The State of Africa-Europe 2025

Financing Our Shared Future

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INTRODUCTION

The State of Africa-Europe Report 2025 is a resource for the AU-EU Partnership, marking its 25th Anniversary this year, and for the 7th AU-EU Summit in Luanda under the AU Chairpersonship of Angola.

The Report, developed under the guidance of the Africa-Europe High-Level Group of Personalities, is the result of a dynamic and inclusive year-long process centred on: joint research projects co-led by leading African and European academic institutes / think-tanks and incubated through the Africa-Europe Foundation Research Facility; the #RoadtoLuanda25 Safe Space Debates involving AU/EU high-level officials, policymakers, private sector, civil society and young leaders; and the #RoadToLuanda25 Deep Dives organised in diverse locations of the Africa-Europe Partnership, unpacking strategic themes from Health Financing and AI/Digital to Green Industrialisation, Energy and Green Minerals.

The overarching theme of this year's State of Africa-Europe Report is Finance, the 'fil rouge' of our action throughout 2025. The Report's introductory chapter sets the scene for a new financial compact for the Africa-Europe Partnership that moves decisively beyond aid and charity to co-creation, risk-sharing, value-building and trading resources. Following that, each chapter of the Report provides data-driven insights and brings in focus a critical sector of cooperation which holds promise for a forward-looking partnership that measures success by the lives and societies transformed.

The State of Africa-Europe Report is an initiative of the Africa-Europe Foundation (AEF), an independent organisation shared equally by stakeholders of both continents, in partnership with the African Union's Development Agency (AUDA-NEPAD). This year's edition has received contributions from seventy think-tanks, academic institutions and development agencies of the AU-EU Partnership.

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With contributions from:

African Center for Economic Transformation

African Climate Foundation

African Leadership Excellence Academy

Agence universitaire de la Francophonie

Bellona Foundation

BRIDGE Research & Innovation

Centre for Economic Policy Research

Centre of Excellence in Women and Child Health EA (Aga Khan University)

Centro Euro-Mediterraneo sui Cambiamenti Climatici

Cheikh Hamidou Kane Digital University

Clean Cooking Alliance

Climate Action Platform for Africa

Collective MindS Climate x Health Council

Committee on Fiscal Studies (University of Nairobi)

culture Solutions

Dalberg

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

Eduardo Mondlane University

Europe Jacques Delors

European Centre for Development Policy Management

European Climate Foundation

European Council on Foreign Relations

European Policy Centre

European Union Institute for Security Studies

European University Institute

Fondation pour les études et recherches sur le développement international (Ferdi)

Good Governance Africa

Institut d'Etudes Politiques de Paris (Sciences Po)

Institut du Développement Durable et des Relations Internationales

Institute for Peace and Security Studies

Institute for Security Studies Africa

International Institute for Environment and Development

Justiça Ambiental

Konrad-Adenauer-Stiftung

LGI Sustainable Innovation

Mälardalen University

Management Sciences for Health

Mo Ibrahim Foundation

Nelson Mandela School of Public Governance (University of Cape Town)

ONE Campaign

Pan African Climate Justice Alliance

Paris Peace Forum

Perspectives Climate Research

Policy Center for the New South

Power Futures Lab (University of Cape Town)

REGARTLESS

South African Cultural Observatory (Nelson Mandela University)

South African Institute of International Affairs

Stockholm Environment Institute

Tax Justice Network

The African Capacity Building Foundation

The Institute of Economic and Social Research (University of Zambia)

Trust Africa

Wasafiri

World Resources Institute

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 other 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 AEGEI 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 10^{th} 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 incudes 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 Síkela, 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-Iweala, 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

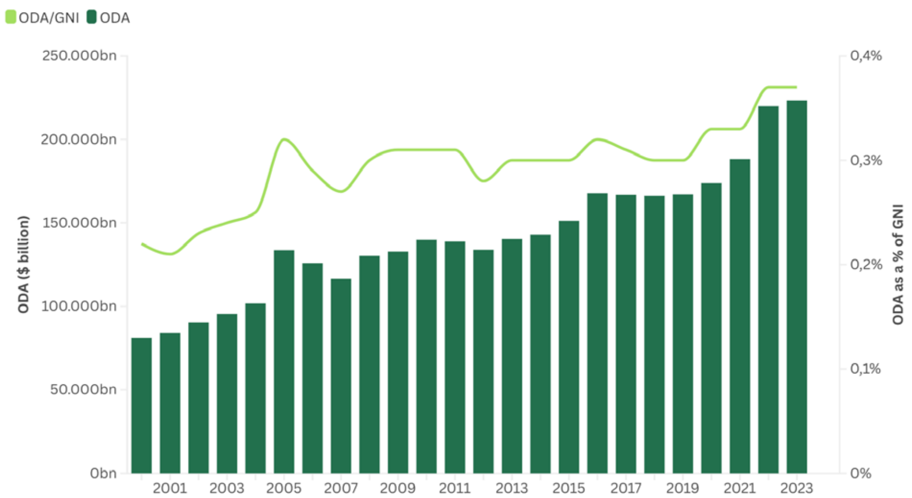
Quotes from the #RoadToLuanda25 Dialogues of the Africa-Europe Foundation (2025)

INTRODUCTION: A NEW FINANCE PARADIGM

ODA - Trend of Diminishing Commitments

- Global financial transfers to developing countries are projected to decline by over $100 billion within the next two years.[1]
- Official Development Assistance (ODA) from traditional donors is declining sharply, with Africa's share dropping 11 percentage points over 10 years.[2]
- **The European Union remains one of Africa's key partners** - but its development funding modalities are shifting. Traditional grants are giving way to investment-based models. While this restructuring aims to drive economic growth, it's not without risks - leaving behind African countries, that struggle to attract private capital.
- **Only five countries globally have achieved the 0.7% ODA/GNI** agreed target for ODA: Denmark, Germany, Luxembourg, Norway and Sweden – all from Europe. In 2023, the average across Development Assistance Committee (DAC) countries was 0.37%.[3]

DAC Countries: Nominal ODA and ODA as share of GNI



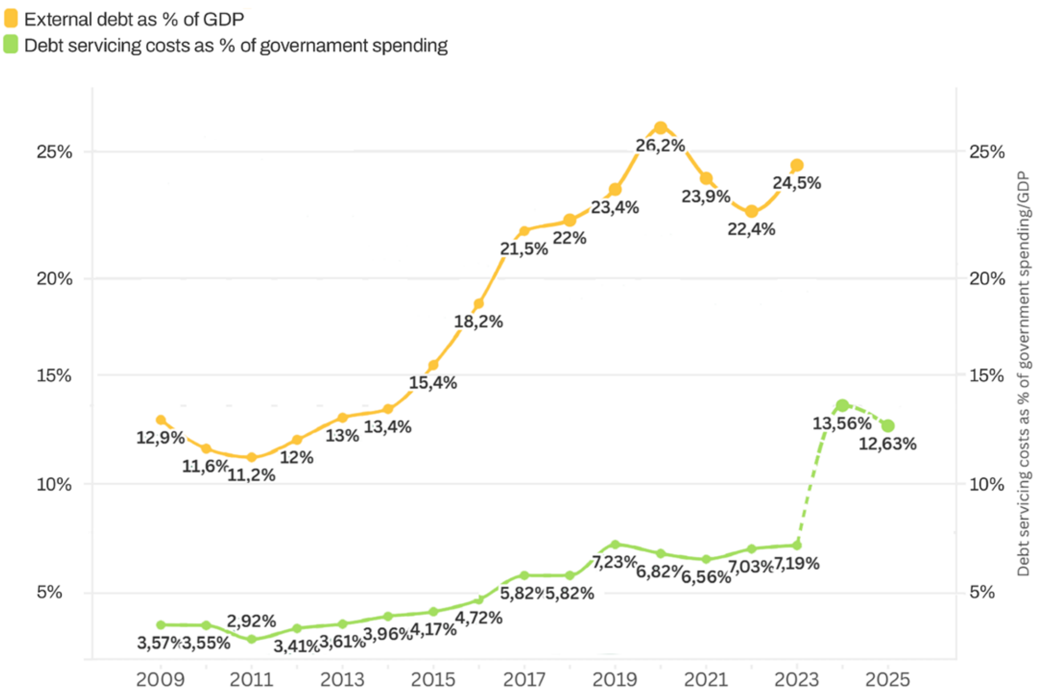
Source: OECD DAC Table 1

- Yet, major European donor countries are reducing aid to developing countries, partly due to increases in military spending:
  - In Germany, Africa's second largest bilateral donor after the US, budget reductions for Official Development Assistance (ODA) between 2023 and 2025 amount to €3 billion, or 10.5%.[4]
  - France's 2025 budget includes a €1.2 billion ($1.4 billion) cut to development aid, bringing it to 18.6% less than in 2024.[5]
- Despite remaining the biggest recipient by total amount ($73.6 billion in 2023), Africa's share of ODA has dropped 11 percentage points from 37.6% in 2013 to 26.7% in 2023.[6]

Debt and SDRs

- Declining ODA coincides with escalating debt burdens. In Africa, external debt is over 24% of its GDP and the external debt stock has doubled from $349.4bn to $690bn (2014 to 2023).[7]

Rising external debt and debt service burden in Africa



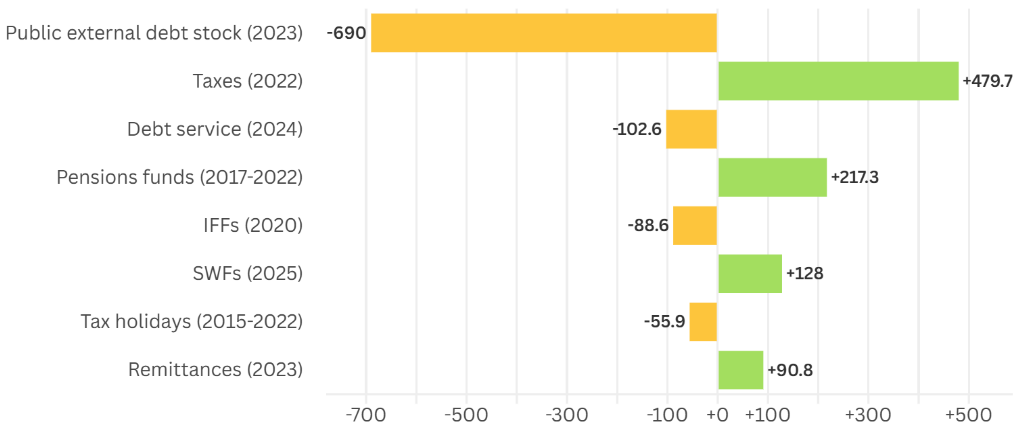
Source: International Debt Statistics (IDS) database, ONE, "African Debt"

- **Africa's escalating debt burden has severely constrained fiscal space, with 20 of the 38 African low-income countries in debt distress or at risk thereof.** The share of government expenditures devoted to debt servicing has surged from 4% in 2009 to 13.5% in 2024 (nearly double the proportion seen in Europe), and within this period Ethiopia defaulted in 2023, Ghana in 2022, Zambia in 2020 defaulting in that period.[8]
- **Private sector borrowing now constitutes over 40% of Africa's external debt**, resulting in significantly higher financing costs compared to concessional loans from MDBs.[9]
- **Special Drawing Rights (SDRs) system limits.** Of the $650 billion additional SDR allocation decided in 2021 to mitigate the impact of COVID-19, high-income countries received almost 70% of the total. Africa, with a population exceeding 1.5 billion, received 5% - fewer SDRs than Germany, a country with a population of only 84 million.[10]
- Despite this, African countries have been among the most proactive, having used nearly 90% of their SDRs for budget support, foreign reserves, debt servicing and pandemic recovery.
- Voluntary reallocation of SDRs was recognised as a key tool to support countries most in need, with a global target of at least US$100 billion. The target was met in June 2023. EU Member States pledged voluntary rechannelling of their SDRs represents a third of total pledges made. In May 2024, IMF Executive Board approved the use of hybrid capital instruments for SDR rechannelling - recycling $100 billion-worth of SDRs as hybrid capital with the MDB would increase financing for Africa by about $46 billion a year over the next 10 years.[11]

The Financing Gap

- **Development finance:** Africa-Europe are established partners for mobilising development funding, from ODA through joint agenda on Domestic Resource Mobilisation, to leveraging private finance through public development bank schemes. Yet, trillions are needed to close the financing gaps for Africa's development. As per the AU and OECD, Africa's annual SDG financing gap sits at $194 billion until 2030, equivalent to 7% of Africa's 2024 GDP.[12]
- **Climate finance:** $2.8 trillion are needed to achieve Africa's NDCs, with just over half of needs costed. Many uncosted needs relate to adaptation, leading to the underestimation of climate finance needs in Africa.[13]
- On average, African countries are losing 2%-5% of GDP and many are diverting up to 9% of their budgets responding to climate extremes. In Sub-Saharan Africa, the cost of adapting to the changing climate are estimated at $30-$50 billion each year for the next decade.[14]
- The EU and its member states provided €23.05 billion in 2021 to fight climate change outside Europe. They are also the largest contributor to the Fund for Reducing Loss and Damage (FRLD), pledging $496 million, or 68% of total commitments in 2024. This makes Team Europe the largest donor of international climate finance in the world. However, the overall pledges of $721 million to the FRLD represent less than 0.2% of the estimated annual cost needed to address loss and damage in developing countries globally.[15]
- **Health finance:** Africa has made significant advances in its health outcomes since Independence and is closing the gap with Europe. This has been achieved by better governance and increasing finance for healthcare, mainly from African governments and service users but also from its key partners, chiefly European and US donor organisations. In 2022 a total of $145 billion was spent on health in Africa. Less than half (41%) of this total was spent by African governments.[16]
- **Peace and Security finance:** The cost of preventing violence is much less expensive than having to deal with conflict. IMF has calculated the long-run returns to conflict prevention are a cost of $1 for prevention compared with $26-$101 for having to reduce on-going violence.
- The EU has supported African security through the Africa Peace Facility, which invested €730 million 2021-2024, and then the European Peace Facility with a current budget ceiling of €17 billion. So far, Ukraine has received €11.bn, while Africa has been allocated €1.1bn.[17]
- **Financial flows in Africa underscore the financing challenge** - around $920bn in through taxes, sovereign wealth funds, pension funds and remittances; almost $940 out through debt and IFFs.[18]

Financial Loss and Revenue in Africa (Latest Available Year)



Source: MIF based on Global SWF (2025), GTED (2024), OECD (2025), ONE (2024), UNCTAD (2020) and World Bank (2025) and (2025)

FfD4 and Africa-led G20

The first **Africa-led G20**, under the presidency of South Africa, marks a historic turning point, coming just months after the African Union became a permanent member of the G20. This unprecedented moment coincided with the **4th International Conference on Financing for Development (FfD4)** in Seville, Spain, a once-in-a-decade opportunity to shape the direction of global finance for sustainable development. Amid a global setting of **evolving development finance priorities** and growing uncertainty about the future direction of U.S. engagement in multilateral spheres, there is a renewed urgency to **forge stronger alliances** and bridge existing gaps between Africa and Europe.

In this context, the **Seville Commitment**, the outcome document of FfD4, represents a notable achievement for multilateral diplomacy driving progress in several areas, among which fairer debt relief and management (e.g. launch of the Debt-for-Development Swaps Hub and Debt Suspension Clause Alliance), as well as encouraging the broadening of geographic representation in international financial institutions (e.g. realignment of IMF quotas and expansion of IFIs executive boards). The *Seville Commitment* successfully consolidated a new partnership paradigm moving away from outdated development cooperation models toward ones built on pillars of strategic autonomy, mutual interest and interdependence.

One of the most significant breakthroughs in Seville was the **formal elevation of illicit financial flows (IFFs) and domestic resource mobilisation (DRM)** within the global development finance agenda - reflecting longstanding advocacy by African leaders and institutions, as well as the Foundation's ongoing cooperation with South Africa's G20 Presidency. The *Seville Commitment* identifies **IFFs as a critical barrier to achieving sustainable development** and calls for enhanced cooperation to track, report, and recover illicit assets, including through investment in digitalisation, timely data exchange and enhanced institutional capacity building. On the latter, it commits to "scale up demand-based institutional, technological and human capacity building support to developing countries for fiscal systems and domestic resource mobilization" in an effort to improve transparency, strengthen tax policy and modernise revenue administration (including through investment in ICT and data systems, and through the use of AI). Development partners pledged to collectively double DRM support to developing countries by 2030 to help increase tax-to-gross domestic product ratios.

At a multilateral level, the outcome document underscores the need for **inclusive and equitable global tax governance**, calling for international tax rules that reflect the priorities of all countries. It supports the UN-led process to develop a Framework Convention on International Tax Cooperation - widely seen as a critical step toward more democratic and representative global rulemaking. At the same time, the *Seville Commitment* acknowledges the value of existing platforms like the OECD's Global Forum and the Inclusive Framework on BEPS, encouraging continued engagement while calling for reforms to make them more inclusive, accessible, and aligned with development priorities.

Despite this progress, and as with all multilateral conferences, it is the follow-up that counts. The endorsements made under the *Seville Commitment* and related *Platform for Action* are voluntary and lack enforceable mechanisms or progress-tracking systems. Thus, the upcoming launch of a platform, hosted by AEF, of **African-European Finance Ministers** stands to be an operational vehicle for translating the outcomes of global convenings, including the *Seville Commitment*, into tangible action. It will empower Finance Ministers to jointly move beyond declarations, championing implementation at national and regional levels, and ensuring that bold recommendations lead to real, measurable reforms. With South Africa and Ireland as co-chairs, we have the opportunity to bridge siloes between the AU-EU Joint Vision and the operationalisation of the G20 legacy and upcoming EU Presidency. This includes by: 1) further leveraging AU and EU G20 memberships (e.g. by creating a Joint AU- EU G20 Task Force to put forth co-created proposals or technical papers building on the Partnership's priorities); and 2) aligning the final negotiation of the EU Multilingual Financial Framework, under Ireland's EU Presidency in 2026, with AU-EU Joint Vision commitments and investments.

BUILDING BLOCKS

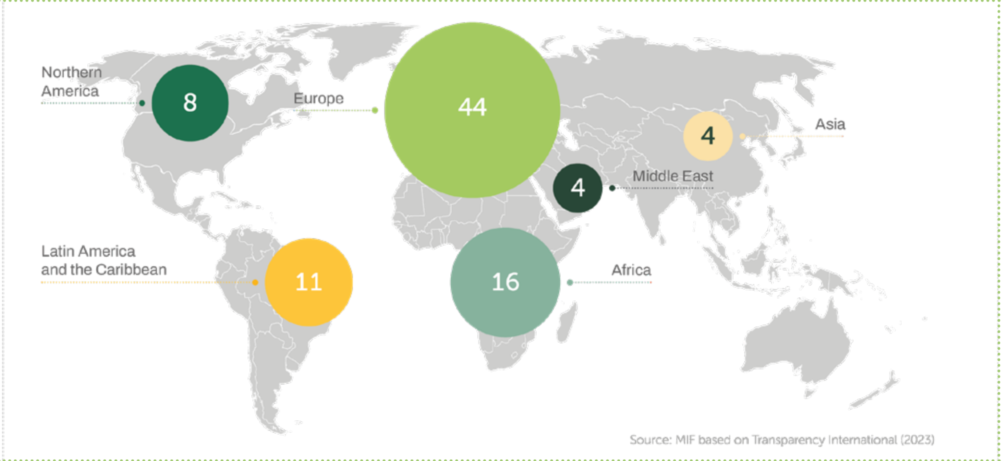
DRM and Combatting Illicit Financial Flows

- **Combatting Illicit Financial Flows is now central on the Africa-Europe cooperation agenda** with clear joint commitments - reaffirmed at the EU-AU Ministerial in May 2025, in line with International Financial Action Task Force standards, emphasising the instrumental role of regional-style bodies.
- AEF is tracking and supporting implementation of the ***Team Europe Initiative to support African countries on their fight against Illicit Financial Flows (IFFs) and related TOC***, implemented since 2022, underscores Africa-Europe commitment to tackle capital flight. This initiative, brought forward by the EU and 4 EU member states (Finland, France, Germany and Sweden) has mobilised EUR 450 million in contributions distributed among 70+ ongoing and new programmes across the continent.[19]
- A few African countries (Burkina Faso, Gabon, Ghana, Namibia, South Africa and Zambia) have recently made remarkable strides in monitoring inward and outward IFFs specifically from commercial and tax activities. South Africa alone reported cumulative in- and outward IFFs of $62.3 billion in 2017, and Gabon $65 billion between 2010-2021, monitored by UNCTAD and UNODC.[20]
- Yet, illicit financial flows remain a serious challenge as they continue to erode economic potential and public finances in Africa and Europe, with **cumulative outflows from Africa reaching $1.3 trillion since 1980**. Retaining these funds within the continent could have expanded Africa's capital stock by more than 60% and increased GDP per capita by 15%.[21]
- As of 2020, UNCTAD estimates that **African countries lose $88.6 billion a year to capital flight** predominantly through trade misinvoicing, tax evasion, and money laundering. Around $40 billion is estimated to be linked to extractive commodities alone, dominated by trade misinvoicing in gold exports (77%).[22]

Re-domesticating IFFs

According to Transparency International, enablers of IFFs from and to Africa are found around the world, with the majority located in Europe, followed by the continent itself. Africa-Europe cooperation is therefore a crucial component of sustainably curbing and re-domesticating IFFs.

World Regions: Number & Location of Enablers of IFFs from Africa (2023)



> *"The struggle against illicit financial flows and for tax justice is ultimately a political one. It is about sovereignty. It is about whether Africa's wealth will continue to enrich others while our people remain in poverty, or whether we will finally harness these resources for our own development. (...)*
>
> *Over the past decade, the term 'illicit financial flows' has gained traction among policymakers across the continent and globally... but more needs to be done, as we have not yet succeeded in stopping the outflows»*
>
> **Thabo Mbeki**, Former President of South Africa; Chair of the African Union/UNECA High-Level Panel on Illicit Financial Flows from Africa – Pan African IFFs and Taxation Conference, Sandton, October 2025

Insights from the AEF Strategy Group on Combatting IFFs

By AEF Co-Chairs, Dr ***Adeyemi Dipeolu*** *(Adjunct Professor at the Nelson Mandela School, University of Cape Town and former Economic Adviser to the President of Nigeria) and* ***Pascal Saint-Amans*** *(Senior Policy Fellow at AEF and Founding Chairman of Saint-Amans Global Advisory)*

The 80th anniversary of the UN served as a sobering checkpoint. With only 17% of SDG targets on track and over a third stalled or regressing, global leaders were urged to double down on large-scale investment, expand fiscal space for developing countries, and strengthen partnerships to drive change. Since then, geopolitical and economic fragmentation have worsened deepening the cracks in multilateralism. Amid this uncertainty, the Africa-Europe partnership is more critical than ever. With just five years left to deliver on the 2030 Agenda, domestic resource mobilisation has emerged as the most sustainable pathway to development anchored in self-reliance, mutual accountability, and more equitable economic cooperation.

2025 also marks the 10-year anniversary of the Mbeki Report on Illicit Financial Flows (IFFs), underscoring the urgency to address IFFs as a pillar of global tax and financial reform. To this end, the multistakeholder Africa-Europe working group on IFFs has identified these priorities:

Invest in trust-building through honest exchange to strengthen Africa-Europe alignment in relation to upcoming institutional milestones. For example, by replacing ineffective and unilateral blacklisting practices with transparent, collectively negotiated compliance mechanisms. Within the G20 framework, convene a joint Africa-Europe Tax Symposium to advance equitable global tax rules and ensure fair representation and concessions in international tax policy negotiations.

Form AU-EU 'coalitions of the willing' to collectively advocate for Systemic Reform at different levels of the finance agenda. For example, support fair representation in global financial institutions, including IMF quota reform and World Bank voting power. Cooperate on facilitating the implementation of initiatives such as the Team Europe Initiative on Combatting IFFs and Transnational Organised Crime, and strategic concessions in forums like the UN Framework Convention on International Tax Cooperation or the OECD Inclusive Framework on BEPS to address cross-border tax abuse and facilitate the fast-tracking of equitable reforms.

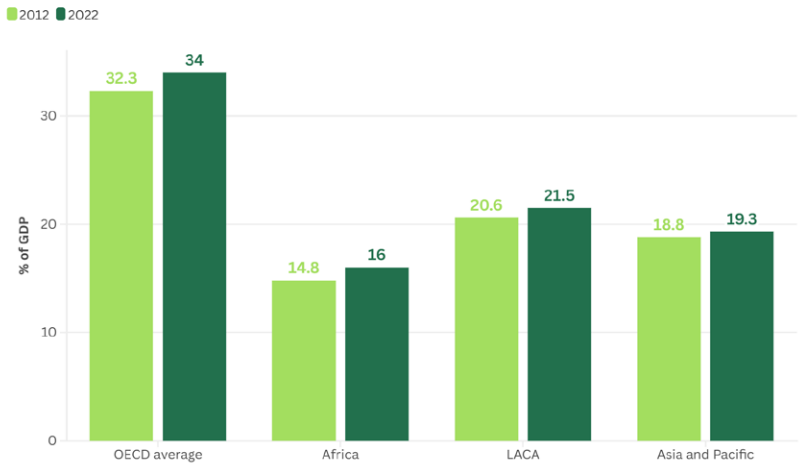
Scale Data Governance and Country-by-Country Reporting to track and report IFFs globally reinforcing the need for comprehensive, standardised, and harmonised approaches to IFFs reporting by all countries on SDG 16.4.1, using globally agreed concepts and tested methodologies like the UNCTAD-UNODC Conceptual Framework for the statistical measurement of IFFs. Additionally, high-income countries must prioritise data availability and strengthen standards for country-by-country reporting (CBCR) to enhance tax compliance for all.

Leveraging Innovation and Beneficial Ownership registries: The rise of crypto transactions linked to illicit activities requires the broader adoption of high-quality data systems and the scaling and adoption of frameworks like the Crypto-Asset Reporting Framework to collectively address new channels of illicit financial flows, coupled with relevant technical assistance especially to countries with limited infrastructure. Africa and Europe must also establish a harmonised, verified, and publicly accessible system of beneficial ownership registries across African and European countries, grounded in a standardised definition, backed by strong verification mechanisms, and enabled through international cooperation and data-sharing agreements.

Tax Reform and Financing Self-sufficiency

- There is increasing recognition of the need for financial self-sufficiency, a priority reflected in the Africa-Europe cooperation - from negotiations on international tax reform, through effective and efficient use public funding, to joint capacity building activities. Mobilising internal tax revenue in Africa presents incremental progress over the last decade, from 14.8% in 2012 to 16% in 2022, the continent's average ratio remains at less than half the OECD average of 34% and below other developing regions.[23]

Africa and Selected World Regions: Tax-to-GDP Ratio (2012 & 2022)



Source: MIF based on OECD (2025)

- Only **14 African countries reach a tax-to-GDP ratio of at least 15% or higher** considered necessary for economic development. Enhancing DRM in Africa must be country-specific, accounting for countries' capacity to widen their domestic tax base.
- The international community, which has increasingly recognised the urgency of fairer taxation and climate justice, is stepping up its cooperation with African nations in the ongoing UN negotiations on global tax reform, negotiations that, while unlikely to conclude before 2026, carry high stakes for development.
- Alongside this, the **Global Solidarity Levies Task Force**, led by Kenya, Barbados and France, offers a bold, practical vision for climate levies that could unlock hundreds of billions each year. From aviation and maritime to fossil fuel extraction, the levies being considered could generate over $1 trillion by 2035, offering a lifeline to countries that must mobilise $2.4 trillion in annual public revenue to stay on track with the Paris Agreement.[24] With over 20 countries already on board and final proposals expected at COP30, this push reflects a growing consensus: those most affected by climate change should have a greater say to finance their future. The Task Force, which is supported by the European Climate Foundation (ECF), is also backed by the Africa-Europe Foundation.

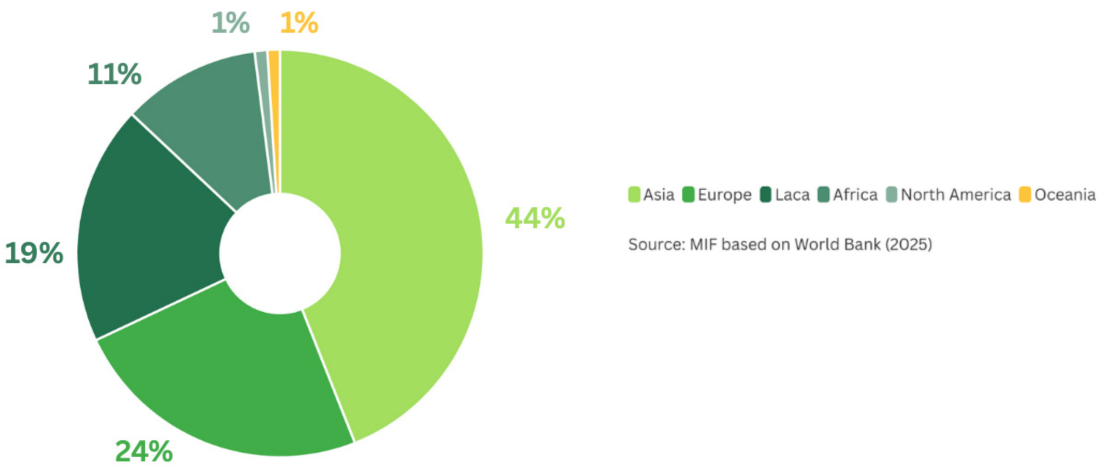
Citizen's views on taxation

A 2024 survey of global perception on tax exposed that 52% agreed that their taxes were a contribution to the community rather than a cost to them, but only 33% agreed that tax revenues in their country were spent for the public good. Noting also the Afrobarometer survey (2021) - across 34 nations in Africa where 50% of those surveyed would prefer to pay higher taxes in exchange for more government services, while globally only 32% agreed that the public services and infrastructure are a fair return for the taxes they pay.[25]

Tapping into Remittances

- Remittance flows play critical role in financial stability. **Estimated at around $90.8bn in 2023, remittances have surpassed both Official Development Assistance (ODA) and Foreign Direct Investment (FDI).** [26]
- Africa received about 11% of global remittances in 2023. In contrast, in the same period Europe received 24%.[27]

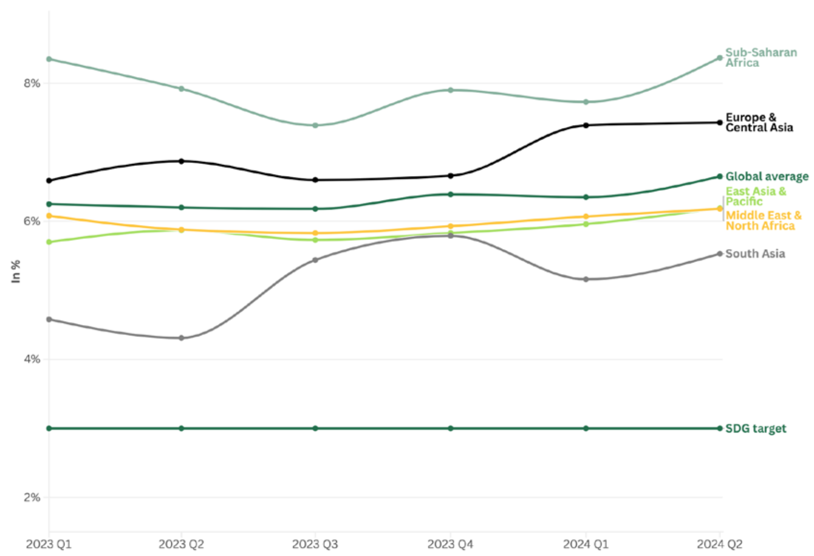
World Regions: Share of Personal Remittances Received (2023)



Source: MIF based on World Bank (2025)

- Yet, remittance inflows in Africa represent a financial stream equivalent to a considerable portion of national GDP.
- However, **transaction costs for remittances remain prohibitively high, averaging 8.4% in Africa for the first quarter of 2024, compared to the global average of 6.4%**, well above the Sustainable Development Goal (SDG) target of 3%. Financial technology innovations and regulatory reforms are essential to reducing these costs and improving cross-border financial flows.[28]

Total Average Remittance by Regions of the World (%)



Source: World Bank, Remittances, Issue n. 50, June 2024

PRIME Africa - Unlocking Remittances

Remittances and diaspora investments are vital for poverty reduction in low- and middle-income countries (LMICs), surpassing Official Development Assistance and approaching – and in some years even matching – the scale of Foreign Direct Investment. Around US$700 billion is sent annually to these countries[1], nearly US$2 billion every day, in low-value, person-to-person transfers. Yet sending remittances to sub-Saharan Africa remains the most expensive globally, averaging 8.8 per cent of the send amount per transaction[2] – still far from the SDG 10.c target of 3 per cent by 2030. High costs, inefficiencies, and the persistence of informal channels continue to limit remittances' development impact.

The Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa (PRIME Africa) – an EU–IFAD flagship initiative – was established to make remittances more affordable, efficient, and inclusive. It does so by promoting digital channels, strengthening market competition, and supporting national policies and infrastructure that expand access *to digital financial services*.

Since 2019, PRIME Africa has formed 16 partnerships (4 regional and 12 national), almost all with the private sector such as money transfer operators, mobile network operators, banks, fintechs, and aggregators, mobilising over €5 million in co-financing to promote the uptake of lower-cost, digital remittances and strengthen financial inclusion. It has also provided technical assistance to six African central banks to improve regulation, interoperability, and data quality, and to develop national remittance roadmaps and stakeholder networks. Through RemitSCOPE, IFAD's remittance data platform, the programme has enhanced market transparency, enabling regulators and providers to benchmark prices and identify opportunities for innovation.

PRIME Africa has enabled 1.4 million people – nearly 60 per cent in rural areas – to open bank accounts or mobile wallets with remittance functionality, of whom nearly half a million now receive remittances digitally, one-third of them women. Additional 350,000 people were enabled access as a resulf of simplidied KYC and compliance processes.

Overall, the initiative has mobilised over US$9.3 million in remittance-linked savings, increasing access to digital financial services, driving inclusion, and helping families build resilience and invest in their local economies.

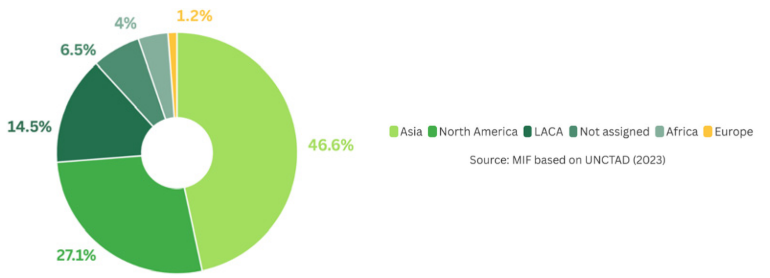
> *"This action, co-funded by the EU under the PRIME Africa initiative, is a great example of leveraging partnerships between savings and credit cooperatives, fintechs and banks to deliver better financial inclusion and cheaper remittances, in line with our SDG commitments."*
>
> **Henriette Geiger**, EU Ambassador to Kenya

Source: IFAD

PRIME Africa turns private transfers into powerful drivers of inclusive growth. By digitalizing remittances, promoting the use of transaction accounts, and linking remittances to broader financial services, the initiative enhances household resilience while improving transparency and reducing reliance on informal channels. This strengthens financial oversight, mitigates illicit flows, and supports more effective policy design, a shared priority for both Europe and Africa. Aligned with the EU's strategic goal of fostering more human-centred partnerships, PRIME Africa promotes mutually beneficial, coordinated Africa–Europe actions on migration management, sustainable finance, and human development.

Foreign Direct Investments

World Regions: Share of FDI Inflows (2023)

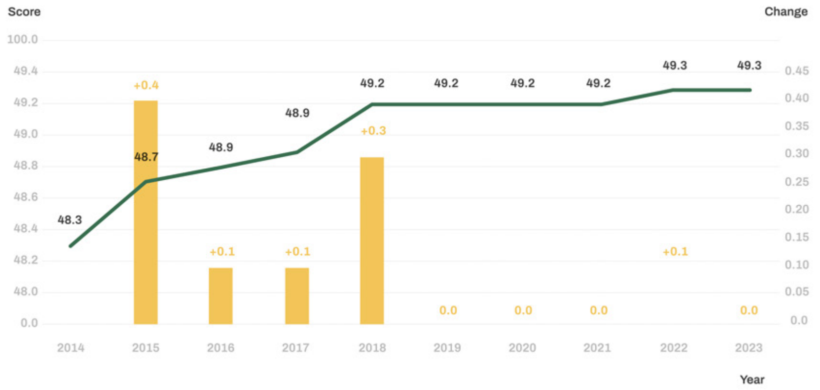


- **Foreign Direct Investment (FDI) in Africa reached record $94 billion in 2024** (also driven by a single $24 billion investment in the Ras El-Hekma, Egypt), a marked increase of 85% on the previous year. In contrast, FDI fell by 8% globally, and 45% in Europe (with 18 out of 27 EU member states recording a decline).[29]
- **FDI in Africa remains paradoxically low, at 4% of global total, despite Africa offering some of the highest investment returns globally.** Between 2006 and 2011, Africa's average return on FDI was 11.4%, compared to 9.1% in Asia, 8.9% in Latin America, and 7.1% world average. Nonetheless, the continent continues to attract a disproportionately small share of global FDI, highlighting the need for improved investment climates, regulatory certainty, and structural economic reforms to attract long-term capital.[30]
- **Europe remains the most important source region for greenfield projects in Africa,** with nearly half (45%) of all projects announced in 2019–2023 or 42% in capital expenditure (capex) terms coming from European investors.[31]
- **Half of all FDI invested in Africa in 2023 went to renewable energy,** offering a return on investment above 15%.

Impact of governance and risk perception

- **Governance trends reveal stagnation in Africa's Overall Governance Performance (2014-2023), with a score of 49.3 in 2023, reflecting little progress since 2018 and fuelling risk perception.** According to the 2024 Ibrahim Index of African Governance, advancements in human development indicators have been offset by deteriorations in security and economic opportunity. Improvements in the governance of half African states were offset by deteriorating governance in the other half of states – resulting in continental stasis.[32] According to Mo Ibrahim Foundation, as of 2025, only two of the 36 African countries rated by one or more of the 'Big 3' agencies (Fitch Ratings, Moody's and S&P Global) are deemed investment grade – Botswana and Mauritius.

Africa: Overall Governance Scores and Yearly Changes (2014–2023)

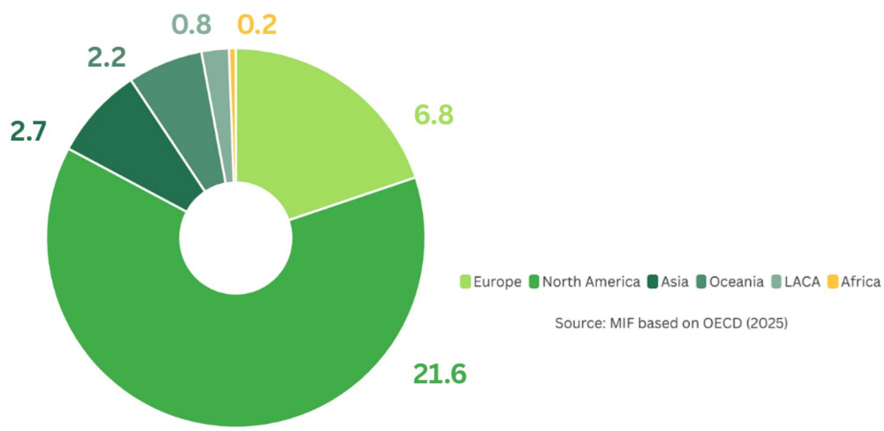


Source: MIF

Leveraging Existing Instruments and Funds

- 23 African countries have established **sovereign wealth funds (SWFs)** with their total assets under management between $128 or $148.3bn, depending on source. Only three SWF are valued at more than $5 billion with $68 billion under management of the Libyan Investment Authority (LIA) and $46 billion in assets in its Ethiopian Investment Holdings fund alone. SWFs across Africa are uniquely positioned to address Africa's infrastructure gap: they can take long-term positions on future assets; they have considerable capital available to them, they can reduce risk on projects thus making them more viable for international investors.[33]
- African **pension funds** stand at almost $220bn and represent the largest source of investable capital. Yet, the latest data available shows the African Pension Funds are the smallest of any world region in terms of assets under management (AuM). In contrast, European pensions funds are estimated to hold $6.8tn. Regardless of the exact value figure for African pension funds, there is a considerable amount of investable wealth.[34]

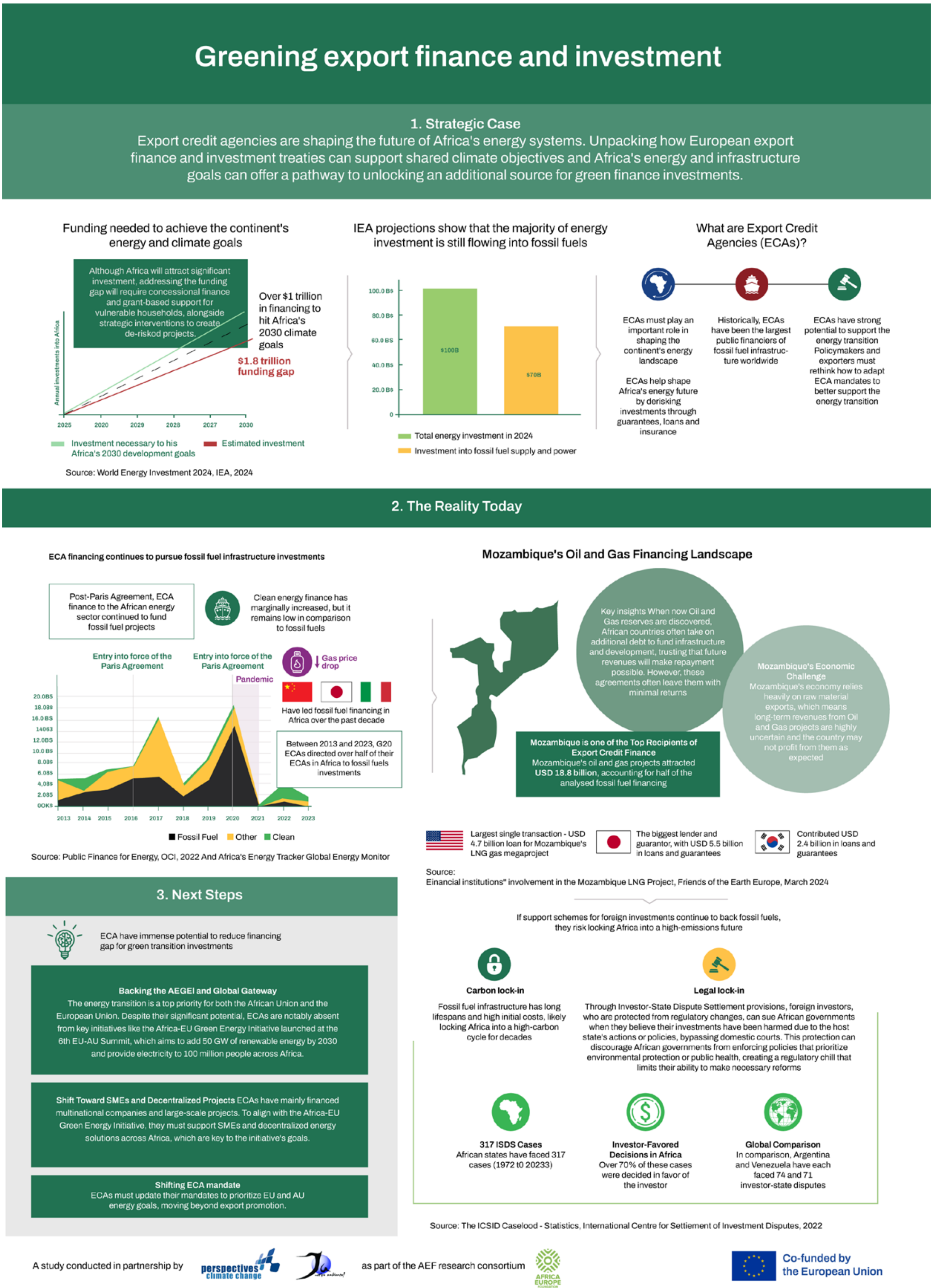
World Regions: Total Investments by Pension Fund ($trillion) (2022)



- **Green bonds.** A financial instrument, similar to a traditional bond, but specifically designed to raise capital for projects that deliver positive environmental or climate benefits. As of 2024, Africa had issued over 20 green bonds that have been financing climate mitigation and adaptation projects, including renewable energy, forestry, sustainable agriculture, sustainable water and clean transport projects.
- **Diaspora bonds.** A debt instrument sold at a premium to the overseas diaspora, they are considered a 'patriotic' discount and thus a far more sustainable debt to acquire for countries especially in Africa which currently borrows at a higher price than any other region and with growing international migrant numbers – as of 2024 with over 45 million migrants from Africa with almost half living outside the continent. From 2017, Nigeria raised $330 million in diaspora bonds for infrastructure projects but not all issues for diaspora bonds are successful. Most notably, Ethiopia was unable to galvanise much support from overseas citizens, the lack of trust in government being cited as a key deterrent. Out of Ghana, Ethiopia, Kenya and Nigeria, only Kenya's and Nigeria's bonds were fully subscribed to.[35]

InFocus: Greening Export Finance

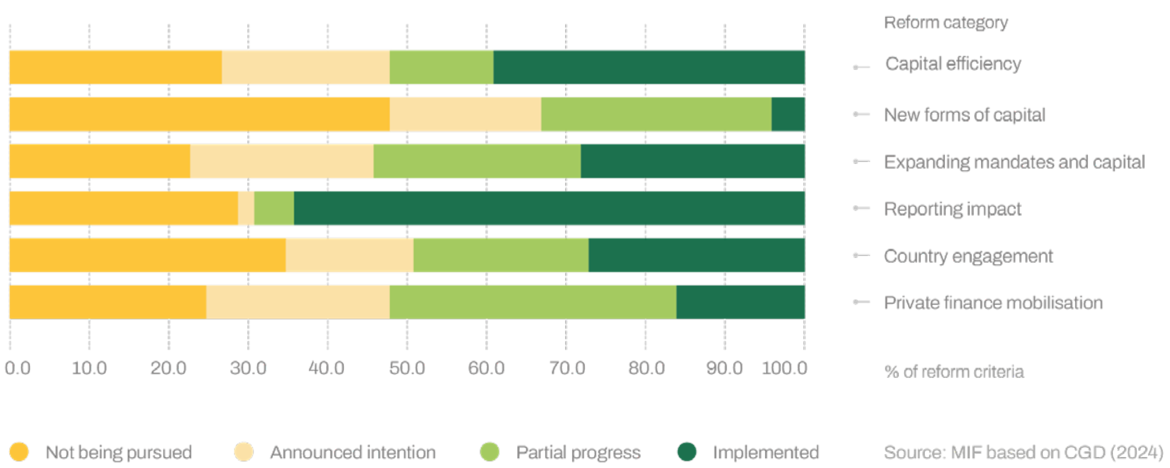
A research initiative under AEF Africa-Europe Research Facility identified opportunities to leverage public export credit funding for investments at the nexus of climate-development.



Reforming Global Financial Architecture

- ***Pact for the Future*** **recognised the importance of continuing to pursue governance reforms at the international financial institutions and multilateral development banks**, underscoring the “need to enhance the representation and voice of developing countries in global economic decision-making, norm-setting and global economic governance at international economic and financial institutions (...).” By June 2025, IMF should share possible approaches for further quota realignment, including through a new quota formula, while protecting the quota shares of the poorest members.
- At the G20 Summit in Rio de Janeiro, leaders endorsed a **Roadmap to make the MDBs “better, bigger and more effective”** through a concrete set of actions. It is the first G20-owned vision for the MDB reform agenda. Implementation falls on South Africa’s G20 presidency and the G20’s International Financial Architecture Working Group.
- African Ministers, under the leadership of UNECA, have long called for a reform of the global debt architecture. Ongoing consultations of the **High-Level Working Group on the Global Financial Architecture stipulated priorities for IMF reform:** less discretionary and more rule-based IMF policy making, long-term lending horizons, greater representation of lower- and middle-income countries, SDR re-channelling, maximising catalytic, blended finance models. Proposals also include the reform of the G20 Common Framework for Debt Treatment to: expand creditor committees for better coordination, immediately suspend debt service for all countries applying to the framework, widen eligibility criteria to include middle- income countries.
- **AU Lomé Declaration on Debt calls for urgent reform of the G20 Common Framework for Debt Restructuring.** Current framework is too slow, creditor-driven, and outdated. The declaration proposes a more inclusive, transparent, and equitable system, including a standardised methodology to improve the comparability of treatment as well as calling for a legally binding global debt resolution mechanism at the UN level.
- **Implementation of MDB reform agenda across all categories ranges from 5% to 64%.** On average, progress (either partially or fully implemented) has only been achieved for about 50% of MDB reform agenda items. IMF is expected to share possible approaches for further quota realignment, including through a new quota formula, while protecting the quota shares of the poorest members.[36]

Selected MDBs: Progress Across Reform Categories (2024)



Source: MIF based on CGD (2024)

* MDBs assessed include AfDB, ADB, AIIB, EBRD, EIB Global, IDBG and WBG.

