



Report of the Africa Regional 2024 PFD Meeting Investing in Sustainable Development in Africa

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Introduction

This is a summary report of the Africa Regional Meeting of the Policy Forum on Development (PFD) Meeting which took place in Nairobi, November 26-27, 2024. The regional meeting brought together more than 90 representatives from civil society organisations (CSOs) and associations of Local Authorities (ALAs), representatives from the Africa Union and the European Institutions. Participants discussed in the first day of the programme what a multistakeholder approach to the implementation of Global Gateway looks like in Africa, and ways to meaningful engage; and on the second day, participants discussed the state of play on the progress since the AU-EU Summit of 2022.

Overarching key messages

Inclusion of CSO and LA stakeholders was naturally emphasized in this forum, with examples of the CSO platform in Kenya and LA engagement in environment and migration, among others. Participants expressed the feeling that civic space is shrinking even further, within the current geopolitical landscape as well as with the new paradigm in financing from the EU. These discussions served as the background for sessions focused on financing, climate and peace, security and migration.

As the role of private sector increases, CSO and LA partners reiterated the need to **maintain projects implemented by local actors**, involving sustainable and non-debt inducing modalities, and supporting local SMEs. Building the capacity and ensuring the environment exists for local partners to engage is fundamental.

Greater transparency of information and visibility of progress are key for the Global Gateway initiative and for the AU-EU summit tracking.

Infrastructure projects alone will not bring peoplecentred development. Such projects must be accompanied by access to education, health care and other basic services. As well, human rights and gender equality must be respected and the needs of local communities taken into full account. The projects must bring benefit to the territory where they take place.

The green and just transition should be an opportunity for boosting job creation, technology development and transfer, growth of local SMEs, and digital development, in a sustainable and just economic growth model that respects human rights and the environment. Access to basic services requires: 1. Peace and stability to access those services; and 2. The recognition that basic services are public services and governments must ensure access, affordability and accountability for all.

Security crises are increasingly multidimensional in nature. A sustainable response requires a holistic approach, and this should be reflected in the peacekeeping architecture of the AU.

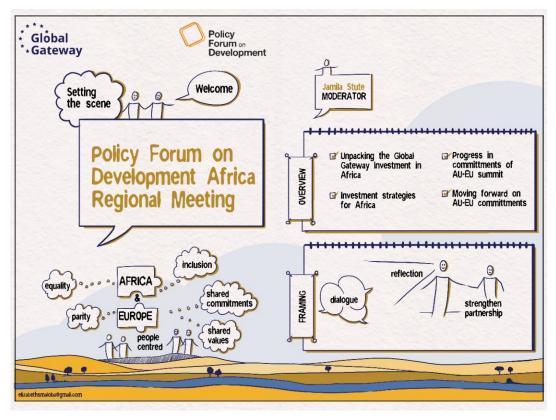
A paradigm shift is necessary regarding migration. This shift will require rethinking migration issues beyond a security issue and toward a mutually beneficiary management of migration on a continental scale and with European partners.

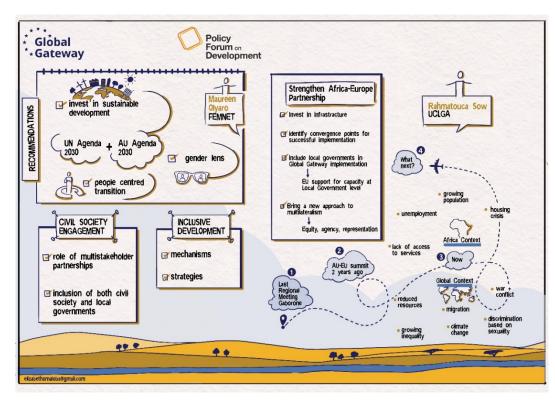
Moving forward, the EU is urged to **examine funding modalities** so as to address the debt burden which is already very high in some countries.

Adaptation to climate change impacts and preservation of the environment (water and land) remain a huge challenge in the region and is not a priority for private sector investment. The AU-EU partnership should keep this high in their agendas.

The dialogue stressed the **importance of including local governments in all stages of project planning**, implementation and monitoring, and the need to improve coordination with state/national level while ensuring decentralized funding and capacity.

Welcome and setting the scene

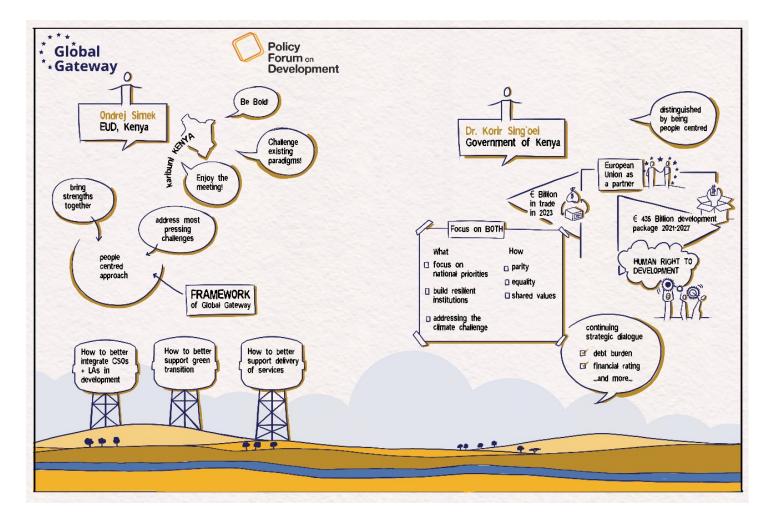




Jamila Stute, International Aid / Cooperation Officer from G2 Unit for Local Authorities (LAs), Civil Society Organisations (CSOs) & Foundations, International Partnerships (INTPA) at the European Commission (EC), kicked off this regional meeting emphasizing the importance of civil society and local authorities in shaping EU development policies. She highlighted the significance of this meeting in advancing the EU-Africa Partnership and addressing critical issues such as sustainable development, climate change, and gender equality.

Maureen Olyaro, Policy and Program Manager from FEMNET (meeting co-host), discussed the theme of investing in sustainable development in Africa, stressing the need for inclusive projects that empower marginalized communities, particularly women and girls. She pointed out that sustainable investments are essential for improving quality of life and reducing inequalities, especially in light of the AU Agenda 2063 and UN Sustainable the Development Goals.

