

# Chapter 5: Climate and Sustainable Development

This chapter deals with the following commitments of the 6<sup>th</sup> Summit Final Declaration: Commitment 6 (The Investment Package: energy, transport and digital infrastructure, energy transition, green transition, digital transformation, sustainable growth and decent job creation, transport facilitation, and human development), Commitment 7 (implementation of the Investment Package through public funds and innovative financing, and boosting regional and continental economic integration).

# KEY OBSERVATIONS

## Context:

- **The importance of the climate-development nexus.** Addressing climate change and pursuing economic development have often been viewed as separate objectives, involving trade-offs between reducing carbon emissions and stimulating industrial activity. AEF has continuously challenged this framing since its first [High-Level Group Report on an Africa-Europe Climate Alliance](#) of 2020, outlining that no trade-off between climate and development is acceptable. Adaptation, more than mitigation, as well as access to energy for all, are the priorities for Africa and its people. Defining the ways and means to make sure that climate action becomes “one of the main drivers of Africa’s growth”, as underlined by both President William Ruto and the President of the European Commission at the 1<sup>st</sup> Africa Climate Summit in September 2023, is key.

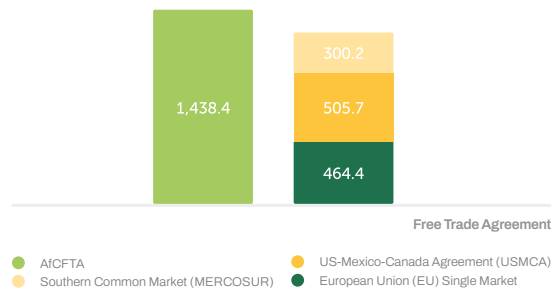
The launch of the AU-EU high-level dialogue on economic integration to strengthen trade relations and sustainable investment is a significant achievement. With 30 years of implementation of the EU Single Market, the EU can share its experience with AfCFTA, both in tariffs harmonisation and reduction of non-trade barriers, and explore opportunities and risks attached to the Carbon Border Adjustment Mechanism (CBAM) in a transparent and frank process.

## Examples of progress to date:

- **Significant progress has been made on infrastructure investments and enhanced regional integration following the accelerated ratification of the AfCFTA by 47 member states.** Investments in intercontinental connectivity, such as transport corridors, energy and digital infrastructure, remain critical to unlock economic opportunities. It will be important to align external investments with EU trade policy, especially around agriculture and climate, ensuring EU policy aligns with efforts to establish a common free trade area in Africa. Investment priorities should be developed jointly with key African agencies, such as AUDA-NEPAD, AfDB, and the PIDA Secretariat, and aligned to strategic development plans (principally the AU Agenda 2063), to include the Continental Power System Master Plan (CMP) and creation of the Africa Single Electricity Market (AfSEM).

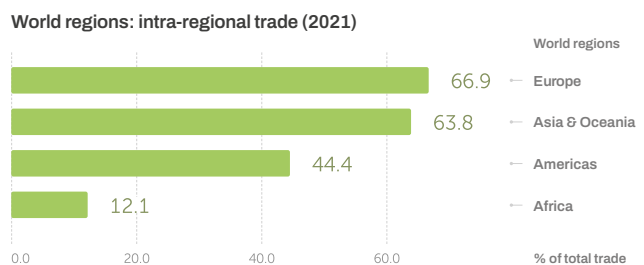
Graphic 7: African Continental Free Trade Area (AfCFTA)

With a potential market of more than 1.4 billion people, the AfCFTA surpasses the EU single market, USMCA and MERCOSUR combined. The AfCFTA is the largest free trade agreement in the world in country terms (54):



Source: MIF based on UNDESA

However, intra-continental trade in Africa remains the lowest of any world region:



Source: MIF based on UNCTAD

## Potential areas of action:

- Scaling up climate adaptation measures is an area for collaboration with significant cross-sectoral impact.** The COP Global Stocktake political phase should have delivered a strong message on elevating, both politically and financially, adaptation, as well as mainstreaming it across key sectors of Africa-Europe cooperation, from health to agri-food and energy systems. Unfortunately, limited progress was achieved on adaptation action and finance at COP28. The road towards COP29 in Baku, Azerbaijan, should lead the two continents towards adaptation mainstreaming and greater alignment on issues - ranging from meeting the \$100 billion annual 2020 for climate finance, the doubling of adaptation finance, the New Collective Quantified Goal on Climate Finance (NCQG), parity of mitigation and adaptation finance given pressing needs, and the Global Goal on Adaptation (GGA). Reaffirming the commitment to important climate resilience initiatives, such as the Great Green Wall, and developing new projects, such as the Transboundary Water Management initiative, will contribute through a Team Europe approach to Africa's climate objectives. Furthermore, the expansion of the Team Europe Initiative on Climate Change Adaptation and Resilience in Africa to additional EU countries, providing increased finance for adaptation in Africa, should be monitored for greater action and impact. The EU's domestic policy on green transition, such as the European Green Deal, has important consequences for African countries, both positive and negative. Spaces for Africa-Europe discussion in this context remain critical.
- Africa and Europe should realise the full potential of carbon pricing and markets.** Given Europe's expertise, and Africa's assets, Africa and Europe can become pioneers in carbon pricing and markets, and inspire, accelerate, and improve global climate and biodiversity action. It is key to underline the importance of carbon pricing collaboration and equitable market access beyond putting a price on emissions (in EU ETS and CBAM) as critical means for both climate action and the achievement of development goals and SDGs. EU's expertise can be leveraged to catalyse cooperation and activity on the African continent - notably on issues related to good governance and solid MRV systems, carbon pricing, trade, Article 6 readiness, and advocacy support for a fairer system that does not undermine Africa's capacity to be part of the global carbon market economy. At the 2023 Paris Summit for a New Global Financing Pact, the EU launched a Call to Action for Paris-aligned carbon markets. Championed by France and Spain, the Call aims to lay the foundations for robustly designed, high integrity domestic and international carbon markets to drive the necessary emission reductions, which if realised, could generate substantial financial flows for mitigation and adaptation, therefore supporting all goals of the Paris Agreement. Until now, the Call has been supported by 31 countries (the EU 27 + Barbados, Canada, Cook Islands and Ethiopia). Other parties are invited to join and implement the Call, alongside the initial signatories.
- While the EU's strategic partnerships on sustainable raw materials value chains including the MoUs signed with Namibia, DRC and Zambia are noteworthy,** there is space for strengthened Africa-Europe exchange in support of Africa's processing capacity: trading relationships between Europe and Africa remain imbalanced. In 2021, 68% of goods exported from Europe to Africa were manufactured goods, meanwhile 65% of imports from Africa were raw materials and energy. The *EU Critical Raw Materials Act* obliges that by 2030 40% of processing and refining be done in Europe. Understanding it is key to prioritise value addition in the extraction of critical minerals from Africa's soil, the EU with such strategic partnerships is moving in the direction of supporting Africa's processing capacity. For example, from the [EU-Namibia MoU](#): "The Namibian government is

committed to work with the European Union throughout the entire value chain, including local beneficiation of minerals, in order to contribute towards industrialization as outlined in the National Development Plans”.

- In addition to projects under the *Africa-Europe Green Energy Initiative (AEGEI) initiative*, **opportunities remain for more structured and franker Africa-Europe conversations around energy**. For example, a similar format to the Ministerial meetings on Agri-Food Systems could be implemented for the energy sector.
- **Although not central in the 6<sup>th</sup> Summit conclusions, greater attention must be given to agri-food systems and food security**. The worsening food crisis - aggravated by climate change impacts, pandemic related inflation, the Ukraine/Russia war and demographic pressure - has triggered additional migrations and aggravated instability on the continent. Thus, it should be high on the priority list for the Africa-Europe partnership. Strengthening alignment between EU investments into sustainable agri-value chains and African priorities around resilient food systems for food sovereignty is key. African partners should ensure delivery on the 2014 Malabo Declaration commitment of spending 10% of national expenditure on the agriculture sector development.
- **Agricultural transformation should combine a significant increase in yields by building more climate resilient systems, including healthy soils**. To prevent farming extending further into environmentally sensitive areas, sustainable intensification can leverage multiple innovations: agroecology, use of bio fertilisers, greater crop-livestock integration, landscape-wide approaches, and networks for the spread of climate resilient seeds. Transformation in the Africa-Europe Agri-food Systems partnership requires clear agendas that leverage existing initiatives at both national and international levels before inventing new initiatives. Opportunities lie in developing a joint approach to the post-Malabo period, after 2025, and exploring mechanisms which can

support agricultural transformation beyond the use of ODA, such as removing restrictive elements on Africa agricultural exports to Europe and encouraging co-investments in production and processing.

- **Africa and Europe should not miss the opportunity to partner on ocean governance and blue economy**. Africa and Europe could agree a joint effort at multilateral level to address collective responsibility regarding the state of the oceans and strengthen international ocean governance. Such opportunities include working jointly towards the full ratification and operationalisation of the High Seas Treaty (BBNJ) and the Global Plastic Treaty in advance of the 3<sup>rd</sup> United Nations Ocean Conference, to take place in Nice in June 2025. Beyond ocean governance, the two continents should work towards capacity sharing, building on the two continents' knowledge and expertise. In doing so, Africa and Europe can accelerate livelihood diversification for coastal communities by helping both artisanal and private sector actors, while promoting entrepreneurship, gender, and youth agency. A sustainable blue economy provides a shared space for building an equitable vision of the Africa-Europe partnership, if pursued with honest intent, sufficient resources, and just implementation among and within countries.