A PARADIGM SHIFT

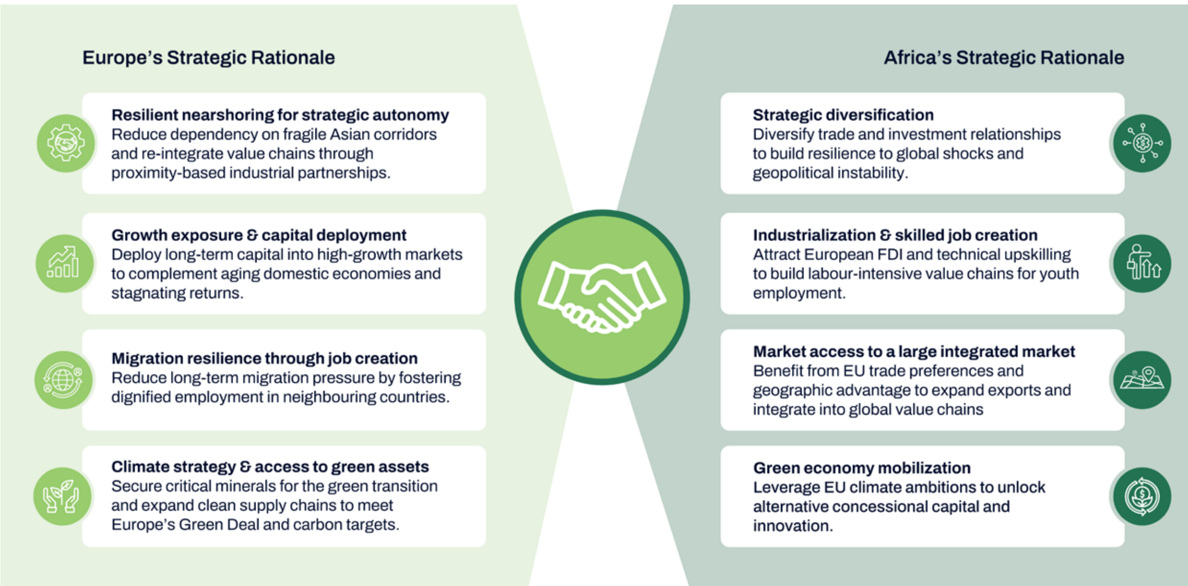
Smarter Money and New Investment Models

- Africa-Europe Partnership, through its close economic, social, and political ties and geographical proximity, can play a central role in redefining investment cooperation model, at this tipping point in the global geostrategic landscape.
- Catalysing African-European capital flows, will need to be achieved within this broader context of shifting global economic and political environment, increasing volatility and attractive low-risk, high yield options.
- There is increased acknowledgment that Africa and Europe must find a new way to work together – the current modus operandi does not work – and it has to be a more equal partnership model.

Some of the key investment challenges include:

- **Capital flows:** too little capital flowing into much needed investments. Achieving Sustainable Development Goals and Agenda 2063 will require an additional $500bn more annually, or $4.2 tn up from US$2.5 trillion.[37]
- **Project development and pipeline:** Addressing the lack of 'bankable projects' pipeline requires understanding bankability, which too often is defined by individual institutional investors. Thus, project preparation processes require streamlining – establishing homogeneous funding requirements with comparable assessment procedures and documentation.
- **International incentive frameworks:** competing incentives, such as those driven by the U.S. evolving policy landscape, can divert funds from cross-regional initiatives, necessitating a global solution to ensure equitable investment distribution.
- **Visibility of risk-returns:** a fundamental issue of clarity and uneven evidence for long term investments returns, which takes account of currency risks, and market distortions.

Strategic rationale: Failure to address risk-return fundamentals, fragmented initiatives, lack of scale, misaligned objectives and paternalism prevalent across current investment finance actors requires a bold new solution that can deliver for Africa-Europe.



Source: AEF - Dalberg (2025)

Youth Voices on Financing our Future

The Africa-Europe Foundation #FutureAfricaEurope initiative resulted in a cross- continental platform dedicated to reinforcing youth voice, agency and leadership on sustainable finance. This process included the “Financing Our Future” fora in Addis Ababa (March 2025) and in Brussels (July 2024) bringing together young practitioners and analysts from across Africa and Europe.

Priorities and areas of action emerging from across the Financing Our Future dialogues included:

Opening space for young leaders to work with policymakers on issues of sustainable finance, from international tax cooperation to domestic resource mobilisation and combatting illicit financial flows, and challenging existing power dynamics by inviting high officials to join youth-led initiatives.

Focusing on local value add and impact stories when it comes to tracking the implementation of existing finance/policy commitments of the African Union and European Union, and the roll-out of the EU-Africa Global Gateway Investment Package.

Raising understanding and recognition of the burden of high-interest debt and co-designing strategies to convert existing debt into productive infrastructure, for example by reinvesting interest payments domestically to boost productivity through infrastructure and natural resource refinement.

Focusing on improving accessibility to finance for youth-led projects at the nexus of climate and development, and significantly scaling youth-led initiatives in domains of cooperation which hold the most promise for Africa-Europe cooperation including in the domains of ocean/blue economy, energy access/transitions, agri food systems and green minerals.

Invest in large-scale strategic communication and visibility actions to communicate the impact of existing youth-led initiatives in the global fight against illicit financial flows, and supporting youth-led awareness campaigns on IFFs.

Aligning electoral and financial timelines to improve debt accountability and stimulate strategic investments, while also reducing incentive for short-term borrowing to finance current expenditures (especially ahead of new political cycles).

Reinforcing youth agency in the design of sustainable finance initiatives at the multilateral level, from the tracking and implementation of the Pact for the Future to the finance/tax workstream of the G20.

“Overall, significant progress is being made, but efforts of stakeholders both at the AU and EU need to be intentionally doubled up to unlock bigger prosperity as far as youth engagement is concerned.”

Damilola Hamid Balogun (Co-Founder and CEO of the Youth Sustainable Development Network and member of the AEF Financing Our Future Initiative).

CHAPTER 01: INVESTING IN FUTURE-PROOF HEALTH SYSTEMS

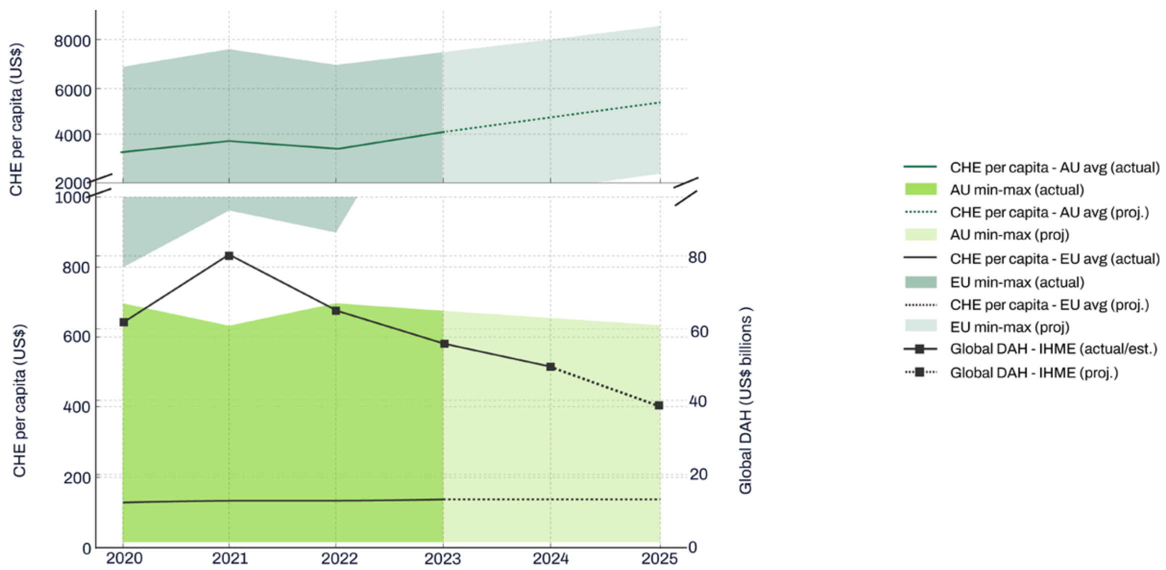
HEALTH SOVEREIGNTY FOR COMMON SECURITY

The Case for Return on Investment

Health urgently needs new financing mechanisms.

- Africa's health spending reached **US$145 billion in 2022**; governments covered 41%, with only **Rwanda, Botswana, and Cabo Verde** meeting the Abuja 15% target. External aid still funds a third of spending, underscoring the need for pooled, pre-paid financing.[1]
- In the EU, health expenditure reached **€1.25 trillion in 2023 (7.3% GDP)**; government and compulsory schemes cover 81%, with **OOP payments at 14%** - proof that pooled pre-payment protects households and stabilises providers.[2]
- **Funding volatility remains a stress test**. In January 2025, **USAID cancelled 83% of its health contracts**, creating a **US$5.7 billion gap** and disrupting services - reinforcing the need for counter-cyclical, domestic financing.[3]
- **Joint, sustainable investment**. The EU's **€300 billion Global Gateway** and new **EDFI guarantees** expand blended finance for health and climate-resilient infrastructure, including renewable energy for health facilities and regulatory alignment via the **African Medicines Agency** - marking a shift from aid to **sovereign, co-investment**.[4]
- **Health sovereignty and accountability**. The **Accra Compact** drives the move from aid dependence to **health sovereignty**, built on domestic investment, regional manufacturing, and governance reform. Its **six-month roadmap** under the **SUSTAIN initiative** aligns budgets with commitments and tracks financing flows for measurable delivery.[5]
- **Returns on sustained public investment**. Life expectancy in Africa has more than doubled - from ~30 years (1950) to ~65 years (2024) - while child and maternal mortality declined sharply, proving the high social return of predictable health financing.[6]
- **Domestic Resource Mobilisation & Blended Finance**. Strengthening expenditure frameworks and budget credibility can replace regressive OOP spending and safeguard essential services. **Blended finance** should crowd in private capital for primary health care and delivery systems.[7]

Health Financing: Domestic Spending (AU & EU) and Global DAH 2020–2025 Actual vs Projected



Sources: WHO Global Health Expenditure Database

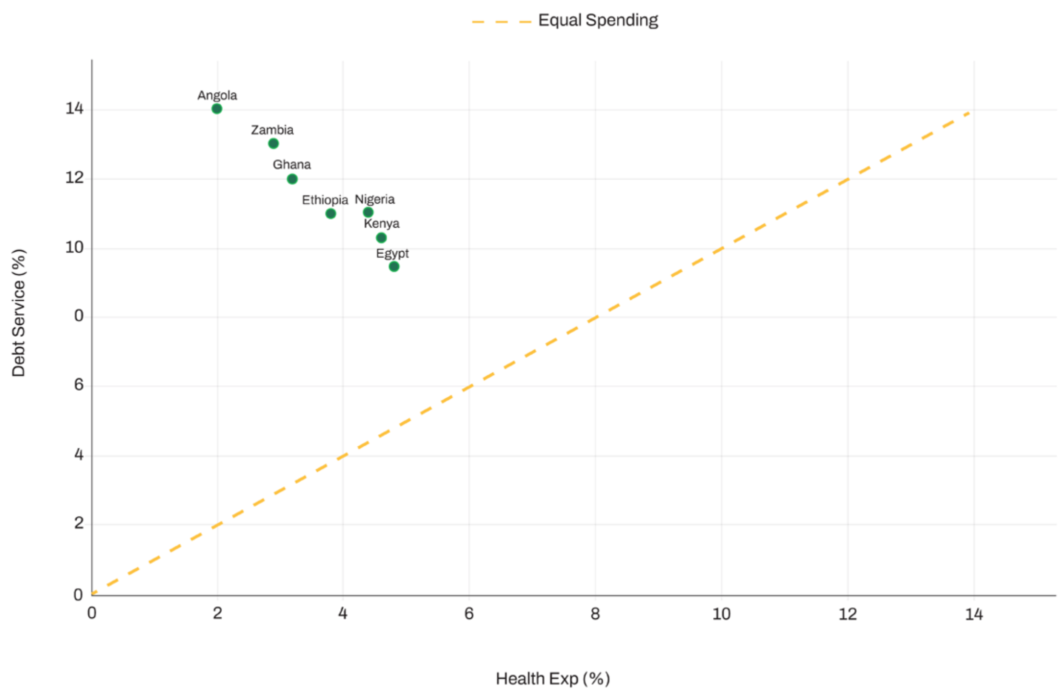
InFocus: Debt, DRM and Health: Domestic financing framework

Africa's fiscal landscape reveals a widening imbalance between debt servicing and social investment. In more than a dozen countries, **annual debt-service payments now exceed total government health expenditure,** directly constraining progress toward **universal health coverage** and pandemic **preparedness.** Between **2020 and 2024,** average debt-service ratios in Sub-Saharan Africa rose from **9% to 14% of GDP,** while public health spending averaged only **5%** - meaning that for every dollar spent on health, nearly three are used to pay debt.[8] This pattern is visible across countries such as **Angola, Ghana, Ethiopia, and Zambia,** where debt service surpasses public-health budgets by several percentage points. Recent **UNCTAD** and **AfDB** analyses estimate that up to **30 African states** now devote more to debt interest than to health, eroding fiscal space for essential services.

The **Lomé Declaration on Debt (May 2025)**, adopted by African finance ministers, calls for reforming the **global debt architecture** to secure fiscal space for **health, education, and adaptation investments**. It urges more **inclusive and rule-based frameworks**, extended eligibility beyond low-income countries, and **automatic debt-service suspension** during crises. The **African Union's Second Ten-Year Implementation Plan of Agenda 2063 (2024–2033)** reinforces this stance, aiming for **75–90% of development financing** to be mobilised domestically - through greater tax efficiency, curbing illicit flows, and leveraging sovereign and pension funds. The challenge is both **quantitative and structural**: aligning domestic-resource mobilisation with social priorities such as health and resilience rather than debt repayment.

Finally, **blended-finance instruments** and **guarantee facilities** under **Global Gateway** and multilateral development banks can help reduce the cost of capital and crowd in private investment for essentital services. Their impact, however, depends on credible national budget **frameworks** and **medium-term health expenditure plans**. Integrating **DRM and health investment strategies** is thus key to achieving the **fiscal sustainability and autonomy** envisioned in both the **Lomé Declaration** and **Agenda 2063**.

Health vs Debt Spending (%GDP)



Source: AEF analysis based on available data in AfDB African Economic Outlook 2025, IMF Fiscal Monitor 2024, Lomé Declaration (2025), and Agenda 2063 documentation.'

Strengthening a Manufacturing Base

- Manufacturing and Access to Vaccines, Medicines and Health Technologies in Africa (MAV+) (launched 2022; ≈€1.9 billion) is the AU–EU flagship to advance health sovereignty, integrating regulation, skills and access with Africa Centres for Disease Control and Prevention (Africa CDC) and the Partnership for African Vaccine Manufacturing (PAVM).[9,10]
- Country envelopes signal scale and specialisation. Allocations include South Africa (€730 m), Senegal (€222 m), Rwanda (€70 m), Ghana (€43.5 m) and Nigeria (€32 m), supporting hubs for quality-assured supply and World Health Organization (WHO) prequalification - aligned with the AU objective to produce 60% of vaccines in Africa by 2040.
- Regulatory convergence is accelerating market readiness. The African Medicines Agency (AMA) has advanced governance and headquarters set-up with EU support; in February 2025 seven regulatory authorities signed a memorandum to harmonise standards, shortening approval timelines and enabling safe local supply.[11]
- Rwanda illustrates the 'factory-plus-ecosystem' model. BioNTech's drug-substance test runs in 2025 using BioNTainers; by end-2024, almost 100 staff were expected on site, backed by Team Europe support exceeding €100 million for regulation, higher education and technical and vocational education and training (TVET).[12]
- Demand-shaping is essential for viability and equity. Advance purchase commitments and pooled procurement by African and European buyers can provide credible volume signals that crowd in private finance while keeping priority products affordable.[13]
- A mid-term, independent evaluation can accelerate delivery. A time-bound review of utilities, GMP/QA timelines and working-capital bottlenecks would surface course-corrections and inform replication into therapeutics and diagnostics.

A flagship example: the mRNA Technology Transfer Hub (South Africa)

Launched by **WHO**, supported through **MAV+**, and hosted at **Biovac** in Cape Town, the mRNA Technology Transfer Hub is Africa's first end-to-end initiative for developing and producing mRNA vaccines. It is connected to production and training nodes in **Rwanda, Egypt, and Senegal**, forming a regional network for skills transfer, technology adaptation, and regulatory alignment.

The hub aims to:

- Reduce reliance on external suppliers and build Africa's vaccine self-sufficiency
- Support local development of mRNA platforms beyond COVID-19 - including **malaria, TB,** and **future epidemic threats**
- Train researchers, technicians, and regulators in advanced manufacturing and quality assurance
- Enable compliance with **WHO prequalification standards**, paving the way for regional export readiness

The mRNA hub is not just a manufacturing site - it is a model for **integrated biomanufacturing ecosystems** that combine R&D, workforce development, and regional innovation diplomacy.[14]

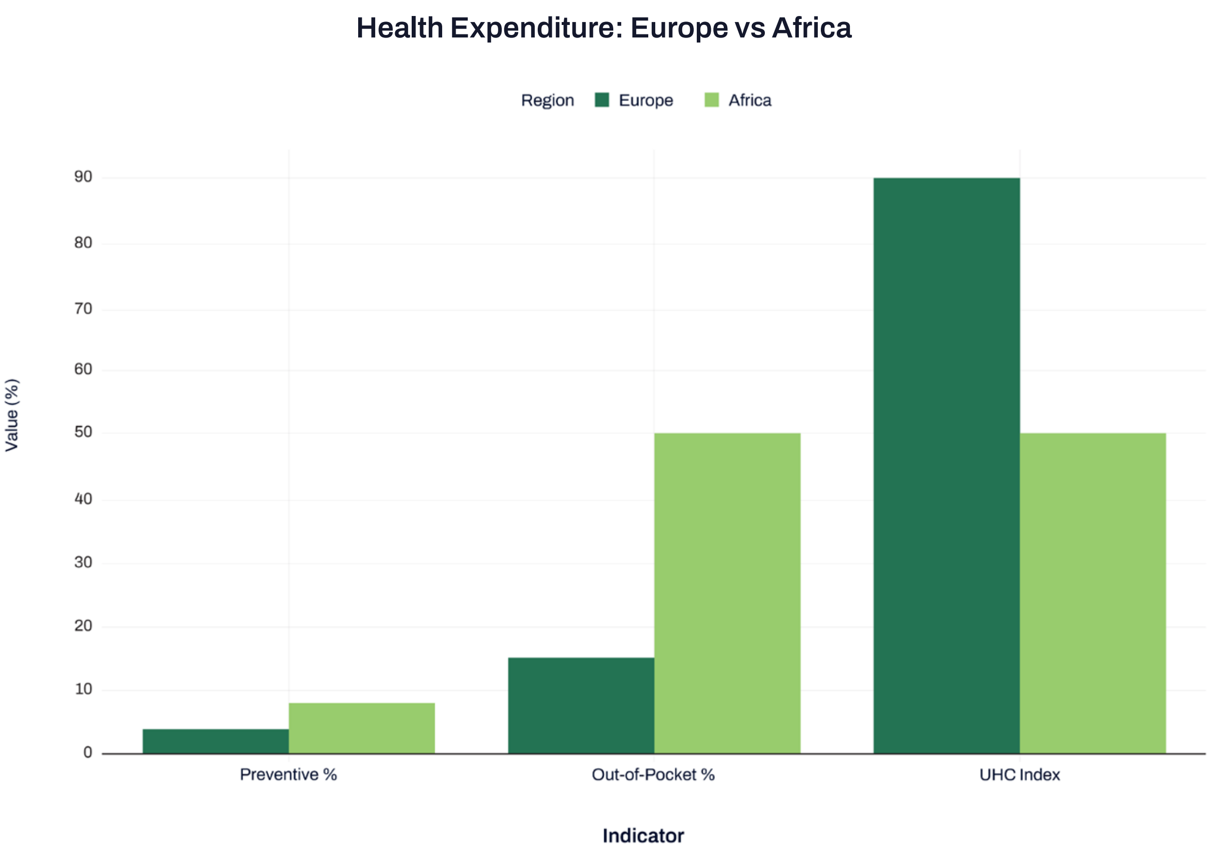
System Transformation

Europe's preventive and inclusive health paradigm.

Europe's health systems prioritise prevention through coordinated public-health strategies, early detection, vaccination programmes, and health education that advance both health equity and inclusion. This preventive focus is embedded in initiatives such as EU4Health and the European Health Union, which emphasise community participation, mental-health awareness, and gender equality. By reducing disparities in access to care and tackling social determinants of health, Europe links prevention directly with inclusion - ensuring that no one is left behind in health outcomes.[15]

Africa's treatment-driven systems and shift toward prevention through partnership.

African health systems have traditionally centred on curative care, shaped by high infectious-disease burdens, limited funding, and infrastructural constraints. However, recent Africa–EU cooperation, guided by the Africa CDC's New Public Health Order (2021) and the AU–EU health partnership, reflects a strategic shift toward prevention, preparedness, and inclusion. The New Public Health Order calls for stronger institutions, a skilled workforce, regional manufacturing capacity, and sustainable domestic financing to underpin Africa's self-sufficiency in health security. It also aims to correct global imbalances by amplifying Africa's collective voice in global health governance and ensuring more equitable preparedness and response capacities across the continent.[16]



Source: Analysis by Africa-Europe Foundation (AEF) based on OECD, WHO, Eurostat, and AFIDEP data (2024)

Citizens’ Views on Health: A Comparison

Access to Healthcare:

In 2024–2025, 66% of Africans said they or someone in their household went without needed medical treatment at least once in the previous year. In Ghana, the figure reached 53%, with a 21-point increase since 2019. In Zimbabwe, 87% reported having no medical insurance, and 70% worry “a lot” about affording care. In contrast, only 3.8% of Europeans reported unmet medical needs in 2023, mostly due to long wait times or cost. In France, however, 51% of citizens described access as “complicated, long or partial,” and only 31% felt they had easy and quick access to all necessary care.[17]

Waiting Times and Patient Experience:

African patients frequently face long queues, drug shortages, and staff absences. In Tanzania, 72% of public clinic users cited long waiting times; in Uganda, 41% of patients reported paying a bribe for services. In Europe, waiting times are also a source of dissatisfaction. 43% of Spaniards believe hospital waitlists have not improved, and 63% of Germans expect current reforms to worsen delays, but such waits are rarely life-threatening.

Rural Disparities:

Only ~50% of rural Africans live within 5 km of any healthcare facility. Clinics are often under-resourced or non-functional. In Tanzania, just 35% of rural respondents reported having a nearby health facility, compared to 58% in urban areas. In Europe, 83% live within 15 minutes of a hospital, but gaps persist: in France, only 18% of rural residents report “easy” access to care. In Germany, nearly half of the population identifies rural health access as a system weakness. [18]

Trust and Public Expectations:

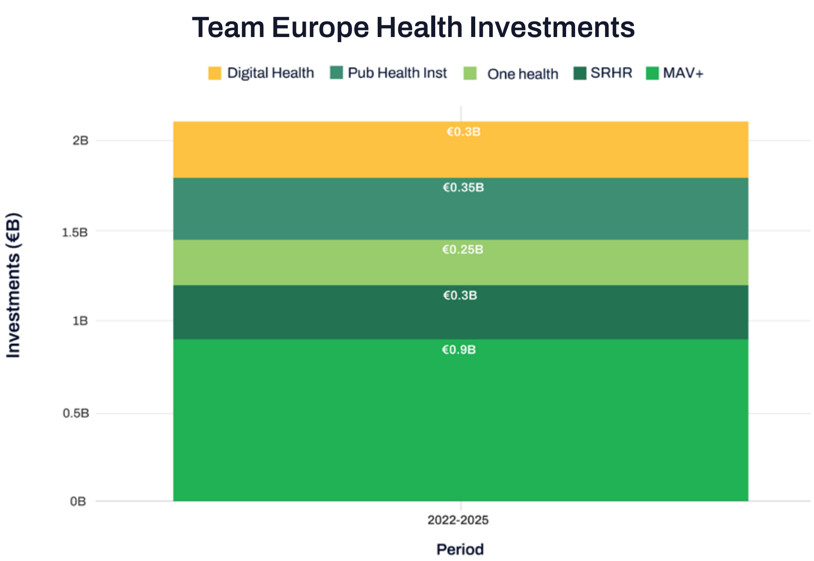
In Europe, 70–80% of citizens trust medical staff and are broadly satisfied with healthcare quality. In Africa, trust is more fragile: only 41% believe their government is handling health services well, though many express high trust in frontline workers. Support for reform is strong on both continents; 63% of Ugandans and 62% of Ghanaians say governments should guarantee healthcare access for all, even if taxes must rise.

Shared Concerns, Different Realities:

Europe’s challenges revolve around timeliness and proximity; Africa’s around reliability and basic access. Yet both regions face rising public pressure to improve rural coverage, reduce inequities, and restore public confidence in health systems. These common challenges demand joint solutions, interregional dialogue, solidarity, and exchange. By combining local knowledge with shared expertise, cooperation can build resilient, equitable health systems - benefiting both continents through improved access, preparedness, and social cohesion.

Joint Investments in Health Security and System Resilience

- **AU–EU health cooperation now exceeds €2 billion**. Five **Team Europe Initiatives (TEIs) - MAV+ (€0.9 billion), SRHR (€0.3 billion), One Health (€0.25 billion), Public Health Institutes (€0.35 billion)**, and **Digital Health (€0.3 billion)** - form a coherent architecture for preparedness[19] and essential public-health functions. Coordinated through **DG INTPA's Team Europe Tracker**[20] and the **Africa–Europe Foundation**, these investments drive **health sovereignty, data infrastructure**, and **pandemic readiness** under the **Global Gateway Africa–Europe Investment Package**.
- **Emergency cooperation has delivered measurable outputs.** Between September 2024 and April 2025, the EU (Team Europe approach) coordinated delivery of **435,500** mpox vaccine doses to the Democratic Republic of the Congo, Rwanda, Uganda and South Africa.[21]
- **One Health – Africa CDC Capacity Support (launched 2024; €9 million) and ZOOSURSY (launched 2024; €20 million)** are scaling technical capabilities in food safety, zoonoses, antimicrobial resistance (AMR) and climate–health, strengthening surveillance across Sub-Saharan Africa.
- **Team Europe – Support to Public Health Institutes in Africa (launched 2024; €50 million)** is enhancing essential public-health services in roughly ten countries and building collaboration between African and European institutes for evidence-based policy advice.
- **Regulatory convergence multiplies readiness.** Establishment of the African Medicines Agency (AMA) Governing Board and support for the AMA headquarters in Rwanda, alongside EU–Africa regulatory collaboration, are contributing to reducing approval times and enabling safe local supply.[2]
- **Visibility and equity are the currency of trust.** Investing in a joint AU–EU dashboards on stock-out frequency, approval timelines, surge capacity and equitable access can cement legitimacy and guide resource allocation.



Source: AEF analysis based on available data in the Team Europe Initiatives Tracker (2025)

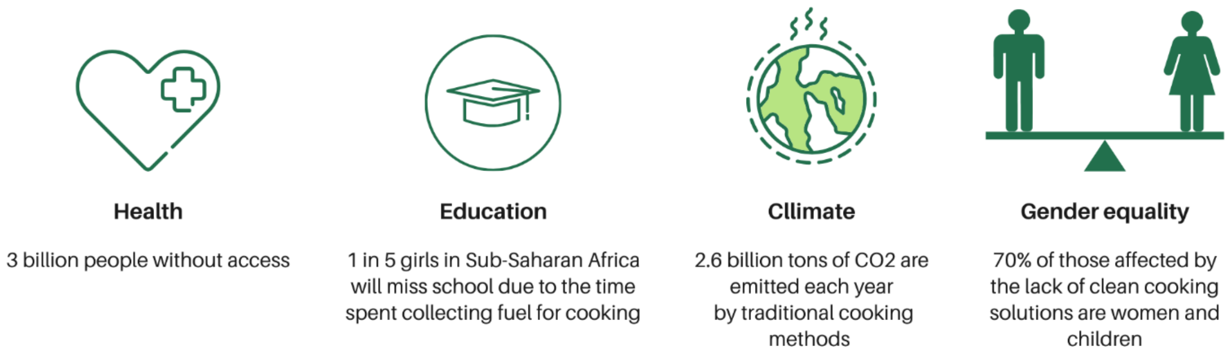
Safe Birth Africa (SBA)

A €20 million joint initiative by Unitaid, UNFPA, and the EU, is strengthening maternal health systems in Côte d'Ivoire, Madagascar, Nigeria, Uganda, and Zambia by improving access to life-saving medicines, building midwifery capacity, and addressing postpartum haemorrhage - a leading cause of maternal mortality in Africa. SBA is part of the broader **Team Europe Initiative on Sexual and Reproductive Health and Rights (TEI SRHR)**, supported by the AU and 10 EU member states.[22]

Climate-Proofing Health Systems

- **Climate hazards are disrupting care pathways and reversing gains.** Heat, floods and shifting vectors increase morbidity and interrupt services; climate-resilient facilities, cold-chains and flood-safe logistics are core health-sector investments, not add-ons.
- **Adaptation needs in Sub-Saharan Africa are US$30–50 billion per year.** Current flows are below requirements, constraining district-level resilience; blended instruments, guarantees and insurance are needed to de-risk frontline investments.
- **Only a small share of climate finance reaches health.** Health represents roughly a low single-digit share (≈2%) of multilateral development bank (MDB) climate allocations, signalling a pipeline design gap that AU–EU instruments can help close by mainstreaming health components.
- **Climate-Health Catalytic Fund (launched 2025; US$50 million)** - backed by the Bill & Melinda Gates Foundation (US$40 m) and Sanofi (US$10 m) - offers a scalable template for locally led, low-carbon health-system resilience that can be channelled via Global Gateway and adaptation windows.
- **Clean cooking demonstrates fast, cross-sector health dividends.** The 2024 Paris summit mobilised ~US$2.2 billion, including ~€400 million from Team Europe; government-embedded delivery units in Kenya and Sierra Leone are translating pledges into household adoption with respiratory-health gains.
- **Linking climate and health resilience.** The **Addis Ababa Declaration** put health at the core of climate policy, committing to **resilient health systems, grant-based adaptation finance,** and **10% of funds** for health infrastructure, backed by the **Africa Climate Innovation Compact** and **Climate Facility** mobilising **USD 50 billion a year.**

Uneven impact of limited access to clean cooking solutions



Source: AEF (2025)

- **Space-enabled early warning can hard-wire anticipatory action.** The EU–Africa Space Cooperation Programme has a €100 million envelope approved in 2023 and leverages Copernicus (Earth observation) with Galileo/EGNOS (navigation) to feed risk analytics into surveillance and facility preparedness.

Shaping Climate-Health Action

- At the 2024 UN General Assembly, the Africa-Europe Foundation, in partnership with Foundation S, launched the Action Report From Risk to Resilience: Unlocking Climate and Health Finance for Local Health Adaptation. The report, produced by the Collective MindS Climate x Health Council, called for dedicated financial mechanisms that empower local communities and break down sectoral siloes.
- This work directly inspired the creation of the $50M Climate-Health Catalytic Fund. AEF continues to drive strategic partnerships to align health, climate, and energy finance - including through work on clean cooking, innovation diplomacy, and regional coordination platforms.

Scaling up Clean Cooking

Scaling up Clean Cooking Nearly half the global population - 2.3 billion people, including 1 billion in Africa - still rely on polluting and inefficient cooking methods such as open fires or stoves using kerosene, coal, agricultural waste, or animal dung. The environmental and health consequences are staggering. In 2020 alone, CO_2 emissions from cooking reached 1.69 gigatons and the toxic fumes disproportionately impact women and children, causing respiratory illnesses and premature deaths.

> *"People cook every day, no matter what, with the resources available to them and these are often harmful. But it's something we have a solution for. This isn't aspirational. We have the technologies, the fuels, the business models, and increasingly, the political will. What we need is for all these pieces to come together."*
> **Jillene Connors Belopolsky**, Chief of Staff and Chief External Affairs Officer, Clean Cooking Alliance

Momentum is finally building on an issue long overlooked. At the first-ever Clean Cooking Summit on 14 May 2024, global leaders pledged $2.2 billion, including $2 billion from the African Development Bank and $200 million from governments, philanthropies and institutions. In October 2025, after the launch of the G20 Clean Cooking Legacy Programme and the Voluntary Infrastructure Investment Action Plan: "Closing the Clean Cooking Gap.", G20 country members have agreed to elevate clean cooking as a permanent item in the agenda – the legacy of South Africa's G20 Presidency.

Clean cooking is a powerful example of Africa-Europe cooperation delivering concrete results. It aligns with multiple shared priorities: tackling energy poverty, reducing emissions, improving public health and empowering women. While Africa, mainly led by AfDB, is taking the lead, the European Union is actively supporting the continent's ambition, contributing €400 million under its Team Europe approach through the Africa-EU Green Energy Initiative.

What stands out is not only the scale of investment, but also the innovative model of partnership. Coalitions such as the Clean Cooking Alliance are creating real momentum by supporting governments with technical expertise and local capacity-building. This 'coalition approach', rather than siloed, government only efforts, is proving more effective in developing standards, policies and business environments that attract investment and meet users' needs. To bridge the gap between financing and implementation, Clean Cooking Delivery Units have been established in Kenya and Sierra Leone; these units consist of locally led teams embedded directly in key government institutions to coordinate action across ministries, align stakeholders, and unlock climate finance.

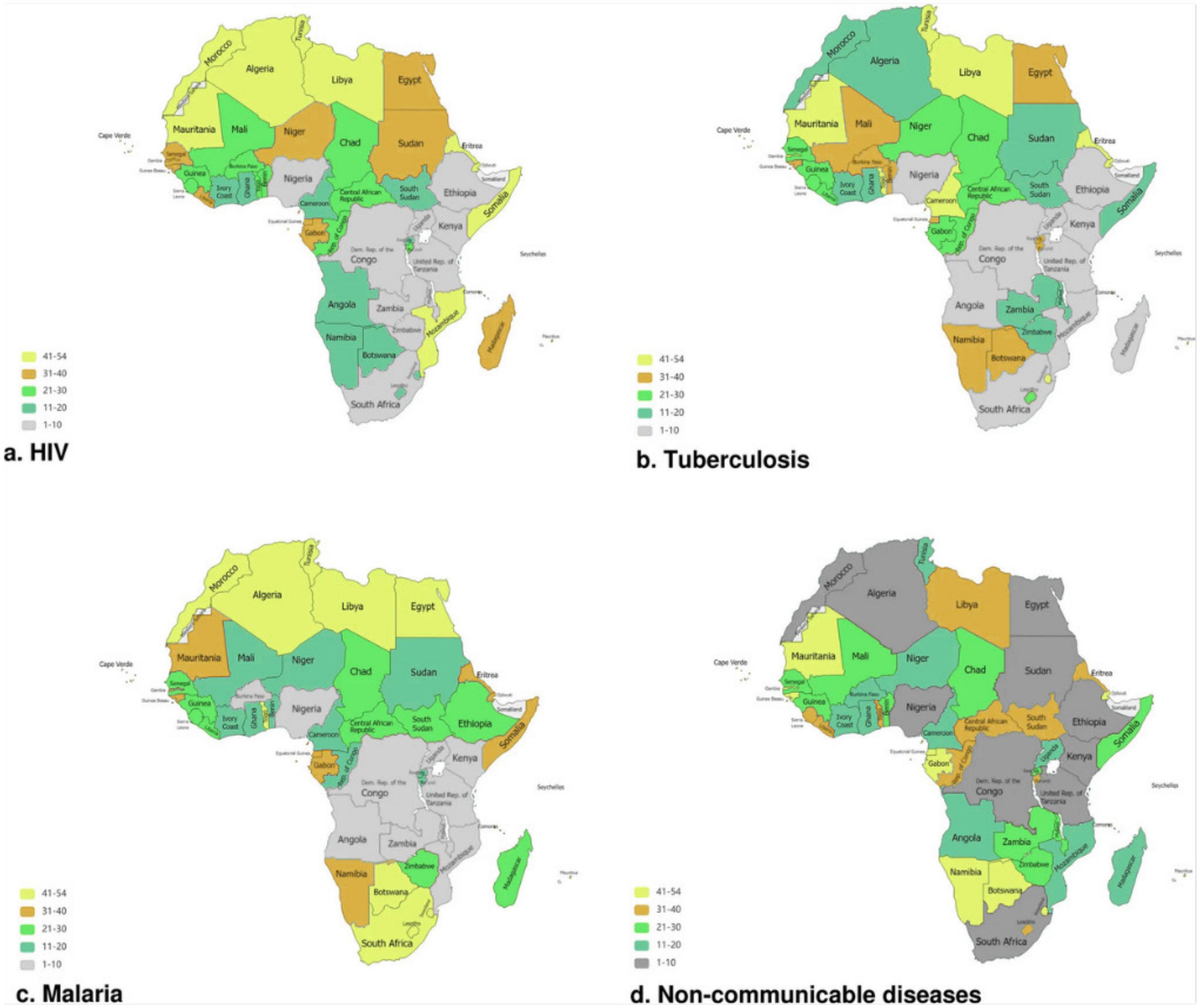
In Kenya, the Delivery Unit sits in the Office of the President and works across public, private, and civil society sectors to overcome a long-standing challenge: coordination. Before the Delivery Unit was established, Kenya had 20 separate clean cooking strategies and plans, yet none had been financed or resourced. By embedding a dedicated team with local expertise inside government structures, the initiative has helped align fragmented efforts, support enterprise innovation, and build the regulatory frameworks needed to crowd in investment. The result is a rapidly growing clean cooking sector - one that could serve as a model for other countries, particularly across West Africa, where regional cooperation could unlock shared value chains and scale faster progress.

Clean cooking is no longer a side issue, it's a strategic opportunity to advance Africa-Europe health, climate, energy, and development goals together. With the right coalitions and sustained commitment, this nascent industry could be one of the continent's most transformative success stories.

Unlocking the Potential of Digital Health

- **Team Europe Digital Health for Health Systems Strengthening and Universal Health Care (adopted 2024; €25 million)** targets Primary Health Care (PHC) scale-up, focusing on supporting:[23]
  - National readiness for the WHO Global Digital Health Certification Network participation,[20]
  - Africa CDC's digital transformation agenda – Digital Health Strategy,
  - Integration of digital tools at the primary healthcare level in six countries: Mauritania, Nigeria, the Central African Republic, Burundi, Madagascar, and Ethiopia
- Egypt is emerging as a continental hub for AI-driven healthcare, backed by its 2025–2030 National AI Strategy:
  - 250 AI startups and 30,000 trained specialists
  - Creation of a national AI Center of Excellence
  - Specialised AI degree programmes in leading Egyptian universities
  - Hosting Africa's first AI Healthcare Conference - a milestone for Africa-Europe cooperation on ethics, regulation, and innovation diplomacy
  - Notable Egyptian star-ups: **Rology** (AI-based teleradiology platform reducing diagnostic delays), **Chefaa** (GPS-enabled digital pharmacy improving access for chronic illness management).
- **Team Europe – Support to Public Health Institutes in Africa (launched 2024; €50 million)** underpins essential public-health functions and collaboration in ~10 countries, building the analytics backbone for implementation science and advisory services.[24]
- **R&I links autonomy to affordability.** Actions under the AU–EU Innovation Agenda (e.g., Centres of Excellence) and science, technology and innovation (STI) roadmaps can prioritise implementation and regulatory science that shorten time-to-impact for locally appropriate technologies.
- **Education investments mirror manufacturing timelines.** In Rwanda, MAV+ has facilitated Master's and PhD programmes in biotechnology (University of Kigali) developed with European partners, aligning skills with production ramp-up and reducing execution risk.
- **Interoperability and openness must guide digital design.** Vendor-neutral architectures, privacy-by-design and PHC-workflow integration translate digital spend into reduced provider friction, faster referrals and timelier care - key indicators for scale.
- Outcome dashboards should measure scale, not pilots. Indicators on avoided stock-outs, referral completion, appointment timeliness and catastrophic-expenditure prevention link digital and R&I investment to citizen-relevant outcomes.

Digital Health Investments Priority Countries in Africa



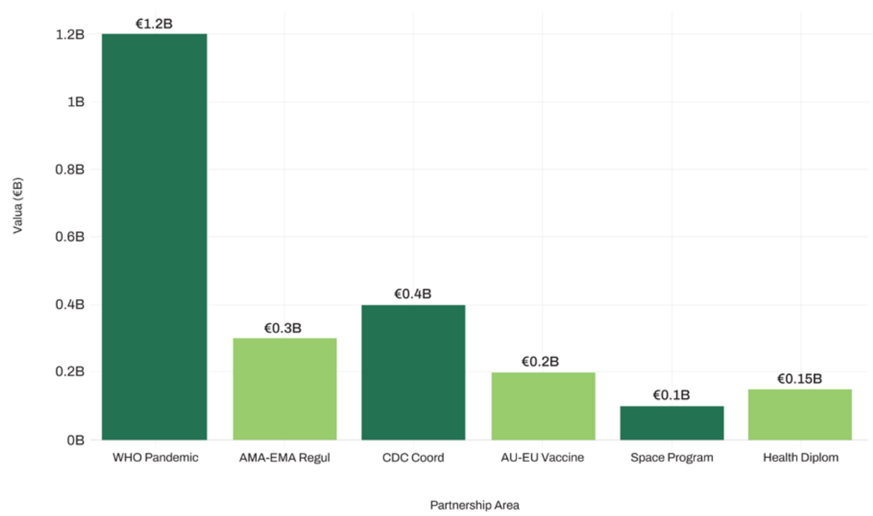
Maps illustrate countries of Africa, based on their ranks in descending order, that should prioritize digital health investments in (a) HIV, (b) Tuberculosis, (c) Malaria, (d) Non-communicable diseases across.

Source: Manyazewal, T., Ali, M.K., Kebede, T. et al. (2023).

New Health Diplomacy Partnerships

- Africa and Europe share a strategic interest in reshaping global health governance to be more inclusive, transparent, and equitable.
- **A window for joint leadership has opened.** The **adoption of the World Health Organization (WHO) Pandemic Agreement** in May 2025 created a platform to institutionalise equity, technology sharing, and transparent surveillance.[25] The agreement includes commitments on **Pathogen Access and Benefit-Sharing (PABS)** system, and global surveillance transparency. African negotiators pushed equity clauses while European institutions offered regulatory and financing muscle to operationalise them. Converting treaty text into delivery now requires AU–EU alignment on financing instruments, regulatory convergence, and supply-chain security.
- **Continental institutions are the backbone for strategic health diplomacy.** Since 2022, Africa and Europe have prioritised the operationalisation of the African Medicines Agency (AMA) and deeper ties between the Africa Centres for Disease Control and Prevention (Africa CDC) and the European Centre for Disease Prevention and Control (ECDC), strengthening governance for emergencies and routine public health functions.
- **Crisis cooperation is delivering measurable results.** Between September 2024 and April 2025, Team Europe coordinated **435,500 mpox vaccine doses** to four African countries - Democratic Republic of the Congo, Rwanda, Uganda, and South Africa - demonstrating rapid, rules-based solidarity aligned with Africa CDC priorities. This emergency delivery model should be codified into AU–EU standard operating procedures for cross-border threats.
- **Space and data are new diplomatic assets.** The EU–Africa Space Cooperation Programme (approved end-2023; €100 million) strengthens early-warning and situational awareness by leveraging Copernicus Earth observation and Galileo/EGNOS services for disaster risk reduction, climate-health analytics, and public-health logistics. Embedding public-health use-cases into this programme can accelerate climate-sensitive surveillance and last-mile delivery.
- Deepening AU–EU coordination ahead of global fora such as the World Health Assembly, G20, and UN High-Level Meetings can **reinforce joint negotiating power** and support systemic reforms.
- Intellectual property (IP) rules, access to life-saving technologies, and the governance of R&D investments remain contested spaces where Africa–Europe alignment can shape a fairer multilateral order.
- Strengthening African participation in the design and governance of international health instruments - including the WHO's Universal Health & Preparedness Review (UHPR) - is essential for legitimacy and effectiveness.
- The expansion of BRICS and the rise of bilateral vaccine diplomacy have shifted the multilateral balance; AU–EU relations offer a principled alternative based on shared sovereignty, multilateralism, and trust.
- **A pragmatic AU–EU diplomacy compact is actionable**. Priorities include: (i) a joint AU–EU Pandemic Agreement implementation plan (finance, IP/tech transfer, supply-chain transparency); (ii) AMA–EMA twinning for accelerated mutual reliance; and (iii) a cross-continental public-health data pact using space assets and interoperable digital health standards.

New Health Diplomacy Partnerships



Source: AEF analysis based on available data in the WHO Pandemic Agreement (2025), AU-EU Health Partnership Reports (2025), and EEAS/Global Gateway programme documentation.

Insights from the AEF Strategy Group on Health

By ***Gunilla Carlsson****, Chair of the Governing Board of the Swedish International Development Cooperation Agency and Co-Chair of the AEF Strategy Group on Health; and Dr* ***Donald Kaberuka****, Chairman and Managing Partner of South Bridge, former President of the African Development Bank Group and Chair of the Board of The Global Fund to Fight HIV/AIDS, TB and Malaria, and member of the AEF High-Level Group*

Health is central to the Africa-Europe partnership. When neglected, it weakens progress across sectors; when prioritised, it fuels economic growth, climate resilience, and human security.

Five years after COVID-19, the global health landscape is caught between progress and uncertainty. The US has reshaped funding priorities, while the international community has reached a long-awaited Pandemic Agreement. But systemic challenges remain - and demand collective action beyond any single actor.

Close to 30 low- and middle-income countries face both external health aid cuts and limited fiscal space. Ten could lose more than 50% of government health spending - eight of them in Africa, five already in or near debt distress.

Still, progress is possible. Over the past 25 years, strong national leadership and development support have halved maternal and child mortality and raised life expectancy in sub-Saharan Africa by nearly a decade. These gains show what sustained investment can achieve.

Today, more countries are calling for strategic autonomy to navigate growing geopolitical uncertainty. Long-term resilience requires inclusive strategies that invest in systems, innovation, and the health workforce.

The Africa-Europe Strategy Group on Health points to three key priorities:

- **Implementing the Pandemic Agreement:** Success depends on funding, shared learning, and joint action. Africa's pandemic response capacities and Europe's institutional strengths can support local manufacturing and One Health approaches.
- **Advancing digital health:** Strong digital infrastructure is critical for coverage and preparedness. Joint efforts should focus on data sharing, digital integration, and scaling proven tools.
- **Strengthening the health workforce:** COVID-19 depleted health personnel on both continents. Priorities now include recruitment, retention, and capacity-building - supported by mobility schemes and joint training.

These priorities are part of a broader push to rebuild trust and drive equitable cooperation. The Africa-Europe health partnership is more essential - and more promising - than ever. Despite ongoing crises, the past few years have laid the foundation for deeper alignment, innovative financing, and shared health sovereignty. [26]

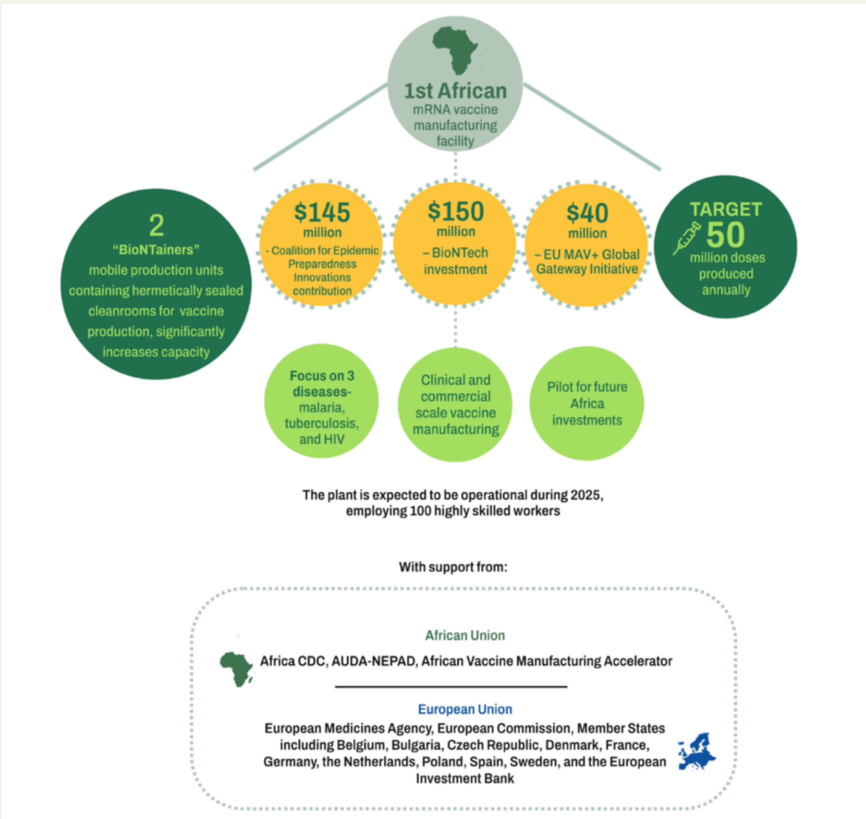
mRNA Technology Transfer

The ***Manufacturing and Access to Vaccines, Medicines, and Health Technologies in Africa (MAV+)*** initiative is a cornerstone of the EU-AU Partnership on Health Initiatives, aiming to strengthen Africa's health sovereignty by 2027 and to reduce the risk of future pandemics spreading globally, thus enhancing global and European health security. Launched in 2022 with a budget of EUR 1.9 billion, including EUR 586.12 million from the EU, this collaborative effort involves several EU member states such as Belgium, France, Germany, Luxemburg, the Netherlands, Spain, and Sweden, along with the European Investment Bank.

