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READY FOR A COMMON AFRICA-EUROPE FUTURE?

Our reflections beyond the 6th EU-AU summit

April 2022

The reports are part of a special series on Africa-EU relations in the run-up and follow-up of the 2022 EU-AU summit.

The collective volume

- ***"Strengthening the AU-EU partnership on the economic development and trade agenda."***
- ***"Beyond business as usual: Igniting the AU-EU partnership on peace, security and governance."***
- ***"Green transformation in Africa-Europe relations: linking energy and adaptation with economic transformation."***
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FOREWORD

This collective volume is the outcome of a partnership initiative launched in 2021-2022 by the European Think Tanks Group (ETTG) and the Institute for Security Studies (ISS), with the support of the United Nations Development Programme (UNDP). Our initiative has aimed to advance Africa-Europe relations in the run up to the 6th EU-AU summit in Brussels (17-18 February 2022) and contribute to effective follow-up and implementation of the decisions taken.

Between November 2021 and January 2022 we jointly organised three virtual closed-door roundtables with leading African and European knowledge centres and independent experts focusing on three key pillars of the AU-EU partnership:

1. economic development and trade
2. participatory and accountable governance, peace and security and
3. green transformation and climate

These roundtables identified areas of convergence and divergence of views between the continents on key priorities of the partnership. They were instrumental in producing three concise reports containing policy recommendations for African and European decision makers and for all stakeholders interested in strengthening the partnership. Each of the three reports has been made available before the summit and is included in this collective volume.

The ETTG wishes to thank ISS and UNDP for supporting the partnership, as well as all 60 experts who dedicated their time to take part in the virtual roundtables and shape the content of the three reports.

Geert Laporte, ETTG Director
Daniele Fattibene, ETTG Coordinator

INTRODUCTION

The 6th EU-AU summit, held in Brussels on 17-18 February 2022, marked an important milestone in the relationship between the European Union (EU) and the African Union (AU). After almost a year and a half of delay, the summit provided leaders of both European and African countries an opportunity to negotiate on a series of key topics that will shape the future of their relations. Additionally, the summit provided a further opening for the regional bodies and their member states to move away from an asymmetrical top-down relationship to a more vertical partnership in which both sides negotiate deals based on sound analysis, trust and mutual respect.

Against that backdrop, this collective volume addresses the status of EU-AU relations. It focuses on three main areas of cooperation, providing policy recommendations to African and European decision makers in the following fields: economic development and trade; participatory governance, peace and security; and green transformation and climate change. The paper is divided into four chapters, which draw on the findings of a series of roundtable discussions. These roundtables gathered more than 70 leading African and European independent experts, knowledge centres and think tanks, to contribute reflections and suggest concrete policies and actions, which are brought together here.

Chapter 1, by Poorva Karkare examines how to strengthen economic cooperation between Europe and Africa. The analysis addresses both elements of convergence and divergence and the crucial importance of supporting Africa's aspirations for industrialisation, job creation, regional integration and inclusive green transformation. Chapter 2, by Bernardo Venturi, focuses on AU-EU relations in the fields of peace, security and governance. The analysis acknowledges the AU's progress towards achieving greater financial autonomy following the operationalisation of the AU Peace Fund. However, it also recognises that Africa remains dependent on external partners, such as the EU, and examines the implications of the newly created European Peace Facility (EPF). Chapter 3, by Elisabeth Hege, Damien Barchiche and Sébastien Treyer, assess the AU-EU cooperation in the fields of energy and climate. Its analysis demonstrates the potential of stronger alignment of the African and European climate agendas to boost fair transitions towards green economies and clean energy, while also helping to solve Africa's demographic challenges and increasing the need for decent jobs and social inclusion. The final chapter takes stock of the conclusions of the EU-AU summit and considers how the partnership can be better equipped for a volatile world, with some initial reflections on the likely implications of the Ukraine crisis on the AU-EU Partnership.

CHAPTER 1

Strengthening the AU-EU partnership *on the economic development and trade agenda*

By Poorva Karkare (ECDPM)

Acknowledgements: The author wishes to thank San Bilal (ECDPM) for having contributed to the drafting and revision of the report. In addition, the author wishes to thank Antonia Joy Kategekwa (UNDP), Komi Tsowou (UNDP), Jakkie Cilliers (ISS Africa) and Geert Laporte (ETTG) for their revision.

KEY MESSAGES

- Industrialisation remains one of the main priorities for Africa, including within the context of the ongoing African Continental Free Trade Area
- The EU is an important economic partner with free access to its market for most African countries but unilateral preferences have brought limited results for their economic development, pointing to the need for an investment partnership to build productive capacities
- African firms need to be actively supported to become suppliers of higher value – added products to the EU, including with the help of coherent, robust and context-specific industrial and trade policies
- The long-term objective of industrial development needs to be appropriately matched by short term programmes and initiatives to ensure continuity and coherence, by also building on existing initiatives like the Boosting Intra-Africa Trade initiative (BIAT)

INTRODUCTION

This brief identifies some of the shared priorities between Africa and the European Union (EU) as well as challenges in their partnership as it currently stands. It also suggests concrete ways forward to strengthen the economic development and trade agenda of the AU-EU partnership. It draws heavily on discussions at a closed roundtable on 26 November 2021 of policy experts and academics aware of the agendas and high stakes on both the African and the European sides. The brief looks first at Africa's economic development priorities and challenges, followed by areas of mutual interest with the EU and existing support measures. It then identifies some of the tensions and gaps in the partnership. These then form the basis for practical recommendations towards a more effective partnership.

AFRICAN DEVELOPMENT CHALLENGES AND NEEDS

One of Africa's main priorities is inclusive, sustainable and green industrialisation, to create quality jobs and prosperity for the continent's fast-growing population.[1] There is broad agreement that many of Africa's development challenges are linked to building sustainable productive capacities, meaning "the productive resources, entrepreneurial capabilities and production linkages that together determine a country's ability to produce goods and services that will help it grow and develop".[2] This includes raising productivity in the agricultural sector, developing manufacturing capacity and promoting a dynamic services sector. All this can be pursued through greater regional trade integration.[3] In the context of the COVID-19 pandemic, the objective of sustainable productive capacities is receiving even greater attention, as countries realise that overdependence on commodity exports exposes them to volatility, while excessive dependence on imports is dangerously unsustainable. Africa needs to produce more of what it consumes.

The African Continental Free Trade Area (AfCFTA), which entered into force on 1 January 2021, if effectively implemented, is expected to enhance Africa's productive capacities.[4] It can provide the basis for an integrated continental market and development of regional value chains (RVCs).[5] The AfCFTA Secretariat has identified a number of priority value chains to boost the "Made in Africa" revolution.[6]

There are, however, impediments to fulfilling this important African development priority.[7] Most commonly cited among them include lack of appropriately skilled human capital, a shortfall in both soft and hard infrastructure (including electricity, transport and logistics), low levels of capital and investment in high value-added segments of value chains, and limited availability of technology, among many others. Infrastructure development is key. The African Development Bank estimates the continent's infrastructure needs at US $130-170 billion a year, with a financing gap of $68-$108 billion.[8] Africa also suffers from a deficit in high-end services, including financial intermediation, which are needed throughout value chains.[9] This is a key impediment to businesses, especially small and medium-sized enterprises (SMEs) which are the

1. Almost one in every four people globally will be sub-Saharan African by 2050 (https://bit.ly/3f9PnYr).
2. See the Productive Capacities Index (https://bit.ly/3tcuRyF). The latest Industrial Development Report (2021) shows how industrial development contributes to the SDGs, while also introducing greener operations. Industrial development has in fact played a major role in boosting countries' resilience to weather the COVID-19 pandemic through greater digitalisation (https://bit.ly/3zNDuB9).
3. https://bit.ly/3neQxGJ
4. Regional trade favours structural transformation, as processed and semi-processed goods account for 61% of intra-Africa trade compared to 37% of trade with other partners, including Europe. Yet, intra-Africa trade is only 14% of Africa's overall trade, which is low compared to other regions (e.g., 25% in ASEAN and up to 65% in the EU) (https://bit.ly/3zlKeA8).
5. These value chains connect countries in the region to supply inputs for the production of goods and services, while allowing them to strengthen specific stages of the value chain depending on their comparative and competitive advantage. See also https://bit.ly/31K068O.
6. These include automotives, leather and leather products, cocoa, soya, textiles and apparel, pharmaceuticals and vaccine manufacturing, lithium-ion batteries, mobile financial services, and cultural and creative industries (https://bit.ly/330jHCA).
7. While there are numerous challenges, progress has been made in addressing some of these impediments in certain value chains, for instance, in services, especially digital services in Rwanda and Kenya; in textiles and apparel in Ethiopia and Egypt; in wood processing in Gabon; and in the meat industry in Namibia, to name a few.
8. https://bit.ly/3r8Ci7q
9. A significant recent development is the launch of the Pan-African Payments and Settlements System (PAPSS) https://bit.ly/3lTI9V8

backbone of production on the continent.[10] Digitalisation is an important vehicle to unlock new opportunities. In many African countries, digital solutions such as mobile money are already helping to scale up cross-border trade by reducing the cost of transactions.[11] In order to overcome the above-mentioned challenges, Africa needs to be able to mobilise domestic resources and attract international capital at scale. Within this mix, sustainability, inclusivity, equity, gender-sensitivity and environmental considerations need to play a role in a proactive industrial policy to guide Africa's transformation.[12] There are significant opportunities for Africa and the EU to engage through the framework of the AU-EU partnership to pragmatically address some of these issues.

THE EU - AN IMPORTANT ECONOMIC PARTNER FOR AFRICA

International partnerships are important and should be based on mutual interests and respect. Europe is still Africa's closest partner in economic (trade and investment) and development terms.

Access to the EU market has traditionally played a critical role in the Africa-EU partnership. Most African countries enjoy preferential access to the EU market, often duty-free and quota-free, through the generalised system of preferences (GSP), including the Everything-But-Arms (EBA) scheme for least-developed countries (LDCs), and through free trade agreements with the EU, including economic partnership agreements (EPAs). Overcoming the rising technical and regulatory barriers to access the EU market will be key for African exporters of (especially processed) goods, and services.

The EU has made resources and support available to Africa. It is Africa's main aid provider – including aid for trade[13]– and it recently scaled up its efforts to stimulate investment in Africa, through mechanisms such as the External Investment Plan (EIP) and the European Fund for Sustainable Development (EFSD).[14] These instruments seek to mitigate investment risk through financial guarantees and blended finance to boost public and private sector capacity, as well as technical assistance and policy dialogue to help improve the business environment.[15]

THE AU-EU PARTNERSHIP AS AN INSTRUMENT OF TRANSFORMATION

According to the Commissioner General of the African Union (AU) and Head of AU Strategic Partnerships, Levi Uche Madueke, Africa's sustained economic transformation remains one of the greatest opportunities for increased collaboration and impact of the AU-EU partnership.[16]

> Africa's sustained economic transformation remains one of the greatest opportunities for increased collaboration and impact of the AU-EU partnership.

