Green Transitions in Africa–Europe relations: What role for the European Green Deal?

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KEY MESSAGES

• Green transitions have the potential to support Africa–Europe cooperation by combining the climate agenda with an innovative socio-economic project for jobs creation and sustainable growth. Green transitions can be a fruitful area for cooperation because common interests and interdependencies between both continents are high.

• Green transitions are key topics in the African Union (AU) and the European Union (EU). Both are committed to implementing the 2030 Agenda for Sustainable Development and the Paris Climate Agreement within which green transitions are key elements. The EU has initiated the European Green Deal with an ambitious agenda to transform Europe into a carbon-neutral continent by 2050. On both continents, green transitions play a prominent role in debates about socio-economic COVID-19 recovery programmes.

• Notwithstanding these communalities, the EU and the AU approach green transitions from very different angles. Whereas the EU has a major historic responsibility and continues to have very high per capita emissions, African countries have contributed little to climate change but will be
severely affected by its consequences. The AU’s Agenda 2063 gives strong priority to poverty reduction and climate adaptation, whereas the social dimension of the European Green Deal is limited. Acknowledging these differences will need to be the starting point for identifying priorities for AU–EU cooperation on developing green transitions.

• In order to make cooperation on the Green Deal and green transitions fruitful for AU–EU relations, the EU institutions and member states will need to understand African countries’ strategic objectives and interests. They will need to learn from past experiences and reflect an eye-level partnership in their communications on, and approaches to, cooperation in order to gain the trust of, and jointly identify common interests with, African partners. The AU and member states, in turn, will need to invest more in defining their strategic objectives, in promoting socially inclusive green transitions across the continent, and in cooperating with the EU on green transitions.

• Neither Europe nor Africa has a blueprint for what carbon-neutral societies and economies will look like. Cooperation on green transitions therefore provides opportunities for joint learning and joint knowledge production by European and African actors and for some of the underlying structural asymmetries to be addressed.

• This paper explores six particularly relevant fields of action for AU–EU cooperation on green transitions and the Green Deal – energy transitions, the circular economy, trade, climate change adaptation in the agricultural sector, climate diplomacy and financial instruments. For each of these fields of action, reform initiatives on both continents are discussed and specific recommendations developed.

KEY MESSAGES (CONTINUED)
INTRODUCTION

Europe–Africa relations are facing a double challenge – the COVID-19 pandemic puts social and economic systems under strain at a point when the consequences of the climate crisis are being increasingly felt on both continents. Within Africa and Europe, debates have started about recovery measures to address the pandemic’s short- and medium-term socio-economic consequences. A key question in these debates is how to “build back better” and use the crisis to promote green transitions and move towards more sustainable development pathways.1

The EU and the AU enter into discussions on green transitions from very different angles. The EU has a major historic responsibility and continues to have very high per capita emissions. With the European Green Deal,2 the European Commission has proposed an ambitious agenda to transform the EU into a carbon-neutral continent by 2050 and to decouple economic growth from resource use. The Green Deal is more than a climate agenda; it aims to contribute to transformations towards sustainable economies, energy and food systems as well as preserving biodiversity and a clean environment. The Green Deal was proposed before the outbreak of the COVID-19 pandemic and the European Commission has made it a prominent reference framework for the EU’s COVID-19 recovery package,3 for achieving the 2030 Agenda for Sustainable Development and for the EU’s relations with Africa and other regions.

Green transitions have recently taken a more prominent place in African policy debates as well. African countries have contributed almost nothing to global warming, and their per capita emissions remain low. At the same time, many countries across the continent are particularly severely affected by climate change. Climate action is a central element in the AU’s “Agenda 2063: The Africa we want,”4 and the AU is preparing a new climate strategy.5 The AU’s Agenda 2063 puts a strong emphasis on “eradicating poverty in one generation and building shared prosperity through social and economic transformation of the continent.”6 Accordingly, African countries and the AU have prioritised adaptation (particularly in agriculture), security of vulnerable populations against climate risks, and ensuring energy access for local populations. In response to the COVID-19 pandemic, African leaders have called for a green stimulus programme,7 focusing investments on food production, water management and infrastructure with a view to addressing the socio-economic crisis resulting from COVID-19 and climate crisis at the same time.8

Cooperation on green transitions, including in the context of the Green Deal, could give AU–EU cooperation new impetus and a different twist. In Brussels, the Green Deal is discussed primarily as a European project. Yet, the EU can only reach the Green Deal’s goals if it builds strong international partnerships that help green-up imports, meet green energy demand and help promote green transitions elsewhere. The partnership with Africa is crucial in this regard, given the proximity between both continents and the strong socio-economic ties. Moreover, if the EU implements the Green Deal, this will de facto have important implications for African countries and those elsewhere in the world. Cooperating with African partners on energy transitions and promoting renewable energy or establishing circular economies can create new trading opportunities and could contribute to structural transformation and job creation in Europe and Africa.

At the same time, there is a risk that African decision-makers see the Green Deal as an imposed agenda, as decisions to decarbonise energy systems and phase out fossil fuels are closely related to questions of sovereignty and justice. African policymakers could be critical that the Green Deal

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5. A first draft version with some key features can be found at https://ufo.eunet.at/userfiles/files/1035-%20AUC%20AGENDA%202063.pdf.
introduces new forms of aid and trade conditionalities, taking the view that it is a European agenda and that the focus on mitigation, circular economy and a carbon border adjustment mechanism might shift political attention away from commitments made to climate finance, to supporting adaptation and poverty reduction in Africa.

In this context, the paper analyses challenges and opportunities that emerge from the Green Deal for AU–EU cooperation on green transitions. It also considers relevant policy objectives and frameworks developed by the AU and other African actors to identify convergences and divergences of both continents’ agendas. The paper builds on insights from three online seminars with academic experts and policymakers from Europe and Africa that were held in September 2020, as well as on a systematic literature review. We explore six particularly relevant fields of action for AU–EU cooperation on the Green Deal: energy transitions, the circular economy, trade, climate change adaptation in the agricultural sector, climate diplomacy and financial instruments to set this cooperation on track. The last section summarises key insights across the analysed fields of action.