Rahmatouca Sow, Policy and International Relations Adviser, United Cities and Local Governments of Africa (UCLGA), underscored the challenges faced in Africa, including climate change and resource scarcity. She advocated for strengthened partnerships between Europe and Africa, emphasizing the need for local governments to be included in decision-making processes to ensure that development initiatives are relevant and effective.

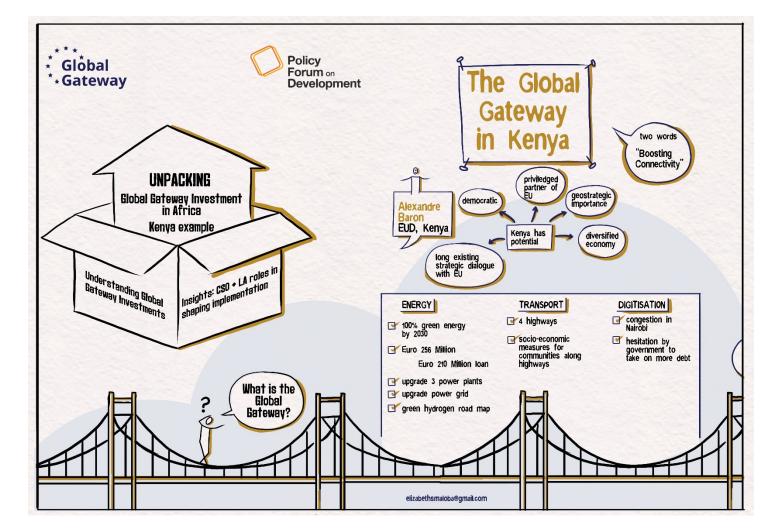


Ondrej Simek, Deputy Ambassador of the EU Delegation to Kenya, expressed the EU's commitment to sustainable development and the importance of integrating local authorities and civil society in the Global Gateway initiative. He highlighted the EU's focus on creating a people-centred approach to investment, ensuring that local communities benefit from development projects and gave examples from the work of the EU Delegation in Kenya in this regard.

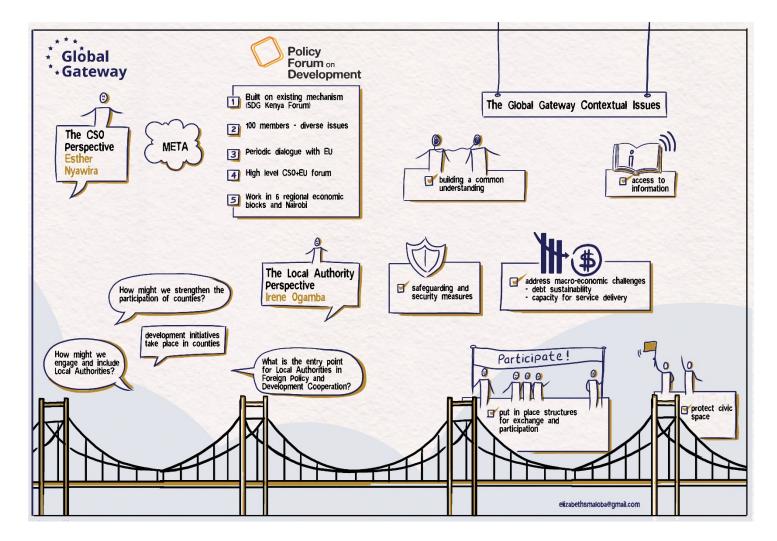
Dr. Korir Sing'Oei, Principal Secretary of Ministry of Foreign and Diaspora Affairs, Kenya, welcomed participants and reaffirmed Kenya's commitment to working with the EU on development initiatives. He emphasized the importance of a people-centered approach to development, where local communities are actively involved in shaping projects that affect their lives.

Unpacking Global Gateway investment in Africa: Kenya example

During this plenary session moderated by **Maureen Olyaro**, the panel looked at Kenya as a case study to discuss the Global Gateway, both from the perspective of the EU Delegation, and from the CSO/LA perspective in the form of the country level engagement mechanism. The objective was to gain a better understanding of the Global Gateway investments in Kenya and, to some extent, in Africa, and greater insights about the role of CSO and local authorities in shaping the implementation of Global Gateway projects.



Alexandre Baron, Head of Section, Governance and Macroeconomics from the EU Delegation to Kenya, welcomed participants on behalf of the EU Delegation. He summarised the EU's Global Gateway initiative in Kenya, outlining its objectives and specific projects in various sectors such as energy, transport, and digital connectivity. Launched in 2021, the Global Gateway aims to strengthen EU-Kenya relations through infrastructure investments that promote job creation, economic growth, and alignment with EU values such as rule of law, democracy, and human rights. Kenya, as a strategic partner in East Africa, is a key focus for this initiative. The areas of focus include: 1) Energy: the EU is supporting Kenya's goal of achieving 100% renewable electricity by 2030. Current initiatives include upgrading power plants, enhancing grid reliability, and developing green hydrogen projects. The EU has financed major projects like the Turkana Wind Farm and is working on the Green Resilient Electricity System program; 2) Transport: the EU is investing in the Northern Corridor, which connects Kenya to neighbouring countries. Projects include upgrading highways like the Mombasa-Kilifi and Mombasa-Maria Kenyatta roads, totalling €750 million. These projects also focus on community benefits, such as vocational training for youth and improving non-motorized transport; 3) Public Transport: the Nairobi Bus Rapid Transit (BRT) system, a key initiative to reduce congestion and improve trade facilitation, is under development with an investment of €347 million; and 4) Digitalization: several initiatives to improve digital connectivity, particularly in underserved areas. The Global Gateway is implemented with a collective action approach, through Team Europe, where the EU collaborates with member states, financial institutions, and the private sector to co-finance projects. This cooperative approach aims to maximize the impact of investments, but challenges such as financing delays can occur. In conclusion, the EU's Global Gateway in Kenya is a multifaceted initiative aiming to boost infrastructure development, enhance trade and connectivity, create jobs, and promote sustainable growth.



Esther Nyawira, META Programme Coordinator, from FEMNET, outlined the creation and objectives of a new civil society initiative in Kenya called "Meaningful Engagement Transformative Action for Structured CSOs Dialogue in Kenya" (META) which is aimed at fostering dialogue between civil society organizations (CSOs) and the European Union (EU). The initiative began in March 2024 and will run until December 2027. It is a collaborative effort with the SDG Kenya Forum, which has experience in bringing together CSOs to monitor SDG progress and produce shadow reports. The goal is to facilitate structured, regular dialogues between CSOs and the EU to discuss development issues and the impact of EU projects in Kenya. The initiative involves 100 CSO members, selected from a pool of 146 applicants. The focus is on ensuring representation from marginalized groups, such as women's rights organizations, persons with disabilities, and indigenous communities. The aim is to include both well-established CSOs, primarily based in Nairobi, as well as grassroots and community-based organizations working in more remote areas.