10. https://bit.ly/3l9RLuX
11. According to a GSMA study the cost of sending US $200 in mobile money was 1.7% in 2017 (https://bit.ly/3A7b2do). This is substantially lower than the average cost of remitting the same amount via other remittance service providers, which stood at 9.4% (https://bit.ly/3FD0sMx).
12. According to Arkebe Okubay, a leading expert on industrialisation and industrial policy, after much focus on industrialisation in Africa's post-independence years, industrial policy was deprioritised under the Washington Consensus. However, since the recent, largely jobless growth episode in many African countries, which furthermore did not lead to any substantial diversification, there is now a new appreciation for the role of export-promoting industrial policy which coordinates public- and private-sector interventions to bring about sustainable economic transformation.
13. According to the EU Aid for Trade Progress Report (2021), the bloc provided €17.9 billion in 2019 or 38% of the global aid for trade funds, with the largest share, 43%, going to Africa (https://bit.ly/3qd9Lyi).
14. While there is some information on the investments that have taken place so far (see https://bit.ly/35lk45E), an independent evaluation of the implementation and actual impact are to be carried out (see https://bit.ly/3lUvul0)
15. https://bit.ly/3K2imeO
16. https://bit.ly/3HRAHcP

A recent analysis of developing countries in Africa and beyond found that the overall effect of unilateral trade preferences has been positive, but not sizable enough to bring meaningful development. Disaggregated analysis shows that, despite increased exports, poorer countries tend to benefit from trade preferences by exporting simpler and less sophisticated products in which they already have a comparative advantage, rather than entering newer product space (which may require other support in terms of client relations, overcoming non-tariff barriers and so on) or upgrading within the value chain. Importantly, beneficiary countries capture a limited share of the value of the final product.[17] Indeed, despite preferential trade regimes for access to the EU market and investment support measures, African countries' productive capacities and exports have remained overly concentrated in primary commodities and low-value products, with insufficient diversification.[18] The EPAs also remain a sensitive issue in many African circles. These are sometimes perceived as a stumbling rather than a building block to Africa's own integration, for example, due to their most favoured nation treatment requirement.[19] It is important that the AU-EU partnership explicitly seek to identify and build on potential synergies, and deploy accompanying measures to contribute to the African priority of sustainable and green industrialisation.

African exports to the EU are increasingly subject to a range of stringent technical and due diligence standards. Many African producers and exporters find these difficult to meet. There is also trepidation that the European Green Deal will further inhibit value-added exports from Africa to the EU. Meeting higher standards can arguably contribute to higher value of, and higher price for, African exports by catalysing modernisation and upgrading of production systems. However, these standards can also constitute a de facto barrier to exports from Africa. In addition to a review of the requirements, active support is needed to assist African firms in meeting the standards. SMEs are especially important in this regard, as they are a motor for job creation and, through active support, can be successfully integrated into value chains, by becoming important suppliers to larger firms.[20] This process can be revved up by investments that facilitate African- European business-to-business connections. Thus, beyond trade partnership, there is a need to forge a stronger investment partnership that can foster African productive capabilities with greater value addition and ability to meet higher standards requirements. These capabilities will serve domestic markets as well as trade, both within the African continent and beyond, including with the EU. In particular it is essential to encourage investment from Europe into Africa to serve the African market, following the example of Chinese investment.

While market access and investment promotion are important dimensions in building African production capacities, they are not sufficient to ensure structural transformation. The current organisation of international production systems and global value chains, with market power often concentrated in a few firms, may perpetuate investments mainly in raw commodities and low-value production in African countries, keeping them at the bottom of the ladder.[21] The dominance of a small number of transnational corporations in large markets makes it harder for developing countries to move into higher value-added activities and to upgrade value chains. It also reduces these countries' value and profit share,

17. https://bit.ly/3qelviQ
18. About two thirds of Africa's total exports to the EU are in primary goods (https://bit.ly/3tgNbXj).
19. Reciprocal access through liberalisation has been deemed "disproportionate and unfair in relation to the economic capacities of African states". Moreover, the interim EPAs signed by some countries within a customs union may "undermine mutual trust and regional cooperation and result in trade deflections" thereby undermining African regional integration. Ongoing AfCFTA negotiations seem to further contribute to a certain "fatigue" in the EPA discussions because some African negotiators have the two processes to follow (Please cf. https://bit.ly/3K04HVB; https://bit.ly/3K081Ag).
20. https://bit.ly/3zLK5Mg
21. For instance, Africa accounts for two thirds of global cocoa production, but only about 4% of the global US $150 billion chocolate industry. The EU is the world's largest cocoa importer (60% of total), with the Netherlands, Belgium and Germany being the largest importer, processor and consumer respectively. Despite efforts to promote the development of this value chain, through for example, the "sustainable cocoa initiative" (focusing on sustainable production practises as well as stimulating greater value addition through cocoa grinding and other processing), the overall prospects for significant value addition (e.g., through chocolate manufacturing), remain limited as countries are not competing on equal footing. Not only do major cocoa processors enjoy substantial subsidy support in sugar and milk (including milk powder), which are major inputs to make chocolate, but a handful of firms and brands in these countries enjoy significant market power, acting as a "gatekeepers" to the consumer market and controlling higher value-added functions in the value chain. In the absence of targeted support in African countries – through proactive industrial policy – the asymmetric relations between producers and processors is unlikely to be adequately addressed (Please cf. https://bit.ly/3Fa8snW; https://bit.ly/3fhll4U; https://bit.ly/3Ggwr65).

with detrimental impacts on firms and workers.[22] Addressing these dynamics requires dedicated and realistic industrial policies that take both the complex technical challenges and politics into account. This should be a priority for Africa and its partnership with the EU.[23] Above all, industrialisation in Africa is dependent on expanded regional trade and investment in African manufacturing capacities, including by European companies.

In pursuing a balanced partnership, Africa and Europe should aim to build on African priorities, initiatives and institutions by establishing mechanisms for joint actions. A concrete example is the cooperation and partnership between the African and European centres for disease prevention and control in response to the COVID-19 pandemic. The establishment of the African Medicines Agency and the new European Health Emergency Preparedness and Response Authority (HERA) provides an avenue for exploring synergies between health initiatives on both continents. One area of current cooperation is regional pharma-manufacturing hubs, involving the Partnership for African Vaccine Manufacturing (PAVM) and the Team Europe SHIRA initiative (Sustainable Healthcare Industry for Resilience in Africa). Digitalisation is another area with significant momentum for cooperation. The jointly launched AU-EU Digital for Development (D4D) Hub aims to leverage digitalisation for inclusive and sustainable development. Its first multi-stakeholder dialogue is set for February 2022 and will provide updates on initiatives and programmes in this space.[24]

MIND THE GAPS

An important gap in the partnership is the mismatch between short-term programming and initiatives and the long-term nature of the development process – which requires consistent support and patient capital, and may not show immediate results. Development is a complex and political process. It requires highly context-specific interventions, including trial and error. Policies and support programmes, however, bring pressure to disburse money and demonstrate quick results. They are inherently driven by demand to measure results and yield value for money. The focus in such a context tends to be on bringing in "best practices", rather than "best fit",[25] leading to what some have called "solutionism".[26] To address this, we need to rethink how short-term policy interventions and programmes can more effectively support long-term development. More emphasis is also needed on promoting local ownership through healthy experimentation and industrial policies tailored to the context of a country or sector.

In pursuing a balanced partnership, Africa and Europe should aim to build on African priorities, initiatives and institutions by establishing mechanisms for joint actions.

It is also important to situate the AU-EU partnership within the broader geopolitical context of Europe's own competition for influence vis-à-vis other (emerging) powers such as China, India and Turkey. For example, based on its own development experience, China is heavily investing in African hard infrastructure,[27] and seeking commercial opportunities from Africa's youthful population, while assisting

22. For instance, China, despite being the largest exporter, accounts for only 3% of global profits in the electronics industry. The United States, given the global control and power that US firms have amassed over the years, accounts for 33% of global profits in this industry, even though it exports less than China (https://bit.ly/3qdWK7p).
23. To avoid "ideological imperialism", rooted in technocratic approaches to development cooperation, Africa and Europe should more explicitly embrace the rather difficult socio-political considerations and choices that decision makers face, and bring nuance into how these are navigated, rather than reducing them to issues of corruption and capacity. Going beyond technical solutions can also avoid the paternalistic view whereby Africa has problems and Europe would have solutions.
24. https://bit.ly/3f9r6li
25. This involves distinguishing between form and function, as well as looking at de jure and de facto sources of power to bring about development in a particular context (https://bit.ly/3K2unkL).
26. That is, providing a solution to a problem without adequately analysing it, which may result in unintended consequences (https://bit.ly/3neh7zw).

countries on the continent in moving up value chains by industrialising.[28] Though China's track record remains far from definitively positive, African countries value China's partnership insofar as it has allowed them to accelerate economic development.[29] Caricaturing the China-Africa relation as "debt-trap diplomacy" or "resource extraction" does not do justice to its diverse and maturing nature.[30] The AU-EU partnership would do well to draw lessons from China's experiences to tailor its own activities. Rather than trying to expand the number of issues and activities covered, the AU-EU partnership should focus on areas where it brings a clear added value and comparative advantage, based on African and European mutual priorities and interests.

FIVE PRACTICAL POLICY RECOMMENDATIONS

There is significant scope for a stronger, more explicitly "branded" AU-EU partnership.[31] Here we offer five examples of opportunities in areas relevant to the economic development and trade agenda.

> We need to rethink how short-term policy interventions and programmes can more effectively support long-term development. More emphasis is also needed on promoting local ownership through healthy experimentation and industrial policies tailored to the context of a country or sector.

27. China has financed one in every five African infrastructure projects in the past two decades and constructed one in every three. It is the largest source of funding outside African countries' own government budgets. The amounts provided not only exceed those from the EU, but also surpass funds from the international development finance institutions, which are also supported by the EU (https://bit.ly/3zKFNVr).
28. https://bit.ly/3JZlzMe
29. https://bit.ly/3K0dnM0
30. https://bloom.bg/3r5oDOk
31. https://bit.ly/3nf9GYK

RECOMMENDATION 1

FOCUS EXPLICITLY ON AFRICAN EXPORT-LED INDUSTRIALISATION AND PRIVATE SECTOR DEVELOPMENT THROUGH TRADE

Give particular attention to designing and implementing robust industrial and trade policies (pursuing sustainability and inclusion and fostering dynamic services). Making this a success requires:

- rigorous context analysis, to identify appropriate strategies, policy space and support; and
- accepting a degree of risk and engaging in an iterative process of learning and adapting.[32]

Emphasise building productive capacities and creating quality jobs, especially through regional value chains, given their relevance in the ongoing AfCFTA endeavour. Focus on:

- regional strategies, which if carefully designed, can yield truly win-win partnerships between countries;
- striking the right balance between national priorities and regional ambitions; and
- sector-specific support, identifying niche activities in a value chain that can foster collaboration between countries in the current competitive environment.