## INFRASTRUCTURE

The Ten Commitments Framework	Main Commitments
<p><b>COMMITMENT 6 / The Investment Package</b> (energy, transport and digital infrastructure, energy transition, green transition, digital transformation, sustainable growth and decent job creation, transport facilitation, and human development)</p>	<p>Investment in infrastructure (transport, energy, and digital) aligned with the PIDA PAP2</p>

### Examples of progress to date:

- **12 strategic corridors in Africa** aligned with AU *PIDA-PAP 2* have been identified to enhance greener EU-Africa connectivity: (1) Liberia (*Praia/Dakar-Abidjan Corridor*), (2) the expansion of the Port of Banjul, (3) Gambia (*Praia-Dakar-Abidjan Corridor*), (4) Guinea Bissau Safim-M'Pack road (*Praia-Dakar-Abidjan Corridor*), (5) Kenya Nairobi Clean Bus Rapid Transit Line 3 (BRT 3), (6) Cameroon (*Libreville/Kribi/Douala-N'Djamena Corridor*), (7) Tchad (*Libreville/Kribi/Douala-N'Djamena Corridor*), (8) Cameroon-Chad (*Libreville-Kribi/Douala-N'Djamena Corridor and Bamenda-Enugu Corridor*), (9) *Sfax-Kasserine Corridor* road infrastructure project, (10) extension and upgrading of infrastructures of the *Autonomous industrial- and artisanal-fishing Port of Pointe-Noire* in Congo Brazzaville, (11) TEI on *Connectivity in Egypt*, and recently added, (12) *the Lobito Corridor*. These identified corridors remain to be translated into actionable projects in collaboration with African partners. In a time where supply chains are vulnerable, the EU strategic corridor approach provides guidance to avoid funding dispersion and concentrate action to be more efficient, more visible and impactful.
- Transport is a priority under Global Gateway. Growing foreign and domestic investment flows in the transport and logistics sector offer new opportunities for local economic development and decent job creation. The impact of the European Green Deal in partner countries is growing as well as the opportunities to support them in their own efforts to decarbonise the transport sector. Under Global Gateway, Team Europe is working on the development of all forms of transport – road, rail, maritime and aviation, and urban mobility.
- An initial pipeline of projects was presented by the EU to the AUC and RECs at the meeting of the *Technical Working Group on Infrastructure* held in the margins of the *Dakar Financing Summit* in February 2023. The most mature projects are (1) *Praia-Dakar-Abidjan*, (2) *Mombasa-Kisangani* and (3) *Libreville-Kribi/Douala-N'Djamena* corridors. EU-funding, from member states, as well as EUR 750 million from the regional action *Investments in Regional Infrastructure*, for these projects will cover transport, energy and digital. An Agreement on this was signed between the EU and the AUC in December 2022. Additionally, at the G20 Summit in India in September 2023, the EU announced joining forces with the US to support the Lobito Corridor, linking Angola, Zambia, and the Democratic Republic of Congo. An MoU outlining the collaboration between the partners involved, EU, DRC, Zambia, Angola, the USA, AfDB and the Africa Finance Corporation, was signed during the Global Gateway Forum in October 2023. The Corridor will be supported by a feasibility Study.

### Box 13: Africa's Programme for Infrastructure Development in Africa (PIDA)

PIDA is the strategic framework for regional and continental infrastructure development, aiming to secure connectivity across Africa's five regions. It provides a basis for engagement with Africa's development partners on the delivery of regional and continental infrastructures and aims to facilitate the physical, economic and social integration of the continent in support of the African Continental Free Trade Area (AfCFTA).

The first PIDA Priority Action Plan (PIDA-PAP 1) covered 51 programmes divided into 433 projects covering transport, energy, ICT and trans-boundary water sectors. PIDA-PAP 2, running between 2021-2030; currently includes 69 projects.

The AfDB has provided over 50% of financing secured by infrastructure projects under PIDA PAP 1, making it the lead financier of this strategic pan-African initiative which required a total investment of \$161 billion. The capital cost of PIDA's long-term implementation through 2040 is currently estimated at more than \$360 billion.

- On the regulatory side, the EU, EIB and other partners in a Team Europe approach are committed to work on all eleven strategic corridors, in cooperation with RECS. This includes soft measures such as institutional support to road transport and trade facilitation. Approved in 2022 this will provide support to the harmonisation at regional, and in the longer term, continental level of road transport laws and regulations. Action focusing on *Trade and Transport Facilitation Measures of Strategic Corridors* is under preparation for a total EU contribution of EUR 315 million.
- Other transport initiatives include EU financing estimated at EUR 4 million for a capacity building project on *Sustainable Aviation Fuels (SAF)* eligible for ICAO's *Carbon Offsetting and Reduction Scheme for International Aviation (CORSA)*. The project to be implemented by ICAO and EASA will foster the production and uptake of SAF in 14 African countries: Burkina Faso, Cameroon, Côte d'Ivoire, Egypt, Equatorial Guinea, Ethiopia, Kenya, Morocco, Nigeria, Rwanda, Senegal, South Africa, and Tunisia. Additional projects include EU financing of EUR 10 million for the 'Global Maritime Technology Cooperation Centres Network phase II', a project which is implemented by IMO. The project will expand technical support, capacity development programmes and geographic outreach to improve maritime energy efficiency in participating regions in line with IMO targets. The *African Regional Centre* is hosted by the *Jomo Kenyatta University of Agriculture and Technology (JKUAT)*. The EU is also extending technical cooperation in the field of civil aviation through the establishment of an *Aviation Project* (EUR 10 million). This promotes a safe and sustainable aviation environment and further support development of the *Single African Air Transport Market (SAATM)*.
- Regarding digital infrastructure, the EU *EurAfrica Gateway Cable*, a digital connectivity submarine cable connecting Europe and Africa, is still under identification: the blending platform is established at regional level with EUR 300 million available for grants. On the *Regional Fiber Optic Backbones* across Africa, with an initial pipeline of investment opportunities in all sub-regions identified, discussions are ongoing with DFIs.

- On the margins of the Global Gateway Forum in October 2023, the EU announced new transport infrastructure initiatives:
    - EUR 89.5 million *Multi-annual Action Plan* for Somalia, in line with the Joint Operational Roadmap, bolstering Somalia's ongoing state-building process and focusing on resilient infrastructure, as well as nutrition and social protection, and including a EUR 20 million allocation for budget support;
    - An upcoming study for the development of the Walvis Bay port in Namibia, the entry point from the Atlantic side to the Walvis Bay – Maputo Strategic Corridor;
    - EUR 25 million EU grant blended with EUR 120 million loan from EIB to modernise the Cabo Verde's port infrastructure, including the expansion of the Porto Grande in São Vicente and the Mindelo Cruise Terminal Onshore Power Supply in São Vicente.
    - EUR 20 million grant for Dakar Public Transport Network Restructuring for the acquisition and modernisation of buses as part of a wider EUR 355 million project delivered jointly with the EIB, France and Germany to boost sustainable and smart mobility.
  - The AU Agenda 2063 Flagship **Single African Air-Transport Market (SAATM)** aims to create a single unified air transport market in Africa, improve air services connectivity and air carrier efficiencies, remove restrictions on ownership, and provide for the full liberalisation of frequencies, tariffs, and capacity, as well as mechanisms for fair competition, dispute settlement, and consumer protection. 35 AU Member States have signed the commitment to support full operationalisation of SAATM. To date, only 19 member states have fully implemented concrete measures:
    - The regulatory instruments, namely consumer protection regulations, competition regulations and the rules of procedures of the *SAATM Executing Agency (AFCAC)* have been completed.
    - A continental study on the benefits of the SAATM covering all 55 AU Member States has been completed.
  - The AU Agenda 2063 Flagship **African High Speed Train Network** aims to connect all African capitals and commercial centres to facilitate the movement of goods, services and people, reduce transport costs and relieve congestion of current and future systems. Key initiatives include:
    - The FTYIP of the African Integrated High Speed Railway Network (AIHSRN) has been developed with 14 pilot projects and 3 accelerated pilot projects. Regional readiness workshops have been undertaken.
    - AU Member States have been trained on the *Luxembourg Rail Protocol* and the *Cape Town Convention on International Interests in Mobile Equipment*.
- Additional comments:**
- Investing in transport corridors, and transport infrastructure generally, will address a significant constraint for agricultural transformation – providing access to regional markets for produce, supply of agricultural inputs and machinery at better prices. This should lead to improved yields, increased revenue and income.
  - However, addressing hard infrastructure and transit measures along the strategic corridors is not enough to improve trade facilitation. A range of bureaucratic and other rent-seeking interests prevent full implementation and thus reduce the benefits of investments in trade facilitation.

## ENERGY

The Ten Commitments Framework	Main Commitments
<p><b>COMMITMENT 6: Investment Package</b> (Energy, Transport and Digital Infrastructure, Energy Transition, Green Transition, Digital Transformation, Sustainable Growth and Decent Job Creation, Transport Facilitation, and Human Development)</p>	<p>Investment in an Energy transition that is fair, just and equitable, taking into account specific and diverse orientations of African countries with regard to access to electricity.</p>

### Context:

- With 600 million people still lacking access to reliable energy, and over 900 million lacking access to clean cooking solutions, notwithstanding this key hurdle for many businesses, access to energy remains a priority for Africa.
- The current geopolitical crises are redrawing the global energy-resources map, underlining the benefits of a closer partnership between the neighbouring continents. EU efforts to diversify its energy supplies, both gas over the short to medium term, and renewable energy over the long term, including green hydrogen, have led to strengthened collaboration on energy between EU countries and African countries, among which Algeria, DRC, Egypt, Nigeria, Kenya and Namibia.
- The plethora of global crises has led the EU to revise its position towards energy security with the *REPowerEU* initiative. The EU's need to diversify its energy sources – because of the Russia-Ukraine war - through additional gas imports from Africa has raised questions about a “double-standard approach”. It remains essential to ensure efforts are focused both on EU's diversification and ramping-up Africa's access at the same time. As yet, unwillingness from the EU's main development agencies or finance institutions, such as EIB, to invest in Africa's gas has not changed.