The CSOs will meet with the EU quarterly to discuss key issues. From 2025, there will be two dialogues per quarter, along with an annual high-level forum for CSOs and the EU. The initiative covers six regional economic blocks in Kenya (Southeastern, Coastal, Lake, Frontier, Mount Kenya and Abadias), ensuring representation from all 47 counties. The initiative focuses on the three main priority areas of the <u>EU's cooperation with Kenya</u>¹: green transition, human development and digitalisation (linked to the Global Gateway initiative); democratic governance, peace and security; and cross-cutting issues include women's and youth rights, human rights, and fostering an enabling environment for CSOs in Kenya. The initiative is in its early stages but has generated significant interest among Kenyan CSOs, who are eager to engage in the dialogue process and have their voices heard. One of the key insights from the inception meetings was that many local CSOs were unaware of the EU's presence in Kenya, often associating infrastructure projects (like road construction) with

¹ mip-2021-c2021-9088-kenya-annex_en.pdf (europa.eu)

Chinese involvement instead of European support. In conclusion, this new initiative aims to strengthen the connection between CSOs and the EU, giving Kenyan civil society more agency in shaping discussions around development priorities and the EU's involvement in the country.

Irene Ogamba, Director of Legal Services, Council of Governors, Kenya, discussed the role of county governments in Kenya's devolved governance system and their involvement in development and international engagement. The Council of Governors represents all 47 Kenyan counties. It was established after the 2010 constitution, which introduced a devolved governance system, shifting from a centralized local government to independent county governments. The aim of devolution is to ensure services are delivered at the lowest level, making governance more accessible and responsive to the people's needs.

The Council acts as an intergovernmental structure, helping to rationalize and prioritize county issues at the national and global levels. While counties are independent, the Council facilitates the coordination of their needs, ensuring that even smaller counties' concerns are addressed. It aims to push for effective devolution, reinforcing the principle of subsidiarity, where services should be delivered by the lowest competent authority (county governments). The constitution defines the roles of national and county governments, including shared responsibilities for infrastructure (e.g., roads and energy) and health, vocational training, and early childhood education. She highlighted the growing importance of county governments in international affairs, particularly in development initiatives supported by external partners such as the EU. There is a need to clarify the role of county governments in Kenya's foreign policy and ensure they are integrated into global discussions and engagements, especially regarding development needs at the local level. She stressed that county governments play a critical role in Kenya's development and must be actively involved in shaping policies, executing programs, and engaging in international partnerships. The effective implementation of projects and policies requires their participation at every stage.

The discussions highlighted the need for transparency, collaboration, and meaningful participation of civil society and local authorities in development processes. Participants raised concerns about the impact of debt on development, the importance of addressing migration issues, and the necessity for fair trade practices that benefit local economies.

Asked about what contextual issues need to be considered as you are implementing a structured dialogue mechanism between the EU Delegation to Kenya and CSOs, Esther Nyawira highlighted: 1) Access to Information: Ensuring that information about EU projects and initiatives is accessible to CSOs and the communities they serve is crucial, and that the content should be in a language and format that is easily understood, so that CSOs can effectively engage and contribute to the dialogues on priority areas; 2) There is a need for CSOs to develop a shared understanding of the EU's initiatives, not just about capacity building but about creating alignment on the priorities and goals of the EU, which is currently lacking; 3) Given the current socio-political climate in Kenya and other parts of the world, CSOs are concerned about safety when engaging in these dialogues, and they are particularly worried about the potential risks to individuals speaking out, especially when discussing sensitive topics like governance, peace, and security. Adequate safeguarding measures need to be in place to ensure that participants feel safe. More generally, challenges of a shrinking civic space in Kenya, due to political and social pressures, may also impact the effectiveness of these dialogues; hence, it is important to recognize this and provide a safe space for participants to speak openly, without fear of retaliation. On the same question, Alexandre Baron agreed on the importance of creating an enabling environment for civil society to engage, indicating that key factors include ensuring access to information and establishing proper structures to facilitate structured dialogues between the EU and local stakeholders. In this regard, the EU delegation has worked on establishing structured dialogues with the national government and is now focusing on extending this dialogue to county governments in Kenya, particularly concerning the Global Gateway initiative. He also emphasized the need for careful consideration of the macroeconomic context (with rising concerns about debt sustainability), government priorities (Kenya is still interested in investing in critical public services like education, health and digitalisation -for example, there is a debate over whether projects like the Bus Rapid Transit should be prioritized, given existing services in Nairobi such as the public transport 'matatu' system), and the design of financial

instruments (that should be aligned with Kenya's fiscal constraints), to ensure successful collaboration on infrastructure and development projects.

In the plenary discussions, the conversation focused on ensuring inclusivity, the impact of infrastructure investments, and the need for fair financing and trade practices. There was also an emphasis on the importance of supporting developing countries in both governance and economic growth, with particular attention to loan terms, the role of official development aid (ODA) in the new paradigm of development finance, the need for technology transfer, and the importance of accessibility and inclusion.

Overall, the meeting set the stage for further discussions on how to strengthen the collaboration between local authorities, civil society, and the EU to achieve sustainable development goals in Africa. Participants were encouraged to think critically about the role of various stakeholders in development and to propose actionable recommendations for future initiatives.

Investment Strategies for Development on African Priority Areas

Multi stakeholders' actions for accelerating green (and just) transition in Africa.

This session was moderated by **Melvin Khabenje**, Policy and Legal Affairs Officer, International Cooperative Alliance Africa (ICA Africa), who opened the meeting, emphasizing the importance of multistakeholder actions to accelerate a green and just transition in Africa. He encouraged participants to share their experiences and insights on financing sustainable initiatives. He acknowledged concerns raised about funding effectiveness and the need for better utilization of available resources. Jean Pierre Djibu shared his experiences from the Democratic Republic of Congo regarding partnerships that have fostered effective collaboration and benefited local communities. His insights highlighted the importance of meaningful partnerships in achieving sustainable solutions.