Actively foster linkages between the EU and the African private sector, especially SMEs, by exploring supplier relations. Through "learning by exporting", African firms can quickly expand their productive capacities while becoming acquainted with EU standards requirements through peer exchange and feedback.[33] Promoting this "missing middle" is key to truly reap the benefits of the AfCFTA. Instruments that can serve this purpose are:

- trade fairs;[34]
- strategic joint ventures between African and European firms; and
- matchmaking instruments.

RECOMMENDATION 2

GIVE SPECIFIC ATTENTION TO THE AfCFTA

Pay specific attention to the AfCFTA process, focusing on:

- AfCFTA implementation and other accompanying measures;[35]
- existing African agendas, such as support to reduce non-tariff barriers;
- the coherence of trade agendas with external parties, including the EU, with the AfCFTA framework and priorities.[36]

Stimulate exchanges of experiences, as these can provide concrete assistance in response to needs on the ground, resisting the allure of ready-made solutions and one-size-fits-all models.[37] Exchanges of experiences can be particularly beneficial on topics of:

- regional integration processes (e.g., regulatory issues and institutional development);
- regional value chain development, among many others.

RECOMMENDATION 3

SUPPORT DIGITALISATION FOR INDUSTRIAL DEVELOPMENT

Digitalisation plays a central role in sustaining industrial development. Key areas to advance African digitalisation are:

- knowledge sharing on digital technologies;
- scaling up of investments in soft infrastructure (e.g., skills building and R&D); and
- cooperation on topics like standards, data sovereignty, regulation and governance.

Given the important role of education in attaining industrialisation goals, the partnership can promote greater collaboration between educational institutions (especially for higher learning) and scale up existing programmes, including scholarships.

RECOMMENDATION 4

SITUATE THE AU-EU PARTNERSHIP IN THE GEOPOLITICAL CONTEXT

Tailor support to African needs, while focusing on comparative advantage. An example is the Global Gateway Initiative recently launched by Europe to be more strategic in two main ways:

- by focusing on technical expertise while providing financial assistance, for instance, to support regulatory framework reform and adoption of standards and norms;[38] and
- by "crowding in" private investment through a mix of grants, soft loans and guarantees, thereby having greater indirect impact.

For infrastructure investments, leverage existing mechanisms, like Team Europe, better by:

- incorporating sustainability aspects, such as the use of renewable energy, digitalisation and transport infrastructure; and
- placing soft infrastructure and regulatory issues at the forefront, such as data protection and privacy laws, strengthening intellectual property rights, trade facilitation and competition policy.

Strengthen collaboration among financial institutions for development through, for example, regional investment platforms:

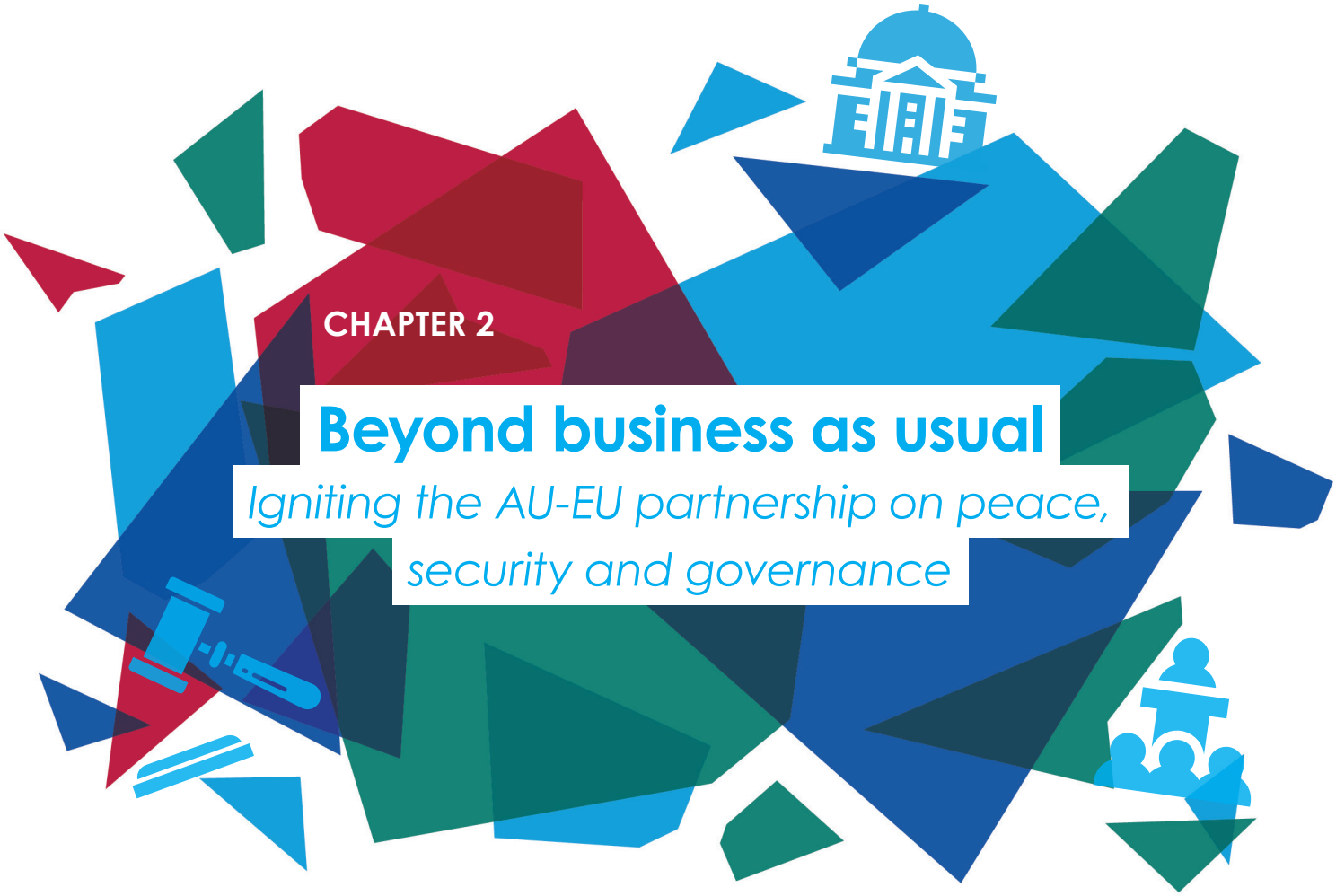
- to support SMEs and entrepreneurship, preferably working through domestic institutions; and
- to attract more patient capital towards productive investments in Africa.

RECOMMENDATION 5

PRIORITISE AN APPROACH THAT ENSURES POLICY CONTINUITY AND OWNERSHIP

- Make continuity of support a priority, to reconcile the inherently long-term quest for development with short-term programmes and projects.
- To ensure local ownership of projects and programmes, establish joint mechanisms to pursue common actions.
- Channel support through African mechanisms and institutions, building on existing initiatives that reflect African ambitions. An example is to provide private sector, trade and investment support through the Boosting Intra-Africa Trade initiative.[39] This does not, however, prevent Europe from drawing on its own experiences and instruments.
- Promote a more structured and intensive dialogue with civil society actors in both Africa and Europe, including research institutes and think tanks. They can be instrumental in creating greater awareness of the agendas and policy priorities of each side.

32. https://brook.gs/3qfUOeU
33. These are likely to bring greater results than complex investment protocols which may or may not unlock flows of investment and knowledge.
34. The Intra-Africa Trade Fair (IATF 2021) resulted in over US $40 billion in investment deals, demonstrating the huge potential of such fairs (https://bit.ly/3yfwdZZ).
35. This includes reforms (e.g., of the regulatory and institutional environment and streamlining and eliminating non-tariff measures and barriers) and investment (hard as well as soft, including education), among many other things. It is these complementary measures that will yield the biggest gains from the AfCFTA.
36. https://bit.ly/3zJga7v
37. Such exchanges may help identify areas for more concrete cooperation going forward. For instance, technical assistance may be involved in one area, while in another it may be more about regulatory setting, institutional or organisational development, or market opportunities in terms of linking suppliers.
38. https://bit.ly/3JVTXb7
39. https://bit.ly/3zOCz33 For instance, BIAT clusters are well articulated, and espouse good practice in aid effectiveness, making it a demand-driven initiative. A productive way forward could be examining how the AU-EU partnership can accelerate such an initiative by focusing on important aspects such as productive capacities, trade policies, trade related infrastructure and trade facilitation through trade finance, trade information, among others.



CHAPTER 2

Beyond business as usual

Igniting the AU-EU partnership on peace, security and governance

By Bernardo Venturi (IAI)

Acknowledgements: The author wishes to thank Ottilia Anna Maunganidze (ISS), Jide Okeke (UNDP), Geert Laporte (ETTG), Daniele Fattibene (ETTG), Lidet Tadesse Shiferaw (ECDPM) and Ueli Staeger (University of Geneva) for their revision.

KEY MESSAGES

- Africa is working to reduce its dependence on donors and enhance its role in financing its own institutions, both generally and in particular in peace and security. There is an urgent need to speed up this process. Two thirds of the budget for peace support is still funded by external partners. This risks undermining African political leadership in peace support operations.

- More nuanced and frank political dialogue is critical. It is time to move beyond a reliance on political declarations without concrete supporting commitments and action.

- The AU should negotiate for an oversight role in the newly created European Peace Facility (EPF), which will contribute to the financing of military peace support operations in EU partner countries. Though the EPF is global in scope it is expected to focus on Africa. Moreover, it will replace the African Peace Facility (APF), bringing the risk of bypassing the AU Peace and Security Architecture. This would undermine AU ownership of conflict prevention, dialogue, negotiation and mediation efforts on the continent.

- Governance should be understood as more than just political governance and the pursuit of democratic ideals, to include factors affecting socio-economic well-being, such as effective management of public affairs and strengthening of the rule of law.

- Capable African institutions with peer pressure mechanisms in place and locally embedded civil society initiatives will be more effective in ensuring domestic accountability over externally driven donor accountability.

