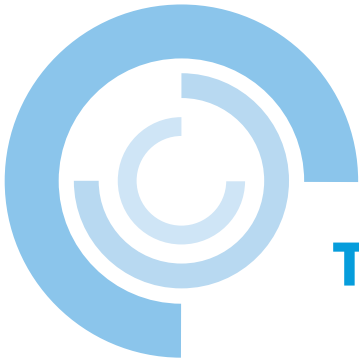


# Policy and Management Insights



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## THE ROAD TO THE 2014 SUMMIT Challenges for Africa-EU relations in 2013

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**ECDPM's annual Challenges Paper seeks to identify important debates that can be expected in the coming year and beyond and to sketch the backdrop against which these will unfold. The aim is not to predict outcomes, but to situate debates that concern Africa-EU relations so as to facilitate as wide a stakeholder engagement as possible.**

At first sight, 2013 may appear to be a quiet year for Africa-EU relations. But this would ignore the fact that the next EU-Africa Summit is set for early 2014. If this major event is to be more of a success than its predecessor the agenda needs to be looked at carefully. Traditionally the Joint Africa-EU Strategy (JAES) is the centre piece of the Summit, but rather than just taking the JAES as a given, the parties should have a clear view of the strategic priorities that need to be addressed so as to ensure the agenda covers the areas most relevant to strengthening the relationship. As the year moves on, 2013 will become increasingly dominated by preparations for the Summit. Therefore, this paper's survey of Africa-EU relations at the start of the year asks the question of what issues are likely to be key agenda points for the Fourth EU-Africa Summit.

The marked reversal of roles between the two continents is a good starting point. Many African countries are experiencing unprecedented economic growth, with a booming natural resource sector and growing markets. Europe, meanwhile, is struggling with financial crisis, soaring debt, budget cuts and widespread euro-scepticism. This economic transformation inevitably affects the very fundamentals of Africa-EU relations. For the EU it means reformulating development cooperation strategies so as to do more with scarce resources and deliver increased 'value for money'. For African states there is the essential challenge to ensure more inclusive distribution of their recent

economic growth and to use their resources an instrument to get to grips with problems still plaguing much of the continent, such as unemployment, rising inequalities, political instability and persistent poverty and hunger. Moreover, both sides are seeking reformulated cooperation models, as stakeholders in Europe and in Africa attach declining importance to traditional approaches to development cooperation. This trend is reinforced by new development partners, such as India, China and Brazil, promoting new kinds of relationships that prioritise trade, investment and geopolitics over official development assistance (ODA).

The 2014 Summit is an important milestone. It provides a rare opportunity to revive Africa-EU relations and turn a rather technical platform into a more political forum. But much stands in the way of the two continents on the road to establishing and implementing strong, relevant policies that address the real issues. Progress in that direction will depend on the quality of Summit preparations on both sides, and the ability of the parties to develop consensus on what they want from the Africa-EU relationship.

This paper starts by briefly reviewing the changing institutional setting that will shape the Summit. It then considers two topics that will certainly be central at the Summit: revitalisation of the Joint Africa-EU Strategy (JAES) and the proposed EU Pan-African Programme. This is followed by a discussion of the

financial framework for future EU support to Africa. However, there are a number of other topics of equal importance, if not more fundamental, for a revitalisation of the Africa-EU relationship. This paper goes on to consider that wider set of issues that will need to be included in the discussions at the Summit if not on the formal Summit agenda. These topics are covered in four sections: on development cooperation and beyond, on trade and regional integration, on peace and security, and finally on agriculture.

### The institutional environment

Two major institutional changes have recently occurred which affect the framework for Africa-EU relations: the launch of the European External Action Service (EEAS) in 2011 and the election in 2012 of new leadership at the Commission of the African Union. It remains to be seen how these changes in institutional leadership on both continents will influence strategic reflections on the aims of each partner and their ability and willingness to take decisive steps towards more concrete and political cooperation.

### Challenges facing the new leadership of the AU Commission

After a heated election process, the new AU Commission took office in mid-October 2012 under the leadership of the new chairperson Nkosazana Dlamini-Zuma. While her election revealed deep splits among African states, it also provoked strong political engagement. This is encouraging on two counts. First, it

hints at a renewed interest in the AU Commission from both the AU member states and the international community. Second, it suggests that AU Commission election processes have shifted from being largely shaped by diplomatic moves and informal deals to a more merit-based process. Zuma has an impressive national and international track record, and she is the first woman and the first South African to lead the Commission.<sup>1</sup>

Zuma and her Commission do face major challenges, however. Support for the AU Commission has fallen amongst African leaders since the early 2000s and it is now vital for the Commission to push them to re-engage. Lack of effective political backing would severely hamper the Commission's capacity to formulate continental visions. But political support is not the only ingredient in short supply. Financial contributions from AU member states are also below planned levels, compromising 'ownership' of the AU's work. The Commission has to find innovative ways to raise the African share of funding.

The new Commission will also be called upon to re-establish its credibility as a key actor in peace and security. It was criticised for not decisively supporting the rebellions of the Arab Spring. Though any assessments of the Commission's role may be controversial, it will certainly need to restore confidence in its capacity and ability to be a credible political actor on the continent, regardless of the nature of the crisis.

The priorities of Zuma's Commission will probably become clear only at her first AU Assembly in January 2013, but some initial orientations can be detected. Based on the first statements of the new Commission, the emphasis is likely to be on peace and security, agriculture and food security, natural resource management, youth employment and democratic governance. Some of these topics are covered by the JAES, while others may well find their way onto the 2014 Summit agenda during the coming year.

### The European External Action Service

Since its establishment in January 2011, the European External Action Service (EEAS) has taken over the leadership in formulating the EU position towards Africa and on the

JAES. In 2012, the Service sought to facilitate reflections within the EU on the future of the JAES. It suggested streamlining the institutional structures of the JAES and revising the thematic focus of the strategy. How much weight it will have in preparing the EU position prior to the 2014 Summit remains to be seen, but it is expected to seek support from EU member states with similar views. The EEAS is, by nature, a more diplomacy- and security-oriented actor, which may affect its perspective on the partnership with Africa.

Yet the EEAS may be more internally focused in 2013. By mid-year, just over two years since its establishment, the Service is set to undergo a review. While the legal basis of the review refers only to staffing issues, the evaluation will almost certainly take a broader look that includes implementation of the EU's post-Lisbon foreign policy architecture. The review will be a highly politicised process, during which EU member states, EU institutions and civil society will seek to influence the outcome.<sup>2</sup> Such an institutionally important process may also affect the Service's role, approach and agenda in the run-up to the 2014 Summit.

### EU presidencies in 2013

Ireland holds the EU presidency in the first semester of 2013, and Lithuania holds it in the second. The Irish presidency will focus on two main issues: negotiation of the 2014–2020 EU Multiannual Financial Framework (MFF) and establishment of a common position regarding the post-2015 development agenda.

The first issue is basically a matter of setting the boundaries for the EU's budgets from 2014 to 2020. Negotiations on the MFF have so far been troubled, as the Council in November 2012 failed to agree on the size of the budget. The outcome of the negotiations are important for Africa because the MFF directly impacts the levels of development financing available from EU, including the proposed Pan-African Programme.

Regarding the post-2015 development agenda, the European Commission plans to present two related statements in 2013. The first, a proposed EU position on the post-2015 development agenda, is expected

in February 2013. The other, expected later in the semester, is an EU position on the follow-up to the 'Rio+20' United Nations Conference on Sustainable Development.<sup>3</sup> Both of these statements will likely impact future European ODA for the African continent.

Other key topics to be addressed during the Irish presidency are the reform of the Common Agricultural Policy (CAP) and the Common Fisheries Policy.<sup>4</sup>

In this new institutional context, the success of the 2014 Summit will greatly depend on the capacity and willingness of the AU and EU institutions to hold open and frank dialogue that does not avoid thorny issues. The new AU Commission's approach to cooperation with the EU will be crucial in this respect, as well as the degree to which the EEAS can step up its game and engagement. With the EU facing both the EEAS review and the daunting task of determining its new multiannual budget, the Union may well risk being too focused on internal affairs at the expense of a thorough preparation for the Summit. Hopefully Ireland's traditionally strong engagement in Africa-EU relations can brace the process.