Multi-stakeholder partnership on climate in the Democratic Republic of Congo

In the framework of the AIMF-European Union Partnership (SGA3), as part of the "University Cities" program, a thematic working group called "Environment-Climate Change for Sustainable Cities in the Great Lakes Sub-region" functions as a Network of Experts from Universities and Territories (REUNIT) under the coordination of the Platform of Local Authorities of the Great Lakes Countries (PALPGL). This thematic working group consults between cities on environmental and climate change issues and mobilizes universities and/or research institutes of Central and Continental Africa to address environmental and climate change challenges. This working groups provides PALPGL member cities with expertise and fresh outlooks on climate issues, feeds the sub-regional dialogue, strengthens the capacities of cities to preserve the environment and limit the effects of climate change. The programme operates in the Great Lakes region (cities of Kasumbalesa, Bukavu, Bujumbura and Rusizi), in collaboration with the University of Lubumbashi, the University of Bukavu, the University of Bujumbura and the National University of Rwanda. The SGA3 programme supports exchange and capacity building mechanisms to implement sub-regional consultation frameworks led by cities, and promotes multi-stakeholder consultations to support sustainable territorial development. You can read more about the project here: https://www.aimf.asso.fr/actualite/villes-et-universites-de-nouveaux-partenariats-pour-des-villes-durables/

Participants discussed the significance of local involvement in the green transition, with emphasis on the role of community participation in developing localized solutions and monitoring progress. There was a consensus on the need for decentralized approaches and the involvement of local authorities and civil society organizations (CSOs) in driving initiatives. **Xola Pakati** from the South African Local Government Association raised concerns about the socio-economic conditions affecting communities, particularly regarding deforestation and energy needs. He stressed that without alternative energy sources, initiatives aimed at reducing deforestation would be ineffective. This point resonated with others, who noted that industrialization and illegal exploitation are major drivers of deforestation, rather than local community practices. **Mahdi Khomsi** from BusinessMed discussed the challenges faced by small and medium-sized enterprises (SMEs) in transitioning

to greener business models. He emphasized the need for training and support for SMEs, particularly in linking them with research and innovation to facilitate this transition. **Thomas Taylor** from the International Trade Union Confederation highlighted the importance of ensuring decent work as technological advancements are implemented. He pointed out that rapid economic development can lead to issues such as informality in the workforce, which must be addressed to maintain labour standards. **Lillian Alex** from the East Africa Civil Society Organizations Forum shared insights on energy transitions within East African countries, noting both progress and challenges. She highlighted the need for infrastructure development to support these transitions and raised concerns about the affordability of new energy sources for rural communities.

The discussion underscored the necessity of local ownership, capacity building, and the transfer of expertise to effectively implement green initiatives. Participants agreed on the importance of collaborative approaches involving various stakeholders, including local communities, governments, and the private sector.

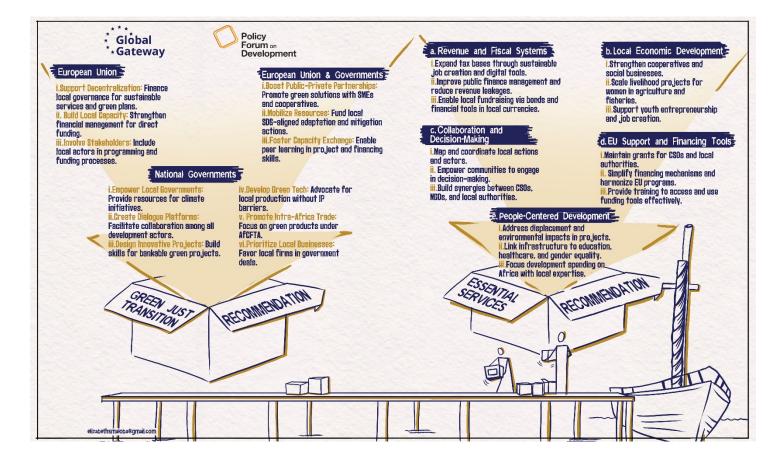
Investment on health, education, water, sanitation (also within infrastructure projects such as transport corridors, and including digitalisation).

Claire Frost, Head of Programmes, Commonwealth Local Government Forum (CLGF), moderated this session on innovative solutions for mobilizing financing for development, particularly in the context of significant infrastructure deficits in Africa, which the African Development Bank estimates between 130 to 170 billion USD, while current investment is around 60 million USD. **Richard Okuku** from the Uganda Local Government Association shared insights on the intergovernmental fiscal transfer regime introduced in Uganda to improve financing for local governments. He emphasized the importance of digitizing revenue collection to enhance efficiency and transparency, noting that local governments have significantly increased their revenue through digitization. Okuku also discussed the need for pooled financing mechanisms to allow local governments to collaborate on investments in infrastructure and social services.

Chantal Umuhoza from Femnet highlighted the critical need for domestic resource mobilization in health and education sectors, stressing that reliance on external funding can lead to vulnerabilities. She pointed out that many African countries have not met the Abuja Declaration's commitment to allocate 15% of national budgets to healthcare. Umuhoza advocated for regulations to ensure that private sector involvement in healthcare does not compromise accessibility and affordability. There was a call for better coordination and communication among stakeholders to avoid duplication of efforts and ensure that funding is utilized effectively. Several participants raised concerns about the impact of austerity measures and debt on public services, particularly in education and healthcare. **Wael Gamal** from the Arab NGOs Network for Development underscored the importance of defining development criteria beyond infrastructure, advocating for a focus on social and economic rights.

The meeting concluded with a consensus on the need for a more integrated approach to local economic development, emphasizing the importance of local authorities as key actors in implementing development initiatives. Participants agreed that local governments should be included in discussions about foreign direct investment and that their role as state actors should be recognized in negotiations with national governments and international partners.

Recommendations on Green and Just Transitions, and on Investment on Essential Services



Follow up to the AU-EU Summit: Where are we to date?

Marlene Holzner, Head of Unit, G2 Local Authorities, Civil Society Organisations and Foundations, International Partnerships, European Commission, moderated this session.