### Examples of progress to date:

- ‘*The Africa-Europe Green Energy Initiative (AEGEI)*’ is one of the key initiatives of the Global Gateway Africa–Europe Investment Package, aiming to deploy by 2030 at least 50 Gigawatts of renewable electricity generation capacities, and providing at least 100 million people in Africa with access to electricity. Moreover, it provides strategic support for Africa's electrification plans, including development of the *Continental Power Systems Master Plan (CMP)* and the *African Single Electricity Market (AfSEM)*. AEGEI includes both infrastructure investments and soft activities. It promotes investments in transformational infrastructure projects (clean energy generation and transmission projects, and off-grid decentralized solutions), and with African partners to promote a conducive environment, by improving the institutional, policy, regulatory and business frameworks. At COP28, Team Europe partners, including 12 EU member states, the EIB and the EBRD, announced over EUR 20 billion for the AEGEI for the 2021-2027 period. This includes EUR 3.4 billion in grants from the EU. This figure will increase as more initiatives will be implemented and as the private sector investments will materialise. The first 30 national and regional actions and projects have been approved, reflecting a total budget of EUR 540 million.
- Additionally, since the 6<sup>th</sup> Summit, several national and regional projects, partnerships,



and programmes have been launched. The EU signed initiatives with Morocco (EU-Morocco Green Partnership), Namibia (Implementation of *MOU on sustainable raw materials value chains and renewable hydrogen*), Egypt (Joint Statement on the *Nexus of Water Food and Energy* during COP27), Kenya (*Green Hydrogen Strategy and Roadmap for Kenya*), DRC (*MoU for a partnership on critical and strategic raw materials value chains*), and Zambia (*MoU on a strategic partnership on sustainable raw materials value chains*). Other bilateral and regional programmes include Rwanda, Tanzania, DRC, Burundi, Central Africa, Western Africa, Southern Africa, Tanzania, Tunisia, Cameroon, Djibouti, Libya, Mozambique among others. New bilateral initiatives were launched during the Global Gateway Forum in October 2023, including:

- EUR 43 million Green Deal #TeamEuropeKenya - Part II in Kenya which will promote sustainable development, renewable energy, and environmental protection;
- EUR 246 million support for Cabo Verde to boost the green transition, sustainable transport and digital connectivity. EU grant of EUR 29 million blended with an EIB sovereign loan of EUR 120 million to achieve energy sustainability by developing a pumped storage facility and other essential components to optimize energy use, as well as a EUR 22 million corporate loan to support Cabeólica's wind farm expansion project, adding 13 MW;
- EUR 146 million joint finance with AFD (half of the total cost) to construct the Kakono hydropower plant in Tanzania add 87.8 MW;
- TEI to support investment in the energy transition and decarbonise the economy by developing green hydrogen industries in Mauritania.
- At the 11<sup>th</sup> Commission-to-Commission held on November 2022, the two sides reiterated support for development of the *Continental Power System Master Plan (CMP)* and the

*African Single Electricity Market (AfSEM)*. Support will be provided through the *Global Technical Assistance Facility* to the African Union Development Agency (AUDA/NEPAD). In September 2023, a meeting of the *AU Specialised Technical Committee on Transport, Transcontinental and Interregional Infrastructure, and Energy (STC-TTIIIE)* recommended adopting both AfSEM and the CMP as AU Agenda 2063 Flagship Projects. At COP28, it was recognised that the CMP and AfSEM fit very well in the global and Africa's COP28 commitments to triple renewable energy and pursue green growth by 2030.

- Progress has also been made with establishment of a 'One Stop Shop' to enhance private sector investments in clean energy production and access to electricity in African countries. At the international level, the EU supports development of *Just Energy Transition Partnerships (JETPs)*, including with South Africa and Senegal.
- The AU Agenda 2063 Flagship *Grand Inga Dam* still ongoing project is expected to generate 43,200 MW of power to support current regional power pools and transform Africa from traditional to modern sources of energy. *Inga Dam* could ensure access for all Africans to clean and affordable electricity. The AfDB has provided support for the rehabilitation of power plants from Inga 1 and 2, the construction of a high voltage line between Inga and Kinshasa (400 kV, 277 km in length) and the rehabilitation and extension of Kinshasa's distribution network; the Inga Law to facilitate the execution of the project has been enacted in DRC, and awaits ratification. An MoU has been signed between the Government of the DRC and two service providers regarding the legal and operationalisation modalities.
- At COP28, EU president Ursula von der Leyen launched the *global pledge on renewables and energy efficiency*, together with the COP28 presidency and 118 countries as part of the World Action Summit. The final text at COP28 included the pledge to triple the global

renewables power capacity to 2030 with 130 countries committing to increasing to at least 11,000 GW and doubling energy efficiency improvement rates by 2030.

### **Potential areas of action:**

- Currently, there are few structured conversations between Africa and Europe on energy access and transition. Africa and Europe could amend this deficit by establishing a constructive space for countries on both

continents to plan a shared, prosperous, decarbonised future compatible with climate goals. While EU and African energy priorities differ – given unequal levels of development – the two continents can continue to work jointly on the actions and finance needed to deliver energy access, clean cooking solutions, and credible energy regulatory frameworks at national and regional levels.

## **In Focus: Update from the AEF Strategy Group on Sustainable Energy**

Sustainable energy access, investment and innovation are of core importance to Africa and Europe. Both continents recognise the vital importance of rolling out an ever-larger quantum of sustainable energy, but from very different starting points. Half the population of Africa is still without power, and two thirds of people continue to rely on woodfuel and charcoal for cooking, both of which have very damaging consequences for human and ecosystem health. There is great potential for cross-continental collaboration, at multiple levels, to accelerate Africa's energy access and industrialisation, and Europe's energy transition and rapid decarbonisation. These two energy transformations need to advance in parallel and linked manner, to deliver human development, economic opportunities, and energy security, within a carbon-constrained world.

At the 6<sup>th</sup> Summit, the two continents made clear their firm commitment to full implementation of the Paris Agreement and the COP process, recognising that Africa's energy transition is vital for its industrialisation and to bridge the energy gap. As such, Europe expressed its support to Africa in its transition to foster just and sustainable pathways towards climate neutrality.

The AEF Strategy Group on Sustainable Energy was established in 2020, as a platform to explore common and contrasting challenges. In its first phase, a range of initiatives for Africa-Europe collaboration were put forward, such as investing in design and delivery of energy policy and regulation, through support to the African School for Regulation; rolling out clean cooking solutions to the more than 900mn people in Africa still reliant on dirty fuels; and calling for greater Africa-Europe energy partnerships, beyond Just Energy Transition Partnerships (JETPs). Over the last year, the SG has turned its attention to track commitments made at the 6<sup>th</sup> EU-AU Summit, including delivery of the Africa-EU Green Energy Initiative.

As made clear at the 1<sup>st</sup> Africa Climate Summit held in Nairobi ahead of COP28, the African continent offers Europe and the broader global economy a wide range of potential "solutions" to the climate emergency, which include Africa's role as a green hub for energy intensive industry (steel, cement, fertilisers), and serving as a major sink for carbon removals. Recent agreements show what is possible when Africa and Europe work together, such as the EU partnerships with Namibia and Kenya on green hydrogen, the Just Energy Transition Plans (JETPs) in South Africa and Senegal, the Kenya-Germany 100% renewable plan by 2030, and proposed Energy Transition Plans (ETPs) in Nigeria and Ghana. Further aspirations

include initiatives such as the Continental Power System Master Plan (CMP) and creation of the Africa Single Electricity Market (AfSEM), which act as vital building blocks for Agenda2063 and climate compatible energy systems.

The SG noted the very limited structures for dialogue between Africa and Europe on energy access and transition. For the year ahead, a series of national energy dialogues at country level could lead to more effective bilateral engagement between Team EU and specific African countries. Africa and Europe should also build on recent events, including the Africa Climate Summit and COP28 to help fix this fragmentation and build a constructive space for the two continents to plan a shared, prosperous, decarbonised future compatible with climate goals. Such a coordination platform could follow the format for Foreign Affairs, and Agriculture Ministers from the two continents, and could be clustered regionally and around energy transition priorities, recognising the diverse energy assets, technical capacities and financial resources of different countries.

A massive scale-up in investment is required in both Africa and Europe to deliver their respective energy transformations. While JETPs provide much needed public investment from bilateral and multilateral sources, institutional funds and private sector capital also need to be mobilised at speed and scale for investment in energy generation, transmission and access. Institutional capital from Africa and Europe will need to be needed to close the energy finance gap, for which clear, consistent energy policy and regulation are critical, alongside much more ambitious global finance mechanisms.

#### Box 14: The Carbon Border Adjustment Mechanism (CBAM)

Introduced on 17 May 2023, Europe's groundbreaking Carbon Border Adjustment Mechanism (CBAM) sets a global precedent by pricing embedded emissions in products imported into the EU. It is primarily an environmental measure, ensuring goods imported into the EU have a carbon footprint similar to EU production. This approach influences other jurisdictions, and shapes carbon pricing and markets.

The CBAM aims to level the playing field for EU businesses, by imposing a carbon price on imports from non-EU countries with laxer carbon pricing policies, and hence preventing carbon leakage, as when businesses relocate to non-EU jurisdictions to evade stringent regulations. By driving demand for low-emission products, CBAM will drive low-carbon development beyond EU borders.

