



Africa All Party Parliamentary Group

Introduction

The European Union is playing an increasingly important role in mediating how the UK relates to Africa across a range of policy areas including international development, foreign policy, security, and trade. This offers both opportunities and constraints to the UK in its relationship with Africa. This is increasingly a subject of discussion within Parliament, with a House of Commons International Development Select Committee inquiry on the comparative advantage of EU aid due to be published on 27th April 2012, and a House of Lords Economic Affairs Committee report on the impact of aid published in March 2012 calling for reduced funding of the EU's aid programmes.

The evolving role of the EU however remains somewhat unknown to many decision-makers in the UK. As such the Africa APPG organised a visit to Brussels, attended by a cross-party group of 9 MPs and Peers, on 31st January 2012, in order to investigate the political relationship between the EU and Africa. The Group met with MEPs and parliamentary staff working on Africa issues, African Ambassadors and representatives of the UK Permanent Representation to the EU, the European External Action Service, and the European Commission. Members noted that the visit was taken seriously, with each of these groups engaging with the Members in a positive and productive way. This report details the content of the discussions held¹.

Summary of Issues Discussed

1. The changing geopolitical landscape

The visit highlighted the extent to which the geopolitical landscape is changing and the impact of this on EU-Africa relations was a recurring theme throughout the day.

In particular, the meeting with the African Ambassadors revealed a confident, optimistic and independent Africa. They emphasised strongly their own priorities as trade, market access, and taxation and resource mobilisation, which often contrasted from the more traditional "development" priorities, such as agriculture and infrastructure, of many of the EU representatives. For example one Ambassador argued that fairer terms of trade were more important than the European Development Fund, and another refused to answer a question on the relative benefits of bilateral and multilateral aid, as he felt it missed the key issue. Other concerns overlapped more closely with those of the EU, for example the Nigerian Ambassador stated that security was the key issue in Nigeria and the Kenyan Ambassador pointed to the threat an unstable Somalia posed to his country. They also recognised budget support as a key controversial issue. This confidence can be linked to the argument of one MEP, that the political dimensions of the relationship have become increasingly important. He highlighted a paradox that although Europeans wanted Africans to select the priorities, they push their own priorities when they don't agree. Although not explicitly discussed in any of the meetings, the attitude of the Ambassadors raises questions about the future power relations between Africa and the EU.

¹ With retrospect the Members were surprised at how little mention was made of the EU's relationship with both the African Union and the Regional Economic Communities, and as such followed up the visit with a discussion with the External Action Service on this topic. This discussion has also informed some sections of this report.

Regional integration within Africa also has consequences for EU-Africa relations. Specifically, the African Ambassadors saw regional integration as considerably more important than their relationship with the EU, stating they would be willing to give up their proposed Economic Partnership Agreements (EPAs) with the EU, should these threaten their regional integration. It was clear that the issue of EPAs remains contentious and unresolved. The example that Kenya may lose its preferential market access as it is not categorised an LDC while the other East African countries maintain them under the General System of Preferences+ (GSP+) also highlights their concerns. Despite the weight attached to the RECs, little mention was made throughout the day of direct EU relations with these.

In addition, the visit suggested that the growing influence of China, and more broadly the BRICs, in Africa has implications for the traditional partnerships between Africa and Europe. For example China's contract-based approach with very little conditionality gives Africans an alternative option to the European model, leading one African Ambassador to describe China's growing influence as a "wake-up call to this relationship". More generally, new donors may have better cultural acceptability than the traditional players, particularly in sensitive regions such as Al-Shabaab-controlled South Central Somalia. This may (or may not) include the EU as a unit, which EU representatives considered lacked the colonial baggage of many of its member states.

While there is some coordination between the BRICs and the EU, for example the EAS's Managing Director for Africa met the Chinese to discuss the issue of AU troops in Somalia, European Commission representatives stated the need for greater engagement (particularly with India and China, less so with Brazil). In particular both DEVCO and ECHO, the Development and Humanitarian Directorates General at the EC, wanted the new donors to take on board the lessons they felt they had already learnt. Topics raised included whether new humanitarian donors would coordinate with more established organisations and focus on medium to long term resilience issues, as well as disaster relief, and whether China would adhere to the Paris Principles on Aid Effectiveness; although China signed the outcome document from the 4th High Level Forum on Aid Effectiveness at Busan, there remain questions about what this will mean on the ground.