1. Africa–Europe Cooperation on Sustainable Energy Transitions

Cooperation for sustainable energy transitions in the EU as well as in African countries is a central building block for the implementation of the Green Deal. We identify three avenues for cooperation in the energy sector: (1) enhancing electricity access in Africa through renewable energy, (2) supporting green transitions, in particular in fossil-fuel dependent countries and (3) green energy trading. Resources and needs differ across the African continent and each of these avenues would have to be tailored on a country-specific basis.

1.1. Enhancing electricity access in Africa through renewable energies

Africa’s population is the youngest in the world and its urban population growth is projected to be even faster than that of China in the coming decades. This means that African countries will be confronted with a massive increase in energy demand, not only for a better coverage of the population, but also for industrial production and mobility. Africa as a whole currently has a high energy deficit, whereby 600 million people (around 60% of the total population) lack access to electricity and around 900 million lack access to clean cooking.9 If Africa’s development is not accompanied by a transition to renewable energy, African countries’ demand for oil could even surpass China’s in the next two decades.10 At the same time, the persistent lack of access to electricity and the unreliability of electricity supplies and related infrastructure continue to be major obstacles for development on the African continent.11 It is estimated that power shortages cost the continent about 2% to 4% of GDP per year. Additionally, electricity prices are on average almost twice as high as in other parts of the world.12 To address these challenges, the African Development Bank (AfDB) has made electricity access one of its “High 5” flagship priorities and launched a “New Deal on Energy for Africa”.

The EU seeks to intensify cooperation on renewable energy. In the past few years, the EU has increased financing for investments in the energy sector in African countries (which constitute 8% of total EU development finance committed to African partners between 2015 and 2018), and this sector has received significant amounts of overall climate-related finance (32% of total AU–EU climate finance and 62% of mitigation finance).13 Yet, in view of the expected increase in Africa’s energy demand, this cooperation has to be scaled-up further.

10. Ibid.
1.2. Supporting green transitions, particularly in countries dependent on fossil fuels

Decisions on phasing out fossil fuels are closely related to questions of sovereignty and justice. All African countries combined have until now only contributed 3% of cumulative global CO2 emissions compared to the EU’s 22%. Some African countries rely heavily on fossil fuels both for domestic consumption and for exports. For example, oil and gas make up more than 80% of both Nigeria’s and Angola’s total export revenue, while in South Africa and Botswana, more than 90% of energy production stems from coal. Algeria and Libya export around 60% of their fossil fuels to the EU and will be heavily affected by the EU’s decarbonisation process. Additionally, countries such as Kenya and Niger have recently made significant discoveries of oil, gas, or coal, and it is politically sensitive to demand that these reserves are not exploited.

Yet, phasing out fossil fuels can bring socio-economic opportunities. Transitioning or leapfrogging into clean economies would help avoid pollution, fossil-fuel lock-ins and potential future lack of competitiveness, as stricter carbon standards are likely to be imposed around the world. Additionally, it could offer multiple benefits and opportunities, such as safer jobs, economic diversification, reduced water demand and cheaper energy production. Nevertheless, negative side effects of phasing out fossil fuels, such as potential job losses and sensitive questions of fossil-fuel subsidies and stranded assets, will need to be tackled to avoid constraining other areas of development and to gain acceptance from African partners and stakeholders involved.

African countries have made political commitments to address CO2 emissions in the energy sector: we find that activities in African Nationally Determined Contributions (NDCs) predominantly focus on energy as a main priority.
with more than 80% of countries indicating plans to implement energy efficiency measures, and 94% renewable energy measures. Moreover, the Agenda 2063 aims to build “environmentally sustainable and climate-resilient economies and communities” (Goal 7) and to promote renewable energy. Both, the AU and the AfDB have placed emphasis on green energy transitions. Nevertheless, numerous new coal power plants are currently planned or under construction. Finance is a major challenge. Fossil fuel plants are relatively cheap but costly to operate as they continuously demand fuel, while renewable sources used to have high installation costs but are relatively cheap to operate. Particularly for solar and wind power costs have sharply declined over the past few years. Public, private and donor cooperation and financing for the installation of renewables is required. An internal source of finance for African countries could be the reduction and re-channelling of fossil-fuel subsidies, which are estimated to cost 5.6% of GDP in sub-Saharan Africa. This transition requires a strong political sense of proportion and has to be accompanied by social protection measures, as the recent examples of “fuel riots” in various countries show.

To accelerate the green transition, the AU–EU partnership should focus on those areas of energy transition that hold the greatest co-benefits in terms of job creation and growth. Important trade-offs of fossil-fuel phase-out, such as potential job losses and stranded assets, will need to be tackled to avoid constraining other areas of development and to gain acceptance from African partners and stakeholders involved. Re-training and transitional income support, possibly financed through lower fossil-fuel subsidies or new environmental taxes are possible instruments here. Environmental taxation could also increase governments’ budgetary flexibility to set new green investment incentives, for example through a simultaneous adjustment of labour-market taxation in green industries. Furthermore, partial carbon tax exemptions, grandfathered emission allowances or rebates for owners of stranded assets are strategies to increase the acceptance for green transitions within affected sectors.

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1.3. A long-term perspective: Green energy trade for mutual benefits

The EU relies heavily on other countries to satisfy its energy demand. More than 58% of the EU’s gross available energy came from imported sources in 2018. Russia is by far the greatest energy supplier, but many African countries contribute significant proportions. In 2018, Nigeria and Libya were main suppliers of the EU’s crude oil (7.1% and 6.1%) and natural gas imports (3.0% and 1.2%), while South Africa (2.8%) and Mozambique (1.8%) deliver hard coal. At 46.5%, energy products constituted the largest share of African exports to the EU in 2019.

In the medium- to long-term, a transition from fossil-fuel to green-energy trade relations between the EU and African countries is crucial to reaching commitments made under the Paris Agreement and in the 2030 Agenda. In Europe, political attention has recently focused on hydrogen and power-to-X technologies that could allow for transporting green energy over long distances.
However, these technologies take time to become operational; they require well-developed local infrastructure and highly specialised skills to operate them. Moreover, as long as energy access continues to be a major problem for socio-economic development in Africa, the first priority of international cooperation should be to invest in meeting African domestic demands and tapping into regional energy potentials through regional power pools.

