

# EXECUTIVE SUMMARY: KEY OBSERVATIONS

This first report of its kind on the State of Africa-Europe is centred on a review of the ten headline commitments resulting from the 6<sup>th</sup> EU-AU Summit held in February 2022, widely ranging from financial pledges to policy reforms, from peace and security to education and digital skills.

For the first time, the importance of monitoring the implementation of commitments was highlighted as a key point, and as such included in the 6<sup>th</sup> Summit Final Declaration.

Since the 6<sup>th</sup> Summit, the Africa-Europe Foundation – as an independent organisation – has worked with the European Union and African Union, along with other interested stakeholders to gather, check and collate data on progress.

The ensuing report provides a first baseline for commitment tracking, albeit still limited by the current level of and access to data, and the fact that commitments were largely drafted without specificity (baseline and targets) and timelines.

## The Partnership remains significant for both Africa and Europe.

Africa and Europe have strong historic ties. Some, such as the colonial legacy, still need to be duly acknowledged. But beyond the historical connections, there are also close contemporary links that should be fostered. From people to people interactions, through cultural exchanges building on the large African diaspora enriching communities across Europe, to growing economic relations.

Africa is an important and growing trading partner for the EU. It is a considerable export destination for EU goods with the Member States, with Portugal (19.9%), Cyprus (19.5%), Malta (18.2%), Spain (15.2%) and Greece (14.7%) having the highest shares of exports to Africa in their total exports to countries outside the EU (2021). African goods are critical for the European supply chains, with Spain (17.2%), Portugal (13.2%), Italy (12.2%), France (11.7%) and Greece (11.4%) having the highest shares of imports from Africa in total extra-EU imports (2021). In 2021, EU exported US\$ 146 billion to and imported US\$ 142 billion of goods from Africa, with an overall trade surplus of US\$ 4 billion.

The EU remains Africa's biggest trading and development partner. In 2020, EU accounted for 33% of exports to, and 31% of imports from non-African countries. In 2021, 30.9% of Africa's external trade of goods was with the EU (US\$ 268 billion). European investors are, by far, the largest holders of FDI stock in Africa at US\$ 160 billion (2020) with France (US\$ 54 billion), Netherlands (US\$ 54 billion), Italy (US\$ 29 billion), and Germany (US\$ 15 billion) among the top 10 investor economies (2021). The EU is the largest Official Development Assistance (ODA) provider to Africa with US\$ 23.4 billion (2020) of investments.

## Monitoring a partnership requires shared indicators and relevant data.

Institutional acknowledgement of the need for monitoring of political commitments, demonstrated in the conclusions of the 6<sup>th</sup> Summit, was a critical first step. The ensuing consultation process between the AU and EU to develop a shared follow-up mechanism is ongoing. Increasing investment in the follow-up and monitoring of commitments is key to success. However, the lack of shared definitions, processes and tools, as well as timelines for commitments, are accompanied by significant data gaps - particularly on Member State actions, on both the European and African sides. At EU Member State level, key actions closely related to the 6<sup>th</sup> Summit commitments are being implemented by national development agencies, from SIDA to AFD, but the relevant data on progress are not always available and, in any way, never consolidated at EU level. Available information on the Global Gateway Africa-Europe Investment Package, especially on the aggregate level, remains limited, although more details become now available on specific investments. At the AU level, while processes are being put in place to track progress, there is limited evidence – if any – that they have been operationalised. While EU and AU institutions are aware of their monitoring commitments, less attention is paid at national level and by other actors. It is therefore key to translate commitments into relevant indicators in order to measure progress. This is not an easy task, as it requires political commitment and intricate technical coordination. But it is a continuation of the significant political will invested by both partners in February 2022 to secure the outcomes of the Final Declaration.

The upcoming 3<sup>rd</sup> EU-AU Ministerial and 1<sup>st</sup> EU-AU Ministerial follow-up committee meetings could provide an opportunity for institutions and Member States to first agree on relevant indicators. This would help to produce a framework and begin publishing information to help frame the proceedings of the 7<sup>th</sup> AU-EU Summit planned for 2025. The Foundation stands ready to support this effort.

While perceptions in the media, among civil society organisations and even officials working on the partnership appear dominated by a sense of “over-promising and underdelivering,” factual assessment of what has already been achieved highlights a number of positive results.