## 1. Central to the Summit: The JAES and the Pan-African Programme?

The Joint Africa-EU Strategy (JAES) is the main framework for continent-to-continent dialogue and action on a wide range of issues. It is grounded in the ambition to go beyond development and give a real *political dimension* to Africa-EU relations. However, many would argue that the JAES has largely failed on both counts.<sup>5</sup>

The patchy performance of the JAES in its first five years means that the strategy's future is likely to be a central topic at the 2014 Summit. Lack of dedicated funding has been one of the key challenges. Over the years the JAES has had to combine financial resources from widely different financing instruments, though the bulk has come from the intra-ACP envelope of the European Development Fund (EDF). To overcome the financing hurdle, the Commission proposed a €1 billion Pan-African Programme in December 2011, to be lodged in the Development Cooperation Instrument (DCI).

2012		2013	
<p><b>October</b></p> <p>EU communication "Support for sustainable change in transition societies" (3 Oct.)</p> <p>Mo Ibrahim Index of African Governance</p> <p>Swearing in of the new African Union Commission, Addis Ababa (15 Oct.)</p> <p>European Development Days "Supporting inclusive and sustainable growth for human development", Brussels (16-17 Oct.)</p>	<p><b>November</b></p> <p>Re-election of Barack Obama as US President. (6 Nov.)</p> <p>Presidential, parliamentary and local elections in Sierra Leone, incumbent President Bai Koroma re-elected.</p> <p>UN Climate Change Conference COP 18, Doha, Qatar (26 Nov - 7 Dec)</p> <p>ACP-EU JPA Assembly, Paramaribo (27-29 Nov.)</p>	<p><b>December</b></p> <p>1st &amp; 2nd Presidential elections Rounds in Ghana (7 &amp; 28 Dec.)</p> <p>ACP Summit, Malabo (13-14 Dec.)</p>	<p><b>General Events</b></p> <p>20<sup>th</sup> OECD Africa Partnership Forum meeting</p> <p>EU position on Rio+20 and post -2015 (mid-year)</p> <p>PCD Annual Report (2nd semester)</p>

The Pan-African Programme would provide European and African decision makers with an instrument to help revitalise the JAES. Crucially, it would be the main EU instrument dedicated to the continental level, though other European Commission funding would remain for the national and regional levels. The overall amount available for the programme will be disclosed along with the rest of the MFF in the first quarter of 2013. Both the AU and the EU agree on the need to revise the working arrangements of the joint strategy and, more importantly, to redefine its thematic areas in order to increase its political weight. The shift in funding from the EDF to the DCI may also involve some changes of management and direction. The novelty of the Pan-African Programme, however, makes it vulnerable in the current strained EU budget negotiations, and the future weight of the instrument is highly dependent on the outcomes of these deliberations. In particular, there seems to be an emerging consensus in Brussels for 'focusing on what works' and reducing the number of new priorities. This is a matter for discussion in 2013.

On the African side, it is hoped that the new AU Commission will put forward a consolidated African position on the strategic reorientation of the JAES. The AU has taken on a fairly autonomous role as Africa's sole representative in the discussions on the Pan-African Programme. It remains to be seen whether other African actors and stakeholders are ready to support that position.

Thus far, AU member states have expressed reservations about the programme, suggesting that it may mean reduced resources for themselves. Another related question is whether actors such as the African Development Bank and the NEPAD Planning and Coordination Agency will be willing to engage in a framework from which they have so far been excluded. Finally, Africa has other international partners. There might be a need to better assess the complementarity of the Pan-African Programme with the activities of these partners. Central here is to ask what Africans really want from their relations with the EU and how this can best be realised.

In terms of next steps, a JAES Joint Task Force meeting is scheduled for February 2013 in Brussels to take stock of the implementation of the Second Action Plan (2011–2013) and to prepare the ground for a Commission-to-Commission meeting in April. This second gathering will give the new AU Commission and EU a venue to discuss broader political orientations. The subsequent Joint Task Force meeting, in autumn, will probably be the point to really set the agenda for the 2014 Summit.

If the JAES is to remain one of the primary instruments for Africa-EU relations, there is an urgent need to address its current weaknesses and resolve the challenges hampering its success. At a more fundamental level, the partners need to ask themselves what is the real added value of the framework. In the foreseeable future, the 2014 Summit is probably the best occasion to bring such a review process to a conclusion. However, for that to happen, thorough preparations will be essential.

## 2. How much EU support for Africa?

### The next EU budget

As mentioned earlier, one of the EU's foremost tasks in 2013 will be to finalise its Multiannual Financial Framework (MFF) for 2014–2020. In 2011, the Commission proposed an overall increase of this budget framework to approximately €1 trillion,<sup>6</sup> raising eyebrows, particularly among member states that are net contributors to the budget, such as Germany, the Netherlands and the United Kingdom. One of the underlying patterns in the budget negotiations is tension between these net contributors and net recipients, with the former pushing for cuts and the latter lobbying for a rise. The net contributors insist that the EU Commission is in no position to demand that its member states make drastic budget adjustments without itself setting an example. Under pressure, the Cyprus Presidency proposed a €50 billion reduction of the overall MFF. However, the European Commission and European Parliament, the latter by virtue of its new powers, rejected this proposal in October 2012. In the run-up to the budget summit of November 2012, the President of the Council, Herman van Rompuy, rejoined by suggesting a reduction of €75 billion. But this too failed to find a consensus, and another summit to settle a deal was scheduled for early 2013.

Within the MFF, the Commission proposed allocating €70 billion to 'Heading IV: Global Europe', thereby increasing EU external action's share of the total from 5.6% to 7.0%. Since then, however, Van Rompuy suggested first a 9.0% and then a 13.3% cut to Heading IV relative to the original Commission proposal.<sup>7</sup> The Commission and the latest van Rompuy proposal are further outlined in figure 1, which, for the sake of comparison, are both based on 2011 prices.

While the total size of Heading IV remains to be seen, it is likely that a cut would preserve the current shares of the components. Figure 2 provides an indicative breakdown of the proposed EU instruments for external action, this time in current prices in order to take inflation into account.

### The Development Cooperation Instrument

As can be seen from the table, the lion's share of funds under Heading IV goes to the Development Cooperation Instrument (DCI) and the European Neighbourhood Instrument (ENI). The DCI is fairly recent, running since 2006. The 2005 *European Consensus on Development*<sup>8</sup> and the 2011 *Agenda for Change*<sup>9</sup> set the policy framework for its use, which is currently divided into geographic and thematic programmes. The former are targeted at developing countries not eligible for the EDF. The latter are for all developing countries, including EDF financed countries, based on thematic strategy papers to be drafted after approval of the MFF. The DCI should also include the proposed Pan-African Programme, to support the JAES. The main policy change in the new DCI is the introduction of 'differentiation'.<sup>10</sup> This will lead to the phasing out of geographic aid (which does not apply for any African country except South Africa) for 19 'graduating' countries in the Americas and Asia. Differentiation will not affect thematic programmes, however.