MAV+ focuses on enhancing local manufacturing capabilities, strengthening institutions, facilitating technology transfer, and developing infrastructure and skills across Africa. These efforts align with the African Union's goal to produce 60% of the continent's vaccine doses by 2040, addressing challenges highlighted by the COVID-19 pandemic and emphasising the importance of the EU-AU partnership in achieving health sovereignty for Africa. Principal African implementation partners include Nigeria, Rwanda, Senegal and South Africa.

An example of this initiative's progress is the support MAV+ has provided several manufacturing companies in Africa such as Aspen Pharmaceuticals, Institute Pasteur of Dakar (IPD), Emzor Pharmaceutical Industries, and BioNTech. With Germany's support, Africa's vaccine industry, which has been evolving rapidly, is reaching new heights. A significant milestone, which has been made possible through the country's support, is the development of the prerequisites for WHO certification, a crucial step for companies that aim to export vaccines. Another breakthrough came in February 2025, when seven of Africa's leading regulatory authorities, which had worked together closely, signed a Memorandum of Understanding to harmonize regulatory standards across the continent.

Rwanda's boost to mRNA capacity: a MAV+ milestone



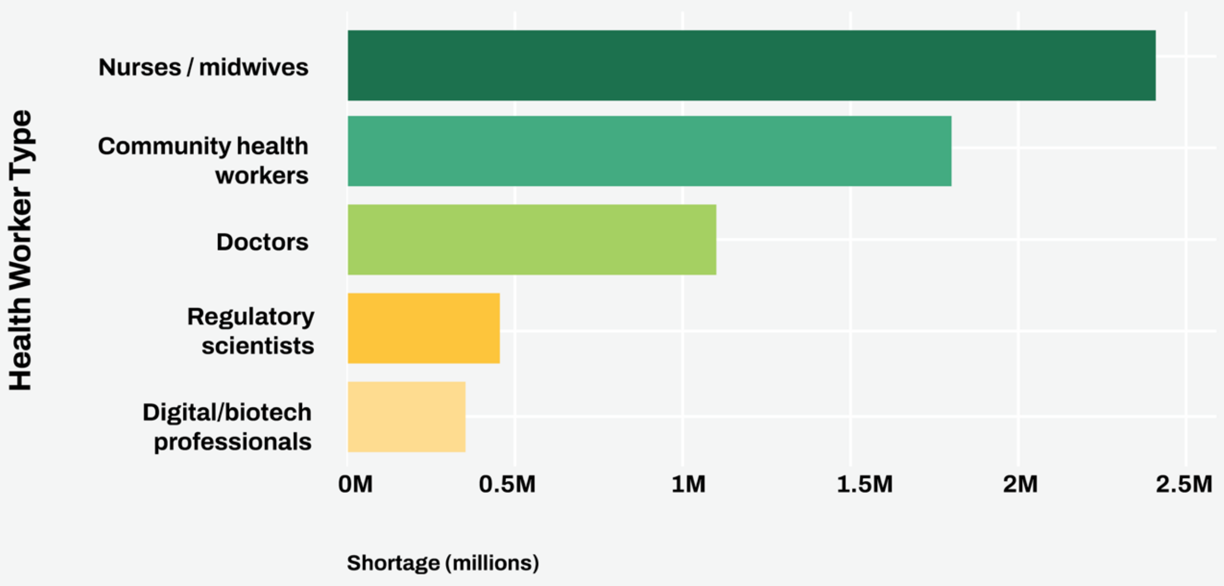
Source: Rwanda unveils BioNTech's first vaccine manufacturing plant in Africa, Rwanda in Zimbabwe, 20 December 2023.
BioNTech and CEPI Expand Partnership to Strengthen Africa's mRNA Vaccine Ecosystem, Biontech, 29.05.2024.

By strengthening local manufacturing in Africa, both continents benefit from more geographically diversified and resilient supply chains, reducing Europe's overreliance on a limited number of global producers and enhancing collective preparedness for future health crises. At the same time, Africa advances toward health sovereignty - building skilled workforces, boosting innovation, and ensuring equitable access to essential vaccines and medicines. Investing in Africa's health systems is a strategic investment in global health security, resilience, and shared prosperity.

The Future of Health Workforce

- **A shared workforce crunch.** Europe's populations are ageing **- 40% of doctors in 13 of 44 countries are over 55** - while Africa remains young but under-supplied, with **2.9 doctors and 12.9 nurses per 10,000 people** versus **36.6 and 83.4** in Europe. The gap threatens service continuity, access, and preparedness.
- **Training lag and demand surge**. Recruitment, retention, and rural-deployment constraints widen the gap between workforce supply and population need. **Africa will require 6.1 million additional health workers by 2030**, including **2.4 million nurses, 1.8 million community workers**, and growing deficits in **digital-health and biotech specialists**.
- **Turning cooperation into capacity.** Africa–EU initiatives under the **Africa CDC** and **African Medicines Agency (AMA)** are linking training to employable, accredited roles in epidemiology, AMR, and regulatory science, strengthening system resilience.
- **Digital and AI as force multipliers**. Integrated at **primary-health-care level**, digital tools enable decision-support and tele-supervision, while **AI-assisted triage and task-sharing** can raise productivity if built on open, interoperable systems.
- **Toward a joint skills compact**. An AU–EU skills compact can balance mobility with equity through **co-financed training, dual accreditation,** and **ethical recruitment**, aligning education with **biomanufacturing** and **regulatory pipelines under MAV+**. Curricula should integrate **climate-health analytics, zoonotic surveillance,** and **data stewardship** to prepare a resilient, future-ready workforce.

Health Worker Shortfall Africa 2030



Source: Projected Health-Worker Shortfall by Cadre in Africa (to 2030), WHO/Africa CDC data

Investment and Innovation for Health Sovereignty

- **Strategic autonomy starts with domestic fiscal anchors and smarter risk-sharing.** Sustained **domestic resource mobilisation (DRM)** and pooled pre-payment must replace volatile external flows to protect service continuity and finance universal health coverage. Evidence from 2025 shows how an external funding shock can open a **US$5.7 billion** gap, underscoring the need for counter-cyclical, rules-based health financing backed by guarantees and outcome-linked contracts.
- **Innovation cooperation should turn Africa–Europe health sovereignty from pledge to production.** Leveraging initiatives such as the ***MAV+*** (launched 2022; ≈€1.9 billion) advances the African Union goal of 60% vaccines made in Africa by 2040 through co-investments that de-risk private capital and embed long-run affordability through regional market creation.
- **A new financing stack can crowd in capital while preserving equity.** First**, DRM** increases predictable budget space; second, **guarantees** and **results-based contracts** (e.g., Global Gateway applications and the **Human Development Accelerator (HDX) guarantee)** reduce project risk for primary-care infrastructure, cold-chains and manufacturing; third, green/sustainability bonds - through the forthcoming **Global Green Bond Initiative *(GGBI)*** - can lower coupons for eligible climate-health investments; and fourth, pooled procurement improves price–volume certainty for priority products.
- **Governance by 'trust metrics' closes the loop from money to outcomes.** Joint AU–EU dashboards should principally track basic economic and production metrics (ie. stock-out frequency, facility uptime, regulatory timelines (via AMA–EMA cooperation), ensuring that co-investment delivers citizen-visible value and guiding reallocation toward the highest-return interventions. This transparency sustains public and political support for the autonomy agenda across both continents.

The New Public Health Order

During the Covid-19 crisis, the African response to the virus, led at the continental level by the Africa Centre for Disease Control (CDC), demonstrated robust leadership – albeit with inadequate resources. The pandemic also revealed the extent of under-investment in Africa's health infrastructure. In 2020, a new way of delivering public health in Africa was unveiled, called The New Public Health Order. At its core is continental ownership over health responses that will lessen dependence upon the international system. The AU and African CDC have formally adopted this vision as a roadmap to improve Africa's health security. This has five goals: strong African public health institutions; expanding manufacturing of vaccines, diagnostics and therapeutics; investment in the health workforce; increased domestic health spending; and respectful partnerships.

Strengthening African institutions: Africa CDC has been given more autonomy to enable greater agility in health emergencies. The African Medicines Agency was founded in November 2021 by the AU to harmonise medical regulation throughout the African Union. The African Development Bank established the African Pharmaceutical Technology Foundation as an independent agency, opened in January 2024 to improve Africa's access to technologies to discover, develop and manufacturer medicines, vaccines and diagnostics.

Self-sufficient manufacturing: Africa currently imports about 99% of vaccines. The AU launched the Partnerships for African Vaccine in 2021 with the aim of ensuring 60% of vaccines administered in Africa are locally manufactured by 2040 – to democratise access to life-saving medicines and equipment. New initiatives have emerged, such as the WHO's mRNA vaccine technology transfer hub in South Africa; Senegal's establishment of the MADIBA vaccine facility; the expansion of vaccine manufacturing production at South Africa's Aspen; and BioNTech's vaccine manufacturing plant in Rwanda. The AU has established a working group to develop a market driven approach to encourage global entities (Gavi, the Vaccine Alliance and UNICEF) to purchase from African manufacturers.

Ramping up domestic spending and battling brain drain: The AU Assembly has approved the development of the Africa Health Workforce Task team to assess country-by-country workforce needs. It is estimated that Africa will need an additional 6.1 million health workers to achieve universal health coverage by 2030. (Meanwhile one in ten UK doctors were trained in Africa).

In March 2024, Team Europe launched three initiatives to support the New Public Health Order, which provide finance, as well as facilitate institutional collaboration between African and European institutions.

- Supporting public health institutes in Africa through laboratories, surveillance systems and implementation research at national, regional and continental level. Of particular interest is strengthening the collaboration between Africa CDC and ECDC which has been developing since 2021 (€123 million, 2022-2027).
- Advancing universal health coverage by reducing inequalities in access to quality health care and disease prevention and building integrated health systems (€50 million, 2024-2027).
- The digital health initiative supports African partners to achieve universal health coverage through digital solutions, focusing on primary health care (€87 million, 2021-2027).

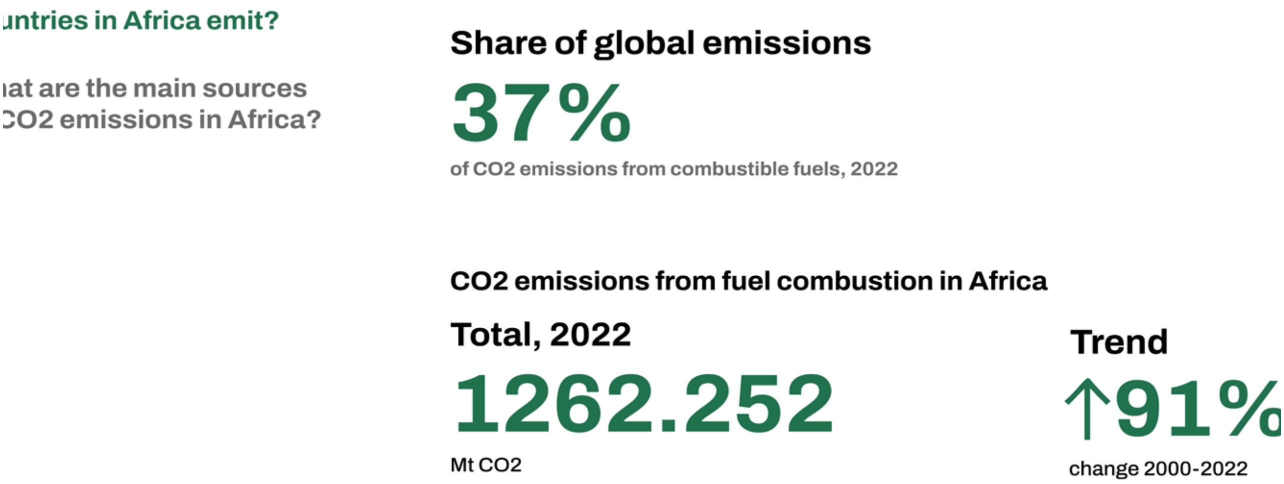
> *"Through collaborative efforts with Team Europe, we're advancing health initiatives like One Health and Primary Health Care, to advance health systems and disease surveillance across Africa. The launch of these hree Team Europe Initiatives focusing on health, alongside our commitment to social protection, signifies a crucial step in addressing global health challenges directly and emphasising universal health coverage."*
>
> **Dr. Jean Kaseya,** Director General of the Africa Centres for Disease Control and Prevention.

CHAPTER 02: FORGING ENERGY AND INDUSTRIAL PARTNERSHIPS

Beyond Energy Compacts for Accelerated Delivery

- **Access remains the defining gap**. Africa hosts 18% of the world's population but uses only ~3% of global electricity[1]; over 600 million people (≈53%)[2] still lack electricity and >900 million lack clean cooking, constraining welfare and industrialisation.[3] Europe, with ~9.3% of global population[4], accounts for ~15% of electricity generation and ~6% of emissions - underscoring an asymmetry the partnership seeks to narrow. [5]

Greenhouse Gas Emissions in Africa



Source: International Energy Agency

- **AEGEI ambition is large; disbursement is amplifying**. Team Europe pledged at COP28 €20.5 billion under the Africa–EU Green Energy Initiative to add 50 GW of renewables and reach 100 million people with electricity by 2030.[6] In recent months, disbursement was amplified as part of the Team Europe Package to accelerate Africa's clean energy transition (UNGA) and the Global Gateway Forum. The acceleration in financing signals a growing interest in addressing the access gap and forging new energy partnerships.
- **Country-level gains show uneven but real progress**. Household electricity access rose by ~11 percentage points across Africa in recent years, with Algeria at 99.8% (2023)[7], Togo up from 28% (2013)[8] to 58% (2021)[9], Tanzania from 43% to 78% [10] over a similar period, and Zambia expanding installed capacity by 51.9% (2,177 MW in 2014 to 3,307 MW in 2021)[11]. These improvements sit alongside widespread system constraints and high service costs.
- **Interconnection and power-market integration are advancing**. The African Continental Power System Master Plan (CMP) and the African Single Electricity Market (AfSEM) aim to couple regional trade with priority generation and transmission links; flagship examples include the Zambia–Tanzania–Kenya interconnector (594 km to the Tanzanian border) and a 148 km DRC–Zambia HV line. These links are the backbone for scaling access and moving from infrastructure investment to productive investment along strategic corridors and value chains.
- **Pipelines of projects exist. They must now translate to delivered energy on the ground.** Alongside AEGEI support, concrete projects in many African countries, examples include Cameroon's 420 MW Nachtigal hydro (≈+30% national capacity) and Nigeria's 200 MW Jigawa solar power plan, while €400 million has been mobilised for clean cooking activities under the activities under the Africa-EU Green Energy Initiative (AEGEI).[12]

Mission 300

Africa and Europe are united in their commitment to achieving Sustainable Development Goal 7 (SDG7): delivering affordable, reliable, sustainable modern energy for all by 2030. While starting from different contexts, both continents recognize that energy cooperation must be at the core of their partnership to drive transformative outcomes. Achieving universal access to electricity requires initiatives such as the EU Global Gateway and associated Africa-Europe Green Energy Initiative (AEGEI) to be supportive and paired with the Mission 300 initiative, an Africa-led initiative with the aim to halve energy access from 600M to 300M by 2030.

Amid evolving global crises and shifting energy dynamics, deeper collaboration between Africa and Europe is more urgent than ever. By aligning priorities, including on what it takes to pair the AEGEI with the M300 Initiative, and to ensure EU Team Europe Initiatives on Energy are geared towards supporting M300 Energy Compacts of African countries, the two continents can work towards realising SDG7.

Jointly, Europe and Africa can join forces by steering the EU and its Member States offer and assets (technical, technological, financial) to accelerate the realisation of African countries energy compacts. 32 countries have already advanced their national energy compacts

For the EU, supporting African countries targets may also imply advancing ambitious Nationally Determined Contributions (NDCs 3.0) for the period from 2025-2035 – a process that has started and where EU leadership is welcome. Furthermore, the two continents can also contribute significantly to the energy flagships of the African Union, notably the Africa Single Electricity Market (AfSEM) and the Continental Power Systems Master Plan (CMP) – to which the EU is already providing substantial support.

With commitments from 48 countries in Africa and over $50 billion pledged, the Dar-Es-Salaam Energy Declaration sets a clear path to connect 300 million people to electricity by 2030. It prioritises national energy compacts, sector reforms, and renewable energy adoption, ensuring that Africa's economic growth is powered by reliable, affordable, and sustainable energy. There is now a need for actionable policies, investment mobilization, and public-private collaboration to bring these pledges to life. The summit also saw the launch of Zafiri, a new investment company by the World Bank Group and AfDB to support private sector-led solutions such as renewable mini-grids and solar home systems. In its first phase, Zafiri's anchor partners will invest up to USD300 million and aim to mobilise USD1 billion to close Africa's equity gap in off-grid renewable markets

Adopted at the last African Union Heads of State Summit (Feb 2025), the Dar-Es-Salaam declaration sets a clear task for international partners, including the EU: turning words into power, commitments into connections, and ambitions into access.

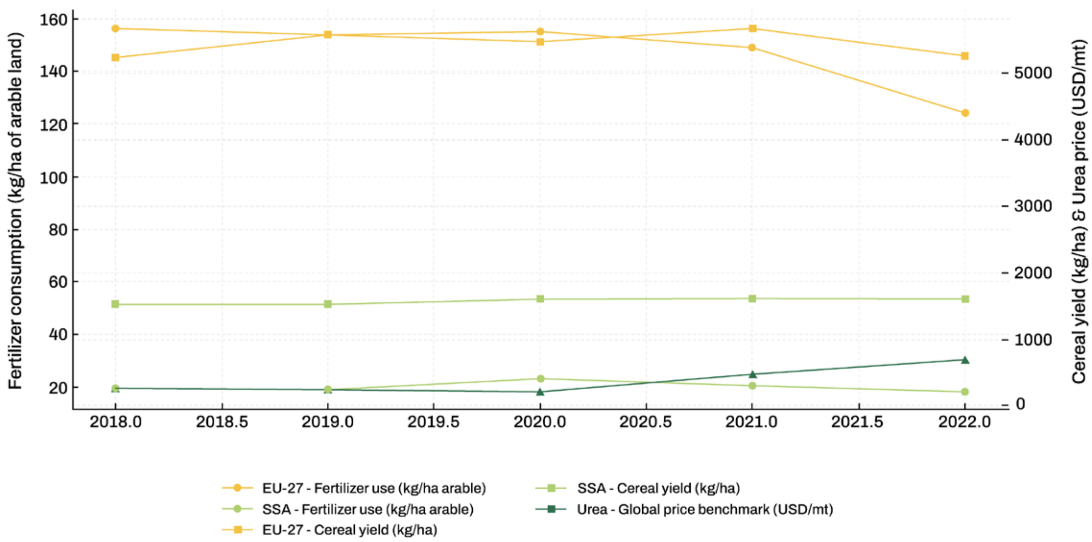
Together, Africa and Europe need to reiterate the commitment made by African nations in Dar-es-Salaam in January 2025, alongside the World Bank Group (WB) and the African Development Bank (AfDB) on implementing Mission 300 (M300) in line with the national Energy Compacts covering 39 African countries to advance the goal of accelerated action on energy poverty, balancing present needs with future generations' rights to ensure a more equitable and forward-looking just transition strategy. Jointly, the EU needs to seek alignment and the pairing of its continental and international energy initiatives with M300, this also includes its G7 initiatives on energy.

This country-driven initiative should be central in EU-Africa energy cooperation dialogues and negotiations. To support, the EU can focus on enhancing transparency and communication regarding the initiative's goals and progress. This includes facilitating direct engagement with African countries and stakeholders to clarify how they can contribute beyond financial means. Additionally, the EU could work on aligning its projects and initiatives with the broader objectives of Mission 300, ensuring that there is a clear connection between EU actions and the initiative's aspirations. Building partnerships that allow for a variety of contributions - whether financial, technical, or strategic - could also help broaden support for the initiative.

Energy – For Food Security and Development

- **Ammonia (fertiliser) is fundamentally an energy product.** Ammonia, a feedstock for most nitrogen fertilisers, is made by reforming natural gas to hydrogen and combining it with nitrogen in a process that is highly energy-intensive (≈41 GJ/t on average). The sector consumes about 2% of global final energy, with natural gas supplying 70% of that energy input. [13]
- **The 2022 shock exposed gas-linkage risk**. When gas prices spike, ammonia economics break. In mid-2022 Dutch TTF futures surged to record levels, reflecting Europe's supply shock; the August 2022 price spike was unprecedented in scale. This shock rendered much European production uneconomic, translating into a **149%** year-on-year increase in EU fertiliser prices in September 2022. This had a spillover effect on global markets, with sever effect on Africa. In South Africa, prices of key fertilisers stood about 79% above global averages in 2022, showing how gas-linked ammonia cascades volatility into food systems.
- **Fertiliser under-application widened yield gaps**. Average fertiliser use in Africa fell from **42.5 kg/ha (2019)** to **34.5 kg/ha (2022)** during the fertiliser crisis, constraining productivity and entrenching food-import dependence. This is a macro-level constraint, not just a farm-level issue. [14]

Africa vs EU: Fertiliser Use, Cereal Yields, and Global Fertiiliser Price (2018-2022)



Source: Based on WBG World Development Indicators (link), WBG Commodity Markets Pink Sheet (link), and Our World in Data Fertiliser Use (link)

- **Continental governance has advanced**. Clean molecules link industrial decarbonisation with food security through published AU–EU commitments. **The EU–AU Joint Task Force on Fertilisers (30 June 2023)** and the **Africa Fertiliser & Soil Health Summit Declaration (May 2024)** commit to tripling certified fertiliser production and distribution by 2034, and to providing targeted agronomic recommendations and extension to ≥70% of smallholders - a concrete policy bridge for green ammonia to support both EU decarbonisation and African yield recovery.
- **A dual productivity–resilience lever exists**. Green-ammonia projects paired with local fertiliser manufacture and agronomic advisory services can restore kilograms per hectare (kg/ha) while lowering emissions and import bills - linking climate and food agendas in a single value chain.
- **Corridors complete the chain**. Storage, cold-chain and corridor logistics connect localised fertiliser output to national and cross-border markets, turning clean-ammonia capacity into higher kg/ha and lower food-import bills. Industrial policy and food security become mutually reinforcing.

Insights from the AEF Strategy Group on Energy

*By **Kandeh Yumkella**, Chair of AEF Strategy Group on Energy: and Sierra Leone's Chairman of the Special Initiative on Climate Change, Renewable Energy and Food System; and **Dymphna van der Lans**, CEO of the Clean Cooking Alliance and member of the AEF-led Africa-Europe Women Leaders Network*

Africa-Europe energy cooperation is currently navigating a complex landscape shaped by geopolitical shifts, economic pressures, and an increasing focus on national strategic interests. This shift is evident in the energy policies of major global players like the United States and the European Union prioritising investment in their own energy security and economic growth, with the former looking back to fossil fuels and the latter's continued focus on energy transitions.

This major realignment poses challenges for African countries, which have traditionally relied on foreign capital and partnerships for energy development, while at the same time, the demand for transition minerals from the Continent is rising. There is a need to dismantle existing structural hierarchies in favour of more equitable engagements, and foster a strategic shift towards more self-determined energy cooperation supported by a new generation of clean energy partnerships.

The following reflections have been shared by the Africa-Europe Strategy Group on Energy:

Foster better alignment and synergy among initiatives to avoid duplication and ensure measurable progress is made in energy delivery. These include the Africa-EU Green Energy Initiative (AEGEI), Mission 300, AU energy frameworks like the Africa Single Electricity Framework (AfSEM) and Continental Master Plan (CMP), and the G7 Energy for Growth Initiative, among others. The dynamic nature of Africa-Europe energy cooperation underscores the need for continuous policy dialogue and recalibration of continental strategies. Knowledge exchange, leveraging Europe's expertise in energy trade, regional integration, and economic cooperation can strengthen Africa's regional cooperation and cross-border value chains to achieve economies of scale and enhance the viability of energy projects.

Increase capacity building and training for youth. Africa's energy transition requires significant new skills. Over 3 million green jobs are forecast for 2030, yet there is a lack of policy and investment commitments to support youth training and pathways into employment in the energy sector. Increased investment in capacity building would ensure that young people are equipped to participate more fully in the energy transition.

More innovative mechanisms are needed to bridge financing gaps. There is still a significant financing gap especially for clean cooking and energy efficiency, which require targeted efforts to mobilise both international and domestic resources. The first twelve energy compacts under Mission 300 include substantial mentions of clean cooking, and future compacts are expected to continue this trend. Focus should also be given to project development capital, first-loss guarantees, raising carbon finance and increasing local currency financing, as well as engaging with existing frameworks like the Africa-EU Green Energy Initiative (AEGEI). With public sector funding facing major constraints, instruments like Global Gateway and green guarantees can de-risk investment and lower interest rates to make projects more attractive for private investors.

Decarbonising Industrialisation

- **Green industrialisation is the clearest path to decarbonise existing heavy industry and develop new industrial base while safeguarding their global competitiveness**.
- **Europe and Africa face distinct binding constraints**. The European Union (EU) must decarbonise heavy industry while coping with high electricity and hydrogen prices that slow green transition; e.g. switching from blast furnace–basic oxygen furnace to hydrogen-based direct reduced iron (DRI) and electric arc furnace (EAF) routes in the green steel value chain. Many African countries have strong renewable-energy resources but are constrained by high weighted average cost of capital (WACC), grid and water deficits, and logistics gaps that impede bankable, large-scale projects.
- **Europe's consumption profile tightens the partnership logic**. Electricity is still less than a quarter of Europe's final energy use, while heavy industry consumes ~25% of the EU's final energy and faces structurally higher power prices than key competitors.[15] Meeting simultaneous electrification and hydrogen needs will strain domestic supply and heighten incentives for Africa–Europe energy–industry co-investment.
- **This analysis builds on the latest AEF Research Facility study** conducted in partnership with the Climate Action Platform for Africa (CAP-A), the European Centre for Development Policy Management (ECDPM), and Bellona, which identified concrete cross-border opportunities in **green ammonia** and **green iron/steel** value chains; these are used as practical examples of how "interconnected competitiveness" for green industrialisation can be implemented.

Constraints Snapshot - Green Industrialisation Partnerships

EUROPE - Energy-Cost Constraint	AFRICA - Finance & Infrastructure Constraints
High electricity & hydrogen prices Hydrogen-DRI projects face postponements; FAF = 45% of EU steel output. Full transition requires cheaper power and hydrogen.	**High cost of capital (WACC - 3x)** Higher hurdle rates erode renewable cost advantages unless long-term offtakes and blended finance compress risk premia.
Timing & scale bottlenecks Renewables build out and grid upgrades lag the demand from green steel and clean-molecule projects across member states.	**Utilities stress** Zambia: mining = 51% of national electricity. Namibia: = 60% of power is imported. These conditions raise OPEX and project risk.
High capex exposure First-of-a-kind plants are sensitive to power-price volatility and delays in the disbursement of approved support.	**Logistics & siting gaps** Port, rail and water readiness is uneven; corridor-aligned sites such as Walvis Bay, Lobito and TAZARA reduce logistics risk.

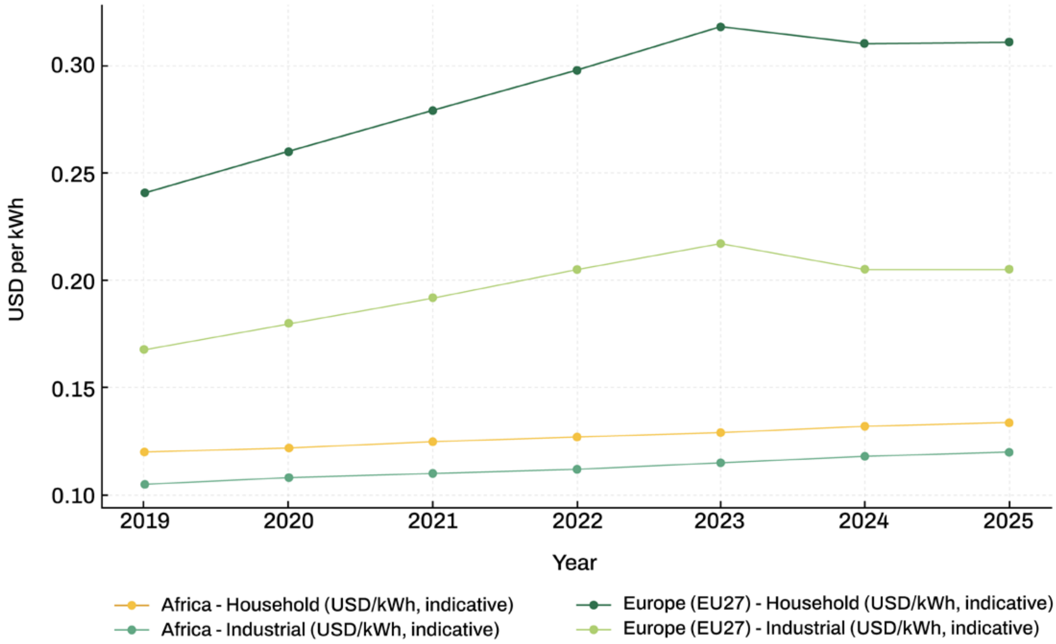
Sources: AEF analysis based on the AEF Research Facility reports 'Competitive Interdependence: A New Era for Europe-Africa Industrial and Energy Cooperation' and 'From Ore to More: Mineral Partnerships for Industrial Transformation

- **Complementary bottlenecks create mutual gains**. Europe's cost bottleneck and Africa's capital/infrastructure bottlenecks are mirror images: each side has what the other needs to move faster and cheaper. This complementarity is the economic basis for competitive interdependence in 2025. Close, strategic cooperation at the energy–industrialisation nexus - pairing EU and Africa - can convert these constraints into shared advantages.

Cost of Energy vs Cost of Capital

- **High energy prices are Europe's binding constraint.** Converting steelmaking to hydrogen-DRI/EAF is technologically ready but delayed by elevated power and hydrogen prices; despite EAF's ~**45%** share in the EU[16], several first-wave DRI projects have slipped timelines even with substantial public support. The cost environment, not technology maturity, is the primary brake.

Average Electricity Prices (USD/kWh): Europe vs Africa, Household & Industrial (2019-2025 Indicate series anchored to Eurostat (EU27) and GlobalPetrolPrices)



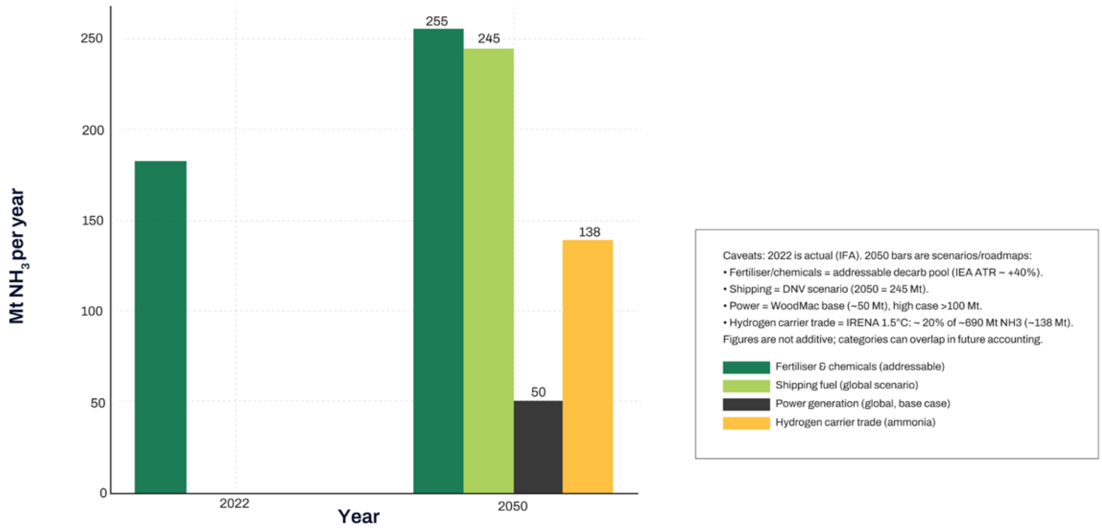
Source: Based on Eurostat, Electricity price statistics (Statistics Explained) (link) and GlobalPetrolPrices, Electricity prices around the world (link)

- **High financing costs are Africa's binding constraint**. Levelised costs for green molecules and green iron can be competitive in African locations, yet high weighted average cost of capital (WACC) - often **around three times** that of advanced economies - plus utility and logistics shortfalls erode advantages at bankability.
- **In addition in Africa, utility and infrastructure bottlenecks are binding:** Zambia's mining sector consumes ~**51%**[17] of national electricity, and Namibia **imports ~60%**[18] of its power - conditions that raise operating costs for mid-stream processing.
- **Hydrogen cost differentials matter**. European green-hydrogen costs still carry a sizeable premium (commonly referenced at **€4–6/kg** over fossil hydrogen in near-term analyses), reinforcing the benefit of siting hydrogen-intensive steps where renewables are cheaper and more scalable.
- **System economics favour cross-border optimisation**. When upstream ironmaking is sited in renewables-rich African hubs and finished in EU EAFs, total system costs fall relative to fully domestic EU pathways - consistent with the **12.9%** HBI cost-reduction estimate (not repeated elsewhere in the chapter).
- **A rational division of labour emerges**. Locate electricity- and hydrogen-intensive steps where clean energy is cheapest (Africa), finish high-value products where capabilities and markets already exist (Europe), and connect both with investable logistics - minimising total costs while maximising shared industrial gains.

A Case of Green Ammonia

- **Context: price shocks and input shortages hit both continents.** The European Union (EU) faces near-term high electricity and green-hydrogen costs, slowing the rollout of clean fuels. Across Africa, fertiliser use fell from 42.5 kg/ha (2019) to 34.5 kg/ha (2022)[19] during the crisis, and prices in South Africa were ~79% above world averages - showing how gas-linked ammonia volatility undermines food security and farm incomes.[20]
- **Strategic case: one supply solves two problems.** Producing green ammonia (NH_3) in renewables-rich African hubs can serve **two markets at once**: EU demand for clean fuels (maritime and industrial) and Africa's need for affordable fertiliser. This "interconnected geographies" approach keeps Europe's higher-value manufacturing at home while helping Africa industrialise - cooperation rather than relocation.
- **Economic case: in booming demand, diversify buyers to cut financing costs.** A **dual-market** model (EU long-term offtake + African Continental Free Trade Area fertiliser sales) spreads revenue risk and makes projects easier to finance where the weighted average cost of capital (WACC) is high. North-African platforms are near-market starters; OCP's planned +9 Mt/year fertiliser capacity by 2028 can anchor early scale and learning.

Green Ammonia: Uses and Demand Forecast



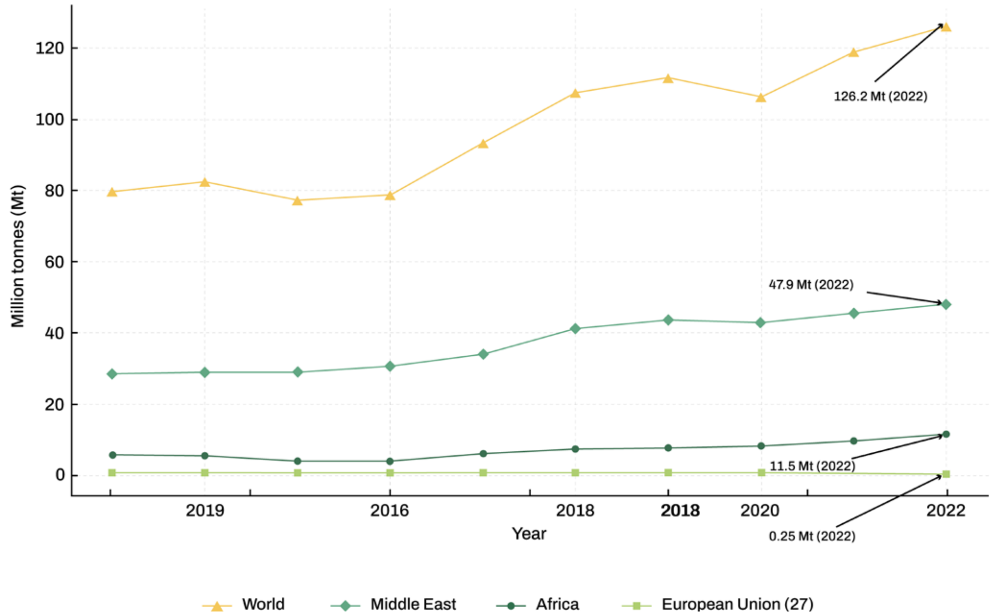
Sources: Based on IRENA (link), DNV (link, link)

- **Certification and logistics are doable now**. Plant-level measurement, reporting and verification (MRV) aligned with the Carbon Border Adjustment Mechanism (CBAM) can be set up from day one, allowing EU buyers to value certified low-carbon molecules. Ammonia shipping and storage use existing global infrastructure, so early parcels can move as standards come online.
- **Proximity reduces cost and time to market**. North-west African export routes to European ports are short and frequent, lowering transport costs and delivery risk; co-location with established fertiliser and chemicals assets further reduces ramp-up times for first plants.
- **Area of action: create an AU–EU "fast-track" for clean ammonia (one template, two markets).** Establish a joint pre-certification track for CBAM-ready MRV and chain-of-custody, paired with a standard long-term offtake agreement serving both EU clean-fuel buyers and AfCFTA fertiliser distributors - so first plants reach final investment decision with verifiable low-carbon claims and diversified demand.

A Case of Green Iron/Steel

- **Context: Europe's energy costs meet nearby ironmaking know-how.** Switching to hydrogen-based direct-reduced iron (DRI) feeding European electric-arc furnaces (EAFs) is proven, but high power and hydrogen prices slow progress. The Middle East and North Africa already provides **~45%** of global DRI output[20] - evidence that the production model works at scale close to African iron ore and renewable resources.

Direct-Reduced Iron (DRI) Production — Africa, Middle East and World (2013-2022)



Source: World Steel Association (worldsteel), Steel Statistical Yearbook 2023, Table 46 "Production of direct reduced iron" (values converted from thousand tonnes to Mt).

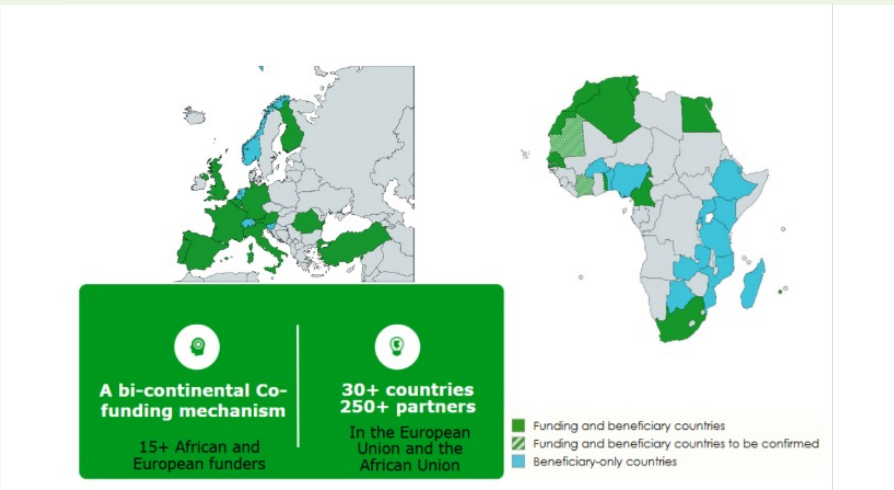
Note: Africa's growth in DRI production reflects expansions in Algeria, Egypt, Libya, and South Africa, principally due to increased gas-based DRI capacity in North Africa.

- **Strategic case: split the chain by strengths.** Producing DRI and hot-briquetted iron (HBI) in renewables-rich African locations and **finishing steel in the EU** protects European skilled jobs and product quality, while catalysing African power, water and logistics investments around real industrial demand. This is **cooperation by design**, not relocation.
- **Economic case: a measurable cost edge for Europe**. Importing low-emission HBI for EU EAFs can **cut green-steel costs by 12.9 - 15%** versus doing every step inside Europe; because HBI is dense and stable, shipping and storage do not erase the advantage. With credible MRV, HBI becomes a compliant input under EU rules.
- **Investable African candidates are identifiable now. Egypt** combines port capacity and industrial services; **South Africa** has ore, ports and grid nodes; **Mauritania** offers high-grade ore linked to Atlantic ports; **Namibia** pairs port upgrades with renewable build-out - each matching ore, logistics and renewables for pilot HBI supply to EU EAFs.
- **Standard contracts make the model repeatable**. Shared emissions boundaries, data-sharing terms and logistics slots at designated corridors allow the first cross-border HBI deals to be replicated quickly, improving investor confidence and shortening time to scale.
- **Area of action: launch AU–EU HBI pilot contracts under one standard for testing and demonstration**. Run a transparent site-and-ore screen to pick **two** African hubs and sign **CBAM-compliant** HBI supply contracts into named EU EAFs - using a unified template for MRV, data and corridor logistics - so the model can scale quickly if pilots meet cost and quality targets.

Powering Renewable Energy Research

Despite Africa's vast renewable energy potential, over 560 million people in Sub-Saharan Africa are projected to remain without electricity by 2030, and 2.3 billion globally lack access to clean cooking solutions. Fragmented research limited cross-continental collaboration, and insufficient funding mechanisms have hindered the development and deployment of scalable, context-relevant energy innovations. The **Long-Term Joint European Union - African Union Research and Innovation Partnership on Renewable Energy (LEAP-RE)** programme seeks to overcome these barriers by fostering a systemic, long-term partnership between the African Union and European Union to drive sustainable energy research, innovation, and capacity building.

LEAP-RE operates through a co-funding mechanism pooling approximately €30 million from over 15 African and European national and regional research funding agencies, including €10 million from Horizon Europe, with participation from more than 30 countries across both continents. The partnership is coordinated by the French National Research Agency (ANR) and Algeria's Ministry of Higher Education and Scientific Research (MESRS) and the consortium consists of 22 core partners from 8 European and 8 African countries, with participation from a broader network of over 250 organizations across the EU and AU. Initially, the programme included South Africa, Algeria, Morocco, and Egypt. In 2021 and 2022, it launched two calls for projects, successfully funding 31 research and innovation initiatives - most of which remain active. These results demonstrated the effectiveness of its bi-continental co-funding mechanism in delivering tangible outcomes, prompting the European Commission to allocate additional funding for a follow-up initiative: LEAP-SE. As a result, a new call for projects was launched in March 2025, attracting 172 applications and 1160 total partners from 40 countries (28 African and 12 European associated countries) with another expected in 2026.



Source: LEAP-RE (2025)

One standout LEAP-RE project is SolChargE, a mobile solar solution offers a smarter alternative: modular, mobile solar units that power homes, farms, rural businesses - and charge electric vehicles. Co-developed with local manufacturers, it's built for affordability and uptake on the ground. Its scalable model supports everything from off-grid households to disaster relief. In the next phase (2026–2030), LEAP-RE will focus on taking innovations like SolChargE from lab to market, driving impact at scale.

LEAP-RE's co-funding mechanism is particularly appealing to African Member States due to its flexible and adaptive approach.

> *"Through a non-prescriptive approach, the funding mechanism allows countries to align their commitments with their national agendas and available public resources, funding only national research institutions and companies. In the first two calls for projects, African member states pledged approximately €50 million. Based on this collective commitment, the European Commission matched the amount with an additional €50 million."*
>
> **Léonard Lévêque,** Programme Coordinator at LEAP-RE.

The LEAP-RE bi-continental co-funding mechanism exemplifies a funding model that fosters an equitable and collaborative Africa-Europe partnership, strengthening mutual trust, supporting long-term cooperation, and ensuring shared ownership and responsibility.

Where Power-Water-Rail-Road-Port Meet

- **Focus activity where infrastructure hubs already exist** or are under construction. For example, at Walvis Bay, along the Lobito line with its Zambia extension, and on the TAZARA route. Concentrating efforts lowers costs and shortens the path from mine to export.
- **Advance the links with the clearest traffic** and cost advantages first, **then replicate the model to secondary routes**, which gives investors confidence and scales results. A 'readiness scorecard' offers a transparent snapshot of bankability in key sites and corridors.
- **Use corridors to split tasks efficiently between regions.** Localise DRI/HBI production in Africa while concentrating electric-arc furnace (EAF) steelmaking in Europe to diversify EU inputs and create industrial jobs. Corridor-ready sites and long-term contracts turn Africa's renewable advantages into investable value chains.
- **Fix the basics for utilities at the site.** Where past power shortages and high tariffs blocked projects - such as Zambia's mining share of electricity use and Namibia's reliance on imported power - pair each hub with dedicated renewables and, where needed, desalination. Getting reliable power and water at the fence-line makes investments bankable.
- **Fund the specific substations and feeders that serve anchor plants** so reliability improves for both industry and surrounding customers. Targeted fixes at these "choke points" deliver visible service gains.
- **Match infrastructure timing to real buyers.** Add grid upgrades, rail sidings and berth slots when long-term supply contracts are signed for ammonia or hot-briquetted iron (HBI), so capacity comes online just as plants start up. This sequencing reduces the risk of under-used assets and helps lenders price risk.
- **Pay out concessional finance as results appear.** Release cheaper capital in stages as metering, loss-reduction and last-mile connections are delivered, lowering overall financing costs while ensuring communities benefit alongside factories, which tackles Africa's higher risk premium.
- **Tie plant approvals to local benefits.** When a plant connects to the grid, require a plan for nearby feeder upgrades and a set number of new household/SME connections. Clear local milestones build public trust and turn grid works into shared assets.
- **Cut borrowing costs with smart public–private finance.** Combining Team Europe instruments with predictable offtake can lower Africa's cost of capital for and unlock more projects at these hubs.
- **Reserve part of ammonia output for domestic fertiliser** to reduce costly imports and raise yields. Using an export-plus-domestic model strengthens economics and food security.
- **Balance EU import needs with African growth.** Europe will need imports of green hydrogen and ammonia as it decarbonises; Africa can supply competitively but faces higher capital costs. Longterm EU demand combined with regional (AfCFTA) sales makes the business case stronger and more resilient.

Strengthening Carbon Markets for Decarbonisation - Training Africa's Carbon Champions

Carbon Markets are an important instrument for decarbonisation. They create a financial incentive for companies to reduce their emissions and provide additional source of funding that can accelerate investment in emission reduction projects. They help meet climate goals and can drive innovation and generate co-benefits, such as protecting ecosystems or creating jobs.

As Africa steps into the carbon market space, one major barrier remains: a lack of technical capacity and accessible knowledge for those at the frontline - policymakers, project developers, and SMEs. Yet their role is vital to building credible, high-integrity carbon markets that serve African priorities. Without targeted training, the region risks being sidelined in a fast-growing global industry.

To tackle this gap, the Africa-Europe Carbon Markets Executive Training was launched in 2023 as a collaborative initiative by the Africa-Europe Foundation, Sciences Po's Paris School of International Affairs (PSIA), and Sustainable Energy for All, on behalf of the Africa Carbon Markets Initiative (ACMI). What makes this initiative stand out is how it was co-created - not led solely by academic or policy institutions, but through equal input from all partners. This ensured the curriculum reflected the real needs of African policymakers, private sector leaders, and SMEs, with clear learning objectives from the outset as well as genuine two-way learning,

> *"We realized that the conversation wasn't happening with an eclectic group - private sector voices were missing from the room where policies were being shaped."*
>
> **Ruchi Soni** , Programme Manager, Results Based Financing, Sustainable Energy for All

The first training brought together participants from across the continent, including Rwanda, Nigeria, and Mozambique. Not only did it provide technical grounding on carbon market design and management, but it also fostered two-way learning. A dedicated session on Europe's trading schemes sparked critical conversations about what Africa could learn from Europe's successes - and its failures - and vice versa. The diversity of participants was key. Mixing policy leaders with private sector actors and academic experts enabled new synergies, building a common language across sectors. Due to its success, the programme is now scaling up: between 2025 and 2030, it aims to train 700 selected individuals (two-thirds policymakers, one-third practitioners), with high demand already for a second and third training cycle.

This initiative directly supports the Africa Carbon Markets Initiative, launched at COP27, and ties into broader EU efforts under the Global Gateway to support sustainable finance and green transition in Africa by creating a credible, transparent alternative for carbon offsets that aligns with EU climate goals and bolsters Europe's own decarbonisation efforts through trusted South-North collaboration. By fostering mutual learning and aligning carbon market development with African realities, this training strengthens a truly reciprocal partnership. It's not just about technical skills - it's about enabling African leadership in shaping the global carbon economy and promoting both Europe and Africa's climate ambitions.

