

The State of Africa-Europe 2025 Executive Overview

Financing Our Shared Future

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EXECUTIVE OVERVIEW

#RoadToLuanda25 - Bridge from the Past to the Future

Imagine a bridge. On the one side, Africa, with its youthful dynamism, green assets, emerging industrial and technological capacity and growing position in the world. On the other, Europe, with its regulatory tools, capital, deep-rooted expertise, and experience of regional integration and global governance. The bridge between them - representing decades of trade, aid, cultural exchange and diplomacy - could be a dynamic artery through which ideas, goods, and innovation flow. But the bridge is in urgent need of investment to weather the geopolitical shifts ahead and leverage the full potential of the partnership.

The changing geopolitical landscape, diminishing financing from traditional development cooperation, and an unresolved debt crisis - compounded by unfair high debt premium of borrowing countries, conflict, competitiveness challenges, and climate change - are straining the partnership. Yet, in an era of rising global fragmentation, this bridge is needed more than ever.

A Changed Geopolitical Landscape

The last three years, since the 6th Summit between the EU and AU, have resulted in a changed context - one which provides an opportunity for Africa and Europe to step up together on the global stage.

The retreat of the US from foreign assistance and multilateralism, coupled with their sweeping new tariff policies, leaves a void in areas ranging from health initiatives to economic programmes. Moreover, multiple partners are deprioritising multilateral cooperation favouring bilateral relations, while others are extending their outreach, based on geopolitical and economic interests – among them Brazil, Russia, India and China - while global governance alternatives, such as BRICS or the Shanghai Cooperation Organisation, are gaining attractiveness.

In Europe, cuts to Official Development Assistance (ODA), combined with political shifts within many Member States, pose challenges. In Africa, growing instability, with unresolved regional conflicts and domestic unrest, threatens economic and social development, while only six of the 17 SDGs have been met on the continent by at least one country, less than 5 years before the 2030 deadline.

The Time for a Paradigm Shift is Now

In this transformed global context, Africa and Europe stand at a crossroads - and have a unique opportunity to become a stabilising axis and an open, dynamic artery for cultural and economic renewal. This is the moment to reimagine the partnership not as one of donor and recipient, but as a shared enterprise of equals - agile, ambitious, and transformative. Together, the two continents can co-invest at scale in the engines of tomorrow's prosperity: building the global green economy, leapfrogging into the digital age, and deepening cooperation among cultural actors, innovators, and youth.

At the heart of this paradigm shift lies finance - the 'fil rouge' of the Africa-Europe Foundation's action throughout 2025, which cuts across each thematic chapter of this year's State of Africa-Europe Report. A new financial compact that moves decisively beyond aid and charity towards co-creation, risk-sharing, value-building and trading resources - key commodities, workforce and markets. This means focusing not only on *more money*, but on *smarter money*: innovative instruments that catalyse investment flows, reward sustainability, and measure success by the lives and societies transformed, not by the volume of pledges. It is a model that recognises no trade-off between climate ambition and human development, but rather sees them as mutually reinforcing imperatives. While investing in Generation Africa-Europe is investing in the global future - one defined by shared resilience, inclusive prosperity, and strategic interdependence.

Insights & Opportunities

Underpinned by our focus on a new financial compact, the State of Africa-Europe Report 2025 captures the pulse of Africa-Europe cooperation and provides insights into areas which hold the most promise for an impactful 7th AU-EU Summit and transformative, forward-looking partnership:

