

CHALLENGES FOR AFRICA-EUROPE RELATIONS

A chance to get it right



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ECDPM's annual Challenges Paper seeks to identify the important debates of the coming year and to sketch the backdrop against which these will unfold. The aim is not to predict outcomes, but to offer perspectives on Africa-Europe relations, and hence widen the engagement of all parties involved.

2018 presents a once-in-a-decade opportunity for Europe and Africa to arrive at a more coherent partnership, bridging the political, institutional and financial limitations of the frameworks that now regulate their cooperation. In September, African and European policymakers are expected to start negotiations on the future of the ACP-EU Partnership Agreement, also known as the Cotonou Agreement. This is the first complete renegotiation of the Agreement since the Joint Africa-EU Strategy (JAES) was signed in 2007. Despite the financial and legal weight of Cotonou, it is the JAES that provides the framework for much of the political and security dialogue between Africa and the European Union (EU) today.

With the future of the partnership between the EU and the African, Caribbean and Pacific (ACP) Group of Countries up in the air, Africa and Europe will also be dealing with various institutional and thematic issues with a bearing on their relations. The EU will be making decisions on its next budget beyond 2020 (the Multiannual Financial Framework, or 'MFF') while simultaneously negotiating Brexit. Its African counterpart, the African Union (AU), will be working towards institutional reform and financial autonomy, in line with the Kagame and Kaberuka proposals. In addition, the two Unions will be tackling ongoing issues, not least migration and security, which affect both though they do not always share the same interests.

Both sides appear to be increasingly aware of the unique opportunity the year presents to address the fragmentation and growing divergence between the frameworks guiding EU-Africa relations. Although the EU has in the past championed the JAES as an instrument for moving beyond donor-recipient relations towards genuine partnership with Africa, it has failed to link adequate means of implementation to the strategy. This has hampered any real impact. Instead, resources remain linked to the Cotonou Agreement, which many now see as outdated.

This paper aims to inform the discussions on Africa-Europe relations at the start of the year, when there is still time to steer existing cooperation frameworks closer. The first section sets the stage for the post-Cotonou deliberations. The paper then addresses implications of the EU's and AU's institutional agendas for the upcoming negotiations. The EU's multiannual budget process, too, will trigger a rethink of priorities and modalities of cooperation with Africa. Meanwhile, the AU's institutional and funding reforms will raise the question of what type of partnership it seeks with Europe. The paper further explores the implications of several issues of common concern: governance in Africa, global trends in migration and migration management, trade and investment agendas, and agricultural and sustainability goals.

Setting the scene

For a decade, EU-Africa relations have been organised on two separate and diverging tracks. The Cotonou Agreement of 2000 between the EU and ACP countries has represented one track, with the other being the continent-wide JAES, adopted at the EU-Africa Summit in Lisbon in 2007. A further complication has been that while Cotonou has covered all of sub-Saharan Africa, North African countries have been served by the EU's Neighbourhood Policy or one-time "Union for the Mediterranean". Following the tradition of the Lomé Conventions, the Cotonou Agreement is the vehicle for EU support to the post-independence ACP states. Its three pillars – development cooperation, economic and trade cooperation and political dialogue – have produced predictable but conditional flows of development aid.

The JAES, however, was designed to forge "new and stronger partnership", building on "new identities" and "renewed institutions". Capitalising on the lessons of the past, it seeks to provide a framework for long-term, systematic and integrated cooperation.¹ The JAES envisions a partnership between the continents evolving beyond aid, beyond governments and, indeed, beyond Africa. Thus, the JAES was expected to breathe new life into hitherto asymmetric EU-Africa relations, resulting in a collaboration predicated on mutual interest and long-term strategic objectives, both in direct relations and in global affairs.

Despite these ambitions, the JAES has lacked means of implementation. For this and other reasons, it has lost momentum and significance. EU-Africa relations have, in practice, continued to depend on the Cotonou Agreement. This has impelled a North-South, donor-recipient dynamic with the EU channelling money to African countries in return for loyalty to European agendas.² At the same time, Cotonou's economic and political pillars have lost much of their substance: trade relations now centre on the economic partnership agreements (EPAs) and political dialogue has shifted towards the AU, which is not a party to Cotonou. Despite the Cotonou Agreement's aspirations to promote "governance", and the EU's attempts to use aid conditionality towards this objective, Cotonou has become a largely bilateral mode of development assistance-focused cooperation. In contrast, the JAES has picked up the political dialogue between the two Unions and the collaboration on peace and security, albeit funded from the Cotonou Agreement's European Development Fund (EDF). The current reality of the Cotonou Agreement is that it remains largely insensitive to the increasing regionalisation of African dynamics, inconsiderate of the changing power relations between the EU and Africa, and even globally, and often disconnected from emerging crises.

On the African side, several key strategies have emerged for breaking out of the asymmetrical relationship with the EU: increased political assertiveness through a united African voice, enhanced financial autonomy of the AU and diversification of political and development partners. To pursue these and transform the continent's relations with the EU, African states will have to do more than dwell on the limitations of existing mechanisms, such as the JAES and the Cotonou Agreement. They will need to arrive at the negotiation table with clear objectives and strong coalitions, and seize the opportunity 2018 presents to reform, reframe or retain the ACP-EU framework and make it coherent with the JAES. There is limited time for African countries to formulate their own interests, and make critical choices on how to approach the negotiations. This includes a possible role



of regional coalitions and the involvement of the AU, as well as the mandate given to African negotiators (i.e., what future scenarios they consider optimal and what elements they are willing to drop in exchange for concessions).

Convergence of these processes means that, for the first time, the frameworks governing EU-Africa partnerships can be reviewed in their entirety and in terms of their practical applicability. This is an opportunity to go beyond the conceptual level, to rethink both the political and the peace and security dimensions (Cotonou and the JAES), development and trade cooperation modalities (Cotonou and the EPAs) and the financing of the partnership (the EU budget and EDF).

The EU has expressed its intention to make use of this opportunity, and to replace and upgrade the JAES with an EU-Africa Compact in a future, more open ACP-EU partnership.³ The AU in turn is yet to position itself on the matter, and is expected to do so early in 2018.

To achieve an informed negotiation and equal partnership will require a willingness to ask difficult questions as to who represents either side, what their interests are in a new AU-EU and/or ACP-EU partnership, and the institutional and political conditions for reaching a new deal. Institutions and governments on both continents have long been hesitant to tackle this head on. Few actors have taken an explicit stance, due to institutional inertia, path-dependency and an unwillingness to be the first to break ranks. Most discussions have been limited to institutional silos, with few attempts made to take a more strategic view. Yet critical choices will need to be made in the first half of 2018 that will define whether the ambition of a coherent 'Africa-as-one' approach will be met.

Institutional Agendas

1. NEGOTIATING THE EU BUDGET

The EU's capacity to be an effective and consistent global player and valuable partner to Africa depends on the health of the Union itself.⁴ The EU has yet to fully emerge from its existential crisis. It faces violent conflicts uncomfortably close to home, changing global power relations, and irregular migration and refugee flows that have turned EU attitudes inwards. The Union is moving forward in some areas. Member states are beginning to agree on deeper integration on security and defence. The 27 EU countries are committed to working together in the Brexit negotiations and on climate change. They are also coordinating among themselves to revive Europe's position in the world.

Negotiations on the post-2020 MFF, or EU budget, will be the primary EU institutional process in 2018. The world has changed substantially since the last budget negotiations began in 2012. This process is an opportunity to update the EU's aspirations and the means it will devote to achieving them. This includes its relations with Africa. In particular, financial allocations to development and foreign policy will be determined. Official MFF negotiations will begin in May 2018, when the European Commission presents its proposal for the next EU budget. The process will involve the European Commission, the European Parliament, the European Council and member states. These actors are already positioning themselves, defining their respective priorities and interests.

One of the most challenging aspects for the EU will be to reconcile its stated values – human rights, democracy, poverty alleviation and humanitarian concerns – with its shorter-term security, economic and migration interests. The EU has struggled to align these goals, particularly in relation to Africa and the EDF. The upcoming EU budget offers an opportunity to revisit this dilemma. But in a shifting world context, with Europe and Africa changing, positions may well be hard fought.

Brexit is another area that will impact heavily on the EU budget and policy priorities, as the United Kingdom (UK) has been one of the EU's strongest advocates for Africa and fragile and least developed countries. The Brexit Phase 1 Agreement does indicate the UK will go on contributing to the current 11th EDF and other EU funds until 2020 but makes no commitments beyond. The UK leaving could leave a 12% to 15% gap over current EU budget levels, however the final terms of the Brexit have not yet been determined. The UK may be interested in collaborating with the EU in certain priority areas or regions. North Africa, the Horn of Africa and the Sahel are some that have been mentioned.⁵ In that case the EU and UK could come to some pooled funding arrangements.