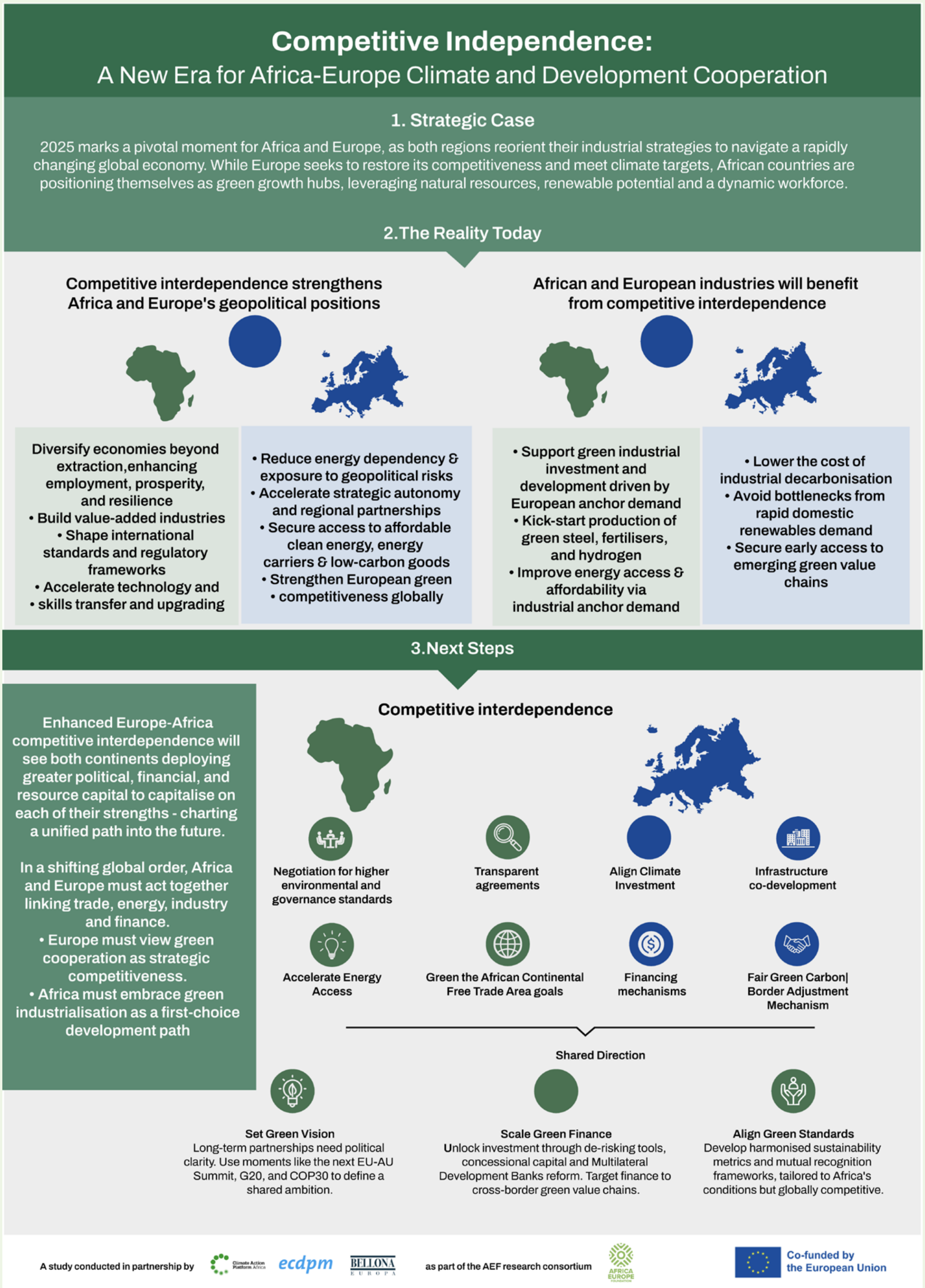
MOVING TO A STRATEGIC INDUSTRIAL PARTNERSHIP

Rolling Out Clean Trade and Investment Partnerships (CTIPs)

- Current trade and investment relations between Africa and Europe often remain fragmented and short-term, limiting their systemic impact. As the two continents enter a new cycle framed by a new vision replacing the Joint Vision for 2030, it has a unique opportunity to design **Clean Trade and Investment Partnerships (CTIPs)** that actively fuel green industrialisation, regenerative blue economy and resilient agri-food systems, going beyond traditional supply-and-demand dynamics to build reciprocal, interdependent markets.
- **CTIP is a standardised public–private deal for cross-border green industry**. A Clean Trade and Investment Partnership (CTIP) bundles long-term offtake, standards compliance (measurement, reporting, and verification, MRV; Carbon Border Adjustment Mechanism, CBAM), skills/technology plans, and corridor logistics into a single template that moves projects from memorandum to final investment decision (FID). This turns today's case-by-case transactions into a repeatable model for Africa–Europe green industrial value chains.
- **The first CTIP - EU–South Africa - signals policy traction**. In March 2025 the European Union signed its first CTIP with South Africa, framed to "support the development of strategic cleaner value chains" across raw materials, low-carbon energy (including hydrogen), and clean technologies, with a linked Global Gateway package at €4.7 billion.23 At the Global Gateway Forum in October 2025, the package was expanded to include additional €11.5 billion investment to fund projects in: green hydrogen, renewable energy, critical minerals mining and processing, e-battery manufacturing, and vaccine production.[21, 22] This concrete precedent shows CTIPs are not theoretical and can be paired with finance at scale.
- **CTIPs align rules and markets in one 'deal-stack'**. A well-designed CTIP specifies a long-term offtake agreement with European buyers for certified low-carbon inputs, CBAM-compatible MRV, skills and technology partnerships, and named corridor provisions (rail paths, berths, storage) at specific nodes. By hard-wiring these pieces, CTIPs lower transaction time and make standards and infrastructure an investable feature rather than a barrier.
- **The opportunity is to turn competitive interdependence into bankable pipelines**. For green ammonia and hot-briquetted iron, CTIPs can match European demand with African upstream production while preserving EU finishing and catalysing African investment in power, water and logistics. Embedding Team Europe guarantees, local-currency tranches, and grid/port co-investment inside CTIPs can compress the weighted average cost of capital (WACC) and crowd-in private capital.
- **Replication will make CTIPs a paradigm shift**. Publishing a model CTIP term-sheet, clear CBAM/MRV guidance, and corridor term-sheets - and disclosing milestones for the EU–South Africa CTIP - would enable copy-and-paste transactions across multiple African hubs and European buyers. Done well, CTIPs become the go-to instrument to advance Africa–Europe green industrialisation at speed and scale.

Competitive Interdependence

Mapping a pathway to achieve green industrialisation through 'Competitive Interdependence', from a strategic case rooted in industrial and climate strategies, to reorienting the approach: leveraging competitive advantages of each continent through interlinked trade, energy, industry and finance policies and investments – to achieve global competitive position as a green hub.



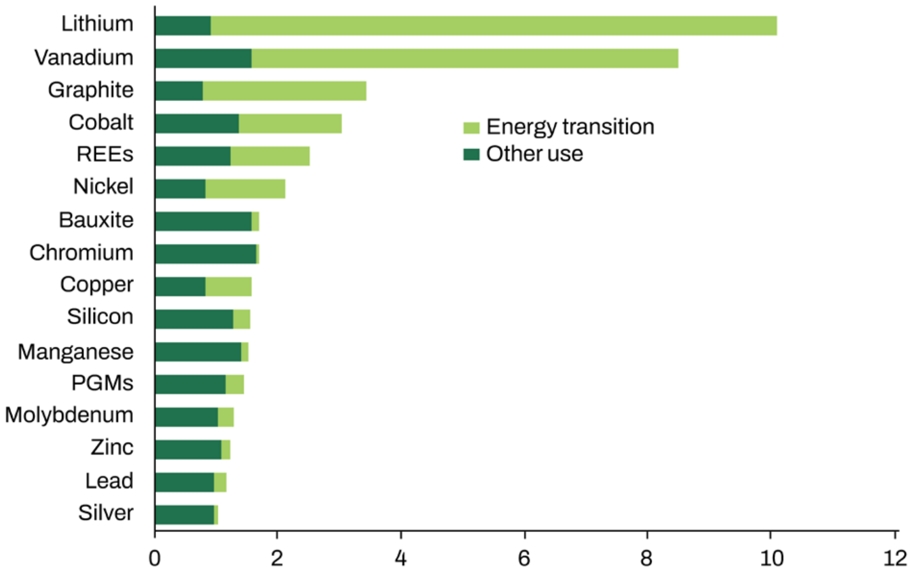
CHAPTER 03: FROM ORE TO MORE: RETHINKING TRANSITION MINERAL PARTNERSHIPS

TRANSITION MINERAL PARTNERSHIPS TODAY

The Minerals-Development Nexus

- **Transition minerals are pivotal to both decarbonisation and industrialisatio**n. Clean-energy technologies and low-carbon industry depend on copper, cobalt, graphite, lithium, nickel, manganese and rare earths, among others; at the same time, African economies seek to move beyond extraction into processing and manufacturing. Today's pattern remains extraction-heavy with thin mid-stream capacity on the continent.

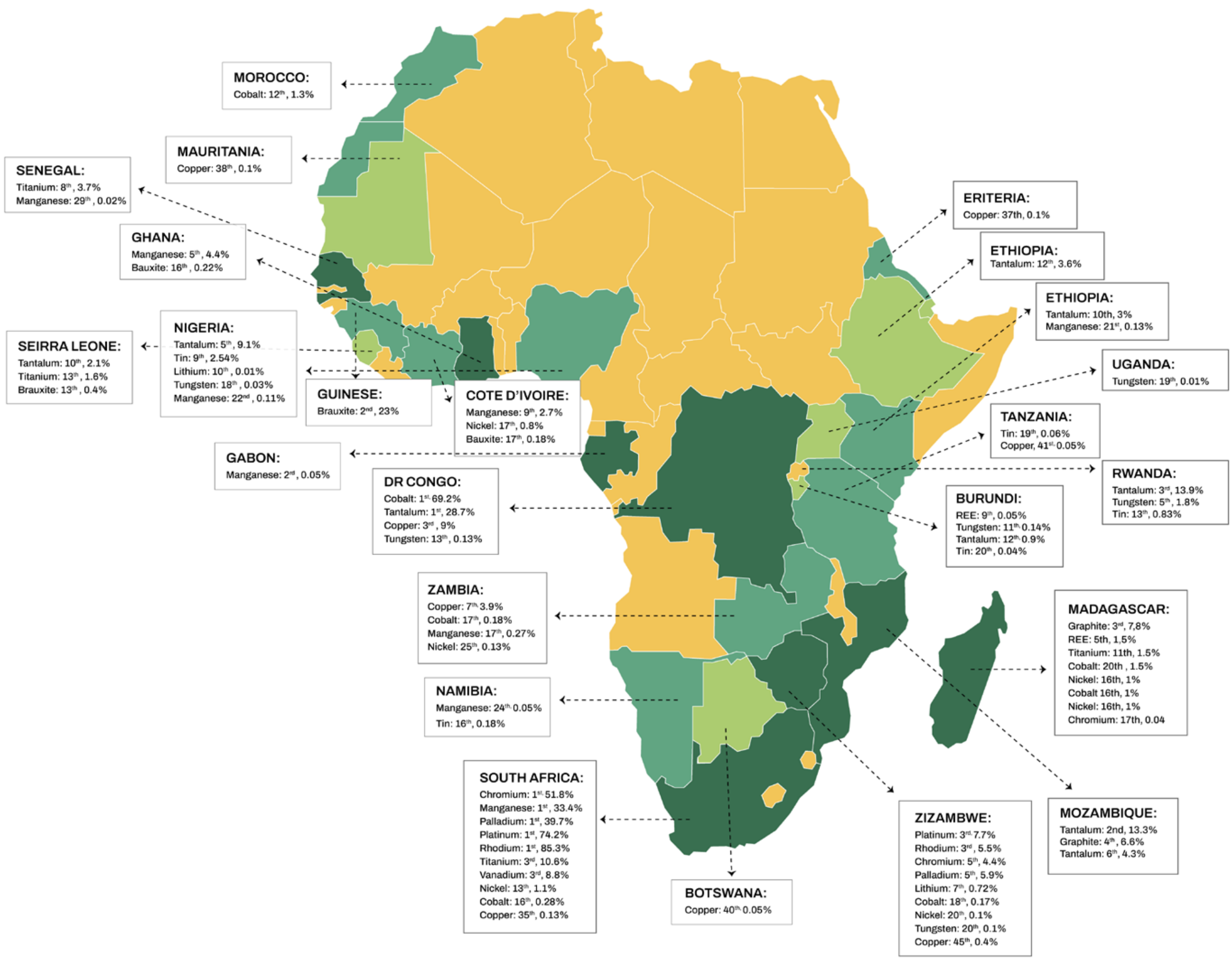
Ratio of 2050 to 2022 demand under a net zero emissions scenario



Sources: International Energy Agency World Energy Outlook (2023) and IMF staff calculations

- **Africa's resource base is strong, but local value addition is limited.** In 2022, Zambia produced **~763,550 tonnes** of copper, yet ~**95%** of refined cathode was exported, leaving only **~15,000 tonnes** for domestic users - too little to sustain wire/cable fabrication at scale.[1] This typifies the gap between mine output and inputs available to manufacturers.
- **Europe's triple transitions (green, digital, defence) raises both demand and standard**s. The European Union's Critical Raw Materials Act (CRMA) sets explicit 2030 benchmarks (e.g., **40%** processing within the EU or in trusted partnerships),[2] while due-diligence and carbon-intensity expectations are tightening. Alignment on monitoring, reporting and verification (MRV) is not yet universal across African supply.
- **Trade remains concentrated in primary products**. Across several TMs, export baskets are dominated by ores/concentrates or basic cathodes, with limited shipment of precursors or components - reflecting missing utilities, skills and scale rather than geology. Where mid-stream exists, it often operates below nameplate due to power or water constraints.
- **Cost signals favour selective co-location of processing**. Comparative costing shows that medium-scale precursor steps (e.g., **~10,000 t/yr**) can be competitive in Central/Southern Africa when reliable power, water and logistics are secured - indicating that the barrier is bankability, not inherent cost.
- **State of play in 2025**. The nexus is clear: Europe needs reliable, responsibly sourced inputs; Africa needs industrialisation and jobs. The constraint is converting resource endowments into **utilities-ready** mid-stream capacity linked to strategic corridors and EU-compatible standards.

InFocus: Africa’s Ranking and Share of Global Deposits of Transition Minerals



Source: AEF Scoping Paper 'Revamping Cooperation on Transition Minerals'

The Frameworks in Place, Investments to Follow

- **Country partnerships exist**. The EU has concluded/advanced **Memoranda of Understanding (MoUs)** on Critical Raw Materials (CRM) with **Namibia** and **Zambia, DRC, Rwanda, and as part of the Lobito Corridor** and pursued road mapping to attract financing, covering skills, infrastructure, value-chain integration and responsible sourcing - providing a cooperation scaffold.[3]

Key aspects of the EU's CRMs agreements with African states

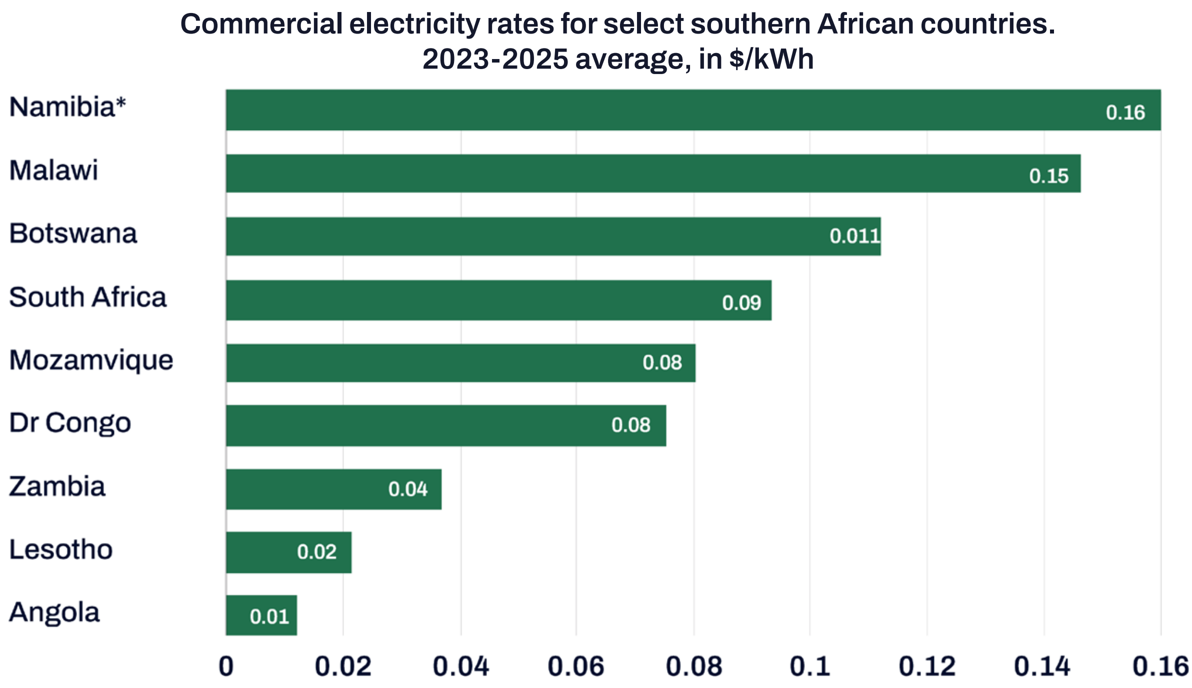
Country	EU-Africa Strategic Partnership on Critical Raw Materials (CRM)	CRMA-related Strategic Projects in African countries
Angola (17 Nov 2023)	First of its kind Sustainable Investment Facilitation Agreement (SIFA) to improve the investment climate and boost EU business investment into opportunities in green energy, agri-food value chains, digital innovation, fisheries, logistics (in particular the Lobito Corridor), and critical raw materials. MoU on Working Arrangements relating to the development of the Lobito Corridor and the Zambia-Lobito rail line, involving Angola, together with DRC and Zambia.	
DRC (26 October 2023)	MoU for a partnership on critical and strategic raw materials value-chains - Integration of sustainable mineral value chains, e.g. joint ventures, create new business models, facilitate trade and investment. Mobilising funding for infrastructure needed for TM Value Chains (TMVC). Cooperation on responsible sourcing and ESG. Technical cooperation across value chains from prospecting to recycling. Strengthening governance capacity, increasing skills development.	
Madagascar (4 June 2025)		Maniry Graphite Mine Project is an ongoing extraction project in Madagascar. The project promoted by Evion Group NL aims to contribute to the supply of graphite (battery grade).
Malawi (4 June 2025)		Songwe Hill Rare Earths is an ongoing extraction project in Malawi. The project promoted by Mkango Resources Limited aims to contribute to the supply of rare earth elements for magnets.
Namibia (8 November 2022)	Implementation of MoU on raw materials value-chains and green hydrogen - Twin focus on critical raw materials and renewable hydrogen. Integration where feasible of TMVC and renewable hydrogen VCs. Cooperation on ESG to align with international standards. Mobilisation of funding for hard and soft infrastructure for project development, leverage private sector investment. Capacity building along TMVC and RHVC. Cooperation on research and innovation for minerals and hydrogen. Regulatory alignment on hydrogen.	[European Initiative for Strategic and Sustainable Graphite Production. Promoter: NGC Battery Materials GmbH. Type: Processing. Materials: Graphite (battery grade)]
Rwanda (2024)	MoU for a strategic partnership on sustainable raw materials value-chains	
South Africa (4 June 2025)	Ongoing discussion for a first Clean Trade and Investment Partnership (CTIP), where CRM are expected to be prominent.	Zandkopsdrift is an ongoing extraction project in South Africa. The project promoted by Frontier Rare Earths Limited aims to contribute to the supply of rare earth elements for magnets and manganese (battery grade).
Zambia (26 October 2023)	MoU for a strategic partnership on sustainable raw materials value-chains - Mirrors content of the DRC MOU.	Kobaloni Energy Zambia Ltd is an ongoing processing project in Zambia. The project promoted by Kobaloni Energy Zambia Limited aims to contribute to the supply of cobalt.

Source: AEF (2025)

- **Pipelines and platforms link projects to buyers. AfricaMaVal** functions as test case for deal-flow and standards bridge, connecting African projects with EU offtakers under responsible-sourcing rules - one of the few operational channels translating compliance needs into investable pipelines.
- **Global Gateway and IFIs provide capital backbones**. The corridor-linked investments in power, water and logistics can utilise Global Gateway and international financial institutions (IFIs) support; matching these mechanism and financial envelopes to named mid-stream projects can be the next step.
- **Standards convergence is advancing but uneven**. Project-level MRV for carbon intensity and traceability is emerging; however, many sites still lack auditable baselines and chain-of-custody systems required by EU buyers, slowing offtake discussions and due-diligence closure.
- **Bottom line today**. Governance frameworks are largely in place on both continents, but **bankable facilities** lag: published site screens, transparent term-sheets and committed offtakes are needed to shift from MoUs to finance mobilisation and commissioning.

Utilities and Inputs - The Binding Constraints on Mid-Stream

- **Power is the first constraint**. In **Zambia**, mining consumes **~51%** of national electricity, limiting room for new refineries; [4] in **Namibia**, roughly **60%** of power is **imported**,[5] exposing processors to reliability and price risk. Without dedicated generation and grid upgrades, mid-stream plants struggle to reach final investment decision.



*Data for Namibia based on the GIZ report's 2022 estimate
Source: Globalpetrolprices; Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) ECFR - ecfr.eu

- **Water and environmental services are essential**. Processing steps - leaching, refining, precursor chemicals - require reliable process water and waste-management capacity; projects without secured water (or desalination plans) and treatment infrastructure face delays, higher OPEX and permitting risks.
- **Logistics must match chemistry and scale**. Corridors with sufficient **rail paths, off-dock storage and berths** (e.g., **Walvis Bay, Lobito, TAZARA** junctions) reduce demurrage, contamination and inventory risks. Few nodes today offer end-to-end capacity meeting CTM handling and export specifications.
- **Feedstock access for local manufacturers is thin**. For example, with **~95%** of Zambian cathode exported in 2022,[6] domestic fabricators faced intermittent supply - breaking the link between upstream output and downstream manufacturing, and deterring private investment in cables and components.
- **Site readiness is uneven**. Many candidate locations lack one or more utilities (firm power, process water), have customs delays, or insufficient storage - each adding time and cost at bankability. A small number of corridor nodes meet multi-utility readiness today, constraining near-term scale-up.
- **What this means now.** Mid-stream feasibility hinges as much on **utilities and inputs** as on commodity prices. Until power, water and logistics packages are tied to projects - and predictable local feedstock allocations exist - most facilities will remain on paper rather than under construction.

Achieving Economy of Scale – Where to Co-Locate Processing

- **Scale lives at multi-utility corridor nodes.** Co-locate mid-stream steps (e.g., leaching, refining, precursor chemicals) only where reliable electricity, process water, rail and port capacity already converge - such as Walvis Bay (Namibia), the Lobito Corridor (to Zambia), and Tanzania–Zambia Railway Authority (TAZARA) junctions. These nodes lower logistics costs, reduce execution risk, and shorten time from memorandum of understanding (MoU) to commissioning.
- **Power determines feasible throughput.** In Zambia, mining already consumes about 51% of national electricity; in Namibia, around 60% of power is imported - conditions that leave little headroom for new refineries unless captive generation and grid upgrades are bundled with projects. Co-location at nodes targeted for power additions is, therefore, a bankability precondition.
- **Water and environmental services must be secured upfront.** Mid-stream facilities require reliable process water and waste treatment; sites without water solutions (or desalination plans) and environmental services face delays and cost overruns. Corridor nodes with planned water infrastructure are the most credible near-term hosts.
- **10,000-tonne class precursor steps are competitive where utilities are in place**. Comparative costing indicates that medium-scale precursor facilities (≈**10,000 t/year**) can be cost-competitive in Central/Southern Africa when utilities and logistics are secured, implying that siting - not geology - is the decisive factor for early wins.
- **Inventory and handling capacity matter as much as ore grade**. Rail paths, off-dock storage and dedicated berths reduce demurrage and contamination risk for moisture-sensitive materials; few nodes currently offer end-to-end capacity that meets chemical handling specifications, hence the focus on upgrading named corridors first.
- **Simplify due diligence.** Publish a corridor-based siting screen (levelised cost of electricity - LCOE, firming options, water security, rail/port throughput, customs times) and designate "clean-processing plots" inside priority nodes to concentrate private due diligence and accelerate final investment decisions (FIDs).

New hydrogen production projects in Africa

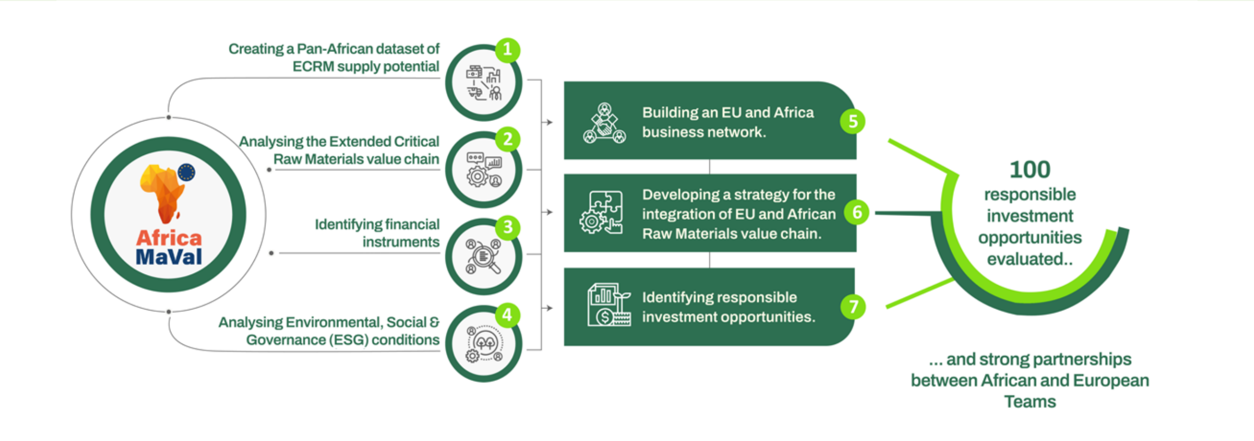
Project	Lead developer	Year	Capacity	Use	Status
Morocco					
OCP Group demonstration	OCP Group	2022	260 t H_2/year	Fertiliser	Under construction
Masen green hydrogen	Masen	2025	100 MW electrolysis	Exports	Feasibility studies
HEVO-Morocco	Fusion fuel	2026	31 kt H_2/year	Ammonia, fuel, exports	Feasibility studies
South Africa					
Anglo-American Mogalakwena Mine	Anglo-American	2022	3.5 MW electrolysis	Mining trucks	Under construction
Sasolburg green hydrogen	Sasol	2023	2 kt H_2/year	Chemicals, steel, transport, power	Feasibility studies
Nelson Mandela Bay green ammonia	Hive hydrogen	2026	140 kt H_2/year	Ammonia, fuel, fertilisers, exports	Feasibility studies
Secunda SAF - Phase I	Sasol	n.a.	8 kt H_2/year	Synfuels	Feasibility studies
Secunda SAF - Phase II	Sasol	2040	1.3 Mt H_2/year	Synfuels	Announced
Boegoebaai green hydrogen	Sasol	n.a.	400 kt H_2/year	Chemicals, synfuels, exports	Feasibility studies
Egypt					
EBIC Ammonia	Fertiglobe	2024	100 MW electrolysis	Ammonia production	Feasibility studies
EEHC-Siemens MOU	EEHC Siemens	n.a.	100 to 200 MW electrolysis	Unspecified	Announced
Mauritania					
Aman green hydrogen	CWP Global	2030	1.8 Mt H_2/year	Ammonia, fuel, fertiliser, exports	Announced
Project Nour	Chariot	n.a.	10 GW electrolysis	Exports	Announced
Namibia					
O&L Group - CMB.TECH hydrogen hub	O&L group CMB.TECH	2023	4 MW electrolysis	Transport	Under construction
Renewstable Swakopmund	HDF Energy Namibia	2025	24 MW	Electricity generation	Feasibility studies
Hyphen Hydrogen Energy - Phase I	Hyphen-Hydrogen	2026	120 kt H_2	Exports	Feasibility studies
Hyphen Hydrogen Energy - Phase II	Hyphen-Hydrogen	n.a.	3 GW electrolysis	Exports	Announced

Source: Oqubay, A. (2024)

AfricaMaVal - Shaping the Future of Responsible Mining

The accelerating demand for critical transition minerals, driven by both the digital and energy transitions, presents a shared strategic challenge for Europe and Africa, requiring coordinated action. AfricaMaVal is a 42-month initiative (2022-2026) which aims to **strengthen EU–Africa business ties across the entire critical raw materials value chain**. It supports the creation of resilient, transparent value chains that reduce dependency, boost competitiveness and inclusive growth in both continents. Led by the French Geological Survey (BRGM) and involving 18 partners from 11 countries, the project brings together African and European experts with deep knowledge of raw materials and the local context. **The project promotes responsible sourcing for European industries while ensuring local co-development under strong environmental, social, and governance (ESG) standards**. Through the AfricaMaVal Forum - which connects service providers, equipment suppliers, off-takers, and project promoters - the initiative supports knowledge exchange, facilitates partnerships, and helps match projects with funding opportunities. It also enables the EU to identify promising initiatives, assess investment prospects, and receive applications for Strategic Project designation.

To ensure sustainability, the AfricaMaVal project relies on the 7 steps. A key focus is integrating the **Artisanal and Small-Scale Mining sector** along the project cycle, given its significance for local economies. The 8th step is supporting the project's implementation through Communication and Dissemination.



Source: AfricaMaVal (2025)

To date, a wide range of analysis have been conducted, including: · **80 mining and infrastructure factsheets**, offering concise analysis overviews of potential investment opportunities. · **10 in-depth country CRM landscape reports**, providing investors with actionable recommendations and strategic insights into regulatory frameworks, mineral potential, and sustainability challenges. Countries covered include Madagascar, Mozambique, Morocco, Senegal, Gabon, Namibia, DRC, Tanzania, Zimbabwe, and South Africa. AfricaMaVal evaluates **100 responsible investment opportunities** in Africa's ECRM value chains, with 30-50% expected to become concrete EU-African partnerships.

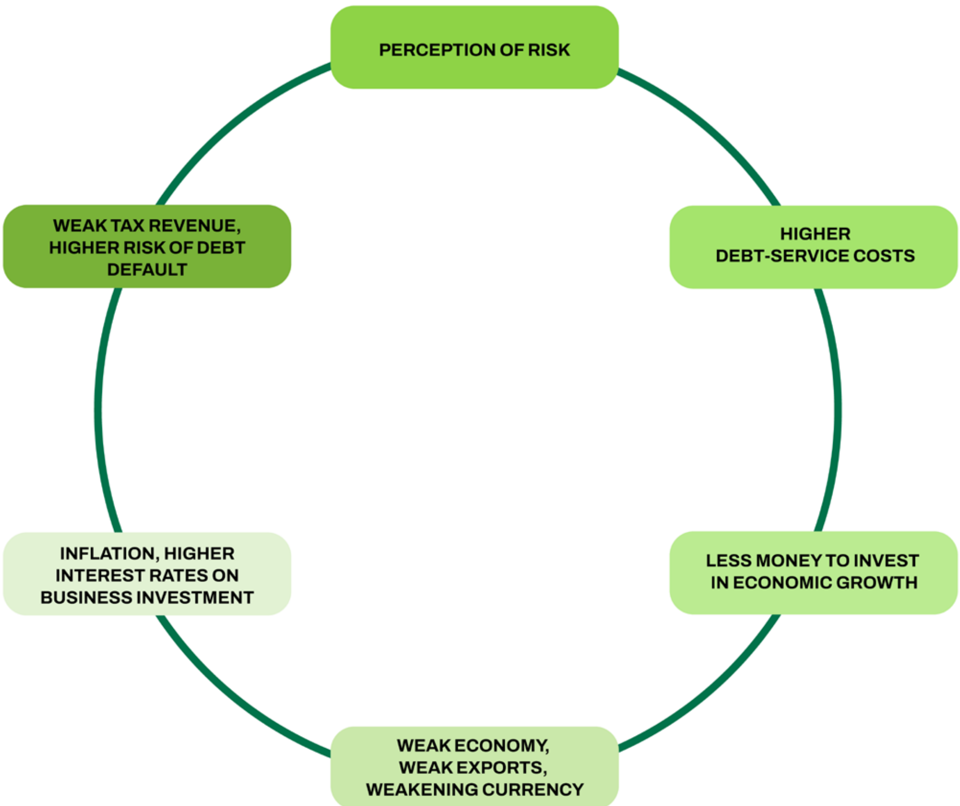
For example, the Namibian case study outlines the country's geological and ECRM potential, maps investment opportunities in extraction and value addition, and analyses its regulatory, macroeconomic, and ESG landscape, including legal, labour, tax, trade, and conservation-related factors.

This initiative has the potential to boost European mining projects in Africa while ensuring co-development, sustainability-driven business models, and local economic integration. AfricaMaVal represents a scalable, modern approach to fostering equitable resource partnerships. By addressing the common challenge of dependencies, it can boost reindustrialization, enhance competitiveness, and promote inclusive, long-term growth across both continents.

Toolbox for Addressing Cost of Capital to Private Investment

- **Weighted Average Cost of Capital (WACC) is the binding constraint**. Many African mid-stream projects are viable on operating costs but fail at bankability because WACC is often several times that in advanced economies; compressing risk premia is therefore the central policy lever.
- **Blend public risk-sharing with market offtake**. Team Europe guarantees, first-loss tranches and local-currency debt lines reduce exposure to construction and FX risks; when tied to long-term offtake, they shift projects from development to FID without distorting price signals.
- **Co-invest in enabling utilities at the node**. Grid reinforcement, substation upgrades, captive renewables and (where needed) desalination are classic public–private co-investments; packaging these with plant CAPEX lowers overall WACC by de-risking the cash-flow backbone.
- **Use corridor-based revenue-stabilisation**. Take-or-pay rail slots, priority berth windows and transparent handling tariffs reduce logistics volatility - a key driver of working-capital spikes - making term-debt more feasible for private sponsors.
- **Tie concessionality to verifiable outcomes**. Release concessional tranches against milestones on MRV readiness, local input allocations, and on-time utility delivery; this aligns public support with the investment risks that actually block FIDs.
- **Bundle together risk-reduction instruments – and ensure their transparency**. Create a corridor-linked "WACC compression package" (guarantees + local-currency debt + utility co-investment + logistics term-sheets) that accompanies each shortlisted project from diligence to FID under Global Gateway and similar joint investment initiatives.

The negative risk-perception cycle

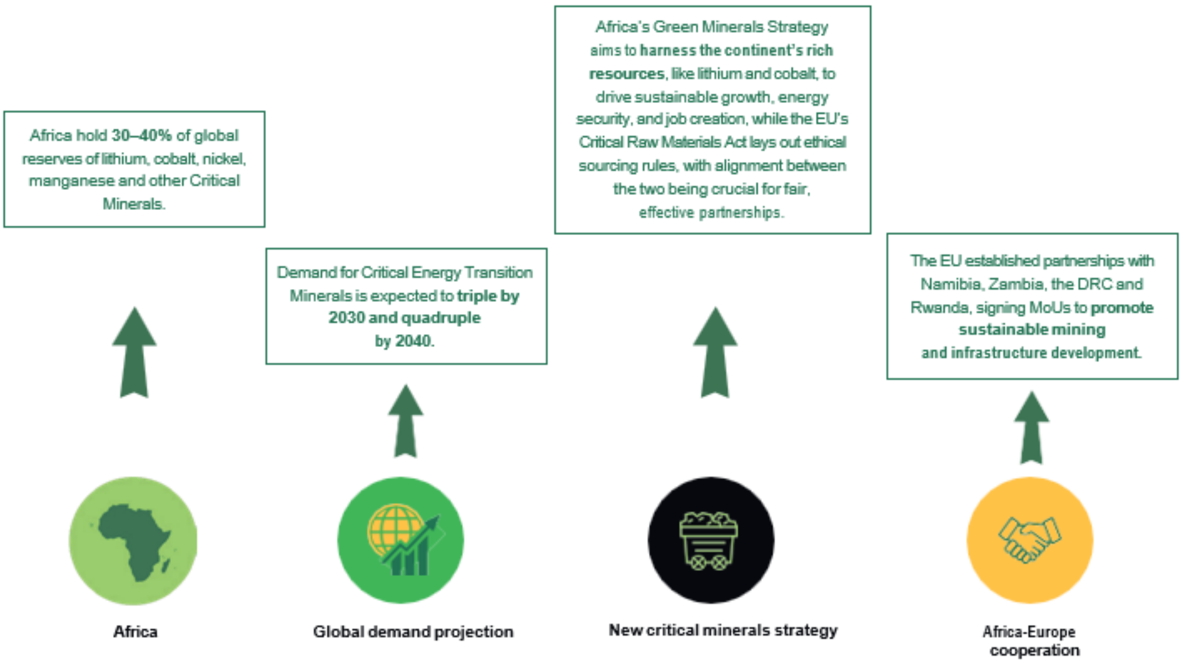


Source: Tony Blair Institute for Global Governance (2025)

A Common Approach to 'Local Value Addition'

- **Define value addition step-by-step, not as a slogan**. Specify measurable stages - refining, chemical precursors, active materials, components - so governments and investors can align incentives and site selection with realistic industrial capabilities, rather than aiming immediately at full downstream manufacturing.
- **Guarantee local feedstock for fabricators.** In Zambia, **~95%** of cathode was exported in **2022**, leaving only ~15,000 t domestically - too little to sustain cable plants; predictable domestic allocations (with transparent pricing) are necessary to seed early downstream firms.
- **Reward processing where it is most efficient - count it on both sides**. Where EU companies co-invest in African processing, recognise those volumes toward EU resilience benchmarks under CRMA while ensuring African partners secure technology transfer and decent-work provisions - making partnership processing a win–win.
- **Regionalise, don't duplicate. Use corridors to specialise**: one country hosts refining, a neighbour produces precursors, a third assembles components - achieving scale and reducing unit costs while sharing fiscal benefits (revenue-sharing formulas, export-levy waivers on in-bloc trade).
- **Link incentives to traceable, low-carbon output**. Tax credits, accelerated depreciation or power-tariff discounts should hinge on MRV-verified carbon intensity and chain-of-custody compliance, ensuring market access in the EU and crowding in higher-value offtake.
- **Define a shared understanding of value addition**. Publish a joint AU–EU "Value-Addition Ladder" for two to three priority minerals with standard incentive menus, local-input reservation rules, and corridor siting criteria - so firms can plan multi-country investments against a shared, bankable roadmap.

Looking ahead for a balanced partnership in Critical Minerals



Source: AEF

Sharing Compliance and Value Addition Approach

- **Redefine resilience as co-created,** not self-contained. Treat supply security as a function of partnered processing and traceable flows, not only domestic capacity - so EU resilience and African industrialisation are measured on the same ledger.
- **Count partnership processing toward EU benchmarks**. Where European firms co-invest in African mid-stream plants that meet EU rules (measurement, reporting and verification, MRV; responsible sourcing), allow those volumes to contribute to the Critical Raw Materials Act (CRMA) 2030 processing target (40%) - with public reporting on compliance and social safeguards.
- **Attribute portions of Global Gateway/IFI corridor investments** (power, water, rail, storage) **to verified critical-mineral flows**, so resilience indicators reflect the enabling infrastructure actually delivered along Walvis Bay, Lobito and TAZARA nodes.
- **Provide one set of numbers, two wins.** Public dashboards showing partner-counted processing volumes, MRV scores and corridor readiness convert "MoUs to assets" - raising EU supply security and African value addition with the same audited evidence base.
- **Make 'responsible and low-carbon' an auditable attribute.** Pair CRMA accounting with chain-of custody and emissions MRV from mine to export berth (rail sidings, terminals, berths) so low-carbon intensity and due diligence are priceable features, not claims - reducing transaction time for offtake.
- **Leverage AfricaMaVal** to validate project-level data, integrate artisanal and small-scale mining (ASM) where feasible, and publish standard data packages that EU buyers and lenders accept - turning traceability into market access rather than paperwork.
- **Define a Value-Addition Ladder:** refining → chemical precursors (e.g., ~10,000 t/yr modules) → active materials/components, so investments match today's utilities/logistics reality instead of over-promising fully integrated manufacturing on day one.
- **Prevent the "empty factory" problem** by reserving predictable local inputs (e.g., a share of cathode; reagents/water allocations) for downstream firms - addressing cases like Zambia 2022, when ~95% of cathode exports left only ~15,000 t domestically for fabricators.
- Use Walvis Bay, Lobito and TAZARA **to regionalise functions sharing fiscal benefits** (revenue-sharing formulas; export-levy waivers within the bloc) **and lowering unit costs** through focused scale.
- **Tie incentives to verified performance**. Offer tax credits, accelerated depreciation or preferential power tariffs only for output with MRV-verified carbon intensity and traceability - aligning subsidies with EU market access and shortening due-diligence.
- **Bundle guarantees, local-currency debt and utility co-investment at designated plots inside corridor nodes**; pair with take-or-pay rail slots and berth windows to stabilise revenues and bring projects to bankability under Global Gateway/IFI umbrellas.
- **Release a standard incentive/menu** and siting screen (LCOE/firming, water, rail/port, customs) **for 2–3 priority minerals**, so firms can plan multi-country investments against a clear, bankable sequence from ore to more.

Stages in Battery Energy Storage System Production Value Chain

Source: Sustainable Energy for All

CHAPTER 04: FINANCING BLUE ECONOMY AND RESILIENT AGRI-FOOD SYSTEMS

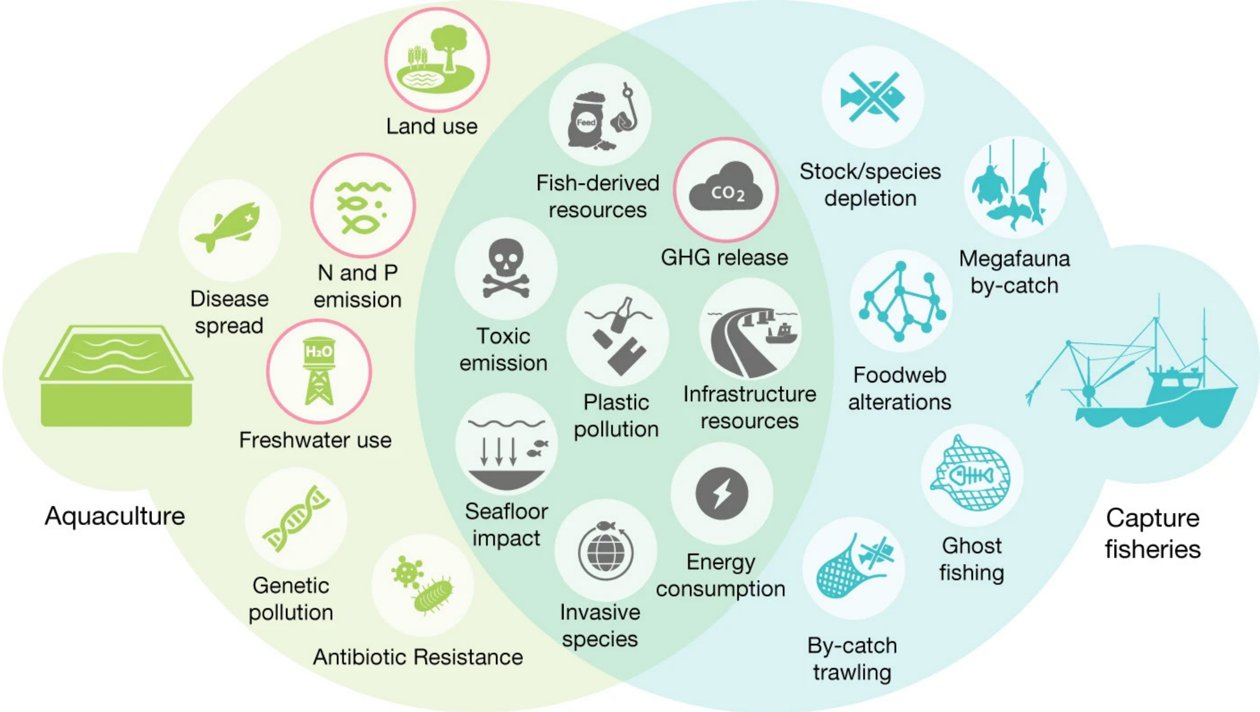
Critical Sectors for Africa-Europe Cooperation

From side-agendas and untapped areas of cooperation to investable pillars with transformative co-benefits for the Partnership. A concerted political, institutional, and financial push by the African Union and the European Union - backed by public–private partnerships and regional development institutions - can elevate the blue economy and agri-food systems from underutilized sectors into central engines of shared prosperity.

By translating these sectors into bankable, resilient, and climate- and nature-positive growth models, both continents can achieve multiple wins: raising African incomes, productivity, and food security; unlocking sustainable jobs and value addition across green and blue value chains; and at the same time reducing European exposure to supply, energy, security and climate risks.

Integrated markets, sustainable resource management, and joint innovation and investment frameworks can thus turn these domains into strategic pillars for the two continents quest for green industrialisation and competitiveness - aligning present to long-term economic, environmental, and geopolitical interests.

Cross-Continental Challenges in Fisheries and Aquaculture

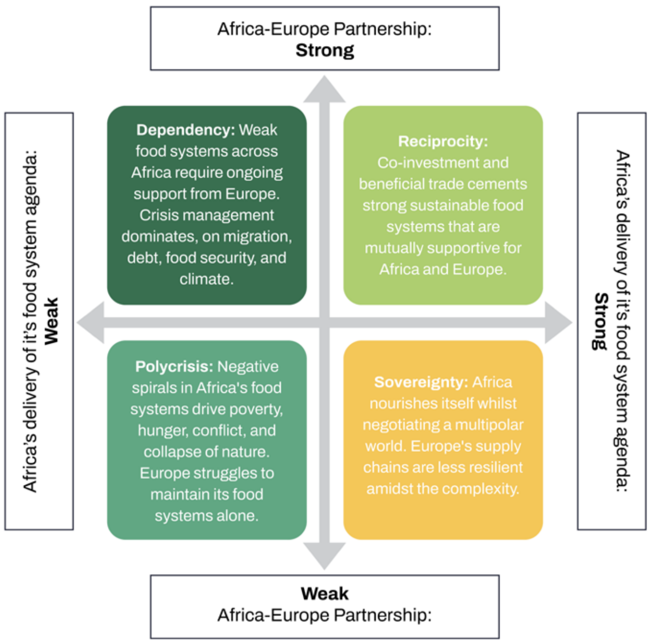


Source: Gephart et al. (2021)

The Potential of Regenerative Blue Economy and Resilient Agri-food Systems

- **The blue economy holds significant and growing weight on both continents:** In Africa, it currently generates around USD 296–300 billion annually and supports about 50 million jobs across fisheries, aquaculture, tourism, transport, and related sectors. With investments in coastal tourism, marine minerals, oil and gas, blue carbon, and other ecosystem services, its value is projected to rise to USD 405 billion by 2030 and USD 576 billion by 2063. In the European Union, the blue economy continues to expand, generating € 890.6 billion in turnover, € 250.7 billion in gross value added, and employing around 4.82 million people in 2022. Preliminary 2023 estimates point to further growth, with € 263 billion in GVA and 4.9 million jobs - confirming steady expansion across maritime sectors, with coastal tourism and maritime transport remaining the largest contributors to value and employment. [1, 2]
- **A two-way opportunity for growth and resilience:** Africa's agri-food economy, projected to exceed USD 1 trillion this decade, will be shaped primarily by demographic expansion, which is the strongest driver of future economic transformation and workforce growth. Prospective models indicate that the agri-food sector - more than services - will form the backbone of decent job creation at scale and lay the foundation for sustainable industrialisation. Stronger Africa-Europe cooperation should therefore focus on balanced value chains and co-investment in production and processing. For Africa, this means greater local value capture, job creation and income security. For Europe, this means reinforced food security through diversified sourcing, joint standards, shared technology, and more stable supply chains[3]
- **Joint investments to address systemic stress:** In 2024, 163 million Africans faced acute food insecurity,[4] while the continent's agri-trade deficit reached USD 110 billion in 2023. These pressures call for co-investment in resilient agri-food systems - including an enabling ecosystem for medium and large-scale enterprises (MLE) that can anchor value chains, attract private capital, and drive industrial efficiency. Such enterprises should be designed to integrate and create market opportunities for smallholder farmers, enabling them to supply inputs, share products, and strengthen production lines. Investments in storage, logistics, irrigation, and early processing capacity can further lower Africa's import bills, reduce post-harvest losses, and stabilise Europe's supply chains, while building inclusive, scalable business models that enhance livelihoods and nutrition.

