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EU Strategy for Africa: Towards a Euro-African pact to accelerate Africa's development

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Introduction

Africa is on the move. International awareness of the situation in Africa has significantly improved in recent years and the continent is now giving sustained signs that today there is real momentum for change. The birth of the African Union (AU) and NEPAD, the reinforced role of Africa's Regional Economic Communities (RECs) and the emergence of a new generation of leaders at national level have changed Africa. It is also changing the relationship between Africa and Europe.

Europe's relationship with Africa is not new. It is deeply rooted in history and has gradually evolved from often painful colonial arrangements into a strong and equal partnership based on common interests, mutual recognition and accountability. Europe and Africa are connected by strong trade links, making the EU the biggest export market for African products. For example, approximately 85% of Africa's exports of cotton, fruit and vegetables are imported by the EU. Europe and Africa are also bound by substantial and predictable aid flows. In 2003 the EU's development aid to Africa totalled €15 billion, compared to €5 billion in 1985. With this, the EU is by far the biggest donor: its ODA accounts for 60% of the total ODA going to Africa. Moreover, some EU Member States retain longstanding political, economic and cultural links with different African countries and regions, while others are relative newcomers to African politics and development. At Community level, over the last few decades the European Commission has built up extensive experience and concluded a number of contractual arrangements with different parts of Africa that provide partners with a solid foundation of predictability and security.

But for too long the EU's relations with Africa have been too fragmented, both in policy formulation and implementation: between the different policies and actions of EU Member States and the European Commission; between trade cooperation and economic development cooperation; between more traditional socio-economic development efforts and strategic political policies. Neither Europe nor Africa can afford to sustain this situation. The purpose of this Strategy for Africa is, therefore, to give the EU a **comprehensive, integrated and long-term framework** for its relations with the African continent.

One Africa. While Africa has many faces, different histories and diverse needs, it has now collectively embarked on a path of political, economic and cultural integration of the entire continent, crystallised in the regional integration efforts promoted by Africa's RECs and the launching of the AU and NEPAD. The EU Strategy for Africa will therefore, for the first time, address Africa as one entity. Under this Strategy, the EU will reinforce its dialogue with the pan African institutions. The Strategy will also fully exploit the potential of the recently-revised Cotonou Agreement, the Trade Development and Cooperation Agreement (TDCA) and the Euro-Mediterranean partnership, together with the European Neighbourhood Policy. These agreements cover respectively the EU's relations with sub-Saharan African countries, South-Africa & the countries of North Africa.

One Europe. Europe has also changed. The enlargement of the EU to include ten new members has taken the number of potential individual partners to twenty six: the twenty five Member States plus the EC. This development has increased the EU's potential political and economic impact but the enlarged membership also poses challenges in terms of aid coordination and complementarity. The EU Strategy for Africa will therefore make aid effectiveness and donor coordination central priorities in the years ahead.

Common objectives. The purpose of the EU's action is to work in partnership with the nations of Africa to promote peace and prosperity for all their citizens. In this EU Strategy for Africa, the principal objective is, therefore, to **promote the achievement of the UN Millennium Development Goals (MDGs) in Africa**. This objective is strengthened an complémented by the specific objectives pursued within the Cotonou Agreement, the TDCA, the Euro-Mediterranean partnership, and the European Neighbourhood Policy, including the support to political reform and economic modernisation.

This EU Strategy for Africa should further strengthen the sound strategic partnership between an enlarged Europe and a re-emerging Africa. It is hoped that this partnership will be formalised with the conclusion of a Euro-African Pact at a second EU-Africa Summit in Lisbon. The Strategy will further reinforce the basic principles that govern this relationship, most prominently *equality, partnership and ownership*. While these principles are not new, their significance and implications have changed with developments in the external political and economic context. In view of the increasing role of both the RECs and the AU, and the increasing complexity of the EU's relations with Africa, *subsidiarity* and *solidarity* will also become central tenets of the EU Strategy for Africa. Finally, it is crucial that the EU's relations with Africa should be increasingly pervaded by a culture of *dialogue*, which forms a basic element of our different contractual agreements.

Key to the success of the partnership will be its ability to cement the bonds between the two continents beyond the formal political and economic interaction. One important component of this broad-based dialogue is the launching of **twinning partnerships** bringing together African and European universities and schools, parliaments, towns and cities, municipalities, businesses and industries, trade unions, civil society networks and museums. Another innovative proposal is the creation of a European programme for people with skills to share who want to learn more about, and get involved in, Africa's development.

The Strategy must reflect both the many different economic and social situations between and within African countries, and the different contractual relations the EU has with them. For those countries still some way from reaching the MDGs the EU should focus its support in areas considered prerequisites for attaining the MDGs (**peace and security** and **good governance**), areas that create the economic environment necessary for achieving the MDGs (**economic growth**, **trade** and **interconnection**) and areas directly targeting the MDGs (**social cohesion, decent work, gender equality** and **environment**). These objectives should be supplemented, especially for those countries closer to the EU, by support for economic integration and political cooperation with the EU. Taken together, these measures constitute the EU's common, comprehensive and coherent response to Africa's development challenges.

Prerequisites for attaining the MDGs

Over the last few decades, wars and violent conflicts in Africa have destroyed millions of lives and decades of economic development. It is now universally recognised that there can be no sustainable development without peace and security. **Peace and security** are therefore the first essential prerequisites for sustainable development. The EU should step up its efforts to promote peace and security at all stages of the conflict cycle, from conflict prevention, via conflict management to conflict resolution and post-conflict reconstruction. In recent years Africa has demonstrated its willingness and ability to plan, lead and conduct its own peace-support operations. The Peace Facility for Africa, which has rapidly become the financial foundation of Africa's emerging peace and security architecture, should therefore be replenished and strengthened to support these efforts. The EU should also continue to

promote the sound management of natural resources in Africa, thus tackling the environmental root causes of many conflicts.

Security has become a top priority worldwide since 11 September 2001. Both EU Member States and North African partner countries have suffered major terrorist attacks. The security of citizens is now a major priority for both Africa and Europe. Ensuring security & the rule of law, with equity, justice and full respect for human rights, are now fully recognised as fundamental, shared priorities.

A second central prerequisite for sustainable development is **good and effective governance**. In this area too, Africa is showing signs of positive change. Together, African countries have signed up to a set of progressive values and principles of good governance. Some of them have even committed themselves to being regularly monitored in the framework of the African Peer Review Mechanism (APRM), a unique tool for peer review and peer learning. The EU should launch a Governance Initiative that encourages participation in the APRM-process and provides support to African countries for implementation of APRM-driven reforms. One central element of the process of governance reform is the establishment and strengthening of credible national institutions, whether at central level – such as parliaments, the police and judiciary system or public financial management systems – or at local and regional level. However, governance is not only about institutions, but also about appropriate policies and adequate legal and regulatory frameworks. The EU should therefore continue to promote transparency and effective exchange of information between authorities in order to fight corruption, money laundering and terrorism. The EU should also continue to promote the human rights and equal opportunities protect the vulnerable groups, especially women. Concretely, the EU should support the creation of an EU-Africa Forum on human rights to encourage the sharing of expertise and resources. In the countries covered by the Euro-Mediterranean Partnership and the European Neighbourhood Policy, progress towards good governance will be encouraged through the establishment of a substantial Governance Facility.

Creating an economic environment for achieving the MDGs

Despite improvements in economic performance, many parts of Africa continue to be marginalised. In an increasingly globalised world economy, Africa accounts for only about 2% of world trade and its share of global manufactured exports is almost negligible. To halve poverty by 2015, it is estimated that Africa needs to achieve average growth of at least 8% per year. The EU should therefore assist in stimulating sufficiently rapid, broad-based and sustainable **economic growth** in order to contribute to an effective reduction of poverty. The EU should continue to help African countries to implement macroeconomic and structural policies that encourage private investment and stimulate pro-poor growth. Another key vector for economic growth and regional integration is the development of South-South, North-South and multilateral **trade**. Increased economic integration within regions stimulates growth by increasing market size and exploiting economies of scale. The aim to foster integrated markets and promote trade and development lies at the heart of the Economic Partnership Agreements (EPAs) that the EU is currently negotiating with four Sub-Saharan regions of Africa. Maintaining a close coordination between trade and development policies is essential. The Doha Development Agenda and the EPAs both seek to ensure the progressive integration of Africa into world markets. The EU should also support African countries in the promotion of a stable, efficient and harmonised regulatory framework encouraging private business initiatives, including in the area of electronic communications and services. In this

context, the EU should promote a Euro-African Business Forum bringing together entrepreneurs and public and private investors from both Europe and Africa.

Macroeconomic stability, the creation of regional markets and an appropriate private investment climate are crucial preconditions for sustained economic growth. However, this pro-growth framework needs to be accompanied by appropriate measures to boost and diversify production and to establish the necessary infrastructure and networks. The EU should target specific support on increasing the competitiveness and productivity of African **agriculture**. In the framework of the Euro-Mediterranean Partnership and the European Neighbourhood Policy, North African partner countries will implement a road-map including the continuing liberalisation of trade in agriculture, processed agriculture and fisheries products and the liberalisation of trade in services and establishment, with the aim of concluding negotiations by the end of 2006.

Limited access to transport and communication services, energy, water and sanitation also constrains economic growth. The EU should therefore establish a Partnership for Infrastructure to support and initiate programmes that facilitate **interconnectivity** at continental level to promote regional integration. In the framework of this Partnership, the EU should support Africa's efforts to identify and address missing links, harmonise transport policies, develop integrated water management, develop cross-border and regional energy infrastructure and promote efforts to bridge the digital divide at all levels, including through initiatives to develop sustainable low-cost electronic communications.

Tackle the MDGs directly

40% of all Africans survive on less than one dollar a day. Only six out of ten African children go to primary school. Communicable diseases, in particular HIV/AIDS, malaria and tuberculosis, have hit Africa hardest and in 2004 alone AIDS killed over two million people in Sub-Saharan Africa and affected another three million. The EU should therefore help to make **basic social services** available for the poorest people in Africa (MDGs 1-6), contributing to the establishment of a social safety net for the most vulnerable. Beyond primary education, the EU should support education, research and access to knowledge and transfer of know-how as a lifelong process: from secondary and higher to vocational education. Building on the success of and experience from the Erasmus programme, the EU should support the creation of a Nyerere programme for student exchanges across Africa. The EU should also step up its action to deliver decent health care through the strengthening of national health systems, capacity building and health-related research and the replenishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria. These services need to be further complemented by improvements in access to water, sanitation, sustainable energy and ICTs. Full participation of non-state actors should be ensured in all these areas to strengthen ownership and improve service delivery for the poor. Preventing and eradicating poverty requires the promotion of productive employment and decent work for all. In Africa, too many jobs for young labour market entrants are in the informal economy with low productivity and income, poor working and living conditions and with little or no social protection.

These measures, important as they are, will, however, not in themselves be enough to redress existing inequalities and lack of social cohesion. Africa's demographic boom, rapid urbanisation and large-scale migration pose new challenges. First, therefore, a more integrated approach to sustainable urban development is needed, based on the twin pillars of good urban governance and good urban management, plus better territorial development and land use

planning. Second, more comprehensive efforts should be made to turn migration into a positive force in the development process, for example by transforming brain drain into 'brain gain' or by supporting the management of migration flows.

Africa's environment is fragile and prone to water shortages, climate change and desertification. Current population growth and agricultural expansion have caused land shortages and the intensification of agriculture has contributed to further land degradation. A healthy **environment** has benefits beyond Africa's borders. But it is first and foremost one of the most valuable assets for the sustainable development of Africa and EU assistance is necessary for its protection. Making Africa's development sustainable is the only way to protect the livelihood of Africa's poor in the medium and long term. Specific action should include the conservation of biodiversity, for example by supporting the establishment of an appropriate legal framework for sound use of natural resources, the management of environmental diversity and desertification, and action to counter the effects of climate change. A central aspect of these efforts will be the development of local capabilities to generate reliable information on the location, condition and evolution of environmental resources, food availability and crisis situations.

More and more effective aid

While aid flows to Africa are substantial and have been increasing over recent years, additional political and financial commitments are required to give Africa a decisive push towards the MDGs. In June 2005 the European Council made such an ambitious commitment. The European Council agreed, on the basis of a Commission proposal, to double aid between 2004 and 2010, and allocate half of it to Africa. By making this commitment, the EU is still on track to reach the UN target of allocating 0.7% of its GNI to development aid by 2015. Compared to what is expected in 2006, this commitment should result in an estimated additional €20 billion in ODA per year by 2010 and an additional annual €46 billion per year by 2015. The EU also agreed to allocate at least 50% of this agreed increase to Africa.

EU aid should not only be increased, but also improved. Aid effectiveness should be a crucial focus area in the coming years. In the past, lack of coordination and complementarity between donors has often prevented sound development policies from being converted into tangible development achievements. The EU has gone a long way towards improving this situation, most recently at the High-Level Forum on Aid Effectiveness in Paris (March 2005). To go even further, the EU should now implement an **Action Plan on Aid Effectiveness** and apply it in Sub-Saharan Africa as a priority. This Action Plan will pave the way for specific proposals for the creation of an operational and interactive EU donor atlas, agreement on individual country roadmaps for harmonisation, the adoption of joint programming documents and the development of common procedures. In addition, the EU should foster more **general and sectoral budget support**. This will not only make aid delivery more transparent, predictable and result-oriented but will also enhance the EU's collective political leverage. Overall, it will be important to demonstrate that the substantial increases in aid flows have served their purpose in helping recipient countries in their attainment of the MDGs.