MFF context

EU budget negotiations occur at different levels, all of which impact engagement with Africa. Budget increases or cuts can fall at each level as well.⁶ There is the overall EU budget; "Heading 4", under which resources are allocated for external action; the individual external financial instruments, such as the European Neighbourhood Instrument (ENI) and the Development Cooperation Instrument (DCI); and specific programmes within instruments, such as the Pan-African Programme within the DCI. As

Brexit will undoubtedly create some pressure for cuts in absolute terms, a key question is where these cuts will fall. The European Commission's budget proposal, to be published in May 2018, will shed light on future resources for foreign policy and development cooperation. It will provide the starting point for deliberations on how the EU and its member states foresee their engagement with African stakeholders. Interest groups associated with internal policy areas (particularly regional funds, agriculture and research) are well organised and powerful in comparison to those associated with external action and development cooperation. While the MFF is a European process, its implications for Africa are significant. A collective African voice would provide the best chance of influencing the process.

The EU's current MFF allocates €66.3 billion to external action. This is a much smaller envelope (6%) than for internal EU policies, like agriculture (47%) and infrastructure, transport and the environment (34%).⁷ Politically, the future EU external budget is unlikely to be significantly higher. The total EU MFF has a politically contested ceiling of 1% of the gross national incomes (GNI) of all member states. Any increase in external allocations would require raising this cap, or cutting resources for internal policies. A larger share may be allocated to foreign and development policy, as the EU has pledged to address a number of key challenges with both an external dimension and internal ramifications, such as security, irregular migration, climate change and sustainable development.

Budget negotiations will extend to the level of the so-called external financial instruments (EFIs), i.e. the budget lines used by the Union to allocate funds to various geographic and thematic priorities, including the extra-budgetary EDF. In terms of size and reach, the EDF is the main EU financial instrument for development cooperation in Africa. For the 2014-2020 period, 93% of the instrument's €30.5 billion is allocated to sub-Saharan Africa.⁸ A recurrent issue is whether the EDF should be included in the EU budget or left outside. Such "budgetisation" will be back on the table in this round of negotiations. It could impact the resources available for Africa (see infographic 1), their predictability and management modalities.

Strengthening EU foreign policy and boosting collaboration with the African continent stand high on the EU's 2018 agenda, driven by security and migration interests and policy commitments such as the new European Consensus on Development (2017) and the EU Global Strategy (2016). These commitments, together with international obligations like the 2030 Agenda, the Paris Agreement on Climate Change and the Addis Ababa Action Agenda, all have implications for the EU budget and for Africa. The impact of these new frameworks on EU official development assistance (ODA) to particular countries (such as least developed countries), sectors (including public goods such as environmental sustainability), cooperation modalities (like blending) and new partnerships (e.g., with private actors) will need to be closely monitored.

Specific allocations will depend on internal discussions within the EU, as well as on wider policy processes, such as initiatives to modernise ODA. For instance the Organisation for Economic Co-operation and Development (OECD) proposed "total official support for sustainable development" (TOSSD) concept. This measure for monitoring development cooperation resources underpinning the 2030 Agenda is intended to also report on private

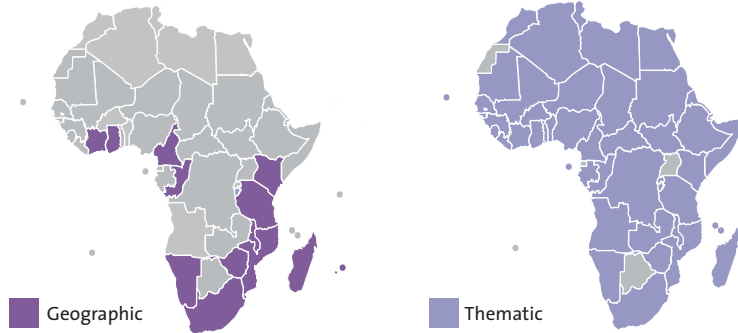
EXTERNAL FINANCING INSTRUMENTS IN AFRICA 2015



These financing instruments are the main mechanisms through which the EU funded its actions in African countries in 2015. Maps represent actual disbursements and not eligibility of EU funding. The EDF is an external financing instrument outside the EU budget.

DEVELOPMENT COOPERATION INSTRUMENT (DCI)

Contributes to poverty eradication, sustainable development, democracy, rule of law, good governance and human rights. DCI geographic is disbursed to countries, DCI thematic to 'Global Public Goods and Challenges' and to 'Civil society organisations and local authorities'.



EUROPEAN DEVELOPMENT FUND (EDF)

Contributes to poverty eradication, sustainable development and integration to the world economy of Africa-Caribbean-Pacific countries and OCTs.



EUROPEAN NEIGHBOURHOOD INSTRUMENT (ENI)

Supports and fosters stability, security and prosperity in the EU's Southern Neighbourhood.



EUROPEAN INSTRUMENT FOR DEMOCRACY AND HUMAN RIGHTS (EIDHR)

Assists the development and consolidation of democracy, rule of law, human rights and fundamental freedoms.



INSTRUMENT CONTRIBUTING TO STABILITY AND PEACE (ICSP)

Supports security initiatives and peace-building activities. Addresses global and trans-regional threats.



COMMON FOREIGN AND SECURITY POLICY (CFSP)

Supports the deployment of overseas operations, using civilian and military instruments.



ECHO (HUMANITARIAN)

Financial decisions funding humanitarian actions and promoting civil protection.



OTHERS

This includes for instance: Instrument for Nuclear Safety and Co-operation, Partnership Instrument and the African Investment Facility.



Source: 2016 Annual Report on the implementation of the European Union's instruments for financing external actions in 2015. Table 8b Breakdown by Country and Instrument for 2015-disbursements

sector instruments, concessional loans, peace and security efforts and in-donor costs. A task force bringing together OECD and UN bodies is expected to propose a formula for TOSSD in 2018, with the aim to introduce TOSSD at the UN High Level Political Forum in 2019.

The post-Cotonou negotiations will undoubtedly affect the way the EU cooperates with Africa. The Cotonou principles of ownership and predictability were intended to provide space for African countries to define their own development models and discuss and question use of allocated resources, yet research on practice provides a different picture.⁹ The EU's direct pursuit of its own interests through trust funds, which are designed by the European Commission and funded in part by the EDF, has also eroded African countries' role. These trends undermine African states' ability to define, together with EU delegations and headquarters, the sectors to work in and the alignment of development assistance to national development plans.¹⁰ Furthermore, more consistent application of the principle of differentiation, by which the EU allocates bilateral aid to those countries most in need and where its impact can be greatest, including fragile states,¹¹ could lead to aid cuts to nine African upper middle income countries.¹² This is particularly relevant to allocations under the EDF and ENI. Thus the discussion on how the EU engages with middle-income countries should see African actors more engaged in defining what partnerships and collaboration they envision with the EU going forward.

Coherence and Flexibility

There is pressure to rationalise existing instruments, in the words of the EU Global Strategy, "to enhance ...coherence and flexibility".¹³ Flexibility means different things to different actors. Many see it as rapid responsiveness to unforeseen events. Others view it as an ability to transfer resources between EU budget headings, to leverage additional resources or to reorient funds to new partners such as civil society and businesses. The current external financing architecture is arguably too complex and in need of simplification to perform better by these measures.

Various ideas have been offered for reducing the number of instruments: the EDF could be merged with the DCI (half of which goes to Asia); EU funds could be grouped under a new sustainable development goals Instrument; a single instrument could be created for all EU development and foreign policy except security spending; the Partnership Instrument could be expanded to include a wider set of more advanced developing countries; and the ENI could be enlarged to include the "neighbours of EU neighbours" to embrace more countries of strategic interest to the EU (e.g., in the Middle East and Sahel). A dedicated instrument to tackle illegal migration has also been suggested.¹⁴ Each option raises issues regarding the balance between development and foreign policy priorities, allocations within instruments and what EU institutions would take the lead in management.

An option for a more radical restructuring which is gaining momentum is the so called 'single instrument' for EU external action.¹⁵ Despite the name, a single instrument might still leave some specific items out, such as some security spending, humanitarian assistance or pre-accession resources for countries on a path to join the EU. Political momentum and EU institutional wishes for such a drastic simplification might exist, but this would require some difficult choices on design and operationalisation. In practice, different options are available that go from a truly all-encompassing instrument to more humble options for merging only some. African stakeholders will need to watch this closely as merging could affect existing instruments (eg: EDF; ENI). Yet such a rationalisation could also make it to 'treat Africa as one'. How funds in such an instrument would be internally earmarked, particularly if there was an "Africa" section, could also have consequences for both its chance of being accepted and for how it would be managed.