Key recommendations:

- Step up investments in green energy infrastructure, including for required storage and grid expansion, and support investments in regional power pools.
- Support those parts of the green energy transition that are labour-intensive and generate jobs. For example, projects to increase energy efficiency in the building and construction sector could be one option for increasing labour demand while mitigating CO2 emissions.
- Invest in education and training to enable young Africans to take over highly skilled jobs in renewable energy sectors.
- Encourage the use of government revenues from reduced fossil-fuel subsidies or environmental tax reform for lowering labour taxes in green industries, mitigating undesirable distributional consequences of the energy transition and funding topical education and training programmes.
- Address the issue of stranded assets by supporting economic diversification and gradually sending adequate signals concerning the transition, including through partial tax exemptions, gradually increasing carbon taxes, rebates for owners of stranded assets and through re-training measures and transitional income support.

Figure 1. Energy imports and exports

Choropleth map indicates net imports of energy as share of total energy use. Countries with negative values are net exporters of energy. The blue bubbles indicate fuel exports as a share of total merchandise exports, with the largest size representing a value of 95%.

Source: Authors, based on World Bank data accessed at www.data.worldbank.org

37. This figure has been adapted from this publication by the authors from: https://www.africaportal.org/publications/au-eu-partnership-promote-sustainable-energy-transitions/
**2. DEVELOPING A EUROPEAN–AFRICAN CIRCULAR ECONOMY**

The establishment of a circular economy (CE) is central to the EU’s plan to reach carbon emission neutrality by 2050. The Commission announced that the “transition to the circular economy will be systemic, deep and transformative, in the EU and beyond”. A CE shall be promoted, particularly in resource-intensive sectors such as textiles, construction, electronics and plastics. In its proposal for elements for a “Comprehensive Strategy with Africa”, the European Commission notes that “a clean circular economy […] requires enhanced cooperation between the EU and Africa on a responsible raw materials sector, secure and clean industrial value chains, respecting ambitious environmental and climate standards.”

The Agenda 2063, on the other hand, aims to establish “environmentally sustainable and climate resilient economies and communities”. This encompasses sustainable natural-resource management, sustainable consumption and production patterns and renewable energies, among other aspirations. Countries such as Kenya, Mauritius, Nigeria and South Africa have started to establish circular economies.

The EU Commission envisions the circular economy as Europe’s new growth model. The concept’s appeal stems from its potential for reconciling seemingly conflicting objectives of environmental sustainability and economic development. The potential economic benefits arising from using less energy and material inputs, in combination with the commercial opportunities created by new technologies and emerging business models, have generated worldwide business interest in the CE model.

However, debates in the EU focus on establishing a circular economy within Europe and then, in a second step, cooperating with African countries to create similar models. We argue that, instead, the greatest economic potential for green job creation and growth in Africa and Europe lies in a comprehensive circular economy that encompasses value chains across both continents, close cooperation and joint learning from the start.

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### 2.1. Tackling the waste issue and creating new jobs

The EU still exports a large proportion of its waste – especially electronic waste such as refrigerators, TVs, computers and mobile phones – to African countries. The EU is one of the largest producers of e-waste and only a small proportion of it is recycled in an efficient and environmentally safe way (about 15.5% in 2014). It is therefore a good sign that the EU Commission’s CE Action Plan lists electronics as the first key value chain and plans to “ensure that the EU does not export its waste challenges to third countries”. However, a lot of European e-waste still finds its way to African countries.
as part of “second use” electronic material, even though the export of electronic waste is formally banned under the Basel Convention. While no official data on the volume of such exports exist, local port authorities, for example in Ghana, estimate that the majority of goods arriving in their country is second hand. Imported electronic goods for second use are of value to local economies. Many African electronic supply stores are run on the basis of re-manufactured goods. Jobs and income are thereby generated, while technological equipment is made available at relatively cheap prices. A 2019 UN report finds that annual global e-waste is worth over USD 62.5 billion, more than the GDP of most countries. But a major problem arises from the lack of environmental standards in its processing. For example, in Agbogbloshie, Africa’s largest e-waste dump on the outskirts of Accra, thousands of people earn their livelihood by burning partly hazardous e-waste to extract iron, brass and other valuable metals. This reportedly leads to people being exposed to toxins and substantially increases their risk of various diseases.

With the Green Deal, the EU has committed to a sustainable and ethically responsible management of its waste. This translates into a responsibility to reduce illegal export of non-functioning electronics, and when it is foreseeable that material extraction will release toxic substances, it is incumbent on the EU to ensure that the re-manufacturing and re-use processing of its waste in African countries is in line with environmental, health and human rights standards. For this reason, the EU should engage in a dialogue with African countries on how to revise regulations and cooperate on sustainable waste trade. Under the Basel Convention, the export of non-functioning e-waste is forbidden, but as it is still happening and it also generates income for local populations, a reform under the Green Deal could include a focus on how to enable and promote sustainable recycling and re-manufacturing in African countries. The CE models offers many options to move in that direction. More concretely, this would mean that the EU should support African countries through finance and expertise in establishing re-manufacturing facilities in line with health standards.

The establishment of modern re-manufacturing facilities in African countries can improve health, prevent local populations from being exposed to the toxins, improve the value-creation process and contribute to innovation and job creation in African countries.

2.2. Leveraging digitalisation for the circular economy

Digitalisation offers many opportunities to improve value-chain production for the establishment of circular economies. For the establishment of a circular economy, products and their ingredients and components must be labelled to enable effective reuse and recycling. Digital technologies open up new opportunities for improved information sharing between producers, consumers and recycling companies to enable effective recycling. Digital technologies can also help to optimise material and energy efficiency through improved data generation and analysis of energy usage. It can reduce resource consumption by the end consumer by orienting the production cycle closer to demand and minimising overproduction in this way. Furthermore, regional goods cycles can be promoted, based on the premise that things should be produced where they are used.

As many African countries have invested in digital innovation, the EU should cooperate with African partners to stimulate innovation on how to leverage digitalisation for the creation of CEs. Joint African–European research centres and networks should be created for this aim.

Key recommendations:

- Engage European and African government actors to formulate a joint vision and joint knowledge creation for supporting a comprehensive circular economy that encompasses value chains across both continents.
- Revise regulations and foster new cooperation on sustainable e-waste trade between the EU and Africa.
- Invest in remanufacturing and recycling facilities in African countries that allow processing of e-waste in line with health and environmental standards.
- Reduce the export of plastics and packaging materials from the EU to developing countries.
- Leverage digitalisation to improve information sharing between producers, consumers and recycling companies, increase energy efficiency and reduce overproduction in value chains within and between Europe and Africa.

