislation to ensure the due diligence of UK companies overseas. Whether the inclusion of human rights clauses is appropriate within trade agreements, or not, needs to be carefully considered and mutually agreed between all parties.

When looking at the future of UK-Africa trade and in particular Africa’s desire for development that is driven by a process of industrialisation, climate change commitments are a hugely important consideration. At the UK-Africa Investment Summit in London, the UK government announced that it would stop the use of ODA for funding coal-based energy projects abroad.25 Vera Songwe noted at the symposium that this was not a significant issue to begin with, but that oil remains one of the most significant exports from Africa to the UK. She argued that given the challenges of climate change this needs to be replaced with investment in renewables. Clean growth was part of the agenda at the Investment Summit and there is scope for Africa to play a leading role in the renewable energy sector with the support of UK investment. Development NGOs and other stakeholders, however, have raised concerns over the continuing centrality of oil and gas to the UK’s trade and investment relationship with Africa.26

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RECOMMENDATIONS FOR UK GOVERNMENT AND TRADE POLICYMAKERS

- **CAREFUL CONSIDERATION OF THE SEQUENCING OF DEVELOPING NEW TRADE ARRANGEMENTS BETWEEN THE UK AND AFRICA IS REQUIRED.** The situation in Africa has changed markedly since the negotiation of EPAs with the EU began nearly twenty years ago. A number of speakers at the symposium highlighted a range of problems with these agreements. The roll-over of existing EPAs by the UK government, whilst securing market access in the short-term might also lock-in these deals in the medium-term.

- **FUTURE TRADE ARRANGEMENTS BETWEEN THE UK AND AFRICA SHOULD BE BASED ON MUTUAL RECOGNITION AND SUPPORT AFRICA’S REGIONAL INTEGRATION AND DEVELOPMENT PLANS.** WTO rules on FTAs were not designed for deals between partners from the Global North and Global South and should not be considered the only option. For example, there may be scope to extend ‘everything but arms’ access to African partners that aren’t classified as Least Developed Countries, especially where regional integration is at risk. Any blueprint for future trade arrangements between the UK and Africa needs to be mutually agreed and mechanisms need to be in place to allow input from stakeholders.

- **UK TRADE POLICY AT THE MULTILATERAL LEVEL SHOULD CONSIDER THE VIEWS OF AFRICAN TRADE PARTNERS.** For example, the position the UK government takes in digital trade debates in the WTO will have an impact on African economies. Similarly, MFN tariffs set by the UK have a direct impact on the relative value of any trade preferences enjoyed by African countries.

- **THE UK GOVERNMENT SHOULD CONSIDER CALLS FOR GREATER DEMOCRATIC INPUT INTO ITS TRADE POLICYMAKING.** Modern trade agreements cover a wide range of policy areas and it is important that both parliament and the devolved administrations have a direct say in both negotiating mandates and the approval of any future trade arrangements with African partners.

- **FUTURE TRADE NEGOTIATIONS NEED TO CONSIDER HOW THE PROFILE OF TRADE BETWEEN THE UK AND AFRICA CAN BE REBALANCED.** In particular, the UK government should consider more flexible rules of origin so that the integration of African countries into regional and global value chains can be supported.

- **THE UK GOVERNMENT SHOULD SEEK TO ENCOURAGE ENGAGEMENT ON TRADE AND INVESTMENT BEYOND A SMALL NUMBER OF KEY AFRICAN COUNTRIES.** It is acknowledged that the UK has extended its diplomatic presence across the continent in recent years. Nevertheless, other major trading partners have more comprehensive links with Africa.

- **UK–AFRICA TRADE ARRANGEMENTS NEED TO BE ALIGNED WITH THE COMMITMENTS ENSHRINED IN BOTH THE SDGS AND THE PARIS CLIMATE AGREEMENT.** One practical way to ensure this would be to conduct sustainable development impact assessments of any new trade deals with Africa.

- **THE UK GOVERNMENT NEEDS TO CAREFULLY ALIGN ITS DEVELOPMENT ASSISTANCE PROGRAMMES IN AFRICA WITH ITS TRADE AND INVESTMENT POLICY.** A focus on 'mutual prosperity' should not obscure the need to ensure inclusive and sustainable economic growth.
ACKNOWLEDGEMENTS

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Thanks to all the speakers and panel chairs who contributed to the Parliamentary Symposium for sharing their ideas on the future of UK-Africa trade relations and to everyone who attended.

Opening Keynote: Dr. Akinwumi Adesina, President of the African Development Bank

Panel 1: Lord David Chidgey, Co-Chair of the APPG for Africa (Chair), Dr. Vera Songwe, Executive Secretary of the UN Economic Commission for Africa (Keynote), Liz May, an independent consultant, Paul Walters, Head of Trade Agreements with Developing Countries in the Department for International Trade, Dr. Stephen Hurt, Oxford Brookes University.

Panel 2: Anne McLaughlin MP (Chair), Paulina Elago, Executive Secretary of the Southern African Customs Union (Keynote), Ruth Bergan, Senior Adviser at the Trade Justice Movement, Dr. Eka Ikpe, King’s College London, Joseph Owona Kono MP, Cameroon’s representative on the African, Caribbean and Pacific Parliamentary Assembly.

Panel 3: Chi Onwurah MP, Chair of the APPG for Africa (Chair), Dr. Mukhisa Kituyi, Secretary General of UNCTAD (Keynote), Dr. Sophia Price, Leeds Beckett University, Andrew Stephenson MP FCO and DFID Minister for Africa.

Concluding Roundtable: Harriett Baldwin MP (Chair).

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