European stakeholders, meanwhile, are considering the creation of a new peace and security instrument, which could potentially incorporate the African Peace Facility (APF).¹⁶ Such an instrument could be financed partly from the EU budget and partly by off-budget sources, to overcome EU budget-imposed limitations on funding military and security items. The EU currently finances short-term crisis response and longer-term peacebuilding activities abroad through its Instrument contributing to Stability and Peace (IcSP). However, the IcSP budget remains small, and ambitions proportionally low, as it is designed to complement other instruments. An amendment was recently adopted to allow this instrument to finance the purchase of non-lethal equipment for the military of partner countries as from 2018. Yet, doubts still remain on the legality of such a step, as EU treaties place restrictions on such financing. There are also questions on the relevance and desirability of such allocations, in light of the EU's development ambitions. A more ambitious instrument for peace and security, financed both on- and off-budget could solve the legal conundrum. One idea floated was to create a "European Peace Facility" to cover all European defence and security work with partners. However, it is unclear how such an instrument could be embedded in a broader, structural peacebuilding and development policy flexible enough to respond to fast-evolving crises.

Programming

While all the EU budget negotiations are relevant to African stakeholders, individual African countries are most affected by bilateral country processes, known as the "programming phase". This is where country financial envelopes and intervention sectors are identified. These processes in Africa are set to begin in the second half of 2018. They will start with EU member state directorates for international cooperation and development (responsible for sub-Saharan Africa) and for neighbourhood and enlargement (responsible for North Africa) sending initial internal programming guidance to the EU delegations, in collaboration with the European External Action Service (EEAS).

The likely overhaul of EU financial instruments carries significant implications for programming procedures.¹⁷ Some tools and instruments covering EU-Africa relations now have functional and geographic overlap: the EDF and DCI, the EDF and the European Instrument for Democracy and Human Rights; the DCI's pan-African envelope and the ENI on North Africa.¹⁸

EU institutions need enough planning and consultation time, including with African partners, to be ready to disburse funds as of January 1, 2021. Currently, it is unclear whether longstanding principles of EU bilateral programming, such as a focus on development assistance in only three thematic sectors (e.g., agriculture, education and health) and the nature of consultation with member states, civil society and host governments, will be retained or revamped. For all stakeholders, programming starting in 2018 will be hindered by unknowns regarding overall envelopes available in the coming years, the legal basis and framing of the financial instruments and the shape of future post-Cotonou partnership.

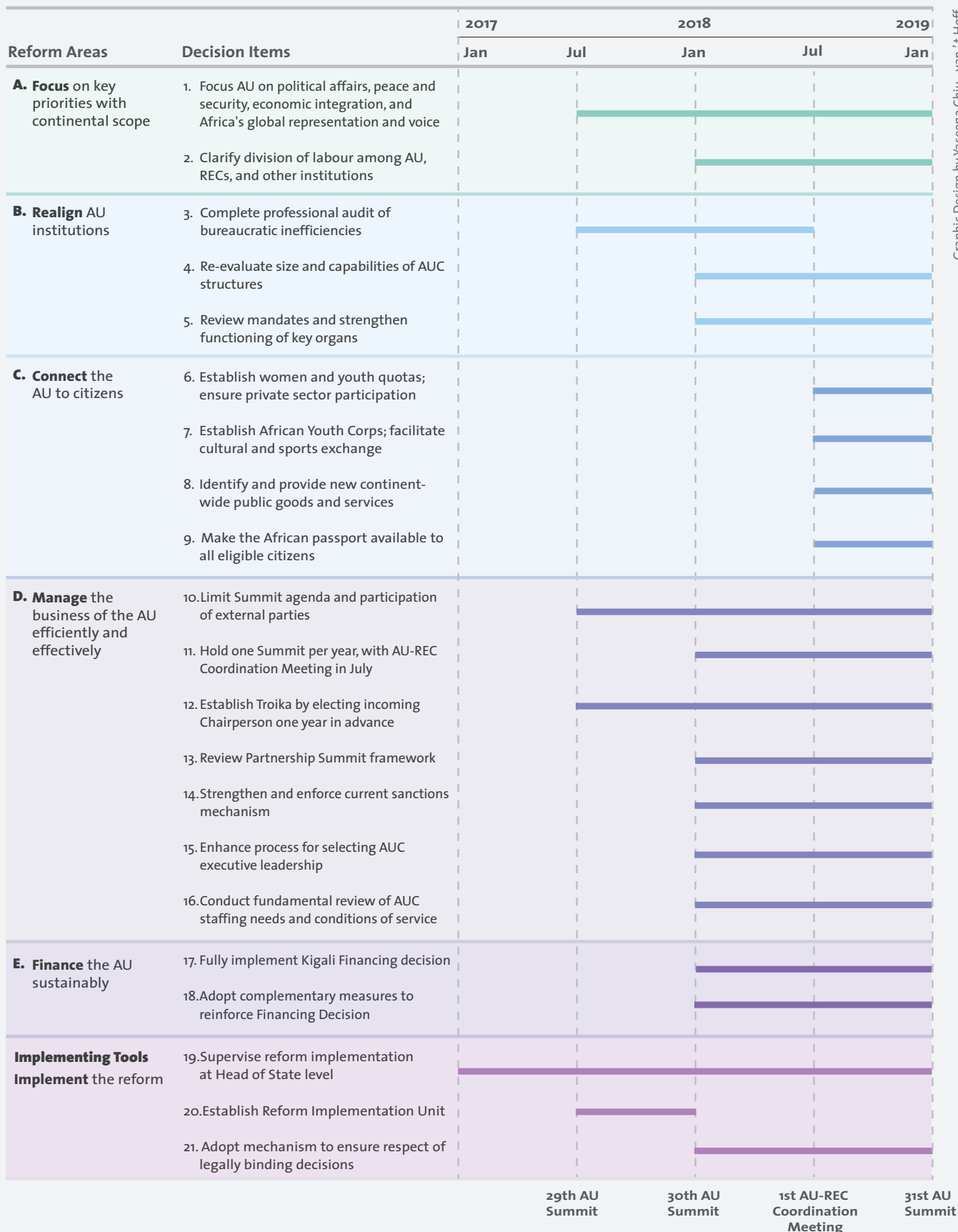
2. IMPLEMENTATION OF AU REFORMS

While the EU discusses its budget and post-Cotonou negotiations begin, the AU itself will be working through an ambitious agenda. High on this agenda are institutional reforms and revamping its own funding base and the funding of African institutions.

The Kagame Report

At the 27th AU Summit in January 2017, President Paul Kagame of Rwanda who was tasked to lead the AU reform process proposed

OVERVIEW OF AU INSTITUTIONAL REFORMS



Graphic Design by Yaseena Chiu - van 't Hoff

Source: Adapted from - https://au.int/sites/default/files/documents/33272-doc-au_reform_implementation_report_july_2017_final_v2.pdf

five key areas of reform (see infographic 2 on page 6). These were adopted and their implementation started in 2017. To supervise the process, the AU Summit mandated a troika of presidents: Paul Kagame, leading on institutional reform, Idriss Déby Itno, outgoing AU chairperson, and Alpha Condé, current AU chairperson. Furthermore, the AU Commission was asked to set up a reform implementation unit to oversee day-to-day progress. Though that unit was established in mid-2017, to achieve the slated reform and financial autonomy envisioned by January 2019, momentum in 2018 will need to increase.

A challenge for the AU will be to build consensus on the more controversial reform elements. For example, transforming the current regionally based political appointment of AU commissioners into an open competitive process¹⁹ and introducing competitive elections for the deputy chairperson are expected to be contentious. There is merit in having the AU commissioners elected competitively, but some fear it will reduce the position's political clout, which could slow bureaucratic processes and weaken member state support.

A critical aspect of the reform is clarifying the role of the regional economic communities (RECs) and regional mechanisms (RMs), which are considered building blocks of the Union, vis-à-vis the role of the Union. This process is to be completed by July 2018 and culminate in a first coordination meeting between the AU, RECs and RMs. The Kagame report proposes that the July summits focus on coordination between the AU, RECs and RMs, while the January summits would involve the Heads of State and Government to address three key agenda points at most.²⁰

Alongside the need for a clear division of labour between the AU, RECs and RMs, the fact that regional initiatives are also taking up peace and security roles needs to be considered. A case in point is the Multinational Joint Task Force (MNJTF), a military operation carried out by Nigeria, Cameroon, Niger, Chad and Benin to fight Boko Haram in the Lake Chad basin. Another is the G5 Sahel Joint Force, launched by Mauritania, Niger, Burkina Faso, Mali and Chad, with political support from France and a significant financial contribution from the EU, to tackle terrorism and transnational crime such as drugs and human trafficking.