3. PROMOTING SUSTAINABLE AFRICA–EUROPE TRADE RELATIONS

As the largest market worldwide, the EU can influence global standards in production and trade. The Green Deal states that “as the world’s largest single market, the EU can set standards that apply across global value chains.”

- Indeed, the European single market is the biggest export market for around 80 countries worldwide, including many African countries, and 31% of African exports in 2019 were to the EU-27.
- The EU is also the largest trading partner for the group of Least Developed Countries (LDCs).

Changes in EU trade policy can therefore have an enormous impact on developing countries. The EU should use its economic power to promote sustainable trade relations and value chains, but at the same time try to avoid new trade barriers and allow flexibility for countries that face difficulties in meeting these standards right away.

If the EU moves ahead with the implementation of the Green Deal, it will have major repercussions for its trade relations with African countries. Trade in resource- and CO2-intensive sectors could decrease, whereas new trading opportunities in sectors that are vital for green transitions and circular economies could open up. One key aspect is the European carbon border adjustment mechanism. Depending on which sectors would be covered by the mechanism, African exports of fossil-fuel energy (46.5%), machinery (14.5%) or chemicals (3.1%) could be affected. Furthermore, higher environmental standards could impact on agricultural trade. The EU should aim to minimise the risk that the objective to promote sustainable trade relations translates into new trade barriers for African countries.

3.1. Avoiding new trade barriers

There is a risk that the Green Deal introduces additional non-tariff trade barriers via a carbon border tax or high environmental standards at a time when the creation of the African Continental Free Trade Agreement (AfCFTA) is supposed to boost trade relations.

A carbon border adjustment mechanism is the Commission’s tool to reduce the risk of carbon leakage where regional differences in ambition regarding climate standards persist. Furthermore, higher environmental standards in the areas of food, textiles, steel and electronics can impose additional trade barriers.

Since developing countries might also be burdened by EU carbon border adjustments, the EU proposal should take account of this concern. Above all, it is essential that products from Least Developed Countries (LDCs) are

53. In a 2012 trade assessment, for example, the EU was estimated to be the largest market for imports from the LDCs, receiving 59% of the LDCs total exports. See: European Commission (2015): Assessment of economic benefits generated by the EU trade regimes towards the developing countries (http://trade.ec.europa.eu/doclib/events/index.cfm?id=1345).
exempted. Moreover, accompanying assistance measures should potentially be put in place for Low Income Countries (LICs) that are not classified as LDCs and thus cannot be exempted without creating tensions with international trade rules. In addition, the proceeds from border adjustment measures should be used to assist affected lower-income countries to cut back on the carbon intensity of their economies.

3.2. Ensuring value chains in resource extraction are compatible with human rights

The Green Deal opens opportunities to promote sustainable value chains. Two sectors are particularly important: (1) Mining and resource extraction, which is of strategic importance to the EU and (2) agricultural production and trade, as about 60% of Africans work in this sector.

Within the Green Deal, the EU aims to ensure “the supply of sustainable raw materials, in particular of critical raw materials necessary for clean technologies, digital, space and defence applications.” Many of these strategic resources are available in African countries, for example lithium in Zimbabwe or cobalt in the DRC and Madagascar, which are both vital for e-mobility. Through the Green Deal, the EU’s demand for these materials will increase, which opens up new opportunities for trade. However, resource extraction in DRC or Zimbabwe, for instance, has often been accompanied by serious violations of human rights and environmental standards.

The EU needs to ensure the implementation of social and environmental standards along the full value chain of resource extraction. This includes more transparency and accountability when contracts in the mining areas are being made in order to tackle corruption, and stronger monitoring mechanisms to prevent detrimental practices such as the violation of human rights or illegal logging. Voluntary standards have not proven efficient enough to ensure a minimum standard of workers’ rights in raw-material extraction. For example, in DRC between 0.5 and 1 million people work in the informal artisanal mining sector under the lowest standard of working conditions, involving forced and child labour. A further problem is that the extraction of resources such as lithium is accompanied by environmental depletion.

Some European countries have taken legal initiatives to enforce due diligence of companies to ensure human-rights-compatible value chains (e.g. “Loi de Vigilance” in France). But the EU’s “Conflict Minerals Regulation” only applies to certain materials (cobalt is not included) and refers only to individual risks, such as the financing of armed groups. European companies should be legally obliged to comprehensively check their supply chains for human rights and ecological risks. Initiatives such as the European Parliament (EP) proposal for a “Ban an import of goods produced using modern forms of slavery and forced labour, including that of children” need to be taken up and transferred into a legislative initiative by the Commission. An EU law for due diligence in value chains, local resource governance and civil society in partner countries should be supported to enable better monitoring in conflict and high-risk areas.

Moreover, the EU should support value adding and processing of raw materials in developing countries. For example, the DRC aims to promote value adding in its country, and imposed a ban on the export of raw cobalt, but processing in artisanal mining often fails due to technological and financial barriers.

3.3. Agricultural trade

With the Farm-to-Fork Strategy (F2F), the EU has introduced an ambitious agenda for a more sustainable agriculture within Europe. The F2F Strategy also has an explicit external dimension. On the one hand, the EU aims to become less dependent on third-country supply in times of crisis, and to increase food-supply security as a result of the COVID-19 pandemic. On the other hand, it aims to set a new global sustainability standard in the agricultural sector, which should stimulate third countries to follow suit.

The EU Commission’s goal is to promote a global transition to sustainable agriculture through trade agreements and Green Alliances with Africa. Increased research on food and innovation within international cooperation, and an integrated policy coherence for sustainable development in its humanitarian and development interventions, as well as actions against deforestation and illegal fishing, are an explicit part of the F2F Strategy.

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On trade, the EU Commission sets as a criteria for agricultural imports that “imported food must continue to comply with relevant EU regulations and standards”. While these initiatives are positive from an environmental and health perspective, the socio-economic impact will much depend on whether and how the EU puts into practice its commitment to support market access also for small-scale farmers and to avoid disruptions in trade.

In 2019, 12.7% of African exports to the EU consisted of agricultural products.