Conclusions

In recent years, a forward-looking Africa has re-emerged on the international scene with more confidence, dynamism and optimism than ever before. Governance has improved considerably in recent years, sustained economic growth is being recorded for the first time in decades, and the AU/NEPAD and regional organisations have provided Africa with political

and economic roadmaps and a vision for the future. Africa's development is now at the top of the international political agenda and there is a broad international consensus on the basic action that needs to be taken. There is now a unique window of opportunity to give Africa a decisive push towards sustainable development. For Northern Africa, the Euro-Mediterranean Partnership and the European Neighbourhood Policy have also opened up the concrete perspective of a new and deeper partnership across the Mediterranean basin, which will be re-confirmed during the forthcoming tenth anniversary of the Barcelona Declaration.

As a long-standing partner and close neighbour of Africa, the EU is well placed to assume a leading role in this process. Europe and Africa are bound together by common history, interlocking cultures and shared objectives. Sustainable social, economic and political development in Africa is therefore our common concern. While Africa embraces a new vision for the continent's future, the EU has to answer its call with the same sense of responsibility and urgency. The next ten years (2005-2015) will be a watershed in relations between Europe and Africa. The EU Strategy for Africa outlined in this communication, expected to be adopted by the European Council in December 2005, constitutes the EU's response to the challenge of getting Africa back on the track of sustainable development and of meeting the MDGs by the target year of 2015. This is our common mission, and our common duty.

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Introduction

Africa is on the move. International awareness of the situation in Africa has significantly improved in recent years and the continent is now giving sustained signs that today there is real momentum for change. With the birth of the New Partnership for Africa's Development (NEPAD) in 2001 and the African Union (AU) in 2002, Africa has equipped itself with a strategy and institutions capable of guiding Africa on the road towards political and economic integration. The Cotonou Agreement, the Trade Development and Cooperation Agreement (TCDA) and the Euro-Mediterranean Partnership and the European Neighbourhood Policy provide the framework for the EU's support for these processes. The Regional Economic Communities (RECs), the building blocks of the continental integration process, are committed to fostering economic growth and political stability and, at national level, many countries are making considerable progress in the field of governance. In the past five years, for example, more than two thirds of the countries in Sub-Saharan Africa have held multi-party elections. In the late 1990s Sub-Saharan Africa also saw the first signs of a reversal of the trend of stalled growth of the previous two decades and in 2004 the region recorded real GDP growth of 5.1%, compared to 4.2% in 2003 and average annual growth of 2.3% between 1980 and 2000.

However, despite much progress, Africa's road towards sustainable development remains long. Today, 40% of all Africans are still living on less then one dollar a day, today three out of every four persons who die of AIDS are Africans, and today one African out of five lives in a country affected by war or violent conflicts. In terms of per capita income, eighteen out of the twenty poorest countries in the world are African and the continent is the only part of the developing world where life expectancy has been falling over the last 30 years. It is clear that without substantial additional political will and financial resources Africa will only be able to reach most of the UN Millennium Development Goals (MDGs), not by the target year of 2015, but by 2050.

Europe is Africa's long-standing partner and closest neighbour and Africa's development is also very much in Europe's interest, economically, politically and strategically. Attaining the MDGs is therefore a shared objective and a common goal. The EU – all 25 Member States and the European Commission – should now together seize the unique opportunity created by the existing dynamics in Africa and present a common, coherent and comprehensive strategy to make Africa the first priority for implementation of the Commission's "MDG package"[i] and the "European Consensus", the EU's new development policy.[ii] The objective of this communication is to present a long-term **EU Strategy to promote the achievement of the MDGs in Africa** to be adopted by the European Council in December 2005. This Strategy should, in turn, form the basis of a new Euro-Africa Pact, which the EU should aim to endorse at an EU-Africa Summit in Lisbon. The EU Strategy for Africa is based on extensive consultations with the African Union (AU) and Africa's Regional Economic Communities (RECs) and should fully harness the potential of the recently revised Cotonou Agreement, the Euro-Mediterranean partnership and the European Neighbourhood Policy..

To achieve these objectives, the EU must take into account the different political, economic, social and environmental trends in Africa (Chapter 1) and the basic principles which should govern the relationship between the EU and Africa (Chapter 2). On this basis, the EU should pursue a three-pronged strategy (i) to strengthen EU support in priority areas, (ii) to increase EU financing for Africa and (iii) to develop and implement a more effective EU approach (Chapter 3).

1.   THE MANY FACES OF AFRICA

There are many Africas. Different political regimes, historical experience, cultural and religious contexts, economic dynamics and geographic characteristics mean that local communities, countries and regions often differ considerably from one another. This chapter does not aim to give an exhaustive analysis of all of these differences – abundant literature already exists – but rather to highlight some important recent trends and developments in Africa. This context is the starting point for the EU Strategy for Africa.

1.1.   **Geopolitical dynamics: areas of insecurity and centres of stability**

Recent years have seen a number of new ***external players*** emerge in Africa, attracted by the continent's economic potential and political and strategic importance. This changing geopolitical context poses new challenges and opportunities for the formulation and implementation of the EU's Africa policy. Emerging economies, such as Brazil, India or China, have become important sources of foreign investment and provide new export markets for African commodities. *China* merits special attention given its economic weight and political influence. Sino-African trade has increased from $10 billion in 2000 to $28.5 billion in 2004 and since 2000 more than 25% of China's crude oil is imported from Africa. Despite radical domestic changes, the country has retained links with different African countries, which are now attracted by China's trading potential. Especially for oil- and commodity-dependent countries, China represents a substantial and continued source of financial income, mostly outside the traditional development and governance frameworks.

Also a number of Africa's more longstanding partners are showing renewed interest in Africa. The *United States* has recently reinvested in Africa for a variety of reasons, including a traditional interest in development, good governance and political stability but also newer reasons such as access to oil, the battle against terrorism and global strategic competition. As for *Japan,* the regular high-level meetings held with Africa since the 1990s, such as the Tokyo International Conference on African Development (TICAD), display the rising significance of Africa in its foreign and economic policy. Finally, *Russia* has also, particularly since 2001, forged closer links with a number of African countries, notably concentrating on their potential in the energy and mining sectors.

Even more important than these external influences are Africa's internal political dynamics. While some African countries and regions are scarred by violent conflicts or state fragility, or are still in the midst of post-conflict reconstruction efforts, others have been experiencing sustained periods of peace, security, economic and political stability and democratic participation. These ***stable countries*** play an essential role in stabilising their regions and setting an example of what can be achieved in a favourable political climate. Over the last few decades, most of northern Africa has, for example, been enjoying lasting stability. In west Africa, Ghana is the prime example of a well-governed and stable country which has been able to convert economic growth into tangible development achievements. In the East African Community (Kenya, Tanzania and Uganda) political stability and regional economic integration have created a community of stability which stands in sharp contrast to the structural instability of the Great Lakes and the Horn of Africa. In recent years countries such as Rwanda and Burundi, both still in the midst of post-conflict reconstruction, have increasingly been seeking to forge closer political and economic links with this group of east African countries. In southern Africa, although the precarious situation in Zimbabwe continues to give cause for concern, there is a similar bloc of stable countries, including South

Africa, Namibia, Botswana and Mozambique. It must be noted, however, that not all stable countries set examples of good or effective governance.
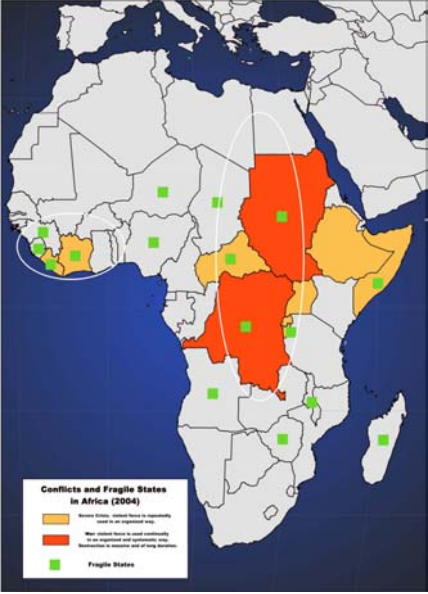
Map 1: Conflicts and state fragility in Africa (2000-2005). Sources: Heidelberg Institute Annual Report 2004 and the World Bank's LICUS (Low Income Countries Under Stress) Initiative (2004).

Similarly, some of Africa's largest countries often also serve as *anchor countries*, poles of attraction and economic and political driving forces for their neighbours. Together with some Northern Africa countries, the leading examples of such anchor countries are Nigeria and South Africa, in western and southern Africa respectively. Due to the size of their economies and their commitment to regional and continental integration, they play a central role in economic development and political stability across Africa. Politically, the leaders of these two countries, President Obasanjo and President Mbeki, have taken on the roles of peace brokers, often far beyond their own sub-regions. Economically, considerable private investment in the Great Lakes region also means that South Africa has a strong interest in stability and prosperity in that region too.

Despite these positive trends, two chronic areas of conflict and instability remain: the Mano-River region in west Africa and a line extending from Sudan and the Horn of Africa down to eastern Congo in eastern and central Africa. These two areas are dominated by a large number of *countries in conflict* as well as a high proportion of *fragile states*, i.e. states that – often weakened by endemic crises and conflicts or natural disasters – lack credible, legitimate and/or effective governance. The first case, the Mano River sub-region, includes countries such as Guinea, Liberia and Sierra Leone. Fuelled by the presence of considerable natural resources, including diamonds and timber, over the last ten years conflict has spread across borders and engulfed the entire region in a severe refugee crisis, further contributing to the regional instability. As a result of these conflicts, Guinea has become the haven for up to one million refugees. This instability has also had an impact beyond the region, affecting the Casamance-region of Senegal in the north-west and, since 2002, Côte d'Ivoire in the east.

A second line of insecurity can be traced from Sudan and the Horn of Africa, across the Central African Republic and northern Uganda to eastern Congo. These conflicts are fed by a complex pattern of structural causes, such as poor management of scarce natural resources, bad political governance, uncontrolled refugee flows, inter-regional trade in arms and

trafficking in human beings. The conclusion of a Comprehensive Peace Agreement in Sudan in January 2005 was a major breakthrough and could potentially be a turning point for the entire region. The same is true for the positive political dynamics in Somalia, until recently considered to be a *collapsed state*. However, the ongoing Darfur conflict in Sudan, the "forgotten war" in northern Uganda, the persistent insecurity in the east and north of the Central African Republic and the instability in eastern Congo remain serious causes for concern.

This instability and insecurity is fed by an increase in transnational organized crime. The African continent has become an important transit area for international drug traffickers. 89 per cent of African countries are affected by human trafficking flows as source, transit or destination countries, while theft and smuggling of natural resources or arms trafficking is increasing. At the same time, drugs trafficking and consumption is a particularly serious threat for the continent. African trafficking networks, particularly West African, have become major players and Africa is now responsible for a quarter of the world's cannabis seizures. Trafficking in and abuse of cocaine, heroin and amphetamine-type stimulants are also increasing.

1.2.   Geo-economic dynamics: different paths to growth

There are many paths to growth. Recent evidence points to the sustainable exploitation of natural resources and agricultural development, and the investment in human resources combined with the creation of a sound investment climate as central drivers of growth.

Africa has several *resource-rich countries*, mainly concentrated in Northern and Southern Africa and the south of the Great Lakes region and around the Gulf of Guinea. The growth performance of these individual countries has been rather uneven. In the southern belt, some countries have been able to turn these resources into a sustainable source of income and growth. Experience in Botswana and South Africa, for example, shows that, when the right set of policies is in place, mineral extraction can lead to sustained growth. The recent and rapid increase in oil prices has also brought about exceptional performances in other parts of Africa, including the economies of the Gulf of Guinea. In 2004, for example, real GDP growth per capita in Equatorial Guinea was 31.5%. The resulting influx of foreign capital has brought opportunities as well as political and economic responsibilities to convert the new wealth into sustainable development. The results of the exploitation of resources other than oil and gas differ. The Democratic Republic of Congo (DRC) has the third highest average potential hydropower output in the world after China and Russia, but only two percent has yet been developed. By contrast, Mozambique has gradually become a major exporter of electricity.
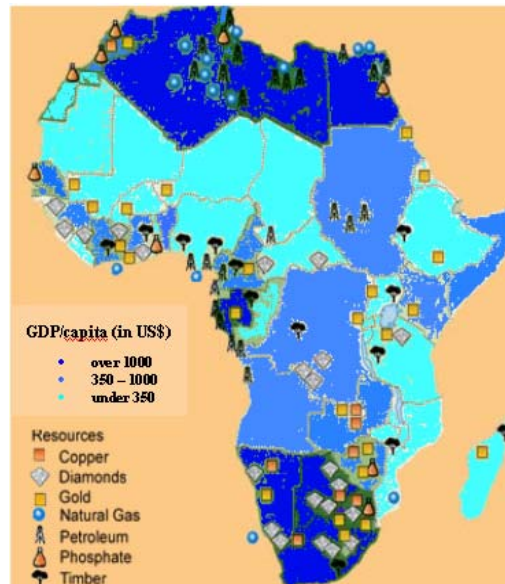
Map 2: GDP/capita and natural resources in Africa. Source: World Development Indicators 2004 (World Bank)

Agricultural commodity-dependent African economies often rely on a very narrow range of exports. This leaves them highly vulnerable to long-term price decline and to fluctuations in the world prices of such commodities. From 1980 to 2000 the real price of sugar fell by 77 percent, cocoa by 71 percent, coffee by 64 percent and cotton by 47 percent. Unlocking agricultural growth will involve both increasing output and addressing the overall vulnerability and volatility of the sector. The improvement of the yields in cassava and rice production in west Africa is a good example of the first option. In eastern African countries like Kenya, Uganda and Ethiopia diversification into non-traditional agricultural exports is being pursued with some success and in Kenya horticulture has become the fastest growing sub-sector in agriculture. Rapid expansion of fish and fish products exports in Senegal, Tanzania, Kenya and Uganda, when sustainably developed, contributed to a successful diversification of production.. There is also scope for more regional trade. Even a ***landlocked country***, such as Mali, could become a major rice exporter in the west African region through enhanced trade and regional integration.