Both initiatives were authorised by the AU, but neither operates under one of the eight recognised RECs. The MNJTF grew out of the Lake Chad Basin Commission, which is not a REC. Regional initiatives with AU backing do hold potential for furthering peace and security. Yet, it remains unclear how they can be strategically embedded within the African Peace and Security Architecture (APSA). Their expansion without any clear strategic vision risks side-lining the RECs and RMs. It could also undermine the APSA, as ad hoc coalitions are more vulnerable to political manoeuvring and pressure exerted by external actors. Discussions prior to the planned July 2018 coordination meeting will need to consider this reality too.

The Kaberuka Report

Another top agenda item in 2018 will be managing and financing the AU and regional initiatives, including peace and security efforts in Africa. Since 2015 the AU has sought ways to reduce its dependence on non-African partners – and to finance its programmes, operational costs and peace support operations (PSOs) through member state contribution.²¹ Securing sustainable funding for PSOs on the continent is increasingly urgent. There is a trend towards expanding the mandates of PSOs beyond protecting

civilians to also include offensive military action. These aim to enforce peace and stability (e.g., AMISOM, see box 1), to neutralise armed groups (e.g., MNJTF) and to counter transnational crime (e.g., the G5 Sahel Joint Force). They are a response to the shift in security threats on the continent, from interstate and intrastate wars to multi-layered conflicts involving non-state actors across borders. However, these initiatives come at a high human and financial cost to the continent. The EU has been a reliable source of funding for African PSOs. It established the African Peace Facility (APF) in 2004 to finance African peace efforts. By 2016, 90% of the €1.9 billion channelled through the APF had gone to African-led PSOs. However, the EU is now seeking to increase the share of APF funds spent on capacity-building and institutional development in peace and security, at the AU and REC levels. In Somalia, for example, the EU will no longer finance 100% of AMISOM troop allowances from the APF, establishing a cap of 80% instead.

This decision has accelerated discussions about self-financing of peace operations through an AU Peace Fund to be activated and endowed with US \$400 million in contributions from member states by 2020. Donald Kaberuka, High Representative for Financing the African Union and the Peace Fund, has furthermore recommended a 0.2% levy on certain imports, to finance the entire AU operational budget alongside 75% of its programme budget and 25% of the PSO budget. AU member states adopted this recommendation in July 2016. By May 2017, 14 countries had made their contributions, securing 12% of the US \$65 million target for 2017.²² Questions have been raised, however, about whether the levy complies with World Trade Organization (WTO) rules. The United States in particular has voiced concern about possible violation of WTO agreements.^{23,24}

Sustainable funding for PSOs will remain a central AU concern in 2018. If the continent is to “take charge of its own peace and security”²⁵ and endow its Peace Fund with the needed US \$400 million by 2020,²⁶ the number of countries paying their contributions will need to at least double in 2018. But even if this were achieved, it would still provide just 25% of the funding needed for PSOs. The Kaberuka report foresees the other 75% coming from United Nations (UN) assessed contributions, on a case-by-case basis.²⁷

In May 2017, the AU called on the UN Security Council to establish a mechanism for using assessed contributions to finance authorised PSOs.²⁸ This, however, has proven fractious, as the UN itself struggles to maintain its financial health amidst waning support from the United States. Some Security Council members have suggested tying PSO funding to the AU's compliance with “financial, human rights and accountability benchmarks”²⁹, as well as the AU's ability to meet its commitment (25%). The current scale of assessment for AU member state contributions is under review and expected to be tabled at the January 2018 Summit. See also Infographic 3 with the three tier system of AU assessed contributions.

In 2018, the AU will step up its bid for collaboration with the UN and other partners to ensure sustainable financing for PSOs on the continent. In doing so, it is expected to invoke the principle of shared responsibility and the relevance of African PSOs for global peace and security. Further, the AU will likely seize opportunities, such as the Post-Cotonou negotiations, to revamp the parameters of its partnership with the EU on peace and security. Currently, the AU is proposing a seat for the EU (and another for the UN) on the board of trustees for its Peace Fund. Increased African financial ownership and diversification of funding, at the same time, would render the EU contribution more proportionate, also reducing

the risk for Europe of being pulled into unending operations (see box 1). The EU therefore has interest in supporting the Kaberuka process. The extent that external partners, including the EU, wholeheartedly support the reforms is yet to be seen. In a speech to the July 2017 AU Summit, President Kagame acknowledged the growing pains that could accompany emergence of “an articulate and effective African Union in the world order”. “Even those who wish us well may have reason to discourage a more independent and organised Africa”, he said.³⁰

How the AU will navigate the different interests within the Union and among external partners will partly determine the outcomes of the reforms. For the Peace Fund in particular, progress will have to accelerate to achieve the January 2019 and 2020 target dates.

Box 1: The African Union Mission in Somalia (AMISOM), an example of peace and security funding challenges

A slow phase-out of the African Union Mission in Somalia (AMISOM) will get started in 2018. Having operated in Somalia since 2007, an August 2017 decision extended AMISOM's mandate for a one-year period ending in May 2018. During this period, AMISOM is to assist Somali security forces and conduct an offensive against Al-Shabaab, to “enable the gradual handing over of security responsibilities from AMISOM to the Somali security forces”.

The UN foresees a reduction of the current 22,126 uniformed personnel to 20,626 by October 2018.³¹ Troop-contributing countries, the UN and the AU Commission are expected to draw up an exit strategy for AMISOM, in preparation for a complete hand-over in 2020-2021, when Somalia's first-ever universal suffrage election is planned (one person one vote).³²

Beyond the scheduled timelines for AMISOM's withdrawal, the capacity of the rather nascent Somali National Security Forces (SNSF) to maintain security will be the most important variable determining the lasting impact of gains made through AMISOM. The SNSF are fragmented due to unsettled arrangements between the Somali federal government and the regional states as well as clan affiliations. SNSF technical and material capacities, furthermore, remain insufficient to tackle Al-Shabab and keep local conflicts in check.³³ To enable AMISOM to withdraw without undermining the gains made against Al-Shabab, the AU and international partners will need to intensify their investment in SNSF. The EU will need to balance the cuts in its contributions to AMISOM troop salaries with increased support to the SNSF and long-term peacebuilding efforts in Somalia.

Kaberuka's broader levy proposal to ensure the financial autonomy of the AU will be a key action point in 2018. Furthermore, a Committee of Finance Ministers (F10+)³⁴ has been set up “to consolidate the financial management of the Union to ensure rigor in priority setting, budget choices, and division of labor, accountability, transparency and value for money”.³⁵ It has agreed on a set of “golden rules”, likely to be launched in 2018, to guide the budgets of the AU Commission and its organs.

To enforce member state compliance with the Kaberuka plan, the F10+ has proposed a sanctions mechanism, to be presented for adoption by the AU Assembly at the January 2018 Summit. Stronger sanctions are supported by the Kagame process as well, though the modalities remain unclear. The AU Constitutive Act, too, allows sanctions for non-payment. A pledge to return unused proceeds might ease adoption among the AU's member states.

Africa, like Europe, struggles to align its short-term political interests (such as managing security threats) with long-term objectives (like inclusive conflict prevention and economic transformation).

Despite all the rhetoric on investing in African capacities for conflict prevention, actions have often fallen short in addressing the root causes of conflict and supporting long-term peacebuilding processes in Africa. While a great deal of EU funding to the APF has gone to support PSOs, other, longer-term components have remained underfunded, such as capacity support for the APSA and the conflict early response mechanism. Much of the EU's engagement under the Common Security and Defence Policy has sought to strengthen border control and stem migration (e.g., in Mali, Niger and Libya) rather than to prevent or resolve conflict or build capacity under longer-term peace strategies. Similarly, only 10% of the AU Peace Fund is set for preventive efforts such as early warning, a “panel of the wise” and mediation support.³⁶

Gender equality is a key principle in the JAES, which outlines two objectives: (i) increased participation of women in peace processes including in decision-making roles and (ii) countering sexual and gender-based violence and early forced marriage.³⁷ Results on both fronts have been rather mixed. Sexual violence, including that perpetuated by peacekeeping forces, remains commonplace in conflict zones, including Lake Chad, Central Africa and Somalia.