INTRODUCTION

Peace, stability and good governance in Africa are key for both Africa and Europe, but require a stable and sustainable peace and security architecture. Across the African continent, armed conflicts and transnational crime remain major challenges. Violent extremism still poses a high risk in certain pockets, while the COVID-19 pandemic has the potential to divide societies, aggravate structural political weaknesses, undermine socio-economic progress and weaken already fragile institutions.[1] From the western Sahel, across the Lake Chad Basin to the Horn of Africa and now in southern Africa, national, regional and international institutions struggle to effectively respond to these threats to peace and stability and to long-term security governance.

In Europe, too, countries face significant domestic and international challenges. The pandemic has exposed differences and created socio-economic cleavages, while increasing the number of people in need of economic and psychological assistance. The continent is also affected by instability and fear of war in the neighbourhood, from Libya to Ukraine.[2] In this context, EU institutions are struggling to define a joint EU foreign and security policy.

Against this backdrop, the AU and EU have invested in a durable and solid partnership, with peace and security as a central pillar. Cooperation on peace and security can be embedded in the AU's other partnerships as well, such as the AU-United Nations (UN) partnership, and in the AU's overall aspirations for African agency.

BACKGROUND: THE STATE OF EU-AFRICA PEACE AND SECURITY RELATIONS

Since its official launch in 2002, the AU has had a clear mandate to promote peace and security on the continent through the African Peace and Security Architecture (APSA). As part of the APSA, a central Peace and Security Council (PSC) and supporting structures were established, with the APSA additionally including eight regional economic communities (RECs), such as the Economic Community of West African States (ECOWAS) and the Southern African Development Community (SADC). The AU Commission supports the work of the PSC and manages the AU's relationship with the RECs. To augment its approach to peace, security and governance, the AU merged its Department of Peace and Security with the Department of Political Affairs in 2020. This move was an important step forward, intended to ensure that the AU addresses the political and governance-related causes of conflicts in an integrated manner.[3]

The EU has been a major financial supporter of Africa's peace and security initiatives, second only to the UN. Between 2004 and 2019, the EU provided some €2.9 billion in financial assistance to various African peace and security efforts through the APSA via the African Peace Facility (APF).[4] In addition, the EU has remained a close partner to the AU in identifying peace and security priorities.

In this framework, the EU recently launched two important initiatives that could impact African peace and security. First, the Multiannual Financial Framework (MFF) 2021-2027 has inaugurated the new Neighbourhood Development and International Cooperation Instrument (NDICI), also known as "Global Europe", which aims to provide a more integrated approach to conflicts and crises, while also emphasising the EU's domestic security interests and concerns. Second, the new European Peace Facility (EPF), with a budget of some

1. Fiedler, Charlotte, Karina Mross, Yonas Adaye Adeto (2021). "Implications of COVID-19 for conflict in Africa", DIE Briefing Paper 12/2021, https://bit.ly/3spERlY
2. Adler, K. (2022). "Russia-Ukraine crisis: Why Brussels fears Europe is 'closest to war' in decades", BBC News, 17 January, https://bbc.in/3ixrgVo
3. Ronceray, Martin, Lidet Tadesse Shiferaw and Ueli Staeger (2021). "Merging peace and politics: Drivers, dilemmas and options for the AU's new governance setup". ECDPM Discussion Paper 303, https://bit.ly/3Jf9Yrv
4. Hauck, Volker and Lidet Tadesse Shiferaw (2020). "How can we judge the AU-EU partnership on peace and security?" ECDPM Great Insights Magazine, Vol. 9, Issue 3, https://bit.ly/3rxicVL

€5 billion for the period 2021-2027, will have a global scope, though it is expected to maintain a strong focus on Africa. The EPF can be deployed bilaterally with individual partner countries or coalitions, without oversight by the continental AU institutions. This means that the new instrument risks negatively impacting the longstanding AU-EU partnership on peace and security, as the AU might see it as undermining its overarching role in coordinating peace and security action on the continent, in favour of bilateralism.

Until now, the EU and AU have worked closely towards increased convergence. The EU's 2020 Joint Communication "Towards a Comprehensive Strategy with Africa" broadly aligned with the AU's "Silencing the Guns by 2020" initiative and the longer-term goals of the AU's "Agenda 2063". Yet, despite their convergence on broad policy agendas, serious obstacles remain at both the transcontinental level and between individual AU and EU member states. These expose African countries to the influence of external actors, while also hampering attempts at a collective European foreign policy strategy. Moreover, the two actors' security priorities are somewhat different. For instance, African leaders, particularly those in the Sahel and the Horn of Africa, look to the Great Lakes region and the Gulf of Guinea with grave concern, whereas the EU's focus is more limited, restricted primarily to the Sahel region and the Horn of Africa.

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STRENGTHENING THE AU-EU COOPERATION ON PEACE AND SECURITY

Ensuring equal political engagement

A renewed AU-EU partnership on peace and security cannot be based predominantly on considering if and how to deploy military interventions. Instead, it should privilege political dialogue and cooperation from a broader perspective, with a stronger emphasis on prevention and stabilisation measures. In this sense, the establishment of the Regional Stabilisation Strategy for countries affected by the Lake Chad Basin and the subsequent deployment by the UNDP of the Regional Stabilisation Facility, are examples of how to create a bridge between security and development interventions in conflict situations.

However, current structures are often too rigid to respond to existing challenges. For instance, some AU-EU memoranda of understanding (MOU), such as the one on peace, security and governance signed in 2018,[5] look useful at first, but lack agreed benchmarks to measure what effective delivery, progress, results and impact actually mean, making all positions and arguments debatable. In this sense, there is a need to get beyond "nice diplomatic language" and move forward with more frank political dialogue, including a dialogue addressing the geopolitical dimensions of the AU-EU partnership with a bearing on peace and security.

This revamping of diplomatic language can also leverage some different assumptions. For example, Africa cannot be presumed to be the beneficiary of peace and security measures, but rather a global contributor to them. Nor can the EU be considered an apolitical "donor". At the same time, it is important to recognise the perception among some African countries that the EU still struggles to speak with a collective voice and remains overly influenced by the interests of key member states like France.

The new EPF: Risks and perspectives

The EPF is one of the major novelties introduced by the EU MFF. However, there are several challenges to be tackled to avoid negative spillovers for the AU.

First and foremost, it is crucial to address the issue of how to finance the AU's peace and security architecture with predictable and sustainable funds that reduce conditionality

5. Council of the European Union (2018). Memorandum of understanding between the African Union and the European Union on peace, security and governance 9250/18 https://bit.ly/3Liuaun

and dependence on the EU. Africa is increasingly working to lessen its donor dependence and enhance its financial ownership vis-à-vis its peace and security and AU institutional funding needs. The AU introduced a 0.2% levy on eligible imports to raise funds from member states for financing itself. But more and faster action needs to be taken by the AU Heads of State to increase the AU institutions' self-financing ability and the AU budget for peace support, which is still two thirds funded by external partners. While the AU is also pursuing engagement with the UN to secure funding from UN assessed contributions, substantially more funds will be needed, for instance, to establish an AU rapid response mechanism. The EU can work closely with Africa to spearhead the discussion on sustainable financing.

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Second, there is a risk that the distribution of EU funds directly to ad hoc coalitions might undermine AU political leadership. This has already occurred in the past, for instance, in the case of the G5 Sahel where the AU had no legal mandate to influence decision-making processes.

Third, a weakening of the AU in this new EPF landscape could undermine conflict prevention, dialogue, negotiation and mediation efforts on the continent. Though the AU has traditionally supported these civilian instruments, rising requests from African governments for more direct, bilateral funding and military arrangements with the EU could lead to the bypassing and sidelining of the AU. In this sense, the fact that the EPF would enable the EU to operate on peace and security in Africa without the approval of the AU or RECs could destabilise the partnership and the AU's role in coordinating peace and security measures on the continent. If the EU comes to play a stronger role in Africa at the bilateral level, the AU's position could be weakened in the coming years. Such a prospect of increased bilateral support from the EU to AU member states risks undermining a founding principle of the AU.

Fourth, the fact that the EPF can finance security means – including lethal arms – can lead to a militarisation of measures, weakening the existing AU architecture for peace and security. In fact, the direct transfer of lethal weapons could be more in the interest of individual African states than of the collective AU system. Therefore, the underlying principles guiding the operationalisation of the EPF need to be made clearer, and safeguards put in place to avoid the occurrence of these negative spillovers. In a world where multilateralism on the global peace agenda is increasingly under pressure, the EU should exercise caution not to undermine the continental platform and the AU's political role.

Finally, the AU-EU cooperation risks losing contact with the national level due to a "building from the roof" approach. For instance, the APF has not been fully understood at the local level, a difficulty which is likely to also affect the EPF.

For all these reasons, it is essential that the next EPF focuses more broadly on human security and be transparent, accountable and politically informed. At the same time, the AU can claim a role in oversight. A focus only on state security might achieve stability from the EU's perspective but have negative impacts locally. For instance, it could lead to less democratic space for local populations, or empower some political actors over others, inevitably making the EU an actor in the internal political complexities of its partners. This can be avoided by combining the EPF with significant consultation and work with local populations and civil society organisations (CSOs). In this sense, the essential question remains who will monitor the implementation of "train and equip" to prevent human rights abuses by governments against protesting people (sometimes under the guise of "fighting terrorism"). In some countries, self-organised civil society or non-governmental organisations are important to compensate for weak governance and the absence of effective political leadership, and civil society generally is

important for accountability and an open political space.[6] These organisations can play a vital role in assessment, monitoring and decisions that guarantee respect for national sovereignty and protection of the population against unintended consequences of external support to build states' military and defence capabilities.

IMPROVING THE POLITICAL DIALOGUE ON THE GOVERNANCE AGENDA

Governance is a paramount issue in the dialogue between Europe and Africa. However, governance cannot be approached as one party policing the other. It is better seen as constructive dialogue, as part of the partnership. There is a need to think beyond immediate and short-term solutions, and work on institution building and a broader understanding of governance that does not solely insist on political governance and democratic rituals but also includes socio-economic well-being.

This long-term approach to governance should also inform the themes on the political agenda. The EU is still perceived to dominate the agenda around topics such as migration, human rights, security and climate change. These asymmetries in the partnership create tensions and undermine trust between the parties. In this sense, the space for political dialogue should move to a shared understanding of threats and possible responses. To help overcome the asymmetry, the AU should more proactively define its agenda and priorities vis-à-vis the EU. Overall, the AU-EU dialogue has not been robust enough in political terms and in common actions. Furthermore, African and European leaders alike need to tackle the issue of governance fatigue, and move governance again to the top of the Africa-Europe agenda.