Another important driver of growth is the existence of a reliable and attractive ***investment climate***. Currently, the bulk of investments in Africa are domestic: around 80 percent against 20 percent for foreign investment. Unsurprisingly, there is a correlation between the stability and governance performance of a country and the investment climate. Issues related to transparency and accountability are often considered particularly important by investors. In Uganda, which has undergone widespread economic reforms, GDP grew by around seven percent per year during 1993-2002, reducing the share of the population living below the poverty line from 56 percent in 1992 to 35 percent in 2005. In Tanzania, an improvement in the investment climate is largely behind the country's fastest growth in 15 years. In these countries, cooperation and dialogue with the national and international business community has proven to be a crucial component in the development of a positive investment climate.

Another key component of the investment climate is regional integration, the building of larger harmonised markets which are more attractive for investment in the productive sectors. The building of regional interconnections, including the establishment of harmonised policies and enhanced trade facilitation, are crucial issues in this context. A substantial increase in ***intra-regional trade*** has been witnessed in recent years, mostly due to progress in regional

integration schemes. Intra-regional trade in the Common Market for Eastern and Southern Africa (COMESA), which established a free trade area in 2000, grew by 25% in 2003 to about €5 billion. In Northern Africa, the EU has supported the expansion of South-South trade and regional integration through initiatives like the Agadir Free Trade Agreement signed in February 2004.

In these regions, the establishment of appropriate ***interconnections*** are key enablers of trade and integration as they reduce the costs of doing business and allow people to access markets more easily. These challenges are particularly crucial for insular countries, which require specific attention and support. The development of dynamic processes of regional integration, which will strengthen Africa's competitiveness in the world economy, is all the more welcome given the limited progress of many African countries in expanding and diversifying their exports. Some Sub-Saharan countries have for 20 years not significantly changed their export mix, which today too often still consists of a small number of unprocessed primary commodities. As a result, Sub-Saharan Africa's share of world trade has declined from 3% in 1950 to less than 2% today. A controlled and gradual increase in openness, first regionally and then towards the wider world, is therefore needed as a basis for a significant acceleration of growth and development. Given that Europe remains Africa's most important trading partner – for example, approximately 85% of Africa's exports of cotton, fruit and vegetables are imported by the EU – the EU has a key role in supporting these processes.

1.3. Geo-social dynamics: patterns of progress and clusters of inequality

Just as with peace and stability and with trade and growth, the picture in Africa is extremely varied when it comes to human development. A line of poverty cuts across the entire continent. However, different socio-political contexts and different government policies mean that development outcomes still vary considerably between countries and regions. This is, for example, reflected in indicators for inequality, education and health, although similar patterns of regional diversity can also be found in the areas of gender (in)equality, access to basic services and environmental sustainability.
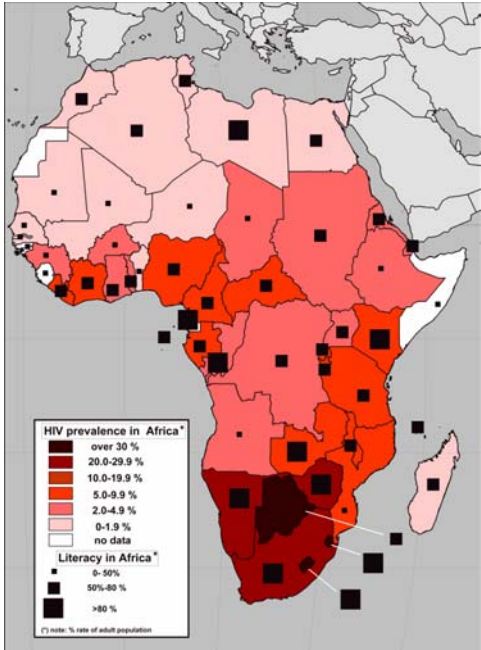
While several African countries have managed to record impressive economic growth, a highly unequal distribution of income often prevents this growth from having a positive impact on poverty levels. There is therefore not necessarily any link between the overall prosperity of a country and its performance in terms of sustainable development, decent work opportunities and poverty reduction. The category of strikingly *unequal societies* includes many poor countries, such as Sierra Leone and the Central African Republic, but also wealthier countries like Lesotho, Botswana and South Africa. The most extreme case is Namibia, which has one of the highest levels of inequality in the world. Relatively even distributions of income are found in countries like Ghana and Uganda, where growth also has been more strongly linked to sustainable poverty reduction.

Not least against the background of continuously strong population increases, employment creation remains one of the major challenges for social development and poverty reduction. However, the **employment situation** remains worrisome in most African countries. The vast majority of all new jobs for young labour market entrants in Africa are in the informal economy, with low productivity and income, poor working conditions, lack of career prospects and with little or no social protection. Women and ethnic minorities in particular continue to face disproportional difficulties on the labour market. At the same time, child labour remains a frequent phenomenon in many countries and constitutes an important income base for many families. In Sub-Saharan Africa alone the number of young people looking for work is expected to increase by 28% in the next 15 years, equivalent to 30 million people.[iii]

Gradually, *literacy* rates are improving in Africa. Progress in primary education has been recorded in some of the poorest countries such as Burkina Faso, Benin and Eritrea, with overall numbers of children in primary school in Sub-Saharan Africa increasing by 48 percent between 1990 and 2001. Broadly speaking, enrolment rates in primary education show that southern and eastern Africa lag somewhat behind the rest of Africa. However, when it comes to secondary education, the Sahel countries Niger and Chad fare particularly badly, with enrolment rates well below 10%. Within those countries, rural areas tend to fare worse and certain groups, such as girls, disabled children and orphans, remain particularly marginalised.

Communicable diseases have placed a heavy burden on many countries and regions across Africa. The HIV/AIDS pandemic has hit southern and eastern Africa hardest: there is also a more limited, but growing, epidemic in west Africa and it is only the countries of north Africa that have so far escaped any large-scale impact. Adult prevalence rates range from under one percent of the population in Senegal and Mauritania to over 25 percent in Swaziland, Botswana and Lesotho, where the pandemic has wiped out decades of development efforts and considerably decreased the average life expectancy. However, despite these devastating diseases, Africa continues to record rapid demographic growth, ranging from 2.2 percent to 2.8 percent per year. If this rate of growth were to be sustained, Africa would be home to not less than 2 billion people within 40 years

1.4. Geo-environmental dynamics: management of natural resources to combat poverty

The perception remains in some quarters that environmental protection is something of a luxury in Africa. Yet, evidence shows that *environmental degradation* often contributes to

poverty and when forests disappear and water is exhausted or polluted, it is often the poor of Africa, especially children and women, who suffer most. Promoting sustainable natural resource management is thus a politically, socially and economically sound development strategy for Africa.

The African continent is environmentally very diverse. Climate conditions range from humid tropical in western and central Africa and in the western Indian Ocean islands, to arid and semi-arid in most southern African countries, while semi-deserts and deserts are features of northern Africa. *Climate change* will further increase the strain on water resources, affect biodiversity and human health, worsen food security and increase desertification. Extreme hydrometeorological events such as flooding and drought are common across Africa, and set to increase as a result of climate change, while early warning systems are inadequate and disaster management is weak. Climate change adaptation is therefore an urgent necessity for Africa's development.
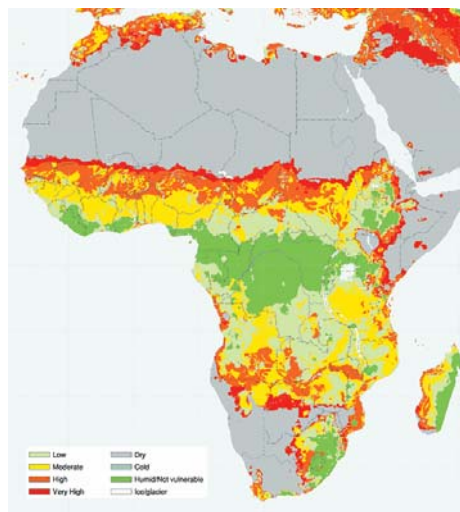
Map 4: Africa's environmental vulnerability (source: UNEP)

Two-thirds of Africa's total land area is arid or semi-arid and 34% of Africa's population lives in arid areas compared to just 2% in Europe. *Land* is central to development in Africa since the livelihoods of about 60% of the population depend on agriculture. The expansion of agriculture over the past three decades has involved the cultivation of marginal areas and the clearance of important natural habitats such as forests and wetlands. Such conversion is a major driving force behind land degradation. In the western Indian Ocean islands, for example, competition for land is so intense that coastal wetlands have been destroyed and inland swamps have been drained and used as construction sites. Draining wetlands for agriculture threatens not only habitats and biodiversity but also the livelihoods of pastoralists.

Soil erosion reduces the productivity of land, requiring farmers to apply more and more fertilizers and other chemicals that help check falling productivity. Land degradation is intricately linked to poverty and addressing this problem requires the participation of the resource users and, where appropriate, providing them with alternative livelihood options. A recent study estimated that desertification processes affect 46 per cent of the African continent and a total of almost 500 million people: the worst affected areas are along desert margins (see map).

Africa's **renewable water resources** average 4,050 km³/year, significantly less than the world average of 7,000 m³ per capita/year. The spatial distribution of both surface water and groundwater is uneven. At least 13 countries suffered water stress or scarcity in 1990 and the number is projected to double by 2025. Groundwater is a major source of water in the region, accounting for 15 percent of Africa's total resources. Groundwater is used for domestic and agricultural consumption in many areas, particularly in arid sub-regions where surface water resources are limited. However, areas heavily dependent on groundwater reserves are also at risk of water shortages, as water is extracted far more rapidly than it is recharged.

Africa's **forest cover** is estimated at 650 million ha, representing 17 percent of the world's forests. African forests provide many goods and services. A study in Madagascar estimated the value of forest products to local villages to be US$200,000 over ten years. In Ghana, it is estimated that 16-20% of the local population's food supply is met from forest products. Deforestation, both for commercial timber and to make room for agriculture, is therefore a major concern and represents an enormous loss of natural economic wealth to the continent. Selective vegetation removal and over-harvesting of non-timber forest resources, including medicinal plants, all add to this problem. The pressures on forests and woodlands are further exacerbated by the construction of access roads which open up closed forest areas, making the resources more accessible, and their trade more profitable.

2. THE PRINCIPLES OF THE EU'S RELATIONS WITH AFRICA

2.1. The EU's longstanding relationship with Africa

2.1.1. A network of agreements

The EU-Africa relationship is deeply rooted in history. Over the last few decades, the EC and the Member States have concluded various contractual arrangements with different parts of Africa, reflecting the continent's diversity in terms of history, policies and needs.[iv]

The Lomé I Agreement, signed in 1975, was the first framework agreement with the countries of *Sub-Saharan Africa,* as part of the ACP group of states. This pioneering agreement already included principles such as partnership, the contractual nature of the relationship and the long-term predictability of financing. Following a number of subsequent Lomé Agreements, in 2000 the EC and its Member States concluded the Cotonou Agreement for twenty years with the 48 countries of Sub-Saharan Africa. The Cotonou Agreement, revised in 2005, combines a political dimension with trade and development issues in a single comprehensive framework. *South Africa,* while a signatory of the Cotonou Agreement, concluded a separate parallel ambitious Trade, Development and Cooperation Agreement (TDCA).[v]

The EU's relations with the countries of *north Africa* are based on the Euro-Mediterranean Partnership and Association Agreements, and on the European Neighbourhood Policy (ENP)[vi] and ENP Action Plans. The Euro-Mediterranean Partnership was launched in 1995 when the Barcelona Declaration identified the three main objectives of the Partnership as: (a) establishing a common area of peace and stability through the reinforcement of political and security dialogue; (b) creating an area of shared prosperity through an economic partnership and the gradual establishment of a free-trade area; and (c) bringing peoples together through a social, cultural and human partnership aimed at promoting understanding between cultures and exchanges between civil societies. The Partnership is implemented by bilateral Association Agreements between the EU and each of the partner countries.[vii] Building on this

platform, the ENP offers to these countries an increasingly close relationship with the EU, involving a significant degree of economic integration and a deepening of political cooperation in an approach founded on partnership, joint ownership and differentiation and aiming to promote the prosperity, stability and security of Europe's immediate neighbours.[viii] All five north African countries are beneficiaries under this policy, implementation of which started in 2005 with the adoption of a first set of ENP Action Plans, including those for Tunisia and Morocco, which representing the fruit of discussions with the partner countries and common agreement on priority reform priorities and actions.

2.1.2.   A new framework for development policy

While these agreements provide a long-term framework for dialogue, trade and cooperation, the EU needs to adapt its policy to the ever-changing political and economic context. The stronger consensus on the Millennium Development Goals (MDGs), the changing security context after the terrorist attacks of 11 September 2001 and subsequent events, and the increased impact of globalisation are just some of the elements that have made it necessary to rethink the EU's policy towards the developing world.

In April 2005 the Commission issued the *"MDG package"*, providing the basis for the ambitious commitments made by the European Council in June 2005.[ix] Building on this package, in July 2005 the Commission proposed to the Council and the Parliament to go even further and adopt a Joint Declaration on the EU's new Development Policy, the *"European Consensus"*.[x] Once adopted, the "European Consensus" will provide, for the first time ever, a common framework of objectives, values and principles that the Union – all 25 Member States, the Commission and the European Parliament – supports and promotes as a global player and global partner.

The EU-Africa Strategy aims at providing a common, coordinated and coherent European initiative and response to the challenges Africa faces and therefore constitutes the first practical example of implementation of the abovementioned "European Consensus".

2.2.   Making a quantum leap in EU-Africa relations

2.2.1.   Engaging with a changing Africa: equality, partnership, ownership

As we enter a new era in EU-Africa relations, it is time to reinforce the basic principles that govern this relationship, most prominently *equality*, *partnership and ownership*. While these principles are not new, their sense, significance and implications have changed with developments in the external political and economic context. The birth of the AU and NEPAD, the reinforced role of Africa's Regional Economic Communities (RECs) and the emergence of a new generation of leaders at national level have not only changed Africa, but also affected its relationship with Europe. Rethinking these basic principles could fundamentally improve the nature and potential of the EU-Africa relationship.