Regarding women's participation in peacebuilding processes, progress has been equally meagre. Promoting a larger role for women in conflict resolution and prevention within the AU and RECs has been a priority in the previous two APF action programmes. But the 2016 APF report mentions no concrete activities towards this objective. Concrete recommendations in the 2017-2018 APF action programme were limited to a gender component in PSOs focused on preventing sexual and gender-based violence. This reduces the APF's gender component to a rather passive interpretation of the role of women in conflict areas. It certainly indicates insufficient support for activities that could meaningfully increase the role of women and women's groups in early warning, conflict prevention and mediation.

Discussions on the APF's future provide an opportunity to go beyond gender equality to devise an instrument that explicitly acknowledges the different roles and experiences of women and men in conflict, and how gender roles and identities may fuel conflicts.³⁸ Adopting a more overtly gender-sensitive perspective within multiannual programmes, particularly in conflict prevention and resolution, could be a powerful tool for enabling the APF to plug into ongoing AU-level efforts. Particularly notable among these is FemWise Africa, a platform to bridge the gap between high-level and local mediation efforts and strengthen the role of women across all levels.

In 2018, the start of the post-Cotonou negotiations will provide a policy window to address some of the current limitations of the EU-Africa partnership in peace and security, as it will determine the future of the African Peace Facility, which is funded by the EDF. In these processes decisions will be made on priority peace and security strategy areas alongside means for their implementation.

THE FINANCING OF THE AFRICAN UNION

ecdpm

There are three tiers for the assessment of these membership fees



TIER ONE

GDP OF ABOVE 4%

Countries each estimated to contribute 9.6% of the AU budget

Countries

Nigeria, South Africa, Egypt, Algeria and Morocco

Tier One countries and the top country of Tier Two (Angola) will contribute 56% to the AU budget



TIER TWO

GDP OF BELOW 4%, BUT ABOVE 1%

Countries each contribute between 1- 8% (depending on their GDP) to the AU budget

Countries

Angola, Kenya, Ethiopia, Sudan, Libya, Cote d'Ivoire, Ghana, Tunisia, Tanzania, Democratic Republic of Congo, Cameroon, Zambia and Uganda



TIER THREE

GDP OF 1% AND BELOW

Countries each contribute 1% and below (depending on their GDP) to the AU budget

Countries

Gabon, Chad, Equatorial Guinea, Mozambique, Botswana, Senegal, South Sudan, Congo, Zimbabwe, Namibia, Burkina Faso, Mauritius; Mali, Madagascar, Benin, Rwanda, Niger, Guinea, Sierra Leone, Togo, Mauritania, Malawi, Swaziland, Eritrea, Burundi, Lesotho, Liberia, Cape Verde, Central African Republic, Djibouti, Seychelles, Somalia, Guinea-Bissau, Gambia, Saharawi Arab Dem. Rep., Comoros and Sao Tome and Principe

Source: https://au.int/sites/default/files/documents/33270-doc-sankofa_sep_oct_2017print.pdf
Decision on the Scale of Assessment and Implementation of Alternative Sources of Financing the African Union Assembly/AU/Dec.602(XXVI)
https://au.int/sites/default/files/decisions/29514-assembly_au_dec_588_-_604_xvvi_e.pdf

Graphic design by: Yaseena Chiu-van 't Hoff

Infographic 3: Financing of the African Union

Issues of common concern

1. AFRICAN GOVERNANCE CHALLENGES

Politics in African countries cast a shadow of uncertainty on peace and security prospects on the continent. Elections in South Sudan and the Democratic Republic of Congo (DRC) to be held in 2018 could turn violent. An agreement signed in 2016 by the DRC government and opposition parties set elections for before end 2017. However, on 5 November 2017, DRC announced that voting would be moved to 23 December 2018. Similarly, elections in South Sudan were to be held 9 July 2015 but were deferred due to civil war. Parliament has extended the term of incumbent President Salva Kiir to July 2018, when elections are also planned. The UN Secretary General's Special Envoy to the AU has raised concerns about that election "deepening and extending" the ongoing civil war.³⁹ Zimbabwe has scheduled general elections for mid-2018, following Robert Mugabe's resignation after 37 years in power. In the interim, former vice-president Emmerson Mnangagwa has been sworn in as president. The world will be watching Zimbabwe to see whether it can ensure free and fair elections and respect for democratic principles.

The AU continues to have difficulty positioning itself on electoral crises, be they in the DRC, Kenya or Zimbabwe. This has propelled an ongoing reform of the AU's election monitoring processes and the link between its governance and peace and security organs. A decade ago the AU Commission established a democracy and electoral

assistance unit. This has provided guidance and training to AU election observers, resulting in better-prepared missions. Nonetheless, a disconnect remains between pre-election assessment missions, election observations and post-election engagement.⁴⁰

As 2018 marks the start of the post-Cotonou negotiations, the future role of the EU in promoting good governance, democracy and free and fair elections in Africa will be an issue (see box 2 by CDD West Africa). Article 8(4) of the Cotonou Agreement provides for political dialogue encompassing a "regular assessment of the developments concerning the respect for human rights, democratic principles, the rule of law and good governance". Article 9 stipulates "respect for human rights, democratic principles and the rule of law [as] ...an essential element of this Agreement". If these principles are breached, Article 96 specifies consultation procedures and appropriate measures.⁴¹

Based on these provisions, the EU has been critical of infringements of democratic principles. It issued statements against the delay of elections in DRC and South Sudan. It imposed targeted sanctions on the South Sudanese officials who orchestrated disruption of the peace process and human rights violations. The EU imposed sanctions against top DRC officials responsible for obstruction of the electoral process and violations of human rights.⁴² It also imposed sanctions against Mugabe and top Zimbabwean officials for human rights violations.⁴³ However, sanctions are not applied consistently

Box 2: African electoral challenges in 2018: Elections without democracy - By Idayat Hassan, CDD West Africa

Democracy is gaining roots in Africa, but challenges remain, particularly autocracy and recourse to strongman leadership over trust in institutions. While elections are becoming a norm on the African continent, they are often contested and sometimes end in violence. Voting remains predominantly a zero sum game. The winner takes all, and every candidate is in it to win, whatever the human and financial cost. The independence and competence of election management bodies is often questionable. Elections in Kenya, Angola, Gabon, Liberia and Congo in 2017 all exhibited these limitations.

The issues at stake in 2018 go beyond elections, to touch on how Africa will sustain its nascent democracy. Authoritarian leaders may utilise the unsettled global order to reinforce their position in office, through military means or constitutional changes to allow them to govern longer or without term limits. However, there is hope that social media will allow citizens to organise and mobilise better to challenge government and hold it accountable.

The EU-Africa partnership could help prevent any further wane of democratic culture in Africa by vocally countering authoritarianism, but in a way far removed from prescriptive policies from the West. The EU-Africa partnership on democracy should no longer be driven by “Washington Consensus” ideas but by mutual respect, equality and solidarity. As the United States takes a back seat with no clear policy direction on Africa, there is an opportunity for international solidarity to arise. It is time for the EU to redefine its pattern of engagement with Africa based on the promotion of

human rights and democracy. For this to happen, the EU-Africa alliance in 2018 should prioritise election management, particularly in Libya, DRC and South Sudan. The EU’s election observation mission are the most professional in Africa. However, they are led by largely unknown political figures, who are unable to negotiate for peace at times of crisis when political clout matters. The EU should explore the possibility of utilising former head of states to lead its election observation missions.

Overall, although elections may become a permanent feature on the continent, democracy has yet to establish strong African roots. Most regimes today are neither clearly democratic nor fully authoritarian. They inhabit a wide ambiguous zone between liberal democracy and closed authoritarianism. Regimes in Ethiopia and Rwanda present a new model of development whereby economic growth is a core precept driving democracy, as citizens expect democracy to deliver development. However, fundamental civic and political rights are equally important. A key challenge for the EU-Africa partnership is to ensure that periodic elections do not become merely a means of attributing legitimacy to undemocratic African leaders.

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everywhere. Their use, too, varies according to the violations reported, the political situation and the likelihood of achieving improvements by other means.⁴⁴ In this regard, the DRC’s respect for the essential elements of the Cotonou Agreement in its elections will be a particular EU focus in 2018.

The AU also plays a key role in promoting good governance in Africa. It puts pressure on member states to uphold democratic principles and imposes sanctions when needed. It can also pursue more assertive measures such as the (threat of) use of force in response to unconstitutional changes of government, as was seen in the Gambia more recently. The AU Commission for its part not only coordinates the diplomatic measures of the Union, but it also supports member states’ efforts in the exercise of democracy. It has particularly taken a prominent role in deploying election observation missions and of late in human rights observation (eg. in Burundi).