- a. **Health:** Significant investment in vaccine manufacturing is bearing fruit. Team Europe is supporting manufacturing facilities in 4 African countries (out of 8 with existing vaccine manufacturing capacity) to date, creating new jobs and contributing to the AU's goals of ensuring 60% of Africa's routine vaccines are produced on the continent by 2040.
- b. **Reallocation of additional SDRs:** EU Member States have pledged to reallocate US\$35.4bn in SDRs, principally through IMF trust funds, contributing to the US\$100 billion rechannelling target made by high-income countries in 2021. Yet, the IMF's disbursement process so far has been slow, with only three African countries having received as of January 2024 disbursements totalling SDRs 162.56 million (equivalent to about US\$ 216 million).
- c. **Illicit Financial Flows:** A new Team Europe Initiative on Illicit Financial Flows and Transboundary Organised Crime (EUR 450 million), to be launched in 2024, aims to significantly enhance partnership in this domain, with a strategic opportunity to implement the scope and recommendations of the 2015 Mbeki Report.
- d. **Africa's voice on the multilateral stage:** Supported by the EU, the African Union seat at the G20 and a third seat for sub-Saharan African on the boards of IMF and WB recognises the importance of a fully-fledged voice for Africa in the global architecture.
- e. **Continental integration:** 47 out of 55 AU Member States have ratified and deposited their instrument of ratification of the African Continental Free Trade Area (AfCFTA) agreement. The EU stands as an important partner in the implementation of the Agreement, with EUR 630 million to

support African economic integration and trade, including EUR 40 million in technical assistance support to AfCFTA Secretariat. This partnership could develop further through the support of better integration of AfCFTA with the EU's domestic policies, especially in the agriculture and climate sectors.

- f. **The co-investment approach:** The emphasis on a shared investment agenda, including an Africa-Europe approach and private-public partnerships, is also embedded in the implementation methodology for Global Gateway.

### Despite current misunderstandings and misgivings, a strong appetite for exchange and engagement remains across the two continents – in particular among and between young people.

Citizens of both continents recognise the added value of cooperation, and that a strong Africa-Europe Partnership can create a stable global middle-ground as the world becomes increasingly multipolar. The extent to which a strengthened Africa-Europe Partnership can benefit our respective societies rated an average 4.1 out of 5 by youth across Africa and Europe taking part in AEF's citizen consultations and surveys, #ReimagineAfricaEurope, led between July 2021 and January 2024. Over  $\frac{3}{4}$  (76%) consider economic inclusion and decent job creation for young people as the areas where a strengthened partnership is most beneficial.

### The nature of current challenges calls for a more interactive approach across traditional silos.

The global landscape highlights the growing interaction, and multiplier effect, of all current crises: climate, food security, health, debt, conflicts, terrorism... However, at institutional, government and administrative levels, most policies and workloads remain siloed. Addressing complex challenges such as the links between health and climate, or digital and mobility remains a challenge. This hinders the

ability and agility to design unlocking solutions and projects. While the current poli-crisis affects all, its distribution disproportionately affects Africa, hence reinforcing the value of Africa-Europe cooperation, for example at the climate-development nexus and in the domain of sustainable finance, is of importance.

### There is opportunity for an extended and innovative partnership by bringing in additional stakeholders.

Enlarging the scope of the partnership to additional actors such as local governments, business and finance sectors, and youth could bring new ideas to the table and contribute to swifter implementation of commitments made at the highest level. Consultations carried out in relation to the EU-AU Summit have consistently highlighted that the complexity of today's challenges cannot be solved by governments alone. Dialogue and interaction need to develop beyond the confines of formal institutional structures, to include a multitude of stakeholders, from civil society networks to business, youth, local governments, institutional philanthropy and grassroot organisations. 61% of citizens consulted through the #ReimagineAfricaEurope campaign considered '*Enlarging the Africa-Europe dialogue to diverse stakeholders who have the capacity for action, such as creating space for young people, the private sector and city leaders*' was the top priority to reset the partnership. Youth, CSOs, business and cities are priority actors and should be more involved, as underlined by 84% of respondents in 2023. Since the 6<sup>th</sup> Summit, recognising the importance of extending the partnership, the EU, the AUC and the AU Economic, Social and Cultural Council (ECOSOCC), have worked together and with representatives of the civil society, local authorities, youth, and private sector, towards establishing a structured mechanism to engage with all relevant stakeholders of the Africa-Europe partnership.