Equality. The emergence of the AU and the RECs on the one hand and the consolidation of European integration on the other have created a new and more symmetrical institutional framework for relations between Europe and Africa, between the EU and the regional and continental institutions. Equality implies mutual recognition, mutual respect and the definition of mutual collective interests.

Partnership. This more balanced relationship has implications for the notion of partnership. First, between the EU and Africa. The EU is not only a donor of development aid, but also a political and commercial partner. Its relations with Africa therefore not only encompass development issues, but also include broad, concrete and constructive political dialogue. The EU can offer Africa lessons learned from its experience of continental integration, regional and social cohesion, institution-building and policy development. This partnership must also be based on mutual responsibility and accountability, which includes the mutual respect for human rights and fundamental freedoms. Second, with the rest of the world. As the EU and Africa share basic values and objectives, such as a more multilateral world order, fairer global development and the promotion of diversity, they must be strategic partners in the international community.

Ownership. Development policies and strategies cannot be imposed from the outside. The vision of good governance, respect for human rights and democracy embraced by the AU and NEPAD deserves the EU's full support and will add a new dimension to the concept of ownership as the basis for dialogue and cooperation with each country. These principles are at the heart of the Cotonou Agreement, the TDCA, Euro-Mediterranean Partnership and the European Neighbourhood Policy. The EU should consistently and collectively support Africa and country-owned strategies and policies. In order to turn the principle of ownership into policy, *budget support* (aid directly contributing to a partner government's budget for sectoral policies or general programmes) should increasingly become the main aid delivery mechanism. This approach not only improves the ownership, efficiency and predictability of the support, but will also enhance a more mature policy dialogue leading partner countries to take their responsibilities in terms of objectives, means and governance mechanisms.

2.2.2.   *Engaging with a multilayered Africa: subsidiarity and solidarity*

In view of the many different cooperation agreements, the growing role of both the RECs and the AU, and the increasing complexity of the EU's relations with Africa, *subsidiarity* and *solidarity* should also become central tenets of the EU Strategy for Africa.

Subsidiarity. Through these agreements, the EU should engage with Africa's three levels of governance – national, regional and continental – on the basis of the principle of subsidiarity: only matters which would be dealt with less effectively at a lower level should be reserved for a higher level of governance. Issues such as peace and security, migration, interconnection or disaster management require primarily regional or continental responses, while other questions, including basic social services, including like health care or primary education, are often better dealt with at national or sub-national level.

EU policies and action should therefore be tailored to the potential of each level. At *country level*, the EU should for Northern Africa, support national reform strategies and the implementation of the European Neighbourhood Policy Action Plans, while for Sub-Saharan African the EU should continue to centre support on the implementation of national development policies and poverty reduction strategies (PRSPs). At *regional level*, the EU should support (sub-)regional integration and development strategies and programmes of different Regional Economic Communities (RECs). For Sub-Saharan Africa this will entailthe creation of regional integrated markets following the conclusion of EPA negotiations. This objective should extend to tangible support for coordinated supply-side and other reforms at national level, so as to seamlessly bind national development policies with regional integration objectives. The EU should support African efforts to rationalise the current regional integration schemes and institutions in accordance with the regional frameworks

governing the EPAs. At *continental level*, finally, the EU should support the continental institutions and strategies of the AU and NEPAD providing answers to current Africa-wide challenges. This will require boosting the capacity of these supranational institutions to make them stronger, more effective and more credible in the eyes of African countries and citizens. To that end, the EU should enhance its support to the AU Commission, to the Pan-African Parliament, and other pan-African institutions. At the same time, the EU should develop synergies and complementary features between the different agreements to support these Africa-wide strategies more effectively.

Solidarity. The EU should support African efforts to develop enhanced intra-African solidarity between these three different levels of governance. This solidarity consists of, for instance, recognition that peace, security and governance is a shared responsibility of the entire African continent. The principle of 'non-indifference' promulgated by the AU lies at the heart of this new doctrine. Swift reactions by the AU following coups d'Etat, breaches of constitutional orders or violations of human rights vividly illustrate this attitude. The establishment of the Peace Facility, to which all Sub-Saharan African countries contributed via their EDF envelopes, is a good example of how Europe can support this African commitment.[xi] Another example could be to set up a mechanism supporting countries which are vulnerable and exposed to disasters and catastrophes.

2.2.3. *Engaging with Africa on a continuous basis: political dialogue*

Finally, it is crucial that the EU's relations with Africa should be increasingly pervaded by a culture of dialogue. The importance of a permanent, frank and constructive political dialogue can hardly be overestimated. This also requires a common and consistent approach by the EU as a whole, assuming its leading responsibility in partnership with other international players and with the UN.

Experience gained so far inspired some of the recent amendments to the Cotonou Agreement, which provides for a regular and comprehensive political dialogue with the countries and regions in *Sub-Saharan Africa*. Following the revision of Articles 8 and 96 of the Cotonou Agreement, political dialogue has become more structured, more permanent and potentially more effective. The revised Article 8 will allow the EC and African partners to use political dialogue swiftly and effectively and under almost all circumstances. Article 96 will become more powerful since it will be a second-level instrument for more difficult situations not solved through previous political dialogue. Sanctions, the effectiveness of which has to be carefully assessed, will be only the very last resort. In this way, political dialogue can be used to prevent violation of the 'essential elements' of the Cotonou Agreement[xii] instead of – as too often in the past – being a reaction mechanism only when a problem occurs. With the *North African* countries, the Barcelona Process and the ENP provide a solid framework for political dialogue. The Barcelona process regained momentum following the Naples ministerial conference in December 2003 and the November 2005 Barcelona Summit will be a new milestone in Euro-Mediterranean relations. The EU also needs to enhance its dialogue with the *African continent* as a whole, going beyond the regular ministerial meetings and raising the dialogue to the highest political level. Five years after the Cairo Summit, it is time to organise the EU-Africa Lisbon Summit.

The quantum leap in EU-Africa relations described under this heading can be well illustrated by recent developments in EU-South Africa relations. Ten years into democracy, *South Africa* has become an important strategic EU ally on the continent. It is an anchor country in the southern Africa region and a key actor in the regional integration process, the regional

stability and the future Economic Partnership Agreements (EPA) with southern Africa. On the continental level, South Africa is one of the driving forces behind the AU and NEPAD, a beacon of democracy and good governance and a major peace-keeper. On a global scale, it plays an increasingly important role as a representative of Africa and the entire developing world. Therefore, South Africa and the EU have agreed to deepen and broaden their existing relationship through a holistic and innovative approach beyond 2006 with a view to building a strategic partnership. The Joint Cooperation Council has adopted Joint Conclusions that emphasise the need for an integrated approach to political dialogue, development cooperation, trade liberalisation and broad economic cooperation. This will result in a new type of cooperation based on mutual interests that particularly will address South Africa's imbalance and disparity between the "first economy" and its "second" informal sector.

3. A THREE-PRONGED EU RESPONSE STRATEGY

3.1. Strengthening EU support in priority areas

Chapter 1 showed that the road to sustainable political, economic, social and environmental development will look rather different for each African country or region. But the overview also demonstrated that many countries and regions face similar problems, all of which are crucial for Africa's ability to achieve the MDGs and all of which require enhanced action. Under the new Strategy for Africa, the EU – the European Community and the Member States – should therefore strengthen its support in the areas considered prerequisites for attaining the MDGs (peace and security and good governance), areas that create the economic environment for achieving the MDGs (economic growth, trade and interconnection) and areas directly targeting the MDGs (social cohesion and environment). Taken together, these measures constitute the EU's common, comprehensive and coherent response to Africa's development challenges.

3.1.1. Prerequisites for attaining the MDGs and good governance

3.1.1.1. Foster peace and security

Peace and security are the first essential prerequisites for sustainable development. Over the last few decades, wars and violent conflicts in Africa have destroyed millions of lives and decades of economic development. Indeed, the *Copenhagen Consensus* project has demonstrated that, on average, countries in conflict suffer negative annual GDP growth of 2%.[xiii] In addition, wars and conflicts also provoke uncontrolled population movements, increase environmental pressure, destabilise the societies and governing structures of neighbouring countries and regions and often provide fertile breeding ground for terrorism and organised crime. Wars and conflict have an impact on all stages of the development cycle and there is therefore a crucial need for a comprehensive EU approach to all issues relating to conflict prevention, management and resolution, post-conflict reconstruction and peace-building.

The EU will therefore *step up its efforts to promote peace and security at all stages of the conflict cycle*. Specific action should include:

- ***Develop a comprehensive approach to conflict prevention,*** which seeks to integrate policies and action in the fields of security, development and democratic governance. The EU should increasingly use regional and national development strategies and instruments

to address structural causes of conflict. The EU will maintain its support to addressing the root-causes of violent conflict, including poverty, degradation, exploitation and unequal distribution and access to land and natural resources, weak governance, human rights abuses and gender inequality. It will also promote dialogue, participation and reconciliation with a view to prevent possible outbreaks of violence. Especially in fragile states a culture of conflict prevention needs to be developed and fostered. A crucial role could be played by national and regional Early Warning Systems, and the EU should step up its assistance to support partner countries' and regional organizations' efforts to strengthen governance/institutional capacity building to enable them to engage effectively in prevention approach. "The monitoring of scarce natural resources (water, fertile land) and the promotion of sound management of shared valuable resources could also contribute to conflict prevention and sustainable peace.

- *Cooperate in addressing common security threats*, including non-proliferation of weapons of mass destruction (WMD) and combating terrorism. As regards terrorism, the EU should cooperate to reinforce the role of the UN in the multilateral fight against terrorism, including through the full implementation of relevant UN Security Council Resolutions and the UN Convention on Suppression of the Financing of Terrorism, while ensuring respect for human rights in this context. As regards weapons of mass destruction and illegal arms exports, issues which also undermine regional security, improving overall coordination and cooperation to ensure full compliance with relevant international obligations and export control regimes.

- *Support African peace-support operations* by continuing to provide support to African-led, -owned and –implemented peace-support operations, notably through the strengthening and replenishment of the Peace Facility for Africa. Many lessons can be learned from the experience with the Peace Facility. The development-related objectives of the Facility have been successfully converted into practical action and that today the Facility constitutes the financial foundation of Africa's peace and security architecture, underpinning the leadership of the AU and the sub-regional organisations. It is time now, building on this experience, to set up a more comprehensive EU approach complementing these Community instruments through CFSP/ESDP approaches. A common EU policy with regard to the different conflicts in Africa is therefore needed. The EU should also pursue a common policy responding to UN Secretary General Kofi Annan's call for establishing an interlocking system of peacekeeping capacities, exploring the synergies between the different organisations involved and developing organisational capacities of African institutions, in particular through a proposed ten-year capacity building plan for the AU.

- *Disarm to break the conflict cycle.* First, efforts to achieve coherent regional and national strategies for *disarmament, demobilisation, reintegration and reinsertion (DDRR)* should be supported in order to contribute to the reintegration of ex-combatants – including child soldiers – and stabilisation of post-conflict situations.[xiv] This work can draw on the experience in central Africa, particularly the Democratic Republic of Congo (DRC), where a wide range of activities, ranging from the collection and destruction of arms to the development of a national army (e.g. through *centres de brassage)* are at present deployed. The EU should also promote an integrated approach to address the proliferation of *small arms and light weapons (SALW)* as well as landmines (see Box 1). To this end, the Commission recently launched two wide-ranging pilot projects supported by the European Parliament. On the basis of these and other experience, the EU should define a collective,

comprehensive and cross-cutting EU approach to address the diverse features of the problem, building on both first pillar and CSFP/ESDP instruments.

- ***Sustain peace in post-conflict situations*** by developing a more coherent and smooth transition between short-term (humanitarian assistance) and long-term (development) strategies in post-conflict situations. The proposed Stability Instrument will contribute significantly to improve the EU's capacity to respond to crises and post-crisis reconstruction by providing a single legal instrument, taking into account that post-crisis stabilisation requires a sustained and flexible engagement and a high degree of flexibility in decision-making and budget allocation. The EU should promote an integrated and comprehensive political dialogue and policy mix supported by appropriate instruments while strengthening implementation of its *linking relief, rehabilitation and development (LRRD)* efforts. These transition strategies should also integrate socially and environmentally durable solutions for refugees and other vulnerable groups. The EU should also develop a strategy and capacity to foster *security sector reform (SSR)* in Africa, which will take into account the related institutions and capacity building programmes of the EC and Member States, whilst identifying the scope of action to be pursued within the European security and defence policy (ESDP) framework. Finally, the EU welcomes the establishment of a UN Peace-building Commission.

- ***Tackle conflict resources.*** Access to and exploitation of valuable or scarce natural resources can be important contributing factors to the outbreak or continuation of conflicts. The EU should continue to promote effective implementation of the 'Kimberley Process Certification Scheme'[xv] for diamonds and should work with African partners to improve the control and traceability of other potential conflict resources. It should also support Africa Forest Law Enforcement and Governance (AFLEG) through the implementation of the EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT). This Action Plan sets out a series of measures to tackle illegal logging, addressing good governance in developing countries while enhancing the opportunities of the EU's internal market.

Box 1: Fighting landmines as a prerequisite for peace (Angola)

In 2002 the civil war in Angola came to an end. The omnipresence of landmines and unexploded ordinance, however, posed a serious obstacle to the general recovery of the country and will remain a challenge for years to come. Estimates suggest that approximately 4-5 million landmines are spread across Angola. The European Commission therefore decided to put in place a €26m Programme of Emergency Mine Action for Sustainable Return and Resettlement. Through a combination of mine-clearance and institutional capacity-building, the programme helped Angola to overcome the legacy of almost 30 years of civil war and prepared the ground for the country's sustained development. It constitutes a model for all post-conflict countries.