2. EU Architecture: A coherent and comprehensive approach?

2.1 External Action Service

The External Action Service was created under the Lisbon Treaty with the need for a coherent and comprehensive approach, linking the work of the different EU organisations and EU member states across different policy areas, in mind. It has 3 priorities:-

- The pursuit of peace, broadly defined, for example including stable political structures
- Prosperity, including poverty reduction and growth, and covering policy areas varying from trade and the investment climate to humanitarian work
- Partnerships, including within the EU, and with member states, international organisations and African (and other) countries.

Its role is to lead on the programming process, which assesses where and how to work, while the Directorates General (DG) of the European Commission take responsibility for policy and implementation. It also manages the EU delegations to African countries. Challenges for the EAS relate to the nature of its role: tensions between the long term nature of many of the issues it addresses and the High Representative's fixed terms, as well as the need to "make the bureaucracy work", but despite these, EAS and other officials the APPG met were positive about the contribution the EAS could make.

2.2 An insight into two EC Directorates General: DEVCO and ECHO

Within the European Commission, DEVCO, the DG Development and Cooperation, is responsible for designing EU development policies and delivering aid through programmes and projects across the world and ECHO, the DG Humanitarian Aid and Civil Protection, is responsible for international cooperation, humanitarian aid and crisis response. Representatives of both DGs discussed their current priorities with the APPG.

Key Issues for DEVCO: 2012

DEVCO highlighted the key cross-cutting issues concerning their work for 2012:-

- *The Agenda for Change* – the October 2011 document that sets out a more strategic EU approach to reducing poverty, including a more targeted allocation of funding. It emphasises the need to focus on poor countries and the associated concept of *differentiation*, as well as the need to focus on a maximum of three sectors in each country to avoid being too thinly spread.
- Budget support – a controversial issue currently under the scrutiny of Parliament and others. The Agenda for Change re-names budget support as “good governance contracts” reflecting the fact that it will become increasingly conditional on the country’s record on democracy and human rights. The weaker alternatives of sector and state-building contracts are available in cases where the conditions are not met. They emphasised the need for a thorough risk assessment when providing budget support.
- DEVCO’s proposal for the EU’s 2014-2020 multi-annual financial framework.

The DEVCO representatives also discussed their work in South Sudan and Zimbabwe specifically.

They saw South Sudan as a litmus test for how serious the international community is about international development. In this country most EU funds have so far been spent through Trust Funds such as the World Bank and the UN, which has not been particularly successful due to their heavy, cumbersome procedures. However as the Head of the EU delegation to the country has now been appointed and the EU financial packages are now in place, EU finance will soon be spent using European implementation methods and by new operators. Although generally optimistic about this, DEVCO expressed some concerns about how effectively it will be possible to work in South Sudan – for example the effect that differences between the black market and official exchange rates will have on their ability to work in the country.

DEVCO described the situation in Zimbabwe as unbearable but with some signs of progress. Despite what may be happening at the highest level, they felt a duty towards the people in the country so are monitoring the situation extremely carefully and giving support where they can through NGOs and others. It is difficult however to provide support particularly for things like election observation when they are not invited.

The Commission representatives discussed how flexible they were in their ability to set up new country programmes following a change in circumstances, such as the end of a war. They recognised that the time it takes is often longer than desired, but gave two particular situations where the Commission can provide a rapid response:- humanitarian situations (for example ECHO provided a quick response following the Haiti earthquake) and increasing the quantities of spending or re-orientating a programme where there are existing operations. Challenges to setting up new programmes are both administrative and financial, for example there are often few resources left by the end of the 6-7 year budget cycle of the EU.

ECHO's approach to humanitarian work

ECHO acts as a donor, channelling money through other organisations such as the World Food Programme, MSF, the Red Cross and smaller specialist organisations. While ECHO's major focus last year was the Horn of Africa, where the confused security situation continues to threaten progress made, this year it is expected to be the Sahel.

ECHO tries to give support in a form appropriate to the situation, highlighting that in some places food is the last thing needed. In Somalia for example providing cash or vouchers puts people in a position to buy food from the private suppliers that are there already. This revives the market, gives people dignity, allows them to buy the type of food they want and avoids the need to transport bulky food, and the risk that it is diverted away from the community.

While their humanitarian work is considered relatively good –for example the recent critical Oxfam / Save the Children report on the response to the 2011 drought in the Horn of Africa makes exception to ECHO - they are looking for ways to improve their performance.