Linda Gouman, from the African Union Development Agency AUDA-NEPAD, highlighted key achievements and progress made by AUDA-NEPAD in collaboration with the African Union (AU) and the EU since the summit. The main focus was ensuring alignment with the Agenda 2063 goals, particularly in the areas of energy, digitization, infrastructure, and economic integration. Notable initiatives include renewable energy projects in Nigeria and Cameroon, ongoing efforts such as the Medusa Submarine cable, and support for e-learning and e-governance. The African Continental Free Trade Area (AfCFTA) has now seen 47 countries sign on as of 2023, and the AU is actively involved in regional infrastructure, the AUDA-NEPAD has been strengthening collaboration on health, education, and climate action. On peace, security, and migration, the organization has launched the Triple Nexus program, focusing on post-conflict reconstruction and peacebuilding in countries such as Somalia, South Sudan, Sierra Leone, Rwanda, Mozambique, Libya, DRC, and Ethiopia. These efforts reflect the AU's commitment to advancing the continent's development through collaborative initiatives with the EU and other partners.

Domenico Rosa, Head of Unit, A1 Strategic Partnerships with Africa and ACP, International Partnerships, European Commission, reflected on the longstanding partnership between Africa and Europe, emphasizing its significance as one of the most comprehensive and enduring relationships that Africa has with an external partner. In 2022, a summit was held in

Brussels, during which the two continents agreed on a Joint Vision 2030, which aims to address four key areas: peace and security, prosperity, migration, and multilateralism.²

The EU is committed to making progress and "walking the talk". The EU's approach includes the Global Gateway initiative, a global infrastructure investment plan that aims to increase strategic autonomy and fill critical infrastructure gaps, particularly in Africa. The goal is to not only build physical infrastructure but also to support surrounding systems to ensure long-term sustainability. Delivered through a Team Europe approach, that is, combining EU resources with member state contributions to create transformative projects at the local, national, regional, and continental levels, it aims to narrow the global investment gap. Projects such as the electricity master plan, renewable energy initiatives, and energy generation from off-grid solutions are part of this broader effort. The EU's focus is on mobilizing a variety of actors—private sector, civil society, and international development banks—to provide financial support for these initiatives, utilizing blending and guarantees to ease investment costs.

Additionally, he emphasized the importance of local resource mobilization, including pension funds, domestic financial resources, and combating illicit financial flows. Remittances from the African diaspora are a significant financial resource, rivalling official development assistance in scale. Ultimately, a coordinated approach is needed, where Africa and Europe work together to unlock the potential of all financial and infrastructural resources available, ensuring that projects meet the needs of the people at the local level.

Khadija Mahecor Diouf, Mayor of Golf Sud Municipality, Senegal, advocated for the central role of local authorities in shaping the future of Africa-Europe partnerships. As one of the few women mayors in Senegal, she represents both local governments and the voice of the people, particularly young citizens and vulnerable communities. She stressed that local authorities are at the forefront of addressing key issues such as climate change, unemployment, poverty, and the empowerment of women. However, she highlighted a critical gap: many development projects, though initiated at the central government level, fail to fully involve local authorities, resulting in initiatives that are disconnected from the needs of the people on the ground.

She called for a shift in how these partnerships are structured, urging that local authorities be integrated into decisionmaking processes and given the financial and governance powers they need to implement development projects effectively. She emphasized that decentralization, capacity-building, and multi-stakeholder engagement are essential for fostering sustainable and inclusive growth. Furthermore, she advocated for increased investments in local economic development, job creation, and alignment with the Sustainable Development Goals.

She urged all stakeholders, including the EU and African Union, to work together to create an environment that supports decentralized governance and local leadership, ultimately driving meaningful, community-cantered transformation.

Andrzej Dabkowski, Head of Performance and AU EU Tracking, Africa Europe Foundation, provided a critical overview of the Africa-Europe partnership³, focusing on transparency, trust, and the need for more effective collaboration. One of the foundation's core missions is tracking Africa-Europe financial and political commitments, particularly following the 2022 AU-EU summit. He underscored the importance of visibility regarding these commitments, noting that while there have been positive developments—such as a follow-up mechanism to track summit outcomes—there is still a significant gap in actual implementation. Many commitments remain aspirational and lack measurable targets, making it challenging to assess their impact.

² See recent update report shared as background: <u>Joint report European Commission – AUDA-NEPAD: implementation of the 2030 vision - European</u> <u>Commission (europa.eu)</u>

³ See detailed report shared as background:

https://www.africaeuropefoundation.org/uploads/The_Africa_Europe_Foundation_Report_February_2024_ca9c64397f.pdf

Dabkowski highlighted the progress made since the AU-EU Summit of 2022, particularly in the areas of financial commitments, peace and security, and migration and mobility. Notably, the summit introduced a formal follow-up mechanism to track the implementation of commitments, a step that was not present in previous agreements. Although the mechanism is still in early stages, the European Commission's recent report on Africa-EU relations represents tangible progress toward ensuring accountability and fostering more transparent engagement between the two continents.

On peace and security, there have been significant strides, with the EU supporting African-led peace missions, such as the one in Northern Mozambique. The European Peace Facility, created to support these initiatives, has committed over €1 billion to peace missions in Africa, despite challenges posed by the conflict in Ukraine diverting much of the funding. The foundation also notes the increasing role of Africa in global peace initiatives, such as the peace mission led by seven African presidents to Russia and Ukraine, showcasing Africa's growing diplomatic influence.

In the area of migration and mobility, there has been progress in addressing labour shortages in Europe and the demand for jobs in Africa. The EU has committed nearly €1 billion through its Youth Mobility for Africa initiative, which includes Erasmus for student exchanges and vocational training partnerships. Additionally, new talent mobility schemes aim to provide African youth with opportunities to work in Europe, building skills that can eventually benefit African economies. However, concerns about brain drain and the human rights implications of EU migration pacts with North African countries remain challenges to be addressed. Despite these issues, he emphasized that the foundational framework for deeper cooperation is in place, and with continued efforts, the partnership between Africa and Europe can achieve meaningful and lasting impact.

In the **open discussion with the audience**, a participant from Mali emphasized the fundamental connection between peace and development, particularly in conflict-prone regions like the Sahel, and called for a shift in Europe's approach to development in Africa, urging that peace must be prioritized before other development initiatives can succeed. She also advocated for a partnership approach that addresses the root causes of conflict and provides sustainable opportunities for local populations. Domenico Rosa referred to the EU's significant investment in peace and security on the African continent, particularly the Africa Peace and Security Architecture and the Africa Peace Facility, for which the EU's funding exceeds €2.5 billion. He emphasized that the EU has consistently advocated for African Union-led peace missions, an approach that ensures that peace operations are more autonomous and regionally relevant. In addition, EU efforts have helped the African Union set up its African Peace Fund, which is designed to enable self-financing for peace initiatives, which will eventually lead to greater financial independence for the African Union in managing its peace and security operations.