- **Energy & Industrial Partnerships:** This area of cooperation is most illustrative of the positive shift in reconciling the climate-development nexus including through scaling up the Africa-Europe Green Energy Initiative (recorded pledges at €20bn plus), progress on African continental market architectures from the African Continental Free Trade Area (AfCFTA), investment in the African Single Electricity Market (AfSEM) and the African Continental Power System Masterplan (CMP). The focus is now on operationalisation and how to de-risk investments to attract private capital and unlock more large-scale financing, building on existing energy compacts and aligning flagship initiatives, such as AEGER and Mission 300. There is also evident potential for scaling pilot cooperation on green molecules, from hydrogen to ammonia and focusing on unpacking investment in green products such as iron/steel, cement, and aluminium.
- **Health Systems:** Investing in manufacturing capacity, in order to ensure ownership and security, remains one of the most impactful examples of transforming AU-EU commitments into action (roll-out of the 'Manufacturing and Access to Vaccines, Medicines and Health Technologies', with focus now on the operationalisation of the African Medicines Agency). This requires sustained political impetus for enhanced cooperation on equitable access to vaccines, driving a multi-sectoral approach to financing for preparedness and maintaining as priority cooperation between the Africa CDC and European counterparts. Financing the healthcare systems of tomorrow is a shared challenge for Africa-Europe (guarding against shocks such as 2025's US financing withdrawal), representing a strategic priority for both domestic resource mobilisation and climate adaptation finance.
- **Ocean & Blue Economy:** Absent from the previous EU-AU Summit but increasingly recognised as a key pillar of cooperation. The recently produced 'Africa-Europe Ocean Roadmap Towards 2030', facilitated by AEF in partnership with both Commissions of the AU/EU, provides an operational blueprint for joint action on ocean resilience, capacity sharing, investment and blue innovation. Ocean governance represents a framework for transforming into action the renewed impetus for multilateral cooperation, tackling illegal fishing, unauthorised deep-sea mining and other maritime threats, while there is the potential of leveraging the latest technology, such as AI/digital to support areas from analysis on coastal data and model predictions to unmanned blue economy monitoring vehicles for marine resource management, renewable energy and sustainable fisheries.
- **Transition Minerals & Supply Chains:** Positive progress has been achieved in strengthening frameworks on Critical Raw Materials (CRM), with Strategic Partnerships (MoUs) and Roadmaps established between 2022 and 2025, as well as the identification of Strategic Projects which lay the foundation for greater cooperation on transition minerals and associated supply chains. There is scope to focus on better definition of 'local value addition and beneficiation' and a strategic opportunity for enhanced operational alignment between the EU Critical Raw Materials Act (EU CRMA) and the recently adopted African Green Minerals Strategy (AGMS), so that the 'local value addition' becomes co-owned industrial capacity. A 'laddered' value addition approach can be used to help identify near-term investment opportunities while laying foundations (infrastructure, know-how and skills, markets...) for the next stages in value addition.
- **Multilateralism:** There is renewed energy for both continents to step up together on the global stage, working towards more converging positions in the multilateral fora and driving the needed global governance reform. This year's first Africa-led G20 has showed how to leverage this framework to advocate for alignment on trade agreements and unpack cooperation on DRM, tax reform and combatting illicit financial flows. In addition, recent AU-EU cooperation on the Pact for the Future, the Pandemic Treaty, and Ocean Governance (including the 80th UNGA ratification of the 'High Seas' Treaty) offer valuable lessons and momentum for deeper collaboration - particularly on emerging issues such as Deep-Sea Mining and the UN Plastic Treaty. Building on this momentum, Africa and Europe are well positioned to work hand in hand on advancing global governance reforms across the UN system and the Bretton Woods institutions.

- **Catalysing Capital Flows:** Cutting across all the sectors of this Report is the question of how to continue increasing the speed and scale of capital flows into the much-needed investment. There has been progress this year in redefining investment models, anchored by the once-in-a-decade Financing for Development Conference (FfD4), and with enhanced policy recognition about domestic resources – from taxation to leveraging sovereign wealth and pension funds, which hold together over \$330bn in assets, and represent the largest source of investable capital in Africa. As the Report analysis exposes, instruments such as green bonds, diaspora bonds, and blue bonds can help raise capital for investment projects that deliver positive social, environmental or climate benefits. Work is required when it comes to credit agencies refining their methodologies to account for investments and lengthen time horizons for credit analysis.