However, concerns arise among many African stakeholders regarding CBAM's impact on their export of high-carbon goods, rendering them uncompetitive. Africa can only meet EU demands through a shift over time to green production. Hence, consultation with African parties on implementation over time is crucial. CBAM's transition period starts from 1 October 2023, although no charges will be levied for the first three years. Over the next few years, close collaboration with African stakeholders could ensure mutual benefits are delivered, including fostering green industrialisation in Africa.

## AGRICULTURE AND FOOD SYSTEMS

The Ten Commitments Framework	Main Commitments
<p><b>COMMITMENT 6: Investment Package (Energy, Transport and Digital Infrastructure, Energy Transition, Green Transition, Digital Transformation, Sustainable Growth and Decent Job Creation, Transport Facilitation, and Human Development)</b></p>	<p><b>Investment in the Green transition including supporting the implementation of the Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) of African Countries under the Paris Agreement to enhance mitigation and adaptation</b></p>

### Examples of progress to date:

- The EU has allocated EUR 8 billion for worldwide food security and food systems programmes in partner countries until 2024, out of which EUR 4.5 billion is marked for Africa. The global figure includes EUR 2.2 billion in immediate humanitarian food and nutrition assistance for the most vulnerable countries, and EUR 5 billion for medium to longer term investment in sustainable food systems.
- Cooperation is focused on making African food systems more sustainable and more resilient to unfavourable trends, shocks and crises: ‘*Resilient Food Systems*’; and ‘*Sustainable agri-food value chains*’ both aim to boost public and private investments in African agri-food value chains, with a focus on value addition, employment creation, sustainability and food and nutrition security.

“There is an urgent need to do more on getting initiatives moving so they can deliver, as well as to move away from a focus on poverty and emergency development assistance to develop a true agri-food partnership based on cooperation and investment in projects of scale.”

Ibrahim Mayaki, Co-Chair of the AEF Strategy Group on Agri-Food, African Union Special Envoy for Food Systems

- The European Commission announced additional financial support to Sub-Saharan Africa following the Russian invasion of Ukraine.

The Team Europe response to global food insecurity comprises: (1) investments in food production and resilience; (2) emergency response to the current food crisis in countries where the needs are the most acute. Africa has been the main beneficiary of the Solidarity Lanes Action Plan launched in May 2022. The plan enabled the export of 51.5 million tons of grain, oilseeds and related products from Ukraine to the rest of the world, most notably to Africa, between May 2022 and November 2023.

- Financial announcements in totalled EUR 2.2 billion: for countries in the Horn of Africa (EUR 633 million); the Sahel and Lake Chad (EUR 1 billion); and a special measure in 2022 of EUR 600 million covering African, Caribbean and Pacific (ACP) countries, including 17 sub-Saharan African countries. Similarly, in 2022, a *Food and Resilience Facility for North Africa* was set up, with EUR 225 million, to respond to commodity shortages, contribute to balance of payments stabilisation, and sustain social protection systems faced by this additional acute crisis.
- New initiatives to boost food security and agriculture production were announced in October 2023 at the Global Gateway Forum:
  - Senegal: EUR 15 million EU support to transform value chains for certain products to increase food security, as well as create jobs and expand export opportunities. This initiative complements existing agrifood investments, bringing the total investment to EUR 66.5 million;

- Mauritania: EUR 13.7 million to promote sustainable food systems and access to quality and affordable food by strengthening value chains and economic operators.
- Specific initiatives linked to sustainable agri-food value chains and regional trade integration of the agri-food sector were launched in Northern and Sub-Saharan Africa, including the *Sustainable Cocoa Initiative* in Ghana, Ivory Coast and Cameroun (EUR 43.75 million). In the same vein, work on specific agricultural value chains continues, including infant foods and plant proteins, while a recently signed EUR 56 million agreement aims at transforming selected value chains, such as for example cashew nuts and maize. The ambition is to enhance food security, job creation, and preservation of natural resources and biodiversity, and form the basis of an upcoming EU initiative *on Cashew*.
- Support to the African Continental Free Trade Area (AfCFTA) included several studies around value chains, one of which was commissioned by the AUC. Led by the International Trade Center, this has diagnosed value chains with high potential for sustainable development in Africa, including infant foods, cashew nuts, coffee, livestock, fortified foods, orphan crops, and/or aquatic foods. The livestock and pastoralism value chains are also key priorities to be supported through several regional programmes.
- The *DeSIRA initiative (Development Smart Innovation through Research in Agriculture)*, supporting the transformation of food systems through innovation and closer connections between farmers and researchers, will be extended into a new phase: *DeSIRA+*. 100 M EUR are foreseen to implement regional actions in Africa, with African Regional Economic Communities (RECs) and EU Member States cooperation agencies. Actions will mobilise all actors in food systems to engage in agroecological transition.
- Complementing the development of on-land agri-food value chains, attention was also given to sustainable fisheries and aquaculture in Africa. The *FISH4ACP programme, an initiative of the Organisation of African, Caribbean and Pacific countries, aims to build sustainable fisheries and aquaculture in 9 small-scale fisheries value chains in Africa*, while the ECOFISH programme, a joint endeavour of the EU and the Eastern Africa, Southern Africa, and Indian ocean regions, aim to ensure sustainable management of the inland and marine coastal fisheries. In cooperation with FAO and CIRAD, the EU is financing 27 country-level food systems assessment in Africa. 18 have been published to date. The EU plans to assist Africa with extension services, building on the outcomes of the country-level food system assessments noted above.
- Following the outcomes of the 11<sup>th</sup> EU-AU Commission-to-Commission meeting in November 2022, and the 5<sup>th</sup> EU-AU Agriculture Ministerial Conference of June 2023, the two commissions agreed to set-up a joint task force to identify short and long-term challenges related to access and affordability of fertilisers and to propose solutions. It was also agreed to establish a high-level dialogue on economic integration to strengthen trade relations and sustainable investment between the two continents in furtherance of the development of regional value chains and industrialisation of Africa. The first meeting is planned to take place in the first half of 2024.
- At COP28 in December 2023, the EU and Member States launched a global Team Europe Initiative on Deforestation-free Value Chains, supported by an initial package of EUR 70 million in new funding. The initiative will help address deforestation on a global scale and support the commitments outlined in the Glasgow Leader's Declaration on Forests and Land Use from COP26 to halt and reverse forest loss and land degradation by 2030. This strategic initiative marks a significant step in the EU and Member States' commitment to foster inclusive partnerships with producing countries.

The COP28 **Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action** endorsed by 137 world leaders, has mobilised over \$2.5 billion to address climate-related issues in agriculture. Experts welcomed the recognition of the link between food and climate, expressing hope that the funding and partnership will empower small-scale farmers to scale up sustainable practices, enhancing resilience and combating the effects of climate change.

### **Potential areas of action:**

- Greater attention should be paid to agriculture and food security in the 6<sup>th</sup> Summit follow-up. Agri-Food Systems were almost entirely omitted from the 6<sup>th</sup> Summit conclusions, whereas it is a significant area of ongoing Africa-Europe cooperation, and a critical area for Africa's food security, employment and private investment.
- EU and Africa could focus on developing a joint approach and actions for the post-Malabo period (after 2025). Alignment of objectives (beyond Agenda 2030), and agreement on joint strategies will ensure complementarity of ongoing and new initiatives and maximise impact of investments.
- EU and AU could explore policy and regulatory mechanisms which can support agriculture transformation, beyond the use of ODA. For instance, removing restrictive elements on Africa agricultural exports to the EU (including in the external dimension of the *European Green Deal* and EU's *Farm to Fork strategy*) could open European markets to African farmers and, particularly exporters of processed food.
- Agricultural transformation must combine a significant increase in yields by building more climate resilient systems. To prevent farming extending further into grazing lands and environmentally sensitive areas, sustainable intensification should leverage multiple innovations, such as agroecology, use of bio fertilisers, greater crop-livestock integration, landscape-wide approaches, and networks for the spread of climate resilient seeds. Access to and sustainable management of land and water resources will be ensured through equitable land tenure and governance systems.
- African governments should deliver on their agreed policy commitments, especially in light of the current food crisis, set out by the CAADP (*Comprehensive Africa Agricultural Development Programme*) and the *Malabo Declaration* (2014), of spending 10% of national government budgets on agriculture sector development.
- It remains essential for EU investments in agri-food value chains to be directly linked to agreed African priorities, such as building resilient food systems, nutrition issues, and development of local value chains. This may include export cash crops.

## In Focus: Update from the AEF Strategy Group on Agri-Food Systems

The agri-food sector is of great significance to both African and European economies and societies. For the former, agri-food continues to represent up to 35% of the continent's GDP, and to employ a majority of the working population. Many African countries rely on exports of agricultural commodities, usually in unprocessed form, for a large share of their foreign exchange earnings. Access to land and pursuit of farming provide a strong sense of identity and belonging for the majority of people. In Europe, while agri-food represents a much smaller share of total GDP, at less than 2%, and employs far fewer workers than manufacturing or services, questions about how food is produced and broader landscape management generate lively public debate.

The agri-food sector is closely linked to many other dimensions of human development – health, climate, water, culture, and biodiversity, amongst others. Hence, management of agricultural land and patterns of livestock and crop farming have major implications for a wide range of outcomes, such as greenhouse gas emissions, groundwater levels, and local economic activity. The agri-food sector in both Africa and Europe is responding to rapid changes in technology, social and ecological pressures. The pathway for agrifood system transformation must be mapped in the broader context of climate adaptation and mitigation.