From the audience, a recurring theme was the need for a multilevel approach in the EU-Africa partnership, which includes collaboration across local, national, and regional levels. Participants suggested that a bottom-up approach is crucial, with local authorities, civil society organizations (CSOs), and communities being integral to the success of projects, since this would ensure that the development process is more inclusive and reflective of local needs. Some participants emphasized the importance of including local people and authorities in development projects, and the need for local governments to be active partners, not just beneficiaries, in decision-making and project implementation.

Participants raised their concerns with the impact that the Global Gateway model will have in the AU-EU partnership, in particular on the financing modalities given the high levels of debt in many countries, the prominent role of the private sector and banks, and what will happen with the support to areas of development that are not priorities in Global Gateway.

Responding to some questions from the audience, Marlene Holzner clarified that there is a major shift in Europe's approach to development aid, emphasizing a move away from traditional grants in various areas tomobilising infrastructure

development investments via EFSD+⁴, European financial and development finance institutions, and a smaller amount of grants under other EU external assistance programmes. The focus is on projects that are financially sustainable, with infrastructure investments designed to create jobs and long-term wealth in local communities. She acknowledged that this shift has created challenges, particularly in education and healthcare, where it may not be feasible to charge fees or generate income to repay loans. While local stakeholders can participate in consultations and impact assessments, the ultimate decisions about funding and project implementation will involve banks, governments, and the European Commission. The financial realities facing the EU, including a reduced budget due to increased defence spending, will likely lead to less funding for development programs in Africa in the future, which further justifies the shift to a more sustainable, loan-based model for financing infrastructure and development.

Follow up to the AU-EU Summit: A closer look at how to move forward

Three parallel round tables focused on three areas of the summit discussions and allowed participants to exchange views on more specific aspects of the AU-EU relationship. Participants were invited to share experiences and suggest recommendations for advancing commitments.

Round table 1: AU-EU Follow up engagement for Peace, Security and Migration

The meeting focused on the interconnected issues of security, migration, and development, with a specific emphasis on the Sahel region. **Seidik Abba**, Journalist and President of the International Center of Studies and Reflections about the Sahel, CIRES, gave a key note speech. He emphasized the need for a comprehensive understanding of migration, highlighting that it cannot be viewed in isolation from security and peace. He pointed out that internal migration, particularly in countries like Burkina Faso, is a significant issue, with millions affected by displacement due to insecurity. Abba argued that addressing migration requires a holistic approach that considers the root causes of insecurity and the need for peace. He called for a paradigm shift in how these issues are addressed, advocating for the inclusion of local populations in discussions about security and migration. He noted that development initiatives, such as infrastructure projects, cannot succeed without security, illustrating the need for a coordinated approach that integrates peace, security, and migration strategies. Furthermore, he criticized the current partnerships and approaches taken by international actors, particularly the EU, which often treat migration as a separate issue from development and security, and urged for a more inclusive strategy that involves all relevant countries.

The discussion highlighted the necessity of a collaborative and comprehensive strategy that addresses the intertwined challenges of migration, security, and development in Africa, particularly in the Sahel region. The participants recognized that successful interventions such as the reconciliation process in Rwanda, or the disarmament in Ivory Coast, require the involvement of local communities and a shift in how partnerships are structured and implemented.

Round table 2: AU-EU Follow up engagement for Climate Change and Environment

Wael Gamal, Head of the Economic and Social Rights Unit, Egyptian Initiative for Personal Rights, facilitated the discussion. Salimata Ba presented on behalf of the Network of Women in Senegal, discussing the "African Activists for Climate Justice" initiative, which involves five organizations advocating for climate justice across eight African countries. She emphasized the significant impact of climate change on vulnerable populations, particularly women and youth, and outlined the grassroots efforts to address these challenges. Ba highlighted the importance of local solutions and community organization, advocating for the integration of women's and young people's needs into government policies and national adaptation plans. Gertrude Rose Gamwera, serving as the rapporteur, acknowledged the importance of grassroots experiences in shaping effective climate action. She noted the critical role of local authorities in addressing climate change, stressing the need for a multilevel approach that includes local, national, and international collaboration. Participants raised concerns about the challenges faced by women in agriculture, particularly land insecurity and access to resources. Ba pointed out that women often lack stable land tenure, which

⁴ European Fund for Sustainable Development Plus - European Commission

hinders their ability to implement sustainable agricultural practices. The discussion also touched on the need for financial support for small-scale initiatives and the importance of integrating climate considerations into local governance.

Several participants emphasized the necessity of climate finance, highlighting that African countries often lack the fiscal space to take adequate climate action. They called for increased advocacy towards the Global North to fulfil their financial commitments to climate action, noting that many African nations are among the lowest polluters yet are disproportionately affected by climate change. Participants stressed the need to support SMEs in transitioning to sustainable practices, as they are crucial for economic development and environmental protection.

Overall, the group underscored the importance of local voices in climate discussions, the need for equitable access to resources, and the critical role of women and youth in advocating for climate justice. The participants agreed on the necessity of collaborative efforts to ensure that climate policies reflect the needs and experiences of affected communities.

Engaging local voices in climate discussions in Nigeria (Women Environmental Programme): The need to equip the youth as intergenerational leaders in climate change initiatives is critical, and in Nigeria there are many initiatives that involve youth and women. One example is an initiative that has enrolled 10 young women feminists in training in Climate Change Leadership to empower them with skills to conduct advocacy campaigns to promote engagement on social and human rights issues around climate change. You can read more about the project here: <u>https://wepnigeria.net/building-the-next-generation-of-african-feminist-climate-activists/</u>. In Nigeria, there are also initiatives that involve working with rural farmers to promote sustainable agricultural practices where vital information is shared on media and through radio broadcasts, such as the Farm Better Radio programme that is entirely dedicated to farmers. You can read more about the project here: <u>https://wepnigeria.net/press-release-wep-launches-farm-beta-radio-programme/</u>

Forest Management and Conservation in Cameroon (Technical Center for Council Forest): In Cameroon local authorities worked to address the loss of forest coverage. Local Authorities intervened by working with communities to sensitize and create awareness on mitigation and committed 10% of their municipal budget to mitigation activities. Further support has come through National Bank des Communes, which supports communities in financing innovative ideas up to 60%. The community has entered into public private partnerships by allocating 2 to 3 hectares of forest cover temporarily for conservation purposes and also provided a regional budget to support communities living near forests. For more information about the project, please see the presentation (in French):

https://pfddialogue.eu/cms/upload/THEMATIQUE%20SUR%20LA%20FORESTERIE%20URBAINE.pptx