Various studies have shown that the main restriction to Africa’s access to the European market are non-tariff barriers, particularly product regulations and standards. Regulations and standards can impede market access for developing countries, for example due to inadequate development of science and technology, institutions, management or absorptive capacity of producers. Small-scale farmers, in particular, face difficulties in meeting and proving social and sustainability standards in their production. The new European sustainability regulations for food could be a difficult-to-reach barrier for African countries, unless the EU provides sufficient support in terms of research, innovation and investment in the agricultural sector. The plans spelled out in the F2F Strategy go in the right direction but the limited budget for the “Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe” under the MFF is a constraint for the implementation of these plans. It is likely that new trade barriers will affect African farmers on a broad scale, while only a few farmers will benefit from concentrated EU support programmes. EU member states should help to fill this financial gap and pick up similar initiatives in their bilateral cooperation with African countries, closely coordinated with EU partners.

Food security should be the first priority in Europe–Africa agricultural cooperation.

Besides, it is possible that certain African agricultural products have a lower greenhouse gas emission footprint than the respective European products, even when emissions from transportation are included. The EU should...
step up data collection on the GHG footprints of agricultural production in different world regions and facilitate trade with countries which fare better in this indicator.

Beyond measures of trade facilitation, food security should be the first priority in Europe–Africa agricultural cooperation. The share of the population suffering from undernourishment started to rise again and reached 250 million (19.1%) in 2019 (compared to 17.6% in 2014). The prevalence of undernourishment in Africa is more than twice the world average and the highest of all regions. This is an alarming signal for the international community and should result in increased efforts to fight hunger and malnutrition (SDG 2). Hunger and food insecurity are expected to further increase as a result of the COVID-19 pandemic. Smallholder farmers in sub-Saharan Africa are frequently the most food insecure. Enhancing their production capacities and resilience is crucial in reducing extreme poverty and improving food security at different levels, and these efforts should be stepped up through AU–EU cooperation.

Key recommendations:

• Ensure that African stakeholders are actively involved when decisions on new regulations that impact on Africa–Europe trade relations are being made, for example on the carbon border adjustment mechanism.

• Exempt exports of LDCs from the carbon border adjustment mechanism and use proceeds from border adjustment measures to assist affected low-income countries to cut back on the carbon intensity of their economies.

• Seize new trade opportunities on crucial raw materials for clean technologies, but increase transparency and monitoring to ensure human rights and sustainability standards in resource extraction as well as fair local value addition.

• Include not only European but also African farmers’ representatives in the decision making on those EU regulations that impact on Africa–Europe agricultural trade and aim for objective scientific regulation parameters.

• Increase research, innovation and investments in the agricultural sector of developing countries to facilitate market access despite higher environmental standards, especially for small-scale farmers.

4. COOPERATION ON ADAPTATION IN THE AFRICAN AGRICULTURE SECTOR

According to an analysis of the European Parliament, the proposals for a “Comprehensive Strategy with Africa” place more emphasis on the economic aspects of sustainable development compared to social and environmental concerns. More precisely, in the strategy, the EU prioritises the formal, productive and technology sectors as well as climate mitigation at the expense of the informal sector, human development, agriculture and climate adaptation. Also, the Green Deal itself does not refer explicitly to adaptation in the context of the EU’s external relations. However, the new EU Adaptation Strategy, launched in February 2021, does refer to adaptation as a cross-cutting element in the EU’s and the Member States’ domains of external action, including in agriculture. The EU understands that, for instance, agricultural commodities, exported to the EU from third countries, are at risk of climate impacts. Therefore, adaptation and trade diversification are necessary to support populations that are dependent on these exports.

The AU Commission is currently in the process of elaborating a comprehensive African Strategy on Climate Change. The aim of the strategy is to provide a framework for coordinated mechanisms to be used by Regional Economic Communities (RECs), member states and other stakeholders; and to facilitate the implementation of various climate change programmes. The draft document and orchids in Germany (https://www.sciencedirect.com/science/article/abs/pii/S0959652614009652); CropLife (2012) assessed that Ugandan cotton had the lowest carbon footprint per tonne in their sample. See: CropLife (2012): The carbon footprint of crop protection products (https://www4.unfccc.int/sites/SubmissionsStaging/Documents/201811071654--CIt%20Submission%20Carbon%20Footprint.pdf).


shows that “adaptation and risk management” is chosen as the first priority area of action, followed by “mitigation” and a special focus on Small Island Developing States (SIDS). Moreover, an analysis of African NDCs by the African Development Bank (2019) found that there is a strong commitment to adaptation in all 48 African NDCs. Overall, 79% of these NDCs refer to the need for adaptation in the agricultural sector.

It should not be surprising that African countries pay strong attention to the need for agriculture to adapt, as the sector is integral to African economies and poverty reduction; farming is the primary source of food and income for Africans and provides approximately 60% of all jobs on the continent. It is especially worrisome as the agricultural sector will be most strongly affected by climate impacts. According to the Foresight Africa report (2020), climate change is predicted to significantly decrease Africa’s Gross Domestic Product (GDP), notably because of lowered crop yields, reduced agricultural and labour productivity. Even if the world were to cut emissions enough to keep global warming below 1.5°C (as set in the Paris Agreement), heatwaves would intensify in Africa and farming would be hit hard. For example, it is estimated that maize yields will fall by 5% to 10% for every degree of warming in the course of the 21st century, if no adaptation actions are taken.

However, for many years, one of the most contentious issues for Europe and Africa has been to find common ground between the two core climate actions: adaptation and mitigation, and to ensure that adaptation finance prioritises the vulnerable agriculture sector, especially in the LDCs. The cost of adaptation in Africa is enormous: by 2050, Africa’s adaptation costs could rise to USD 50 billion per year for the scenario of holding global warming below 2°C. However, current levels of global climate finance to Africa will not meet adaptation needs, as discussed further below.

The EU’s policies and activities in Africa, in the context of climate change, must be in line with continental, regional and local priorities in Africa, but the EU Green Deal itself does not reflect this. So, how to move forward towards a joint agenda on adaptation in the agricultural sector?

First, priority investments should be made in scientific research to help create knowledge on climate adaptation in the agriculture sector. In places where climate-smart agriculture is practised today, farmers are seeing

African countries pay strong attention to the need for agriculture to adapt, as the sector is integral to African economies and poverty reduction.