Today, agri-food systems in Africa and Europe are confronted by a multifactor crisis of rare magnitude, affecting Africans disproportionately, given the adverse impacts from the Ukraine war, climate shocks, inflation, and debt distress.

The AEF Strategy Group on Agri-food Systems was established in 2020, as a platform to explore common and contrasting challenges. In its first phase, it put forward a range of initiatives for Africa-Europe collaboration, such as investing in agro-ecological knowledge hubs, advocating for greater support to agri-food SMEs, and transforming the Sahel's landscapes through the Great Green Wall and related restoration activities. Over the last year, the SG has turned its attention to tracking of commitments made at the 6<sup>th</sup> Summit. While the agri-food sector was not a major item for discussion at the summit, actions were agreed for implementation as part of the Global Gateway and related mechanisms.

The SG has noted the large number of initiatives underway, both in emergency response to food crises, and in longer-term investments in raising productivity of agricultural production and food processing. However, given the large number of non-ODA linkages, in the fields of trade and investment, it warned against the danger of Africa and Europe only focused on the aid relationship. The SG queried the attention paid to cash crop production in lieu of increasing output of basic foodstuffs, such as sorghum, millet, maize, fonio, cowpeas and other legumes, and called attention to be focused on the fundamentals of farm production – soil quality and health, to build more resilient food systems. A focus on chemical fertilisers alone misses the critical need for broader investment in this fundamental resource, to create long-term resilience. The SG recognises clearly that public sector investment provides the critical backbone to agriculture's sustainable transformation, with need for consistent policy and regulation to encourage long term private sector investment.

For the year ahead, the Agri-food SG will first track the extent to which the 6<sup>th</sup> Summit commitments are being implemented, and second reflect on the challenges posed by long-term trends on both continents, as regards demography, pressures on land, climate shocks, and loss of biodiversity. Food systems need redesign into systems that are durable, resilient and regenerative, based on agroecological principles. Given that Africa's population is projected to double by 2040, there is a need to undertake research on how the increase in the population will impact the food systems and how it might address this challenge. The AU has agreed the CAADP as the overarching framework for agrifood transformation, so it is important to anchor all initiatives within the post-Malabo framework, to be revised in 2024.

## CLIMATE, BIODIVERSITY AND ENVIRONMENT

The Ten Commitments Framework	Main Commitments
<p><b>COMMITMENT 6: Investment Package</b> (Energy, Transport and Digital Infrastructure, Energy Transition, Green Transition, Digital Transformation, Sustainable Growth and Decent Job Creation, Transport Facilitation, and Human Development)</p>	<p>Investment in the Green transition including supporting the implementation of the Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) of African Countries under the Paris Agreement to enhance mitigation and adaptation</p>

### Examples of progress to date:

- **Climate Resilience and Disaster Risk Reduction**
  - The Team Europe Initiative (TEI) on *Climate Change Adaptation and Resilience in Africa* was launched together with France, Germany, Denmark, and the Netherlands at COP27. Additional EU member states are joining forces, including Czechia, Sweden, Italy and Spain. The initiative brings together existing and new climate change adaptation programmes of around EUR 1.4 billion and leverages its impact by improved coordination and a reinforced policy dialogue on adaptation between the EU and AU. It aims at improving the identification of risks, strengthening policy and governance and leveraging resources to that end. The EU's EUR 1 billion pledge is partly repackaging existing commitments, thus not all funding is new or additional. Governance and coordination arrangements at the EU level have been agreed with EU member states to set up a TEI Management Group and a TEI Secretariat.
  - As an example of cooperation, the EU launched a EUR 35 million specific programme on *Boosting Resilience and Adaptation to Climate Change in Somalia*.
  - At COP28, nearly 200 nations have agreed on a framework for the World Bank to operate the Loss and Damage Fund. As of January 2024, pledges to the fund total approximately USD 655.9 million, of which more than half was pledged from the EU and Member States.
- **The 'Great Green Wall (GGW)'**
  - This long-lasting regional programme promotes sustainable land management and livelihoods in dryland Africa. Led by the African Union it is highly ambitious in scope, with the aim to restore 100 million hectares of degraded land by 2030, sequester 250 million tonnes of carbon, and create 10 million green jobs. However, current results are far below the targets set, with somewhere between 4-20% of the total area restored by 2020. While large sums have been pledged, such as \$19bn at the *One Planet Summit* in 2021, little of this has been realised; noting that sustainable land management, given its nature, take some time to materialise and show impact.
  - At the same time, the EU announced at COP27 that it has over-delivered on its commitment of EUR 700 million per year, and new national projects in Senegal and Niger are receiving support. In total, more than 188,000 hectares of land were restored in 2022 under the *Re-greening Africa* programme, notably through agroforestry, mainly in countries of the *Great Green Wall*.
- **'The NaturAfrica'**
  - This key initiative has funding earmarked for EUR 1.4 billion to 2025 (out of a global EU budget of EUR 7 billion for biodiversity by 2027). It aims at supporting biodiversity conservation in Sub-Saharan Africa by taking an innovative people-centred approach. By structuring support on *Key Landscapes for*



*Conservation and Development (KLCD)*, it has selected six regional landscapes: Congo Basin, Transhumance landscapes in Central Africa, West Africa Forests, Sudano-Sahelian savannahs, Eastern Rift savannahs and watersheds, trans-frontier conservation areas of Southern Africa.

- The regional *NaturAfrica* programme on transboundary landscapes was adopted at the end of 2022 and interventions will cover 44 countries and more than 35 transboundary and national landscapes. Launched in 2021 at the IUCN (International Union for Conservation of Nature) World Conservation Congress in Marseille, the initiative received new impetus at the CBD (Biodiversity Conference)'s COP15 in Montreal in December 2022; and more recently at the Congo Basin Forest Partnership in March 2023 (Libreville, Gabon), and at the 1<sup>st</sup> African Protected Areas Congress in March 2023 (Kigali, Rwanda).
- **'Transboundary Water Management' Team Europe Initiative:**
  - The TEI aims to harness water's potential for domestic use, agriculture, fishing, energy, transportation, biodiversity and environment. Eventually the TEI will cover 60% of the African territory and benefit 900 million people, accelerating transboundary water management and supporting regional integration. With a total budget of EUR 404 million, an upscale of this envelope is foreseen with the progressive inclusion of blended finance and EIB actions. The TEI-TWM provides a framework for coordinated action between EU Member States, the EU and the EIB. On the AU side, the member states, the AU Commission, the African Ministers' Council on Water (AMCOW), the African Network of Basin Organisations (ANBO), and African Regional Economic Communities (RECs) are involved as partners.
  - Some country programmes are contributing to the efforts of the TEI through sustainable landscapes or water basin management,

notably in Senegal, Kenya, Ethiopia, Lesotho, Central and Southern Africa. Similarly, at basin and regional level, some water management projects have either started or are in preparation.

- Additional initiatives were announced in October 2023 during the Global Gateway Forum:
  - EUR 20.4 million contribution to the *Green and Blue Deal – Comoros Ulanga ne Maesha* (Environment for Life) programme signed in October 2023 focusing on boosting Comoros's environmental and food resilience.
  - EUR 15 million support to Senegal to improve ecological state of Hann Bay to address pollution and install wastewater treatment units. This is part of a wider project, together with France and the Netherlands, which has totalled EUR 187.6 million.

#### **Potential areas of action:**

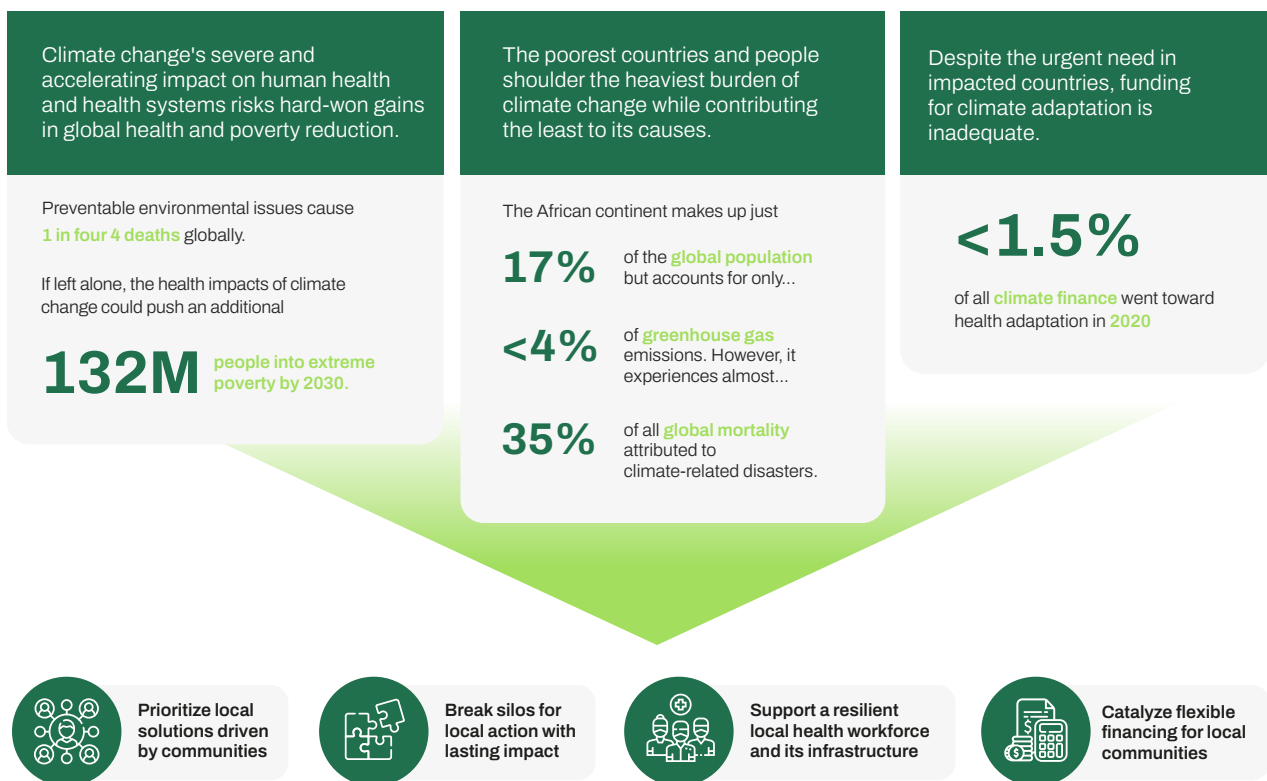
- Africa and EU need to jointly reaffirm their commitment to important climate resilience initiatives, such as the *Great Green Wall*, and ensure the means are available for effective roll-out, monitoring and evaluation. At the same time, new projects, such as the *Transboundary Water Management* project, which has much to contribute to Africa's climate objectives, require investment to ensure visibility and secure high-level buy-in.
- Improve access to, and quality of, existing climate finance requires priority actions. While the need to increase funding to address complex climate challenges is clear, many African governments face complicated, time-consuming procedures to access existing facilities. Tight rules on which bodies can receive funding, lack of harmonisation between funds and the length of time it takes to get to disbursement, are all areas where progress needs to be made.
- EU domestic policies on green transition, such as the *European Green Deal* and the *Carbon Border Adjustment Mechanism* (CBAM), have