### The European Neighbourhood Instrument

Another EU instrument likely to have major impact on Africa-EU relations is the European Neighbourhood Instrument (ENI). The importance granted by the EU to the neighbourhood can be reflected in the MFF proposal to increase the share of the ENI within the budget compared to the previous budget. This instrument supports bilateral, regional and cross-border cooperation


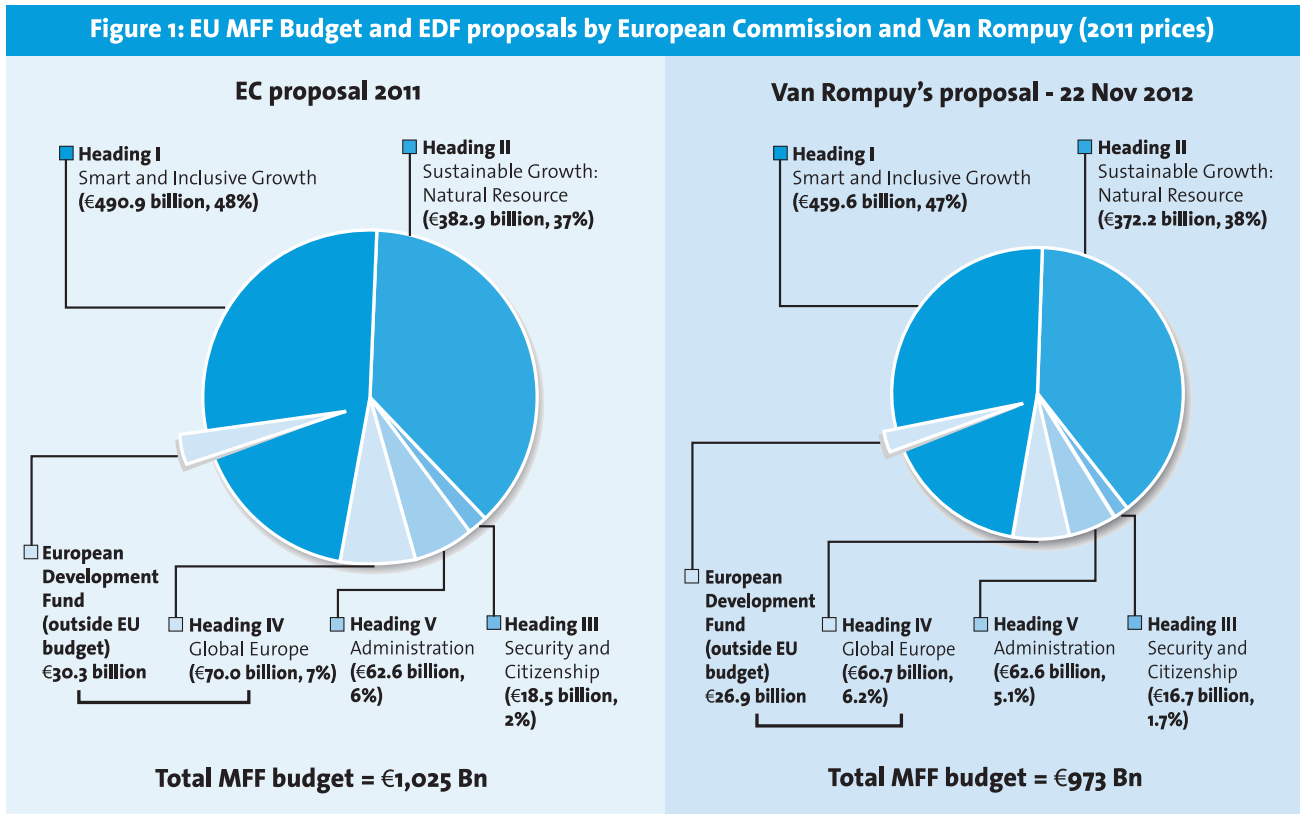
<p><b>January</b></p> <p>European Fiscal Stability Treaty comes into effect (1 Jan)</p> <p>AU Summit, Addis Ababa (21-28 January)</p> <p>Global Forum for Food and Agriculture, Berlin (17-19 Jan)</p> <p>World Economic Forum, Davos (23-27 Jan.)</p> <p> Irish EU Presidency</p>	<p><b>February</b></p> <p>Informal EU Development Council, Ireland (11-12 Jan)</p> <p>ACP-EU JPA, Regional Meeting (11-15 Feb), Caribbean</p> <p>Joint Task Force Meeting of the JAES, Addis Ababa (date tbc)</p>	<p><b>March</b></p> <p>Kenya Presidential election (4 March)</p> <p>BRICS Summit, (5 March)</p> <p>ACP-EU JPA Bureau and 3 standing committees (20-21 March)</p>	<p><b>April</b></p> <p>ACP-EU Committee of Ambassadors (tbc)</p> <p>EU-AU Commission-to-commission meeting (tbc)</p>
<b>2013</b>			

Figure 1: EU MFF Budget and EDF proposals by European Commission and Van Rompuy (2011 prices)



Source: European Commission COM (2011) 500, COM (2011) 837 and van Rompuy (2012)

programmes with Europe's Eastern and Southern neighbours, the latter including North Africa. The ENI is the financial arm of the European Neighbourhood Policy. In terms of approach, the main novelty in the forthcoming ENI is the notion of 'more-for-more'. That is, 'more' is to be given to countries that do 'more' to reform their economic and political governance. Questions remain, however, about the efficiency of this approach. The coming year provides an opportunity for the EU to clarify and refine the concept before the new ENI takes effect in 2014.<sup>11</sup>

**The European Development Fund**

The oldest and largest EU instrument to support individual African countries is the EDF, which governs funding to African, Caribbean and Pacific (ACP) states in line with priorities defined in the ACP-EU Partnership Agreement (the 'Cotonou agreement'). It is a stand-alone fund outside the EU budget and is financed by voluntary contributions from EU member states. Despite calls for inclusion of the EDF in the

budget, the fund will remain outside until 2020.

The Commission has proposed a €34 billion allocation for the 11th EDF (2014–2020)<sup>12</sup> which represents a 23.5% increase from the previous 10th EDF.<sup>13</sup> Furthermore, the Commission proposed aligning contribution keys of EU member states to those of the MFF, to prepare for the likely budgetisation of the EDF in 2020, when the Cotonou agreement is set to expire. This would imply a notable increase in the contributions of EU-12 countries, and a decrease for some other countries such as France and Belgium. However, a reduction of the overall EDF is likely as the van Rompuy proposal of 22 November suggests an 11% drop from the amounts proposed by the Commission.<sup>14</sup>

The EEAS will have the lead role in programming the EDF and the DCI geographic programmes, while DEVCO will be in the lead on the DCI thematic programmes. While this move was seen by some as an attempt to 'politicise' development

cooperation, in practice it impacts essentially the preparation of country allocations, leaving the overall policy responsibility for EU development cooperation in the hands of the Commissioner for Development. EEAS and DEVCO are at the final stage of reviewing the 'response proposals' submitted by the Delegations. These identify priority issues and sectors for each country. DEVCO will then ask the Delegations to draft national indicative programmes (NIPs) with the partner governments in the first quarter of 2013. Later in the year, once the total EDF allocation is known, DEVCO will start identifying concrete interventions based on the NIPs. The same process applies to regional indicative programmes.

The budget decisions taken by the EU in 2013 will have a major impact on its future relations with African states. If the EDF is drastically reduced, the consequences will be felt for a long time to come. Any reduction is also likely to affect the political climate at the 2014 Summit, whether formally on the agenda or not.