A possible evolution in the space for political dialogue provided by the partnership could be towards more attention to an inclusive approach to leadership. Much can be learned from the European Nordic countries and how their leaders connect with the grassroots level. One idea is to invite CSO representatives to the UN Security Council and to EU

“The EU is still perceived to dominate the agenda around topics such as migration, human rights, security and climate change. These asymmetries in the partnership create tensions and undermine trust between the parties.”

institutions. This connective approach to leadership can help meet people's expectations for a stronger role of civil societies, in particular, youth and women. The approach should include diasporas in dialogue, as they can be instrumental in bridging issues and promoting mutual understanding. It should involve the youth in initiatives around peace, security and governance and other themes, in an "intergenerational co-leadership approach". Concrete actions could include institutionalised initiatives and targeted youth recovery after conflicts, as reaffirmed in 2020 by UN Security Council Resolution 2535.[7]

Finally, the EU and AU should at all costs avoid the emergence of double standards. For example, the current responses to recent military coups risk being arbitrary and applying double standards. For this reason, the AU should consider revisiting its approach to governance, pushing its member states to adopt or respect a limitation in the number of mandates for heads of state and government as already instituted for the AU Commissioners. Although not applied in a consistent manner, it should not be forgotten that the AU Constitutive Act makes it possible for the AU to intervene in cases of unconstitutional change of government.

6. For instance, the People's Coalition for the Sahel is an alliance of CSOs based in Burkina Faso, Mali and Niger, as well as in other Sahel countries, supported by regional and international organisations. In March 2021 the Coalition launched the report "The Sahel: What Needs to Change'' and in January 2022 it briefed the UN Security Council on human security in the region.
7. UN Security Council Resolution (2020), Resolution 2535, https://bit.ly/3Ddv9Ik. The resolution underscores the critical role of youth in the prevention and resolution of conflict, with five pillars of action: participation, prevention, protection, partnership, and disengagement and reintegration.About two thirds of Africa's total exports to the EU are in primary goods (https://bit.ly/3tgNbXj).

FIVE PRACTICAL POLICY RECOMMENDATIONS

The analysis presented suggests a number of policy recommendations for strengthening the AU-EU partnership on peace, security and governance in the run up to the EU-AU summit:

RECOMMENDATION 1

The EU should align its support to the AU, not sideline the AU. This means ensuring a systematic alignment of EU support mechanisms and ensuring that new instruments are not to the detriment of existing regional political AU structures. For its part, the AU needs to bridge the gap between centre and periphery, between Addis Ababa and the RECs as well as the national level. Actions and policies need to be informed by dynamics on the ground, avoiding a "building from the roof" approach through regular conflict analysis and consultation with diverse stakeholders.

RECOMMENDATION 2

The AU should negotiate for and claim an oversight role in the EPF, such as a seat on the oversight and monitoring structure of the EPF, like the EU used to have a seat on the Board of the AU Peace Fund.

RECOMMENDATION 3

The EU should conduct regular monitoring and analysis of possible negative effects of the new EPF in terms of militarisation of conflict response, indirect participation in political systems and conflicts of partners, and sidelining of the APSA in favour of ad hoc coalitions. Clear EPF principles and mechanisms need to be defined, as well as oversight and reporting mechanisms to establish accountability. Finally, transparency is needed in divisions of labour and communications on the whole process and decisions.

RECOMMENDATION 4

AU member states should speed up their efforts to increase their financing of AU institutions. Predictable and sustainable funds for the AU will reduce conditionality and dependence on the EU and other donors.

RECOMMENDATION 5

Despite an apparent "governance fatigue" in the AU-EU relationship, long-term governance agendas and strategies should remain central in the partnership. To be effective, unilateral conditionalities and double standards have to be avoided, and more reciprocity and mutual approaches instituted to tackle common challenges. To promote effective reforms, African peer pressure mechanisms can be strengthened, as well as locally embedded initiatives like the People's Coalition for the Sahel. Such initiatives strengthen domestic accountability instead of externally driven donor accountability. More resources should be invested to understand and promote the role played by civil societies, including youth, diaspora, women and private sectors.

CHAPTER 3

Green transformation in Africa-Europe relations

Linking energy and adaptation with economic transformation

By Elisabeth Hege, Damien Barchiche and Sébastien Treyer (IDDRI)

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KEY MESSAGES

- Energy is key for Africa's economic diversification and industrialisation, and therefore also for AU-EU relations. This should be the focus of a shared narrative. Social innovations are crucial for the energy transition. They cannot be overlooked and underinvested in by the AU-EU collaboration.
- AU-EU cooperation can add value in managing transitions and building capacity for long-term strategies towards green economies. The question is less one of "gas or no gas" and more about context-related visions and timelines that can align Africa's need for industrialisation with the Paris Agreement.
- Building institutional capacities requires long-term finance in institutions, in which the EU could play an important role. The AU and EU should also start discussions on how climate neutrality strategies will impact trade and new value chains. As yet, fossil fuels continue to make up a large share of exports from Africa to Europe.
- Climate adaptation is not only a local issue, but also a macroeconomic concern. Joint efforts are needed that link economic transformation, employment and the vulnerability of communities and countries as a whole.
- Both Africa and Europe should push to achieve the Global Adaptation Goal and for ambitious outcomes from the work programme. Europe needs to act as an adaptation ally for Africa, supporting efforts that concretely address African adaptation needs.

BACKGROUND

Energy, climate and green transformation are key priorities of the AU-EU partnership, alongside health, infrastructure, digitalisation, peace and security. Views in Africa and Europe diverge, however, on how best to address the energy and climate issue together,[1] and are likely to be contentious. This paper encourages both the AU and the EU to deliver concrete results on the energy transition and adaptation agendas.

In 2020 the EU presented its ambitious new Green Deal agenda, aiming to fundamentally transform the European economy to achieve zero net emissions of greenhouse gases by 2050. The EU is seeking to take its ambitions to the global level, too, as a "constructive, but also assertive partner" in climate diplomacy. In the run up to COP26 in Glasgow, the AU launched its own Green Recovery Action Plan (GRAP). With GRAP, the AU has an opportunity to set out its own green agenda, covering areas such as energy, sustainable agriculture, green cities and biodiversity. To this end, an early February meeting of the Committee of African Heads of State and Government on Climate Change called for preparation of a strong African position for COP27, and launched the African Climate Change and Resilient Development Strategy and Action Plan 2022-2032.[2]

As clearly spelled out in the 2020 Human Development Report,[3] human activities endanger the planet, risking irreversible consequences and climate instability. Climate-induced disasters are forcing millions to flee their homes and exacerbating existing tensions and insecurity. This has led the AU's Peace and Security Council to label climate change as a major security threat.[4] At the same time, Africa is not just a victim, but also a battleground for sustainable transition and investment in renewable energy.

Within this context, Europe-Africa relations are potentially at a turning point within a wider context of tensions between developed and developing countries. The failure of developed countries to keep their promise to mobilise US $100 billion in climate finance and the tensions that arose at COP26 are symptoms of a major lack of solidarity that has undermined trust. Despite having invested huge political capital in the Glasgow Pact, and announcing strong efforts towards decarbonisation, numerous African countries came out of this sequence with major concerns. There is a common belief among African leaders that their needs are still widely unmet. They are exposed to severe climate and environmental challenges, with inadequate capacities to invest and recover from the COVID-19 crisis.

While there is convergence on long-term goals, the ways envisioned to reach these are fundamentally different in Europe and Africa. This report therefore proposes concrete avenues for cooperation on the climate agenda, taking into account African countries' needs and aspirations to achieve structural economic transformation leading to sustainability. In this respect, access to energy for development and climate adaptation are two key issues which urgently require a shared vision on the green transformation and climate change agenda in the Europe-Africa relationship.

THE QUEST FOR CONVERGENCE BETWEEN THE AU AND EU

A shared narrative around green energy for development

Climate and energy are priorities for both continents and great entry points for Europe-Africa cooperation, yet the narratives of each side differ. With the European Green Deal, the EU and its member states have a clear storyline on climate and energy. At the continental level in Africa, the narrative is more scattered. This is in part due to the very different energy situations of African countries. Some, such as Morocco, Mauritius and Namibia,[5] are dependent on energy imports and highly convinced of the value of investments in renewable energy for their energy security. Other countries are net energy exporters. A number of countries, such as Mozambique, Kenya, Tanzania, Ghana, Uganda, Senegal and Côte d'Ivoire, recently locked into fossil fuel investments, though there is an increasing risk that these may be difficult to recoup and become stranded assets.[6]

1. Africa-Europe Foundation High-Level Special Dialogue Energy and Climate in the Africa-Europe Partnership: Leading the way to the EU-AU summit 20 January 2022, https://bit.ly/3HIOimV.
2. https://bit.ly/3LxbMOw.
3. https://bit.ly/34Q4XGO.
4. https://bit.ly/34CpTBe.
5. https://bit.ly/3rMafft.
6. UNU-INRA, 2021: https://bit.ly/3Bk6vFc.

At the same time, some 600 million Africans and 10 million medium-sized enterprises across the African continent must make do without electricity.[7] The three countries with the world's largest shares of population without access to electricity (access deficits) are in sub-Saharan Africa: Nigeria with 90 million unserved people, the Democratic Republic of Congo (DRC) with 70 million unserved people and Ethiopia with 58 million unserved people.[8] The potential for renewable energy in sub-Saharan Africa is enormous. African leaders across the continent are growing more aware of their potential to leapfrog carbon dependency and become a grand demonstration space for new technologies and low-carbon industrialisation. Green economic diversification and industrialisation are what AU-EU relations should prioritise, focusing first on Africa's development needs. The African continent still relies on its natural resources and primary production as the main avenues for economic growth. It is still locked into production systems that add little value. Ensuring a structural economic transformation towards industrialisation and increasing the value added to products in African countries are essential to create more jobs for the continent's growing population. A dedicated focus on energy for industrialisation will change the technical, organisational and financial priorities in the partnership. Energy is key for Africa's economic diversification and industrialisation, and therefore also for AU-EU relations. This should be the focus of a shared narrative.

> Energy is key for Africa's economic diversification and industrialisation, and therefore also for AU-EU relations.

Green transformations are gaining traction in the EU and in Africa, but quite unevenly across the two continents and without common greening strategies. A widespread challenge that a cross-continental strategy could focus on is clean cooking. This would support achievement of SDG 7 on affordable and clean energy and SDG 15 on biodiversity, as an estimated 3% of Africa's forests are cleared each year to meet current charcoal demand.[9] If nothing changes, Africa's forests will be depleted within 30 years.[10] Clean cooking would also impact SDG 3 on health and well-being, as charcoal and fuelwood cause severe indoor pollution that leads to respiratory disease. The problem could be exacerbated by the pandemic, as access to clean cooking fuels is sensitive to income changes. Confinement measures due to the pandemic have a dual effect: causing major losses in income while forcing families to spend more time indoors in kerosene, charcoal or fuelwood steeped environments.[11] Like many energy challenges in Africa, clean cooking will not be resolved with technological solutions alone but must build on social innovations. Social innovations cannot be overlooked and underinvested in by the AU-EU collaboration. They are crucial for the energy transition. This means investing in the governance of relevant actors in the energy system and including users in the design of transitions. For example, community members could be involved in designing billing systems adapted to local needs and culture. Attention also needs to be paid to community-level conflicts that could result from energy transition initiatives. For example, consideration should be given to the sustainability and viability of business models proffered for small and micro-hydros (hydroelectric power sized for a small community or small enterprises) and provision of socially acceptable alternative livelihoods for those likely to experience job loss as a result of green transition.