Given the Commission’s indispensable role in supporting governance and in maintaining peace and security in Africa, should it not also be a key player in the post-Cotonou negotiations? On 16 October 2017, the AU Executive Council established a task force on the post-2020 process, and directed the AU Commission, in collaboration with the Permanent Representatives Council, to speed up completion of a common African position for endorsement at the January 2018 Summit.⁴⁵ The political pillar of the Cotonou Agreement covers a number of issues such as migration which are relevant to the AU, as well as to the EU. Some of these topics are in the JAES framework as well. AU participation in the post-Cotonou negotiations could thus help rationalise dialogue frameworks in key areas of concern to both continents.

2. MIGRATION

We are likely to see Africa gain further leverage over European aid based on its willingness to cooperate on migration. At the same time, migration is expected to increasingly overshadow longer-term development objectives in European cooperation with Africa. Two

central issues here are whether EU and African actors engage on migration on the basis of short-term needs or long-term goals and fundamental principles, and whether cooperation on migration takes place within a single overarching framework or in smaller ad hoc agreements. These options have pros and cons on both accounts.

EU policymakers increasingly focus on curbing irregular migration flows from Africa in particular. The EU’s main strategy to counter migration has been the promotion of livelihood opportunities and development in origin countries. However, the impact of development on migration is far from direct. Indeed, economic development rarely diminishes migration flows in the short term.⁴⁶ Europe’s framing of migration as a crisis has created an urgency to act, though often without sufficient evidence. Europe has also cooperated with transit countries and reinforced border guards to reduce smuggling, trafficking and irregular migration. Current EU policies addressing migration are therefore reactive and short-sighted. On the African side and for a small minority of Europeans, the migration narrative is a more positive one: it is seen as a phenomenon with political, economic and social benefits to be harnessed. African diasporas play important economic and political roles in countries of origin. Remittances provide a significant source of foreign exchange and contribute to the wellbeing of many African households.⁴⁷ Diasporas play a political role as well, supporting or opposing the government in their origin country.

While European governments fixate on the surge of migrants reaching EU shores, most African governments are more interested in migration within Africa. Intra-regional and intra-continental migration far outstrips that to Europe, and moreover, is a potent economic force. Despite these different vantages, Africa and Europe have progressively made the management of migration a key aspect of their relations. The AU will start implementing its revised Migration Policy Framework in 2018, which details migration management initiatives to be taken by the AU Commission in 2018-2027. This amended framework integrates all recently adopted development policy frameworks, such as the AU Agenda 2063, the 2030 Agenda on Sustainable Development and the 2009 Kampala Convention for the

Protection and Assistance of Internally Displaced People in Africa. It offers policy guidelines to AU member states for promoting safe and legal migration while addressing current challenges. The draft action plan states that instead of donor-funded initiatives aiming at controlling and curbing flows, Africa needs “to chart and drive its own migration objectives and policy that address its migration realities and support its development goals”.⁴⁸

In the same spirit, the AU Agenda 2063, adopted in 2015, promotes “free movement of people, capital, goods and services”. In 2018, AU member states are, moreover, expected to endorse the Continental Protocol on Free Movement of Persons, Right of Residence and Right of Establishment, which encourages intra-African migration. Although interests and migration realities differ across the African continent, this policy framework has the potential to propel a common African approach to migration and mobility. This could produce stronger African negotiation positions in 2018 and beyond.

Migration under the Cotonou Agreement

Article 13 of the Cotonou Partnership Agreement covers matters related to migration: human rights, fair treatment, root causes of migration, training, illegal immigration, return and readmission.⁴⁹ But the Agreement has not performed satisfactorily in addressing migration, due to diverging European and African interests on the issue of return and readmission, as well as on legal migration. Return and readmission were controversial even before Cotonou. A compromise was reached in 2000 allowing EU member states to request ACP countries to negotiate bilateral agreements on readmission. But the dissent has persisted, and there was again failure to reach agreement on revision of Article 13 during the 2010 review of the Cotonou Agreement. Instead, ACP and EU countries pledged simply to continue dialogue and cooperation on migration.⁵⁰ Beyond development projects, however, this has not led to concrete initiatives at the ACP level. This demonstrates that having a legally binding framework is not enough to ensure dialogue and joint political initiatives.⁵¹ Several parties, particularly on the EU side, nonetheless support maintenance of a legally binding framework to enforce return and readmission.⁵² Yet, if the EU wants to strengthen cooperation on return and readmission, it will have to be willing to

make concessions to incentivise African partners, including facilitating legal migration channels and supporting long-term development goals.

The 2016 joint communication on a renewed partnership with the countries of the ACP does not identify migration as a key topic for cooperation with the Caribbean and Pacific states.⁵³ Regarding migration, the EU’s focus is on Africa. This is also demonstrated by the proliferation of Africa-focused frameworks and action plans in recent years: action plans under the Africa-EU migration and mobility dialogue, the Valletta Action Plan, dialogue and actions under the regional Khartoum and Rabat processes and the EU Partnership Framework on Migration.⁵⁴ Looking forward, any post-Cotonou agreement that includes a focus on migration will have to build on or incorporate these existing frameworks and address the negative externalities of these processes.

In a parallel global process, the UN is expected to adopt two global compacts in 2018: on safe, orderly and regular migration and on refugees. These should provide a comprehensive framework and common principles, guidelines and approaches regarding migration. This process also foresees elaboration of a comprehensive refugee response providing “more equitable sharing of the burden and responsibility for hosting and supporting the world’s refugees”.⁵⁵

Differing narratives and interests regarding migration have strained the relationship between African and European actors.⁵⁶ The 2017 EU-Africa Summit focused on youth, which provided opportunities to touch on migration and mobility. During the Summit, the EU and AU presented a plan for a continental platform for dialogue on migration, to deepen collaboration on trafficking in human beings, irregular migration, remittances, diasporas, mobility and labour migration, as well as security between the African and European continents.

Migration will be central in interactions between the EU and North Africa too in 2018. North Africa is a key point of transit, with some 90% of those arriving on European shores departing from Libya. A key question for the post-Cotonou negotiations will be whether a new agreement should incorporate North Africa on

Box 3: EU-Africa Relations on migration: What future? - By Sergio Carciotto, SIHMA

Over the past ten years, broadly under the auspices of the Joint Africa-EU Strategy (JAES), regional migration dialogues between the EU and the AU have intensified for the purposes of improving cooperation and making a well-managed migration a tool for development. However, the EU has pursued an agenda driven mainly by an interest in reducing irregular movements and transferring control over the governance of migration policies to European states.

Intra-regional migration dialogues and regional consultative migration processes led by groups of migration experts from international organizations (e.g. ILO, IOM, UNITAR) provide formal and informal spaces which European states have used to exercise their hegemony over migration issues. As a direct consequence of the opening up and broadening of new spaces for communication and inter-state cooperation, international organizations and NGOs funded by the EU have played an important role in assisting African governments to develop ‘good practices’ to fight irregular migration and enhance border security.

Whether this is done directly through bilateral agreements, or indirectly through the mediation and engagements of non-state actors and institutions at regional and trans-regional levels, European States are able to influence migration policies and practices of African States, set the agenda and dictate their priorities. This leads to the conclusion that it is not only the role played by African states that deserve more attention. The

direct involvement of EU funded international organizations and initiatives in domestic and regional policy formulation, as well as the emergence of trans-regional forms of migration governance, require a thoughtful analysis.

Any major shifts in the relationships on migration between Europe and Africa are unlikely unless strong and effective institutions are built on the African continent and priorities are shaped by Africa’s aspirations. There is a need to rebalance the asymmetric donor-recipient relationship which traditionally characterized partnership programmes between Europe and Africa, not only in the field of migration, but also with regard to issues of economic development and governance. As the Kagame report on AU reform argues more broadly, to ensure that policy options are deeply grounded in African realities and focus on long-term solutions, African States need to clearly spell out their own priorities and agenda on migration, take full ownership of their initiatives and support an African migration policy framework based on a common African ancestry, values and the universalist concept of African citizenship.