<p><b>May</b></p> <ul style="list-style-type: none"> <li>EU Foreign Affairs Council with Development cluster, Brussels (27 May)</li> <li>World Economic Forum on Africa, Cape Town (8-10 May)</li> <li>Euro-Mediterranean Ministerial Meeting, Malta (11-12 May)</li> <li>G8 Summit 2013, UK (17-18 May)</li> </ul>	<p><b>June/July</b></p> <ul style="list-style-type: none"> <li>BRICS leader Summit, Russia (17-18 June)</li> <li>ACP-EU JPA, Brussels (15-29 June)</li> <li>Europaïd Annual Report</li> <li>Croatia joins the EU (1 July)</li> <li>ACP-EU JPA Regional Meeting West Africa, (15-19 July)</li> </ul>	<p><b>August/September</b></p> <ul style="list-style-type: none"> <li>EU-South African Summit, South Africa (date tbc)</li> <li>ACP-EU JPA Bureau and 3 committees (18-19 Sept.)</li> </ul>	<p><b>October</b></p> <ul style="list-style-type: none"> <li>Presidential Elections Ethiopia</li> <li>European Development Days, Brussels (15-16 Oct.)</li> </ul>
<p> <b>Lithuanian EU Presidency</b></p>			
<p><b>2013</b></p>			

Figure 2: BUDGETARY AND EXTRA-BUDGETARY EU EXTERNAL ACTION INSTRUMENTS, 2014-2020 (EC proposals in current prices)

HEADING IV OF EU BUDGET - Only instruments above 1 Bn are included			
Programme	Amount proposed	Share of Heading IV (rounded off)	Essential Features:
Development Cooperation Instrument (DCI)	€23.3 Bn	32%	- Geographic programmes €14.0 Bn: for all non-ACP developing countries + South Africa. - Thematic programmes €8.3bn: all developing countries. - Pan-African Prog. €1.0 Bn: continental projects linked to the JAES
European Neighbourhood Instrument (ENI)	€18.2 Bn	25%	For 16 countries in the Eastern & Southern EU Neighbourhood (including 5 North African states). No proposed breakdown yet
Pre-Accession Instrument	€14.1 Bn	20%	For EU candidate countries and potential candidates.
Instrument for Stability (IFS)	€2.8 Bn	4%	For security challenges, with short and long-term components.
European Instrument for Democracy and Human Rights (EIDHR)	€1.6 Bn	2%	Promotion of human rights in third countries through grants, with a focus on civil society.
Partnership Instrument	€1.1 Bn	1.5%	For cooperation with strategic partners and emerging economies.
OUTSIDE HEADING IV AND THE BUDGET: THE EDF			
European Development Fund (EDF)	€34.3 Bn		For cooperation with ACP & OCT countries. Most of it (€32.2 Bn) going to ACP countries, broken down as follows: • €27.7 Bn for National & Regional Indicative Programmes • €4.0 Bn for intra-ACP and intra-regional cooperation • €0.6 Bn for replenishment of the Investment Facility

Source: EC proposals contained in 2011 Communications COM 837-845

### 3. Achieving more with less: Development cooperation and beyond

The efficiency and real impact of traditional aid has been increasingly questioned in recent years. Coupled with this is recognition that the donor-recipient relation may hinder establishment of an equal and stable relationship between the EU and African countries. Moreover, the financial crisis and subsequent austerity measures have resulted not only in declining ODA expenditure, but also in greater demand for results-based approaches and efficient use of taxpayers' money. There is thus an increasing demand for holistic and all-encompassing approaches that complement and go beyond development cooperation's traditional focus on poverty, as important as this remains.

Many African countries' attitudes towards development assistance have changed as well. Rather than relying on ODA, African countries are actively developing other

policies and methods to ensure economic growth.<sup>15</sup> Domestic resource mobilisation, innovative ways to secure national and regional financing and utilisation of the 'resource boom' for wider development are examples of new ideas that call for rethinking the role of aid. An illustration is the 2009 establishment of the African Tax Administration Forum (ATAF), now with 36 African member countries. The vision of the ATAF is 'to promote efficient, effective and economic tax administration to foster economic growth and improved service delivery for the improvement of living standards'. Yet, it is important to remember that this is not a complete picture. African countries are enormously varied, with very different economic and political circumstances and systems.


So how to achieve more with less? How can development strategies be formulated to enable ODA to act as a catalyst for inclusive growth, sustainable development and strong relations between the EU and Africa?<sup>16</sup> Will the 2014 EU-Africa Summit

meet expectations as an adequate forum for addressing the broader issues related to trade, regional integration and governance? A summit that is unable to tackle the real issues will not be convincing or useful in the long run, and therefore will fall short of encouraging viable and strong Africa-EU relations. The sections below look at some of the major issues on the current development cooperation agenda, as well as some of the high-priority issues beyond this agenda.

#### Development Cooperation...

##### Agenda for Change

The EU's new development policy framework, the Agenda for Change, adopted by the Council in 2012, builds on the 2005 *European Consensus for Development* and reaffirms the EU's global development objective of poverty eradication in the context of sustainable development. The *Agenda* outlines two main focus areas for future EU development strategies: (i) *human rights, democracy and other key elements*

<p>November/December</p> <p>UNFCCC COP 19, Eastern Europe (11-22 Nov.)</p> <p>ACP-EU JPA, ACP Country, (14-18 Dec.)</p> <p>Presidential elections in Zimbabwe, Serbia and Mauritius (date tbc)</p>	<p>General Events</p> <p>African Union year of Food Security</p> <p>EU-Africa Summit (1st semester)</p> <p>Latvia's adoption of Euro currency (to be confirmed)</p> <p> Greek and Italian EU Presidencies</p>	<p>January</p> <p>New EU MFF 2014-2020 begins (1 Jan.)</p> <p>11th EDF begins (1 Jan.)</p> <p>New Generalised System of Preferences (1 Jan.)</p> <p>New Common Agricultural Policy (1 Jan.)</p>
<b>2013</b>		<b>2014</b>

of good governance and (ii) *inclusive and sustainable growth for human development*. The policy directions outlined are likely to start impacting the different instruments and programmes in the coming year.

Further in 2013, the European Commission will start the process of implementing its three Communications on development cooperation directly related to the Agenda for Change. The first concerns EU engagement with civil society and emphasises contributions to a strong civil society at the country level.<sup>17</sup> The second outlines the EU's commitment to promote social protection as a driver of inclusive growth and to overcome socio-economic inequalities.<sup>18</sup> The third introduces a fundamental shift in the way the EU uses budget support, which will no longer be linked solely to poverty reduction and growth objectives, but now will also be linked to the promotion of human rights and democracy.<sup>19</sup>

The *Agenda for Change* affirms the need for differentiation (also being introduced in the DCI). Differentiation implies the use of a different mix of policies, instruments and levels of development assistance for different partner countries. The EU will base its support allocation on (i) country needs, (ii) capacity, (iii) country commitments and performance and (iv) potential impact. Of these, country needs and potential impact will weigh heaviest. This means that certain partner countries will receive less development assistance, fundamentally changing the nature of their cooperation with the EU. Thinking through this change is particularly urgent for upper middle-income countries and countries that represent more than 1% of global GDP.<sup>20</sup>

The *Agenda for Change* also reconfirms the importance of policy coherence for development (PCD). Under the Lisbon Treaty, the EU and its member states are now legally obligated to take account of the interests of developing countries when formulating and implementing policies that might affect them. The next EU report on policy coherence for development is due in 2013. The preparation process is expected to begin early in the year with a questionnaire for member states. Data collection should be concluded in late spring and the report finalised by year's end.

#### After the MDGs

While African states continue to work towards the Millennium Development Goals (MDGs), the debate and formal UN process on the post-2015 global framework is picking up speed. Emerging perspectives in both Africa and Europe seem broadly supportive of modernisation of the MDG agenda to guide international development cooperation after 2015. Nonetheless, there are many questions about what such an agenda should include and how it can be made more effective.

Commissioner Andris Piebalgs has presented his vision of the EU post-2015 development agenda, which revolves around three pillars: (i) minimum floors for social indicators and a decent life for all reflected in an updated MDG list; (ii) drivers of prosperity including job creation, justice, equity and human rights; and (iii) good stewardship of natural resources, including the sound use of income from precious resources and reduction or elimination of their depletion. Developing country voices tend to emphasise economic growth, structural transformation and jobs as well as inequality. In order to achieve this more varied agenda, cooperation between the EU and Africa needs to look beyond aid and diversify its instruments. The European Commission is expected to release a Communication on this topic in January 2013.

The 2014 Summit will provide an opportunity to review priority areas regarding the MDGs, because 'significant progress' on the MDGs is a JAES strategic priority. The Summit may also offer scope for deepening joint commitments in the context of a renewed development framework. The post-2015 agenda will take shape in the coming year while Africa and Europe are preparing for the EU-Africa Summit. As part of its post-MDG explorations, the United Nations has appointed a High Level Panel of Eminent Persons to advise on the global development agenda beyond 2015. That panel will present its initial recommendations by May 2013, taking into account various thematic and country consultations. This will be a key input to the Secretary General's subsequent recommendations at the 68th session of the UN General Assembly in September 2013.