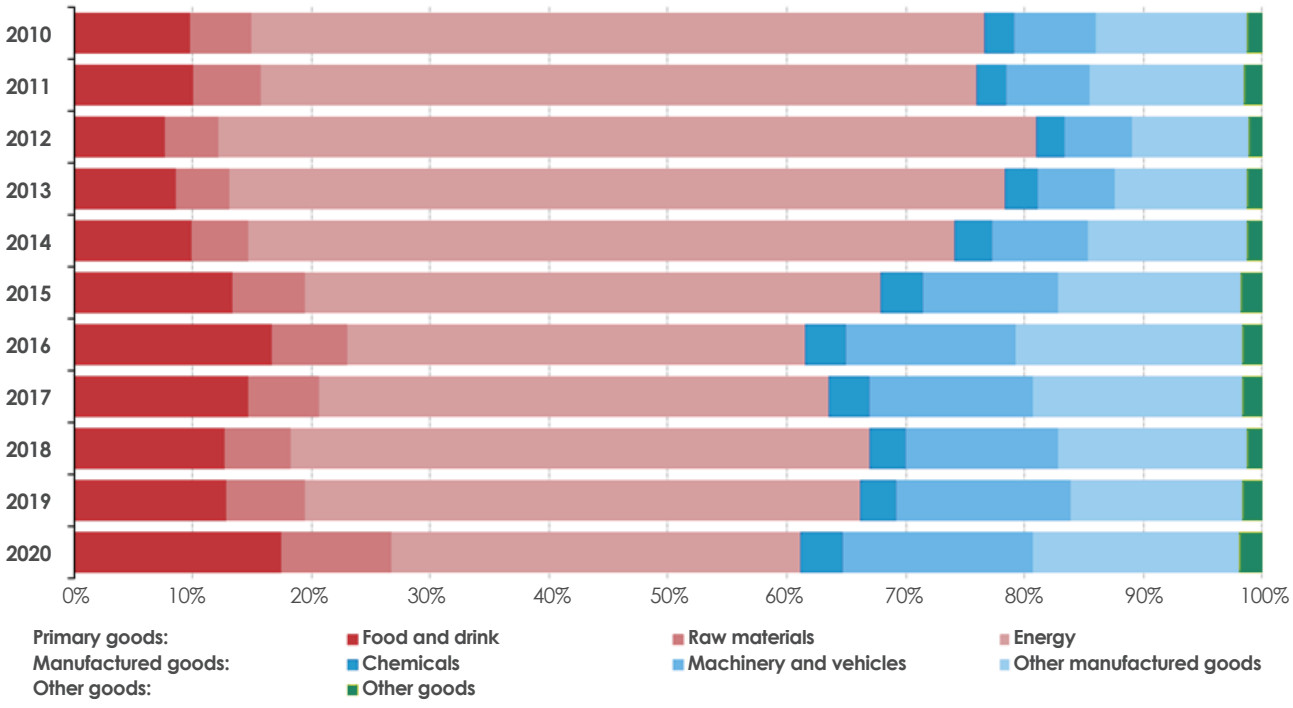
AU-EU cooperation can add value in managing transitions and building capacity for long-term strategies towards green economies. There are active debates about the need for gas as a transition fuel in some African countries, on the way towards diversified green economies. In this respect, the EU has been seen as applying a double standard in

7. Ibid.
8. IRENA, 2021: https://bit.ly/34ZNtYM.
9. IEA, 2019: https://bit.ly/3BryOle.
10. UNU-INRA, 2021: https://bit.ly/3oLnVpe.
11. IRENA, 2021: https://bit.ly/3oNTVc9.

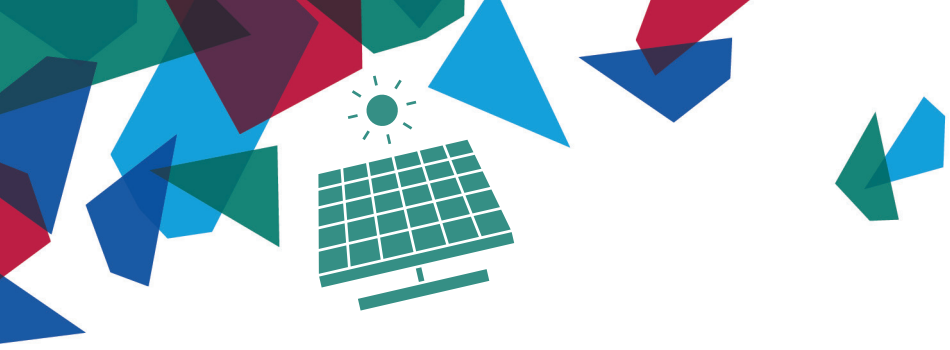
investments in gas: it has continued these in some cases for its own purposes while ending developing countries' access to finance for gas infrastructures. Many African leaders are sceptical that renewable energies will be sufficient to drive the continent's industrialisation. At the same time, it seems strategic to establish governance structures to develop and implement long-term investment strategies for green development pathways that avoid lock-ins to fossil fuels. The question is less one of "gas or no gas" and more about context-related visions and timelines that can align Africa's need for industrialisation with the Paris Agreement. If Africa fails to make the shift to green innovations, it could end up in a worse position than it is now, as revenues from fossil fuel exports are expected to fall. If Africa can invest in green innovations and export green energy, it will be better placed in international markets, while also accelerating its own internal green transition. Building such institutional capacities requires long-term finance in institutions, in which the EU could play an important role. It is time for the AU and EU to start discussions on how climate neutrality strategies will impact trade and new value chains. As yet, fossil fuels continue to make up a large share of exports from Africa to Europe (see figure). If both Europe and Africa pursue green economic transformations, this share is likely to decrease. But what could replace it? The EU's objective to achieve climate neutrality by 2050 will have massive implications for its industry and electricity needs. Some countries, like Germany, have started to invest in partnerships for production of green hydrogen in African countries. However, many technical and geopolitical questions remain concerning new value chains that could be developed between the two continents, around hydrogen or other technologies for a net zero economy. Most fundamentally, how can we ensure that these investments serve Africa and Europe in an equal manner, and that the share of added value and jobs in these new value chains is negotiated in a fair way? Green industrialisation and new supply chains should lead to diversified African economies, and not lock African countries into just another extractive model.

EU imports of goods from Africa by main product groups, 2020

(shares of total exports in value)



Source: EUROSTAT (2020). https://bit.ly/3Lz58qG



The success of Europe's green transformation, as defined in the Green Deal, depends on increasingly scarce but strategic raw materials. Many of these are found in Africa. Cobalt, for example, is among several raw materials that will be needed for Europe's electrification (others are lithium, nickel and copper). Supplies of these raw materials are highly concentrated. More than 60% of cobalt is produced in DRC, a fragile and conflict-prone country. If competition for these resources increases, pressure on conflict zones will too. Hence, investments in good governance in these areas need to be high on the agenda of AU-EU discussions. Green industrialisation will bring huge demand for Africa's minerals and rare earth metals, as these are used in e-vehicles and other renewable energy technologies, such as solar and wind. Yet, exports of raw minerals do not automatically contribute to Africa's green transition. Local communities in resource-rich and mining areas end up vulnerable to a host of social ills, including labour and sexual exploitation and abuse. Environmental degradation and biodiversity loss can ensue if operations are not well managed.

Each step in the process of change towards a green future for all has to adhere to international standards for labour, health, safety and human rights, particularly the rights of children, gender equality and women's empowerment, as well as social protection of vulnerable groups as stated in the Paris Agreement. It is crucial to discuss how the development of new supply chains linked to the energy transition in Europe can first serve the priority needs of local populations and industries in African countries.

Another example is the earlier-mentioned investment in green hydrogen from Africa. As hydrogen production is not very energy efficient, it is important that investments go first to energy access for the producing country, before energy is used to produce hydrogen for export. In addition, it is crucial to discuss whether there will be co-benefits from green hydrogen production investments in Africa, such as investments in desalination facilities (necessary for both hydrogen production and clean water access) and the relocation of early industrial processes to the countries concerned. Finally, the AU and the EU should cooperate on investments in African research and development, so that African countries can develop their own technologies and identify their own needs, adapted to their specific national contexts.

> The AU and EU should start discussions on how climate neutrality strategies will impact trade and new value chains. However, many technical and geopolitical questions remain concerning new value chains that could be developed, around hydrogen or other technologies of a net zero economy, between the two continents.

When it comes to trade, analysts differ on the so-called European Carbon Border Adjustment Mechanism (CBAM).[12] Some are critical of it, perceiving it as a way for the EU to take unilateral action to compensate for the deficit of international agreement on economic and trade reforms in line with the SDGs and the Paris Agreement. Others advocate the mechanism, seeing it not primarily as an instrument to defend the interests of European industries but as a lever to use the weight of the EU market to push the global economy towards alignment with global climate objectives. Some African voices have expressed concern that the CBAM could potentially lead to environmental protectionism.[13] Which narrative prevails might largely depend on how the money collected at European borders is used. Europe could, for example, use it to support green transitions in the Global South, sending a strong multilateral message.

12. Jayant, Hege, Treyer, 2021: https://bit.ly/3BgeCTl.
13. IDDRI conference, 2021: https://bit.ly/33hvn3S.

Jointly advancing the global adaptation agenda

Africa is already experiencing the widespread impacts of both extreme sudden-onset climate events and slow-onset changes influenced by human-induced climate change. Consequences include biodiversity loss, water shortages, reduced food production, loss of lives and diminished economic growth. Exposure and vulnerability to climate change in Africa are multidimensional, with socio-economic, political and environmental factors intersecting. It is important to point out that Africans are disproportionately employed in climate-exposed sectors. Some 55% to 62% of the sub-Saharan workforce is employed in agriculture, 95% of which is rainfed. In rural Africa, poor and female-headed households face greater livelihood risks from climate hazards. African cities have experienced huge growth of informal settlements without access to basic services. This increases large populations' vulnerability to climate hazards, especially women, children and the elderly.