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the same footing as sub-Saharan Africa. North African countries may or may not want to be full participants in the post-Cotonou process, and the EU's position on the subject remains to be seen. Morocco and Tunisia are developing their own migration policies with the United Nations Development Programme (UNDP) and the International Organization for Migration (IOM). The situation in Algeria and Morocco is most urgent, as they are shifting from being origin and transit countries to being destination countries where increasing numbers of sub-Saharan Africans settle. In Libya, Italian cooperation with the UN-backed Government of National Accord (GNA) has reduced migration flows. Yet there are questions about the sustainability of these advances, alongside the human rights situations they create and their impact on the security situation in Libya. Responding to these concerns, the 2017 EU-AU Summit led to pledges to evacuate thousands of African migrants from Libyan detention camps and to dismantle criminal networks.

While discourse on “tackling the root causes of migration” is often simplistic, long-term solutions must certainly involve stabilisation and economic development in departure countries. Contrary to common practice in which the EU provides aid to support economic development in Africa, an EU-Africa partnership anchored in trade and investment is more likely to yield sustainable development. Such a transaction-based relationship would also help the EU and Africa gradually shift away from donor-recipient roles to a mutually beneficial partnership of equals.

3. INVESTMENT AND TRADE

Investment

European policymakers have come up with several strategies to support African countries in their quest for inclusive and sustainable growth, including youth employment. The three-pillar European External Investment Plan (EIP) is one of these. Pillar one of the EIP, the European Fund for Sustainable Development (EFSD), seeks to boost private and public investment to address obstacles to growth and root causes of irregular migration. It links with pillar two, technical assistance, and pillar three, improving the investment climate. The idea is to provide a “one-stop shop” allowing private investors to access information on support instruments and potential projects. Given the EIP's rather EU-centric design, with limited African involvement, 2018 will demonstrate how successfully the EIP can be aligned with and complement African strategies and priorities, and whether it can bring more coherence to the EU's promotion of sustainable investment in Africa.

The EFSD started out by offering five “investment windows”: on energy and connectivity, on SME financing, on agriculture, on cities and on digitalisation. The first, energy and connectivity, is considered particularly urgent, as low access to energy (just 43% on average) stymies African growth and development.⁵⁷ Yet, to meet its aims, the EFSD will have to take into account the political economy dynamics and policy processes at play in the various African countries where it operates. Doing so will require time and resources, perhaps entailing a toning down of the EIP's ambition to leverage €44 billion in investments using €4.1 billion in grant funding, or slowing down disbursement rates. In the short run, this may impact the EFSD's development results. That is not good news for the EU, as it will continue to feel pressure to demonstrate success. However, business as usual (i.e., a purely technical approach to development that bypasses political economy dynamics) is unlikely to produce the desired long-term, inclusive impacts. The challenge for the EIP and the wider EU will

be to promote sustainable and inclusive investment in Africa while reconciling the tension between approaches.

As part of the EIP, the 2017 EU-Africa Summit launched the Sustainable Business for Africa Platform (SB4Africa). It seeks to establish a structured dialogue between the European and African private sectors, including “economic diplomacy missions” of European investors to Africa. This could be a useful instrument for facilitating cooperation, promoting alliances and generating investment opportunities. However, how and whether it will generate more traction and opportunities for African and European businesses, vis-à-vis other business platforms, remains to be seen. Various initiatives are under way in Africa to boost regional trade and investment, often linked to the idea of promoting development corridors. A case in point is the 756 km, fully electrified cross-border railway line between Ethiopia and Djibouti. Another is TradeMark East Africa (TMEA), a not-for-profit organisation that promotes better physical access to markets, an enhanced trade environment and improved business competitiveness.⁵⁸ Corridors such as these facilitate transport infrastructure to link landlocked countries, like Ethiopia, to coastal areas, while attracting economic investment and activity along the corridor. Efforts are being made to similarly support development corridors and cross-border trade in West Africa.

Trade

African policymakers increasingly acknowledge trade – in particular, regional trade – as key for promoting transformation of Africa's economies. This view of trade is evident in the Accelerated Industrial Development for Africa (AIDA) action plan of the AU. It stresses the need for greater intra-regional trade and prioritisation of industrial development in African countries' external trade negotiations and other fora.

In 2018, negotiation and implementation of various trade agreements will continue. Africa's RECs will be pursuing their regional free trade agreements and, for some, customs unions. In Eastern and Southern Africa, 2018 could bring progress on the Tripartite Free Trade Area, encompassing all member states of the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Development Community (SADC). At the continental level, the recently concluded draft Continental Free Trade Area (CFTA) agreement will be on the agenda of the AU Summit in January 2018. Negotiations will continue on outstanding issues from the first negotiation phase. Issues earmarked for the second phase include investment and competition. Substantial advances were made at the meeting of African Ministers of Trade on 1-2 December 2017, which could pave the way to an adoption of CFTA components as early as March 2018.⁵⁹

Clear objectives and negotiation mandates on trade will be particularly critical in the post-Cotonou process. EU and African partners will need to identify trade issues that remain relevant at the all-ACP level, alongside those that should be addressed at the regional level and those better left to the EPAs. Moreover, the various trade regimes that now govern EU-Africa trade relations will need to be taken into account. These have already greatly reduced the substance of the trade pillar under the Cotonou Agreement. Negotiations will need to consider opportunities for EU-Africa and EU-ACP trade-related cooperation at the multilateral level (e.g., at the WTO) and for intra-ACP exchanges of trade experiences. Finally, they will need to explore ways to use the trade agenda towards sustainability and to engage with the Aid-for-Trade agenda. On Africa's external trade relations, stakeholders are keen to see what happens in 2018 regarding the five EPAs negotiated between regional blocs of African countries and the EU. In East Africa, EAC member states must decide whether to proceed to apply the EPA as

a bloc, as it has only been signed by Kenya and Rwanda. Similarly, in West Africa, two countries – Cote d'Ivoire and Ghana – are applying “stepping stone” EPAs, while application of the West African EPA is being held up by Nigeria’s reluctance to concede to the agreement. These situations do not appear sustainable in the long term, especially given the complications they create for regional integration processes.

In southern Africa, the 2018 EPA agenda will focus on the SADC group, with three emphases. The first is to ensure that local actors can take advantage of trade and other opportunities (e.g., capacity building) provided by the agreement, including facilitation of intra-regional trade and development of regional value chains. The second is to make sure that the EPA promotes and supports investment in the region (here the European EIP could play a role). Third, mechanisms are to be established for monitoring the agreement and its impacts, to avoid social and economic disruption and to mitigate negative consequences, such as rising inequality – while promoting sustainability.

Creating jobs through investment is a head-on response to the challenges of the demographic boom and rural exodus facing most African countries. The EIP process offers an opportunity to consolidate country’s agriculture - as “sustainable agriculture, rural entrepreneurs and agroindustry” is one of the five investment windows of the EIP, hence addressing simultaneously the challenge of food security.

4. AGRICULTURE AND FOOD SECURITY

Regional and continental processes

January 2018 will bring the first biennial review of progress towards the goals of the Comprehensive African Agriculture Development Programme (CAADP). This framework was adopted in 2003 to boost public and private investment in agricultural transformation, enhance the role of smallholder farmers in food security and foster policy coherence and donor coordination. In 2014, African Heads of State reaffirmed their commitment to these goals and expanded them to include employment, trade, climate smart agriculture and inclusive growth.

As part of the review, countries will be demonstrating their progress on 43 indicators such as prevalence of undernourishment, agricultural yields, value of intra-African food trade and share of agriculture under sustainable land management. Peer review by African heads of state will be another key element which is expected to receive major attention at the AU Heads of State Summit in 2018. The process could have lasting value by feeding continental data that provides invaluable guidance for national public and private investment programmes, policy reforms and agri-food sector initiatives, while also enabling better impact monitoring and increased accountability. But African states will need support from African regional bodies to increase their prosperity and meet their commitments to more sustainable and resilient food economies. Energy infrastructure, large-scale irrigation projects, trade, pests and diseases affecting crops and livestock all have a transboundary element. Regional Economic Communities (RECs), despite their limitations, offer the most viable platform for addressing these. COMESA for instance will adopt a regional agricultural investment plan in 2018.⁶⁰ ECOWAS, too, recently adopted a second-generation regional investment plan for agriculture and food and nutrition security.

The African Green Revolution Alliance (AGRA), a continent-wide, multi-sector agricultural initiative, has signed a memorandum of understanding with the AU to support CAADP implementation. Specifically, it will seek to catalyse national-level public-private partnerships.⁶¹ In 2016, the African Green Revolution Forum (AGRF),

an event organised by AGRA each September, triggered political, policy and financial commitments worth over US \$30 billion from governments, private businesses and other stakeholders. The 2018 AGRF will be one of many springboards that can be used not only to coordinate efforts of public and private stakeholders but also to discuss the challenges involved in harnessing the informal sector’s role. Though informal activities make up the largest food-related private sector in Africa, they have long been a blind spot for African governments and development partners. Further, while tax incentives and infrastructure investments overlook small and medium size businesses, these could be means to generate an environment favourable to businesses of all sizes. Other significant hurdles include youth unemployment (encouraged by rural exodus and other forms of mobility), persistent gender inequalities and the changing food preferences of urban and peri-urban populations. Increased consumption of imported processed foods are reducing the competitiveness of domestic food value chains against imports.