important consequences for African countries, both positive and negative. They raise serious concerns at the African level and merit closer discussion between Africa and EU before they are imposed, with a longer time-period agreed to enable African economies to adjust.

- The climate conversation and policies need to include health. The climate change crisis

nurtures a global health crisis that defies business-as-usual approaches. Policymakers and funders must reflect this urgency and rapidly scale-up efforts to develop innovative financing modes for climate-resilient health investments and fund innovative local approaches to climate adaptation.

Graphic 8: Climate-health nexus: Climate change effects on health and health systems



## In Focus: Update from the AEF Working Group on Climate Adaptation

Africa and Europe are both facing a climate crisis, but the debate on how to tackle this joint crisis should be framed around how to find substantial common ground and solutions. The extreme weather events of the last years have demonstrated the vulnerability of the two continents. The two continents' multiple regions face a growing common challenge to which they need to find solutions both in the immediate and in the longer-term.

The European Union (EU) has started taking proactive measures to tackle the climate crisis by putting in place several sets of regulations and standards to stay within the planetary boundaries and undertaking investments to foster green growth. The African Union (AU) endorsed the continent's first collective climate response framework, the AU's Climate Change and Resilient Development Strategy and Action Plan (2022-2032), with a particular focus on strengthening adaptation, enhancing financial flows and leveraging regional flagships.

Despite being at different levels of human and economic development, the two continents would benefit from strengthening a shared vision on adaptation, on which to build a solid partnership, through the reinforcement of a joint learning platform, from which experts can share know-how and best practices, and develop cross-continental solutions which support both sides.

The aim of the AEF Working Group on Climate Adaptation is to leverage the platform established by the AEF in 2022, amplifying both African and European voices on adaptation-related issues, with experts exchanging knowledge, best practices, and identifying gaps and investments/projects possibilities, as well as to mainstream adaptation in the Partnership.

The EU, together with its member states, has positioned itself as the largest contributor to climate finance globally. Funds, estimated to be more than 20 billion euros per year, have been allocated for Africa specifically to respond to this crisis with several structures to channel investments. However, these steps are seen with much scepticism in Africa because of the lack of capacity to access climate finance, inadequate financing both in terms of quantity and quality, limited progress in leveraging public funding to attract large-scale private investments, and a skewed focus on climate mitigation when Africa, like much of the developing world, above all needs financing for adaptation and resilience.

At the 6<sup>th</sup> Summit, climate action was one of the priority areas of discussion. At COP27, the Team Europe Initiative on Climate Adaptation and Resilience in Africa was launched with an envelope of EUR 1 billion. However, since then, whilst the scope has been broadened to additional EU countries, there has been little sign of progress on delivery, and limited rapprochement between Europe and Africa on adaptation-related issues. This includes getting agreement on the Global Goal on Adaptation, the delivery of EUR 100 billion per year promised for 2020, the doubling of adaptation finance, and an increased share of adaptation finance as part of the New Quantified Goal on Climate Finance.

## OCEANS AND BLUE ECONOMY

The Ten Commitments Framework	Main Commitments
<p><b>COMMITMENT 6: Investment Package (Energy, Transport and Digital Infrastructure, Energy Transition, Green Transition, Digital Transformation, Sustainable Growth and Decent Job Creation, Transport Facilitation, and Human Development)</b></p>	<p>Investment in the Green transition including supporting the implementation of the Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) of African Countries under the Paris Agreement to enhance mitigation and adaptation</p>

### Context:

Ocean represents a strategic domain of cooperation, with great potential. It is gaining increasing traction politically, as seen through the outcomes of the 2022 UN Ocean Conference, the 2023 Our Ocean Conference, and the adoption of the High Seas Treaty in June 2023 and ongoing preparation for the 2025 UN Ocean Conference, to be co-hosted by France and Costa Rica. The [EU communication on international ocean governance](#) was adopted in June 2022. This domain remains however still peripheral to the AU-EU partnership.

### Examples of progress to date:

- COP27 saw the launch of a *Blue Mediterranean Partnership on sustainable blue financing* with the Union for the Mediterranean, EIB, KfW and EBRD. This aims to support the transition to a sustainable blue economy in the European Union's Southern Neighbourhood countries in the Mediterranean region. Another partnership was announced at COP28, to restore and protect the Mediterranean: the *Blue Mediterranean Partnership (BMP)*. Its implementation fund is hosted by the European Bank for Reconstruction and Development (EBRD) will target concrete investments in biodiversity protection, sustainable fisheries and aquaculture, reduction of plastic pollution, and sustainable tourism in non-EU Mediterranean countries.

- Furthermore, funding has been committed to support programmes adopting and promoting a seascape approach. These programmes cover several thematic areas, including international ocean governance, sustainable blue economy, the conservation/restoration of marine and coastal ecosystems, as well as marine science. This support is at national, regional, sub-continental and multilateral level and provides a strong basis for renewed impetus for the development of an African-Europe partnership on the ocean.

- The *AU Centres of Excellence (AU-CoEs)* are specialised institutions and research centres dedicated to enhancing the capacity of African countries to govern and manage their marine and freshwater resources effectively by developing knowledge and the necessary skills in steering solutions to advance Africa's sustainable development of fisheries, aquaculture and blue economy. In January 2023, the African Union Inter-African Bureau for Animal Resources (AU-IBAR) established a network of eight CoEs across Africa (with two additional centres expected).

- In 2022, the EU allocated EUR 5 million to support scientific and technological support to *SSA Regional Centres of Excellence*. They will contribute to addressing critical knowledge gaps in marine science needed to deliver equitable and just adaptation strategies for coastal communities.

- Recognizing the inherent transboundary nature of marine resources, which underscores the imperative for regional cooperation, the EU has committed EUR 180 million to bolster regional ocean programs. This commitment is strategically directed across three key axes: ocean governance, sustainable blue economy, and the conservation/restoration of marine and coastal ecosystems. A significant aspect of the regional programmes in Africa involves addressing the pressing issue of illegal, unreported, and unregulated fishing, building on other ongoing programs (e.g. PESCAO and ECOFISH).
  - In addition to this, as part of *the EU-Tanzania Annual Action Plan*, the two sides announced a Team Europe Initiative on *Blue Economy* for EUR 110 million. One can expect other initiatives of this kind to be replicated across the African continent, building on the 30 multi-annual indicative programmes (MIPs) that include ocean-focused actions for Africa.
  - Also, the EU launched in 2023 a EUR 10 million specific programme in Mauritania, promoting the blue economy, eco-friendly fishing systems and strengthen fisheries value chain.
- Africa and Europe could join efforts at a multilateral level to address collective responsibility regarding the state of the ocean and strengthen international ocean governance. As such, opportunities lie in the two continents working jointly towards:
    - Aligning policies and strategies between the EU and Africa to create a harmonized approach to ocean governance, fostering a collaborative and mutually beneficial partnership.
    - Supporting the strengthening of governance structures, regulatory bodies, and enforcement mechanisms at both regional and national levels to ensure effective implementation of agreements and protection of critical marine zones.
    - Ratifying and implementation of the High Seas Treaty, the Plastic Treaty currently negotiated, the Ocean and Climate Dialogue at the UNFCCC COPs, as well as in ensuring the full implementation of latest policy developments, including the WTO Agreement on Fisheries Subsidies.
    - Facilitating and promote transboundary cooperation on marine resources management, recognizing the interconnectedness of marine and coastal ecosystems across borders and international waters.
    - Collaborating to establish and strengthen legal frameworks that promote transparency, accountability, and sustainability in marine and coastal activities, fostering a conducive environment for investments.
  - Africa and Europe could convene leaders from the two continents to elevate the bar politically and financially for the ocean. A Ministerial Conference could be supported by the work of the *Africa-Europe Strategy Group on Ocean Governance*, to advance continental priorities, seek common ground and mobilise a Team Europe approach for the benefit of the cross-continental partnership.