#### ...And beyond

##### Private Sector (for) Development

There is increasing recognition of the private sector's fundamental role in job creation, economic growth and improved business and market linkages. Together with a diminished faith in aid as a sustainable solution, this has elevated the role of the private sector on the international agenda, for example, at the Busan High Level Meeting on Aid Effectiveness and at the G20 Forum.<sup>21</sup> Decisive steps to strengthen the private sector have also been taken across the African continent. An example is the adoption by African Heads of State of the AU action plan for Accelerated Industrial Development of Africa (AIDA), which makes extensive reference to public-private partnerships.<sup>22</sup> Industrialisation is also being prioritised in a number of African national development plans, for example, those of Egypt, Ethiopia, Kenya, Namibia, Nigeria and Uganda.<sup>23</sup>

In Europe, individual EU member states have gone further than the Commission in actively engaging with the private sector. The United Kingdom, Germany, the Netherlands and the Nordic states all have private sector engagement as a top priority,

and they have initiated numerous projects involving the private sector. While the EU emphasises private sector engagement in its Agenda for Change, to date this has been more theoretical than practical, and little action has been taken. The EU did launch a study of ways to engage with the private sector and to extend its so-called 'blending' activities (which combine grants with other types of funding such as loans and risk capital). That study is expected to be concluded by the end of 2013. In a complementary effort, the European Commission and European Investment Bank plan to launch an EU 'platform for blending in external cooperation' in early 2013. The EU's focus on the private sector in development cooperation is therefore still taking shape, with more concrete implementation expected.

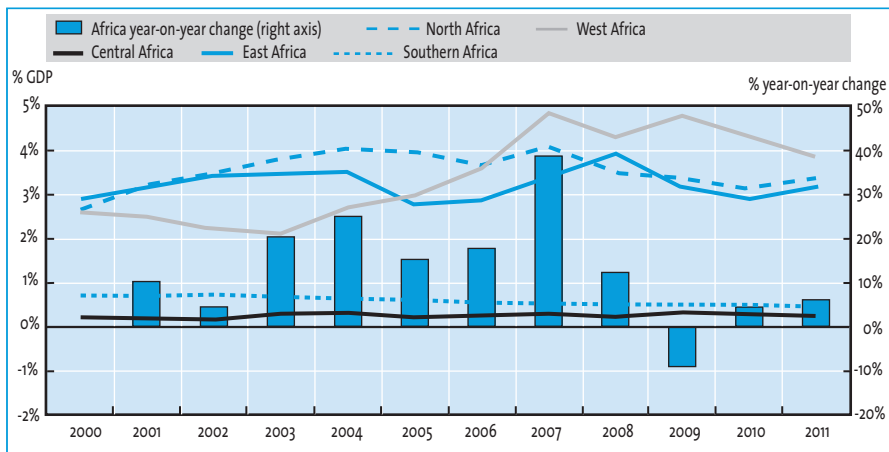
##### Extractive resources

The extractive sector and raw materials management were explicitly addressed at the last EU-Africa Summit, and written into the JAES Second Action Plan (2011–2013). This is a highly important sector for Africa-EU cooperation. The African 'resource boom' forms the backbone of the recent economic growth of some states, while EU demand for raw materials continues to rise, as steady supplies are essential for sustainable and balanced long-term growth. There is thus strong interest on both continents to strengthen trade in raw materials, to foster industrial and value chain linkages, and to improve the governance and transparency of natural resources management.

Yet, despite the major opportunities in this area, natural resources extraction is often plagued by a lack of adequate governance and corporate social responsibility, accompanied by insufficient accountability of both investor countries and domestic extractive industries. This has meant that governance and management of natural resources are among the key challenges faced by African countries in harnessing the benefits of this sector – in addition to other challenges linked to choices of institutional and economic reforms, economic and industrial policies, and fiscal management.

Strategies to counteract these problems are currently being developed and implemented across Africa. For example, in 2009 the AU Assembly adopted the Africa Mining Vision (AMV), which articulates a pan-African strategy and platform for action to make the most of African extractive resources. Included in the AMV business plan is the newly established Africa Mineral Policy Centre, as well as the African Mineral Skills Initiative. The AMV is not the only African initiative addressing natural resources management. Throughout 2013, policymakers will be exploring structural transformation strategies for the raw materials sector, covering issues such as diversification, value chains, and horizontal and vertical linkages. These issues will be central at the African Ministers of Finance

Figure 3: Remittances to Africa, by region



Source: OECD (2012) *Remittances*. Paris: AfricanEconomicOutlook.org

meeting in March and in the African Economic Outlook 2013 expected in late spring. Moreover, alongside AIDA, the Programme for Infrastructure Development in Africa (PIDA) covers, among other topics, natural resources management, energy infrastructure and mineral resource development.<sup>24</sup> Finally, there are regional and national natural resources frameworks and initiatives. An example is the Illegal Exploitation of Natural Resources programme in the Great Lakes Region, which is currently implementing a certification mechanism for conflict-prone minerals.<sup>25</sup>

The JAES supports the AMV development vision under its partnership on Regional Economic Integration, Trade and Infrastructure. Its plan of action on raw materials addresses governance and investment, among other things.<sup>26</sup> However, there is still a need for the EU to broaden its engagement, to better encompass all of the different dimensions of natural resources management. The current focus of the EU lies quite exclusively on financial transparency and governance.

#### International migration

Migration is one of the topics addressed in the JAES Second Action Plan (2012–2013) agreed at the 2010 EU-Africa Summit in Tripoli. Priority areas are support to an AU Commission initiative on trafficking, developing a response to the Arab Spring's effects on migration and employment, and drafting a blueprint for an African institute for remittances (figure 3 above charts this important resource by African region).<sup>27</sup>

Globally, there are some 214 million international migrants in search of better economic opportunities, greater safety and employment. Contrary to what many believe, migration today is not restricted to South-North streams. South-South flows are equally significant, and North-South migration is steadily increasing. North-South migration is largely a result of the financial crisis and high unemployment in Europe, which prompts young Europeans

to move in search of jobs. For example, the number of Portuguese living in Angola rose by 70,000 between 2003 and 2010.<sup>28</sup> Demographics, income disparities and climate change all suggest that labour migration flows are likely to remain the same or increase in the future.

The potential economic gains from international movements of labour are believed to be immense. Research suggests that by substantially lowering barriers to labour movements, global GDP could be increased by 50% to 150%.<sup>29</sup> Moreover, global remittances outweigh ODA disbursements by far. Yet migration policies, primarily in the EU but also in Africa, are evolving in the opposite direction, towards more restricted labour mobility. In many EU member states, activities to reduce the costs for migrant workers and improve their conditions remain inadequate.<sup>30</sup> These issues and challenges need to be addressed at the 2014 Summit and in the next JAES action plan.

In the area of development policy it is clear that the formulation of a post-2015 agenda will command considerable attention throughout 2013. Combined with the JAES ambition to broaden the spectrum of cooperation to a wider set of topics, this might push the 2014 Summit to go beyond its traditional realm. Both migration and the extractive industries are covered by the Second Action Plan of the JAES, so these topics are likely to be discussed at the Summit. But a bolder approach would be welcome. If the EU chooses to focus the strategy on growth and jobs, the private sector development agenda will naturally come up, though neither the AU nor the EU have formulated concrete strategies in this area. Important questions that remain are what topics will be included in the third action plan of the JAES and how much space will the Summit give to topics outside the traditional agenda.

## 4. Make-or-break for trade and regional integration

Followers of Africa-EU trade relations need no introduction to the Economic Partnership Agreements (EPAs). Negotiation of the agreements between the EU and the five African regional groupings has now passed the 10-year mark, with little celebration on either side. The process has been long and acrimonious, missing deadlines and threatening to contaminate broader Africa-EU relations. At present, the JAES does not directly address Africa-EU trade negotiations. Rather, trade negotiations are kept compartmentalised within institutional structures dedicated to trade policymaking. Nonetheless, the parties cannot address trade and regional integration issues without considering the implications of the EPA process.