Scenarios for Africa-Europe cooperation on Food Systems in Africa

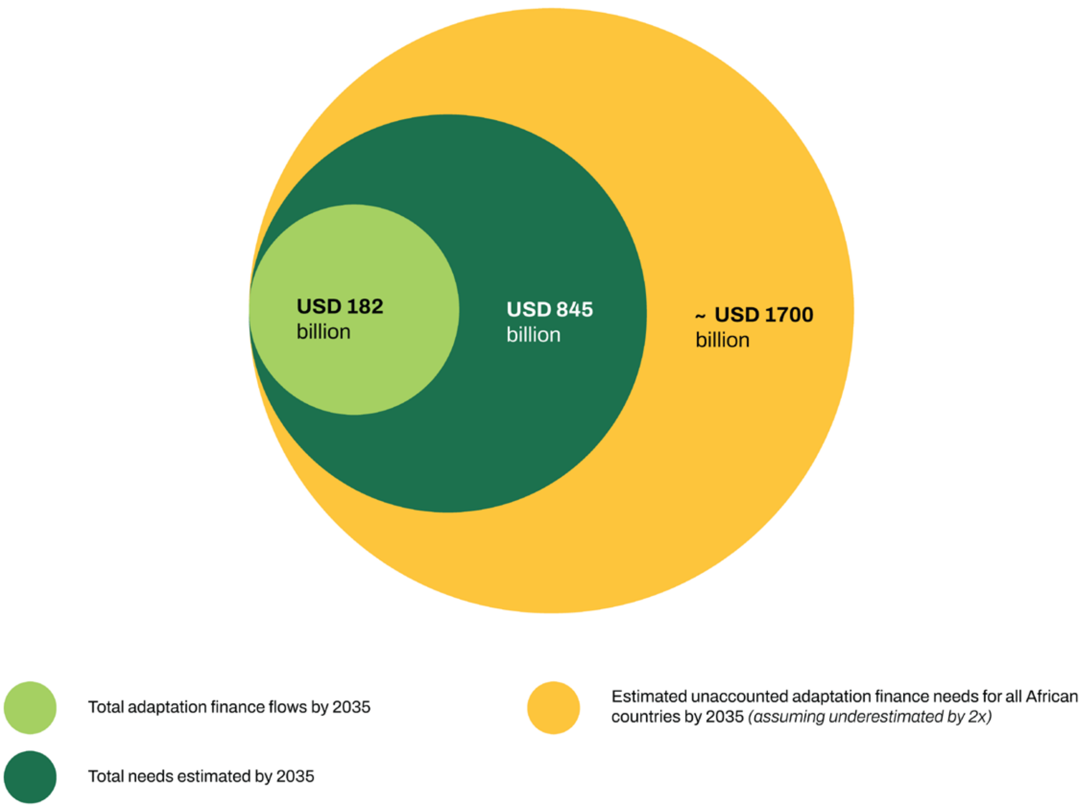


The diagram above portrays 4 scenarios depending on two variables that are within the control of policy leaders in Africa and Europe. The horizontal measures how effective African institutions will be in delivering the continent's food system agenda. The vertical asks how robustly the Africa-Europe Partnership collaborates on agri-food systems.
Source: Wasafiri (2024)

Sectors as Enablers of Climate Adaptation

- Despite the EU being the largest global contributor to climate finance (>30bn/year) to Africa,[4] the adaptation gap continues to widen for both continents. Current flows of climate adaptation finance remain limited for both agriculture and the ocean, leaving communities and value chains highly exposed to climate shocks. Strengthening the Africa–Europe adaptation partnership provides a unique opportunity to improve access to finance and deliver effective adaptation, targeting climate-smart and precision agriculture along with coastal resilience of ecosystems and urban infrastructure.
- Agri-food systems and the blue economy are powerful enablers of climate adaptation: Both sectors lie at the intersection of livelihoods, ecosystems, and economic resilience. Climate-smart and regenerative agriculture strengthen food security, restore soils and water systems, and reduce vulnerability to droughts and floods, while sustainable blue economy investments enhance coastal protection, resilient fisheries, and ocean-based livelihoods. Together, these sectors drive nature-based and locally led adaptation, linking ecosystem restoration with job creation and value chain diversification.
- Strategic cooperation and investments in these domains will not only enhance resilience to climate impacts but also unlock shared prosperity, create jobs, reduce food and resource insecurity, and generate scalable business opportunities for both continents – along with channelling finance and innovation toward integrated land–sea resilience, delivering both adaptation impact and shared prosperity

Estimated Adaptation Finance Flows and Needs in Africa, 2021-2035



Source: GCCA & CPI: State and Trends in Climate Adaptation Finance 2024

Roadmap Towards 2030: Co-driving the Africa-Europe Ocean Partnership

The Africa-Europe Foundation in collaboration with the African Union Commission, funded by the EU's Directorate-General for Maritime Affairs and Fisheries, the group co-developed the "Roadmap Towards 2030: Co-Driving the Africa-Europe Ocean Partnership" and convened. The Ocean Roadmap Towards 2030 highlights specific actions that would be needed for the development and implementation of an Africa-Europe Partnership on Ocean Governance and the Blue Economy. The recommendations and priority intervention areas emerge from a multi-disciplinary and generational consultation process involving experts from Africa and Europe. Below Key Priority Intervention areas identified:

Ocean Governance:

The potential of effective and coherent ocean governance is significant in the context of Africa-Europe relations as it could facilitate enhanced trade, diplomatic relations, and socio-economic, and environmental opportunities at varying scales. The following activities are integral inclusions of the 'Roadmap towards 2030: Co-driving the Africa-Europe Ocean Partnership' (AU-EU Ocean Action Plan) under the Ocean Governance intervention area: inter-agency coordination, promoting fisheries transparency, the participation of women and youth in the maritime sector and sharing best practices for blue economy strategies by improving working conditions for seafarers and facilitating dialogues on sea access and aquatic resources.

Capacity-Sharing:

The term capacity 'building' being deliberately replaced with 'sharing' as a means to emphasise the spirit of fostering a genuine Partnership between Africa and Europe - is a crucial element of the proposed Africa-Europe Ocean Partnership. The following activities have been identified to optimally facilitate capacity sharing and cooperation between Africa and Europe: developing cross-continental networks for sharing policy, research and data, building new capacities in Africa and Europe requires leveraging specialist knowledge and expertise, backed by the commitment to data-driven policy making and programming for addressing the challenges of ocean governance and the development of a sustainable blue economy, including fostering a greater understanding of the ocean and maximising the impact of the Partnership.

Finance and Investment:

Accessing finance at an affordable cost is an ongoing challenge, and the transition to a sustainable regenerative blue economy requires a fundamental shift in how financial resources are allocated and managed. The Africa-Europe Ocean Partnership has the potential to be at the forefront of this transformation, aligning financial systems with sustainable development goals by directing funds away from harmful practices and supporting a strong blue entrepreneurship ecosystem. To do so, it should focus on innovative financing mechanisms, such as payment-for-ecosystem services, debt-for-nature swaps, blue carbon markets, blue bonds, and novel insurance solutions.

Source: AEF, Roadmap Towards 2030 (2024)

Externalising the EU Ocean Pact to Africa and Moving to Joint Implementation

- The recently unveiled EU Ocean Pact represents a significant step forward for EU's competitiveness and global ocean governance, yet its impact could be greatly enhanced by adding a stronger Africa dimension. Building on the Africa-Europe Strategy Group on Ocean Governance and its Roadmap Towards 2030: Co-driving the Africa-Europe Ocean Partnership, the two continents have a timely opportunity to position themselves on the multilateral scene as a united front [5,6] on ocean-related.
- Promote regional and continental policy alignment by harmonising the EU Ocean Pact, African Union Blue Economy Strategy, AfCFTA protocols, and national/regional blue economy frameworks. Coherent policies and strategies will de-risk investments, mobilise financing efficiently, and drive transformative impact at scale across the Africa-Europe partnership, enabling sustainable growth in the blue economy and related sectors.
- To strengthen the EU-Africa finance and investment landscape for a regenerative blue economy, the EU and Africa should draw lessons from recent financial innovation - including blue bonds and debt-for-nature swaps - and call on EU Development Finance Institutions (DFIs), Export Credit Agencies (ECAs) and development agencies to increase the share of finance allocated to the blue economy sectors.
- Among different avenues for cooperation, promote the development of interoperable carbon markets aligned with Article 6 of the Paris Agreement, including robust blue carbon registries and standardized protocols, to mobilize private capital, reduce investment risks, and support mutually beneficial, climate-aligned economic growth across Africa and Europe.

Healthy ocean

- Evaluation and revision of the Maritime Spatial Planning directive.
- Designation and management of marine protected areas.

Competitive and sustainable blue economy

- Vision 2040 for fisheries and aquaculture.
- European blue carbon reserves and new business models for coastal communities.
- Industrial Maritime Strategy, EU Ports Strategy and Sustainable Tourism Strategy.

Coastal communities & islands

- EU Coastal Communities Resilience and Development Strategy.
- Consultation for a strategy for islands.
- Updated strategy on outermost regions.

Maritime security & defence

- Removal of unexploded ordnance in EU waters with innovative technologies.
- A pilot European drone fleet.

Ocean knowledge, skills & literacy

- EU Ocean Observation Initiative
- European Ocean Research & Innovation Strategy.
- Deployment of the European Digital Twin of the Ocean by 2030.

Ocean Diplomacy

- Combating Illegal, unreported and unregulated fishing (IUU) with mandatory digital catch certification from January 2026.
- Piloting an International Platform for Ocean Sustainability (IPOS).
- Swift ratification and entry into force of major international agreements, such as the Biodiversity Beyond National Jurisdiction (BBNJ) agreement and the Global Plastics Treaty.

Source: GCCA & CPI: State and Trends in Climate Adaptation Finance 2024

Insights from the AEF Strategy Group on Ocean and Blue Economy

Reinforcing the Africa-Europe connection through our shared Ocean

*By **Nancy Karigithu**, Kenya's Ambassador for Maritime and Blue Economy and **Pascal Lamy**, Vice-Chair of the Paris Peace Forum; Co-chairs of the AEF Strategy Group on Ocean Governance*

In today's fast-changing world where economic interests drive international partnerships, the ocean unites us not only in geography but ambition. A historically neglected domain, ocean governance remains an undervalued dimension of Africa-Europe relations, and sustainable development as a whole, with SDG 14: Life Below Water being one of the most underfunded goals, facing a finance gap of nearly US$ 150 billion per year. In short, it is a missed opportunity at a time when the world cannot afford to let any chance for collaborating on a more sustainable future pass by.

Positioned at the nexus of trade, security, climate resilience, biodiversity protection, and economic transformation, the sector has the potential to bridge policy and investment decisions and ensure the most effective use of limited resources.

With the majority of European and African nations benefiting from a coastline, strengthening ocean governance and the blue economy as a strategic domain for Africa-Europe cooperation offers a powerful lever to unlock shared benefits. The upcoming 7th AU-EU Heads of State Summit must serve as a launch pad for a new era of collaboration, driven by a common vision for the ocean.

Inspired by reflections of the Africa-Europe Strategy Group on Ocean, and in partnership with European and African Union Commissions, the Africa-Europe Ocean Roadmap, also entitled 'Roadmap Towards 2030: Co-driving the Africa-Europe Ocean Partnership' launched at the 2nd Blue Africa Summit in 2024 provides a blueprint for a practical cross-continental partnership, underpinned by three core areas of action:

Building capacity in local institutions to develop specialised knowledge and expertise, linking policymakers with blue economy scientists, entrepreneurs, youth and indigenous communities to design tailored initiatives. Moreover, in view of common challenges, set up national and regional platforms to encourage collaboration and promote the exchange of best practices across continents, including through the development of an 'Africa-Europe Research and Innovation Hub on Ocean'.

Operationalising innovative finance mechanisms to scale-up and duplicate impactful initiatives, creating a more conducive environment for investment. For example, establishing an Africa-Europe Blue Finance Roadmap to explore untapped opportunities such as blue carbon, blue bonds, and novel insurance solutions, or further leveraging private sector partnerships, and the organisation of Africa-Europe Blue Economy Business Forums.

Advancing joint positions on ocean governance to place the sector as a central pillar of climate, trade, and development diplomacy, including exchanging effective approaches to negotiate and implement treaties. At a time when achieving global consensus is increasingly difficult, building 'coalitions of the willing' among African and European countries to enhance the joint delivery of blue economy strategies, explore the role of sustainable ocean management, and promote a common vision aligned with both continents' priorities is paramount.

As we look ahead, the Africa-Europe Ocean Partnership has a critical role to play in promoting geopolitical stability, socio-economic growth, and environmental sustainability. The Africa-Europe Ocean Roadmap clearly outlines the how, we need political leaders to commit to the when.

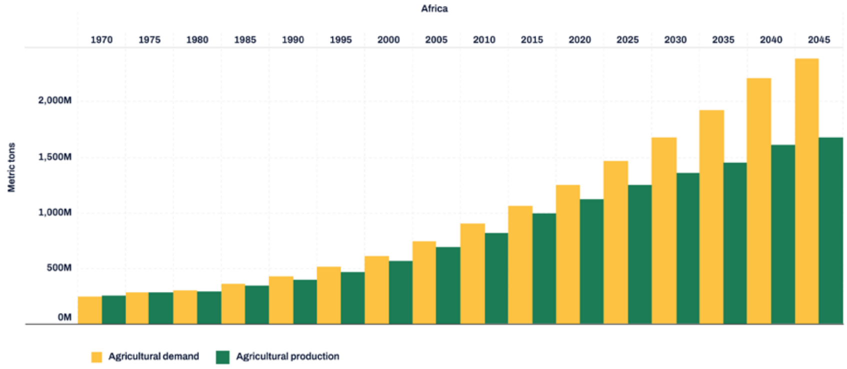
Prioritising Low-Carbon Fertilizers in EU-Africa Cooperation

Localising inputs for shared stability and soil health: Fertiliser use in Africa fell now averages 32.4 kg/ha - still below the target of ~50 kg/ha set in the 2006 Abuja Declaration, reflecting both affordability and supply constraints. Scaling local, low-carbon fertiliser production is essential to improve productivity, strengthen regional food sovereignty, and reduce Europe's exposure to global fertiliser price shocks - while cutting emissions from long-distance trade. Yet fertiliser use alone is not sufficient. Investing in agroecological practices, soil regeneration, and the qualitative as well as quantitative use of inputs is critical to restore soil fertility, improve water retention, and ensure long-term productivity. A combined approach - linking efficient fertiliser use with organic matter management, crop diversification, and ecosystem-based practices - will make African food systems more resilient, regenerative, and climate-aligned, benefiting both continents.

Africa's emerging low-carbon fertiliser and green ammonia industry - anchored in Morocco, Egypt, South Africa, Namibia, and Mauritania - is projected to exceed 10–12 million tonnes of green ammonia capacity by 2035, driven by abundant renewable energy potential and new hydrogen corridors. By linking this supply with EU offtake agreements and AfCFTA-facilitated regional trade in fertilisers, both continents can realise major co-benefits: lowering capital costs through economies of scale, stabilising fertiliser availability and yields across Africa, and reducing EU exposure to volatile gas prices and input costs. The resulting emissions reductions across agri-food supply chains could reach 30–40% compared to conventional fertiliser pathways.

- Institutional support and predictability: The AU–EU Fertiliser and Soil Health Partnership and the AU–EU Fertiliser Task Force - backed by the 2024 Summit targets to triple certified fertiliser use by 2034 and extend advisory support to at least 70% of African smallholders[6] - provide a strong institutional platform for scaling production, deployment, and knowledge exchange. These mechanisms can drive productivity and soil health improvements while ensuring predictable and sustainable supply for European agri-food and green hydrogen markets.
- Mutual strategic gains: Co-investment in Africa's green ammonia and fertiliser capacity strengthens African agricultural self-sufficiency, industrialisation, and job creation - estimated at up to 5 million new jobs across value chains by 2030. For Europe, this partnership secures strategic supply chains for food, fertiliser, and clean energy transitions, supporting the EU's REPowerEU, Clean Industrial Deal, FuelEU Maritime Regulation for maritime decarbonisation goals.
- Pathway to implementation: Africa could expand low-carbon fertiliser production in key industrial hubs such as Morocco, Egypt, and South Africa, helping close domestic food security gaps while developing export capacity for green ammonia as both fertiliser feedstock and shipping fuel. In parallel, Europe should commit to long-term offtake contracts, joint ventures, and blended finance facilities that de-risk investment in African production. A joint AU–EU Green Ammonia Investment Platform could align public and private financing, enhance certification and traceability, and channel resources from both continents to accelerate market maturity.

Agriculture production and demand: 1970-2043



Source: IFs 7.84 initialising from FAO Food Balance Sheets

Insights from the AEF Strategy Group on Agri-Food Systems

Rethinking the Africa-Europe Agri-food Partnership

*By **Ibrahim Mayaki**, AU Special Envoy for Food Systems and former CEO of AUDA-NEPAD and Prime Minister of Niger, and **Marion Guillou**, Past President of the French Agricultural Academy, Former Chair of the Board of Agreenium, and President and Director-General of INRAE; Co-Chairs of the AEF Strategy Group on Agri-Food Systems*

Agri-food systems have faced significant disruptions over the past few years, with COVID-19, climate change, and conflicts sparking global uncertainty and market volatility. Much of the focus has thus been on humanitarian responses, which address immediate needs but do little to drive long-term investment. In addition to these factors, the current global context is significantly marked by higher uncertainty.

Yet powerful trends in demography, consumption, climate, geopolitics, and technology are all re-shaping long-term interests and priorities for trade, agriculture policy and public investment towards making Africa's agri-food systems potentially more productive and Europe's farms less environmentally destructive and subsidy-dependent. Both the AU and EU have new strategic visions, with much in common, and associated plans to strengthen food systems, focusing on building up soils, research and innovation, value chain management, crop yield improvement, and infrastructure development. Below are reflections on the sector by the AEF Strategy Group:

Align and prioritise investments in agri-food systems. Given tighter resource constraints, there is a pressing need to prioritise actions in the agri-food sector, by focusing on areas with the highest potential impact. To achieve this, there is a need to align African national and regional strategies and EU support mechanisms to ensure effective cooperation. This includes frameworks like the Kampala Declaration and post-Malabo process, as well as the African Continental Free Trade Agreement to enhance intra-African trade, especially in agrifood produce. However, the number and fragmented nature of these initiatives make it difficult to track their implementation and achievement of objectives. Moreover, there is a striking lack of data to evaluate both the effectiveness of individual initiatives and their collective impact in terms of execution.

Localised knowledge and capacity building. Agriculture, food production and diets have strong local characteristics. Hence the importance of investing in localised knowledge and capacity building, including intelligent and adapted use of digital and bio-technologies to improve productivity, nutrition, and soil health. Education and advisory services should be tailored to local needs, building on farmer organisations, consumer organisations. and ensuring that capacity building is driven by the demands of local people and local employers.

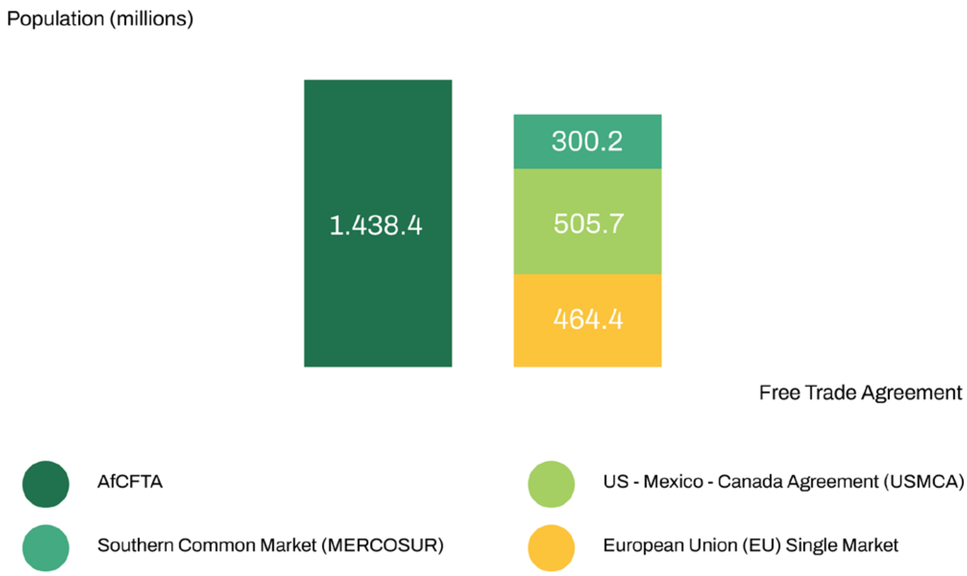
Adopting a 'no regret' investment approach. Prioritising investments that are beneficial regardless of future uncertainties is particularly relevant in today's context of high geopolitical volatility and climate change. Certain investments, such as those in soil health, agroecological practices, land tenure, sustainable resource management, and crop storage are inherently valuable and will yield positive outcomes irrespective of how external conditions evolve. Public investment must do the groundwork first, targeting infrastructure, processing, capacity building and technology. Investment in agri-food systems cannot be treated in isolation from other policies and commitment areas, such as support to regional markets - as envisaged through AfCFTA, decent jobs for youth and in rural areas, investing in energy transitions, addressing migration and security.

Agri-food Systems and Blue Economy as Part of Broader Supply Chains

- **Prioritise growing strategic green and blue value chains:** Focus on high-impact value chains that simultaneously advance green industrialisation, economic transformation, and improved livelihoods. Target areas where Africa's comparative advantages intersect with Europe's technical expertise, technology, and capital, creating opportunities for mutually reinforcing trade and investment partnerships. Move beyond simple supply-and-demand dynamics by leveraging all available assets - policy frameworks, regulatory alignment, innovation and technology, as well as finance and investment - to foster deep, resilient, and shared-value cooperation across continents.
- **Strengthen local value addition in Africa:** Develop industrial and processing capacities locally rather than exporting raw commodities, increasing domestic employment, technology transfer, and economic resilience. Support African enterprises and SMEs in adopting sustainable practices and technologies, ensuring quality standards for both local consumption and export markets. Facilitate financing instruments (equity, blended finance, guarantees) to de-risk investment in local production and processing facilities.
- **Leverage regional integration and EU Clean Trade and Investment Partnership (CTIP) opportunities:** Harness the AfCFTA to create larger, integrated markets for green and blue products, enabling economies of scale, cost efficiencies, and greater local value creation. Align standards, certifications, and regulatory frameworks across African regions to facilitate seamless intra-African trade and make markets more attractive to European partners under CTIP. Promote regional logistics hubs and value-chain corridors that efficiently link production, processing, and export points, ensuring that trade and investment partnerships deliver shared economic, social, and environmental benefits for both continents.

Connecting this value chains to AFCFTA and EU single markets can help reach almost 2 bn consumers and leverage almost EUR 50 billion of cross regional Africa-Europe trade a year.

Selected Free Trade Agreements: total population covered (2023)



Source: Selected Free Trade Agreements: total population covered (2023), Global Africa, Mo Ibrahim Foundation, 2023, based on UNDESA.

FINANCING THE FUTURE OF AGRI-FOOD AND OCEAN

Investing in Resilient Agri-Food and Regenerative Blue Economy

- **Flagship Ideas for Africa–Europe Blue Economy Cooperation**

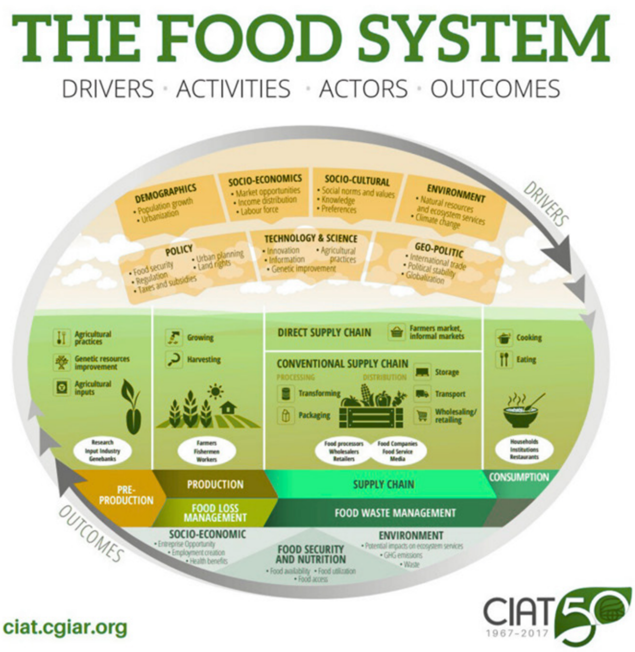
The African Union (AU) and the European Union (EU) should jointly develop and implement a Memorandum of Understanding on Ocean Governance and the Blue Economy to establish a strategic framework for cooperation. Building on the 3rd Blue Africa Summit declaration, both continents should create an 'Africa–Europe Innovation and Finance Ocean Hub' to accelerate blue industrialization and scale investment, alongside an 'Africa–Mediterranean–Europe network of Marine Protected Areas (MPAs)' to support a regenerative blue economy and enhance ocean resilience. It is also recommended to initiate an AU–EU Ministerial on Ocean and Blue Economy, providing a platform for alignment on shared priorities, including governance, capacity building, finance, and investment. Through these coordinated efforts, Africa and Europe can co-drive a sustainable ocean agenda and advance common positions in global ocean governance, covering issues such as a plastics treaty, sustainable deep-sea mining, shipping decarbonization, and a solidarity levy.

- **Flagship Ideas for Africa–Europe Agri-Food Systems Cooperation**

The African Union (AU) and the European Union (EU) should launch an Africa–Europe Agri-Food Resilience and Industrialisation Initiative to co-invest in agro-processing zones, regional storage and logistics hubs, and local fertilizer and seed production capacity. The initiative should prioritise integrated value chains for cereals, cash crops, and livestock, connecting African producers to European markets through the AfCFTA and EU Clean Trade and Investment Partnerships (CTIP). Joint de-risking and blended finance platforms should be deployed to attract private capital for agribusiness transformation, ensuring smallholders' inclusion in modernised supply chains. This cooperation will enhance Africa's food sovereignty, create jobs, reduce post-harvest losses and emissions, and provide Europe with stable, diversified, and low-carbon food imports, delivering mutual economic and climate benefits.

- **Scale up co-investment in mid-sized enterprises to drive systemic transformation across the two sectors:**

Africa's agri-food and blue economy sectors are dominated by micro and small enterprises, yet underrepresentation of medium and larger enterprises (MLEs) - by roughly 40% compared to peer markets - limits scale, aggregation, and value chain integration. Europe and Africa should co-invest in blended finance vehicles and growth capital funds that (i) Catalyse the emergence of MLEs as value chain anchors in food, fisheries, and coastal economy sectors; (ii) De-risk institutional capital flows and mobilize larger-scale investments for regional integration, food security, and ocean-based livelihoods; (iii) Create market ecosystems where MSMEs thrive through offtake, technology transfer, and local innovation linkages.

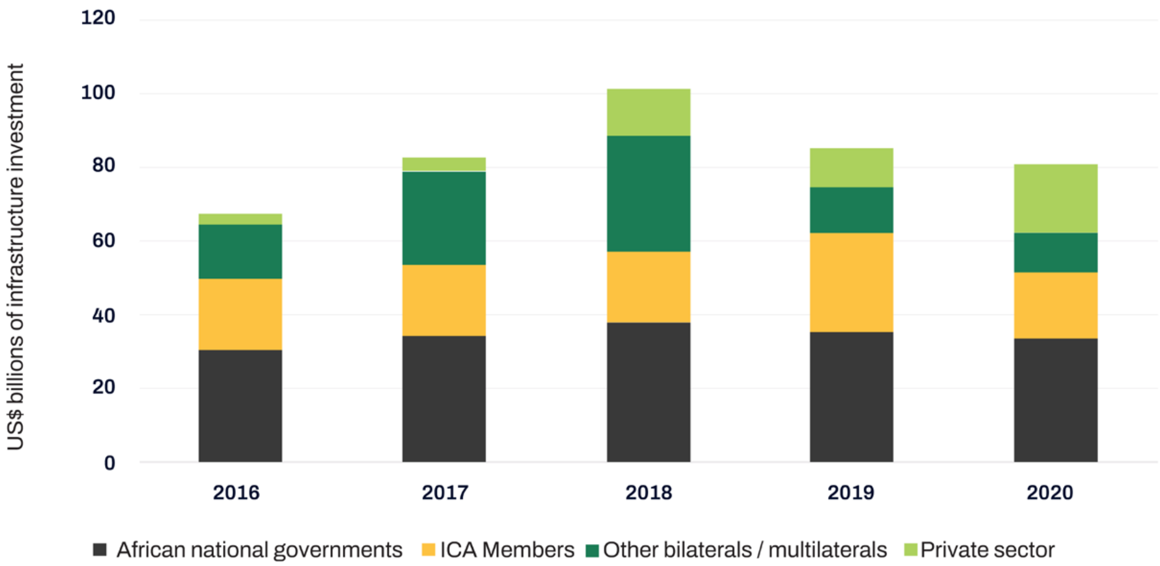


CHAPTER 05: UNLOCKING SUSTAINABLE INFRASTRUCTURE FINANCING AND BOOSTING REGIONAL INTEGRATION

The Financing Gap is Structural, Not Cyclical

- Africa needs $130–$170 billion per year to meet its infrastructure needs, yet current commitments hover around $80 billion, leaving a persistent shortfall[1]
- Public budgets still shoulder over 40% of total infrastructure financing in Africa, while private capital remains uneven. Despite growing interest from institutional investors, private sector participation continues to be constrained by challenges such as high perceived risk, limited bankable project pipelines, and regulatory complexity

Total infrastructure investment commitments in Africa, by source, 2016-2020



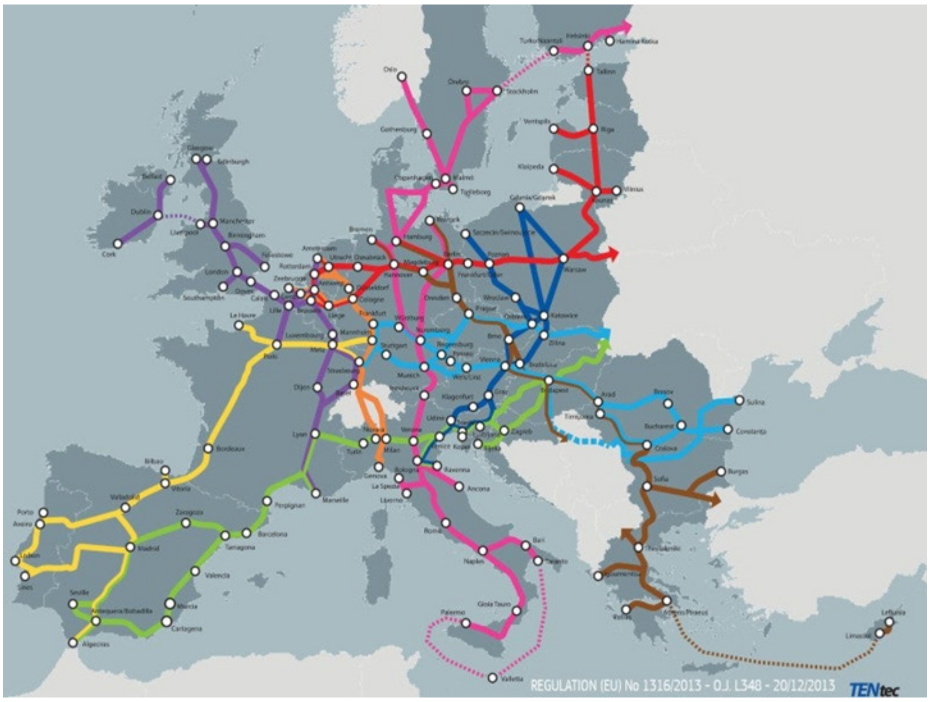
Source: AEF-AUDA-NEPAD Technical White Paper

- The infrastructure financing gap is not merely cyclical; it reflects systemic issues in project bankability, risk perception, and capital mobilisation.
- By strengthening Africa's connectivity, infrastructure investments support regional integration and trade, while Europe gains access to reliable, diversified, and resilient trade routes that reduce supply chain risks and open scalable markets.
- Europe accounts for approximately 45% of Africa's external infrastructure financing, positioning it as both a major funder and a standards-setter in project preparation, environmental safeguards, and governance. However, this dominance also reflects a structural dependency that African partners are increasingly seeking to diversify.
- The €150 billion Global Gateway Africa–Europe investment package targets key sectors such as green energy, digital connectivity, and cross-border transport corridors, aligning closely with Agenda 2063 and Africa's long-term development goals.[2]
- In 2023, African development financial institutions and leading banks committed to mobilising up to $100 billion to accelerate green industrialisation, reflecting a shift toward blended finance and increased prioritisation of infrastructure in public budgets.[3]

Policy/Project Alignment Impact on Crowding-In

- Aligning Global Gateway investments with Africa's priority transport corridors is essential to unlock their full potential. When infrastructure projects are embedded within corridor frameworks such as those defined by PIDA and AfCFTA, they become more bankable, better integrated, and more attractive to private investors. This strategic alignment enhances connectivity, reduces fragmentation, and creates a coherent investment narrative that supports regional integration. It also strengthens the shared value proposition: Africa advances its connectivity and trade goals, while Europe secures resilient, diversified supply chains and scalable markets.
- Experience from PIDA shows that for infrastructure projects to attract investment, cross-border governance and customs procedures need to be planned and agreed upon early in the process. This upfront coordination helps ensure that projects are bankable and ready for financing when they reach implementation.
- The EU's TEN-T/Core Network Corridor method, supported by the Connecting Europe Facility, demonstrates how time bound corridor governance can accelerate delivery, an approach that can be adapted to AU corridors.

The TEN-T policy covers the creation of nine Core Network Corridors that will connect all member states via



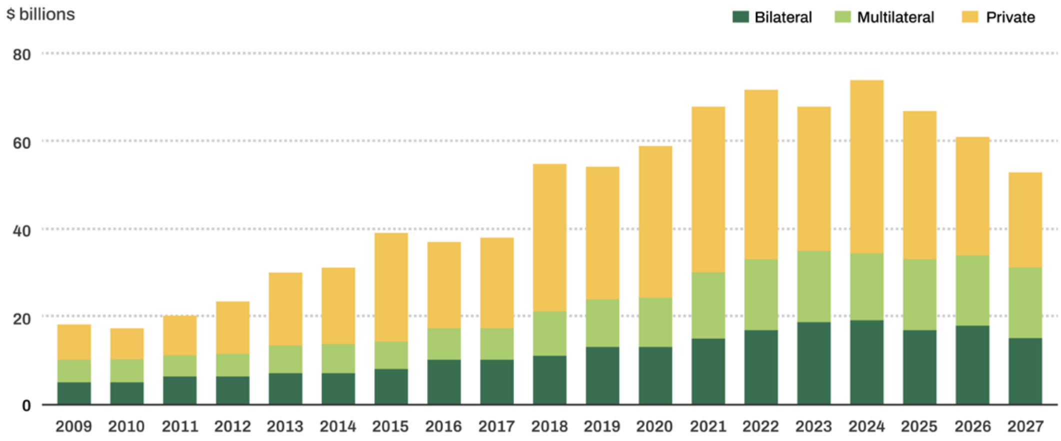
Source: European Commission

- Flagship initiatives such as PIDA and the Global Gateway Africa–Europe Investment Package are closely aligned with the AfCFTA agenda, ensuring that infrastructure investments support regional integration and the removal of trade barriers.
- The cooperation model is evolving beyond aid, toward strategic co-investment, but alignment between policy frameworks and project pipelines remains critical to unlocking scale.

Closing Bankability Gap: Cost of Capital and Feasibility Attrition

- Higher interest rates and debt service obligations compress fiscal space, limiting the ability of governments to invest in infrastructure.[4]

Composition of debt service by creditor, 2000-2027



Source: AEF-AUDA-NEPAD Technical White Paper (2025)

- Approximately 80% of African infrastructure projects stall before reaching bankability, revealing gaps in project preparation, data availability, and risk allocation.[5]
- There's often a lack of agreement among stakeholders on what makes a project bankable, which leads to many projects falling apart or stalling before they can move forward and attract financing.
- Closing the bankability gap is critical to unlocking scale in infrastructure investment. To realise transformative outcomes, Africa and Europe must focus on the standardisation of bankability criteria, enabling more consistent and transparent project preparation. This should be supported by the deployment of layered financial instruments, such as pooled guarantees and local currency solutions, which help de-risk investments and improve feasibility.
- Strengthening Africa's absorption capacity and attracting diverse sources of capital is essential to converting infrastructure plans into financed assets. This lays the foundation for a shared investment architecture that supports long-term resilience and scalable growth across both regions.
- Turning plans into financed assets will accelerate regional integration and trade across Africa, while also lowering supply chain risks and opening scalable markets for European firms.
- It's not just about funding projects; it's about building a shared investment architecture that delivers mutual economic resilience. Addressing structural constraints such as high cost of capital and feasibility attrition in early-stage project development will enhance Africa's absorption capacity and generate a robust pipeline of investable projects, creating meaningful opportunities for EU financiers and engineering firms.

InFocus: The EU Global Gateway Initiative

Africa faces both major opportunities and challenges in its development, guided by Agenda 2063, which sets out a vision for unity, prosperity, peace, and self-driven while focusing on inclusive growth, sustainability, and better governance. The Global Gateway initiative is a European strategy to boost smart, clean and secure links in digital, energy and transport sectors and to strengthen health, education and research systems across the world.[6]

Strengthening Africa-Europe Partnership through the Global Gateway Initiative

Global Gateway (GG) is a €400 billion (increased from the original €300 billion in October 2025) European public and private investment strategy launched in 2021 to be implemented through 2027. As announced at the 6th AU-EU Summit in February 2022, the GG helps to strengthen the Africa-Europe cooperation through the commitment of half of its programme value (or €150 billion) to Africa-focused projects under the "Global Gateway Africa-Europe Investment Package".

The Global Gateway focuses on 11 priority areas, in line with the AU's development aspirations and priorities under Agenda 2063, the EU-AU Joint Vision for 2030 and the Sustainable Development Goals and Agenda 2030, and is linked to the European Green Deal[7], which aims to support more clean and efficient corridors through the promotion of multi-modality and climate ambitions.

Impact: Highlighted key achievements include:

The Africa-EU Green Energy Initiative aiming to develop 300 GW of renewable energy by 2030, which is particularly crucial for addressing energy access issues that affect millions of Africans.

- Construction of a first undersea high-voltage electricity cable interconnection between Italy and Tunisia (ELMED interconnection),
- High voltage electrical interconnection in the Eastern Mediterranean between Europe and Africa passing from Egypt to Greece (GREGY project)
- Support for Nigeria digitalization through infrastructure upgrades, tech start-up support, digital skills training, and digital governance for privacy and cybersecurity

By fostering partnerships that prioritise sustainable investments in critical sectors such as climate and energy, transport, digital connectivity, human development, health, education, and research, the EU Global Gateway is positioned as a pivotal mechanism in the Europe-Africa partnership in support of each continent's transition and development objectives.

Announcements from the 2025 Global Gateway Forum

The 2025 Global Gateway Forum, held in October 2025, resulted in a series of new financing announcements and institutional partnerships aimed at consolidating the EU's role as a global investment partner:

- The Global Gateway Investment Hub was launched. This new platform aims to facilitate private-sector participation in EU-supported projects, with initial focus areas including climate, energy, digitalisation, health, education, and transport;
- A cumulative Global Gateway investments by the EU, Member States, and development finance institutions have reached €306bn since 2021, meeting the initial 2027 target of €300bn two years early.

Additionally, Team Europe announced several new investments in Africa, including:

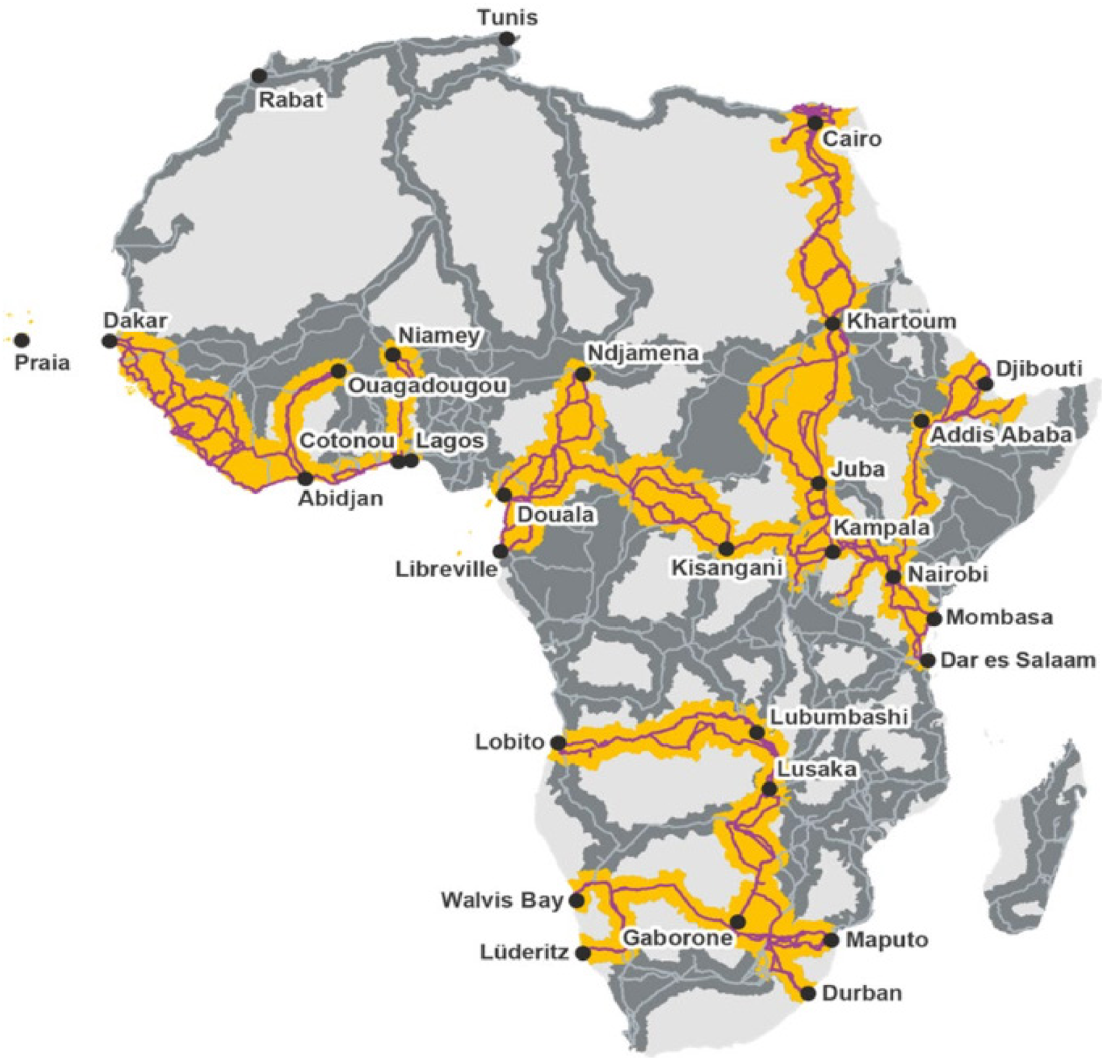
- an investment package of nearly €12bn to promote inclusive and sustainable growth in South Africa, building on commitments made at the 2025 EU–South Africa Summit.
- a new €618mn package under Scaling Up Renewables in Africa to support clean-energy projects in Kenya, Uganda, the DRC, Mauritania, Nigeria, Cabo Verde, Zambia–Tanzania, and Togo.
- a €105mn packages each for Ethiopia and Rwanda; targeting investments in land governance, environmental management, and women's economic empowerment in Ethiopia, and support to vaccine-manufacturing capacity and initiatives for refugee inclusion in Rwanda.

CO-DESIGNING A TRANSFORMATIVE AGENDA

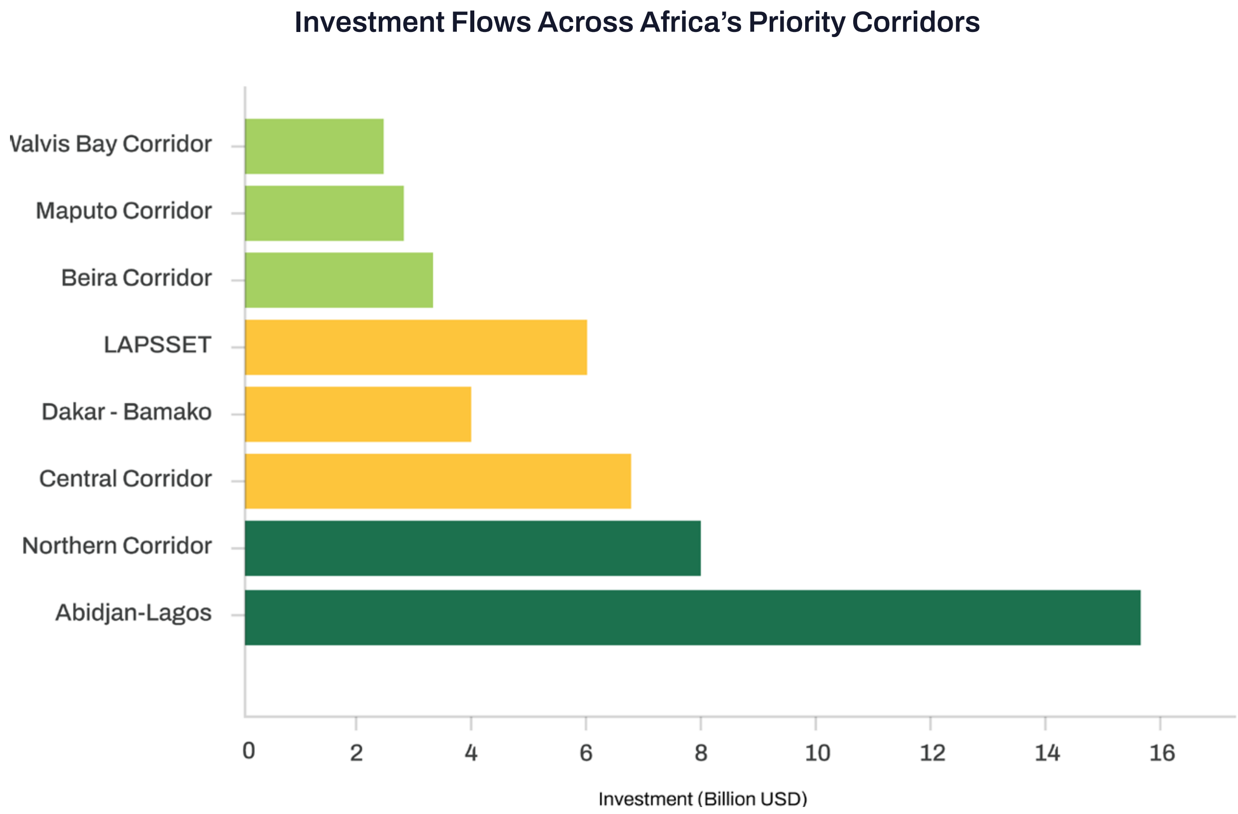
Leveraging PIDA to Anchor Global Gateway Corridors

- Continental Infrastructure Blueprint: PIDA serves as Africa's strategic master plan for infrastructure development from 2012 to 2040, guiding priority investments in energy, transport, water, and ICT to enhance regional integration and global competitiveness.
- Integrated Corridor Approach in PIDA PAP[2]: The second Priority Action Plan (2021–2030) includes 69 projects worth $160.8 billion[8], emphasising an integrated corridor model that promotes connectivity between rural and urban areas, gender-sensitive planning, and equitable access to infrastructure services.
- AU-EU Synergies and Implementation Potential: Strong alignment between PIDA and EU Global Gateway projects presents an opportunity for deeper AU-EU cooperation. Leveraging Africa's regional programmes as building blocks for Global Gateway can enhance infrastructure financing, promote intra-African trade, and attract EU private sector investment while upholding high environmental and labour standards.

Map of Priority Corridors with Investment Flows



Source: European Commission



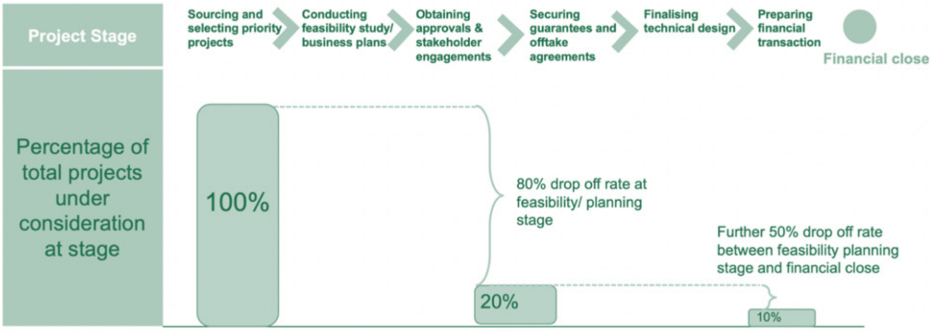
Source: AUDA-NEPAD, Africa-Europe Foundation, 2025

- Balancing regional vision with national realities: While regional infrastructure projects are essential for integration and shared growth, they often face coordination challenges and competing national priorities. National-level implementation tends to be more straightforward, but aligning national interests with regional goals, such as through the PIDA Model Law, is crucial for long-term success.
- Strategic alignment and co-ownership: Effective regional infrastructure development requires co-ownership by African stakeholders (e.g., RECs, AUDA-NEPAD) and alignment with funders. This ensures that projects are not only technically sound but also politically supported and financially viable throughout their lifecycle.
- Opportunities for Africa-Europe collaboration: Africa's renewable energy potential and Europe's energy transition goals present a unique opportunity for joint infrastructure development under frameworks like PIDA and the EU Global Gateway, reinforcing shared objectives for sustainable development and strategic autonomy.

Building a Common Bankability Definition

- In general, only about 10 per cent of projects in Africa reach financial close due to inadequate project preparation.[9] Project pipelines are often insufficient or being blocked by political, financial, technical and institutional barriers.[10] While there has been significant progress in recent years, most projects still take too long, and 80 per cent fail during the development phase. Reasons for project failures include a lack of technical capabilities and resources of developers or governments as well as an unwillingness to finance feasibility studies and business plans. Although there is no universal definition for a bankable project, projects are often referred to as bankable when investors are willing to finance them, and the risk-return is adequate to catalyse the financial investment.