Structural economic transformation and development can be part of the solution to reduce vulnerability. Diversification of economies can provide more and better jobs, and formalisation of informal economic sectors can lead to better access to insurance schemes for workers. However, if not planned and designed to be climate proof, structural economic transformation could reinforce vulnerability – for instance, if it leads to the spatial concentration of activities on the coasts exposed to sea level change. This highlights the fact that climate adaptation is not only a local issue, but also a macroeconomic concern. Joint efforts are needed that link economic transformation, employment and the vulnerability of communities and countries as a whole.

At COP26, the African Group of Negotiators (AGN) voiced the urgent need to advance the Global Goal on Adaptation. This is an important international political instrument to support vulnerable communities facing climate change impacts and to ensure that adaptation is factored into long-term strategies at all scales. Making the Global Adaptation Goal more concrete and measurable is one of the Paris Agreement's main challenges. Parties at COP26 recognised that more work needs to be done to make concrete progress. They kickstarted a two-year work programme, though there is still a risk that these efforts will remain poorly funded and at a "talking shop" stage, disconnected from actual adaptation needs and actions in Africa. Both Africa and Europe should push to achieve the Global Adaptation Goal and set ambitious outcomes for the work programme. Europe needs to act as an adaptation ally for Africa, supporting efforts that concretely address African adaptation needs.

The lack of sufficient climate finance devoted to adaptation is a well-known problem and expected to be high on the agenda at COP27. Adaptation projects depend mainly on public funding, as they are not considered part of a productive economy. Africa is already spending more than its fair share of public budget on adaptation.[14] Considering Africa's insignificant contribution to global emissions, a fair manner must be found to fund the adaptation costs that Africa contends with. Globally, the gap in adaptation funding is extraordinarily large compared to actual needs. According to OECD estimates, 21% of public climate finance goes to adaptation. Private finance is difficult to mobilise for adaptation, as investors tend to prefer focusing their climate efforts on the energy sector in middle-income countries.[15] Though there is a huge need for more resources, even if they become available questions and challenges remain as to how to use them effectively. Joint efforts are needed to improve the absorptive capacity of African countries for adaptation finance.

> It is important to ensure that investments in new low carbon technologies and value chains serve both Africa and Europe in an equal manner.

14. https://bit.ly/3gGrs3G.
15. UNDP, 2021: https://bit.ly/3BedsYa.

As with energy issues, narratives and framing matter. More clarity is needed and more spaces should be provided for African communities to articulate their adaptation needs and solutions. Rather than one-off adaptation projects, we need to choose pathways of economic transformation that are resilient. This means having broader discussions, for instance, on food systems and resilient economic diversification. On a macroeconomic scale, it means enabling the diversification of economies through industrialisation and avoiding overdependence of regions or countries on specialised commodity exports or specialised tourism. The EU recently introduced its own adaptation strategy framed by the "just resilience" concept. This is an interesting new framing. It allows for anticipation that there will be winners and losers from adaptation action, and opens space for considering these losses before taking action.

Understanding the links between security, climate and adaptation action is important. Adaptation action has to be delivered in many complex, fragile and conflict-affected contexts in Africa. In 2030, two thirds of the world's extreme poor will live in fragile states. The last mile effort for adaptation and climate action has to include them – although implementing climate change adaptation in conflict-affected and fragile contexts is exposed to higher costs and volatility. Without the right prior analysis, technically promising climate initiatives might adversely affect local security due to unforeseen economic and redistributive effects. Conversely, initiatives can provide entry points for local peacebuilding and cohesion, in the context of environmental peacebuilding.[16]

> Both Africa and Europe should push to achieve the Global Adaptation Goal and set ambitious outcomes for the work programme. Europe needs to act as an adaptation ally for Africa, supporting efforts that concretely address African adaptation needs.

16. UNDP, 2021: https://bit.ly/3ulHfas.
17. United Nations Environment Programme (2021). Adaptation Gap Report 2021: *The gathering storm – Adapting to climate change in a post-pandemic world.* Nairobi, https://bit.ly/3GPAeXH.

FIVE PRACTICAL POLICY RECOMMENDATIONS

RECOMMENDATION 1

Framing and tone matter. The EU needs to listen to African needs in all their diversity. The AU and EU could converge around a narrative focused on energy for industrialisation and green economic diversification in Africa. Furthermore, the AU and EU should start discussions on how Europe's climate neutrality strategy will impact trade and the creation of new value chains, to ensure that these add value and jobs for both continents.

RECOMMENDATION 2

There is a need to demonstrate that green and resilient development pathways are actually top priorities for the EU and for the AU, both on their own agendas and in their partnership. While timelines and sequences of action might differ from country to country, the AU and EU should jointly invest in building capacity to enable countries to produce visions, strategies and plans to avoid being locked into unsustainable development choices. Consistency should be aimed for, between short-term needs and long-term sustainability, both on the social well-being and jobs side of the equation and on the environmental pressures and risks side. The focus needs to lie on managing transitions. The Just Energy Transition Partnership with South Africa provides an interesting example of a step in this direction, provided that implementation is actually occurring, that blocking factors are openly discussed and that objectives on social and environmental performance are attained.

RECOMMENDATION 3

For fossil-fuel dependent countries, a specific focus is needed on what their economic transformation pathway might look like: economic diversification away from oil and gas or coal is extremely important. But what sequence of actions towards other sectors can offer enough jobs and revenue during the phasing down of fossil-related assets? What would be the right sequence of investments for countries that are rich in natural gas resources, but risk investing in infrastructures that may become stranded assets in the future? Although hydrogen might emerge as a substitute for natural gas, how do we see the shared development of a hydrogen industrial supply chain between the two continents? Conflict-affected and fragile countries and regions in particular need specific strategies to align pandemic recovery investment with resilience and low-carbon economic transformation.

RECOMMENDATION 4

On adaptation, this vision and sequence might first necessitate a full assessment of the current costs of climate impacts, though this may not be something that all African countries can measure or compute at present. In this sense, the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and the African Development Bank Group (AfDB) could lead the way in helping to quantify those costs and risks, as part of an effort to jointly push progress on a more concrete Global Adaptation Goal. The 2022 Finance in Common Summit, to be held in October in Côte d'Ivoire and organised jointly by AfDB and EIB, will be an opportunity for Europe and Africa to enhance their collaboration to address climate change adaptation in Africa.

RECOMMENDATION 5

The Europe-Africa partnership could increase investment to improve climate adaptive capacity in Africa, in particular with the support of the AfDB and EIB. As raised by the United Nations Environment Programme's 2021 adaptation gap report,[17] an ambitious and well-targeted package of support, with adaptation priorities, could build country-level adaptation capacity in Africa in a variety of ways, such as by freeing up fiscal space for economically vulnerable countries, helping to drive the recovery from the COVID-19 pandemic and ensuring that planned fiscal intervention promotes well-defined adaptation objectives.

CHAPTER 4

Ready for a common Africa-Europe future?

Our reflections beyond the 6th EU-AU summit

By Daniele Fattibene and Geert Laporte (ETTG)

After almost a year and a half of delay, the 6th EU-AU summit was a crucial milestone in the relationship between the two regional bodies and their member states. Despite diminishing trust, exacerbated by the controversial EU response to the COVID crisis, the summit saw a significant participation of 40 African and 27 EU heads of state in Brussels. The Russian invasion of Ukraine, just a week after the summit, nevertheless, has confronted the partnership with new major challenges.

A MORE ASSERTIVE AFRICAN PARTNER

Looking back to the five previous summits, this one seemed better organised and more participatory. Power relations are gradually shifting, with an AU that has more choices of partners and an EU under increasing pressure both internally and at its borders. The time seems ripe to move away from the traditional "donor-recipient" relationship of the past, though discussions on finance and investments from Europe to Africa still dominated summit proceedings.

NEW APPROACHES TO DIALOGUE AND MONITORING COMMITMENTS

The summit's format, with seven roundtables on the major substantial areas of the partnership, co-chaired by selected African and European heads of state, allowed the event to shift from a symbolic meeting of continental leaders to a frank and pragmatic interest-driven dialogue. Participants agreed to improve transparency

and ensure follow-up and monitoring of the implementation of commitments through periodic meetings and reviews (a recommendation from the AU-EU ministerial meeting in Kigali in October 2021). [1]This emerging spirit of the negotiations could be the beginning of a more balanced relationship between the parties.

JOINT VISION FOR 2030

The EU and the AU concluded the summit by adopting a Joint Vision for 2030[2], expressing a renewed partnership for solidarity, peace and security; sustainable and sustained economic development; and prosperity for both Unions' citizens. It remains to be seen whether and how this vision will be implemented. The EU promises to launch an investment package worth at least €150 billion over the next seven years, as part of the EU's Global Gateway, adopting a Team Europe approach. Keeping this promise will be a significant first step towards making the Joint Vision a reality. However, much more needs to be done to address the immense challenges ahead, also considering the implications of the war in Ukraine for Africa.

In addition to being a key milestone of the summit, the investment package is an important European response to the Chinese Belt and Road Initiative. It extends beyond the current EU budget period and the leadership cycles of several of those who committed to it. As yet, however, it seems more an exercise of "re-branding" resources already budgeted within the Multiannual Financial Framework (MFF) 2021-2027 and the enhanced European Fund for Sustainable Development (EFSD+).

TACKLING AFRICA'S ENORMOUS DEBT BURDEN

Before the summit, the African partners put a lot of emphasis on reallocation of special drawing rights (SDRs), with Senegalese president Macky Sall calling for reallocation of US $100 billion in SDRs from developed countries. However, by the end of the summit EU member states had pledged only $13 billion. This puts Africa's socio-economic stability at risk, considering that the debt of low- and middle-income countries in sub-Saharan Africa increased to a record $702 billion in 2020[3], while countries' ability to finance these obligations has not always improved[4]. Moreover, the commitment made by Europe pales in comparison to China's pledge to reallocate 25% of its SDRs, worth $10 billion, to Africa alone[5].

THE QUEST FOR AFRICA'S HEALTH SOVEREIGNTY

On health, the decision to support the World Health Organization (WHO) to expand its tech transfer hub is a good step that will allow Egypt, Kenya, Nigeria, Senegal, South Africa and Tunisia to receive COVID-19 mRNA technology[6]. It also paves the way for establishing a strong African bio-manufacturing capability to prepare for future pandemics. The path towards a fully-fledged health sovereignty for Africa is still long, despite laudable promises to support the just-launched African Medicines Agency and to deliver "at least" 450 million vaccines to Africa by mid 2022. The parties could not agree on a Trade-Related Aspects of Intellectual Property Rights (TRIPS) waiver, though they did promise to re-engage in discussions "towards a comprehensive WTO response to the pandemic" in the next few months.