Environmental sustainability

Both the AU and EU acknowledge the key role of agriculture in addressing the causes and consequences of climate change. EU and African leaders do differ, however, on how to tackle the climate-agriculture nexus. The EU climate change agenda emphasises mitigation, while Africa tends to focus on adaptation. At present, less than 25% of climate funds provided to low-income countries are used for adaptation; more than 75% go to mitigation. The Green Climate Fund under the UN Framework Convention on Climate Change (UNFCCC) recommends a 50-50 divide between adaptation and mitigation allocations.⁶²

There will be opportunities in 2018 to show that the AU-EU partnership can concretise and influence multilateral results, as it did in the 2015 Paris Agreement, when the two regions spoke with one voice. The 23rd Conference of the Parties (COP23) in Bonn (November 2017) demonstrated that, although progress may be slow, there are ways forward on issues connecting agriculture and climate change. By 31 March 2018, countries have been asked to present ideas on issues to include in the working groups preparing for the next formal negotiations. How to actually support mitigation and adaptation in agriculture could be discussed at the second AU-EU Agriculture Ministers Conference, planned for 2018 in conjunction with COP24. At the first AU-EU Joint Agriculture Ministers Conference, held in July 2017, participants made new pledges to the Green Climate Fund and discussed innovative ways to unlock these funds for local, community-based efforts in climate mitigation and adaptation. Various funds are available to channel resources for the so-called “intended nationally determined contributions” and national adaptation plans. Examples are the Adaptation Fund, the Least Developed Countries Fund and the Adaptation of African Agriculture Initiative.⁶³

Investments in agricultural research and innovation have been central in EU-AU joint action. Food, nutrition security and sustainable agriculture were the focus of the first partnership under the High-Level Policy Dialogue on Science, Technology and Innovation, launched in 2016. The second partnership, involving €40 million from the EU’s Horizon 2020 research and innovation programme, will be launched in 2018 and cover actions in climate services and renewable energy.⁶⁴ The fact that food security and climate change are the first two partnerships bodes well for 2018. We could see increasing synergies between the innovations needed for food security and for climate change. The Symposium on Climate Change Adaptation in Africa, planned for May 2018 in Nigeria, will offer a platform for sharing African experiences in climate change adaptation from research, field projects and best practice.

Conclusion: Positioning the players well

The negotiations on the future of the ACP-EU partnership, scheduled to start in September 2018, will be this year's main event in Africa-Europe relations. In the preceding months, the parties from the ACP and the EU will need to formulate and agree on their negotiating mandates. Considering that any new agreement, like its predecessor, could last for 20 years, it is crucial to get it right. The stage of formalising mandates offers a unique chance to start rationalising and simplifying cooperation frameworks so as to end the 10 years old divide between Cotonou and the JAES.

The line on Europe-Africa relations pursued in this last preparatory stage for the post-Cotonou negotiations will also have a direct impact on the parallel internal EU debate on the next MFF and in particular on the future of the EDF, its scale and its positioning. Equally the signals from these debates will have repercussions for Africa, certainly at the national level but also for regional and continental institutions, both in terms of the scale of funds for international cooperation the EU will offer, but also in terms of the framework within which the EU is willing to engage with Africa. While the EU will be pushing its own interests and values, the degree to which Africa can have a strong influence on the future

cooperation framework will depend very much on how it positions itself in the Cotonou negotiations and whether it is willing to deploy its strongest institutions.

The negotiations could open a pathway to modernise the relationship, with a more balanced governance structure based on equivalent continental institutions on both sides of the Mediterranean. To do so, both continents will need to address the longstanding gap between high ambitions and results. A fundamental transformation of the partnership will only be possible if both parties are ready to break with old habits and vested interests linked to the existing overlapping and competing Europe-Africa policy frameworks.

Abbreviations

AAAA	Addis Ababa Action Agenda	EIP	External Investment Plan (EU)
ACP	African, Caribbean and Pacific	ENI	European Neighbourhood Instrument
AGRA	African Green Revolution Alliance	EPA	economic partnership agreement
AGRF	African Green Revolution Forum	EU	European Union
AMISOM	African Union Mission in Somalia	F10+	Committee of Finance Ministers (AU)
APF	African Peace Facility	IcSP	Instrument contributing to Stability and Peace
APSA	African Peace and Security Architecture	JAES	Joint Africa-EU Strategy
AU	African Union	MFF	Multiannual Financial Framework
CAADP	Comprehensive African Agriculture Development Programme (AU)	MNJTF	Multinational Joint Task Force (Lake Chad basin)
CDD	Centre for Democracy and Development	ODA	official development assistance
COMESA	Common Market for Eastern and Southern Africa	PSO	peace support operation
COP	Conference of the Parties	REC	regional economic community
DCI	Development Cooperation Instrument	RM	regional mechanism
DRC	Democratic Republic of Congo	SADC	Southern African Development Community
EAC	East African Community	SME	small and medium enterprise
ECOWAS	Economic Community of West African States	SNSF	Somali National Security Forces
EDF	European Development Fund	UK	United Kingdom
EFSD	European Fund for Sustainable Development	UN	United Nations
		WTO	World Trade Organization

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KEY EVENTS IN 2018


JANUARY

 **Start of Bulgarian EU Council Presidency,** 1 January

 **First report to AU Member States** on the Review of the Malabo Declaration for CAADP


 **World Economic Forum,** in Davos, 23-26 January

 **AU Summit,** Addis Ababa, 28-29 January


 **Start of Rwanda's Chairmanship of African Union,** 30 January

MARCH

 **Conference on the European Commission's MFF proposal** in Sofia, Bulgaria, 9 March

 **European Commission** concludes review of current External funding instruments

APRIL

 **Tana High Level Forum on Security in Africa,** in Bahir Dar, Ethiopia, 21-22 April


 **EU Council of Ministers meeting,** in Sofia, Bulgaria, 27-28 April


MAY

 **Presentation of European Commission proposal** for MFF 2021-2028

 **Current AMISOM mandate ends,** 31 May

JUNE


 **High-level ministerial event** with Commissioners to discuss the EU MFF proposal, 8 June

 **44th G7 Summit,** in La Malbaie, Quebec, 8-9 June


JULY

 **Start of Austria Council Presidency,** 1 July

 **First AU-REC Coordination Meeting,** as proposed in the Kagame Report

 **High Level Political Forum on the SDGs,** UN New York Theme: Transformation towards sustainable and resilient societies, 9-18 July


SEPTEMBER

 **Launch of negotiations on post-Cotonou ACP-EU partnership,** 1 September

 **73rd session of the UN General Assembly,** in New York, 18-30 September

 **Intergovernmental Conference to Adopt a Global Compact for Safe, Orderly and Regular Migration,** UN Headquarters in New York (Germany and Morocco to co-chair), 23-24 September

NOVEMBER

 **G20 Summit,** in Buenos Aires, 30 November-1 December

DECEMBER

 **11th Global Forum on Migration and Development Summit Meeting** (Germany and Morocco to co-chair), 5-7 December

JANUARY

CZECHIA presidential elections
FINLAND presidential elections
CYPRUS presidential elections

FEBRUARY

DJIBOUTI parliamentary elections
EGYPT presidential elections (February - May)

MARCH

SIERRA LEONE general elections
ITALY general elections

APRIL

GUINEA BISSAU parliamentary elections
GABON parliamentary elections (by April)
HUNGARY parliamentary elections (April - May)

JUNE

TOGO general elections (June - July)

JULY

SLOVENIA parliamentary election
SOUTH SUDAN general election
MALI presidential, parliamentary and general elections (July - August)
ZIMBABWE

SEPTEMBER

SÃO TOMÉ general elections
SWEDEN general elections
GUINEA parliamentary elections
LIBYA parliamentary elections
RWANDA parliamentary elections
SWAZILAND general elections

OCTOBER

CAMEROON presidential elections
LUXEMBOURG general elections
LATVIA parliamentary elections

NOVEMBER

MALI parliamentary elections
IRELAND presidential elections
MADAGASCAR parliamentary and presidential elections (November - December)
MAURITANIA parliamentary elections

DECEMBER

DRC general elections

ELECTIONS