With regard to regional integration and trade on the African continent itself, the prime entry point for donors and other external partners has been the 'hardware and software' of liberalisation – in the form of support for roads, railways, efficient border posts and harmonised transport regulations. The European Commission itself has been a major sponsor of such projects, through cooperation with the regional economic communities (RECs) and the Regional Integration, Trade and Infrastructure Partnership of the JAES.

On the African side, the Continental Free Trade Area (CFTA) proposed by the AU and endorsed by African leaders in early 2012 could potentially rationalise REC membership and rally engagement in the development of trade-related infrastructure. While the RECs have made significant progress in their work, the way the EU supports them is changing. Future support will be oriented more towards innovative sources of financing and focus less on overall financial envelopes to the RECs themselves. The new AU Commission has made regional infrastructure a priority, which could boost the way these issues are tackled between the EU and the AU.

#### EPAs: the beginning of the end?

The coming year, 2013, could be especially significant if the EU sets a 2014 deadline for the EPA negotiations. This would speed either the demise or success of the decade-long process. The temporary market access regulation now governing tariffs on ACP exports to the EU stipulates that, by 2014, countries having signed an interim EPA must start implementing and ratifying the agreements or export under the other, less generous, preferential schemes available to them, namely the Generalised System of Preferences (GSP).

In concrete terms, Africa-EU trade relations have been split into a multitude of parallel preferential schemes since 2008, when the World Trade Organization (WTO) ended the waiver that allowed unilateral Lomé- and

Cotonou-type preferences. At that time, the EU introduced its regulation for countries having signed an 'interim' agreement, giving them temporary duty-free and quota-free market access to the EU. This was to minimise trade disruptions until EPA negotiations were concluded. After years of slow progress, however, the European Commission seems to have run out of patience and decided to put an expiry date on the temporary market access regulation. However, the Commission does not have the last word on the issue. The European Parliament and member states have to approve, amend or reject the deadline proposal. Currently, they disagree on whether the deadline should be set at 2014 or be moved back to 2015 or even 2016.

What impact will this have on negotiations in 2013? The pressure will surely go up a notch. Much will depend on the ability of regional groupings to find common ground among their members and on the flexibility the European Commission is willing to show during negotiations. Should no regional common ground be found, and should countries not benefiting from the Everything But Arms initiative decide to sign an EPA alone, regional integration in some parts of the continent would be severely set back.

Deadlines, moreover, are a poor substitute for a comprehensive strategy. Both sides should reassess their position, ideally in tandem, with an assessment of bottlenecks, article by article, region by region, highlighting the scope for flexibility. This would ideally be backed by strong political engagement from the highest level. If some countries still find themselves unable to sign an EPA, then a realistic and comprehensive fallback option should be designed so as not to break up current or future customs unions in Africa.

In terms of Africa-EU relations, the EPAs have always been off the agenda of formal EU-AU meetings and structures. The EU has refused to address the EPAs in the Regional Integration, Trade and Infrastructure Partnership of the JAES, but in fact the EPAs have always cast a long shadow over EU-AU relations. Any future framework will have to deal with the elephant in the room if it is to go beyond development aid and address political issues, which the EPAs undoubtedly are.

#### Regional integration in Africa, and the EU's role

African leaders have traditionally been keen to showcase their enthusiasm for regional integration. The EU, itself a regional organisation, is a longstanding promoter of regional integration abroad. But the EU is changing the way it delivers support to regional integration. Such support in the past has taken several forms, with perhaps the most significant being the

regional envelopes of the EDF. In Africa, the proposed CFTA is providing political impetus to rationalisation of the numerous trade agreements, notwithstanding its ambitious timeline for market access negotiations. It also underlies important infrastructure programmes, such as PIDA, and industrialisation programmes, like AIDA. Engaging with these structures in a sustained manner could be a promising avenue for the EU to explore.

The European Commission's Communication on Trade, Growth and Development published in early 2012 hinted at shifts in the way the EU supports the RECs. A significant part of the funds available under the 10th EDF are disbursed through regional indicative programmes, which finance the RECs' functioning and activities. According to the Communication, however, 'results have often fallen short of expectations', particularly in terms of disbursement rates of funds from the 10th EDF for the regional communities. To replace this approach, the Communication and subsequent statements mention the possibility of opening the regional envelopes to more actors: countries, regional institutions and other bodies engaged in projects with a regional dimension, whereas in the past these funds were limited to the RECs. The reasoning is that wider participation would help to overcome 'the limited capacity of regional organisations to formulate project proposals that are viable and supported by their member states'.<sup>31</sup>

More details on the new approach are expected with the 11th EDF's Regional Programming Guidelines, which the EEAS and DEVCO will use to base decisions in 2013. Programming will be done in two phases. The first identifies key priority and focal areas for EU support; the second is more detailed, outlining interventions, budgets and responsibilities. Although the guidelines have not yet been released, the RECs are well advised to start reflections now on priority sectors and new partners that they might take on board. The second phase of programming will begin later in 2013, once the first phase is concluded, probably in the first quarter.

At the continental level, the EU and AU engage on these issues through the Regional Integration, Trade and Infrastructure Partnership of the JAES. This partnership, however, has lacked traction on the AU side, in addition to suffering overall from EPA-related controversies. Nevertheless, some key activities have been delivered under the 2011–2013 work plan, such as an information-sharing workshop on the development of the EU internal market, a study of the role of customs in the CFTA, and a new € 15 million programme on technical barriers to trade (TBT), funded by the 10<sup>th</sup> EDF.

The renewed emphasis given to intra-African trade by the January 2012 AU Summit and the new Commission leadership – against the background of the continent's current economic 'renaissance' – suggests a window of opportunity to make more of the AU-EU partnership on trade and regional integration. The run-up to the 2014 Summit may present openings for the EU and AU to work together to consolidate the partnership. Key areas would be the technical aspects of implementing the action plan to boost intra-African trade and to encourage greater private sector engagement and cooperation.

In sum, what might the 2014 Summit contribute to renewed Africa-EU relations in terms of trade and regional integration? As far as the EPAs are concerned, a sense of political direction from both sides would be timely, especially in light of the impending deadline. If the EU wants to refocus the relationship on the essential issue of jobs and growth – an idea that has been mooted in some quarters – the EPAs cannot be left out of the broader discussions. Moreover, deadlines cannot be the only strategy. On regional integration and EU support for it, the opening up of regional funds beyond the RECs is only a detail in the rapidly changing nature of ODA. Both the EU and the RECs seek to mix ODA and private funds and to find new mechanisms for financing regional integration. Strategic thinking and preparatory dialogue on these issues would enable the Summit in 2014 to address the key and concrete questions of how regions are to pay for their integration efforts in the most efficient and appropriate way, and what role the EU can play in that process.

#### 5. From conflict and fragility to resilience and development

Conflict and state fragility are certain to persist throughout 2013 in a number of regions. African, European and other international leaders will try to address this through a combination of 'hard' and 'soft' responses.

The World Bank estimates that some 250 million people in Africa are threatened by war, climate change, food crisis and structurally fragile state contexts.<sup>32</sup> Some 10 million of these are refugees and internally displaced persons.<sup>33</sup> A major source of concern is the Sahel, where no coherent approach has yet been found in negotiations involving the AU, the RECs, the UN and the EU. The crisis in Mali exemplifies the impasse. Nigeria, as the principal power in ECOWAS, does not see why Africans should bear the major load in addressing the threat of terrorism fanning out from Northern Mali and the spread of instability throughout the Sahel. Europe has a strong interest in seeing this situation resolved in view of the migration issues and threats that it presents of terrorist attacks against European



territories, business interests and citizens. However, too strong an engagement could be construed as meddling in regional affairs. The October 2012 appointment of Romano Prodi – well known to the AU from his service on the European Commission – as the Special Envoy of the UN Secretary General for the Sahel is an indication of how seriously the situation is being taken.