80. Alongside their NDCs, many countries have developed National Adaptation Plans (NAPs), which outline their medium- and long-term adaptation needs, and increasingly prioritise the agriculture sector.
83. Assuming no major changes in the world’s social, economic and technological trends, climate change resulting in a 3°C temperature increase would decrease Africa’s GDP by 8.6% per year after 2100. If climate change were to stay within the 1.5°C remit (as agreed in the Paris Agreement), the decrease in GDP would be less: 3.8% per year after 2100. See: Brookings (2020): Foresight Africa: Top priorities for the continent 2020-2030 (https://www.brookings.edu/multi-chapter-report/foresight-africa-top-priorities-for-the-continent-in-2020/).
86. Tietjen, B., Rampa, F., Knoepen, H. (2019): Finance to adapt: Making climate funding work for agriculture at the local level (https://ecdpm.org/publications/finance-adapt-climate-funding-agriculture-local-level/). Since 2013, global climate finance has increased by 60%, reaching over USD 0.5 trillion in 2018; however, it still falls short of the estimated annual USD 1.6 to USD 3.8 trillion needed to achieve the 1.5°C global warming target (CPI 2019).
increased food security and resilience. For instance, evidence shows that new high-yielding, drought-resistant varieties of crops such as maize or rice can significantly raise yields, even with less and more erratic rainfall. While science offers enormous opportunities, the challenge is to translate scientific solutions into practical solutions that can be adopted by farmers. This calls for effective linkages between international, regional and national science organisations and farmers. Agricultural extension agencies, that provide advice, information and other support services to farmers to help them improve their productivity, play a role in translating science recommendations into practice. Therefore, investments by the EU institutions are needed for capacity development, technology development and transfer, and the creation of communication and monitoring and evaluation frameworks.

Second, the two continents should work towards more policy coherence between various adaptation- and agriculture-related policies. Given the importance of “agriculture” in countries’ National Adaptation Plans (NAPs) and NDCs, financial support should enhance the coherence between NDCs, NAPs and National Agricultural Investment Plans. The EU can support African governments’ integration of sustainable management of land and natural resources (soil, water, rangelands, forests, biodiversity) into policies and programmes by dedicating an increased share of development and climate funding, and by establishing markers as criteria for funding, transparent monitoring and reporting.

Third, the EU should dedicate an increased amount of funding to adaptation in the agricultural sector, including by leveraging private-sector investments. Both the AU and the EU should encourage private-sector contributions to climate finance, either directly or through fair and inclusive public-private partnerships. Public policies and funding (via blending instruments) should provide incentives for businesses to contribute to the implementation of NDCs and take advantage of the investment opportunities offered by the transition to carbon-neutral development pathways. In fact, there is a huge scope for private-sector investment in climate adaptation in Africa in areas such as flood defences, irrigation, and climate insurance. Results-based finance models suggest that motivating private-sector investment in adaptation could allow countries to mobilise additional support to implement their NDCs. For example, the Adaptation Benefit Mechanism, developed by the African Development Bank, should first be implemented in the agriculture and water sectors, which are highlighted as top priorities for adaptation in African NDCs.

Key recommendations:

- Prioritise investments in scientific research to increase knowledge on climate adaptation in the agricultural sector.
- Build linkages between international, regional, and national science organisations with farmers and agriculture extension agencies.
- Work towards more policy coherence between various adaptation- and agriculture-related policies.
- Increase funding to adaptation in the agricultural sector, including by leveraging private-sector investments in this sector.


5. AU–EU CLIMATE DIPLOMACY

International climate diplomacy is a key factor in the success of the EU’s Green Deal. The EU seeks to engage as a “constructive, but also assertive partner” in international climate diplomacy. The EU’s commitment to cooperation with the African, Caribbean and Pacific Group of States was one of the building blocks of the alliance between the EU and the African, Caribbean and Pacific Group of States. Climate diplomacy was a priority area of cooperation. At the 5th AU–EU Summit, held in November 2017 in Abidjan, the EU and AU can be observed, cooperation on climate diplomacy still faces a number of challenges. What are the key issues at stake, and how to move forward? So, while a credible climate commitment by both the EU and AU can be observed, cooperation on climate diplomacy still faces a number of challenges. What are the key issues at stake, and how to move forward? First, the challenge for both the EU and AU is to speak with one voice and to find a unified position on climate change. All African countries are individual parties to the UNFCCC. While groups such as the AGN exist, these are often “hijacked” by influential African countries, including South Africa. Similarly, both the EU and member states are part of the international climate regime. In principle, they

African and European actors have historically engaged in climate diplomacy on multiple occasions and in varied capacities and formats. EU Green Diplomacy Network (GDN), an informal group aimed at promoting the integration of the environment into external relations, was created in 2002. It brings together environmental experts from EU foreign ministries with the aim of reaching out to the wider government. EU actors view the GDN as an effective diplomatic mechanism that pays strong attention to LDCs, SIDS and climate adaptation. For instance, at COP17 (2011) in Durban, the GDN was instrumental in the alignment of Europe with its African partners, in encouraging China, India and the US to agree on emission targets with legal force. At COP21, together with the SIDS, the alliance between the EU and the African, Caribbean and Pacific Group of States was one of the building blocks in the establishment of the high-ambition coalition that led to the adoption of the 1.5°C target. The EU Council Conclusions on Climate Diplomacy of 26 February 2018 underlined the EU’s commitment to cooperation with the most vulnerable countries, “especially the LDCs and SIDS, with a view to accelerating progress at all levels”. The AU has several diplomatic formats in which it works on the climate agenda, most notably the African Group of Negotiators (AGN), a group of African delegates that engages in climate negotiations, and prepares common positions for African ministers and heads of state at the UN sessions of the Conference of the Parties.

The Joint Africa–EU Strategy (JAES) made climate change a priority area of cooperation. At the 5th AU–EU Summit, held in November 2017 in Abidjan, four new priority areas were defined, with investments for a sustainable transformation figuring amongst them. Climate change was mainstreamed throughout the Abidjan Declaration, and the continent’s strong commitments to tackling climate change and to initiate a partnership to that end were highlighted. Initially, the JAES raised high expectations about finding a common approach on climate policy. This partnership has helped to build a common understanding between African and European actors, including during the process of UNFCCC negotiations. It also played a role in the implementation of specific climate activities, such as ClimDev-Africa, a JAES-sponsored programme providing climatic information and analytical support. However, observers argue that the JAES’s climate change partnership has generally not been followed by appropriate actions and concrete outcomes.