The African Infrastructure paradox



Source: Lakmeeharan et al. (2020)

- Risk Mitigation and Innovative Models: Financial risk mitigation tools, such as guarantees, insurance, and blended finance, alongside innovative models like hybrid PPPs, are critical to de-risking projects and attracting private capital, especially in fragile or low-income contexts.
- According to the G20 principles for the infrastructure project preparation phase, when preparing for national or regional infrastructure projects, the indispensable and key points for consideration include the following as enablers of success:[11]

Blended finance	Through leveraging public resources to attract private investment, innovation can be utilised, ensuring sustainable and beneficial projects
Co-financing between investors and DFIs	Increase the overall capital available by pooling resources for (especially large) infrastructure projects.
Public private partnerships	Leverage private capital and expertise to improve efficiency and ensure that projects are sustainable and aligned with community needs.

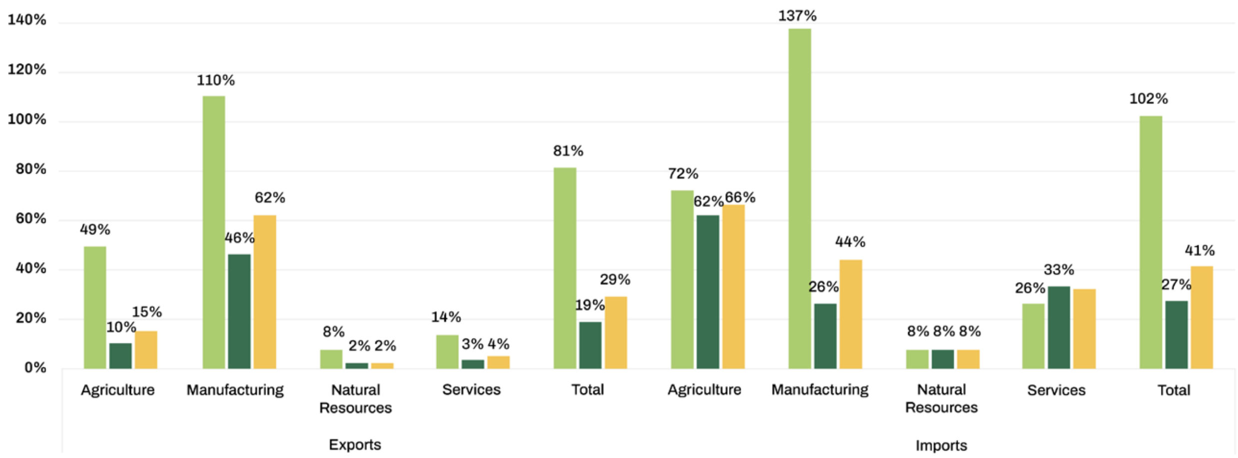
Source: Casablanca Finance City (2021)

- Creating an enabling investment climate: To attract private sector investment, there's need for governments to strengthen governance, ensure regulatory clarity, and transparency, while reducing bureaucratic hurdles and aligning project pipelines with investor expectations through harmonised and simplified processes from all parties.
- Philanthropy as a catalyst in PPPPs: Philanthropy plays a transformative role in Public-Private-Philanthropy Partnerships (PPPPs) by providing early stage funding, risk tolerance, and systems level thinking that helps bridge gaps between public and private sectors, enabling complex infrastructure projects to take off and scale.
- Innovative financing and regional collaboration: Leveraging blended finance models, pooling infrastructure projects, and promoting cross-border regional integration can enhance project viability and scale, making Africa's infrastructure landscape more attractive to both philanthropic and private investors.

Trade for Structural Transformation and Regional Integration

- A robust trading system will enable African countries to access global markets, attract foreign exchange, and integrate into global value chains. When surplus from trade is reinvested into infrastructure and productive capacity, it can catalyse long-term economic transformation, job creation, and higher incomes.
- Public demand and economic rationale for infrastructure investment: With 84% of Africans citing economic concerns, including unemployment, poverty, and infrastructure deficits, there is strong public support for increased investment in economic infrastructure.[12] Trade-led development, supported by regional integration and productivity growth, is key to delivering broad-based, sustainable development.
- The African Continental Free Trade Area as a catalyst for economic transformation: The African Continental Free Trade Area and Regional Economic Communities (RECs) are strategic platforms to overcome the limitations of fragmented national markets by creating regional and single continental markets. With 48 countries ratifying the AfCFTA agreement and trade already underway, AfCFTA is fostering intra-African trade, industrialisation, and investment in productive infrastructure, supported by tools like the Pan-African Payment and Settlement System.[13]

Impact of AfCFTA on trade, by sector (deviation from the baseline for 2035)



Source: World Bank Group - The African Continental Free Trade Area: Economic and Distributional Effects

The Abidjan-Lagos Corridor

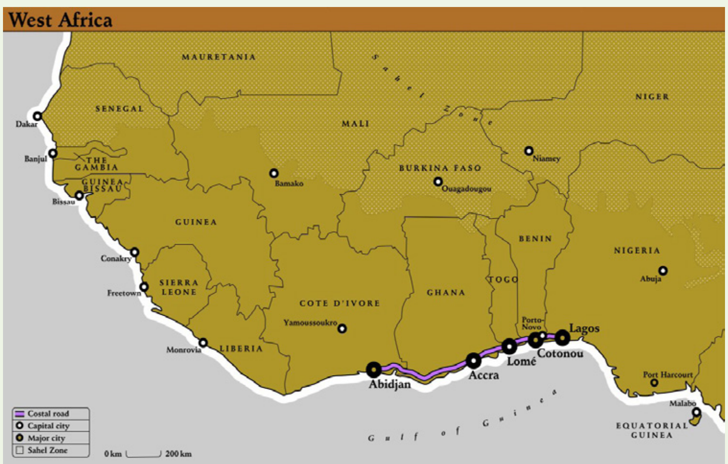
> *"The Abidjan–Lagos Corridor is more than a road - it's a lifeline for regional integration, economic transformation, and shared prosperity." - ECOWAS Infrastructure Commissioner*

The **Abidjan–Lagos Corridor** is one of the most ambitious regional infrastructure initiatives in West Africa. Spanning approximately **1,028 kilometres**, it connects five countries - Côte d'Ivoire, Ghana, Togo, Benin, and Nigeria - and serves as a critical artery for trade, investment, and mobility in the ECOWAS region. This corridor carries a substantial share of West Africa's coastal trade and links several major ports to inland markets, making it a strategic focus for both African and European partners.

- The total estimated cost of the project is **$15.6 billion**, covering road upgrades, associated infrastructure, and complementary digital systems. By integrating transport infrastructure with modern customs procedures and trade facilitation measures, the corridor is designed to reduce average travel time by **50%**, significantly lowering logistics costs and improving the competitiveness of regional value chains.
- Economic modelling suggests that the corridor could boost intra-regional trade by **15%** and contribute to an additional **1.8% GDP growth** annually across the five participating countries. These projections are based on combined gains from reduced transit times, improved reliability of supply chains, and expanded access to regional and international markets for small and medium-sized enterprises (SMEs).
- The project is overseen by the **Abidjan–Lagos Corridor Organisation (ALCO)**, which provides a governance framework for cross-border coordination, environmental and social safeguards, and technical standard harmonisation. ALCO's work ensures that infrastructure upgrades are accompanied by harmonised regulations and service delivery standards, reducing the likelihood of bottlenecks and delays once the corridor becomes operational.
- A notable feature of the corridor is the integration of renewable-powered roadside infrastructure and digital customs platforms.

These elements support the broader AU–EU objective of embedding sustainability and digital innovation into major infrastructure project, while aligning with Europe's green and digital transition goals. A more connected and economically vibrant West Africa opens new markets for European goods, services, and investors, particularly in transport, logistics, digital systems, and renewable energy. By enhancing efficiency and climate resilience, the corridor also contributes to more secure, diversified supply chains - advancing shared economic and strategic interests in both continents.

The close proximity of diverse cities along the corridor is an opportunity to be leveraged.



Source: Alice Hertzog, "Migrant Journeys"

The AU–EU Infrastructure Playbook: A Paradigm Shift for Corridor-Based Investments

- Positioning the AU–EU infrastructure partnership for global competitiveness will require more than financing. It demands a unified vision, compelling narrative, and coordinated investment diplomacy. In a crowded global landscape, Africa and Europe must clearly demonstrate how their cooperation delivers measurable value, from resilient supply chains and green industrialisation to job creation and trade expansion. This means not only showcasing flagship projects but also evidencing long-term returns that resonate with both citizens and investors.
- Developing a Joint AU–EU Infrastructure Playbook is essential to move from fragmented efforts to strategic alignment. This Playbook should codify shared principles for corridor-based investment, anchoring project origination in transparent selection criteria, robust governance structures, and regional integration goals. It must align with PIDA PAP2's 69 priority projects and embed gender-responsive, climate-smart planning from the outset.
- Standardising bankability frameworks across African and European institutions is critical to unlocking scale.[14] Harmonising feasibility, risk, and impact metrics, through collaboration between AfDB, EIB, Africa50, and AIP, will reduce duplication, accelerate due diligence, and convert corridor plans into finance-ready assets that attract blended capital.
- Embedding climate resilience and sustainability into infrastructure design is no longer optional, it is a prerequisite for long term viability.[15] From elevated roads in flood-prone areas to heat-resistant materials and integrated green infrastructure, future-ready corridors must be built to withstand climate shocks, reduce lifecycle costs, align with globally recognised funder labels like the FAST-INFRA label and deliver uninterrupted service.

> *"The choices Africa makes today are shaping the future of the entire world. A clean energy transition on the continent will create jobs, stability, growth and the delivery of our global climate goals. The European Union, with the Global Gateway investment plan, is fully committed to supporting Africa on its clean energy path."*
>
> **Ursula von der Leyen**, President of the European Commission [16]

- Accelerating digital to physical convergence will define the next generation of infrastructure systems. Integrating smart technologies into transport, energy, and urban infrastructure, from smart grids and digital customs to real-time corridor management will enhance operational efficiency, unlock new revenue streams, and deliver time-definite, secure supply chains.
- Differentiating the AU–EU model through quality, sustainability, and governance is key to staying competitive in a multipolar world. As other global actors expand their footprint in Africa, the AU–EU partnership must lead with high-standard, inclusive infraastructure solutions aligned with Agenda 2063 and the SDGs and backed by transparency, accountability, and participatory planning from both continents.

Strategic Use of Blended Finance and Innovative Capital Mobilisation

Deploying Blended Finance Strategically to Unlock Scalable, Sustainable Capital

- Differentiating the AU–EU model through strategic, impact-driven financing is essential to remain competitive in a rapidly evolving global landscape. The partnership must move beyond fragmented and debt-heavy approaches toward a structured, sustainable financing architecture that mobilises both public and private capital, is independent of political cycles, while reinforcing African financial sovereignty.
- Blended finance, when deployed with clear guardrails, offers a powerful tool to de-risk private investment in complex regional projects. However, success will depend on strong diagnostic-based capacity systems, transparency, and risk management frameworks to ensure that new flows do not deepen debt vulnerabilities.
- Establishing pooled guarantee facilities backed by EU instruments such as EFSD+ and NDICI can accelerate corridor-level investment by sharing risk and rewarding results.[17] Linking disbursements to verifiable milestones, like procurement, environmental compliance, or community engagement would embed accountability and co-ownership at every stage from all stakeholders.
- Mobilising Africa's domestic and diaspora capital will be equally critical. Infrastructure funds anchored by African pension, insurance, and sovereign wealth assets, which are estimated at over $1.1 trillion collectively, and supported by EU guarantee wraps, can crowd in blended finance from DFIs and institutional investors. Instruments such as diaspora bonds, local-currency bonds, green bonds, and debt-for-infrastructure swaps can help diversify funding sources and reduce exposure to FX and sovereign risk.[18]

Diaspora bonds in the financing of the Grand Ethiopian Renaissance Dam

The Grand Ethiopian Renaissance Dam (GERD) is located on the Blue Nile about 16 km from the border with Sudan. Constructed between 2011 and 2023, the dam's primary purpose is electricity production to relieve Ethiopia's acute energy shortage and to export electricity to neighbouring countries. The dam has been officially opened in September 2025. With a planned installed capacity of 5.15 gigawatts, the dam is posed to be the largest hydroelectric power plant in Africa and among the 20 largest in the world. The third and fourth 400 MW turbines were commissioned in August 2024. GERD cost about $4 billion, $1.2 billion of which was financed with a loan from a Chinese bank. Government bonds were issued to raise finance. Estimates vary but between $450 million and $1 billion (11% to 25% of total cost) of early-stage funding was provided by donations, public sector workers forfeiting one month of their pay and diaspora bonds.

Source: Lavers (2024)[19]

- By positioning infrastructure as an investable asset class and ensuring that every euro and African local currency unit delivers both financial and social returns, the AU–EU partnership can redefine the standard for sustainable infrastructure finance.

Strengthening Coordination, Co-Ownership, and Institutional Alignment

- Achieving transformational impact will require more than capital, it will require coordinated delivery, shared governance, and unified accountability. The AU–EU partnership must evolve into a platform that aligns mandates, data, and systems across African and European institutions to enable predictable, high-quality pipelines.
- Leveraging AUDA-NEPAD's Service Delivery Mechanism and the EIB's advisory platforms offers some of the pathways to harmonise project preparation, feasibility studies, and implementation support. These can be integrated through real-time digital platforms such as the Virtual PIDA Information Centre and the Africa Infrastructure Database, among others to track milestones and investment flows transparently.[20]
- Establishing a Unified Bankability Framework and Corridor Data Ecosystem, bringing together Africa50, AfIDA, AIP, DBSA, AfDB, World Bank, KfW, and others, would standardise bankability criteria, PPP templates, and risk packages. This convergence will shorten due diligence cycles, lower preparation costs, and improve investor confidence.
- Deepening institutional coordination is key to sustaining results. Strengthening collaboration between AUDA-NEPAD, AfDB, RECs, and EU DFIs will ensure that projects are not only technically sound but politically supported and financially viable. Legal harmonisation through tools such as the PIDA Model Law and the African Legal Support Facility will further enhance investor confidence and regional integration.

Alignment Between PIDA and Global Gateway Projects.

Alignment between PIDA and Global Gateway Projects.						
Project Number	Project Title	REC	Countries Involved	Sector / Sub-Sector	Last Milestone Known	Project Cost (US$ m.)
PIDA	Abidjan-Lagos Corridor Highway Development Project	ECOWAS	Benin - Cote d'Ivoire Ghana - Nigeria - Togo	Transport / Road	S2B - Feasibility	7,045,00
EU-GG1	Abidjan-Lagos		Cote d'Ivoire Ghana - Togo - Benib, Nigeria			
PIDA	Regional Abidjan - Ouagadougou Niamey-Cotonou-Lome railway loop project	ECOWAS	Benin - Burkina Faso Cote d'Ivoire Niger - Togo	Transport / Rail	S1 - Project Defnition	5,402,90
EU-GG2	Abidjan - Ouagadougou		Cote d'Ivoire, Burkina Faso			
EU-GG4	Cotonou-Niamey		Benin, Niger			
PIDA	Praia-Dakar-Abidjan Multimodal Transport Corridor	ECOWAS	Cape Verde - Cote d'Ivoire Gambia - Guinea Guinea Bissau - Liberia Senegal - Sierra Leone	Transport / Road	S2B - Feasibility	21,070,00
EU-GG3	Dakar-Abidjan		Senegal, Gambia, Guinea Bissau, Guinea Sierra Leone, Liberia, Cote d' Ivoire			
PIDA	Project for the construction of the bridge over the Ntem river located on the Kribi-Cam-poBata Transnational Road linking the Republic of Cameroon and the Republicof Equatorial Guinea	ECCAS	Cameroon, Gabon	Transport / Road	S3B - Transaction, Sup-port and Financial close	447,00
PIDA	Construction of a bridge ove the Outangui river, development of missing links in the Bqngui-Kisangani-Kampala & Kissangani - Bujumbararoad corridors, and facilitation of transport, trade and transit along the two corridors	ECCAS	Central African Republic, Democratic Republic of Congo	Transport / Road	S1 - Project Defnition	3,492,00
EU-GG6*	Douala-Kribi-Kampala		Cameroon Central African Republic, Democratic Republic of Congo, Uganda			
EU-GG8*	Mombasa-Kisangani		Kenya, Uganda, Rwanda Denocratic Republic of Congo			
PIDA	Establishment of a Navigational line between Lake Victoria and the Mediterranean Sea Feasibility study phase 2 (VICMED)	COMESA	Egypt, South Sudan, Sudan, Uganda	Transport / Inland water transport	S2B - Feasibility	12,000,00
EU-GG11*	Cairo - Khartoum - Juba - Kampala		Egypt, South Sudan, Sudan, Uganda			

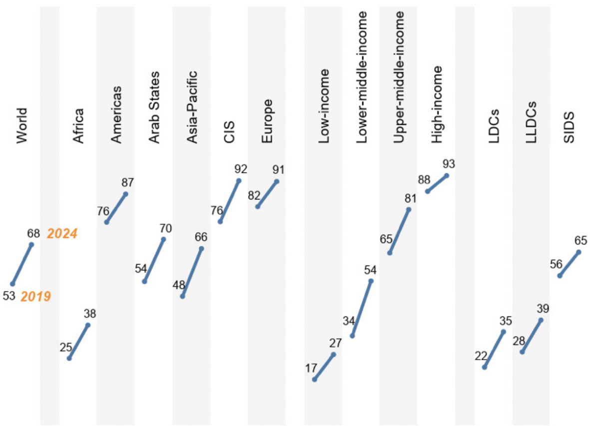
Source: AEF-AUDA-NEPAD (2024)

CHAPTER 06: AI AND DIGITAL TRANSFORMATION

Connectivity-Compute-Skills: The Tripod for AI Readiness

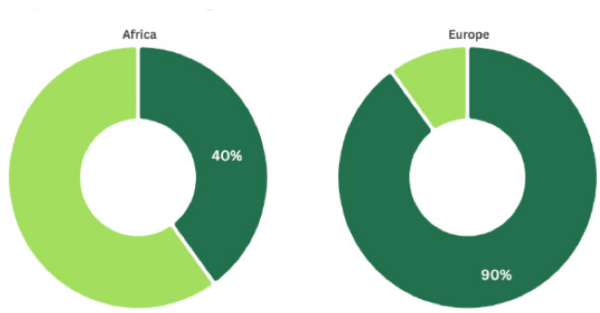
- Compute capacity in Africa is growing but uneven. Africa's data centre market is expanding at a Compound Annual Growth Rate of approximately 12.3%, yet backhaul and processing power gaps persist, limiting the deployment of AI models and cloud-based services.
- The African Union's Continental AI Strategy highlights the need for investment in AI infrastructure, including regional data centres and high-performance computing hubs, to support innovation and service delivery across sectors like health, agriculture, and education.[1]
- Connectivity remains a major barrier to AI readiness. As of 2025, only 38–40% of Africans have internet access, compared to over 90% in Europe. Microsoft's Airband Initiative aims to close this gap by connecting 100 million Africans by 2025, using satellite and local partnerships to reach underserved areas.[2]
- Internet connectivity in Africa remains uneven, with stark differences between urban and rural areas. Current estimates show penetration rates of around 50% in urban areas compared to just 15% in rural areas, reflecting both affordability and infrastructure gaps. While 4G network coverage has expanded to reach 63% of the population, fixed broadband access remains extremely limited, with fewer than [1] per 100 inhabitants having a subscription. These figures highlight the scale of the challenge in achieving universal, affordable internet access by 2030.

Percentage of individuals using the Internet by region, 2019 and 2024



Source: ITU, 2024

Number of people with internet access in Africa and Europe: what the digital divital divide looks like



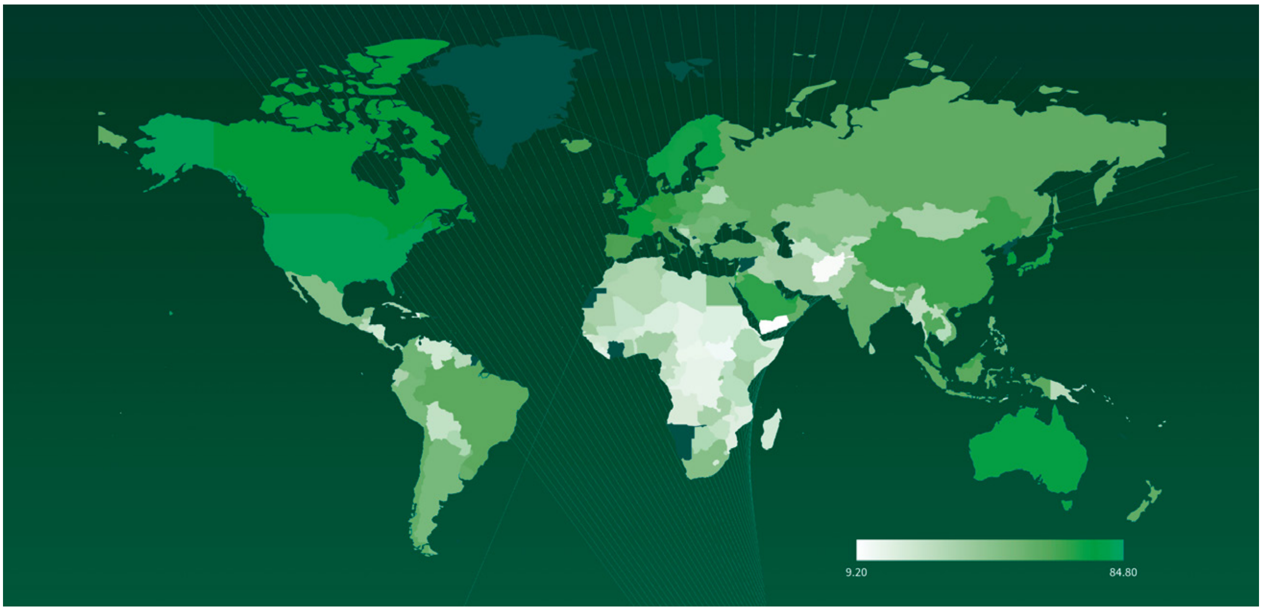
Source: International Telecommunication Union (ITU), Facts and figures 2024, Internet use in urban and rural areas

- Skills and future looking capacity techniques are essential for equitable digital transformation. Africa's young population, of which about 60% is under the age 25[3] is a strategic asset, but digital literacy and AI-specific skills remain limited. The UNECA Google AI Sprinters program is training policymakers and youth in AI, cloud computing, and responsible tech governance, aiming to build a future-ready workforce and improve public service delivery.[4]
- The corridor lens is key, aligning subsea and terrestrial digital corridors with economic corridors, such as energy, minerals, and food flows, and will ensure that digital infrastructure supports broader development goals.
- The Global Gateway Strategic Corridors initiative already maps this alignment, integrating digital and transport infrastructure across key regions like Abidjan–Lagos, Mombasa–Kisangani, and Walvis Bay–Maputo.[5]

Governance Is Converging, Practice Lags

- Africa and Europe are making meaningful strides in aligning their digital governance frameworks with global standards. Africa has demonstrated strong political will and regional coordination, particularly through the African Union's Digital Transformation Strategy and emerging continental frameworks.
- Europe, through instruments like the EU Digital Decade and the Global Gateway, is reinforcing its commitment to ethical, interoperable digital ecosystems. Yet, implementation remains uneven across countries and sectors on both continents, with disparities in infrastructure, regulatory capacity, and institutional readiness. Bridging these gaps requires joint investment, shared standards, and inclusive governance models that reflect the needs and strengths of both regions.
- The African Union's African Digital Compact and the Continental Artificial Intelligence Strategy,[6] endorsed in 2024, reflect a unified continental vision for ethical, inclusive, and development-oriented digital transformation. These frameworks align with the UN Global Digital Compact,[7] adopted at the 2024 Summit of the Future, and resonate with the EU AI Act's risk-based approach, creating scope for AU–EU interoperability in areas such as data governance, AI regulation, and digital rights.
- Governance performance varies widely across the continent. According to the 2024 Ibrahim Index of African Governance (IIAG), countries like Mauritius (score: 53.94) and South Africa (score: 52.91) lead in digital governance indicators, sitting well above the regional average.[8] Yet many countries still face challenges in policy coherence, institutional capacity, and enforcement, which slows down the realisation of digital transformation goals.

2024 Index Rankings



Source: AI Readiness Index, Oxford Insights 2024

- Building trusted data and AI markets is essential for enabling cross-border digital services. These markets can support critical systems such as Carbon Border Adjustment Mechanism (CBAM) compliance, monitoring, reporting, and verification for climate action, traceability in supply chains, and smart customs for trade facilitation.
- The AU Data Policy Framework and UNECA's AI initiatives advocate for interoperable data governance, regional digital infrastructure, and ethical AI deployment to reduce compliance friction and unlock economic value.

Investment Signals Are Positive but Uneven

- Africa is seeing a surge in digital infrastructure investments under the Global Gateway Africa–Europe Investment Package, but the distribution and governance of these projects remain uneven, with significant opportunities to improve coordination and scale.
- The MEDUSA Submarine Cable Project is a flagship initiative connecting North Africa to Southern Europe via a 7,100 km fibre-optic cable with a capacity of 20 Tbps, backed by €342 million in investment.[9] It will link 12 landing points across Algeria, Egypt, Morocco, Tunisia, and EU countries, boosting connectivity for 500 universities and research centres, and enabling high-speed internet for education and innovation ecosystems.[10]
- Complementing this, the EU has committed €500 million to deploy 12,000 km of fibre-optic backbone across eight African countries, aiming to connect 100 million people, including 4,000 schools, 2,000 hospitals, and 1,000 public institutions. This initiative is designed to close regional missing links and improve broadband quality, speed, and affordability across Central, Eastern, and Southern Africa.[11]
- Satellite connectivity is also being explored to reach last-mile communities, particularly in remote and underserved regions. These efforts are part of a broader strategy to ensure universal access and digital inclusion.
- The EU's experience with TEN-T transport corridors offers valuable lessons for Africa's digital infrastructure rollout.[12] The Connecting Europe Facility (CEF)–Digital programme has successfully deployed 5G corridors along key transport routes, using structured governance, co-financing, and cross-border coordination to accelerate delivery and ensure service continuity.
- Applying a CEF-Digital-style governance model to AU–EU digital corridors could guide execution, improve interoperability, and reduce fragmentation.[13] This would support the development of "digital corridors" that align with economic corridors, serving energy, minerals, and food flows, thus enhancing both Africa's reach and Europe's network resilience and traffic capacity.

Data Governance and Digital Public Infrastructure

- Africa is moving from high-level digital principles to concrete infrastructure and governance projects, with growing support from the EU and African institutions.
- The Data Governance in Africa Initiative (2023–2028), backed by €57.5 million under the Global Gateway, aims to establish an African-owned data governance framework.[14] Co-funded by the EU and Germany, and implemented in partnership with Smart Africa, this initiative promotes regulatory harmonisation, data protection, and interoperability across African markets.

AFRICAN DATA CENTER MARKET GROWTH, BY COUNTRY TIER

	Key countries	% of population	% of GDP	% of BB connections	% of data center IT load	Projected revenue CAGR - 2024-30F	
Tier 1 - Core Hyperscaler Market	South Africa	3%	17%	10%	70%	~15%	Africa's largest and most competitive market; extensive pipeline, to be supported by potential AI upside.
Tier 2 – Secondary Hyperscaler Market	Kenya Nigeria Morocco Egypt	36%	34%	40%	15%	~25%	Other large markets are catching up; will see biggest growth outside of South Africa, but upside is highly dependent on hyperscaler deployments; fastest-projected growth
Tier 3 – Upper-high Cloud Potential	Cote-d'Ivoire Ethiopia Tanzania Angola	25%	29%	25%	5%	~20%	Promising markets, still lagging on supply and demand; second-fastest growth across all clusters
Tier 4 & 5 – Medium and lower scale cloud potential	Ghana Senegal DRC Uganda Mozambique Rwanda	35%	20%	25%	10%	~16%	Good upside but more constrained growth, largely tied to small demand scale

[1] *Percentages may not add up to 100%*

Sources: *Xalam Analytics estimates, provider data; population and economic data from statistical offices, IMF; broadband data based on Xalam, provider and regulator data*

- The Digital Investment Facility and PRIDA (Policy and Regulation Initiative for Digital Africa) support DPI readiness by strengthening legal and institutional frameworks for digital identity, payments, and e-governance. These efforts reduce fragmentation and enable EU firms to operate under interoperable rules, fostering trust and scalability across borders. [15]
- Flagship pathways include Global Gateway-backed digital ID and payment systems at ports and borders, enabling single-window customs and facilitating smart trade corridors. These systems are critical for improving efficiency, transparency, and revenue collection in cross-border trade.

Kenya–Estonia Partnership on Digital Civil Registration

According to WHO's SCORE assessment, limitations in Kenya's civil registration system hindered the consistent count of births. Paper-based registration processes and unequal access, particularly in rural areas, led to frequent inaccuracies in vital records and eroded public trust. When people are not counted, they remain invisible – thus propelling inequities.

To bridge this gap, Kenya's Civil Registration Services (CRS) has partnered with the Estonian Centre for International Development (ESTDEV), supported by Germany and the European Union through the *Team Europe Initiative (TEI) on Human-Centred Digitalisation*. Estonian and Kenyan experts co-created and integrated the new system into existing legacy systems. With this e-service, hospitals can submit birth details electronically, records are validated automatically, and newborns receive a unique digital identifier at birth. This is resulting in:

- **Faster processing:** the average time from declaration to certification is expected to decrease from 1–2 months to less than 3 days.
- **Improved registration rates:** Kenya records approximately 1.5 million births annually, and the share of registered births is projected to rise from 73% to 85% nationwide.
- **Reduced administrative burden:** Parents will no longer need to travel for notification, registration, or certification, increasing accessibility and efficiency.

Accurate birth registrations allow the government to obtain reliable data for the planning and delivery of future services. The initiative also provides trainings to strengthen CRS's ability to independently maintain and **expand the system for recording deaths and causes of death - essential for saving lives and safeguarding Kenya's sovereignty over its health data and civil registration**.

> "*Digitalisation in and of itself isn't the end goal. Digital public services, such as Kenya's birth registration, enable service design with a human-centric approach. Our aim is to ensure local governance is efficiently and transparently delivered and accessible to citizens. The co-creation and collaboration process between Kenya and Estonia has been a key to this success*."
>
> **Katrin Winter**, ESTDEV's regional head for Africa.

The Estonia–Kenya partnership on e-services demonstrates how technology, when rooted in equal partnerships and inclusivity, can transform governance. It is an example of how the Africa–Europe partnership, by promoting the exchange of technical expertise, ensures that digital transformation remains citizen-focused, responsive to local realities and can advance the medical data sovereignty of the African continent, an urgent matter underscored by USAID funding reductions. Anchored in transparency and human-centred design, this collaboration reflects new model of partnership that moves beyond dependency and aims to build trust.

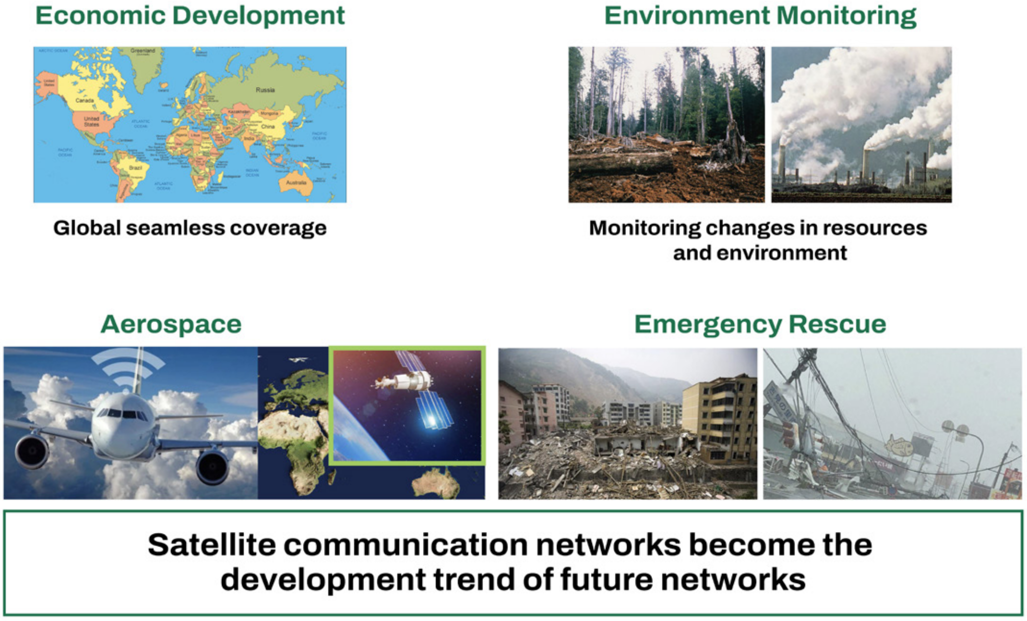
As **Riho Pihelpuu**, the CEO at ADM Interactive, the digital solutions agency that developed the birth registration prototype, said:

"*Both sides learned so much from each other, and now CRS is prepared to take this service and expand it to all life events.*"

Space as a Digital Backbone Multiplier

- Space-based infrastructure is increasingly central to global digital transformation, serving as a strategic enabler of connectivity, data delivery, and resilience. Beyond traditional satellite communications, space technologies now underpin critical systems for environmental monitoring, disaster response, precision agriculture, and secure data exchange. As digital economies expand, space acts as a force multiplier - extending the reach of terrestrial networks, supporting real-time analytics, and enhancing interoperability across borders.
- The Africa–EU Space Partnership, backed by a €100 million investment under the EU's Global Gateway strategy, is a flagship initiative aimed at leveraging European space technologies to support Africa's sustainable development.[16] It builds on existing platforms like GMES & Africa and Copernicus, delivering Earth Observation services for Weather forecasting and early warning systems, Agricultural monitoring and precision farming, Marine and coastal safety, including erosion tracking and disaster preparedness. These services are critical for climate resilience, food security, and environmental management across the continent.

Satellite Communication Demands and opportunities



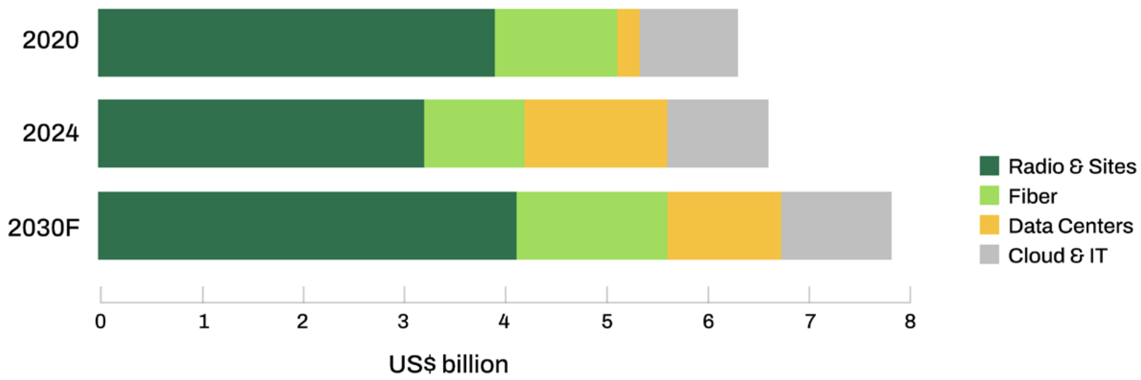
Source: IEEE Communications Society-Integrated Satellite-Terrestrial Networks Towards 6G: Architectures, Applications, and Challenges

- Satellite infrastructure is being used to strengthen digital connectivity, especially in remote and coastal regions. This supports the development of digital corridors that enable data exchange, internet access, and real-time monitoring of environmental changes.[17]
- Tools like the Digital Earth Africa Coastlines Dashboard provide annual shoreline data and erosion trends, enabling governments to identify vulnerable areas and plan adaptive strategies.[18]
- Satellite-enabled platforms are unlocking transformative opportunities for both Africa and Europe. For Africa, they provide access to critical climate, food, and ocean services, strengthening resilience and enabling data-driven policymaking across sectors. For Europe, these partnerships expand satellite data markets, foster joint innovation, and deepen geopolitical ties through technology transfer and co-development.

Talent, Compute and Data - Foundations for Sovereignty

- Foundational digital infrastructure and talent development are central to Africa's long-term digital sovereignty. Large-scale, transnational AI initiatives, aligned with Agenda 2063 and the Continental AI Strategy endorsed by the African Union, are driving efforts to build robust compute capacity, cloud networks, and skilled human capital across the continent, laying the groundwork for inclusive innovation and regional leadership in AI.[19]
- Investment in sovereign cloud infrastructure and high-performance computing (HPC) is essential to ensure Africa's control over its data, algorithms, and compute resources. Strengthening these capabilities reduces dependency on foreign platforms and supports the development of ethical, standards-aligned AI systems.[20]
- Sub-Saharan Africa's digital infrastructure investment is entering a pivotal phase, with capital spending reaching an estimated $7 billion in 2024 and projected to grow steadily through 2030. While mobile networks currently dominate, future investments are expected to shift toward fiber and data centers, reflecting the region's evolving digital priorities.[21]

SUB-SAHARAN AFRICA DIGITAL INFRASTRUCTURE CAPEX EVOLUTION - US$ BILLION



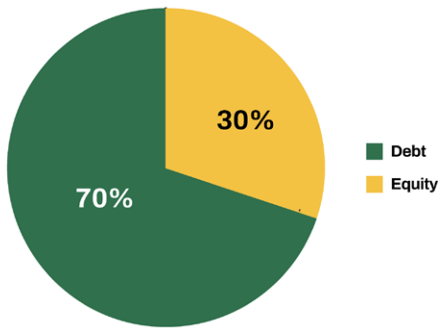
Source: Xalam Analytics estimates

- Promoting open data ecosystems is key to enabling transparency, innovation, and cross-border collaboration. Open data also supports the training and deployment of AI models in critical sectors such as agriculture, health, and education, helping to unlock inclusive and evidence-based development across Africa and Europe.[22]
- The Pan-African AI Strategy, endorsed by the African Union, lays the foundation for a continent-wide approach to ethical and inclusive artificial intelligence. It focuses on capacity building and talent development, promoting regional cooperation and harmonised regulation, and driving investment in local innovation and infrastructure. By aligning with Agenda 2063, the strategy aims to position Africa as a leader in responsible AI deployment while fostering digital sovereignty and sustainable development.[23]
- There's dual impact in the growing digital partnership between Africa and Europe. Africa is building sovereign capabilities in artificial intelligence, cloud infrastructure, and data governance, which are essential for inclusive development and digital independence. Meanwhile, Europe is scaling standards-compliant AI markets and reinforcing its global leadership in ethical AI through strategic collaborations with African institutions.

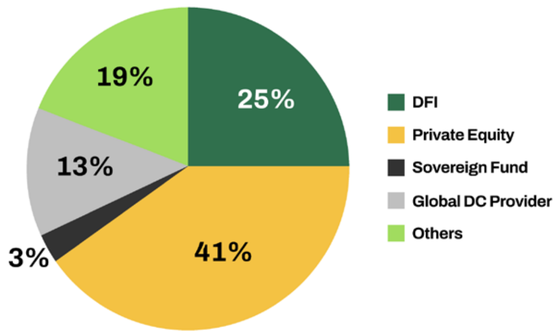
An AU–EU Digital Compact - Transformation in Practice

- **It is critical to translate high-level digital principles into bankable programmes** by aligning the AU–EU Digital Compact with Africa's Digital Compact and the UN's Global Digital Compact. This ensures delivery of trusted Digital Public Infrastructure (DPI) and AI-for-SDGs solutions that are inclusive, scalable, and future-ready.
- **The Digital Implementation Facility must be prioritised** as a key operational mechanism, blending EU guarantees with African Development Finance Institutions to build interoperable systems for digital identity, payments, and data exchange, and anchored in Agenda 2063 and the AU Digital Transformation Strategy.
- It is important to understand the distribution of financing instruments driving Africa's digital infrastructure boom. While investment signals are positive, the mix of grants, loans, equity, and blended finance reveals uneven patterns that affect scalability, governance, and regional equity. A clearer view of these instruments can guide more balanced and strategic deployment.

Distribution of Africa Digital Infrastructure Transactions By Type of Financing Instrument



Distribution of Africa Digital Infrastructure Financing Transactions By Source of Funds



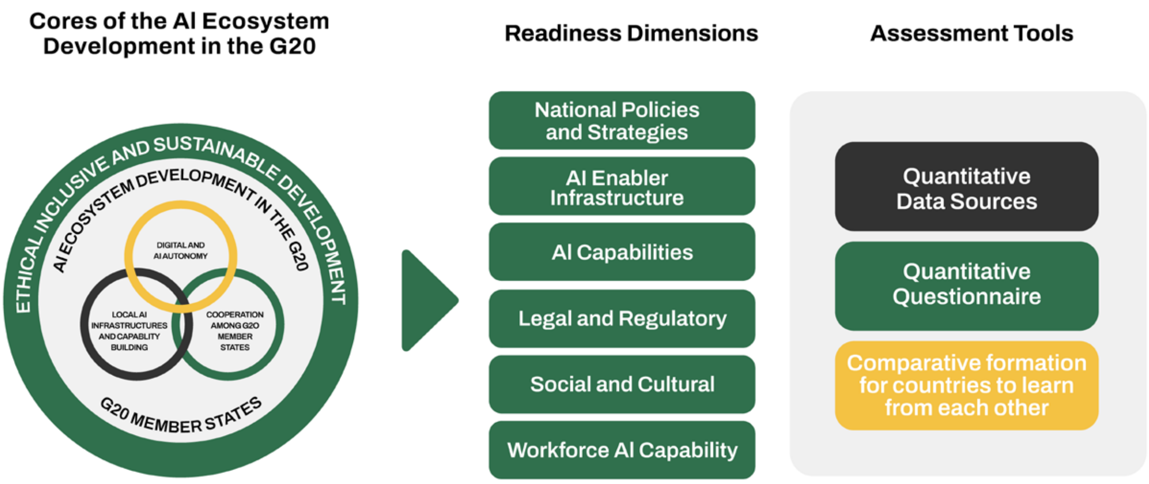
Source: Xalam Research

- **Strategic deployment of digital infrastructure should begin with high-impact corridors**, such as ports and border zones, where transaction volumes and cross-border relevance offer ideal conditions for testing and scaling DPI and AI-enabled services. This corridor-first approach ensures visibility, usability, and regional integration.
- **It is important to advance trusted, interoperable digital systems** that promote inclusion, sovereignty, and regional integration in Africa, while offering Europe access to growth markets governed by familiar standards. This shared digital architecture fosters mutual trust and balanced cooperation.
- **The future of Africa–Europe digital collaboration depends on embedding standards-based, mission-grade infrastructure** that supports cross-border services, strengthens resilience, and enables data-driven governance, laying the groundwork for a digitally integrated and globally competitive partnership.

Scaling-up AI Readiness and Space-Enabled Services

- AI Readiness Accelerator and Space-Enabled Services can strengthen digital and technological sovereignty by accelerating artificial intelligence readiness continentally and leveraging space-enabled services for sustainable development. AI Readiness Accelerators focus on building policy capacity, infrastructure, and ethical frameworks, while space-enabled services support climate monitoring, agriculture, and connectivity through satellite technologies.
- Scaling the Joint AI Readiness Accelerator into a continent-wide initiative that provides African innovators with pooled compute credits, shared cloud infrastructure, and model-sharing environments will be critical. This will unlock ethical, standards-aligned AI development in agriculture, health, and education, while aligning with global frameworks such as the EU AI Act.

AI Toolkit Readiness Dimensions and Assessment Tools



Source: G20 Information Centre Toolkit for Artificial Intelligence Readiness and Capacity Assessment

- At the core, regulatory alignment tools and conformity pathways within AI innovation ecosystems will ensure interoperability across borders. Leveraging platforms like the AI Hub for Sustainable Development will future-proof African ventures by connecting them to mentorship, compute access, and global partnerships. This could be a deal-breaker case for the creative economy sector, as will be expanded later, where transparent training data, creator rights, and fair remuneration are key.
- The future of resilient service delivery depends on advancing the EO-Connectivity Flagship, integrating Earth Observation data and satellite connectivity into national and regional systems. Priority should be given to deploying early warning systems, agri-advisory platforms, and maritime safety tools along strategic digital and transport corridors.
- To ensure high-impact implementation, it is essential to build on existing space programs such as Copernicus, SEWA, and GMES & Africa. These platforms can deliver mission-grade services that strengthen regional resilience, support cross-border collaboration, and enable data-driven governance across the continent.

CHAPTER 07: CULTURE AND CREATIVE INDUSTRIES

CULTURE IN AFRICA-EUROPE PARTNERSHIP

Culture has long served as a bridge between Africa and Europe, shaping identities, beliefs and creativity through ancient trade routes that connected kingdoms such as Benin, Kongo, and Ethiopia with Europe, Asia, and the Middle East. From cuisine and music to language and art, these exchanges created legacies that remain visible in everyday life, and recognising this shared heritage is essential for understanding the significant role culture plays in Africa-Europe relations today.

Yet despite this shared heritage and growing collaboration, culture remains largely invisible in the formal Africa-Europe political dialogue: institutional frameworks on both continents often relegate culture to one-off initiatives (as seen in the African Union's Year of Justice for Africans and People of African Descent through Reparations) while convergence of interests in cultural dialogue between Africa and Europe formally dates back to the 6th AU-EU Summit (later renovated during the 3rd AU-EU Ministerial in May 2025), where the EU and AU have since expressed intentions to strengthen academic and youth exchanges, including through Erasmus+, and to expand collaboration in arts and culture, yet these commitments remain on the margins of broader cooperation.

With new political and financial cycles taking shape, now more than ever is the time to bring culture to the top of the Africa-Europe agenda. Only by doing so can culture truly "pay the rent," as the EU Commissioner for Intergenerational Fairness, Youth, Culture and Sport recently put it, turning cultural cooperation into a driver of jobs, innovation and mutual growth.

Established Cultural Policy Ecosystem

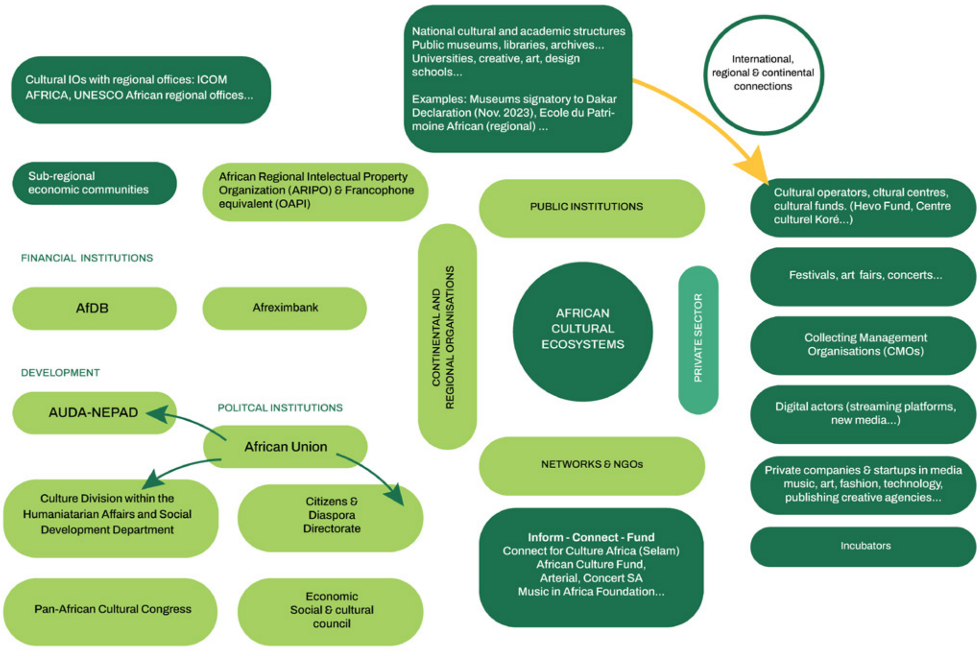
- Today, cultural collaboration between Sub-Saharan Africa and the European Union remains broad and dynamic, encompassing heritage, the arts and the creative industries. Though partnerships between and within the African Union and the European Union are still limited, those that exist, if properly supported and scaled, can demonstrate the economic potential of culture, including generating jobs, strengthening communities and projecting soft power across both continents.[1]

The Existing Policy Architecture:

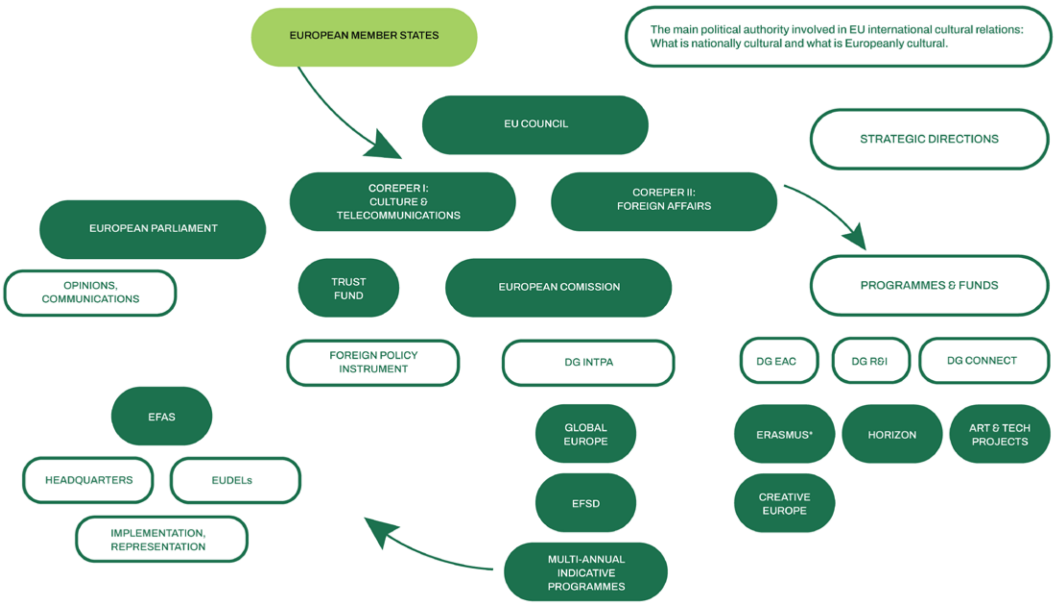
- **African Union Foundations:**
  - The **AU Charter for Cultural Renaissance** provides the philosophical and political basis for cultural development.
  - **Agenda 2063, Aspiration 5** explicitly envisions «An Africa with a strong cultural identity, common heritage, shared values and ethics.» Its flagship projects provide concrete, if aspirational, targets.
  - The AU's call for Member States to allocate 1% of national budgets to culture by 2030 is a critical, though under-met, benchmark for financial commitment.[2]
- **European Union Frameworks:**
  - The **EU Strategy for International Cultural Relations** (2016) mandates the mainstreaming of culture into all aspects of the EU's external action.
  - The operational networks of **EU Delegations** and **EUNIC** clusters on the ground provide the necessary apparatus for implementation and local partnership.