3.1.1.2. Support legitimate and effective governance

Together, African countries have signed up to a set of progressive values and principles of governance. This is a major component of the Euro-Mediterranean Partnership and the European Neighbourhood Policy, and Northern African Countries which have agreed an ENP Action Plan have taken specific commitments in that respect. It is equally central in the Cotonou Agreement and the Trade, Development and Cooperation Agreement (TDCA). Some of them have even committed themselves to being regularly monitored in the framework of

the African Peer Review Mechanism (APRM), a unique tool for peer review and peer learning and basis for reform. Historical, human and cultural heritages must be taken into consideration when supporting and monitoring these processes. While these improvements are tangible, it is clear that the path towards sustainable democracy in Africa is difficult, long and rarely straight. Securing respect for the full range of human rights and the rule of law remains a major challenge. Strict restrictions on the right to assembly and the freedom of organisation and expression are still in place in many countries. Reliable information is still limited, corruption is often endemic, and violence against political opponents is commonplace. Indeed, many African countries suffer from a dual crisis of legitimacy, i.e. *weakness*, or even absence, of a genuine social contract between state and citizen, and *ineffectiveness*, i.e. limited capacity to deliver basic social services. The result is a growing disconnect between the 'legality' of the state apparatus and its 'legitimacy' in the eyes of ordinary people. While genuinely democratic elections create legitimacy and stability, too often elections instead become a source of conflict because they are flawed or because the losing side does not accept defeat. The organisation and role of the state – often reflecting the legacies of the past – is therefore a crucial issue. Primary responsibility for building democracy lies in the hands of Africa's people and of its ruling class. Governments and other public institutions need to increase their dialogue with civil society on policy issues to create more transparency and engagements on critical choices for development. They have to deliver what they have pledged.

There is a strong linkage between the promotion of development and the promotion of democracy. It is clear that democracy cannot be created or imposed by domestic elites or external actors but the promotion of sustainable socio-economic development can contribute to foster a greater demand for democracy. The appropriate role of external actors is therefore instead to support and encourage domestic efforts to build, strengthen and sustain democratic norms, procedures and institutions. In order to address the twin problems of weak and ineffective governance, the EU will *support legitimate and effective governance as a second central prerequisite for development* and, thus, for attaining the MDGs. Specific action should include:

- ***Reform of the State (1): Build effective and credible central institutions.*** The construction of stronger central institutions is a shared objective at all levels of governance, including the regional and pan-African layers (see above on subsidiarity). Strengthening the capacity of African countries will enhance respect for human rights, freedoms of citizens, good governance and effectiveness of the State and deserves the EU's full support. This should include support for the *police and judiciary system* and other institutions in emerging democracies, including the national ombudsman, the court of auditors and inclusive election commissions. It also includes the strengthening of *public financial management* (PFM) systems, most notably through the mainstreaming of the public financial management performance measurement framework and implementation of the strengthened approach to supporting PFM reforms.[xvi] Finally, it includes reinforcement of the capacity of Africa's *national parliaments* so that they can perform their legislative, oversight – including corruption-fighting – and representative functions better. Parliaments are the legitimate institutions for security sector reform (SSR), conflict resolution, national integration and reconciliation, but also for the co-design of their countries' development strategies.

- ***Reform of the State (2): Develop local capacity.*** A systematic dialogue with national governments and local authorities should be launched on how best to support

decentralisation processes. Decentralisation empowers people and strengthens democracy, development strategy and action. Decentralisation allows a fair share of income to remain within regions instead of being absorbed by the centre. In addition, decentralisation also allows cities and rural communities to participate in conflict prevention and thereby transforming military claims into political claims. In the past, the Commission has, for example, supported the successful decentralisation process in Mali, which contributed to peacefully defusing the Tuareg uprising. Another instructive example is Rwanda which, following the genocide of 1994, has embarked on an ambitious process of decentralising administrative power in the framework of reconstruction of the state.

- *Launch a Governance Initiative.* The EU should back African-owned efforts to improve governance. The EU must encourage and support African countries systematically to develop good governance plans within their national PRSP. One powerful tool to boost efforts further is, in particular, the voluntary African Peer Review Mechanism (APRM) and the reforms that it will trigger. To this end, the Commission should launch a Governance Initiative that will encourage participation in the APRM process and provide further support to African countries for the implementation of their APRM-driven reforms. This support should be additional to, and fully in line with, poverty reduction strategy papers and should respect African ownership both of the process and of the reforms pursued.

- *Reinforce respect for human rights and democracy.* To encourage further sharing of expertise and resources, an EU-Africa Forum on human rights should be set up. This Forum will be underpinned by a network of human rights experts in Africa and Europe, with the goal of addressing substantive and institutional human rights issues in the context of a sustained dialogue. The Forum could be convened several times per year, should feed into major dialogue events and work towards the effective implementation of shared human rights commitments. Beyond this, the EU will make every possible effort for human rights issues to be discussed and addressed within the different forms of dialogue and international cooperation (such as in the UN) and mainstreamed into development cooperation. The EU should also place particular emphasis on the promotion, respect and protection of children's rights and basic needs, as well as the promotion, respect and protection of women's rights and gender equality. For Northern Africa, the Commission Communication on the Tenth Anniversary of the Euro-Mediterranean Partnership proposed the creation of a Governance Facility that will serve to promote reform, through supporting and rewarding those partners that show a clear commitment to common democratic values and to political reform.

- *Promote gender equality.* The EU should ensure that gender equality is fully taken into account in all partnerships and in national development strategies including in poverty reduction strategies. In Africa women constitute the majority of both urban and rural poor. The EU should give priority to the elimination of illiteracy especially among girls and the promotion of their equal access to education, to investment in Sexual and Reproductive Health (SRH) in order to combat HIV/AIDS pandemic, to the reduction of maternal and child mortality, and to the participation of women in conflict prevention, peace building and reconstruction*.*

- *Fight corruption and organised crime and promote good governance in the financial, tax and judicial areas.* The EU should sustain and accelerate the process of ratification of the UN Convention against Corruption, a central plank of which is the requirement that

countries confiscate and repatriate illicit assets, and the UN Convention against International Organised Crime. The EU should also promote full implementation of the Extractive Industries Transparency Initiative (EITI), encourage its African partner countries to join the Initiative and request EU companies and companies active on the EU market to disclose information. This scheme could also be extended to other industries, such as forestry and fisheries. In addition, the EU Member States should also live up to their commitments under the OECD Anti-Bribery Convention. Moreover the EU should encourage the adoption and implementation of international standards relating to the fight against money laundering, terrorism, tax fraud and tax avoidance. The EU also encourages African Countries' to sign and implement the main international instruments of crime prevention, like the UN Convention against Transnational Organized Crime and its protocols and the UN Convention against Corruption. The EU should also address the limited institutional and technical capacity of African countries to deal with organized crime and drugs in an effective and comprehensive manner, through the development of internal strategies as well as capacity building.

3.1.2. *Creating a positive economic environment*

3.1.2.1. Boost economic growth

Despite improvements in economic performance, Africa continues to be marginalised in the international economy. In an increasingly globalised world economy, Africa accounts for only about 2% of world trade and its share of global manufactured exports is almost negligible. Most African countries have been unable to diversify their exports and often remain dependent on a limited number of agricultural or mining commodities which are sensitive to price changes and long term falls. Industrial activity is often linked to these resources, and in particular in mining, is often capital-intensive and creates few jobs. Without increased economic growth and private investment, few African countries will have the sustainable revenues they need to deliver basic social services such as education and health care. Boosting economic growth will thus be a key factor in achieving the MDGs. Indeed, to increase the chance of halving poverty by 2015, it has been calculated that Africa needs to achieve yearly average growth of at least 8%.

In order to ensure that globalisation can become a positive force for Africa's development, EU action should *stimulate sufficiently rapid, broad-based and sustainable economic growth* in order to contribute to an effective reduction of poverty. Specific action should include:

- *Support macroeconomic stability.* Macroeconomic and structural policies encourage private investment and stimulate pro-poor growth. Implementation of such policies will be particularly important in those countries which currently enjoy high oil and gas revenues. To ensure that these measures deliver improvements in the lives of poor people, the EU should provide particular support for national strategies for poverty reduction that reflect wide domestic ownership and provide a broader context for prudent macroeconomic policies that promote pro-poor growth.

- *Creation of integrated regional markets (South-South trade).* Creating integrated regional markets is at the heart of the concept of the Economic Partnership Agreements (EPAs) that the EU is currently negotiating with four Sub-Saharan regions of Africa. These innovative agreements are being designed with development as the major objective and benchmark.[xvii] This process of integration and of fostering trade will continue to be accompanied by substantial and increasing financial support, notably for building trade capacities and for

the implementation of supply side reforms. Already the main donor in this area, the EU should step up its trade related assistance to Africa. This assistance will be used to strengthen in-country and regional trade policy and negotiation capacity, to assist countries with the implementation of the WTO agreements and EPAs and to address supply side constraints in areas including regulatory issues, food safety, product standards in export markets. Supporting an ambitious trade facilitation agenda, one of the objectives of the on-going DDA round, will also be part of the EPAs, in order to improve customs procedures and formalities, including transit regimes, which are of special relevance for Africa's landlocked countries. The removal of current barriers to intra-regional trade and investment and the establishment of more stable, transparent and predictable rules and reliable institutions will contribute significantly to the growth of local and regional economies. An important example of this process is the recent Agadir Free Trade Agreement signed in February 2004 between Jordan, Egypt, Tunisia and Morocco and supported by the European Commission. Looking further into the future, and in accordance with the AU long term vision, the EPA should also act as building blocs for the progressive creation of a single African economic space. In order to be able to benefit more from increased opportunities to trade and to ensure that benefits from increased trade are distributed more evenly, trade needs to be better integrated into national development strategies and in particular into poverty reduction strategies. The EU should assist Africa in this process so to enable African governments to effectively use trade as a policy tool to reduce poverty.

- *Increased market access and trade (North-South trade).* For Northern Africa, the ambitious process leading to the creation of an Euro-Mediterranean Free Trade zone by 2010 will be achieved through the implementation of the existing Association Agreements. For sub-Saharan Africa, the EU has provided tariff and quota free access for the poorest African countries. In the EPA negotiations, the EU should provide effectively improved market access and simplify, harmonise and render rules of origin more development friendly. It should also continue to encourage other major developed or developing countries to follow its example. Moreover, it should assist African countries in their efforts in bringing its products to EU and world markets, to comply with rules and standards, notably in the sanitary and phytosanitary areas, and to negotiate preferential market access for goods and services. In respect of opening access to the African markets for EU products, the EPAs foresee transition periods compatible with their development needs and constraints, with adequate protection for sensitive sectors where needed. In order to ensure Africa's gradual integration into the multilateral trading system, the EU will continue to assist Africa in negotiating and taking advantage of the new opportunities arising from multilateral trade liberalisation while strengthening the social dimension of globalisation and promoting productive employment and decent work opportunities. To reduce the impact of price shocks on commodity dependant countries, the EC should introduce innovative insurance instruments to complement its existing FLEX mechanism.

- *Stimulate private-sector development.* The promotion of a stable, efficient and harmonised legal framework for business is another vital key to growth. This has been pursued in Northern Africa through the Euro-Mediterranean Partnership and promoted using assistance from the MEDA programme. The European Investment Bank has also played a key role through the Facility for Euro Mediterranean Investment Partnership (FEMIP). Through the ENP Action Plans, the EU and relevant Northern African countries have agreed to address a wide range of regulatory and other issues which hamper the development of the private sector. In addition, with a more specific sub-Saharan Africa

focus, the Commission will convene in 2006 a *Euro-African Business Forum* bringing together entrepreneurs and public and private investors from both Europe and Africa. This Forum will support and be complementary to the emerging regional business fora established or nurtured with African regions in the context of the EPA negotiations. It should draw up a *Plan of Action* for the private sector, aiming at fostering investment, boosting industry and creating jobs. The Forum could also discuss the adoption of a code of conduct on issues such as corruption, transparency and fair working conditions. Improved *access for SMEs to financial and non-financial services*, support for the development of micro-finance and promotion of partnerships between the public and private sectors should be pursued, for example by encouraging innovative business initiatives enabled by low-cost electronic communications. In South Africa, support for the Department of Trade and Industry's SWEEEP programme is contributing to the expansion of the "Black Economic Empowerment" enterprises (see Box 2). To make sure that the development of the private sector is translated into more and better work for all, the establishment of national action plans or programmes on employment and decent work should be encouraged in close cooperation with partner countries and organisations such as the AU, NEPAD and the ILO. Pilot programmes on decent work, such as that in Ghana, have showed their potential for success. In this context, extension of the Youth Employment Network (YEN)[xviii] could play a positive role.

Box 2: Linking industrial growth with black empowerment (South Africa)

Following the end of apartheid in South Africa, the government decided to make a radical change in the economic and industrial policy of the country. The Department of Trade and Industry put in place an Integrated Manufacturing Strategy (IMS) to boost industrial growth combined with a long-term Strategy for Small Business Development and Black Economic Empowerment. The core objective of the IMS is to accelerate at the same time growth and employment, while reducing the racial and geographical inequalities present in society. In 2003 the European Commission decided to support this policy through a €25 million Sector-Wide Enterprise, Employment and Equity Programme (SWEEEP). The first results are more than encouraging and today the programme stands as a model for support to an equitable industrial policy, linking formal and informal economies.