As well as crisis response, they recognise the need to promote medium and long term resilience, for example working with development organisations in general, and on risk preparedness and early warning specifically. There remain questions about how to do this most effectively – how to react to early warnings when they remain uncertain for example – but ECHO felt that a comparison between their response to the Sahel crisis and that of the Horn of Africa showed they are moving in the right direction.

There was a detailed discussion about the benefits of spending humanitarian money through the EU as opposed to either its member states or other international organisations such as the UN. ECHO argued that their global outreach and their strong field presence mean they have quick intelligence and can respond to crises anywhere in the world rapidly. The EU's financial instrument provides economies of scale, meaning it provides humanitarian assistance relatively cheaply, and the fact that they work through partner organisations such as Oxfam or Save the Children, but do more extensive follow-up work, means their work is particularly effective. They have strict audit and control mechanisms and a high degree of transparency in their procedures. They are close partners with the Office for the Coordination of Humanitarian Affairs (OCHA) and are therefore in a position to influence the global debate, and believe they are seen as neutral (unlike the UN for example, which is often associated with its security work), which is a critical for effective humanitarian work, particularly in fragile states.

The two DGs showed a certain degree of coordination and both were clearly aware of the work of the other, for example DEVCO gave an example of ECHO's work in Haiti and ECHO referred to the need to work with development organisations to build long-term resilience. More directly, DEVCO stated that as ECHO was pulling out of Zimbabwe, they would like to see the amount of funding ECHO had been spending matched.

2.3 European Parliament

The European Parliament has played an active role on issues related to Africa, as a Parliament itself, through its various Committees and through its links with the ACP-EU Joint Parliamentary Assembly, which meets twice a year. The African Ambassadors explicitly recognised that the European Parliament was very forthcoming in engaging with issues to do with Africa, in particular highlighting the need for Parliament to push through particular issues, such as movement on Economic Partnership Agreements (EPAs), in the Commission.

It has for example begun to recognise the importance of policy coherence for development, e.g. voting down the Moroccan Fisheries Agreement which would have had detrimental effects on development. In addition where the work of one committee overlaps with that of another – as is often the case on issues related to development - one is obliged to take into account the full opinion of another committee of equal standing.

2.4 EU delegations to African countries

Unlike its member states, the EU has a presence in every sub-Saharan country apart from Equatorial Guinea through its aid programmes. The nature of the EU Missions is changing under the EAS however, as they move from being purely aid agencies to becoming Embassies, of which there are currently 45, managed by Nick Westcott, Managing Director Africa at the EEAS. Nick Westcott's "A New Framework for EU relations with Africa" speech delivered in October 2011 has provided guidance to the EU delegations as they make this transition. Interestingly in this context, those working in the Commission felt that the focus of European external action over the past ten years had moved away from military security and towards humanitarian work.

One particularly useful function discussed was the use of EU compounds as docking points for non-resident EU Ambassadors, for example one Member of the APPG described how effective the EU compound in South Sudan was during a recent visit.

2.5 EU delegation to the AU

The EU also works directly with the Africa Union (AU), through its delegation to the AU, headed by the Head of the European Commission Delegation and European Union Special Representative (EUSR) to the African Union. Since the EU delegation began operating in early 2008, the AU, with support from the EU, has become more proactive, in particular showing leadership in areas of peace and security, for example through the AMISON mission to Somalia. However a number of factors were raised that have so far limited the AU's effectiveness including a lack of funding and a lack of ownership. One particular challenge for the EU in working with the AU is how to ensure coherence between activities at the national, regional and AU levels. This is particularly important in a context where the African Ambassadors who met the APPG put such emphasis on the importance of regional integration.

3. Africa as One and the consequences for African representation to the EU

As well as initiating a new institutional architecture, the 2007 Lisbon Treaty resulted in a new strategy paper: the Joint Africa-EU Strategy (JAES). The JAES goes beyond the traditional door-recipient partnership and deals with Africa as one, a marked attempt to be comprehensive in the EU's approach to Africa, with consequences for the African actors the EU works with.