So, while a credible climate commitment by both the EU and AU can be observed, cooperation on climate diplomacy still faces a number of challenges. What are the key issues at stake, and how to move forward?

First, the challenge for both the EU and AU is to speak with one voice and to find a unified position on climate change. All African countries are individual parties to the UNFCCC. While groups such as the AGN exist, these are often “hijacked” by influential African countries, including South Africa. Similarly, both the EU and member states are part of the international climate regime. In principle, they

90. Interview (online), DG CLIMA, 25 May 2020.
can represent their own interests in the negotiations. A stronger cooperation between the AU and EU, including mutual learning on regional approaches, could further unify the voices across and between both continents.

The challenge for both the EU and AU is to speak with one voice and to find a unified position on climate change.

Another challenge relates to the lack of effective institutional mechanisms and governance platforms to cooperate on climate change. Currently, there is a multiplicity of overlapping and competing frameworks dealing with Europe and Africa, and directly or indirectly with climate change (e.g. JAES, Juncker Africa-Europe Alliance, Abidjan Declaration, post-Cotonou Agreement, as well as bilateral Africa strategies of EU member states). Mainstreaming climate change throughout all processes is necessary to ensure adequate implementation of the Paris Agreement at all levels and across all sectors. At the same time, a more targeted climate initiative, based on a continent-to-continent partnership, with a strategic long-term plan, could bring a clearer perspective and enhance the effectiveness of climate action. Such a targeted but comprehensive approach could help to rationalise the multiple instruments, including the finance instruments. Relevant in this context is the High-Level Group Report on Climate, presented by the Africa Europe Foundation in December 2020, which outlines how an Africa-Europe Climate Alliance could reinvigorate the Africa-Europe partnerships in 2021. The report selects two priority areas that are central to long-term transition and that demand new types of investments: sustainable agri-food systems and sustainable energy. Furthermore, a Europe-Africa climate partnership should address climate-related issues at appropriate governance levels and by including multiple actors. For instance, European and African cities cooperate through networks such as ICLEI (Local Governments for Sustainability) or C40. These networks have proven to be effective for lesson sharing and should be scaled up. Additionally, regional diplomacy with and within clubs such as the G20, LDCs, SIDS/AOSIS could further strengthen support for climate action and identify opportunities for exchange and cooperation.

Lastly, AU–EU cooperation on climate change has some “blind spots”. In particular, cooperation on the “blue economy” is currently missing, even though more than two thirds of African countries have a coastline. Coastal access provides not only excellent resources for offshore wind, wave and tidal energy, but also many other opportunities to tackle climate change and biodiversity loss while enhancing the economy. An example is the protection of mangrove forests, which enhance coastal resilience to natural disasters, absorb carbon from the atmosphere, are fish nurseries and attract tourism.

Key recommendations:

- Consolidate the different climate diplomacy frameworks and channels to a comprehensive AU–EU climate strategy with one strategic long-term plan, which rationalises the multiple (including financing) instruments.
- Focus diplomatic efforts between the AU and EU on two key areas that are conditions for green transformation and climate resilience, notably “sustainable energy” and “sustainable food systems”.
- Foster cooperation on different governance levels: city-to-city, country-to-country, civil society and business alliances can underpin the continental approach.
- Build on past experiences of successful Africa–Europe cooperation to form a European–African alliance for leadership on ambitious climate action to implement the Paris Agreement.
- Include the blue economy in the Africa–Europe partnership on climate.

99. The green transition and access to energy priority areas proposes setting different initiatives including “NatuRAfrika” to tackle the drivers of biodiversity loss, and “Green Energy” to ensure green financing.
The EU agreed on an overall climate target of 30% across policies totalling about EUR 1.8 trillion were concluded. and the Next Generation EU (NGEU) Corona recovery on the next Multiannual Financial Framework (MFF) for the period 2021–2027. In December 2020, negotiations the European Court of Auditors, reporting on climate finance in the EU budget might have been overstated. Moreover, when taking a closer look at the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), not included in the above figures, their climate financing and investment activities are overwhelmingly targeting mitigation projects. As underlined in the new EU Adaptation Strategy, adaptation finance disbursements from the EU institutions – including the EIB and EBRD – need to increase considerably (by approximately EUR 1.5 billion) to achieve adaptation objectives, as set out in the Paris Agreement pledge. The Climate Roadmap that the EIB published in November 2020 now reveals the Bank’s ambition to become a “climate bank” with a special focus on adaptation. Crucial for the future of European (internal and external) climate finance is the EU’s agreement on the EU budget for the period 2021–2027. In December 2020, negotiations on the next Multiannual Financial Framework (MFF) and the Next Generation EU (NGEU) Corona recovery package totalling about EUR 1.8 trillion were concluded. The EU agreed on an overall climate target of 30% across all policies and programmes under the MFF and NGEU expenditures to comply with the objective of EU climate neutrality by 2050. As the NGEU does not provide funding for EU external action, external climate action by the EU will only be funded out of the MFF. Here, the European Council agreed on a EUR 98.4 billion commitment appropriations for the MFF’s heading VI “Neighbourhood and the World”. The “Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe” is equipped with EUR 70.8 billion, of which at least EUR 17.2 billion should be spent on the “neighbourhood”, which includes Northern Africa, at least EUR 26 billion on sub-Saharan Africa and EUR 5.6 billion on thematic programmes. Of the NDICI – Global Europe allocation, 30% of all funds shall be used to address climate change.

More coordination and alignment of the Commission’s Green Deal objectives with the bilateral development policies of EU member states should be envisaged.

First, the EU will be able to implement pilot projects with demonstration effects. Therefore, it is of paramount importance that additional resources for Africa–Europe circular-economy-foreign-policies/).

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101. See www.aid-atlas.org. Looking at the EU Member States, the adaptation share going to developing countries differs considerably among countries: for the period 2008-2018, Sweden, for example, provided more than 50% of its climate finance for adaptation purposes. At the same time, some donors favour mitigation, including Finland, which only spends 22% on adaptation, and Germany, with 15% spent on adaptation during 2008-2018. Ashraf, N., Knaepen, H., van Seters, J. (2020): The integration of climate change and circular economy in foreign policies (https://ecdpm.org/publications/integration-climate-change-circular-economy-foreign-policies/).