A robust policy architecture for AU-EU cultural cooperation exists in both continents but remains under-activated, thus, the imperative now is to translate high-level frameworks into actionable, resourced strategies with clear leadership from both continental bodies.

African cultural ecosystems and institutions



European cultural ecosystems and institutions

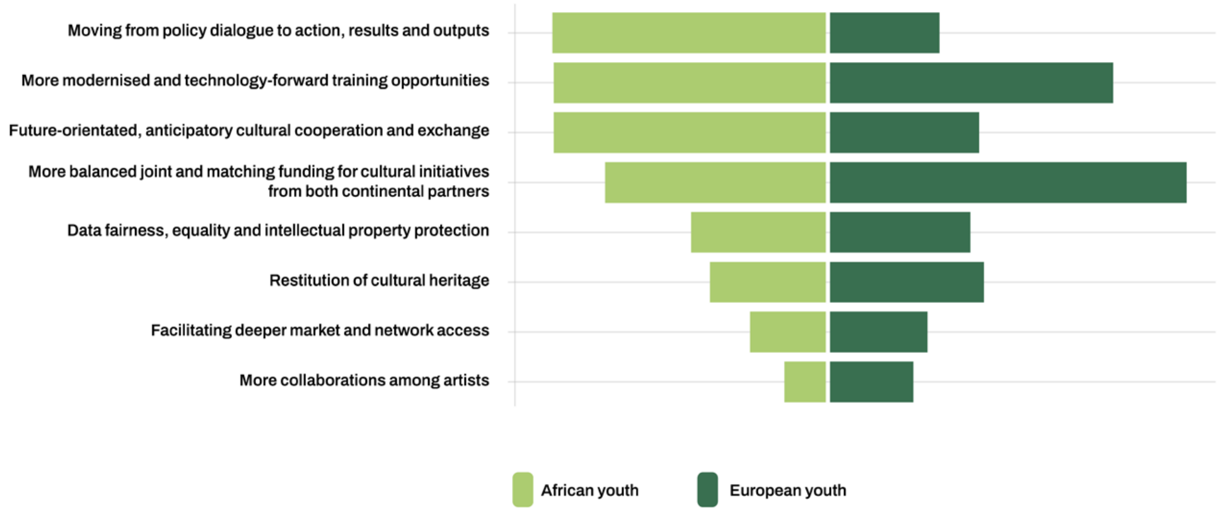


Source: culture Solutions 2025

Policy vs. Practice: Unlocking the Potential of Cultural Cooperation

To this day, persistent fragmentation continues to limit impact despite progress in Africa-Europe cultural cooperation. Funding for joint projects is often shaped by short-term cycles that prevent sustainable ecosystem building, a project-based approach rather than core support for organizations, and complex procedures that marginalize grassroots innovators. The 2024 AEF Youth Survey found that 29% of African youth see lack of funding as the biggest barrier to cultural engagement, a challenge reinforced by practitioners who warn that rigid, donor-driven models often stifle creativity and undermine long-term cultural development.

Priorities for Africa-Europe Cultural Relations



Source: AEF Youth Survey (2024)

Closing this gap requires action on both sides:

- **Strengthening AU Leadership:** The AU Commission's Culture Division requires enhanced capacity and political backing to coordinate a continental strategy. Acting as a hub for champion states that commit to the 1% culture budget target could help building momentum and peer accountability.
- **Elevating Culture in EU External Action:** On the European side, culture can be embedded as a strategic objective beyond its current status as a cross-cutting theme.
- **Structured Dialogue and Coordination:** Beyond embedding culture in existing frameworks - and to note the AU-EU Ministerial Meeting's recent reference to culture - a permanent AU-EU cultural dialogue forum involving ECOSOCC and the EEAS could ensure consultation, monitor progress, and align priorities into a coherent continental strategy.[3]

Ecosystem Proof Points: Festivals, Hubs and People-to-People Trust

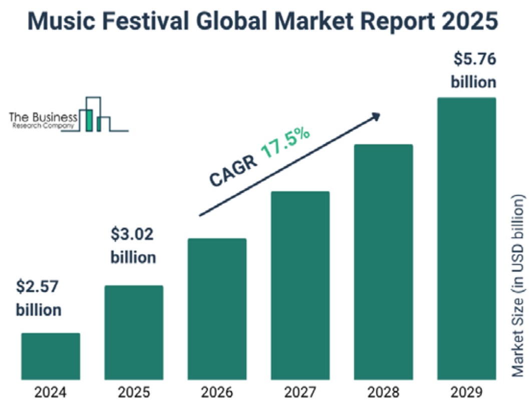
Culture connects people. Through art, storytelling and innovation, it shapes how societies see one another and creates opportunities for young people to build meaningful futures, an urgent priority when nearly three in four young adults (aged 25-29) face insecure employment. Rising nationalism and shifting economic priorities on the one side and calls to decolonise cultural cooperation on the other put Africa and Europe at a crossroads: drift apart, or forge deeper, more equal ties.

Alongside AU-EU policies, there is a tangible ecosystem of festivals, hubs and networks, which connects creators who shape perceptions, foster innovation and facilitate trade. These spaces, which operate in real time, offer young people pathways to earn, learn and participate in the cultural economy while providing proof of concept for what formal frameworks aim to achieve: vibrant, cross-continental collaboration that generates trust, builds skills and creates economic value.

The Living Ecosystem in Action:

- **Festivals and Markets as Trade Infrastructure:** Events like FESPACO (film), Dakar Biennale (art), and Silverbird Cinemas (distribution) are not just cultural showcases; they are critical marketplaces. They build pipelines from talent to distribution and are spaces where European buyers, producers, and African creators naturally converge, doing business and forging partnerships.
- **Creative Hubs as Innovation Engines:** Hubs across Africa (e.g., Bog'Art in Dakar, The GoDown in Nairobi) provide the physical and social infrastructure for creativity to thrive - offering workspace, mentorship, and networking. They are the bedrock of the informal creative economy and a primary interface for international cooperation.
- **People-to-People Trust through Difficult Dialogues:** Cooperation on complex, historically charged issues like the restitution of artifacts is building a new foundation of mutual respect.
    - The Dakar Declaration, signed by 60 African and European museums, marks a pivotal shift towards genuine partnership in the museum sector.[4]
    - Work on restitution and provenance research is confronting colonial legacies, creating new collaborations based on transparency and shared authority, as seen in the Swiss-Ugandan partnership.
- **Convergence with Innovation Ecosystems:**
    - The **ENRICH in Africa** platform, which aims to strengthen EU-Africa tech ecosystems, reported that in 2023, CCIs were the third most represented sector (8% of companies), after agri-tech and tech agencies. This demonstrates that the creative sector is inherently innovative and a natural component of broader knowledge economy strategies.

Implication for Scaling: These proof points are not isolated successes but a replicable template. Strategic investment should focus on strengthening these existing nodes of the ecosystem - scaling successful festivals, providing core funding to hubs, and institutionalizing the people-to-people dialogues that have proven their value.



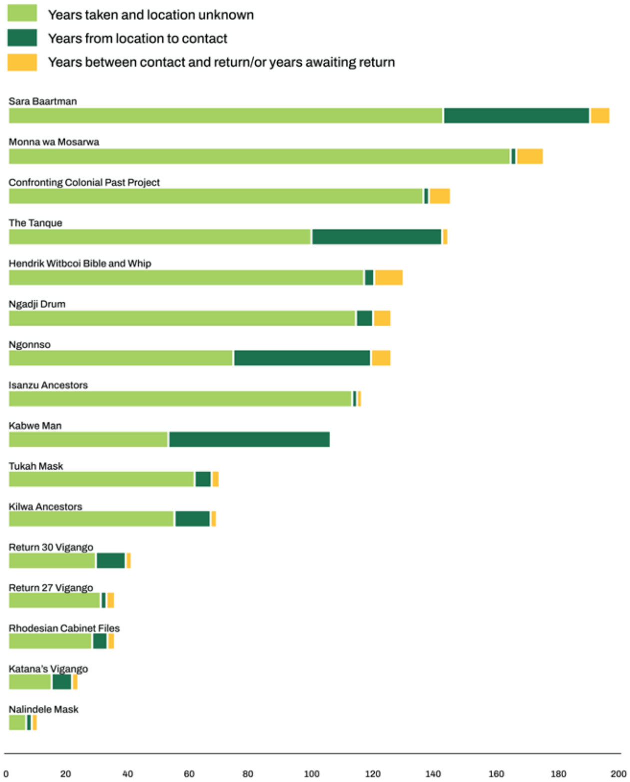
Source: The Business Research Company (2025)

InFocus: Cultural Diplomacy - Restitution of Artefacts

The restitution of artefacts is not only a cultural issue but also one of justice and reconciliation. For many African countries, the return of cultural treasures looted during the colonial period represents a reclaiming of their heritage and identity. This process, while symbolically important, reflects the growing maturity of the Africa-Europe relationship, establishing the basis for a truly equal and mutually beneficial partnership, built on respect and mutual recognition.

As calls for the restitution of these heritages amplify to consolidate Africa's cultural renaissance and reflect on new relations shaped by the shared past, the European museum landscape is increasingly engaging in a critical and constructive reimagining of museum practices. The African Union, through Aspiration 5 of its 2063 strategic framework for the socio-economic transformation of Africa, is committed to supporting member states to reclaim their cultural heritages. Experts estimate that 80-90% of African Heritage is found in European museums and storage facilities. For other restitution cases, locating is difficult because belongings and ancestors change hands. The initial phase of restitution can take more than 100 years.

Total years of restitution processes across three main phases – either up until return or to date.



Some museums and institutions are opening to different ways of collaborating with 'source' communities for restitutions to happen. REGARTLESS, formerly known as Sysy House of Fame, has been on the ground since 2021, working to advance restitution by building partnerships and community-led advocacies in Europe and Africa. There is a **growing acceptance that the restitution of African heritage is crucial in promoting global peace and prosperity**. REGARTLESS recommends a more proactive and inclusive approach to restitution where states, holding institutions, and communities work together to ensure restitutions in a timely manner.

Beyond physical returns, the process of restitution should serve as a platform to reshape African European relations where mutual respect is accorded, the circumstances of acquisition acknowledged, and proper reparations attributed. Restitution encourages European museums to rethink narratives, develop inclusive exhibitions and engage diverse audiences - including diasporas – **helping them to stay relevant and competitive in an increasingly digital cultural landscape**. It enables museums to redefine their role: not merely as custodians of historical artifacts, but as active spaces for dialogue, education and reconciliation.

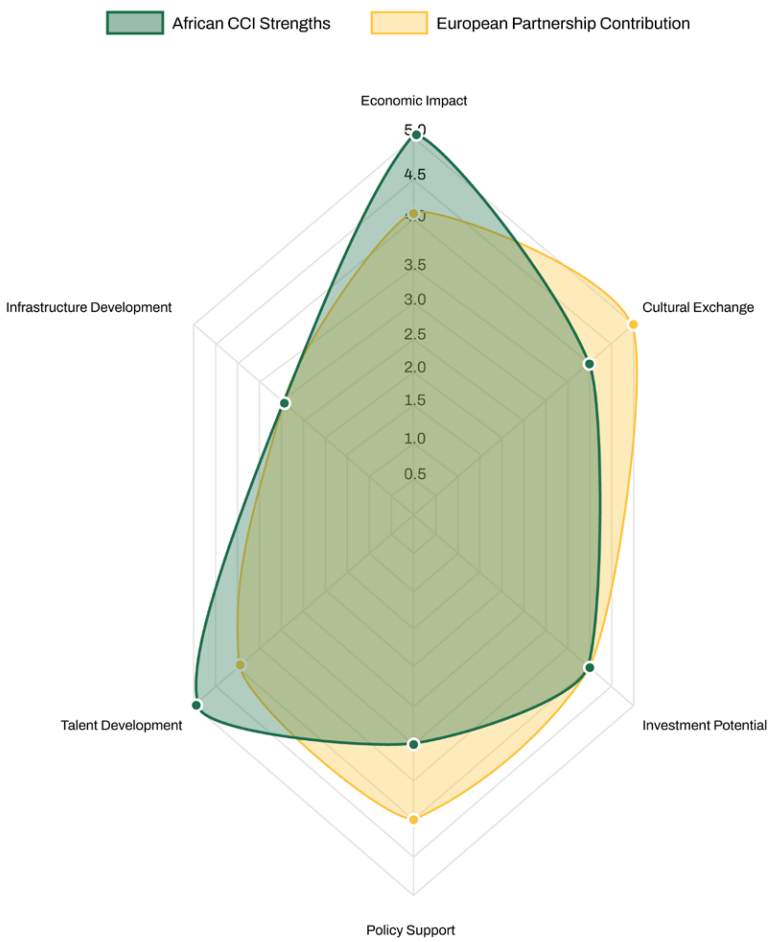
THE ECONOMIC POTENTIAL OF CULTURE: THE CASE OF CREATIVE INDUSTRIES

Counting the Gains: Africa-Europe Creative Industries in Numbers

While culture has long bridged Africa and Europe, today its ‘economic dimension’ is increasingly visible: Africa’s vibrant culture-based creative economy - spanning music, film, fashion, design, gaming and digital media - naturally complements Europe’s established cultural markets.

Evidence shows that the sector already employs tens of millions globally, with youth participation disproportionately high, highlighting its potential as a driver of inclusive growth.

In the European Union, the cultural and creative industries employ about 8.7 million people, representing 3.8 % of total employment. Furthermore, the creative and cultural industries contribute to ~4.4 % of GDP and a market size of around €643 billion.[5]



Radar Chart showcasing the perceived strengths of African CCIs and the European partnership contributions across key areas (scale 1-5)
Source: AEF 2025

Whereas Africa’s creative economy is increasingly attracting attention with its valuation estimated at nearly US$ 59 billion, still under 3 % of the global creative industry, but growing.

In addition, the “creator economy” segment in Africa (digital content, influencers, etc.) is projected to grow from US$ 3.08 billion in 2023 to US$ 17.84 billion by 2030 (CAGR ~28.5 %).

A Global Powerhouse on Hold: The Case for Strategic Investments in the Creative Economy

Investing in culture and the creative industries is therefore a practical and strategic choice to creates sustainable jobs, develops skills, strengthens trust, and reinforces the foundations of a forward-looking Africa–Europe partnership.

The Creative and Cultural Industries (CCIs) represent a multi-trillion-dollar global sector and a primary engine for youth employment. Africa's burgeoning creative population and Europe's established markets form a complementary economic axis with unprecedented potential for co-investment and shared growth.

The Global Scale and Significance:

- The creative economy is valued at approximately US$2.25 trillion, accounting for 3.1% of global GDP. It is a significant employer, supporting 50 million jobs worldwide, with a substantial portion held by women and youth.
- This is not a peripheral sector but a core component of modern, knowledge-based economies, intertwining technology, culture, and commerce.

Africa's Specific, Quantifiable Potential:

- UNESCO projects that Africa's film and audiovisual sectors alone could generate 20 million new jobs and US$20 billion in annual revenue. This projection is grounded in rising mobile penetration, a growing middle class, and massive global demand for African cultural content.
- Case in Point: South Africa's CCIs already contribute 4.3% to national GDP (SACO, 2024) and support over 1 million jobs, providing a concrete, replicable model of the sector's economic weight.

The Strategic Imperative for the AU-EU Partnership:

- For Europe, this represents access to the world's next major growth market for content, a source of innovative talent, and a pathway to demographic renewal through cultural and economic exchange.
- For Africa, it is a ready-made vehicle for sustainable development, leveraging its greatest asset - its youth - to drive job creation, economic diversification, and soft power.
- The demand is proven and surging. The joint opportunity lies in systematically building the infrastructure, financing, and market access to fully supply this demand, transforming latent potential into tangible, shared prosperity.

Finance That Fits CCIs: The Rise of Blended Finance and African DFIs

connects people. Through art, storytelling and innovation, it shapes how societies see one another and More and more actors are emerging across the financing landscape for CCIs, moving the needle from a traditional grant-based aid towards sophisticated blended finance models. African public financial institutions are now central actors, creating the conditions for a true investment partnership with Europe.

The Shift in Financing Models:

- **From Aid to Investment:** Taking stock of the fact that traditional development aid is insufficient to scale the creative sector, the new financing paradigm focuses now on blended finance, which uses public or philanthropic funds to de-risk investments and attract private capital, creating sustainable financial ecosystems.

Key Players and Instruments:

- **EU Innovation:** Launched in 2019, **CreatiFi** is a landmark EU programme. Instead of giving grants, it uses financial instruments to guarantee loans from local banks to creative professionals, making them more bankable and fostering a culture of investment.
- **African DFIs Step Up:**
  - **Afreximbank:** Has emerged as a powerhouse, launching a $500 million Creative Industry Support Fund in 2020 and later increasing its total commitment to $1 billion. It has a pipeline of over $600 million in deals across film, music, fashion, and sports.[6,7]
  - **African Development Bank (AfDB):** Has cemented its role through policy, funding, and sectoral analysis. Its Ten-Year Strategy (2024-2033) highlights creative industries, and it plans to establish Youth Entrepreneurship Investment Banks (YEIBs) to finance startups in sectors like the creative economy.[8]

The Strategic Imperative:

- These developments signal a fundamental shift. African institutions are no longer just beneficiaries but are becoming co-investors and agenda-setters. This demands a new relationship with European partners, based on **co-designing financial vehicles and jointly managing investment portfolios**.
- The future lies in creating a joint **AU-EU Creative Investment Compact** that leverages the strengths of both sides - European technical expertise in financial instruments and African DFIs' market knowledge and risk appetite - to fund the sector's infrastructure and enterprises at scale.

Continental Strategies to Scale-up African and European Cultural and Creative Industries (CCIs)

Structural challenges continue to restrict the potential of CCIs in Africa and Europe to support inclusive economic growth, job creation, and social cohesion. On both continents, the sector depends heavily on public funding, while employment is often precarious and concentrated in urban hubs, leaving rural communities, women, youth, and persons with disabilities underrepresented. The digital transition brings new hurdles of access and reliance on global platforms, which capture most of the economic value. While in many African and European countries still confine CCIs to cultural policy frameworks, South Africa, Austria, Germany, and France, have embedded CCIs into broader economic and innovation strategies.

South Africa in particular has the continent's most comprehensive and well-documented policy and institutional frameworks for skills development in the CCIs, supported by specialised institutions, funding mechanisms, and research capacity that embed skills development at the core of the sector's growth - across both formal and informal learning contexts, and within the public and private sectors. CCIs contribute to 4.3% of GDP and support over 1 million jobs in South Africa. Furthermore, the country invests significantly more in this sector than most African nations, with national and local governments allocating around €217 million annually allowing South Africa to collaborate with international partners on a more equal footing.

Without bold investment in future-ready skills and inclusive access, precarity will rise. In the same vein, a SACO's (South African Cultural Observatory) foresight study, backed by the AEF's Africa-Europe Research Facility, shows that greater domestic investment can unlock a stronger, more sustainable financing model for the sector. When paired with public-private collaboration and adaptive learning, this approach can build resilience, turning talent into lasting opportunity.

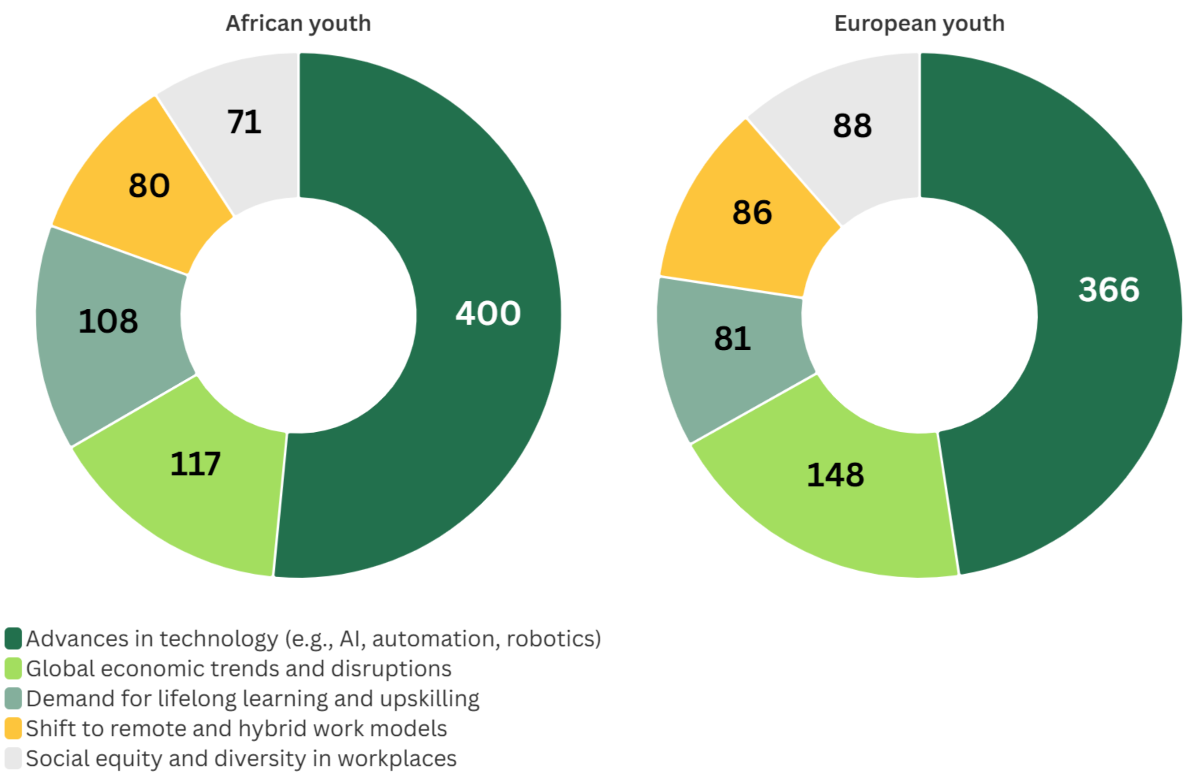
South Africa is setting a bold example for Africa's cultural and creative industries, but it is just one of many countries with vast untapped potential. Across the continent, innovation in the creative sector takes many forms: mobile-first digital creativity in East Africa, Nigeria's booming film industry, and alternative financing models in West Africa. These examples demonstrate that talent and innovation are abundant, but also highlight the need for regional and continental approaches that support diverse development pathways. A strong alignment of financing mechanisms, policy, and partnerships is a key to turning the countries' experiences into a cross-continental phenomenon. These lessons not only offer valuable lessons for Africa's future but can also unlock transformative potential for Europe: from strengthening rights-based frameworks that support independent creators to reimagining cooperation models through decentralised, co-governed platforms, like the Commons Laboratory.

By working through decentralised collaborative frameworks, Africa and Europe can build a cultural and creative industries ecosystem which is more inclusive, resilient, and globally connected, while staying rooted in local talent and needs.

New Opportunities of the Digital Era

Digitalization is fundamentally restructuring how cultural content is created, distributed, and monetized by offering creators in Africa and Europe new opportunities for visibility and collaboration.

The most significant factor shaping the future of work



Source: AEF Youth Survey (2024)

Out of the seven critical skills identified by African youth when asked which future skills are most critical for youth entering the job market by 2030 and beyond - digital skills are the most relevant skills to acquire. (Data source: AEF Skills Survey 2024)

The Transformation of Creative Value Chains:

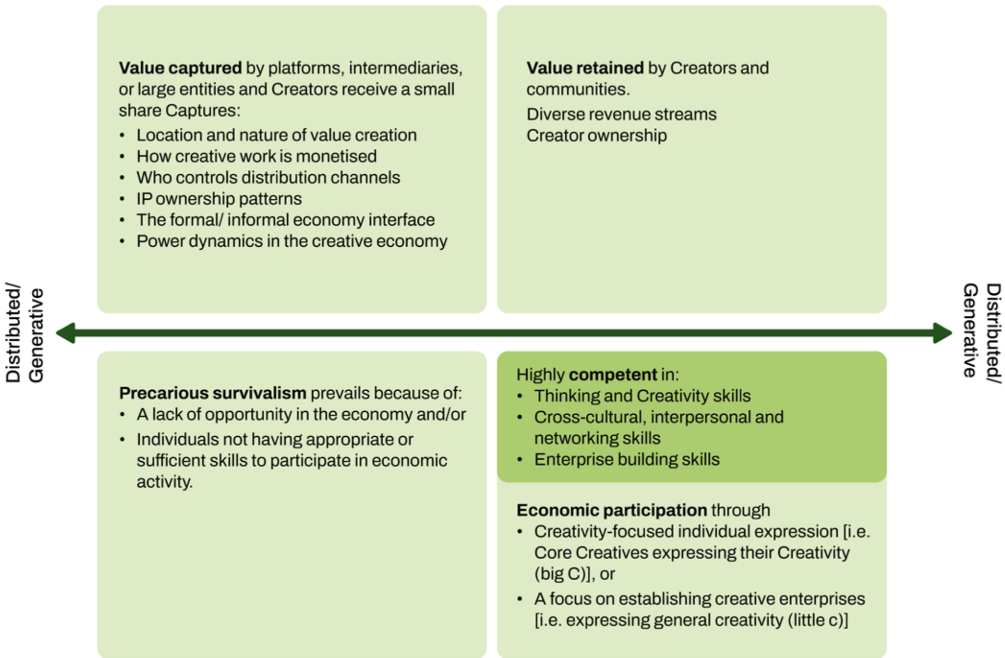
- The Rise of Streaming: Digital streaming now dominates media, accounting for 67.3% of total global music revenues as of 2023. While this model has democratized access and amplified the reach of artists worldwide, its increased use within evolving digital ecosystems highlights the need to ensure fair opportunities.[9]
- The Concentration of Power: According to the Creative Economy Outlook, in 2021, just three companies controlled 59% of the global music streaming subscription market. A similar dynamic is unfolding in film, TV, and publishing.

Emerging Vulnerabilities, Shared Responses

Concentrating power in a handful of global media platforms can widen existing inequalities. This calls for a unified regulatory and strategic response, with particular attention to the following risks:

- **Threat to Diversity:** Platform algorithms optimized for global mass appeal can homogenize content and undermining cultural diversity.
- **Erosion of Fair Remuneration:** Artists often receive minuscule royalties from streams, struggling to earn a sustainable income despite high consumption volumes.
- **The «Content Supplier» Risk:** There is a tangible danger that both African and European creators could be reduced to mere suppliers of raw content for global tech giants, losing control over their intellectual property, data and economic destiny.

Value creation and innovation in the creative economy



Source: AEF based on SACO (2025)

A rapid rise of Generative AI introduces further complexity, raising critical questions about the use of copyrighted works for AI training and the future of artistic professions.

The Four Interlocking Challenges:

Africa and Europe face common challenges with unpredictable implications, as exemplified by the digital sphere. AEF-funded research implemented by the South African Cultural Observatory identified four interlocking challenges that may affect the cultural and creative industries in the long-term:

1. Platform Power and Market Concentration:

- **The Challenge:** A handful of global tech platforms control distribution and data, dictating terms and capturing most of the economic value, which undermines the viability of diverse creative ecosystems in both Europe and Africa.
- **The Shared Interest:** Ensuring fair competition, transparent algorithms, and revenue models that reward creators fairly.

2. Artificial Intelligence and Intellectual Property:

   - **The Challenge:** The rapid development of Generative AI poses existential questions about copyright, the use of creative works for training data without consent or compensation, and the future of human-led artistic creation.
   - **The Shared Interest:** Developing ethical AI frameworks that protect IP, ensure attribution, and foster innovation that complements rather than replaces human creativity.

3. Restrictive Mobility and Visa Regimes:

   - **The Challenge:** Onerous visa requirements, high costs, and bureaucratic hurdles severely restrict the mobility of artists, cultural professionals, and touring groups, stifling co-creation, market access, and people-to-people exchanges.
   - **The Shared Interest:** Facilitating the free movement of creative talent to enable collaboration, touring, and the vibrant cultural exchange that underpins mutual understanding.

4. Skills Gaps and Precarious Employment:

   - **The Challenge:** While cultural cooperation programs often provide transformative experiences, they frequently fail to equip participants with the sustainable career tools needed in a digital economy, such as **digital literacy, entrepreneurship, and IP management**. This leads to cycles of «aspiration without opportunity.»
   - **The Shared Interest:** Co-designing education and skills programmes that are future-fit, bridging the gap between creative talent and economic resilience.

Forging a Shared Agenda

Yet this shared vulnerability can become a tipping point - an opportunity for both continents to demonstrate how joint leadership translates into tangible results. By reframing shared threats as a platform for co-investment, co-creation, and co-regulation, Africa and Europe can lay the foundations for a new and more equitable partnership. Moving forward, both continents should:

1. **Joint Regulatory Frameworks:** Collaborate on «Digital Market Acts» and «AI Acts» that have extraterritorial fairness built-in.
2. **Support for Alternative Platforms:** Co-investing in African-led and European independent digital distribution platforms to foster a more diverse and competitive ecosystem.
3. **Advocacy for Fair Remuneration:** Establishing shared standards for transparent revenue sharing and creator rights across digital markets.

By acting together on this shared agenda, Africa and Europe can build a more resilient, fair, and dynamic transcontinental creative space

Delivering Impact through the Africa-Europe Cultural Ecosystem

Africa-Europe cultural cooperation has deepened through years of joint projects, creative exchanges and shared reflections on history and identity. Yet sustaining this progress requires more than one-off initiatives: it calls for continuity and effective tracking so that past successes can inspire future progress.

A recent research initiative of AEF tracking progress on culture and the creative economy - led by culture Solutions and the South African Cultural Observatory (Nelson Mandela University) - underscored the need for a clear pathway to ensure that culture is and will remain a tipping point in Africa-Europe cooperation. Insights from the research show that when culture is recognised and valued as a strategic connector, partnerships on peace, democracy and the environment gain depth, visibility and stronger local anchorage. As highlighted by many of the interviews, in a time of shifting alliances and geopolitical and economic changes, recognising culture as strategic means recognising its power to build trust and shared understanding: the very conditions that allow all kinds of partnerships to take root.

Key directions and recommendations for action emerging from the research include:

For Funders, Agencies and Embassies:

- Shift from short-term projects to long-term platform building while allowing experimentation
- Integrate skills development across all cultural initiatives
- Develop evaluation frameworks capturing systemic change over extended periods

For Implementing Partners:

- Bridge formal and informal creative economies and African-European networks
- Build consortium approaches connecting skills development to market access and peer networks
- Center African and youth voices in co-creative processes

For Policymakers:

- Integrate creative skills into mainstream education and employment strategies
- Develop coordinated frameworks for platform regulation protecting creators
- Prioritize digital infrastructure as creative infrastructure (African contexts)
- Design funding instruments supporting ecosystems, not just projects (European contexts)

For Creative Practitioners:

- Build collective power through cooperatives and peer networks
- Develop hybrid capabilities mastering digital literacy while maintaining cultural authenticity
- Engage as system architects in policy formation and institutional change
- Create alternative infrastructures retaining value within creative communities

InFocus: Creating a Fair Market: Translating Pledges into Practice

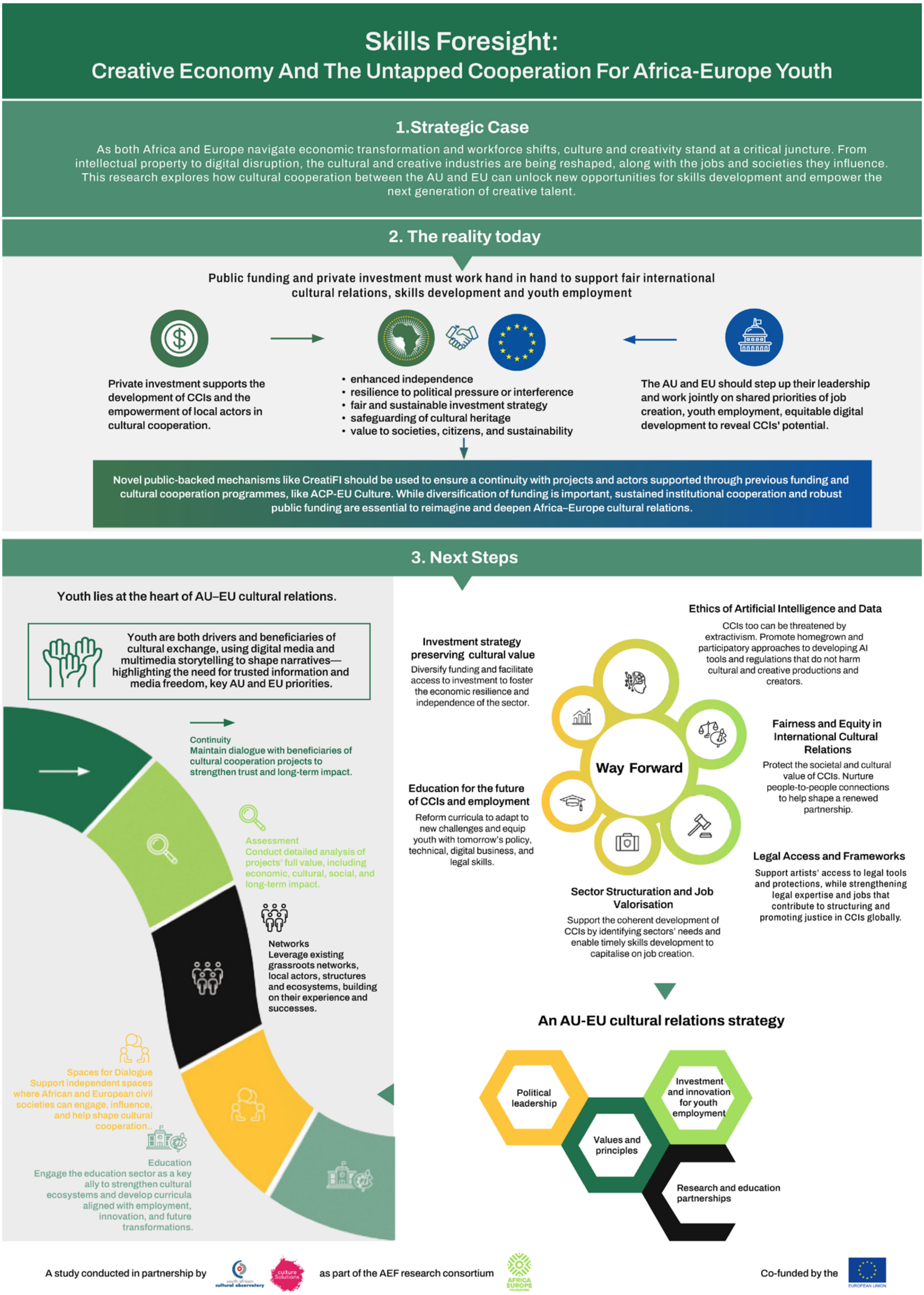
From September 29 to October 1, MONDIACULT 2025, the World Conference on Cultural Policies and Sustainable Development, reinforced the importance of culture as a pillar of just, peaceful, and inclusive societies. Building on the MONDIACULT 2022 Declaration, participants emphasized that culture should be fully recognised within the Sustainable Development Goals and that progress requires systematic tracking, evidence and visibility of its impact.

Seizing this momentum, the Africa-Europe Foundation, in partnership with UNESCO, convened experts and practitioners across the cultural and creative sectors to explore concrete ways to strengthen Africa–Europe collaboration. Out of this dialogue emerged the recognition that a thriving transcontinental creative economy requires a seamless, ethical, and reciprocal operational environment. To address this, a joint AU-EU Fair Creative Market Agreement was developed, aimed at removing barriers, aligning rules, and enabling creators and cultural professionals to collaborate and trade more effectively.

- The suggested agreement focuses on three strategic pillars:
- Reciprocal Market Access – Facilitate collaboration through co-production agreements and mutual recognition of professional qualifications.
- Creators' Code – Establish shared standards for intellectual property, ethical AI, and fair digital remuneration for creators.
- Streamlined Mobility – Pilot a multi-entry "Cultural Schengen" visa for artists and simplify customs for creative equipment.

MONDIACULT, now held every four years, and the AU-EU Summit have the convening power to keep leaders focused on culture and its financing. Without follow-through, however, commitments risk remaining symbolic. The proposed agreement, offered by AEF as a starting point rather than an endorsement, identifies key topics for action and provides a practical pathway, in the hope that it will be taken into account in upcoming discussions and used to guide concrete steps forward.

Creative Economy and the Untapped Potential for Africa-Europe Youth Cooperation.

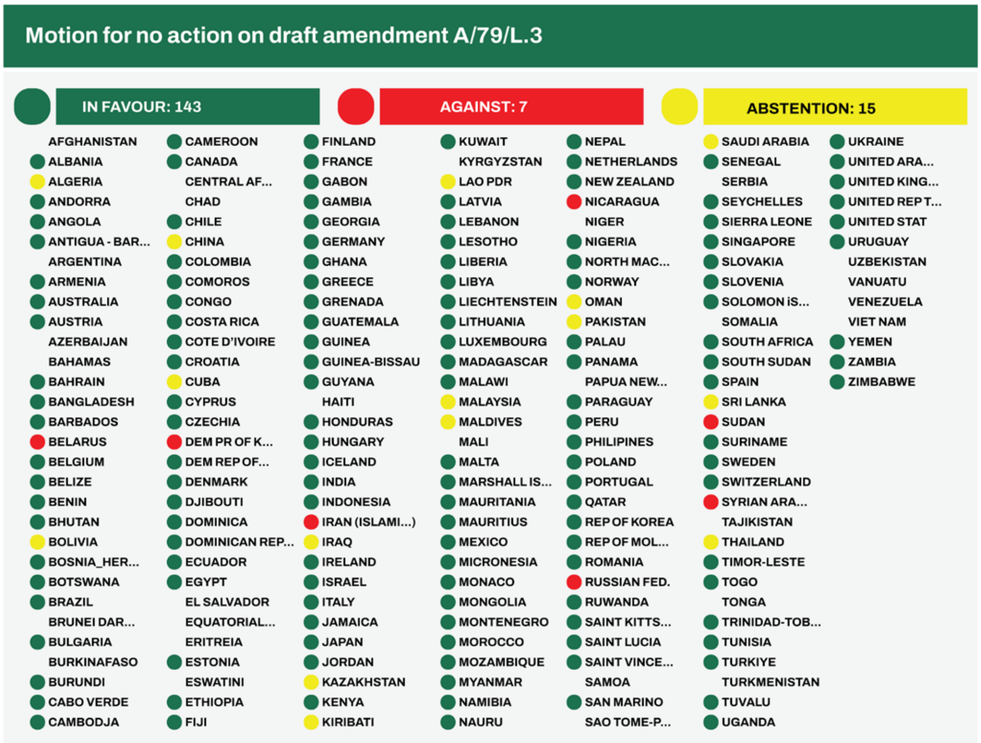


CHAPTER 08: MULTILATERALISM 2.0

RENEWED ENERGY FOR MULTILATERALISM

Pact for the Future & AU-EU Leadership: A Momentum Rising

- **'Today, we pledge a new beginning in multilateralism'** reads the first page of the UN Pact for the Future. The Pact and its annexes – the Global Digital Compact and Declaration on Future Generations – adopted at the 2024 Summit of the Future, aimed to jumpstart a new era of multilateralism, one that is fair and efficient enough to meet the Sustainable Development Goals.
- **Africa and Europe delivered its adoption**. Over a period of nine months, negotiations were co-facilitated by Namibia and Germany (Pact), Zambia and Sweden (Digital), and Jamaica and the Netherlands (Future Generations). When a last minute Amendment was tabled and it became unclear if the Pact would pass, a representative of the Republic of Congo, speaking on behalf of the U.N.'s 54-member African Group, introduced a motion of 'no action', reiterating that increased global solidarity is needed to confront complex global challenges; and together the majority of African and European countries voted to adopt the Pact. Its implementation will be up for review at UNGA83 in 2028.[1]



Source: UN General Assembly adopts Pact for the Future, AKIPRESS.COM, 23rd September 2024

- **Negotiations mimicked the air of geopolitical uncertainty**. Though negotiations for the Pact went down to the wire, and advocates argued that by its fifth and final iteration wording was watered down – for example on the link between climate change and human peace and security, a trend we would see in other multilateral negotiations in 2025, including el Compromiso de Sevilla at the 4th Financing for Development Conference – UN Member States still came together to commit to strengthening the international system. H.E. Nangolo Mbumba, President of Namibia at the time, reinforced the overall mood:

  "Multilateralism is not just a choice, it is a necessity...No single nation, no matter how powerful, can solve the complex cross-border issues that confront us. From pandemics to cybersecurity, from migration to the digital economy." [2]

- **56 actions to rebuild trust and meet shared development goals.** They Pact laid out 56 actions Heads of State and Government resolved to undertake, including in an effort to ensure the UN and other multilateral institutions are set up to deliver a better future and meet existing commitments. A particular focus was given to elevating the voice of underrepresented countries, with the long-term viability of multilateral fora and international systems hinging on countries feeling legitimately represented. From the reform of the UN Security Council to the international financial architecture, the Pact's recommended actions recognised that should global governance not move towards more inclusivity – democratising its agenda-setting – trends toward fragmentation will continue and pick up speed.[3]

- **Action 4. We will close the SDG financing gap in developing countries.** Finance was central to the Pact, underpinning all of its commitments, with the recognition that current funding gaps further erode trust in international cooperation. The following include priority areas of action outlined by countries, prevalent in ongoing Africa-Europe cooperation, which have since been further reinforced by South Africa's G20 Presidency and el Compromiso de Sevilla:

  - **Strengthen domestic resource mobilisation:** Create a more enabling environment at global, regional and national levels to increase the mobilisation of domestic resources and enhance the capacities, institutions and systems needed to achieve this goal, including through international partnerships, such as between Africa and Europe.
  - **Combat illicit financial flows:** Strengthen ongoing efforts to prevent and combat illicit financial flows, corruption, money-laundering and tax evasion, and recover and return assets derived from illicit activities.
  - **Further international tax cooperation**: Promote inclusive and effective international tax cooperation given its role in supporting domestic resource mobilisation, and continue to engage constructively in the UN framework convention on international tax cooperation.
  - **Catalyse private sector investment:** Promote inclusive and innovative finance mechanisms and partnerships, use public finance as a catalyst, and create a more enabling domestic and international regulatory and investment environment.
  - **Accelerate the reform of the International Financial Architecture**: Enhance the representation and voice of developing countries in global economic decision-making, norm-setting and global economic governance, including at the International Monetary Fund and the World Bank, including through further quota realignment at the IMF.

Africa's Growing Position in the World

- **Africa's growing representation on the global stage presents opportunities to push common Africa-Europe agendas.** Further showcasing and strengthening an Africa-Europe partnership as a middle-ground within the global multilateral system is a key opportunity not to be missed. Close Africa-Europe alignment on upcoming reform processes remains critical, from new proposals on the IMF quota system to discussions on UN Security Council membership and veto power. Efforts can be stepped up on finding common ground to concretely advance multilateral agendas which have stalled in 2024-25, including the Plastics Treaty.
- **Leveraging the G20 and its legacy**. Important progress has been made over the last year with the implementation of a permanent African Union seat at the G20, coinciding with South Africa's Presidency and the first time the G20 Summit will take place on the African continent. With this more inclusive foundation, we must now better leverage AU and EU G20 memberships. For example, by creating a Joint AU- EU G20 Task Force to put forth co-created proposals or technical papers building on the Africa-Europe Partnership's priorities, including alignment with AU-EU Summit Documents and Investment Vehicles. Likewise, the decision for the AU to adopt a Troika model, similar to EU and G20 Presidencies, would ensure continuity across outgoing, incoming and current leadership.
- **Bretton Woods Institutions.** The EU has stood as a dedicated advocate for strengthening Africa's representation and integration within the international financial architecture. Encouraging steps have been taken, with the IMF successfully expanding its Executive Board to include three Directors representing Sub-Saharan Africa. However, African voting shares in both the IMF and World Bank remain low in comparison to their stake in membership, programmes and loans, not to mention their proportion of the global population. Increased representation in institutions will both ensure more fair and effective decision-making, as well as more accountability and impact in implementation.
- **Africa's continued push for UN Security Council reform.** Security Council reform has been under discussion at the United Nations for more than 20 years. African nations have wanted stronger representation, while heavyweight economies such as India, Germany, Japan, and Brazil have lobbied strongly for permanent places on the Council. Since 1946, African countries have accounted for 16.3% of total month-long UNSC presidencies, with Europe and Asia dominating chairmanship time (38% and 20.8% respectively). And despite forming the largest group of any world region at the UN General Assembly (28%), only 3 UNSC members are African - none of them permanent.[4]

World regions: share of membership votes and power in UN bodies

	AFRICA	ASIA	EUROPE	LATIN AMERICA AND THE CARIBBEAN	OCEANIA	NORTH AMERICA
Members (2023)	54	47	43	33	14	2
UNGA Votes (%) (2023)	28.0%	24.4%	22.3%	17.1%	7.3%	1.0%
UNSC P5 (2023)	0	1	3	0	0	1
Time spent in UNSC Presidency (% of total time since 1946)	16.3%	20.8%	38.0%	14.5%	2.0%	8.5%

Source: Global Africa. Forum Report 2023, Mo Ibrahim Foundation, based on UN.

- The September 2024 Pact for the Future saw a concrete commitment to UNSC reform, enlarging its membership to be more representative, in particular in relation to Africa, and intensifying efforts to reach an agreement on the future of the veto, including discussions on limiting its scope and use. Yet there have been no structural advancements in 2025. Member States continue to participate in the General Assembly's intergovernmental negotiations, where questions on the expansion of permanent and non-permanent seats, as well as the use of the veto remain. Several European countries have generally shown support, including Ireland, Finland and France.

Convergence and divergence of UNSC Negotiations

Based on the latest letter by co-chairs of UNSC Intergovernmental Negotiations in 2024

Enlargement

Member States agree that the UNSC needs to be enlarged in order to be more representative and reflective of global realities, and in general accept the expansion of the category of 2-year term non-permanent members. However, divergence remains on if both permanent and non-permanent categories should be enlarged. A number of delegations stress that only periodic elections of UNSC members can guarantee full accountability of the Council to the General Assembly.

Veto

A significant, growing number of Member States support limitations to the scope and use of the veto (e.g. the possibility for the General Assembly to overrule a veto with a large majority, limiting its scope; or introducing the necessity of more than one negative vote of permanent members to count as a veto in an enlarged Security Council). Divergence remains on whether the veto should exist, and if it does, if it should be extended to any potential new permanent members.

Regional representation

Overall agreement that Africa should be equitably represented in a reformed Security Council. The majority of proposals call for the distribution of additional seats, whether non-permanent or permanent, to entail no less than 3 additional seats for African States, 1 for Western European and Other States and 1 for Eastern European States. The appropriate ratio between the number of non-permanent members and the number of countries in regional groups continues to be discussed, as does the question of whether a country represents only itself in the Council, its region, or the whole of UN membership.[5]

- **UNSC non-permanent members represent Africa-Europe**. Presently, the group includes (year term ends): Algeria (2025), Denmark (2026), Greece (2026), Sierra Leone (2025), Slovenia (2025), and Somalia (2026). With the Democratic Republic of the Congo, Latvia and Liberia joining as non-permanent members for the 2026-2027 period, succeeding Algeria, Sierra Leone and Slovenia. It will be the first time in history that Latvia takes a seat on the Council. This means, of the Council's 15 members, eight represent the Africa-Europe Partnership and have the opportunity to influence agendas and leverage voting power for strengthened alignment with AU-EU priorities (with nine votes needed for both procedural matters and substantive matters – the latter necessitating the inclusion of all five permanent members).[6]

Operationalising the Pandemic Agreement

- **The mood is cautiously upbeat.** After years of wrangling, the WHO Pandemic Agreement, adopted in May 2025, has created a rare opening for Africa and Europe to institutionalise and lead on global health governance. The adoption of the WHO Pandemic Agreement enshrines principles of equity, technology sharing and transparent surveillance through a new Pathogen Access and Benefit-Sharing (PABS) system and global surveillance transparency, with African negotiators pushing for fairness while Europe offered regulatory and financing muscle to operationalise them. Converting treaty text into delivery now requires AU–EU alignment on financing instruments, regulatory convergence, and supply-chain security.[7]

- The PABS annex negotiations, essential for the Pandemic Agreement to come into force, began in September 2025 and are moving fast, with an ambitious March 2026 deadline before formal adoption in May. Encouragingly, the process is open to observers, giving it a dose of transparency often missing in global diplomacy. Africa-Europe Partnership should support national ratification through provision of knowledge sharing and technical exchange, in an effort to enable the Agreement to come into force as rapidly as possible.