Macroeconomic stability, the creation of regional markets and an appropriate private investment climate are preconditions for sustained growth. However, while such a pro-growth framework is crucial for sustainable economic development, it needs to be accompanied by appropriate measures to boost and diversify production and to establish and upgrade the necessary infrastructure and networks. Specific action should include:

- *Boost agriculture and ensure food security.* In addition to the policies sustaining the rural sector, the EU should target specific support on increasing the competitiveness and productivity of African agriculture through: (i) policies and programmes to improve the functioning of national and regional input and output markets, including through rural infrastructure and to promote organic farming and fair trade; (ii) the management of shocks, in particular through novel insurance instruments; and (iii) the strengthening of pro-poor, demand-driven agricultural research and extension, in particular by promoting research collaboration between the European and African research communities, at the level of the Consultative Group on International Agricultural Research (CGIAR) and by supporting regional research coordination mechanisms. All these areas can benefit from supra-national coordination and economies of scale. In areas with higher levels of

institutional and economic development, the challenges of integrating into increasingly competitive and demand-driven chains and markets should be addressed as outlined in the EU Action Plan on Agricultural Commodity Chains.

- ***Exploit fish resources sustainably.*** The EC and several African coastal countries have long standing bilateral relations in the fishery sector. The new generation of EC fishery agreements, the Fishery Partnership Agreements (FPAs), implement a <u>partnership</u> approach. This approach provides regulated access rights to EC fishing vessels, while it also pursues the conservation and sustainable exploitation of local fish resources and provides support to the development of the local fishery sector. This approach must be implemented through a policy dialogue that, taking into account the financial benefits of fishery agreements provide a key contribution to the definition and implementation, by the coastal state, of the conditions of a policy of sustainable development of fishing activities in the waters of the countries concerned.

3.1.2.2. Interconnect Africa

Limited access to transport and communication services, water and sanitation, and energy constrains economic growth. These limitations, together with the missing links in cross-border connections and regional networks, mean that trade and commerce often become uncompetitive as transport and service costs in landlocked countries can reach three quarters of a country's total export value, equivalent for example to a 75% tax on Ugandan clothes exports. In addition, potentially lucrative use of natural resources becomes unprofitable due to insufficient or unsuitable infrastructure and trade links. Consequently, national economic growth is stifled and the ability of African countries to trade competitively at regional, continental and international level is held back.

The Commission therefore proposes to *establish an EU-Africa Partnership for Infrastructure to support and initiate programmes (Trans-African Networks) that facilitate interconnectivity at continental level for the promotion of regional integration*. The Partnership for Infrastructure should encompass investments in trans-boundary and regional infrastructure and their regulatory frameworks in the widest sense: transport networks (roads, railways, inland waterways, ports and airports), water and energy infrastructure and connections as well as ground-based and space-based electronic communications infrastructure and services.[xix] The Partnership for Infrastructure is based on a number of central principles. Firstly, the Partnership's success depends on *coherence* and *complementarity* with the action taken at country and regional level[xx] and its long-term *sustainability*. Such sustainability is secured through the development of national operators and service providers as well as regional entities.[xxi] Secondly, by bringing Africa and Europe into a closer relationship the Partnership will ensure African *ownership* through close engagement with the African continental and regional institutions – the AU and the RECs – in accelerating the AU-NEPAD Action Plan on Infrastructure. Effective support for this Plan by the Partnership demands a substantive increase in funding levels and the deployment of flexible methods of financing.

Concretely, the EU will initially set up a task force that combines EC and EIB resources and expertise open to Member States and their development financial institutions. This approach will enable an early start up of the Partnership and provides flexibility for designing an appropriate institutional structure that seeks efficient implementation and successful outcomes. This EU task force will facilitate coordination, the mobilisation of the substantial funds necessary to interconnect Africa and through participation in other international

initiatives enhance its effectiveness. In the framework of this Partnership, specific action should include:

In general:

- *Identify and address missing links.* Missing links in trans-African and regional networks must be identified and prioritised to set up 'Trans-African Networks labelled' programmes. The appropriate international and regional agreements as well as the regulatory frameworks that improve network operations need to be harmonised and all undertakings must be based on solid research. AU/NEPAD has an overall monitoring and guiding role to play, including in pooling technical expertise. The RECs have responsibilities for defining their regional policy action and priority investment programmes for transport and communications in the economic and trade development of the region.

By sector:

- *Harmonise transport policies* through support to the Sub-Saharan Africa Transport Programme (SSATP) that facilitates the harmonisation of sustainable transport policies between regions and efficient operations along regional and trans-African corridors. EU support in this area has already permitted the creation of "corridor observatories" and improved transit transport agreements. The EU should furthermore support development and modernisation of access to ports and port infrastructure, emphasising efficient and non-discriminatory licensing procedures for ports facilities in order to promote sea going external trade. In addition, the EU should support the reform of the African aviation sector with a view to share with the African regional organisations the experience of the EC internal market and consolidate the exchange of regulatory and operational know-how, technology transfer[xxii] and technical assistance, in particular in the area of safety, security and air traffic management. On the regulatory side, this new cooperation framework will have to bring existing bilateral air service agreements into legal conformity, notably through the signature of so-called "Horizontal Agreements"[xxiii] with the European Community.

- *Develop integrated water management* through support to the African Ministerial Council on Water (AMCOW) and to regional bodies, such as river basin organisations, for the improvement of integrated water management in transboundary river basins. Through the EU Water Initiative and the associated Water Facility, the EU has already launched support for the Nile Basin Initiative and in five river basins (Kagera, Niger, Volta, Lake Chad and Orange-Senqu). For North Africa, building on a long established co-operation tradition, the focus will be on developing sub-regional energy projects to promote the Euro-Mediterranean Energy Market.

- *Develop cross-border and regional energy infrastructure* through support to the new Forum of Energy Ministers in Africa (FEMA) and to regional institutions and stakeholders for developing cross-border and regional energy infrastructure, including the enhanced exploitation of renewable and other sustainable local energy sources and services. This support should be provided in the framework of the EU Energy Initiative and the associated Energy Facility. *Bridge the digital divide in Africa* in the framework of the follow-up to the World Summit on the Information Society (WSIS). This should include supporting the development of advanced and low-cost technologies for electronic communications and the development of regulatory frameworks to create a sound business environment for innovation, growth and social inclusion. By acting as early adopters of

new technologies, national research and education networks can develop new and innovative methods to overcome inadequacies of the market, e.g. by developing cost-effective communications solutions. The successful model used in north Africa to link these networks with each other and to GÉANT in Europe should be extended to the Sub-Saharan countries. The overall objective of these measures should be to bridge the digital divide at all levels – within countries, between countries and regions as well as between Africa and the rest of the world.

3.1.3. *Tackle the MDGs directly*

3.1.3.1. Put people at the centre of development

40% of all Africans survive on less than one dollar a day. This stark poverty has consequences in a number of areas. Only six out of ten African children go to primary school. Communicable diseases, in particular HIV/AIDS, malaria and tuberculosis, have hit Africa hardest and in 2004 alone AIDS killed over two million people in Sub-Saharan Africa and affected another three million. Africa's social crisis is, in particular, a phenomenon of the urban areas that have been expanding rapidly over the last few decades. While in 1975, 21% of Sub-Saharan Africa's population lived in cities, today this figure stands at over 50%. This massive urbanisation has contributed to uncontrolled population growth and has rendered the social infrastructure inadequate.

The EU should therefore help *to make health education and basic social services available for the poorest people in Africa (MDGs 1-6),* contributing to the establishment of a social safety net for the most vulnerable: women, elderly, children and disabled people. It will also help encourage employment and decent work as a key tool for preventing and eradicating poverty.[xxiv] In this context, the EU should promote increased cooperation between state and non-state actors (NGOs, private sector, trade unions, etc.) to ensure greater effectiveness in service delivery. Specific action should include:

- *Investing in minds.* To stimulate a coherent and strategic approach, the EU should increasingly support primary education through sectoral budget support. At the same time, the EU should support education, access to knowledge and transfer of know-how as a lifelong process going beyond primary education: from *secondary and higher to vocational education*. Emphasis should also be put on cooperation with Africa in higher education to build high-quality tertiary capacity through networking, mobility of students and scholars, and institutional support and innovation, including the use of ICTs, as is done in Northern Africa countries through the EC's TEMPUS programme, and the establishment of a communications infrastructure for the research and development sector. In addition, building on the success of and experience from the Erasmus programme, the EU should support the creation of a Nyerere programme for student exchanges across Africa.[xxv] In addition, a pilot scheme for student and teachers exchanges between Africa and Europe could be examined.[xxvi] This programme and scheme should also contribute to the development of Euro-African networks of selected universities and centres of excellence. Africa is also invited to make full use of the opportunities offered by the Erasmus-Mundus programme for student exchanges between Africa and Europe, including through the possible creation of a specific "Africa window" within the Erasmus-Mundus programme, similar to those already created for, e.g. China and India. In the context of the 7th RTD Framework Programme that will come into force in 2007, the EU should facilitate networking between researchers from non-EU countries working in the EU and research organisations in their countries of origin.

- ***Deliver decent health care.*** The strengthening of national health systems and capacity, including the improvement of health infrastructures and the provision of essential, universal and equitable health services is key and requires sustained financing. The EU is developing a coherent and coordinated response to the crisis in human resources for health, which will support the needs identified in the NEPAD Health Strategy. The EU is also supporting the replenishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria with a view to maximising benefits for Africa. In addition, the EU is contributing to the development of new drugs and vaccines against communicable diseases, *inter alia* through the European and Developing countries Clinical Trials Partnerships (EDCTP). In response to the Council's request,[xxvii] the Commission should, together with the Member States, develop a roadmap on possible joint action based on the European Programme for Action to confront HIV/AIDS, malaria and tuberculosis.[xxviii] The EU should, in this context, promote synergies and provide a coherent and coordinated response to the three diseases across relevant policy areas.[xxix] In this sense, the Commission intends to put forward a Communication on combating HIV/AIDS within the European Union and the Neighbouring countries later this year. The EU has been at the forefront of international efforts to ensure access to essential medicines for developing countries. These efforts contributed to the adoption of the Doha Declaration on TRIPs and public health in November 2001, which confirms the right of WTO members to use flexibilities in the TRIPs Agreement, including issuing compulsory licenses of pharmaceutical products, for reasons of public health.

- ***Expand access to water supply, sanitation, energy and ICTs.*** The Africa-EU Partnership on water affairs and sanitation, launched at the WSSD in the context of the EU Water Initiative, will be the framework for EU efforts to make more sustainable use of available and finite water resources, to meet basic water and sanitation needs and contribute to improving water resources management at local, river basin, national and transboundary levels. The Water Facility acts as a catalyst to support these processes and to mobilise additional resources. The EU Energy Initiative, also launched at the WSSD, will continue to be a framework for EU efforts to increase access to affordable energy services that facilitate economic and social development. The associated Energy Facility will leverage resources for mobilising additional investment in delivery of affordable, reliable and sustainable energy services to the poor, notably from renewable energy resources, as well as for the development of clean and energy efficient technologies for gas and oil production. Projects in the energy sector should also systematically include energy efficiency objectives. The EC COOPENER programme also focuses support on energy for sustainable development and poverty alleviation, providing co-financing to projects aiming at creating the institutional conditions for improved access to energy in Sub-Saharan Africa.

- ***Stimulate employment policies and decent work.*** Action to promote decent work for all in line with the ILO agenda is essential and should cover measures and initiatives on employment, social protection, rights at work, including core labour standards (CLSs), social dialogue and gender equality.[xxx] The *Argane* project in Morocco is an instructive example of how the EU can support gender equality, employment and environmental protection in mutually reinforcing ways (see box 3). The EU should, in particular, contribute to strengthening labour market institutions and players, including employers' and workers' organisations and social dialogue between them. In this context, core labour standards should be further promoted, as essential prerequisites for the effective functioning of the labour market.

Box 3: Increasing female employment (Morocco)

In south-west Morocco the Commission and the EIB have, since 2003, financed a €40m project to improve the living conditions of women working with the argana tree. The attraction of argana oil has directly benefited 4,500 women giving them sustained revenue over a long period of time. As a result, these women have become strong advocates of sustainable management of the trees, which are crucial in the fight against deforestation. This project is therefore a good example of how the EU can support gender employment and environmental protection in mutually reinforcing ways.

These measures, important as they are, will, however, not in themselves be enough to redress existing inequalities and lack of social cohesion which hamper efforts to attain the MDGs. These are complex multi-faceted problems which require multi-faceted and comprehensive responses. Action will therefore also be required in the following cross-cutting areas:

- *Sustain and promote cultural diversity.* Africa's cultural diversity and linguistic heritage should be preserved by stimulating and protecting cultural production, promoting access to culture and supporting cultural industries, including by protecting authors' rights. The forthcoming UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions will offer a new international framework to promote international cooperation aiming at preserving cultural diversity. Culture determines the way societies and economies function and is therefore crucial to the success of any development effort. Diversity is an asset, not an obstacle, as experience in the EU shows. In addition to providing support for various cultural programmes and exchanges, it is thus also necessary to take the cultural dimension into account in development processes and to promote in-depth local, national, regional and continental inter-cultural dialogue. One key component in accelerating this dialogue between Europe and Africa is the launching of *twinning partnerships* bringing together African and European universities and schools, parliaments, towns and cities, municipalities, businesses and industries, trade unions, civil society networks and museums. In the same vein, the EU could launch a European programme for young people who want to learn more about, and get involved in, Africa's development.[xxxi] The key product from these partnerships would be a vast and wide-ranging network of deep, well-founded, institutional support partnerships, cementing the bonds between the two continents.

- *Improve sustainable territorial management* through the development of an integrated approach to support sustainable *urban development*, based on the twin pillars of good urban governance and good urban management. In addition, the EU should support better *territorial development and land use planning.* Action in these fields is all the more necessary as the progressive emptying of the countryside has widened the gap between the haves and the have-nots in Africa. The EU should develop innovative approaches to local development which, through participatory planning, reinforce transparency and accountability in the management of natural resources. Such approaches strengthen the role of secondary centres as development hubs for their rural surroundings and improve the livelihoods of rural populations. Land reform will also play a vital role in bridging the social gap and the EU is determined to support it. In this endeavour, the EU is providing support to the timely access to Earth Observation data which has proven particularly well adapted to the African context.