ADDRESSING INFRASTRUCTURE UNDERDEVELOPMENT, AND ITS CAUSES

The EU's Global Gateway scheme does not appear to offer a solution for tackling some of the causes of scarce infrastructural investments in Africa. The EU and AU must work together first to gain the trust of the international capital markets and show that most African countries offer safe conditions for investors and high return rates. Then European and African leaders need to identify sectors in which infrastructural investments are most needed and

1. ECDPM Weekly Compass, 22 February 2022, https://bit.ly/36uxToX
2. https://bit.ly/3izZWFR
3. https://bit.ly/3lz7naY
4. https://brook.gs/36rxFip
5. https://bit.ly/3LiAnpo
6. https://bit.ly/3tCeafS

provide more financial resources to improve the quality of the proposed projects, for instance, by supporting feasibility studies[7], business plans and post-investment risk assessments.[8] As a start, it is encouraging to see that in the end-of-summit declaration, the EU states its intention to align its infrastructure support with the AU's own Programme for Infrastructure Development (PIDA).[9]

AFRICA'S AMBITIONS FOR INDUSTRIALISATION AND JOBS CREATION

Creating jobs and well-being for a rapidly growing population is crucial for Africa. More than 60% of Africa's population is younger than age 25, yet its job market offers space for only a fraction of the 12 million young people entering it every year.[10] In short, the challenges are huge. An Afrobarometer survey found that most African societies perceive unemployment as the main threat.[11] For this reason, Africa has maintained a strong emphasis on industrialisation to ensure a more prosperous future. In this sense, the summit was important as it allowed open discussion of issues such as the energy mix needed to support African industrialisation and the development of African value chains, including bio-manufacturing and local production of vaccines. Emphasis was also on enhancement of intra-African trade in the context of the African Continental Free Trade Area (AfCFTA). The EU and the AU plan to work together to build sustainable and more resilient value and supply chains, to promote stronger trade relations between the continents, as well as to boost intra-Africa trade. Intra-regional trade is still very limited in Africa (17%, compared to 73% in Europe and 52% in Asia), though it offers potential for greater value added.[12]

> The EU promises to launch an investment package worth at least €150 billion over the next seven years, as part of the EU's Global Gateway, adopting a Team Europe approach.

TOWARDS A JUST GREEN TRANSITION

Ahead of the summit, energy (and the financing of gas in particular) was a hotly contested topic. Some African leaders have called the EU's approach to gas hypocritical, since the EU continues to use gas internally while effectively excluding fossil fuel projects from EU external funding and financing mechanisms (e.g., NDICI/Global Europe and EIB loans, Team Europe Initiatives). Nonetheless, the final summit declaration includes a clear commitment to the "full implementation of the Paris Agreement and the outcomes of the COPs". It also recognises that "Africa's energy transition is vital for its industrialisation" and states Europe's unequivocal support for energy transitions in Africa that are "fair, just and equitable", considering "specific and diverse orientations of the African countries with regards to access to electricity".

The promises in the text are backed by a green energy initiative that is part of the broader EU-Africa investment package, the details of which are still to be determined. European Commission president Ursula von der Leyen and French president Emmanuel Macron suggested the Just Energy Transition Partnership with South Africa as a model to build on in countries like Senegal, Egypt and Côte d'Ivoire. The objective would be to announce multiple similar examples of strategic financing for the energy transition between now and COP27.

7. https://bit.ly/3JA0XK1
8. https://bit.ly/3DpbHbT
9. https://bit.ly/3iCNYeM
10. https://bit.ly/3JJakqL
11. https://bit.ly/3lEx8GQ
12. https://bit.ly/3JlHgj5

It will take time, though, to reach a common vision on energy between the EU and the AU, and multiple challenges will inevitably arise on the road to implement the summit's commitments: it also remains to be seen how much the Ukraine crisis will impact on the ambitious green energy agenda. The AU-EU partnership needs to develop a shared approach to just transitions that responds to the rapid economic development and industrialisation ambitions of African countries and avoids merely shifting from one extractivist agenda to another.[13] This is a particular risk in "green hydrogen" exports, for example, and in regard to Europe's need to secure raw materials for its own energy transition. Much more dialogue is needed for the EU and AU to build a strong negotiating alliance for COP27.

REVERSING THE SECURITY SPIRAL

On peace and security, the Joint Vision for 2030 spells out that Europe and Africa will "foster cooperation through support for adequate training, capacity building and equipment, to strengthen and scale up autonomous peace operations of African defence and security forces, including through EU missions and assistance measures, as well as support for law-enforcement capacity-building". Moreover, the document states that the two partners will "continue to support African-led peace support operations and the ongoing discussions on the use of UN-assessed contributions for operations authorised by the UN Security Council, and the implementation of the AU human rights compliance framework in that context".

While this is a step forward from the EU's usually rather narrow focus on peace support operations towards the AU's emphasis on early warning and conflict prevention, big questions remain on how to avoid potential negative spill-over effects of the European Peace Facility (EPF). The fact that the EPF can finance lethal arms could produce a militarisation of measures. Part of the €5.7 billion budget of the EPF (2021-2027) will also be used for EU support packages beyond Africa, such as provision of equipment and €1 billion[14] to support the Ukrainian armed forces. Africa fears that the shift from the African Peace Facility (APF) to the EPF might weaken the existing African Peace and Security Architecture (APSA), as well as the AU's credibility to counter coups and military instability on the continent.

READY FOR A COMMON FUTURE?

Is the glass half full or half empty? The summit took some positive steps forward, but several Gordian knots remain to be untangled. First, achieving a true partnership of equals requires the two Unions to speak on behalf of all their members. On the AU side, time will be required to obtain more executive power to counterbalance the national sovereignty of individual African states.[15] An intermediate step towards achieving this goal could be to consolidate a continental approach in Africa, for instance, by fully harnessing the potential of the AfCFTA.[16] At the same time, we must recognise that the EU is not contributing to stronger African unity and continental partnership, as it continues to maintain various bilateral cooperation frameworks, as well as the considerably overlapping partnership with the Organisation of African, Caribbean and Pacific States (OACPS)[17].

Moreover, at the summit, the heads of states and their respective commissions could have done better in terms of reciprocity. The discussions were still dominated by the need for the EU to commit funding and investments to Africa, with little or no consideration of how matching African funds and domestic resource mobilisation could make the partnership more balanced. In addition, neither Union showed much interest in addressing, in a reciprocal way, the issue of conflicts, mobility and weakening rule of law in the EU (e.g., in Poland and Hungary) and in the EU's Eastern Neighbourhood.

Finally, the summit demonstrated that EU-AU relations can no longer be shaped by the countries that are geographically closer to Africa (e.g., the Mediterranean) or that have a colonial past (e.g., Belgium, France, Germany, Italy, Portugal and the Netherlands), sometimes leading to privileged political and economic ties with certain African countries. It is time to give more space within the EU to other member states that are increasing their engagement in Africa, particularly those in Central and Eastern Europe, such as Poland and the Baltic states. A more inclusive European approach to

13. https://bit.ly/3uv4Bi4
14. https://bit.ly/3iNWTdt
15. https://bit.ly/3JlmHDF
16. https://bit.ly/3uxfUX7
17. See this October 2021 ETTG publication for a more detailed discussion on how the AU-EU partnerships links with other EU strategic frameworks for cooperating with Africa: https://bit.ly/3uvU5qz

Africa will have greater impact. Despite the disillusion and resentment triggered by the summit delays, the future of EU-AU relations looks promising.[18] As Macky Sall said in his speech, "We haven't had the same past, you and us, but we have the same future".

BOX: THE LIKELY IMPACT OF THE WAR IN UKRAINE ON AU-EU RELATIONS

Russia's invasion of Ukraine will undoubtedly impact relations between the EU and the AU. The unfair treatment of of a part of the African citizens trying to cross the border to safety was witnessed by the world, and condemned by the AU.[19] As the conflict continues, at least two domains will be particularly important for the EU-AU partnership to monitor.

First is the repercussions of the crisis for energy markets (particularly gas). These will certainly affect exporting countries such as Algeria, Nigeria and Niger, which recently signed an agreement to develop the trans-Saharan pipeline.[20] Replacing Russia's gas with new African suppliers is just one of the options available to European countries, and it will be important for the EU to keep its level of ambition high with respect to its sustainable and just energy transition promises. Sanctions on Russia may generate gains for other countries that are rich in raw materials, like South Africa [21], which is the world's second-largest producer of palladium (a key component for the automotive industry) after Russia.[22]

Second, countries that are highly exposed to rising costs of energy, wheat and fertilisers are set to be hard hit by the crisis. Rising energy costs may slow plans to cut fuel subsidies announced by several countries, including Zambia[23] and Nigeria. Moreover, for countries that are very dependent on agriculture and those already struggling due to rising fertiliser costs[24], the war in Ukraine may undermine food security. Russia and Ukraine account for 30% of global wheat exports[25], and more than 36% of Ukraine's wheat exports were destined for Africa[26]. Export bans and export tariffs could therefore have huge consequences for the food security of countries like Sudan, Kenya and Ethiopia. The EU and the AU have a clear interest in analysing the implications of the Ukraine crisis for the partnership and in formulating a coordinated joint response to it.

In this respect, the war in Ukraine represents an important test for the AU, whose Constitutive Act supports the inviolability of borders and the norm of territorial integrity. Some countries, like Kenya, have been very vocal on this subject, condemning Russia's use of force and warning that these actions risk "plunging us back into new forms of domination and oppression[27]". At the same time, the war should have provided a unique opportunity for the EU and AU to forge their commitment to building new alliances in multilateral fora, such as the UN General Assembly. Yet, in a recent General Assembly vote, African countries represented the largest regional group choosing to abstain (17 out of 50)[28]. If their aim is to build a basis for a new multilateralism.

18. Translation: "We did not have the same past, but we will have the same future" https://bit.ly/3NhGZ9j
19. https://bit.ly/37UNwWZ
20. https://bit.ly/36RSG5S
21. https://bit.ly/3NMu3ZI
22. https://brook.gs/3LgJyqg
23. https://bit.ly/3JlqlYK
24. https://bit.ly/3Dt7aVH
25. https://on.wsj.com/3IlPeaG
26. https://bit.ly/36uA9fV
27. https://n.pr/3JG8KpP
28. https://bit.ly/3tEtQix

LIST OF EXPERTS ENGAGED (in alphabetical order)

"Strengthening the AU-EU partnership on economic development and trade agenda", organised by the European Centre for Development Policy Management (ECDPM) in cooperation with ISS.

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The German Development Institute (DIE)

Christian Knebel
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"Strengthening the EU-AU partnership on peace & security and governance: the road to Addis Ababa", organised by the International Affairs Institute (IAI) in cooperation with ISS.

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