Additional Areas for Attention

- **Illicit Financial Flows (IFFs):** The amount of IFFs leaving Africa on an annual basis (average around \$90bn) is still higher than ODA received. Drying them up requires an enhanced AU-EU Dialogue on IFFs, better defining the scope of cooperation and priority actions. In addition to the Team Europe Initiative on Combating IFFs and Transnational Organised Crime (€450m budget), the EU can leverage the AU's most recent stocktake connected to this year's 10th anniversary of the Mbeki Report. There remains potential for enhanced knowledge sharing on maximising technology to track and combat IFFs and increasing tax transparency.
- **Security:** Piracy incidents in the Gulf of Guinea dropped by 25% due to strengthened naval coordination noting also an increased European Peace Facility (EPF) budget to €9.2bn last year (2024). Implementing commitments on sustained financing for AU-led Peace Support Operations remains critical, including the operationalisation of the UN Security Council Resolution 2719. Equally, resourcing needs to match the increasing political attention on the implementation of established agendas for Youth, Peace and Security (YPS) and Women, Peace and Security (WPS). Concerning AI and disinformation, the AU's and EU's peace and security instruments can be further adapted to advance joint action for countering hybrid threats.
- **Digital/AI:** A domain where there is mutual interest to leverage the transformational potential of technology for inclusive economic growth and for Africa and Europe to leapfrog sustainable digital/AI infrastructure development. Existing cooperation that can be built on includes the AU-EU Digital for Development Hub and its component on Cybersecurity Dialogue. Investing in knowledge sharing on artificial intelligence strategies and digital governance framework, aimed at supporting the development of human-centric AI and preventing new digital divides. Promoting open data ecosystems, which can help unlock inclusive and more efficient deployment of Digital Public Infrastructure, creating greater local ownership.
- **Demographic dividend:** With 20 million people projected to join Africa's labour force every year until 2050 (14 million a year in Sub-Saharan Africa alone), job creation through decent employment remains a key priority. This requires a shift in financing models (away from traditional ODA to new modalities, emphasising private sector engagement, institutional capacity-building, and domestic resource mobilisation) and integrated policy linking agriculture, manufacturing, and services while supporting value addition and cross-continental supply chains integration – delivering agro-industrial transformation at scale.
- **Migration & Mobility:** This remains a complex domain for AU-EU relations, dominated by partial narratives. Scaling structured dialogue is critical and enhanced cooperation on circular migration, mutual recognition of skills, effective diaspora engagement, and developing pathways for regular migration opportunities. During the previous year, the EU supported nine new projects strengthening skills and mobility between Africa and Europe under the EU-Africa Talent Partnerships, aiming to contribute to a narrative shift. A media tracking exercise for the State of Africa-Europe Report exposes that migration is portrayed as economically vital yet politically divisive - both a risk and a resource, a potential 'brain drain' but also a necessary injection to activate economies through remittances and labour mobility.

- **Clean Cooking:** Following last year's first Summit on Clean Cooking organised by IEA, Team Europe committed €400m to clean cooking, complementing AfDB commitment to mobilise \$2bn for the period from 2024-2034; thus, moving this critical issue from margins to a central energy agenda. With 4 years left to achieve SDG7 and close the 900m clean cooking gap in Africa, there is a need to focus on fast-tracking progress and the establishment of clean cooking delivery units at presidential levels represents a test case to embed clean cooking into energy planning, mainstreaming the sector at the nexus of energy-health-development policy and action.

The pulse of the partnership

- **Perceptions vs Reality:** There remains a strong appetite for Africa–Europe engagement, with youth polling revealing there is a growing appetite for exchange and mutual learning, from opportunities for education/training to entrepreneurship, employability and environmental sustainability. Yet, the partnership itself demands constant and deeper work to sustain momentum. Addressing perceptions remains essential (analysis of media narratives point to a disconnect despite, beneath the surface, a strong level of commonality).
- **The renewed energy for multilateralism:** Despite, or indeed because of, the growing fragmentation within the geopolitical landscape, Africa and Europe are recognising the opportunity to be strategic in shaping the future of global governance (captured also in the output of this year's EU-AU Ministerial). This requires a shared long-term vision for the future multilateral order and doubling down on processes that offer opportunities for converging positions in the multilateral fora (e.g. Ocean Governance and Global Health in 2026).
- **Cultural cooperation:** Africa-Europe institutional cooperation in this area remains largely overlooked, with the potential of culture's transformative role as a pillar of dialogue, peace, sustainable development and challenging misperceptions. Creative industry and digital transformation offer pathways for turning this 'niche' area into a cornerstone for the new partnership model that delivers shared benefits to both continents, especially for youth. Investing in policies and instruments to scale cultural exchange is also key including the movement of artists and artworks.
- **A more interactive, cross-sectoral approach** remains necessary to tackle shared challenges effectively, challenging the traditional siloed approach to development-cooperation (identifying how the various dimensions of cooperation are interconnected, from trade and economy, through security, migration and health, to access to energy, climate...).

Luanda25: A Step Change in Summit Follow-up

The 7th AU-EU Summit in Angola (marking 25 years of the AU-EU Partnership) represents another milestone in strengthening the mechanisms for follow-up and a sustained Africa-Europe engagement. The previous 6th Summit of February 2022 committed for the first time to “monitor the implementation of commitments” while the 3rd EU-AU Ministerial of May 2025 decided to “strengthen the follow-up mechanism, by ensuring complementarity at Ministerial and technical level”.