Another major concern is the Great Lakes region and the continuing instability in resource-rich Democratic Republic of the Congo. This is a subject on which EU member states have varying views, but also one on which neither the AU nor the UN has been able to find a solution. There is also worry about the prospect of further conflict over access to oil between the two Sudans and whether the AU and EU, together with other international actors, can find a swift response.

There is apprehension about the Horn of Africa, destabilised by drought and food shortages and the war in Somalia. Here, however, there are signs that efforts made in the past year to address this region more coherently under AU leadership are bearing fruit, through a combination of military action and soft responses, such as the comprehensive EU support programme for the Horn of Africa.

The policy dynamics to address peace and security, as well as the transition from conflict and fragility to resilience and development, are multifaceted in the lead-up to the 2014 Summit. On the European side, there is important homework to be done. Questions remain about the extent to which Europe is able to engage as a Union on peace and security or whether it will depend on individual member states to lead this engagement in Africa. Accompanying this uncertainty are calls for a rethinking of the European Security Strategy and for the development of a new EU 'comprehensive approach' in 2013. The EU has taken important steps post-Lisbon to reform its foreign engagement policy-wise as well as institutionally. Nonetheless, its intent to adopt a comprehensive approach and regional strategies has delivered little more than a range of loosely connected and repackaged implementation mechanisms.

**African Peace and Security Architecture**  
Formulation of the African Peace and Security Architecture (APSA) from 2002 was an important response by African actors to systematically address peace and security on the continent. The APSA set an ambitious agenda of operations to support peace; to assist in conflict prevention, mediation and resolution; and to support post-conflict reconstruction and development. At this stage, however, the APSA's establishment is behind schedule in many areas that the 2014 Summit could help to address. The APSA's autonomy continues to be curtailed

by practical constraints including lack of capacity, limited technical expertise, unpredictable and unsustainable funding by AU members, and lack of coordination and cooperation.

Most informed observers, however, see the glass as half full rather than half empty. The APSA's problems are fundamentally political, and there is hope that the arrival of Zuma as Head of the AU Commission might add vigour to address these. While there is no dispute over the AU's leading role on peace and security, the linkages between the AU and the RECs remain a source of tension. The EU's regional engagement often feeds these tensions and risks confusing effective responses. This has been reinforced by incoherence on the EU side, for example, in Guinea and the Sahel, when attempts were made to integrate security strategy concerns in the development agenda.

A key question is whether the international community, and Europe in particular, is committed to further supporting the APSA politically. While there is ownership on the African side, as evident in the troops sent by African countries, the Architecture continues to lean heavily on financial contributions from external actors. The EU is now considering renewed financing of the African Peace Facility (APF) under the 11th EDF (2014–2020). So far, Europe is the APSA's largest donor, having provided over €1 billion through the APF.<sup>34</sup> With this contribution comes political clout. Once peace support operations are authorised by the UN Security Council, their funding from the APF is contingent on approval by the EU Political and Security Committee.

The economic growth registered in a number of African states suggests increased scope for African funding of the APSA. This would give it greater independence in terms of decision making and reduce the risk of African approaches being sidelined by the other actors involved. Ideally these questions will be part of the forthcoming evaluation of the APF expected in mid-2013. That evaluation will look at overall implementation of the APF as an EU instrument to support African efforts to manage conflicts on the continent. In a potentially reduced 11th EDF, the APF will likely once again come under increased scrutiny from development actors in Europe.

Preparation for the Summit also provides an opportunity to reflect on a decade of collaboration in the Africa-EU Partnership on Peace and Security. Though highly political in nature, the APSA has been implemented in a rather technocratic manner. The Summit would be an appropriate occasion for discussion of how the AU might guide external partners, including the EU, to better ways of supporting the APSA. Explorations on the future of this support will need to take into account the results of the APF

evaluation and ideas about the extent to which the post-conflict objectives of the APSA can be strengthened. The AU-driven African Solidarity Initiative, discussed in October 2012, will set out a roadmap that could assist to this end. Links between the APSA and the nascent African Governance Architecture will be critical in 2013, if the endless cycle of crisis management is to be broken in favour of genuine conflict prevention. A joint review of this collaboration in 2013 could lead to far-reaching conclusions at the 2014 Summit.

### The New Deal

At the international level, the 'New Deal' adopted at the Fourth High Level Forum on Aid Effectiveness in Busan (2011) could impact Africa-EU relations and support for the APSA. The New Deal is a call for a comprehensive approach to peace, security and post-conflict statebuilding whereby departments for development, defence and diplomacy work in a more coherent manner. It was drafted ahead of the Busan event by the 'g7+', a group of countries from Africa and elsewhere that suffer from conflict and disasters. EU institutions are increasingly placing the New Deal at the centre of their work when dealing with situations of conflict and fragility; and it is being tested in a number of countries, including in Africa.

The peacebuilding and statebuilding goals that are central to the New Deal were strongly embraced by the g7+ during their formulation. But 2013 will show whether this positive momentum can be maintained, given mixed experiences in 2012 and critical voices, both internally within the g7+ and externally, on the ability of the New Deal to more fundamentally change responses to fragility. In preparation for the 2014 Summit, the AU and the EU will need to critically monitor whether this framework has added value for Africa, or whether it is destined to become another narrowly interpreted aid effectiveness framework for continuation of business as usual.

Given the urgency and persistence of some conflicts in Africa, there is always a risk that the 2014 Summit will be usurped by emergency topics, such as the Sahel or Somalia, at the expense of the less urgent but equally important post-conflict reconstruction issues. This calls for a well considered preparatory process. Crisis management is important, but it should not crowd out more methodical efforts to address recurrent patterns of conflict and fragility through institutional mechanisms.

Last but not least, there will be potentially thorny questions to resolve following the outcome of the Zimbabwe elections planned for March 2013. The clash between Africa and the EU over President Robert Mugabe's participation has twice in the past almost wrecked EU-Africa Summits and has the potential to do so again.

## 6. Cooperation on agriculture, markets and food security

Numerous food crises since 2007 have put food security back among the priorities of African and European initiatives. The year ahead will see scrutiny of two of these: the EU's Food Security Policy Framework (FSPF) and the AU's Comprehensive Africa Agriculture Development Programme (CAADP). CAADP will need to show concrete results or risk losing donor support. In Europe, the operational details of the FSPF will finally be drawn up. This EU policy statement, and others like it, gives greater attention to sustainable agricultural development and food security, which could prove crucial in enhancing the effectiveness of EU donor actions in this area.

Food security is a key theme of the JAES as well. However, the joint strategy has not played the catalytic role it could have in this regard. This shortcoming could be addressed by focusing on the reforms and development to come in 2013, and by building on the mechanisms already in place, such as CAADP and the FSPF. Delivery on policy statements remains a joint challenge, but it is much in the interest of both Africa and Europe due to the global nature of food security issues.

On the EU side, 2013 will see finalisation of a deal on the Common Agricultural Policy (CAP), an instrument that has long attracted criticism due to its effects on African agriculture. African observers will undoubtedly keep a close eye on the outcome in terms of overall budget and support mechanisms. These are the two dimensions that will determine the external impact of the reform. In addition, the direction taken in CAADP and the FSPF will have repercussions for Africa-EU relations. How will African agriculture be supported? Through what channels? Will the EU live up to its commitments in policy coherence for development (PCD)?

### The Common Agricultural Policy

The latest reform round of Europe's CAP started two years ago. The debate should peak in 2013, as the intention is to conclude the process in 2014. The European Commission's legislative proposals were published in October 2011, and have since been debated within the European Council and the European Parliament. This reform round is especially significant as it is first to take place in the new Lisbon Treaty legal environment. This means that the European Parliament has equal footing with the member states in the negotiations.