103. For the same period 2008-2018, the EIB committed 94.3% to mitigation and 5.7% to adaptation. The EBRD had a respective ratio of 90.7% and 3.9%, while 5.4% targeted both mitigation and adaptation simultaneously. See www.aid-atlas.org. When looking at the multilateral development banks, in 2018, the African Development Bank had the highest proportion of adaptation finance to total climate finance (48.9%), followed by the World Bank Group (37.0%), Ahawwe P., Bilal, S. (2019): Boosting EU climate finance: Mitigate more without neglecting adaptation in poorer countries (https://ec.europa.eu/publications/boosting-eu-climate-finance-mitigate-more-without-neglecting-adaptation-poorer-countries/).

6. CLIMATE FINANCE AND FINANCING AFRICA–EUROPE COOPERATION ON THE GREEN DEAL

The EU’s climate-related development finance supports mitigation as well as adaptation. During the period 2008–2018, the EU institutions committed 38.1% of all climate-related development finance to mitigation, 41.1% to adaptation and 20.8% to both mitigation and adaptation simultaneously. However, according to a recent audit by the European Court of Auditors, reporting on climate finance in the EU budget might have been overstated. Moreover, when taking a closer look at the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), not included in the above figures, their climate financing and investment activities are overwhelmingly targeting mitigation projects.

As the NGEU does not provide funding for EU external action, external climate action by the EU will only be funded out of the MFF. Here, the European Council agreed on a EUR 98.4 billion commitment appropriations for the MFF’s heading VI “Neighbourhood and the World”. The “Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe” is equipped with EUR 70.8 billion, of which at least EUR 17.2 billion should be spent on the “neighbourhood”, which includes Northern Africa, at least EUR 26 billion on sub-Saharan Africa and EUR 5.6 billion on thematic programmes. Of the NDICI – Global Europe allocation, 30% of all funds shall be used to address climate change.

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cooperation on green transitions are mobilised. In particular, more coordination and alignment of the Commission’s Green Deal objectives with the bilateral development policies of EU member states should be envisaged.

Second, if the EU moves ahead with its plans to introduce a carbon border adjustment mechanism, it should use the proceeds to support African countries to cut back the carbon intensity of their industries, including by developing better access to renewable energy. It is a matter of fairness that the EU provides support to those African countries whose market access to the EU is impaired through such a mechanism.

Third, many of the Green Deal’s objectives are compatible with business interests and the private sector can become a vehicle for green AU–EU cooperation. Profitable business opportunities lie in the exploitation of renewable energies in Africa, in the circular economy model, the sustainable extraction of raw materials for green technologies, and innovation in digital technologies for the sustainability transformation. And, with public-sector leverage and innovative financing schemes, the private sector can also play a strong role in adaptation and resilience building in Africa, as mentioned above. AU–EU cooperation should, in particular, foster the development of a dynamic sector of African companies and entrepreneurs that provide innovative solutions to reduce CO2 emissions as well as strengthening resilience against the negative impact of climate change.

Key recommendations:

- Coordinate and align the EU Green Deal objectives with the bilateral development finance of EU member states.
- Increase grant-based adaptation funding by the EU institutions to African countries, especially the LDCs.
- Review the methodology to measure how funding is contributing to climate objectives.
- Stimulate the private sector to make use of the business potential associated with cooperation on green transitions in Africa and Europe.
- Continue developing innovative finance mechanisms in Africa and in Europe to leverage the private sector to fund adaptation.

CONCLUSIONS

The COVID-19 pandemic raises fundamental questions about sustainable development pathways, globalisation and transcontinental value chains. In this context, green transitions have moved higher up the agenda in European and African policy debates, even though both have very different starting points and perspectives on where to set priorities in promoting green transitions. This paper has highlighted six priority areas where AU–EU cooperation can make a difference in the movement towards carbon neutral and socially inclusive development: energy transitions, the circular economy, trade, climate change adaptation in the agricultural sector, climate diplomacy, and climate financing to set this cooperation on track.

One advantage of the Green Deal is that it allows the bundling together of different policy reforms, such as those on energy, circular economy and agriculture that took place separately in the EU. Similarly, in AU–EU relations, debates on energy, transport, climate, digitalisation or agriculture have previously taken place in separate task forces and partnerships. Conceiving an AU–EU partnership on green transitions now allows the development of more coherent decision-making processes that highlight interlinkages between the different partnerships and working groups with the overall objective of achieving the...
2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change. This would need to be reflected in the governance structures of AU–EU relations, in which multi-stakeholder partnerships with representatives from AU and EU member states, AU and EU institutions, the private sector, and civil society organisations could be organised around key transitions and themes. The newly established Africa–Europe Foundation, with its five Strategy Groups on Health, Digital, Agriculture and Sustainable Food Systems, Energy, and Transport and Connectivity is one step in this direction.

When setting up cooperation on green transitions and the Green Deal in preparation for the AU–EU summit, the EU should learn from past experiences with migration partnerships, the EU Emergency Trust Fund for Africa or the Alliance for Sustainable Investments and Jobs. These initiatives were criticised because African states and the AU did not feel well informed and integrated in the process of establishing the initiatives. Whether cooperation on green transitions and the Green Deal can be a force for positive change in Europe–Africa relations will therefore depend very much on how the cooperation is set up, and how the EU reaches out to African partners and communicates on the Green Deal.

Cooperation on green transitions and the Green Deal will require significant political and technical resources and investments from the EU and member states. The EU should avoid the impression that the Green Deal will distract political attention from pre-existing commitments made elsewhere at the international level (i.e. under the Green Climate Fund) and in its cooperation with African partners. Existing African initiatives under the Agenda 2063, and internationally agreed frameworks such as the 2030 Agenda for sustainable development, should be a key starting point for the cooperation. Moreover, successful cooperation on green transitions and the Green Deal will depend on whether and how African countries define their own strategic objectives in the partnership and formulate clear expectations vis-à-vis European partners on how joint knowledge production and formats for horizontal cooperation at eye-level to reduce structural asymmetries shall be organised.

Whether cooperation on green transitions and the Green Deal can be a force for positive change in Europe–Africa relations will therefore depend very much on how the cooperation is set up, and how the EU reaches out to African partners and communicates on the Green Deal.