Now it is about the *How*, not the *What*, with a series of modalities to be piloted and implemented post-7th Summit. From the #RoadToLuanda25 multi-stakeholder dialogues and consultations, proposed modalities include: a think-tank platform to act as an ‘ideas bank’ for the Partnership and provide evidence-based analysis in the way that the Think 20 (T20) does for the G20; digital repositories aggregating quality assured ‘impact stories’ of Africa-Europe cooperation that could be replicated or scaled; jointly designed AU-EU implementation scorecards, independently verified and aimed at tracking progress on strengthening of the partnership, from trade volumes to meaningful youth employment; a joint Africa-Europe research facility to unpack priority domains of cooperation with the required granularity and 360 analysis; digitalisation and the streamlining of existing funding/reporting processes; working on a common impact matrix to assess progress at outcome level and direct gains for the societies the Partnership has been set up to serve.

Looking to the Future: A Strategic Axis of Stability

The overarching message of the State of Africa-Europe Report 2025 is: the time for a paradigm shift is now.

The risk of fragmentation between global superpowers looms large. But geographically and strategically, Africa and Europe have the potential to form a stabilising axis - one that reinforces international cooperation, long-term investment, and a shared response to shared challenges.

Europe, facing aging demographics and economic competitiveness struggles, can benefit from a partnership with Africa's dynamic, youthful economies. Africa, navigating hurdles in integration and investment, can leverage Europe's hard-won lessons as the world's largest trading bloc.

Ultimately, this year's report captures more than a partnership - it tests the viability of a multipolar world in which cooperation is key and provides an operational blueprint for a paradigm shift and a new financial compact that can be transformative for the societies this partnership is set up to serve.



"The Africa-Europe partnership is at a tipping point, as geostrategic balances deeply shift. We need to definitely leave behind the outdated donor/beneficiary model, to co-build a win-win partnership, and to stop assessing 'progress' through the narrow lens of financial commitments, but rather at impact and direct benefit for both our societies."

Mo Ibrahim, Co-Founder and Chair of the Africa-Europe Foundation

"Partnerships are at the essence. From climate to health, peace to trade, win-win partnerships - based on mutual respect - ensure our actions can be sustainable and transformational when they are part of a broader ecosystem and more horizontal nature."

Nadia Calviño, President of the European Investment Bank

"The global economy remains fragile, with developing countries being squeezed on high debt and low growth. It's in this shock-prone world that the Africa-Europe partnership is critical, building the tools and systems needed to jointly overcome challenges and finance our joint future."

Kristalina Georgieva, Managing Director of the IMF

"We need partnerships that will enable us to build our own domestic revenue systems and have a seat at all global tables. This is where this longstanding Africa-Europe partnership can and must now make a difference."

Ellen Johnson Sirleaf, Nobel Peace Laureate and AEF Honorary Co-President

"In a context of global transformation, the Africa-Europe partnership has the potential to serve as an example of how investment and cooperation leads to results. This is key to reinject the needed trust in multilateralism."

Amina J. Mohammed, United Nations Deputy Secretary-General

"At this time of global shifts, Africa and Europe must wake up to the urgency of our shared responsibility. Our solidarity is not a slogan - it is the engine for delivering tangible results for our communities. To do that, we must commit to long-term transformational change. Together, unlocking new pathways for sustainable investment and inclusive development."

Nardos Bekele-Thomas, Chief Executive Officer of AUDA-NEPAD

"As neighbouring continents, we have similar agendas - from combatting climate change and poverty to creating resilient supply chains to grow economies. A partnership built on this mutual interest must continue to turn its commitments into new opportunities for action."

Jozef Sikela, EU Commissioner for International Partnerships

"In a shifting global landscape, we must look for the opportunities within crises. Africa and Europe together can build a pathway for local value addition and digital transformation, increasing trade volumes and generating the increased domestic resources needed for investment."

Dr Ngozi Okonjo-Iweal, Director General of the WTO

"We don't want to maintain ambition, we want to raise it. Together Africa and Europe can reinforce international cooperation, long-term investment and a shared response to shared challenges from energy access to global health."

Mary Robinson, Former President of Ireland and AEF Honorary Co-President

"We need to have agency in these tough times. Multilateralism is a choice, and on the #RoadtoLuanda25, Africa and Europe together have to demonstrate a strong force because multilateralism will depend on it."

Rebeca Grynspan, Secretary-General of UN Trade and Development





www.africaeuropefoundation.org
info@africaeuropefoundation.org

Brussels Office Treesquare
De Meeûssquare 5/6
1000 Brussels Belgium

Cape Town Office
Touchstone House
7 Bree Street Cape Town 8001
South Africa