The JAES however has so far fallen short on its ambitions and of the eight partnerships that it comprises, only one, on peace and security, has not stalled. One major challenge is the lack of African ownership of the JAES. In particular, as the JAES deals, or attempts to deal, with Africa as one, the relevant political institution is the African Union (AU), but this is young, under-funded and poorly known. The African Ambassadors the APPG met placed much greater emphasis on the pre-existing African, Caribbean and Pacific (ACP) group of states, which was formed under the Cotonou Partnership Agreement, the pre-existing partnership agreement between Europe and Africa, which will sit parallel to the JAES until it expires in 2020 and which, unlike the JAES, is legally binding, ratified by Parliament. Specifically the African Ambassadors emphasised the importance of the Revised Cotonou Partnership and aired their concerns about the lack of progress towards its ratification (on the part of both the Commission and the ACP countries). MEPs echoed this by stressing that certain types of work – for example recommendations on dealing with disability – that pass to member countries

through the ACP framework, simply would not come through the AU framework. Representatives of the Commission also highlighted the continuing relevance of the ACP framework, for example stating that they would be pleased if newly-formed South Sudan would accede to the Cotonou Agreement. There remains a challenge in ensuring the EU-ACP Joint Parliamentary Assembly and the AU act to enforce, rather than compete with, each other.

An additional challenge related to the lack of African ownership comes from a perceived difference between rhetoric and practice in the EU's approach to Africa. While the EU purports to deal with Africa "as one" through the JAES, the continuing influence of the previous arrangements, which see North Africa (under the European Neighbourhood Instrument and the Euro-Mediterranean Partnership), sub-Saharan Africa (under the EU-ACP Cotonou Agreement) and South Africa (under the Trade, Development and Cooperation Agreement) dealt with separately, means that in practice the EU often deals with parts of Africa separately. This disparity does not convince Africans that they are giving due priority to the continent. A discussion with the Egyptian Embassy made this point; they described the lack of concern from their European friends about their election results, in a context where a high emphasis was placed on democracy and good governance and when a stable North Africa was in the UK/EU interest, as "frankly absurd".

Finally, a number of limitations to working at the continental level in Africa, central to the JAES, were raised throughout the day. For example, the number and type of issues that could be addressed at this level were questioned, and the continuing need for bilateral relationships to address country specific issues, and because of their historical significance, was emphasised. The officials we met in the Parliament, the EAS and the Commission all stressed the varying conditions across the continent, and the importance given to "differentiation" in the new EC proposals, in particular the 2011 Agenda for Change. These varying conditions and Europe's differential treatment of different countries have consequences for the EU's work at a regional/continental level. For example under proposed changes to the General System of Preferences (GSP), which provides developing countries preferential access to the EU market through reduced tariffs, countries not categorised as Least Developed Countries (LDCs) will lose their preferential access. Although East Africa is, on average, an "LDC region", Kenya as a country is not and as such will lose its preferential access. This has implications for regional economic integration and trade between East African countries.

4. Coordination with and between EU Members

The European Council and the EU's Political and Security Committee (PSC) both have a key role to play in ensuring dialogue between the EU's 27 Member States, which vary in their particular interests. While the European Council comprises the Heads of State of the member states, the Political and Security Committee brings together ambassadorial level representatives from all 27 countries to discuss the EU's European Security and Defence Policy and the Common Foreign and Security Policy. The PSC gives overall guidance and deals with all of the UK's external engagement, specifically on security, defence and foreign policy, but also on trade and development more generally.

The visit unearthed some evidence of differing opinions between the different countries, for example on the budgetisation of the European Development Fund (more likely to be favoured by those whose percentage contribution to the EDF is less than that to the budget), proposals for joint programming (more likely to be favoured by countries with small or no bilateral programmes) and the priority actions to address Somalia piracy (for example varying attitudes towards imprisoning pirates in European countries), and some evidence of tensions between member states, such as a rumour that it was France who blocked a European Council decision

about oversight of the European Development Fund. However discussions went into little detail about the effectiveness of either body.

As well as the need to coordinate members' interests for EU-level work, a number of meetings emphasised the need for Europe's bilateral and multilateral relationships to complement each other. This is supported by the acknowledgement that a set-up with fewer, larger donors is more effective and allows economies of scale in delivering development assistance. DEVCO's *Agenda for Change* proposes "joint programming" (between the EU and all Member States operating in a particular country) to address this. However, while smaller donors are generally happy with this concept, it was suggested that the larger donors were more resistant, and questions were raised about how far the Millennium Development Goals (MDGs) could or would be included under joint-programming. There are clear challenges to playing a coordinating role under such an arrangement, including resistance from the member states, particularly the case as it is their own national parliaments, not the EC, to which they are accountable.