Consultations with youth and civil society have also revealed a desire for more dynamic and robust cultural collaboration and exchange. However, this still mainly occurs in an ad-hoc and fragmented manner, outside the official domain. Here is an area of high potential which the AU-EU institutional partnership has yet to appreciate and grasp.

### To keep in pace with a quickly shifting landscape, agility and innovative actions are called for before the 7th Summit.

The global landscape has changed significantly since the 6<sup>th</sup> Summit two years ago. While the main commitments of the Summit still remain relevant, new needs and priorities have emerged. In a period of increasing volatility and shrinking resources, the Partnership can achieve the greatest impact when it aligns both long-term strategy and short-term political goals. Ongoing political dialogue can identify how the EU and the AU can join forces to respond effectively to geo-political shifts.

Crisis always triggers scope and opportunity to identify low-hanging fruits as well as innovative ideas. As the COVID crisis proved by eventually prompting an effective partnership in vaccine manufacturing, so can the ongoing climate challenge foster meaningful partnerships. Youth and civil society surveys, as well as experts' consultations, point to diversified areas of high potential: cultural exchanges and collaboration, agri-food transformation and food security, carbon markets and decarbonation technologies, green technologies and critical minerals.

### Africa's increasing representation on the global stage presents opportunities to articulate and push common agendas in multilateral institutions.

The EU's support for a specific African Union seat at the G20, and for a third sub-Saharan African seat on both the IMF's and the WB's boards could pave the way for further

cooperation, without underestimating the larger global geopolitical context within which the Africa/Europe partnership operates. For Europe, this means recognising that Africa "cannot be taken for granted", nor just be a battleground in a 'new cold war', and that African countries have the ability, and the right, to partner with multiple global actors, according to diverse shared agendas. For Africa, this means acknowledging that the Europe remains its biggest trade, investment, and foreign aid partner, and thus warrants a coherent African strategy.

In the immediate term, close Africa-Europe alignment on reform processes underway in the UN and Bretton Woods institutions is critical, including a focus on joint positioning on the WTO reform ahead of MC13.

### A 'partnership of equals': going further.

Going beyond the specific commitments, focusing solely on the substance (the 'what'), the partnership monitoring could also include the implementation process (the 'how'). The Joint Vision included in the Final Declaration sets out principles for both Unions which could guide them in their joint efforts to achieve the heralded 'renewed partnership' – through a profound change in approach to one another.

"We need a new relationship software based on our vision of partnership rather than aid, towards shared growth and prosperity"

*Closing remarks of Macky Sall, President of Senegal and Co-Chair of the 6<sup>th</sup> EU-AU Summit*

As a pre-requisite for any real partnership, "equality" needs to be given its full meaning. Indeed, the AEF Charter highlights that any prospect of a transformative partnership "*must acknowledge the prevailing power dynamics and inequalities of where we stand, build a strategic vision for where we want to go, and make sure that commitments made are implemented*".

Meaningful outcomes and impact also rely on the partnership-building process. As such, and in the space and time allowed until the 7<sup>th</sup> Summit, assessing progress made towards establishing this partnership of equals is critical.

At this stage, the priority focus could be on the quality of engagement and joint decision-making, and adherence to the principles adopted in the Joint Vision. In practice, the two Unions could invest in:

- a. **Changing the narrative:** This means moving away from any narrative depicting Africa as “a continent to be helped”, and Europe as “a saviour”, instead highlighting the African continent’s assets and potential, and underlining a partnership with Europe that benefits both.
- b. **Accepting diversity:** Partnership does not mean full alignment. There is a prevailing assumption that ‘a partnership of shared values’ requires a common position on any issue by the 55 AU and 27 EU Member States. This belies both the historical context and current interests of each AU and EU Member State. Awareness and understanding of the complexities prompting positions taken in global fora is necessary. The time of enduring alliances, whatever the issue at stake, has probably gone. This can be replaced, or at least complemented, by different coalitions of interests between different Member States, from both sides, around issues of joint interest.
- c. **Implementing reciprocity:** As we move away from outdated aid-based relations to a genuine partnership, this will require equal commitments from both sides of the deal. The 6th Summit commitments still largely appear as a sum of financial commitments from Europe to Africa. Commitments from the African side also need clear articulation, and systematic monitoring of their implementation.

The Joint Vision for 2030 aims to ‘consolidate a renewed Partnership for solidarity, security, peace and sustainable and sustained economic development and prosperity for our citizens and for our future generations (...) founded on mutual respect and accountability, shared values, equality between partners and reciprocal commitments’.