Round table 3: Financing, including territorial development (regional development banks, other instruments) and tax reform (corporate taxation to battle the effect of climate change)

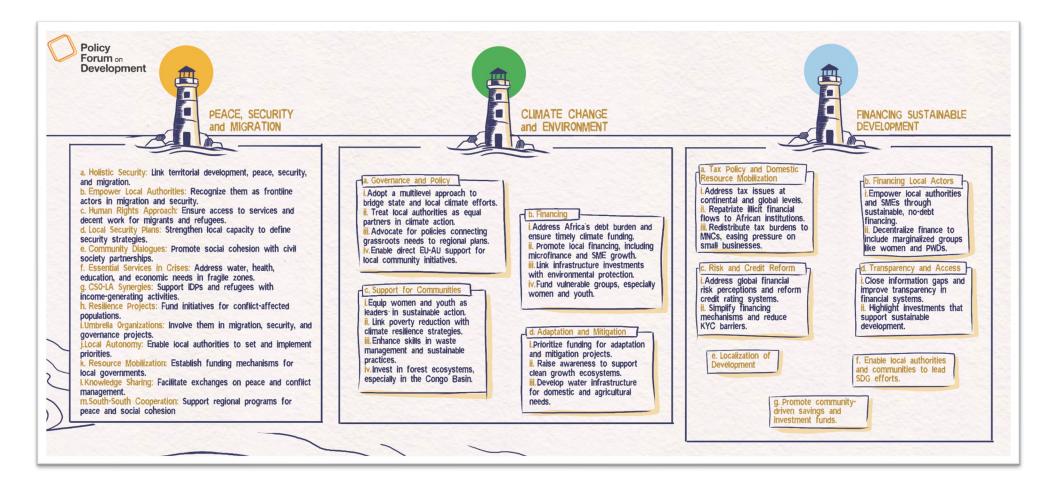
This roundtable was facilitated by Leonard Wanyama, Regional Coordinator, East African Tax Governance Network. The conversation addressed the challenges of financing development, particularly in relation to the private sector's involvement in infrastructure projects. **Munir Ezedin** from the UN Capital Development Fund discussed the barriers to private investment, including information asymmetry and liquidity issues. He emphasized the need for transparent ecosystems to attract investors and highlighted successful initiatives in East Africa that demonstrated how technical assistance and innovative financing mechanisms could mobilize private sector investment. **Solar cold storage in Kenya**. The private sector investors that could invest in solar cold storage often do not know the beneficiaries, specifically which farmers that could use this technology, or the restrictions around installing a cold storage facility in certain areas. UNCDF is deploying investment for the solar cold storage value chain and addressing these challenges. UNCDF is working to improve energy efficiency, reducing post-harvest losses and reducing carbon emissions. But most importantly, UNCDF is bridging the lack of information that the private sector faces, opening the door for new funds from private sector to invest in the technology. This model solves the issue of information asymmetry and provides a visible and transparent ecosystem. You can read more about the project here: https://mitigation-action.org/projects/kenya-post-harvesting-solar-cooling/.

Support refugees in Uganda to get KYC (know your customer). (KYC is the mandatory process of identifying and verifying the client's identity when opening an account). In the absence of KYC, entrepreneurial refugees cannot access bank services. UNCDF provided technical assistance to back refugees in obtaining their KYC, using a verification process on their smartphones. UNCDF also provided the bank with first loss guarantees of up to 75% of the loan, so that entrepreneurs could borrow at lower interest rates. This is a direct support to the non-formal sector. You can read more about the project here: https://www.uncdf.org/article/8408/reducing-the-cost-of-cash-how-to-scale-dfs-in-humanitarian-cash-payments-in-uganda.

Alfred Akibo Betts, tax expert from Sierra Leone, addressed the complexities of tax reform, particularly regarding carbon taxation and its potential impact on vulnerable communities. Betts stressed the importance of designing tax policies that consider the socio-economic context and the need for compliance systems to ensure effective revenue collection.

Participants pointed out the need for financing development and the localisation of SDGs, as a key part of the AU-EU partnership. They raised concerns about the effectiveness of current tax policies and the need for reforms that would broaden the tax base while supporting local communities, acknowledging the challenge of having a big part of the population working in the informal market. They discussed the importance of creating bankable projects that align with both social utility and financial returns, noting the disconnect between government and private sector definitions of bankability. The dialogue also discussed the problem of tax heavens and the high levels of debt in many countries, and touched on the role of international financial institutions and the need for a more equitable global financial architecture. Participants suggested exploring the establishment of an African risk agency to address the perception of risk and improve investment conditions in Africa. The discussions highlighted the importance of collaboration among stakeholders, including local governments, civil society, and international partners, to create sustainable financing solutions that meet the needs of communities. Decentralising finance was discussed as a way forward. The need to boost financing of SMEs, and to facilitate access to finance for marginalised groups (like peoples with disabilities, women, etc.) was highlighted. The session concluded with a call for continued dialogue and collaboration, emphasizing the need for practical solutions to the challenges discussed.

Recommendations on Peace, Security and Migration; on Climate Change and Environment; and on Financing Sustainable Development



Annex: Key points and recommendations

The following are the full recommendations shared by rapporteurs in the discussion groups held on days 1 and 2.

Recommendations on Green and just transition in Africa

To the EU (particularly on Global Gateway):

- Ensure that EU's financing instruments consider and contribute to the realization of the principles of decentralization by strengthening local governance systems and their capacities to sustainably deliver public services and implement local green development plans.
- Increase the share of projects implemented by local actors (compared to international NGOs and private sector) and, to that effect, strengthen the public finance management capacities of decentralized entities and CSOs.
- Involve non-state actors and local elected officials in the entire programming process from design to evaluation and, to that effect, define and transparently communicate funding accessibility criteria.
- Promote Intra-Africa Trade between African countries, through AfCFTA, on green products, instead of exports outside Africa (GG to favour intra-Africa Trade)

To the EU and national governments:

- Strengthen private-public partnership at the local level to promote the emergence and development of SMEs and cooperatives/SSEs with green solutions to environmental and development challenges.
- Further support the mobilization of resources intended for the implementation of local development plans in line with the objectives of the SDGs with additional attention to local adaptation and mitigation actions.
- Support (over time) capacity building and exchanges between peers from local authorities and other stakeholders (elected officials and technicians, CSOs), promoting skills enhancement in project management, access to financing and technology transfer and development through local and international to increase local ownership.