Debates in the Council have followed the relatively traditional split between CAP sceptics and its supporters. The final outcome will have to gain consensus within both the Council and Parliament, but both these institutions have to agree on their

own amendments first. This might take some time, as the number of amendments tabled in the European Parliament has reached 7,500. The timeline for the CAP reform is therefore relatively open. The initial 2014 deadline seems increasingly elusive, not least because a settlement on CAP reform is tied to the outcome of the overall EU budget negotiations. The European Parliament has already made known that it will not put its amendments to vote until the EU budget has been finalised.<sup>35</sup>

CAP has been at the heart of controversies between the EU and the developing world for many years, because of its distortionary impact on world markets and the use of import tariffs and quotas to regulate market prices ('domestic support and market access' in WTO jargon). The EU has made progress in reducing the policy's most distortionary effects, most notably, with reduced export subsidies and decoupled payments to producers. But there remains room for improvement. Progress needs to be made in addressing the external effects of CAP, such as the market barriers put in place by the EU to maintain price levels. Exact data on these effects with product- and country-specific examples are rare, which points to the need for monitoring and information sharing mechanisms.

The WTO remains, without doubt, the primary forum for international engagement on CAP. The EU is unlikely to reform its agricultural policy in a way that could respond to the demands of African countries without securing concessions from other economic heavyweights in that forum. Recently, a group of developing countries tabled their own a proposal to allow greater domestic support to agriculture – as long as it is oriented towards building food reserves from smallholder production. This demonstrates that the lines in the debate between liberalisation and protection of agriculture are not clear cut.<sup>36</sup> While the current reform is already far too advanced for any major shift in orientation, the EU has repeatedly pledged to improve its policy coherence for development (PCD). Thus, although CAP remains an internal policy, its effects on Africa cannot be overlooked.

### The Comprehensive African Agricultural Development Programme CAADP

CAADP is already widely supported by the international community, and it has made great strides in terms of African ownership, aid predictability and coordination, and robust plans for mutual accountability. Ten years after its inception, however, 2013 will be a crucial year for CAADP. The programme will have to show impact and results on the ground to keep its place as the preferred forum for donor engagement in agricultural development in Africa. From the donor side, better coordination and more systematic support for development of regional

approaches could improve the situation, as well as more systematic analyses of the politics of agricultural reform.

For many, CAADP now needs to go beyond process and 'get concrete'. The priority is to focus on policy and investment decisions that will help the continent transform its agricultural sector and ensure food security. Increased public sector budgets for agriculture will be needed, alongside exploration of partnerships with the private sector, a move beyond development finance, and initiation of deep reform. This will be the backdrop of the Ninth CAADP Partnership Platform meeting to be held in Addis Ababa in July 2013, exactly 10 years after African leaders committed to allocating 10% of their national budgets to agriculture.

Africa-EU engagement in CAADP through the JAES is provided for in the joint strategy's Second Action Plan (2011–2013). This area of work has attracted increasing attention, and was highlighted as a potential stand-alone pillar of the JAES in the last Joint Task Force meeting in March 2012. This makes sense. Currently, the AU, through NEPAD, has a coordinating role in the programme, and AU Heads of State declared 2014 as the 'Year of Agriculture and Food Security'. Linking the outcome and discussions of the Ninth CAADP Partnership Platform to the JAES at the Summit would consolidate EU support.

The 2014 Summit could provide a major boost to global food security by catalysing more effective and coordinated EU support to African agriculture, working alongside CAADP. The EU, as a donor, has longstanding experience in promoting regional approaches, which are a crucial dimension of food security strategies. It could make a valuable contribution by sharing this with the RECs engaged in the definition of regional strategies for food security in the context of CAADP. Similarly, ACP countries have called upon the EU to take into account the effects of the Common Agricultural Policy on their agriculture and markets. Ideally, the 2014 Summit would offer a setting for frank exchanges regarding food security challenges on both continents so as to provide a political basis on which practical cooperation can be built.

## 7. Conclusion

The wide range of issues reviewed in this paper confirms the scope for cooperation and the real challenges facing the Africa-EU relationship. The era of aid underpinning EU-Africa relations seems to be ending, not so much because of new policy statements, but rather due to growing practical efforts in domestic resource mobilisation, a stronger emphasis on trade and investments, and the increasing importance of non-EU donors. This represents a historic opportunity for Africa-EU relations to move away from

the donor-recipient rhetoric and practice, and to sidestep squabbles over shares of a diminishing 'cake' of donor resources. At the same time, other development challenges remain: the continuing food crisis, conflict prevention, unresolved trade negotiations and job creation for young people. These still require creative responses, first in Africa and then in Europe. The two parties should also join forces to tackle wider global challenges, such as climate change, international financial governance and the post-2015 development agenda. These are the sorts of topics that should be on the agenda for the 2014 Summit.

Despite the central place of the JAES in Africa-EU relations, the failure of the joint strategy to deliver means that it should not necessarily dominate the 2014 Summit. There is certainly an urgent need to discuss the future role and relevance of the JAES, but the Summit should deal with the issues that really matter in Africa-EU relations. African and EU policymakers need to seriously assess what they want from the relationship and what they can commit to. Areas can then be identified in which an institutionalised relationship can have true added value.

The 2014 Summit presents a rare opportunity to renew dialogue, to strengthen the relationship and to review existing frameworks and instruments. To achieve this, however, thoughtful preparatory work has to be done. During these preparations – and at the Summit itself – governments must be willing to tackle the live issues in Africa-EU relations, even if these are a source of disagreement. Institutional changes in the EU and AU mean that there is new leadership on both sides. The preparatory work in 2013 will demonstrate whether they are willing to rise to the challenge.

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LIST OF ACRONYMS

ACP	Africa, Caribbean and the Pacific
AIDA	Accelerated Industrial Development of Africa
AMV	Africa Mining Vision
APF	African Peace Facility (EU)
APSA	African Peace and Security Architecture
ATAF	African Tax Administration Forum
AU	African Union
CAP	Common Agricultural Policy
CFTA	Continental Free Trade Area (Africa)
DCI	Development Cooperation Instrument
DEVCO	Development and Cooperation – EuropeAid (Directorate General of the European Commission)

EDF	European Development Fund
EEAS	European External Action Service
ENI	European Neighbourhood Instrument
EPA	Economic Partnership Agreement
EU	European Union
GSP	Generalised System of Preferences (WTO)
JAES	Joint Africa-EU Strategy
MDGs	Millennium Development Goals
MFF	Multiannual financial framework (EU)
NEPAD	New Partnership for Africa's Development (AU)
NIP	National indicative programmes
ODA	Official development assistance
PIDA	Programme for Infrastructure Development in Africa
RECs	Regional economic communities
UN	United Nations

INFORMATION SOURCES

Institutional

African Development Bank - [www.afdb.org/en/](http://www.afdb.org/en/)  
 African Peace and Security Architecture - [ec.europa.eu/europeaid/where/acp/regional-cooperation/peace/capacity\\_building/apsa\\_en.htm](http://ec.europa.eu/europeaid/where/acp/regional-cooperation/peace/capacity_building/apsa_en.htm)  
 African Union - [www.africa-union.org](http://www.africa-union.org)  
 African Union Peace and Security Department - [www.au.int/en/dpps/psd](http://www.au.int/en/dpps/psd)  
 Comprehensive Africa Agricultural Development Programme [www.caadp.net/](http://www.caadp.net/)  
 EC Directorate-General for Agriculture and Rural Development [www.ec.europa.eu/dgs/agriculture](http://www.ec.europa.eu/dgs/agriculture)  
 EC Directorate General for Development and Cooperation – EuropeAid (DG DEVCO) [www.ec.europa.eu/europeaid](http://www.ec.europa.eu/europeaid)  
 EC Directorate-General for Trade - [www.ec.europa.eu/trade](http://www.ec.europa.eu/trade)  
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 NEPAD Planning and Coordination Agency - [www.nepad.org/](http://www.nepad.org/)  
 Programme for Infrastructure Development in Africa (PIDA) - [www.afdb.org/en/topics-and-sectors/initiatives-partnerships/programme-for-infrastructure-development-in-africa-pida/](http://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/programme-for-infrastructure-development-in-africa-pida/)

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