### **Potential areas of action:**

- It is crucial to monitor progress and evaluate the effectiveness of existing initiatives and actions. This will help the partnership achieve its desired outcomes, and ensure necessary adjustments are made promptly. It would be valuable to conduct an analysis of existing/previous initiatives on ocean governance and blue economy which could be replicated at the Africa-Europe level.
- The partnership can offer technical assistance and capacity building to African countries to help develop ocean governance frameworks tailored to their situation and aligned with ongoing international treaties' discussion. This includes providing training, sharing best practices, and facilitating knowledge exchange between the two continents.

## In Focus: Update from the AEF Strategy Group on Ocean Governance and Blue Economy

Ocean governance and blue economy represent a strategic domain of cooperation which is not yet central to the AU-EU dialogue – but one with immense potential. The two continents could greatly benefit from establishing a permanent Africa-Europe dialogue platform and ‘action tank’ on ocean governance, to incubate continuously strategic and concrete proposals and initiatives, share innovative practices, advance joint advocacy, and enhance the Partnership.

Launched in 2023, the Africa-Europe Strategy Group on Ocean Governance and Blue Economy, facilitated by the Africa-Europe Foundation, under the leadership of the European Commission and in partnership with the African Union Commission has started developing a shared vision on oceans, on which to build a solid Partnership which supports both sides.

2024 is poised to be a pivotal year for international ocean treaties and renewed political leadership on both sides of the Mediterranean Basin, and 2025, will be anchored by the 7<sup>th</sup> AU-EU Summit, and the 3<sup>rd</sup> United Nations Ocean Conference (UNOC3), the two continents should seize this window of opportunity to work better together on issues related to ocean governance and the blue economy.

There are key common priorities that provide the basis for advancing the Africa-Europe Ocean Partnership, with the potential to deliver solutions to existing challenges and advancing practical actions on the ground for communities and natural ecosystems. These should center on governance by reinforcing multilateralism and advancing global treaties, and capacity sharing through the exchange of the best available science, data, and policy options to forge a mutually beneficial partnership focused on self-interest and co-benefits.

On governance, cross-continental policy alignment and joint action at the multilateral level could offer the opportunity for both continents to work towards the full ratification and operationalization of the High Seas Treaty (BBNJ) and the Global Plastics Treaty, as well as to work collectively towards eliminating harmful fisheries subsidies and debating the contentious issue of deep-sea mining. Seeking alignment on these would demonstrate Africa-Europe unity on the international stage and joint leadership in driving the ocean agenda for its sustainable management and protection.

Furthermore, witnessing the African ocean leadership in spearheading the development of a regenerative blue economy is an opportunity to create programming synergy and partnership action with Europe. By working jointly in supporting Africa-led leadership and initiatives, the Africa-Europe partnership can be reframed at bicontinental and international level. Recent African ocean leadership is inspirational and offers a springboard of opportunities for joint action.

To achieve SDG14 by 2030, it is also imperative to build new capabilities in Africa and Europe, supported by partners who are at the forefront of international experience. In doing so, attention should be geared towards pressing issues that require urgent solutions. This includes the management of fisheries, but from the perspective of adding greater transparency to the system, and contributing to fighting illegal fishing activities while increasing the collection of data and knowledge around fish stocks. Tackling such issues would have direct implications for reducing food insecurity and improving human’s livelihoods and marine ecosystems.

In the same vein, establishing a cross-continental network of knowledge hubs, leveraging the best EU and AU centres in existence, including the recently designated African Union’s

Centres of Excellence (AU-CoEs), could significantly contribute to enhance evidenced-based policymaking, programming, and improve ocean literacy at large. Such a network could serve as a landmark of cooperation and promote the sharing of the best available science, policies, and data across the two continents. There is already a lot of good practices in Africa, including traditional knowledge, which could be beneficial for Europe. Working in tandem on specific issues could be instrumental in solving these.

Given that Africa and Europe have shared ocean and seascapes, the sharing of best practices represents a strategic opportunity to connect the two continents' experiences and obtain concrete results for socio-economic and environmental development – aligned with international global frameworks and latest declarations affecting the two continents.

## DIGITAL TRANSFORMATION

The Ten Commitments Framework	Main Commitments
<p><b>COMMITMENT 6: Investment Package</b> (Energy, Transport and Digital Infrastructure, Energy Transition, Green Transition, Digital Transformation, Sustainable Growth and Decent Job Creation, Transport Facilitation, and Human Development)</p>	<p>Investment in digital transformation that supports trusted connectivity through investments in infrastructures and an affordable and enhanced access to the digital and data economy while boosting digital entrepreneurship and skills</p>

### Context:

- Overall, the EU is looking to quickly scale up and expand its investments in digital portfolio, and to demonstrate what a European model of digital cooperation has to offer. Implementation of digital infrastructure and transformation initiatives face challenges not only in Africa but across many countries globally; competing models of digital transformation, such as promoted by China under the *Digital Silk Road in Africa*, offer different, and often incompatible approaches to governance and data protection. As such, this continues to raise concerns regarding digital governance and state surveillance in Africa and across the globe.
- The digital transformation is central to the AU's Agenda 2063, with three out of the 15 AU Flagships centred around digital and space: the Pan-African Virtual and E-University which, despite effective rollout of online curricula

and rising numbers of applicants, is facing challenges in terms of financial sustainability and getting continental and international accreditation; the Pan-African E-Network on telemedicine and tele education, which has been extended for a second phase in collaboration with the Government of India; and the Africa Outer Space Strategy (discussed more in detail under Commitment 4).

- Regional initiatives are also taking shape, such as the *Amilcar Cabral submarine line* to be spearheaded by the ECOWAS Commission, with the feasibility study of the project yet to be approved. Such digital infrastructure projects tend to be very ambitious with a strong potential for transformation and impact, but progress is slow with initiatives still at early implementation stages. In this context, it might be opportune to consider complementary- technologies based on the use of satellites to enable cost-effective and inclusive access to internet.

- As an enabler for other areas, digital solutions play a central role in the implementation of many of the initiatives across the different commitment areas, from digital skills and education (e.g., the regional teacher training programme) to the development of green data centres as a key part of the green transition, or of improved health access. As such, AU-EU digital cooperation has recently included work on Artificial Intelligence and the nexus between digital and space technology, and led to development of Digital Economy Packages with Kenya, Nigeria and the DRC.

### **Examples of progress to date:**

#### **Infrastructure**

Aligned with the *AU Digital Transformation Strategy for Africa (2020-2030)* and the international aspects of the EU's Digital Compass:

- The EU *EurAfrica Gateway*, has feasibility studies under way to identify the digital connectivity submarine cable infrastructures to form an international submarine fibre cable system connecting Europe and Africa, providing Africa with secure and trusted access to global networks.
- The *Amilcar Cabral submarine*, a high-speed infrastructure to join Guinea, Cape Verde, Gambia, Guinea-Bissau, Liberia, and Sierra Leone for a total budget of USD 74.5 million. The ECOWAS Commission spearheads the project with the feasibility study yet to be approved.
- The *Medusa Project*, a collaboration between the EU and EIB to provide underwater cable to connect Europe with North Africa, is under development at a total estimated cost of EUR 342 million, with the EU providing a grant contribution of EUR 40 million and EIB of EUR 100 million, expected for completion in 2026.
- The *Regional Fiber Optic Backbones* across Africa, with an initial pipeline of investment opportunities in all sub-regions identified by the EU and ongoing discussions with DFIs.

These include the completion of the Central African Republic fibre optic cable, as well as the second phase of a fibre optic backbone and solar-power cell phones towers in the Democratic Republic of Congo.

- The *Satellite-Based Connectivity Across Africa*, partly financed under the Global Gateway, to provide satellite connectivity to underserved regions, with deployment expected to begin in 2025 and a start of operations in 2027-2028.
- The *Africa Connected* guarantee programme, launched at the Global Gateway Forum in October 2023 in partnership with Finnfund, entails EUR 100 million in guarantee capacity to mobilise more than EUR 1 billion in sustainable investments for digital infrastructure and digital service platforms in Sub-Saharan Africa.

#### **Digital entrepreneurship and skills**

- The *African-European Digital Innovation Bridge (AEDIB)* design phase is under completion, and aims at addressing policy, regulation and access to finance.
- The *Digital for Development (D4D) Hub and D4D Access initiatives*, launched in 2020, aim to foster human-centric digital transformation and upscale investments in a Team Europe approach, with now 14 EU Member States participating.
- *SMEs AFRICA* promotes Copernicus EO data access to end-users in African countries including Gabon, Senegal, Ethiopia and South-Africa to address climate change and sustainable development.
- *Space2Waves* foster earth observation technologies in six Blue Growth sectors and support European SMEs' competitiveness by promoting access to international markets including South Africa.
- The AU Agenda 2063 Flagship *Pan-African Virtual and E-University (PAVEU)*, launched in December 2019, aims to use ICT-based programs to increase access to tertiary and continuing education in Africa.



- The AU Agenda 2063 Flagship **Pan-African E-Network** aims to build capacity for service delivery in the bio and nanotechnology industries, quality education, as well as medical tele-expertise and consultations. The first phase of the project was launched in 2009 in partnership with the Government of India. The Agreement has been signed by 48 AU Member States and was extended in 2018. A Satellite Hub Earth Station in Dakar and 150 VSAT pieces of equipment have been installed. 22,000 students obtained degrees; 770 annual tele-medicine consultations were carried out; and 6,700 Continuous Medical Education (CME) sessions held.

### Data and data governance

- The *AU-EU Data Governance in Africa Initiative*, co-financed as an EU Global Gateway initiative at EUR 60 million, and building on the *Data Policy Framework* developed by the AU in 2022, is in the inception stage. It will work on three objectives with different geographies: support to the implementation of the *AU continental Data Policy Framework*, data value in around 6 priority countries, call for proposals for *Digital Social Innovations across Africa* and development of a pipeline of investments for data infrastructure such as *Green Data Centres*, national and regional actions on *eGovernance and Regulatory Cooperation*.
- *National Artificial Intelligence (AI) Policies* have been adopted in Rwanda, Ghana and Senegal.