- **A pathway for regional research and manufacturing hubs**. As agreed in the Pandemic Agreement, all regions need capacity for innovation and production of medical countermeasures. Building regional and subregional ecosystems for pandemic tools - where regions are equipped for research and development, manufacturing, and delivery - demands coordinated action. The Africa-Europe Partnership is well placed to lead by example, building on existing investments through Global Gateway and the Accra Compact for resilience.[8]

- **Still, geopolitics complicates the picture.** The United States' planned withdrawal from the WHO next January risks fragmenting global health governance, creating competing models for pandemic response. Yet this also creates space for Africa and Europe to set the standard, to define what equitable preparedness and response look like in practice. Both sides remain engaged: African leaders through sustained diplomacy and the EU through Commission President Ursula von der Leyen's pledge for Europe to take the lead in global health resilience. If this alignment holds, cautious optimism could yet give way to genuine leadership.

Pandemic Treaty Agreement - Negotiation Milestones

Timeline & milestones

DEC 2021
WHO establishes the intergovernmental Negotiating Body (INB).

FEB 2022
INB begins forma work on a new international instrument.

JUN 2022
Public hearings and stakeholder consultations.

DEC 2022
Conceptual zero draft released

FEB 2023
Zero draft discussions begin.

JUN 2023
Progress report and ongoing negotiations.

MAR 2024
Near-final draft discussions.

MAY 2024
Initial adoption target missed due to unresolved divisions.

APR 2025
Draft agreement finalized for submission to WHA 78. WHO announces negotiations concluded and significant progress made.

MAY 2025
Pandemic Agreement adopted on the 20th of May 2025

Main Challenges

State of play after signature of the agreement

Agreed · In Progress · Unresolved

TRUST & EQUITY
- The treaty includes a commitment to allocate 20% of pandemic-related health products (10% donations, 10% at affordable prices) via WHO channels.
- The mechanism to enforce this and monitor distribution is not yet defined.

LEGAL COMPLEXITY
- Disputes over binding vs. voluntary provisions (esp. tech transfer, IP); integration with IHR; emerging systems like PABS and legal layers.
- Opportunity: Harmonize legal frameworks to facilitate iternational cooperation.

SOVEREIGNTY & POWER
- Concerns over national autonomy; treaty explicitly affirms sovereignty; political resistance from some high-income cuntries and misinformation-driven backlash.
- Opportunity: Reinforce national capacities while ensuring global coordination.

FINANCING & SOLIDARITY
- A Coordinating Financial Mechanism is proposed to align pandemic financing effort.
- Details on governance, funding commitmens, and allocation criteria remain to be finalized

CIVIL SOCIETY ENGAGEMENT
- Global South voices underrepresented; limited space for non-state actors; broader, more inclusive participation needed to restore legitimacy.
- Opportunity: Expand legitimacy through greater Global South engagement.

PATHOGEN ACCESS & BENEFIT SHARING (PABS)
- A multilateral system for PABS is introduced in the agreement text.
- However, its operational design and legal annexes are still under negotiation.
- Concerns remain over enforceability, access guarantees, and sample traceability.

TECHNOLOGY TRANSFER & IP
- The text reflects a compromise: tech transfer should be 'on mutually agreed terms 'and' voluntary.
- Many countries frol the Global South consider this insufficient.

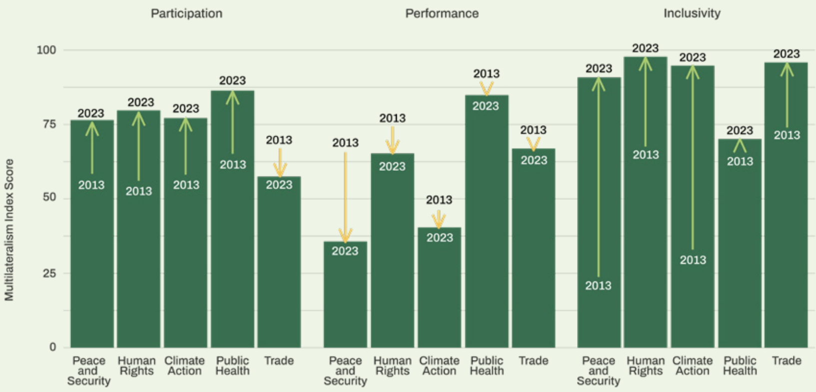
ONE HEALTH APPROACH
- The agreement affirms the importance of One Health.
- However, there is no binding implementation road,map or dedicated funding attached.

Source: AEF

Multilateralism Index 2024

The Multilateralism Index from the International Peace Institute and the Institute for Economics & Peace represents the most comprehensive attempt to assess multilateralism through the examination of five domains: Peace and Security, Human Rights, Climate Action, Public Health, and Trade. It reveals that while participation in the multilateral system has largely held steady or even increased over the past decade, its effectiveness in addressing global challenges has declined.

Results of the Multilateralism Index 2024



Source: Multilateralism Index 2024, International Peace Institute and Institute for Economics and Peace, 2024.

The 2024 Index assesses changes in international cooperation between 2013 and 2023 across the above five domains, which are evaluated across three dimensions:

- **Participation:** How the multilateral system is supported, accessed and utilised by countries, including the degree to which they join, engage and finance multilateral bodies and agreements. Participation increased across all domains except trade, which also saw a decrease in performance, underpinned by the paralysis of global trade negotiations at the WTO.
- **Performance:** How well the multilateral system has followed through on implementing actions in pursuit of its stated objectives and the degree to which social, economic and other measures reflect improvements. It is the one dimension where the multilateral system saw a clear decline across most of the domains. The biggest decline was in peace and security, with a notable rise in internalised conflicts and the more frequent use of the UNSC veto.
- **Inclusivity**: How the multilateral system engages with non-state actors and the degree to which women are represented in multilateral institutions. Despite better inclusivity, civil society still points to the fact – both in Pandemic and Plastics Treaty negotiations - that they rely on piecemeal interactions with negotiators and ad-hoc briefings to participate in multilateral processes. Moreover, limitations in data and transparency make it difficult to assess geographic inclusivity, which is a key priority in the Africa-Europe Partnership. There are some signs of progress as the share of senior UN appointments from low-income countries has doubled over the past two decades. Yet deep inequities remain. Some states have an informal lock on the leadership of certain agencies, as demonstrated by the sixth consecutive appointment of a British citizen as under-secretary-general for humanitarian affairs.[9]

The Index also reminds us that ratification of multilateral treaties does not necessarily signal adherence. Many treaties have weak enforcement mechanisms, and there is little concrete data on the extent to which states comply with their treaty obligations. However, lack of compliance is not always deliberate; especially in areas like climate action and public health. It can also result from a country's lack of capacity – financial and/or technical - to meet treaty obligations.

FORGING COMMON POSITIONS FOR SHARED GOALS

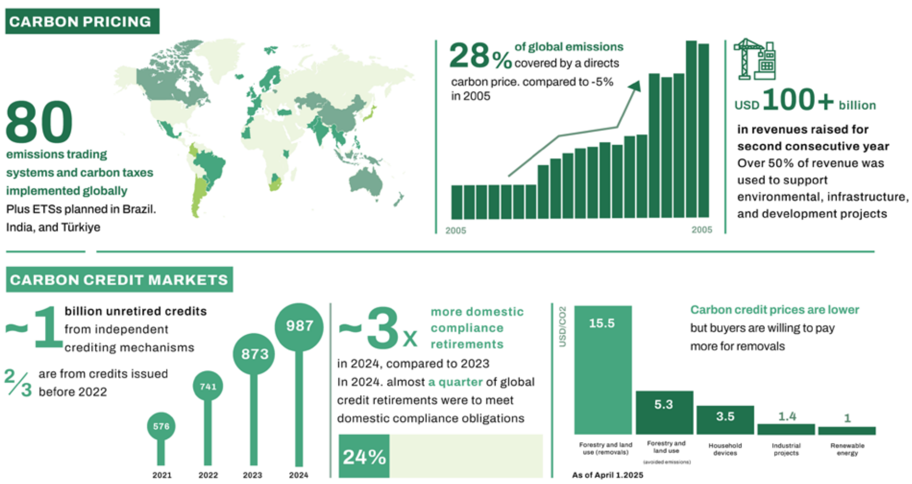
Political Cooperation on Ocean Governance

- **The recently unveiled EU Ocean Pact represents a significant step forward** for EU's competitiveness and global ocean governance, yet its impact could be greatly enhanced by adding a stronger Africa dimension. Building on the Africa-Europe Strategy Group on Ocean Governance and its Roadmap Towards 2030: Co-driving the Africa-Europe Ocean Partnership (see chapter 4), the two continents have a timely opportunity to position themselves on the multilateral scene as a united front on ocean-related agreements.[10]
- **The Ocean Roadmap Towards 2030 drives political momentum** and reinforces strategic cooperation on ocean governance at a cross-continental and global level, representing an opportunity to address contested issues. Through the Africa-Europe Ocean Partnership, the two continents could facilitate a joint effort at multilateral level to address collective responsibility regarding the state of the ocean and strengthen international ocean governance. The development of a joint Africa-Europe vision on ocean governance through the alignment of policies (at national, regional, and continental levels) can facilitate greater cross-continental and global impact in terms of the protection, regulation, and optimal management of ocean resources and services.
- **Policy alignment to facilitate cooperation, common multilateral positions and finance**. The Africa-Europe Partnership should work to harmonise the EU Ocean Pact, African Union Blue Economy Strategy, AfCFTA protocols, and national/regional blue economy frameworks. Coherent policies and strategies will in turn de-risk investments, mobilise financing efficiently, and drive transformative impact at scale, enabling sustainable growth in the blue economy and related sectors. Partners should leverage existing frameworks to scale innovative and emerging solutions, such as debt-for-nature swaps, regenerative blue bonds, and blue carbon market opportunities.
- **Initiate an AU–EU Ministerial on Ocean and Blue Economy** providing a platform for alignment on shared priorities, including governance, capacity building, finance, and investment. With a joint position and common understanding of global treaties that are being negotiated, ratified and/or implemented, the Africa-Europe Ocean Partnership could facilitate a greater number of ratifications to secure the operationalisation of international agreements, as well as contribute positively to ongoing multilateral processes. Examples include WTO fisheries subsidies, regulations on deep-sea mining and the Global Plastics Treaty (e.g. bridging divides through the High Ambition Coalition to End Plastic Pollution, co-chaired by Norway and Rwanda)[11]

Enhanced Carbon Diplomacy

- **The global landscape for carbon markets is evolving rapidly**. Different projections show that global carbon markets could reach $15-$100 billion by 2030.[12]
- **Landmark COP29 agreements on the operationalisation of Articles 6.2 and 6.4 of the Paris Agreement have opened new opportunities for global carbon markets**, in particular increased collaboration between Africa and Europe. Under Article 6.2 countries can meet part of their climate goals by buying carbon credits from others, with payments going to the host country. A key precondition for these transactions is the establishment of carbon accounting frameworks to avoid double counting of credits traded.
- **Growing collaboration between Europe and Africa is essential,** as Article 6 presents a unique opportunity for mutual benefit, allowing purchasing countries to go above and beyond domestic targets as part of their Nationally Determined Contribution commitments through carbon credits generated in host countries, with appropriate compensation. The EU has launched a 'Task Force on International Carbon Pricing and Markets Diplomacy', designed to advance international cooperation on carbon markets, focusing on the full implementation of the Article 6 rulebook for compliance markets, while ensuring high integrity in voluntary carbon markets. Several EU countries, including France and Spain, and the EU Commission championed the Call to Action for Paris-Aligned Carbon Markets. Other, such as Sweden and Germany, have been at the forefront of advancing Article 6, with recent signalling of interest or through existing collaborating with a number of African countries to lay the groundwork for carbon credit transactions.
- **Africa has sent a clear signal of intent to join the second wave of the global carbon markets economy** at the first and second Africa Climate Summit and through AUDA-NEPAD's development of an African Carbon Market Gold Standard to ensure community benefits and equitable participation. However, Africa's effective positioning into carbon markets is not without challenges. There is a growing recognition that significant support is needed to address technical, regulatory, and institutional gaps that could hinder the continent's full participation. These challenges include the establishment of effective governance structures, regulatory frameworks, and carbon accounting systems, all of which are essential to ensure Africa's inclusion in the global carbon trading ecosystem. In response, the AfDB has unveiled the Africa Carbon Support Facility at its 2025 annual meeting in Abidjan. Currently in the design phase, it aims to strengthen carbon markets across the continent through two key components: helping governments develop policy frameworks for carbon trading and also improving infrastructure to boost both supply and demand for carbon credits.
- **The EU's Carbon Border Adjustment Mechanism (CBAM) has been a key pillar of the EU's decarbonisation agenda**. Starting from 2026, it will apply a carbon price on imported carbon-intensive goods like iron and steel, cement, fertilisers, aluminium, and hydrogen that is equivalent to what European industries pay under the European Emissions Trading System (ETS). This not only protects domestic industries from carbon leakage but also aims to lay the groundwork for global competition for low-carbon manufacturing.
- **CBAM can create distinct opportunities for Africa's industrial development in partnership with the EU, while there are short-term challenges for countries to navigate when it comes to investment and capacity-building.** With abundant untapped renewable energy resources, several African countries could become competitive hubs for low-carbon industrial production. These products would have a competitive access to the EU market as strategic imports, offering an advantage over carbon-intensive products that currently dominate trade flows.[12]

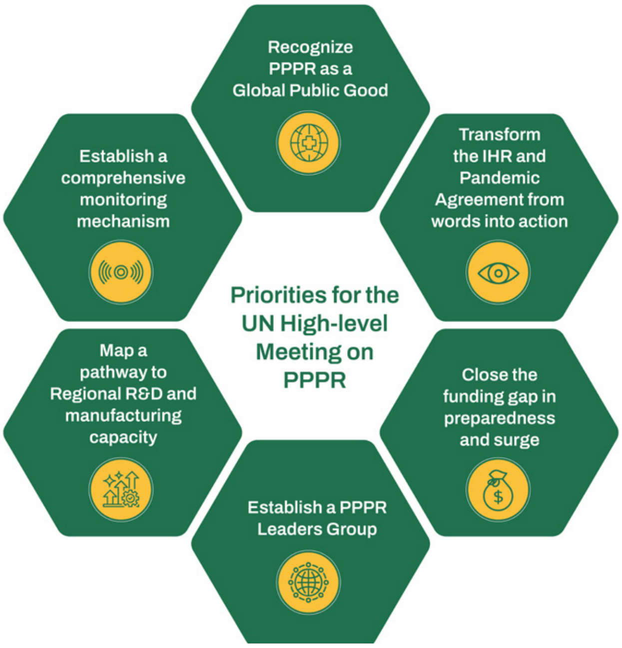
State and Trends of Carbon Pricing 2026



Source: World Bank (2025)

Commitment to Pandemic Prevention, Preparedness & Response

- **Six concrete areas should be prioritised by world leaders at the UN high-level meeting on pandemic prevention, preparedness and response** according to co-chairs of The Independent Panel on Pandemic Prevention, Preparedness & Response (PPPR). Set to take place in September 2026, the meeting aims to promote ratification of the Pandemic Agreement and agree on measurable commitments.[13]



Source: The power to lead for a safer world, September 2025, Ellen Johnson Sirleaf and Helen Clark Co-Chairs, The Independent Panel for Pandemic Preparedness and Response.

- **Recognise pandemic preparedness as a global public good,** shifting paradigms away from an aid-based model to collective financing and establishing the foundation for sustained international cooperation that transcends national boundaries and political cycles.
- **In the context of the Africa-Europe Partnership this means:**
  - Deliver new, sufficient, sustained, and accessible financing for PPPR through increased domestic resource mobilisation and new international financing. To realise the full potential, African and European countries should support ongoing regional efforts, such as the Accra Compact to prioritise resilience. Countries should endorse concrete measures that promote debt relief, reduce the cost of capital, and reform tax systems to enable countries to invest in their own preparedness, and further advance international proposals to raise funds through Solidarity Levies in shipping, aviation, and other areas.
- Co-drive the work of a time-limited finance action group. It's recommended the political declaration should create a Member State–led finance action group to perform a stocktake on financing reforms to outline their impact on PPPR financing in particular and identify gaps that remain to be solved.
- Establish a cross-regional PPPR Leaders Group to provide sustained political commitment. This group shall be tasked with driving and supporting a multisectoral approach, sufficient and sustained financing for preparedness and emergencies, equitable access and, access to countermeasures. It should also champion the coming into force and implementation of the Pandemic Agreement.

InFocus: Translating Youth Dividend into a Peace Dividend

Resolution 2250 on Youth, Peace and Security was unanimously adopted by the UN Security Council in December 2015. The first resolution fully dedicated to the important and positive role young people play in the maintenance and promotion of international peace and security. It stressed the need to tackle the root causes of violence and conflict and recognised youth as positive agents in preventing and countering such challenges.[14]

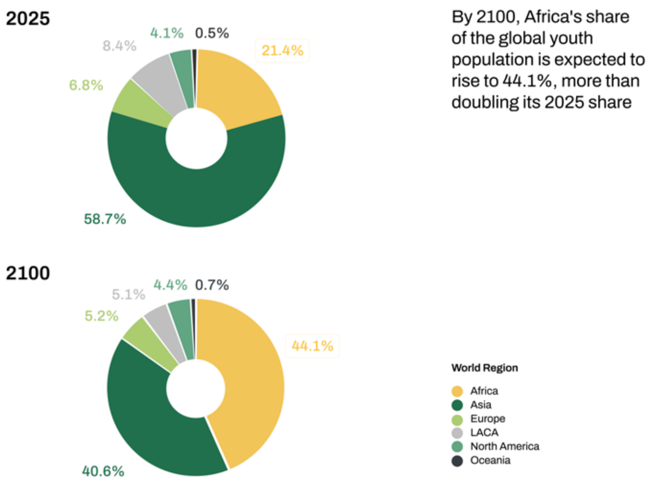
"The Missing Peace: Independent Progress Study on Youth and Peace and Security" resulted from the Resolution in order to "recommend effective responses at local, national, regional and international levels". The study highlighted that societies could reap a «peace dividend» by investing in the positive resilience of youth and supporting their peacebuilding work. Nearly a decade later at the UN Summit of the Future, countries requested the Secretary-General carry out the second independent progress study as a critical input to advancing the YPS agenda within the multilateral system.[15]

For the Africa-Europe Partnership to be sustainable and future-poof, it must be youth driven. The second independent progress study is an opportunity for Africa-Europe youth to contribute to its regional and thematic consultations. With research development, consultations and data gathering taking place between May and December 2025, the study aims to be finalised by September 2026.[16]

The African Youth Charter underscores the importance of youth meaningful engagement in all the facets of the political and socio-economic development. It recognises the need for investment to enable young people to realise their potential and become the driving force for good governance, peace and sustainable development.

However, nearly a decade after the adoption of UN Security Council Resolution 2250, which established the Youth, Peace and Security agenda, African youth continue to face limited representation in decision-making and lack the resources needed to scale their local peace initiatives. **The youth dividend, if adequately leveraged, can translate into a peace dividend**. Africa is set to have the largest youth population within a few decades. According to the Mo Ibrahim Foundation, by 2100, it is expected that Africa's share of global youth will double to more than one billion people or 44.1%. Currently, almost 900 million people in Africa are of working age (15-64 years), making up just over a quarter (16.6%) of the world's working age population. By 2100, this is projected to grow to 2.4 billion people or 40.6% of the world's total working age population. To keep up with the demands of a growing youth and working age population, the continent as a whole will have to generate around 20 million jobs annually between now and 2100. The ability to do so hinges on the peace & security agenda, but also drives its future.[17]

World regions: share of global youth population (2025 & 2100)



Source: MIF based on UNDESA (2024)

Technical Coalition for International Tax Cooperation

- **UN tax convention talks are formally underway.** The UN General Assembly adopted the Terms of Reference for a UN Framework Convention on International Tax Cooperation (UNFCITC) on 24 Dec 2024 (A/RES/79/235), establishing an Intergovernmental Negotiating Committee (INC) to draft the convention and two early protocols. The UN process is member-state led and explicitly aims for an inclusive alternative to existing rule-making fora.[18]
- **A clear roadmap runs through 2027**. The UN's official timeline sets INC sessions in 2025 (New York in August; Nairobi 10–19 Nov 2025), 2026 (New York 2–13 Feb, 3–14 Aug; Nairobi 30 Nov–11 Dec), and 2027 (three substantive sessions), with the final text of the convention and two protocols to be submitted in 2027 for General Assembly consideration. Early-protocol topics include taxation of cross-border services and dispute prevention/resolution.
- **Africa's stance prioritises moving rule-making to an inclusive UN forum**. The African Group has been a primary driver, arguing that the OECD/G20 process has not delivered equitable outcomes for developing countries and pressing for simpler, source-based taxing rights (e.g., on services) and capacity-building under a UN umbrella. African CSOs echo this, framing the UN track as central to domestic resource mobilisation and fairer revenue sharing.

Source: Tax Justice Network

- **Europe's position is supportive of inclusiveness but cautious on duplication.** The EU Council acknowledges the UN process and stresses a rules-based, consensus-oriented approach that avoids duplicating OECD work and preserves coherence with EU law; several statements underline openness to the UN track while seeking complementarity with the OECD/G20 Inclusive Framework (IF) on Pillars One/Two. Civil-society analyses note evolving EU signals and call for greater clarity and ambition.
- **UN vs. OECD - inclusiveness and bargaining power are at stake.** The OECD/IF has advanced a 15% global minimum tax (Pillar Two) but Pillar One remains stalled; critics argue benefits skew toward high-income countries and complexity burdens lower-income administrations. The UN track offers universal membership and a mandate to negotiate binding norms with better representation.
- **What's next (2026 and beyond): from issue notes to draft text and early protocols**. In 2026, negotiators will refine issue notes into draft treaty language on the framework and the two early protocols, seeking convergence ahead of a 2027 General Assembly decision. For Africa–Europe cooperation, practical next steps should focus on forming an AU–EU technical coalition on cross-border services taxation and dispute resolution to table joint drafting proposals, and aligning EU and AU positions on carve-outs, safe harbours, and information-exchange standards to avoid fragmentation and accelerate adoption. Joint AU–EU engagement can reconcile inclusiveness with administrative feasibility, ensuring the convention complements existing OECD standards while delivering greater revenue certainty for African treasuries and a level playing field for EU businesses.

Multilateral Financing for Peacebuilding

Africa continues to face persistent, volatile and evolving security issues. Historically, the AU has struggled to lead peace building operations due to ad hoc and unpredictable financing, delayed deployment and increasing risk of violent escalations. The cost of preventing violence is much less expensive than having to deal with the consequences of conflict. An IMF study found that long-run returns on conflict prevention are substantial, as every $1 spent on prevention can prevent up to $26 - $101 in costs associated with responding to ongoing violence. This suggests that early investments in conflict prevention should be a strategic and economic priority.

UN Security Council Resolution 2719 (2023) is a critical development and fundamentally changed how AU-led peace building operations can be financed and supported. Resolution 2719 institutionalises a predictable financing model for AU-led peace operations rather than only allowing access to finance on an exceptional basis. In practice, the conditions outlined by the Resolution require:

1. case-by-case approval of funding requests by the UNSC, based on the findings of joint UN-AU assessments
2. missions to remain under strict command of the AU
3. an explicit UNSC mandate guided by coherent political strategy
4. 75% of mission expenses covered by UN-assed contributions with the remaining 25% to be covered jointly by both the AU and UN
5. UN Peace Support Operations to adhere to the Human Rights Due Diligence Policy as well as other AU and UN frameworks on compliance, human rights and conduct
6. all funding processes to comply with UN reporting standards and accountability mechanisms

On a financial level, the EU has supported African security through the European Peace Facility, with €1.1bn currently allocated, and through the Africa Peace Facility, which invested €730 million between 2021-2024 to support the AU. By supporting AU–UN frameworks, Europe can leverage these multilateral systems for conflict prevention, a less costly approach than post-conflict interventions, while simultaneously demonstrating recognition of African agency through UN mechanisms, thereby strengthening trust. [19, 20]

Increasing the AU's multilateral alignment in peacebuilding efforts and reinforcing the AU's legitimacy in security governance brings significant benefits. Although questions remain as to how the new mechanism will be operationalized, by establishing a more predictable and institutionalized financing framework for AU-led peace operations the UNSC Resolution 2719 holds transformative potential to strengthen both the UN–AU and the Africa-Europe partnerships.

Insights from the UN Expert Mechanism on the Right to Development

*By **Isabelle Durant**, President of the Governing Board of Friends of Europe, Expert of the UN EMRTD, and former Deputy Secretary General of the United Nations Conference on Trade and Development; and **Bonny Ibhawoh**, Professor and the Senator William McMaster Chair in Global Human Rights at McMaster University, Canada, and Chair of the UN EMRTD.*

A Right to Development Lens on Africa–Europe Cooperation

The **UN Expert Mechanism on the Right to Development (EMRTD)** provides independent expertise to the Human Rights Council and the General Assembly on how the right to development can guide policies, partnerships and financing. In contributing to this Report, the Mechanism underscores that the Africa–Europe relationship should be judged by whether it expands people's capabilities and choices - especially for the most vulnerable - through equitable, predictable and accountable cooperation.

A structural shift is reshaping cooperation. European funding is moving from grant-heavy aid towards investment-based instruments, while overall aid envelopes tighten. This creates opportunities - crowding-in private capital, building productive sectors, and reducing dependency - but it also carries risks: countries least able to attract investment may be left behind, and political dialogue has become more difficult in a tense geopolitical context. A right-to-development approach calls for careful assessment of impacts and safeguards to ensure new instruments remain anchored in equity and needs.

First, **winning back public opinion for solidarity**. Rebuilding trust requires a reciprocal partnership narrative that emphasises mutual benefit and shared responsibility. The recent 11th sessions of the Expert Mechanism in New York have highlighted the importance of reframing the global order to enhance Africa's relevance in global governance and expand access to equitable trade and investment opportunities. The aim is to win back European public support for development cooperation while elevating African agency in agenda-setting and implementation.

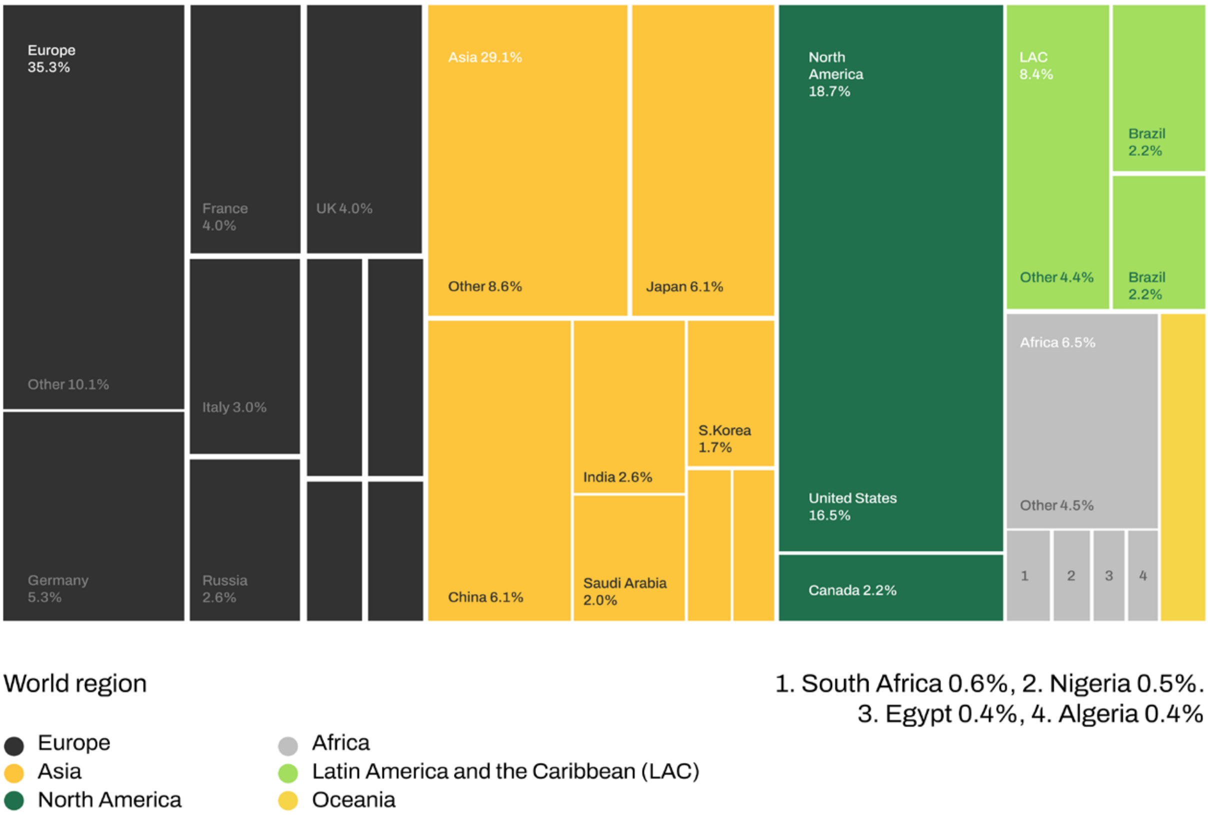
Second, **pair investment with debt sustainability and a continued role for ODA**. As countries face tight fiscal space, attracting investment cannot substitute for responsible borrowing and lending frameworks, transparent debt management, and fair restructuring mechanisms when needed. Official Development Assistance remains vital for social sectors, fragile contexts and last-mile services that private finance will not reach. African countries call on donor states, particularly in the EU, to reaffirm their ODA commitments in line with the Addis Ababa Action Agenda, ensuring that these commitments are shaped by the development priorities of recipient countries rather than the geopolitical or security interests of donor governments. Blended approaches should lower risk without off-loading it to borrowers, and be judged against right-to-development outcomes.

Third, **reform the global economic architecture to make the trade and investment global system work for development**. Improving the inclusivity of the international financial, monetary, and trading systems is imperative. African states advocate for a just international economic system that supports fair trade, development-oriented investment, and a restructured international financial architecture. This includes support for a rules-based, open, non-discriminatory, and equitable multilateral trading system, as well as the mobilization of long-term private investment, both domestic and international. Strengthening the voice and participation of developing countries, particularly from Africa, in global decision-making fora is essential for achieving fair and representative economic governance.

Building a Shared Reform Agenda

- **There are many proposals on the table - it's time for Africa-Europe to build a joint strategic vision for the reform agenda**. From the UN Security Council to the UN80 Initiative – an effort launched in March 2025 by the Secretary-General to review and transform how the UN works, examining potential structural changes to make it more agile. To global governance reform ranging from an overall focus on balanced representation across all multilateral institutions, to the G20's plan for better, bigger and more effective Multilateral Development Banks to modernised debt mechanisms and tax initiatives.
- El Compromiso de Sevilla echoed the Pact for the Future in its encouragement to 1) realign IMF quota share to enhance developing countries' voice and better reflect members' relative positions in the world economy; 2) further expanding IFI executive boards to enhance the voice and balanced representation of developing countries; and 3) enhanced geographical representation in IMF senior management positions, including in the potential future creation of an additional IMF Deputy Managing Director.[21]
- Africa has more IMF members than any other world region, accounting for 54 out of the 190 members. African countries have carried out by far the most IMF programmes – between 2000-2023 46/8% of programming - and are the most directly impacted by the IMF operations. Yet the continent holds 6/5% of voting shares, the lowest weight of any regional bar Oceania.[22]

World region: share IMF votes (2023)



Source: Global Africa, Forum Report 2023, Mo Ibrahim Foundation, based on IMF.

The Article 109 Coalition Leading UN Institutional Reform Efforts

On the 80th anniversary of the United Nations (UN), there was widespread reflection at the UN General Assembly (UNGA80) around global governance structures. Following 80 years of a largely unchanged and unreformed UN system, UNGA80 provided a platform for member states to deliberate frustrations with the current system and call for reforms that better reflect the increasingly multipolar realities of contemporary international relations.

Against this backdrop, the Article 109 Coalition was formally launched during UNGA80 to explore the possibility of activating Article 109 of the UN charter. If invoked, Article 109 would trigger a UN General Conference to discuss reforms of the UN charter. This provision requires a two-thirds majority vote by UN members, signifying at least 129 votes in favour from the 193 UN member states, and including at least one vote in favour from a member of the P5.

With the ambition to renew the spirit of multilateral cooperation, this coalition was conceptualised in 2024 by civil society organisations at the UN Civil Society conference in Nairobi, Kenya. Originally known as the UN Charter Reform Coalition, the Article 109 Coalition has grown to become an international coalition of 40 civil society organisations from Africa, Europe and beyond, including Oxfam International, Democracy Without Borders, Global Governance Forum and mostly recently the Club de Madrid. By leveraging this network, the Coalition aims to frame the conversation around UN Charter renewal, further build a network of high-level champions and civil society and ultimately mobilise member states.[23]

To date, the mission of the Coalition to invoke Article 109 has been formally backed by South Africa, Cameroon, the Gambia, North Macedonia, Kazakhstan, India and Brazil? while at UNGA80, Finland, Ghana and Kenya led the calls for greater African representation in the UNSC during their interventions. France and Germany have also backed reform of the UNSC in the past. This alignment on the international level demonstrates that the Africa Europe partnership has evolved into a more strategic relationship in multilateral fora.[24, 25]

If successful, the impact of this initiative can be catalytic. By targeting a legal mechanism, this initiative could lead to the unprecedented legal activation of the reform process for the UN system. This would in turn create the necessary conditions for member states to formally discuss institutional reform.

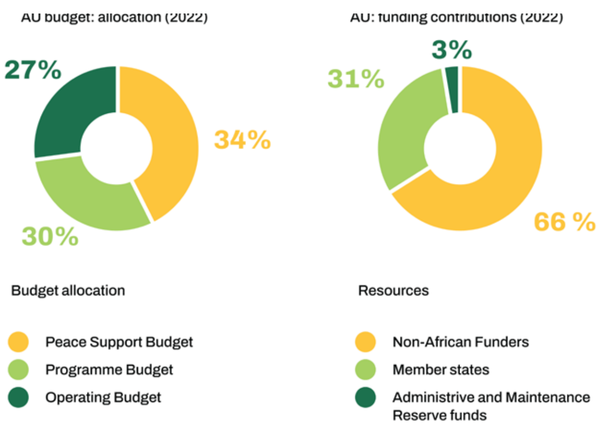
The strategic timing of the formal launch of the Coalition allowed this initiative to capitalise on heightened global attention to the suitability of the current UN system and growing calls for multilateral reform. At UNGA80, 128 member states raised institutional reform, which is an increase from the 100 member states who brought up reforms in discussions in 2024, demonstrating increased momentum.

The Article 109 Coalition presents a unique opportunity to showcase and strengthen the Africa Europe partnership on the multilateral stage. Aligning with African countries' aspirations for greater representation and agency in the UN, the Coalition also reinforces Europe's commitment to equitable multilateralism and a rules-based international order. By jointly supporting this initiative, Africa and Europe exhibit joint leadership not only at the forefront of multilateral reform, but on global challenges mirroring the partnership's ambitions. In particular, it would strategically align with the AU-EU's Joint Vision 2030, which directly emphasises both continents' commitment to UN reforms, including to the UN Security Council.[26, 27]

Financing Multilateralism

- **Political support outpaces financial commitment.** The African Union (AU) approved a US$608.2 million budget for 2025, yet ~77.5% of its programme budget is covered by partners rather than African sources, demonstrating a structural gap between commitments and implementation - a 2015 AU Member States pledge to fund 100% of operations and 75% of programmes domestically. AU "self-financing" reforms remain only partially implemented. The 0.2% import levy ("Kaberuka levy") was designed to reduce donor dependence, but implementation has been uneven (recent assessments found only 16/55 states collecting it), keeping external shares high.
- **RECs show divergent funding models - some more self-reliant than others.** ECOWAS finances 70–90% of its budget via a 0.5% Community Levy on extra-regional imports, offering a relatively autonomous model. By contrast, COMESA reports that cooperating partners' support is "quite significant" and can be twice member-state resources, while SADC programme budgets (excluding salaries) in 2022/23 and 2023/24 were funded ~58–59% by member states and ~41–42% by partners.
- **Europe's core funding is dominantly member-financed.** The EU budget relies on own resources - principally GNI-based and VAT-based contributions plus customs duties and a plastics-waste resource - providing a stable, rules-based revenue stream set in the Multiannual Financial Framework.
- **UN finances are tightening - making a fairer burden-sharing model urgent.** In December 2024, Member States approved a US$3.72 billion regular budget for 2025; UN fiscal officials have since presented a 2026 proposal of US$3.25 billion, a cut of >15% from 2025's level amid a wider liquidity squeeze driven by arrears and donor retrenchment. Concurrently, U.S. actions - including a lower assessed peacekeeping share (to 26.15%), proposed rescissions and FY26 reductions to international accounts - have intensified pressure on core UN funding. This context strengthens the case for an Africa–Europe–led effort to rebalance toward predictable, rules-based assessed financing, reduce earmarking, and share burdens more fairly across contributors (building on the UN Funding Compact).
- **Africa–Europe cooperation is substantial - but often as external underwriting, not co-ownership.** The EU and Member States finance AU and REC priorities, yet these flows can entrench dependency if not paired with stronger domestic revenue instruments. A shared commitment to multilateralism therefore requires aligning political rhetoric with member-financed cores on both continents, while using European support to leverage, not replace, African fiscal ownership.

AU budget: allocation and resources (2022)



Source: MIF

- **Bottom line - close the rhetoric-to-resources gap.** The Mo Ibrahim Foundation have highlighted Africa's need to own and define its financing agenda, shifting from aid-reliance to predictable, rules-based funding of continental institutions. Concretely, that means scaling the AU levy, replicating ECOWAS-style own-resource mechanisms across RECs, and hard-wiring EU support to performance-based co-financing that strengthens member-state shares over time.

The Future Reforms of the Bretton Woods Institutions

As consensus builds around the notion that the current financial architecture is ill-suited to address the needs of lower-income countries, opportunities arise to elevate unrepresented voices in the reforms of the Bretton Woods institutions. This can be achieved by enhancing openness, transparency and inclusivity in global agenda-setting and decision-making. As the world begins to design development agendas beyond 2030, the participation of African countries in the global financial architectures, particularly within the Bretton Woods institutions, must be strengthened in time to ensure priorities are aligned.

The Africa Europe partnership, guided by the Joint Vision for 2030, emphasises inclusive multilateralism and equitable cooperation. Reforming the Bretton Woods institutions presents a strategic opportunity for both continents to co-define a more balanced global financial architecture based on shared priorities and suitable to meet future global challenges. The partnership also presents win-win opportunities to confront critical diagnostic factors impacting the current global financial architecture including the high cost of capital.

African countries should present a unified voice for increased representation at both the IMF and World Bank. The following reforms present would facilitate greater representation of African voices:

- **Obtaining additional seats on the IMF and World Bank boards:** The IMF operates on a quota system where voting power is determined by the size of a member's economy. The United States, for example, holds 16.5% of the vote share, while the seven largest European nations hold another 21.5%. In stark contrast, 46 countries in sub-Saharan Africa hold just 4.7%. The U.S. has a veto on any major IMF decisions since they require 85% approval and has used this veto to persistently block any progress in giving the global south a greater voice. Several quota reforms have resulted in only three board seats allocated to the whole of Africa, out of 25, while the U.S., U.K., France, Germany, Saudi Arabia, Japan, and China each have individual seats.
- **Reforming decision-making rules:** Instead of the current "one dollar, one vote" system at the IMF, African countries require a voice in line with their needs and their populations. This means comprehensively reforming the governance structures of the IMF and World Bank to significantly increase the voting power of the global south, where every country, regardless of its economic size, has an equal say in decisions that affect their futures, for example by ensuring certain measures are passed through country majority. Giving African countries a stronger voice could play an important role in aligning priorities in international and multilateral reform negotiations such as those on tax currently underway at the UN.

Joint advocacy of these institutional governance reforms would position African and European countries as co-architects of a modernised and fit-for-purpose global financial architecture. This in turn would create a further platform for strategic cooperation. Additionally, these reforms would demonstrate the partnership's ability to deliver concrete changes to global governance, thus strengthening credibility and trust between the two continents.

ENDNOTES

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CHAPTER 1: INVESTING IN FUTURE-PROOF HEALTH SYSTEMS

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CHAPTER 03: FROM ORE TO MORE: RETHINKING TRANSITION MINERAL PARTNERSHIPS

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CHAPTER 4: FINANCING BLUE ECONOMY AND RESILIENT AGRIFOOD SYSTEMS

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CHAPTER 5: UNLOCKING SUSTAINABLE INFRASTRUCTURE FINANCING AND BOOSTING REGIONAL INTEGRATION

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CHAPTER 7: CULTURE AND CREATIVE INDUSTRIES

This chapter is informed by recent research undertaken by AEF and its partners. The principal studies providing evidence and underpinning the analysis are: the forthcoming *Rethinking Africa-Europe cultural relations: Toward an AU–EU Cultural Cooperation Fit for the Future* (in prep – 2025) by the AEF Africa-Europe Research Facility in partnership with culture Solutions (cS) and South African Cultural Observatory (SACO); and the forthcoming *Creative Futures – Leveraging Cultural Cooperation for Youth Development in Africa and Europe. Analysing the impact of cultural cooperation on youth skills development: implications, forecasts and perspectives from South Africa's young creatives* (in prep – 2025) by the AEF Africa-Europe Research Facility in partnership with South African Cultural Observatory (SACO) and culture Solutions (cS) and an AEF Large-Scale Youth Survey based on 1,785 responses from young people aged 18-35 across Africa and Europe, capturing evolving perspectives on the future of Africa-Europe relations and shared priorities for the partnership. Additional evidence includes:

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ABBREVIATIONS AND ACRONYMS

ACMI - Africa Carbon Markets Initiative

ACS² - 2nd Africa Climate Summit

AEF - Africa Europe Foundation

AEGEI - Africa-Europe Green Energy Initiative

AfCFTA - African Free Trade Continental Area

Africa CDC - Africa Centres for Disease Control and Prevention

AGH University - Akademia Górniczo-Hutnicza

AGMS - Africa Green Minerals Strategy

AIDS - Acquired Immunodeficiency Syndrome

AIP - Africa Investment Platform

ALCO - Abidjan–Lagos Corridor Organisation

AMA - African Medicines Agency

AMR - Antimicrobial Resistance

ANR - French National Research Agency

ASM - Artisanal and Small-scale Mining

AU - African Union

AUDA-NEPAD - African Union Development Agency-NEPAD

BEPS - Base Erosion And Profit Shifting Project

BRGM - French Geological Survey

BRICS - Brazil, Russia, India, China, South Africa

CAGR - Compound Annual Growth Rate

CAPEX - Capital Expenditure

CBAM - Carbon Border Adjustment Mechanism

CBCR - Country-by-Country Reporting

CCIs - Creative and Cultural Industries

CEF - Connecting Europe Facility

CEO – Chief Executive Officer

CIPE - Center for International Private Enterprise

CMP - Continental Power System Masterplan

COMESA - Common Market for Eastern and Southern Africa

COP - Conference of the Parties

COVAX - COVID-19 Vaccines Global Access

COVID-19 - Coronavirus Disease of 2019

CPI - Climate Policy Initiative

CRM - Critical Raw Materials

CRMA - Critical Raw Materials Act

CRS - Civil Registration Services

CSOs – Civil Society Organisations

CTIP - Clean Trade and Investment Partnership

CTM - Critical Transition Minerals

DAC - Development Assistance Committee

DAH - Development Assistance for Health

DBSA - Development Bank of Southern Africa

DFIs - Development Finance Institutions

DG INTPA - Directorate-General for International Partnerships

DNV - Det Norske Veritas group

DPI - Digital Public Infrastructure

DRC - Democratic Republic of the Congo

DRI - Direct Reduced Iron

DRM - Domestic Resource Mobilisation

EAF - Electric Arc Furnace

ECDC - European Centre for Disease Prevention and Control

ECDPM - European Centre for Development Policy Management

ECF - European Climate Foundation

ECOSOCC - The Economic, Social and Cultural Council

ECOWAS - The Economic Community of West African States

ECRM - Extractive and Critical Raw Materials

EDFI - European Development Finance Institutions

EEAS - European External Action Service

EFSD+ - European Fund for Sustainable Development Plus

EIB - European Investment Bank

EMA - European Medicines Agency

EPF - European Peace Facility

ESG - Environmental, Social, and Governance

ESTDEV - Estonian Centre for International Development

EU - European Union

EUNIC - European Union National Institutes for Culture

EUR - Euro

FAST-Infra - Finance to Accelerate the Sustainable Transition-Infrastructure initiative

FDI - Foreign Direct Investment

FID - Final Investment Decision

FRLD - Fund for Reducing Loss and Damage

GCCA - Global Center on Adaptation–Climate Policy

GDP - Gross Domestic Product

GERD - The Grand Ethiopian Renaissance Dam

GGBI - Global Green Bond Initiative

GMP/QA - Good Manufacturing Practices / Quality Assurance

GNI - Gross National Income

GPS - Global Positioning System

GVA - Gross Value Added

HBI - Hot-Briquetted Iron

HDX - Human Development Accelerator

HIV - Human Immunodeficiency Virus

HPC - High-Performance Computing

HSE - Health, Safety and Environment

ICT - Information and Communication Technology

IEA - International Energy Agency

IFAD - The International Fund for Agricultural Development

IFFs - Illicit Financial Flows

IFI - International Financial Institution

IIAG - Ibrahim Index of African Governance

IMF - International Monetary Fund

INC - Intergovernmental Negotiating Committee

IPD - Institute Pasteur of Dakar

IRENA - International Renewable Energy Agency

ISO - International Organization for Standardization

ITA - International Tin Association

LCOE - Levelized Cost of Energy

LEAP-RE - Long-Term Joint European Union - African Union Research and Innovation Partnership on Renewable Energy

LEAP-SE - Long-Term Joint European Union - African Union Research and Innovation Partnership on Sustainable Energy

LIA - Libyan Investment Authority

LME - London Metal Exchange

MAV - Medicines, and Health Technologies in Africa

MDBs - Multilateral Development Banks

MESRS - Algeria's Ministry of Higher Education and Scientific Research

MLE - Medium and Large-Scale Enterprises

MNOs - Mobile Networks Operators

MPAs - Marine Protected Areas

MRV - Measurement, Reporting and Verification

MSMEs - Micro, Small and Medium Enterprises

MTOs - Money Transfer Operator

NDCs - Nationally Determined Contributions

NDICI - Neighbourhood, Development and International Cooperation Instrument

OCP - OCP Group S.A, formerly the Office Chérifien des Phosphates

ODA - Official Development Assistance

OECD - Organisation for Economic Co-operation and Development

OOP - Out-of-Pocket payments

OPEX - Operating Expenditure

PABS - Pathogen Access and Benefit-Sharing

PAP - Priority Action Plan

PAVM - Partnership for African Vaccine Manufacturing

PHC - Primary Health Care

PIDA - Program for Infrastructure Development in Africa

PPP - Public-Private Partnership

PPPP - Public-Private-Philanthropy Partnership

PPPR - Pandemic Prevention, Preparedness & Response

PRIDA - Policy and Regulation Initiative for Digital Africa

PRIME Africa - Platform for Remittances, Investment and Migrants' Entrepreneurship in Africa

PSIA - Sciences Po's Paris School of International Affairs

RECs - Regional Economic Communities

RMAP - Responsible Minerals Assurance Process

SACO – South African Cultural Observatory (SACO)

SADC - Southern African Development Community (SADC)

SBA - Safe Birth Africa

SCORE - Survey, Count, Optimize, Review, and Engage.

SDG - Sustainable Development Goal

SDR - Special Drawing Rights

SEWA - Space for Early Warning in Africa programme

SME - Small and Medium-Sized Enterprises

SRHR - Sexual and Reproductive Health and Rights

STI - Science, Technology and Innovation

SWF - Sovereign Wealth Funds

TAZARA - Tanzania–Zambia Railway Authority

TEI - Team Europe Initiative

TOC - Transnational Organized Crime

TVET - Technical and Vocational Education and Training

UHC – Universal Health Coverage

UHPR - Universal Health & Preparedness Review

UN – United Nations

UNCTAD - United Nations Trade and Development

UNDESA - United Nations Department of Economic and Social Affairs

UNECA - United Nations Economic Commission for Africa

UNESCO - United Nations Educational, Scientific and Cultural Organization

UNFCITC - UN Framework Convention on International Tax Cooperation

UNFPA - United Nations Population Fund

UNGA - United Nations General Assembly

UNICEF - United Nations International Children's Emergency Fund

UNODC - United Nations Office on Drugs and Crime

UNSC - United Nations Security Council

USAID - The United States Agency for International Development

USD - United States Dollar

VAT – Value-Added Tax

WACC - Weighted Average Cost of Capital

WBG - World Bank Group

WHO - World Health Organisation

WTO - World Trade Organisation

YEIBs - Youth Entrepreneurship Investment Banks

YPS – Youth, Peace and Security

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