To national governments:

- Strengthen the role, capacity and increase the resources of local governments in the implementation of climate initiatives.
- Establish and strengthen operationalization of dialogue platforms to foster collaboration among development actors (Central and Local Governments, CSOs, PS, Academia).
- Develop capacities of local government to design innovative business models for potential green projects. This will enable local governments to support MSMES have viable projects that are bankable, profitable and sustainable (Green Economy).
- Urge the African Union to take political action allowing African countries to use their raw materials to develop technologies in the green energy space without threat from other countries regarding intellectual property rights.
- Urge African Governments to sign more deals with local businesses instead of foreign businesses.

Recommendations on Supporting basic services

To EU and bilateral donor agencies, and national governments:

- Recognize that basic services are public services, and ensure access, affordability and accountability for all.
- Foster peace and stability, which underpin access to basic services and the ability to finance basic services.
- Reinforce national fiscal systems and own-source revenue generation both at national and local levels. This should include:
 - Increasing the tax base through the creation of sustainable jobs

- o Supporting improved public finance management
- o Increasing digitalisation to simplify payment processes and reduce leakages
- Reducing nuisance taxes and fees
- Improving own source revenue collection
- Improving transparency in revenue collection
- o Improving access to domestic markets (e.g. bonds & other financial tools) to raise funds in local currency
- Support Local Economic Development (LED) models, including :
 - Social and solidarity business models such as Cooperatives
 - Smaller pilot livelihood support projects (such as support to women in agriculture/fisheries/animal husbandry)
 - Training and capacity building of workers in key sectors, and modalities to improve retention
 - Youth job creation and entrepreneurship
 - Decentralised cooperation
- Improve coordination, policies and investment strategies between actors working in the same territory/sectors so as to improve efficiency, reduce overlap and reduce donor/partner burden to local actors. Undertake a mapping of actions and actors and support data collection and data driven decision making.
- Support increased coordination and partnerships between CSO, NGOs and LAs to work together to deliver services to populations. Pool resources between local authorities, so that they can successfully implement investment projects with their own resources.

To the EU:

- As part of building capacity of communities to be involved in development decision making, work with representative associations to better understand access issues and the knock-on effect of not addressing these.
- Maintain and increase the grants available to civil society and should reintroduce the LA budget line to provide funding for both constituencies to undertake their mandated role in support of community development.
- Support access to multiple financing tools for partners and an understanding of which tools will be most beneficial.
- Simplify access to financing.
- Prioritize spending development funds on Africa and Africans (minimise as much as possible external expertise and consultants). Projects and investments taking place in a territory must benefit that territory.

Recommendations on Peace, security and migration

To CSOs and ALAs:

- Guarantee and reinforce the role of citizen watch
- Consider young people and women as key players, and structure and strengthen their mobilization in the various consultations and implementation processes for peacekeeping programs and community dialogue.
- Document successful experiences of peacekeeping mechanisms, particularly at cross-border level, to fuel south south cooperation.
- Develop programs incorporating post-conflict management mechanisms.
- Implement mechanisms for monitoring national security strategies and plans.

To the African Union:

- Develop an African architecture for peace and security with a holistic approach, specific to the continent's challenges in this area, with mechanisms and programs aimed at local CSO and LA players.
- Improve the African Union's representation in international peacekeeping bodies such as the ICC.

- Provide greater support and funding for national defence forces in crisis zones.
- Support the development and implementation of early warning systems at local community level.
- Support and structure intra-continental migration, and help host countries of refugee-migrants to facilitate their integration and reduce illegal immigration to Europe.

To the EU and EU countries, bilateral agencies :

- Remain mobilized in fragile areas despite diplomatic constraints.
- Harmonize responses and mechanisms implemented by European countries to support actors and countries in dealing with issues linked to multidimensional crises.
- Accompany, support and finance the sharing of experience on these issues.
- Implement migration agreements that enable a transfer of skills and an exchange of expertise (win-win between European and African countries). Migration agreements that must take into account the needs of the economic sectors of sending and receiving countries.

Recommendations on Climate

On governance:

To CSOs and ALAs:

• Amplify policy advocacy for climate change mitigation to bridge the needs of the people with national and regional policy.

To the EU and EU countries, bilateral agencies and national governments:

- Take a multilevel approach to ensure collective responsibility for managing climate change. Local authorities must play an active role, meaning having action plans in place for climate mitigations actions at community level.
- Work through the structure of local government associations to facilitate direct support to community initiatives

On financing:

To the EU and EU countries, bilateral agencies and national governments:

- The already-existing heavy debt burden of African governments needs to be considered in the Global Gateway initiative and loans.
- Safeguard the space for community voices as more private sector actors become involved
- Amplify advocacy in the global north to commitments on climate finance. Finance must be adequate to the global south, who pollute the least and are hardest hit.
- Identify local options for financing innovative solutions to climate change effects in the global south, such as SMEs. SMEs are a potential tool to scale up solutions to transform to a green economy. Ensure a supportive environment for SMEs to work on business models that take nature and investment environments into account.
- Environmental effects of infrastructure investment, notably extraction of critical raw materials, must be anticipated and addressed.
- Ensure micro-finance to vulnerable groups such as women and young people to support their initiatives.

On support for eco-systems and other actors:

To the EU and EU countries, bilateral agencies and national governments:

- Ensure the effective operationalization of existing legal frameworks for climate change mitigation.
- Remain aware of the link between poverty and climate change issues in ensuring a just transition.

- Invest in women and youth as intergenerational leaders and part of the sustainability of climate change mitigation and
- adaptation.
- Continue skills development and retooling of human resources, such as in the improvement of waste management.
- Develop water infrastructure to improve access to clean water for domestic and agricultural use.
- Create a forest eco-system for rural communities, notably in the Congo Basin.

Recommendations on Financing

To the EU and EU countries, bilateral agencies and national governments:

- Increase political will to work on tax issues at the continental and global level.
- Governments should redistribute the tax burden and ensure multinational companies pay their fair share of taxes.
- Implement a more structured way of giving tax incentives.
- Take advantage of the opportunity of missing middle finance (Local authorities and SMEs) to leverage PPPs to provide no-debt and sustainable financing for servicing communities.
- Address the challenge of information gap through systemically tackling information challenges and increasing transparency and public access of information.
- Create visibility for growth by working on proposals that contribute to revenue raising measures.