### Digital economy

- As an example, TEI in Kenya at EUR 437 million on *Human Centred Digitalisation*, with a *Digital Transformation Centre* launched in May 2023 to promote digital connectivity, jobs, skills, digital business, and digital government.
- Additional Digital Economy Packages were launched in Nigeria, with EUR 820 million in support of Nigeria's digital transformation strategy covering infrastructure for high-speed connectivity, digitalisation of public

administration, data governance, and digital skills and innovations, and the DRC, with investments covering new digital infrastructure and data governance.

### Potential areas of action:

- While the potential of AI technologies across a variety of sectors has been widely recognised, many AU member states are lacking the necessary environment to enable effective adoption of AI, including access to reliable energy, infrastructure, data ecosystems, STEM education and governance. Digital-led space technology, and in particular geospatial data, provide opportunities across a wide spectrum of Africa-Europe cooperation from natural resources management and increased connectivity, to enhanced disaster monitoring and environmental protection. To further advance cooperation in these areas, addressing gaps in infrastructure, regulatory environment, skills and finance remain key.

### Additional comments:

- EU initiatives aimed at accelerating the digital transformation register some progress in their design and sign-off phases. However, while progress is made on specifying funding sources and project details, initiatives remain at a very early stage. The most advanced project is the *Digital for Development (D4D) Hub*, already launched in 2020, and increasingly associating partner countries in a Team Europe approach, with 15 Member States participating, together with the private sector, civil society organisations, and academia.

## REGIONAL INTEGRATION

The Ten Commitments Framework	Main Commitments
<p><b>COMMITMENT 7: Implementation of the Investment Package through Public Funds and Innovative Financing, and Boosting Regional and Continental Economic Integration</b></p>	<p><b>Boost regional and continental economic integration, particularly through the AfCFTA. Work gradually towards the progressive and mutually beneficial integration of our respective continental markets</b></p>

- The *African Continental Free Trade Area (AfCFTA)* is a key Flagship of AU Agenda 2063. Adopted in March 2018, to date 54 AU Member States have signed the AfCFTA Agreement, 47 Member States have ratified it, and 46 have deposited their instruments of ratification.

### Box 15: The African Continental Free Trade Area (AfCFTA)

AfCFTA, stemming from Agenda 2063, unites 55 AU members and 8 RECs, forming the world's largest free trade area. It aims to:

- Elevate 30 million Africans from extreme poverty and increase incomes for 68 million living on less than \$5.50 a day.
- Raise Africa's income by \$450 billion by 2035, boosting the world's income by \$76 billion.
- Increase exports by \$560 billion, primarily in manufacturing, leading to substantial wage gains, especially for women (10.5%).
- Attract 111% to 159% more Foreign Direct Investment (FDI), with Europe, Asia, North America, and South America as key contributors.

Main progress of AfCFTA initiatives include:

- On trade in goods, 43 countries have submitted their tariff offers to liberalise trade.
- On rules of origin negotiations, about 87% of the tariff lines have been agreed upon.
- 42 initial submissions by State and non-State Parties have been made, covering the five priority sectors to advance the implementation of the objectives of the Protocol on Trade in Services.
- In May 2021, the Phase II Committees have been established to facilitate negotiations on the Protocols on Investment, Competition Policy, Intellectual Property Rights, Ecommerce, and on Women and Youth in Trade.
- The AfCFTA Committee of the Director Generals of Customs has been established.
- Work to operationalise the Dispute Settlement Mechanism is underway.
- The Business Investment Forum was launched in August 2021 to further expand bilateral business relations. The Forum has not been convened since.

### **Examples of progress to date:**

- EU EUR 630 million support to African economic integration and trade, particularly through the AfCFTA, *Regional Trade Agreements*, and also bilateral agreements such as the *Economic Partnership Agreements (EPAs)*.
  - EU EUR 40 million TEI *Technical Assistance Facility* to the AfCFTA Secretariat, signed in December 2021 and co-funded by FR, DE, and SE, is operational since June 2022.
  - Support in specific key trade areas, such as: tariffs (e-tariff book launched in July 2022); rules of origin (EUR 6 million programme); technical barriers to trade and quality infrastructure, and trade in services (two programmes totalling EUR 245 million).
- The AU Agenda 2063 Flagship *African Commodities Strategy* aims to transform Africa from a raw materials supplier and integrate it within global value chains. Strategy and an Action Plan were adopted in September 2021. Ongoing initiatives include:
  - The development of the agro-processing and value chain within the framework of the *Comprehensive Africa Agriculture Development Programme (CAADP)*.
  - Harnessing the Blue Ocean Economy.
- The AU Agenda 2063 Flagship *African Economic Platform (AEP)* is a forum bringing together African political leadership, private sector, academia, and civil society to reflect on how to accelerate Africa's economic transformation and progress on the Agenda 2063 goals. The first, and only to date, forum was held in Mauritius in 2017. AU plans for another forum to take place in 2024 or 2025.
- The 7<sup>th</sup> *EU-Africa Business Forum (EABF)* was held in February 2022. EU supports with EUR 15 million investment the establishment of a permanent EABF structure to further stimulate, enlarge and deepen the engagement of private sector actors. This permanent structure will be operational from the second half of 2024.
- Several studies were launched in 2022 to identify regional value chains. One of them, an AU-EU value chain diagnostic, identified four regional and high yield value chains for further consideration: infant food, automotives, pharmaceuticals and cotton apparel. The EU is working to further promote its collaboration with the AUC through participation in a *Steering Committee on Regional Value Chains* and plans to contribute to its resulting action plans.
- The EU is supporting the AUC in developing a continental *African Circular Economy Action Plan*.
- Key initiatives for SME support – specifically youth business – include the Team Europe Initiative *Investing in Young Businesses in Africa (TEI IYBA)* in Sub-Saharan Africa. The initiative aims to help young businesses and entrepreneurs in Africa, especially women, to launch, consolidate and grow sustainable businesses and create decent jobs. To date, the initiative has been launched at country level in Kenya, Nigeria, Senegal, Togo, Comoros and soon in Benin, South Africa and Cameroon. It encompasses 180 programmes amounting to EUR 4.6 billion, including:
  - EUR 22.65 million for the *IYBA SEED* programme which aims at supporting the entrepreneurship ecosystem in a comprehensive manner in selected African countries;
  - EUR 38 million for the *Women Entrepreneurship for Africa* programme targeting entrepreneurial skills and focusing on MSMEs and business support organisations;
  - EUR 40 million for the *Developing Employment in Senegal* programme.
  - Within the *European Funds for Sustainable Development + (EFSD+)* MSME window, a strong emphasis has been placed on aligning proposals with TEIs and specifically with the *TEI IYBA*.

- Youth-specific support includes initiatives of key cooperation between the EU and AU, such as the ongoing *AU-EU Youth Hub* and the new *AU-EU Youth Lab* and newly launched *The Youth Empowerment Fund* in October 2023. Both are contributing to implementing *the EU Youth Action Plan*, as well as the EU-AU Summit and *Africa Week* recommendations and commitments.
- Other areas of EU cooperation include a EUR 750 million *Programme for Infrastructure Investments* agreed at the Commission-to-Commission meeting in November 2022 which supports critical continental infrastructure, including transnational connectivity.
- A new *EU-AU High Level Dialogue on Economic Integration* was established with its first meeting set to take place at the next EU-AU Ministerial. Its main goal is sharing EU experience relevant to the implementation of AfCFTA and promoting business links between the continents.

#### **Potential areas of action:**

- The EU has been supporting AfCFTA with significant investments. It will be crucial to align external investments with EU trade policy, especially around agriculture and climate, to ensure EU policy does not undermine early efforts in establishing a common free trade area in Africa. Coordination and cooperation with European partners, such as DG Trade and DG AGRI, the DFIs and European private sector, will be necessary to ensure support to AfCFTA.
- The more concrete steps to strengthen efforts around the implementation of AfCFTA are a positive development. The current very low level of intra-regional trade in Africa – 18%, compared to 68% in Europe – is an important obstacle to economic development as few African domestic markets have a sufficient critical mass to promote economic diversification and promote industrial specialisation. With 30 years of implementation of the EU Single Market, the EU can share its experience with AfCFTA, both in tariffs harmonisation and reduction of non-trade barriers. Launching the newly established High-Level Dialogue on Economic Integration can provide a good platform for exchanging lessons, while respecting each other's sovereignty over implementation plans and proposals.

#### **Additional comments:**

- Bilateral Economic Partnership Agreements and trade deals with individual African countries may undermine the AfCFTA. Both EU and AU partners are responsible for ensuring the trade and economic partnership agreements do not weaken the strategic objectives of AfCFTA.
- The monitoring and discussion of all EU programmes on continental, regional and multi-country economic integration and trade is assured by the *Sub-Saharan Africa Multi Indicative Programme, Thematic Consultative Group on Economic Integration and Trade*. The Group is comprised of the EU, AfCFTA Secretariat, AUC, RECs, representatives of regional Business Councils, and International Financial Institutions. Three meetings have already been held, including the latest one in Arusha in March 2023.
- *Transport corridors* provide a good opportunity to strengthen African market integration, and support its operationalisation in a specific location at a concrete time. The flagship infrastructure development projects under AU PIDA, as well as the 12 *Strategic Corridors* identified under the Global Gateway Africa-Europe Investment Package are an important support to realising successful development corridors in Africa and enhancing the AfCFTA by unblocking infrastructure bottlenecks.