- ***Turn migration into a positive force in the development process.*** As stated in the recent Commission communication 'Migration and Development',[xxxii] migration can be a positive force for development in both Africa and Europe. This approach will continue to be promoted, and enhanced, *inter alia* by making it easier, cheaper and safer for African migrants living in the EU to send money back to their countries of origin, by turning brain drain into 'brain gain', by helping African countries tap into the potential available in their diasporas in Europe and by facilitating various forms of brain circulation, including return migration and temporary or virtual return by which African migrants can make their skills available to their home countries. Particular attention should be paid to the human resources crisis in Africa's health-care sector. At the same time, the EU should pay greater attention to intra-African forced migration and refugee flows, as vectors for economic and political destabilisation and will support African countries in their efforts to deal with these flows. At the same time, security is a major preoccupation of citizens and governments, not least around the Mediterranean, and enormous progress – extending also to related issues of illegal migration & trafficking of human beings – has been made in the cooperation & coordination between the EU and its North African partners in particular. Such work remains a high priority, and is clearly recognised as such in the Barcelona process and the ENP Action Plans.

3.1.3.2. Build an environmentally sustainable future

Many Africans rely heavily on natural resources for their subsistence, particularly in times of crisis, for example during famines or conflicts or in the wake of natural disasters. However, Africa's environment is fragile and prone to water shortages, climate change and desertification. Current population growth and agricultural expansion have caused land shortages and the intensification of agriculture has contributed to further land degradation. An estimated 65 million people living in or near forests depend on forest production for their livelihood. These forests are now coming under increasing pressure for commercial exploitation.

The EU will therefore *assist Africa to protect its environment, one of its most valuable assets*. Specific action should include:

- ***Manage environmental diversity: forestry, fisheries and water.*** First, in order to safeguard the jobs, rural livelihoods, environmental goods and services that forests provide, the EU should also support the sustainable management of *forest resources*. This should take the form of promotion of community-based forest management and improved governance for forest resources, as set out in the 1999 Communication on Forests and Development and the EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT). Second, the incorporation of clear mechanisms to ensure the sustainable use of *fish stocks* in national and regional policies will enhance the fight against illegal fishing, protect the marine and coastal environment and mitigate the harmful effects of fishing activities.[xxxiii] Third, the EU should enhance its efforts, launched with the African-European Union Strategic Partnership on Water Affairs and Sanitation (Johannesburg, 2002), to address integrated water management. Through twinning partnerships that bring together African and EU scientists, an Africa Observatory for Sustainable Development should be established to generate relevant information on the environment conditions and the distribution of resources. Similarly, dedicated information systems should be set up to detect and analyse early warning signs of potential crisis situations.

| **Box 4: Space policy in support of sustainable development in Africa** |
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The PUMA initiative, initiated at the request of five African RECs in 2000 and funded by the EU (11 M€), has ensured the access to information on the environment and satellite data to all 53 African countries for early warning of natural disasters, improved food security, better health management, more efficient water and energy use, while strengthening environmental monitoring. The Commission has provided technical support (50 receiving stations) and capacity building (training of a critical mass of 350 African professionals). PUMA, successfully completed in September 2005, is the precursor of the African Monitoring of the Environment for Sustainable Development (AMESD) initiative requested by the same RECs, coordinated by the AU, in its 2002 Dakar Declaration. AMESD will allow all African stakeholders to improve the management of their environment through a more efficient use of remote sensing and ICT data and information. AMESD will also be the African interface of the European GMES initiative.

- *Stop desertification and improve sustainable land management (SLM)*. Operational partnerships anchored in domestic policies will ensure appropriate links between land degradation and poverty eradication, food security, sound water management, agriculture and rural development priorities. Successful participatory local experience and knowledge-sharing between stakeholders will be scaled up to boost implementation. The EU should also promote the integration of UN Convention to Combat Desertification (UNCCD) National Action Plans (NAPs) into the national development strategies of African partners.

- *Conserve biodiversity* by supporting African regional, sub-regional and domestic efforts to implement the UN Convention on Biological Diversity (CBD), its Cartagena Protocol on Biosafety and CITES. This should, in particular, cover measures relating to the WSSD targets for significantly reducing the rate of biodiversity loss by 2010, the establishment of representative and well-managed protected areas systems by 2012, combating overexploitation and illegal trade in wildlife and its products. Support should also be provided for the African Biodiversity Network, to further work on alien invasive species, to regional preparatory processes for upcoming meetings under the CBD and to achieving a more effective implementation of domestic biosafety frameworks. The protection of the transborder biosphere in Benin, Burkina Faso and Niger is a good example of effective regional cooperation relating to the conservation and management of natural resources.

- *Counter the effects of climate change*, including through the implementation of National Adaptation Programmes of Action (NAPAs) for African LDCs. This should be done within the framework of the recently adopted Action Plan accompanying the EU Strategy on Climate Change and Development.

- *Support the sound management of chemicals*, by building capacity to manage risk, by protecting human health and environment and by implementing the international chemicals conventions, agreements and projects, such as the African stockpile programme, to destroy obsolete pesticides.

3.2. Increase EU financing for Africa

Aid flows to Africa are substantial and have been increasing over recent years. In 2003 the EU's (Member States' and the Commission's) development aid to Africa totalled €15 billion, compared to €5 billion in 1985. With this, the EU is by far the biggest donor: its ODA accounts for 60% of the total ODA going to Africa (see table). This document shows,

however, that the objective of helping Africa to achieve the MDGs by the target year of 2015 cannot be achieved unless an additional political and financial commitment is made to Africa.

% of ODA to AFRICA - 2003
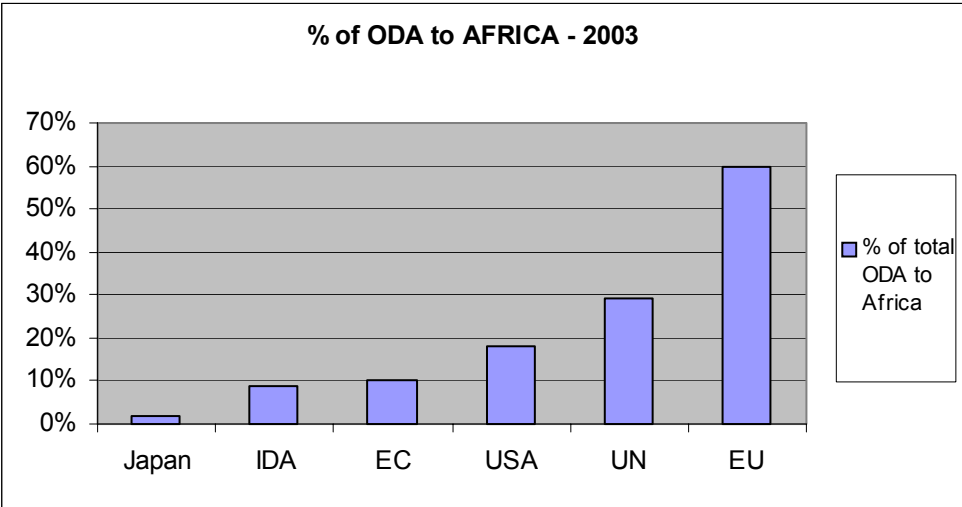
EU Member States set new aid targets. In June 2005 the European Council made such an ambitious commitment. The EU agreed new targets for Official Development Assistance (ODA) and committed itself collectively to increase ODA to 0.56% of GNI by 2010 and 0.7% by 2015. Compared to what is expected in 2006, this commitment should result in an estimated additional €20 billion per year in ODA by 2010 and an additional €46 billion per year by 2015. The EU also agreed to allocate at least 50% of this agreed increase to Africa. If implemented correctly, this will mean that by 2015 the EU collectively will be disbursing an additional €23 billion a year in Africa. Finally, the EU also called upon other donors and non-OECD countries to join this global effort. It is now time to put these commitments into practice and the Commission should closely monitor their implementation.

Also innovative financing mechanisms can contribute to the financing necessary to achieve the MDGs. Some Member States will implement the International Finance Facility (IFF) as a mechanism to frontload resources for development. A group of countries have already launched the IFF for immunisation, making firm financial commitments. A group of Member States will implement a contribution on airline tickets to enable financing development projects, in particular in the health sector, directly or through financing the IFF. Some other EU Member States are considering whether and to what extent they will participate in these initiatives or otherwise continue to enhance traditional ODA.

A more ambitious Community financial framework. In order to increase Europe's collective leverage, the Community financing should be increased substantially. Approximately €4 billion shall be available on an annual basis for Sub-Saharan Africa under the post-9th European Development Fund (EDF) multi-annual financial framework for the ACP and other thematic and horizontal budget lines. In the framework of the conclusion of the negotiations on revision of the Cotonou Agreement, on 21 February 2005 the Council committed itself to "maintain its aid effort to the ACP countries at least at the level of the 9th EDF, not including balances; to this should be added the effects of inflation, growth within the European Union, and enlargement to take in 10 new Member States in 2004, based on Community estimates." This EU Strategy for Africa should constitute the reference framework for the programmes and action under the post-9th EDF. In order to maximise their impact these funds should be allocated through national, regional and intra-ACP indicative programmes on the basis of the

principles of differentiation, subsidiarity and institutional sustainability. For northern Africa, the European Neighbourhood Policy in general and the implementation of the Action Plans in particular should be supported, from 2007 onwards, by a new dedicated financial instrument, the European Neighbourhood and Partnership Instrument (ENPI), which will replace MEDA and other instruments currently operating in neighbouring countries.

In line with the strategy outlined in this document, the new financial framework should foster regional, inter-regional and pan-African cooperation and integration. Support for cooperation between north African and Sub-Saharan countries, subject to different cooperation agreements with the EC, should be facilitated. The EU should also ensure that north African countries will be able to participate in inter-regional and pan-African initiatives financed from the EDF. The ENPI should also include provisions for supporting cooperation between the countries of northern Africa and their Sub-Saharan neighbours on issues of common concern, including migration.[xxxiv]

3.3.   A more effective EU approach

Sound development policies sustained by substantial development aid are crucial, yet they will not in themselves bring about any change unless they are effectively converted into concrete and coherent development action. Cumbersome procedures and administrative requirements often place a heavy burden on the already scarce human resources of the recipient countries. Arguably the cost of the lack of coordination and complementarity among donors cannot be overestimated and it is Africa that suffers most under this burden. This is particularly important considering that the administrative capacity in most African countries is weak. The problems are exacerbated by the fact that donors apply different and sometimes even contradictory procedures, demands and conditions.

At Community level, the Commission has, in the context of the next Financial Perspectives 2007-2013, proposed a simplified structure for the delivery of the Community's external assistance. In place of the existing range of geographical and thematic instruments, which have grown in an *ad hoc* manner over time, six instruments are proposed for the future. This new approach is geared towards facilitating coherence and consistency, and achieving better and more with resources available. Work has also been undertaken to improve financial and administrative procedures, and the Commission has proposed revising the rules in the Financial Regulation applicable to the general budget which prevent smooth cooperation with beneficiaries and further coordination with other donors. The revised Financial Regulation should enter into force in January 2007, at the same time as the new cooperation instruments established for the next Financial Perspectives. The proposed amendments include, in particular, changes to re-tenders, grant awards and (de)centralised management. They also facilitate co-financing with other donors as they allow the Commission to accept financial contributions from Member States and other donors for projects to be managed by the Commission and to delegate the Commission's management powers to donors outside the EU.

Also at EU level, major commitments for a more coordinated and complementary development policy have been made, most recently at the High-Level Forum on Aid Effectiveness in Paris (March 2005). In May 2005 the General Affairs Council reconfirmed an accelerated effort in Africa as a priority. Moreover, in several countries, such as Mozambique, Ethiopia, Uganda and Morocco, donors are establishing innovative mechanisms to improve aid effectiveness. On the basis of these commitments and experience, more can be done to move to practical action. The 26 EU players – the 25 Member States plus the EC – should take the lead in this process and set an example through their joint action. The New

Development Policy Statement creates a common framework for such action by the EU as a whole. Working principles and rules have been agreed,[xxxv] objectives, targets and benchmarks have been further specified.[xxxvi]

Therefore it is now time to take tangible action in a structured way. While in specific areas firm proposals have been presented, such as the future Peace Facility, the EU-Africa Partnership for Networks and Infrastructure and the EU Governance Initiative, a more systematic approach is needed. Therefore the EU should adopt an **Action Plan on Aid Effectiveness** and apply it to Sub-Saharan Africa as a priority. The Plan will be presented in 2006 and should build on four initiatives, based on the decisions taken by the GAERC (November 2004) to be monitored following a set timetable:

- *Make the EU donor atlas an operational tool for monitoring effectiveness.* Going beyond the successful mapping of development assistance, the donor atlas should in the future become an operational tool for the annual monitoring of the EU's aid effectiveness commitments and provide a mechanism that guides the EU's future action.

- *Establish national roadmaps for coordination.* Through the establishment of a roadmap supporting local harmonisation processes in each African country, the EU will drastically reduce the transaction costs and help to build up its partners' capacity and responsibilities.

- *Adopt joint programming documents.* Today each individual EU Member State and the European Commission conclude separate programming documents with each recipient country. The adoption by the EU as a whole of a Joint Framework for multi-annual Programming (JFP) will therefore considerably improve complementarity and effectiveness within the EU. Based on previous experience, the Commission should propose a common format in the first half of 2006.

- *Develop common procedures.* The EU must simplify existing cumbersome procedures, notably through the establishment of a Joint Format for Financial Agreements (JFA). Based on experience gained in countries such as Zambia or Mozambique, the JFA implies a single dialogue, disbursement and support mechanism for all donors in each country. Co-financing and pooling of funds should be systematically pursued.