One other factor was raised which may impact on the ability of the EU to coordinate with its members, particularly on security and defence issues: the External Action Service does not have a seat at the UN Security Council.

5. Funding of EU activities

The EU lacks a single robust funding system but instead funds its activities through a number of financial instruments. The APPG discussed the two major EU funds of relevance to Africa: the European Development Fund (EDF), which has traditionally covered the ACP states and rests outside the EU budget, and the Development Cooperation Instrument (DCI) which has covered Asia, the Middle East and Latin America, but also includes a new Pan-African programme to support the JAES, and lies within the EU budget.

While the DCI gives a better legal basis for implementation of the Joint Africa-EU Strategy, setting aside 1 billion Euros over the 2014-2020 multi-annual financial framework specifically for this, the fact that it was developed to support thematic programmes in Asia means there are those who have been left unconvinced by its relevance. In addition, it scored relatively poorly in the UK's Multilateral Aid Review (MAR), partly as a substantial amount of its funding does not go to the poorest countries, but instead focuses on middle income countries and regions, such as China and Latin America.

The EDF – the 11th of which has been proposed for the 2014-2020 period – on the other hand scored extremely well in the MAR but has been criticised for the fact that it does not fall under the EU budget, due to its intergovernmental nature. This means it is not under the scrutiny of Parliament, and as the decisions are taken by representatives of member states in the EDF Management Committee, rather than elected EU officials, the EDF has been criticised for being undemocratic. The European Council's rejection of the Parliament's Development Committee's request to oversee the EDF has not eased this situation. However, there are reasons to keep the EDF out with the budget, beyond its history. Although international development spending over the next few years is likely to feel the effects of the Euro crisis, for example Spain is withdrawing completely from bilateral aid, the EDF is expected to increase from 23 billion Euros in 2008 - 2013 to 34 billion Euros over the period 2014 – 2020, which is an increase in real terms. In the current economic climate, budgetising the EDF is likely to constrain this. Additionally, the EDF pays for the ACP Secretariat, and if the fund was to move, this may have consequences for the voice ACP countries have. Another important consequence of the budgetisation of the EDF relates to the contributions of the different member states; member states pay a set percentage of the EU budget according to the budget

key (for example the UK pays 14.8% of the total EU budget), yet this varies from the contribution key for the EDF, meaning the amounts countries are expected to contribute would change.

This set up, with a number of financial instruments, may have consequences for the issues that the EU works on, which was suggested as one (of several) explanations for an apparent divergence in African and European priorities. EU priorities are dictated by the priorities of the various financial instruments, and as such, the best priorities from an African perspective are not always selected. Another explanation offered for this was a possible mis-match between what are considered political priorities, and the areas which have sufficient absorptive capacity to work in.

It is worth noting that a number of individuals made the case for a degree of perspective regarding the importance of aid spending in Africa. The African Ambassadors argued strongly that issues related to trade – regional integration, fairer terms of trade and market access – were of greater importance, and discussions with MEPs highlighted that while the EU puts \$30-40 billion into Africa each year in aid, \$700 billion leaves the continent as black money. Additionally remittances to the continent equal around double the money committed by the EU as aid.

Conclusions

The visit offered Members of the Africa APPG the opportunity to consider a broad range of issues related to EU-Africa relations. It has raised a number of questions regarding UK policy towards the EU, which Members and the APPG may wish to consider in further detail.

Processes

- How can the EU increase its flexibility to respond to changing circumstances in Africa or elsewhere?
- How can the EU reduce its admin costs?
- How can we ensure any lessons learnt from the UK's experiences with the Bilateral Aid Review and the Multilateral Aid Review are used to inform EU policy as the EU selects where to work?
- How can the EU ensure its work at the continental level is coordinated with that at the regional and national levels?

Partnerships

- Given the strong emphasis placed on regional integration, how can the EU work more closely with the Regional Economic Communities?
- How can we increase African ownership of the Joint Africa-EU Strategy, and of the African Union, to make the EU's work in African more effective?
- What is the future of the ACP Group and how can we ensure its work complements that of the AU?
- In what ways can the UK work with EU delegations in countries where there is no permanent UK representation, and with the EU delegation to the AU?

Policies

- In which policy areas does the EU have a comparative advantage over its members, and how closely aligned are these with the policy areas that the EU works on?
- How can we ensure we are meeting both European and African priorities in practice?
- What should the UK's response be to the fact that a high proportion of European aid goes to Middle Income Countries?