The EU should also improve the quality of its aid by making its aid delivery more transparent, predictable and result-oriented. To achieve these goals and to enhance its collective leverage, the EU should foster more general and sectoral **budget support** (see above on the concept of partnership). Budget support programmes offer many potential advantages. They encourage greater ownership, reduce transaction costs, facilitate a more effective use of aid, since they are *de facto* untied, and, through the use of government procedures, contribute to long-term capacity building and sustainability. Budget support is used consistently with the obligations for transparent and accountable financial and administrative management of development funds. By bringing all public expenditure within the budgetary framework, budget support programmes also allow national governments to have a more optimal mix between capital and recurrent expenditure. All these factors, when combined with a results oriented approach, raise the prospects of a much greater impact on service delivery and the fight against poverty.

At present eligibility for budget support is largely framed by assessments of national or sectoral policy, macroeconomic stability and improvements in public financial management, often drawing on the work of the IMF. While recognising the soundness of these criteria, it is important that the EU reaches its own judgement in accordance with its vision and interests in

certain political realities and development needs. It is therefore recommended that: (i) EU positions are made more visible and coordinated within the IMF decision-making process; and (ii) innovative approaches are envisaged vis-à-vis fragile states or countries in transition, which up until now have often been excluded from budget support. However, in these situations rather than pursuing short-term budgetary considerations the EU should instead be guided by a long-term strategic approach. Therefore, budget support, framed by a continuous and strong political dialogue and by stringent monitoring mechanisms, could be considered as an option.

Finally, there may still be a need for broader and deeper debt relief. Apart from remaining committed to full implementation of the enhanced HIPC initiative, the EU would consider supporting new international initiatives, which might for example cover countries emerging from conflict or suffering from external exogenous shocks.

In addition, it is clear that sound scientific and technological knowledge is indispensable as a basis for strategic and sustainable development policies and for efficient and effective development cooperation.

4. CONCLUSIONS

In recent years, a forward-looking Africa has re-emerged on the international scene with more confidence, dynamism and optimism than ever before. Governance has improved considerably in recent years, sustained economic growth is being recorded for the first time in decades and the AU/NEPAD and the regional organisations have provided Africa with political and economic roadmaps and a vision for the future. The Cotonou Agreement, the Trade, Development and Cooperation Agreement (TDCA), the Euro-Mediterranean Partnership and the European Neighbourhood Policy provide an effective framework for EU-Africa relations. Africa's development is now at the top of the international political agenda and there is a broad international consensus on the basic action that needs to be taken. There is now a unique window of opportunity to give Africa a decisive push towards sustainable development.

As a long-standing partner and close neighbour of Africa, the EU is well placed to assume a leading role in this process. Europe and Africa are bound together by common history, interlocking cultures and shared objectives. Sustainable social, economic and political development in Africa is therefore our common concern. While Africa embraces a new vision for the continent's future, the EU has to answer its call with the same sense of responsibility and urgency. The next ten years (2005-2015) will be a watershed in relations between Europe and Africa. Together Africa and the EU should reinforce their efforts to tackle the scourge of HIV/AIDS, poverty, environmental degradation, violent conflict and the lack of basic social services and essential investment. The EU Strategy for Africa outlined in this communication, expected to be adopted by the European Council in December 2005, constitutes the EU's response to the challenge of getting Africa back on the track of sustainable development and of meeting the MDGs by the target year of 2015. This is our common mission, and our common duty.

Abbreviations

ACP	Africa, Caribbean, Pacific
ADF	Asian Development Fund
AFLEG	Africa Forest Law Enforcement and Governance
AIDS	Acquired Immunodeficiency Syndrome
AMCOW	African Ministerial Council on Water
APRM	African Peer Review Mechanism
AU	African Union
BWIs	Bretton Woods Institutions
CAR	Central African Republic
CBD	Convention on Biological Diversity (UN)
CGIAR	Consultative Group on International Agricultural Research
CITES	Convention on International Trade in Endangered Species of wild fauna and flora
CLS	Core Labour Standards
COMESA	Common Market for Eastern and Southern Africa
CSP	Country Strategy Paper
DAC	Development Assistance Committee (of the OECD)
DDA	Doha Development Agenda
DDR	Disarmament, Demobilisation and Reintegration
DRC	Democratic Republic of Congo
EC	European Community
ECOFAC	Programme for Conservation and Rational Utilisation of Forest Ecosystems in Central Africa
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EITI	Extractive Industries Transparency Initiative
EMP	Euro-Mediterranean Partnership
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
EPA	Economic Partnership Agreement
ESDP	European Security and Defence Policy
EDCTP	European and Developing countries Clinical Trials Partnerships
EIB	European Investment Bank
EU	European Union
FEMA	Forum of Energy Ministers in Africa
FEMIP	Facility for Euro Mediterranean Investment Partnership
FLEGT	Forest Law Enforcement, Governance and Trade
FPA	Fishery Partnership Agreements
G8	Group of 8
GDP	Gross Domestic Product
GNI	Gross National Income
HIPC	Highly Indebted Poor Countries
HIV	Human Immunodeficiency Virus
ICPD	International Conference on Population and Development
ICT	Information and Communications Technology
IDA	International Development Association

ILO	International Labour Organization
IMF	International Monetary Fund
LDC	Least Developed Countries
LICUS	Low Income Countries Under Stress
LRRD	Linking Relief, Rehabilitation and Development
MDGs	Millennium Development Goals
NAP	National Action Plan
NAPA	National Adaptation Programme of Action
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
NIP	National Indicative Programme
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PFM	Public Financial Management
PRSP	Poverty Reduction Strategy Process
REC	Regional Economic Community
RIP	Regional Indicative Programme
SADC	Southern African Development Community
SALW	Small Arms and Light Weapons
SLM	Sustainable Land Management
SMEs	Small and Medium-sized Enterprises
SRH	Sexual Reproductive Health
SSATP	Sub-Saharan Africa Transport Programme
SSR	Security Sector Reform
SWEEEP	Sector-Wide Enterprise, Employment and Equity Programme
TDCA	Trade, Development and Cooperation Agreement
TICAD	Tokyo International Conference on African Development
TRIP	Trade-Related Intellectual Property
UN	United Nations
UNCCC	United Nations Climate Change Convention
UNCCD	United Nations Convention to Combat Desertification
UNAIDS	Joint United Nations Programme on HIV/AIDS
WSIS	World Summit on the Information Society
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization
YEN	Youth Employment Network

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[i] Communications from the Commission 'Speeding up progress towards the MDGs. The EU's contribution' (COM(2005) 132); 'Accelerating progress towards attaining the MDGs – financing for development and aid effectiveness' (COM(2005) 133); and 'Policy coherence for development. Accelerating progress towards attaining the MDGs' (COM(2005) 134).

[ii] Communication from the Commission 'Proposal for a Joint Declaration by the Council, the European Parliament and the Commission on the European Union Development Policy. The European Consensus' (COM(2005) 311). Available on:
http://europa.eu.int/comm/development/body/tmp_docs/european_consensus_311_final_13_07_2005_en.pdf#zoom=100

iii   See ILO, Youth pathways to decent work, report submitted to the International Labour Conference,93 rd session, June 2005

iv   The only African country that is not party to any contractual agreement with the EU is Libya.

v   South Africa is also a signatory to the Cotonou Agreement.

vi   See COM(2004) 373 final, ENP Strategy Paper.

vii   In North Africa, Association Agreements exist with Morocco, Algeria, Tunisia and Egypt; Libya has observer status in the Partnership.

viii   The ENP will build on mutual commitment to common values, principally within the fields of the rule of law, good governance, respect for human rights, including minority rights, promotion of good neighbourly relations, and the principles of market economy and sustainable development.

ix   Communications from the Commission 'Speeding up progress towards the MDGs. The EU's contribution' (COM(2005) 132); 'Accelerating progress towards attaining the MDGs – financing for development and aid effectiveness' (COM(2005) 133); and 'Policy coherence for development. Accelerating progress towards attaining the MDGs' (COM(2005) 134).

x   Communication from the Commission 'Proposal for a Joint Declaration by the Council, the European Parliament and the Commission on the European Union Development Policy. The European Consensus' (COM-2005-311). Available on:
http://europa.eu.int/comm/development/body/tmp_docs/european_consensus_311_final_13_07_2005_en.pdf#zoom=100

xi   Notably through intra-ACP financing and the 'shaving-off' of a percentage of the B envelopes under the 9th EDF.

xii   Including respect for human rights (Cotonou Article 9).

xiii   The *Copenhagen Consensus* project sought to improve prioritisation of the numerous problems the world faces by gathering some of the world's greatest economists at a meeting in Copenhagen in 2004 to assess some of the world's biggest challenges.

xiv   In line with the EU Guidelines on Children and Armed Conflict, the EU will also sustain its efforts to prevent the recruitment and use of children in armed conflict and to contribute to UN efforts in this field, including the implementation of UN Security Council Resolution 1612 and relevant resolutions preceding it.

xv   The Kimberley Process Certification Scheme was created to tackle the problem of illicit trade in diamonds, for example through the provision of targeted support for implementation by African producer countries.

xvi   Implementation of the strengthened approach to supporting PFM reforms is being developed by the Public Expenditure and Financial Accountability (PEFA) partnership between the European Commission, the World Bank, the International Monetary Fund, the French Ministry of Foreign Affairs, the UK's Department for International Development, the Royal Norwegian Ministry of Foreign Affairs and the Swiss State Secretariat for Economic Affairs. Analysis and support of PFM systems will remain one of the main objectives of general budget support operations. At the same time, it will be necessary to prevent or at least mitigate any possible negative environmental and social impact, *inter alia* by ensuring appropriate follow-up to Commission-led Sustainability Impact Assessment of the EPAs.

xvii   The main thrust of the agreements will be to assist Africa in attaining a better economic governance and business environment in order to lower the cost of doing business, encourage investment, make industry more competitive and exports cheaper and more effective.

xviii   The YEN is an initiative of the ILO, the World Bank and the UN. A number of African countries (Mali, Namibia, Nigeria, Rwanda and Senegal) have already volunteered to prepare national action plans on youth employment. Social partners are closely involved in this. The June 2005 International Labour Conference decided that the YEN should be strengthened and expanded.

xviii   Council conclusions of 21 July 2003 on core labour standards and of 3 March 2005.

xix   Including for schools and universities, following the model successfully used in north Africa, EUMEDconnect. The EUMEDconnect project (www.eumedconnect.net) links the North African National Research and Education Networks amongst themselves and to the European backbone network GÉANT (www.geant2.net).

xx   For each individual sector, this means:

     Transport: Reduce the cost and improve the quality of infrastructure and services by promoting optimum use of existing multi-modal transport systems and adequate maintenance of the existing infrastructure supporting trans-African and regional networks.

     Water: Sustain the use of available and finite water resources in meeting the populations' water and sanitation needs and improve national and local management of river basin catchments that has an impact at transboundary levels.

     Energy: Facilitate essential investments in generation and transmission of energy that develop cross-border connections and grid extensions, and regional energy agreements that improve affordability and access to energy services.

     ICT: Develop connections with the continental and regional networks and opening of the telecommunications sector to competition for efficient and low-cost provision of ICT services.

xxi   Sustainability is, however, secured almost exclusively at country level. This calls for the EC to:

     Widen application of its well-developed sectoral approach in the transport and water sectors for improving sectoral governance and economic and financial and institutional sustainability. During the past six to eight years, the sectoral approach has led to better sectoral governance involving the private sector and civil society as well as improved road services and access to water. Roads Boards with stakeholder participation govern Road Funds in over 20 SSA countries and nine semi-autonomous Road Authorities/Agencies exist. Similarly in the water sector. Such national achievements in these sectors are critical for fostering sustainability at regional and continental levels.

     Develop more Sector Programmes and, in countries where conditions are appropriate (e.g. Ethiopia, Benin, Mauritius, Zambia, etc.), use the sector budget support method, which facilitates efficient delivery of infrastructure and services and fosters sustainability in support of regional networks.

     Build on the interventions of the EU Water and Energy Initiatives and associated EC facilities that are increasing linkages between national and regional strategies, which sustain coherence between cross-border connections and rural distribution of energy services as well as integrate water management at national and transboundary levels.

xxii   Including EGNOS and GALILEO in satellite navigation and SESAME in air traffic management.

xxiii   Council Decision of 5 June 2003 (so-called "Horizontal" mandate) authorising the Commission to reach agreements with third countries on behalf of the European Community, on the replacement of certain provisions in existing bilateral agreements.

xxiv   UN September 2005 Summit Conclusions

xxv   Erasmus Mundus Scholarships have already allowed over one hundred African post-graduate students to obtain post-graduate academic qualifications in Europe.

xxvi   Modalities of the implementation of such scheme should be further discussed and specified with Member States.

xxvii   Council conclusions of 24 May 2005 on "A European programme for action to confront HIV/AIDS, malaria and tuberculosis through external action".

xxviii   Commission communication of 24 April 2005 (COM (2005) 179 final).

xxix   Selected areas of action include affordable pharmaceutical products, regulatory capacity, human resources in the health sector, and research and development of new tools and interventions.

xxx   Council conclusions on the social dimension of globalisation include support for the promotion of decent work for all (3 March 2003).

xxxi   Currently, an "European Voluntary Service" exist within the framework of the Youth programme (Decision n°°1031/2000/Ce of the EP and Council of 13 April 2000).

xxxii   Strengthening the links between migration and development offers significant untapped potential for furthering development goals, as was explored and elaborated in the Commission communication 'Migration and Development: Some concrete orientations'.

xxxiii   The new generation of EC fishery agreements (Fishery Partnership Agreements – FPAs), while providing regulated access rights to EC fishing vessels, pursues the conservation and sustainable exploitation of local fish resources and provides support to the development of the local fishery sector.

xxxiv   Articles 28 and 29 of the revised ACP-EC Partnership Agreement and the attached Council/Commission Declaration.

xxxv   GAERC, 11/2004.

xxxvi   High-Level Forum 2005.