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The EU, Africa and China: Towards trilateral dialogue and cooperation

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The EU, Africa and China: Towards trilateral dialogue and cooperation

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The EU, Africa and China: Towards trilateral dialogue and cooperation

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1. INTRODUCTION

At the dawn of the 21st century the new geopolitics present challenges and opportunities for all players. Nowhere is this truer than in Africa which is entering a new era. Africa is emerging, more democratic, more vibrant, and positioning herself better to benefit from the opportunities of globalisation.

The birth of the African Union (AU), the reinforced role of Africa’s Regional Economic Communities (RECs), the African blueprints for economic development (NEPAD - New Partnership for Africa's Development) and for democratic governance (the African Peer Review Mechanism) together with the Strategic Plan of the African Union (2004-2007) marked a fundamental break in the way Africa looks at itself and how it engages with its external partners. Africa is now determined to assert its international status and is becoming active on major global issues like food security, energy and climate change and changing economic environments.

Africa has created a network of partnerships which imply taking more responsibility for its own development, looking for African solutions to African problems. At the same time there is a renewed interest in the African continent because of its strategic significance in economic, security and political terms. This provides a genuine and welcome opportunity for Africa's development and its fight against poverty.

The European Union and China are both long-standing partners of African countries. The EU and China are respectively the first and the third commercial partners of, and investors in, Africa. They have in recent years responded to Africa's transformation with major strategy reviews.

Africa and the EU have established a new and comprehensive partnership agreed at the second Africa-EU summit in Lisbon in December 2007. The Africa-EU Joint Strategy and its first Action Plan agreed in Lisbon, identify common challenges, common interests and concrete sector-based partnerships with the aim to eradicate poverty, reach the Millennium Development Goals and promote security, human rights, democratic governance, sustainable development, regional integration and integration into the world economy. In line with these objectives and principles, the EU, collectively the largest provider of Official Development Assistance (ODA), has agreed to scale up its aid, in particular to Africa, and to make it more efficient and has undertaken to align its Africa policy on AU priorities ("ownership"). Untied grants and soft loans are the main financial tools.

China has since the 1990s re-emerged as a global power and has engaged further with Africa. Since 2000 China-Africa trade has steeply increased, Chinese investments in Africa have risen sharply and China has been offering increased development cooperation to African countries. This includes its domestic experience with poverty reduction. The new approach to Africa was laid out in 2006 when China presented a White Paper on its Africa policy focusing

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2 In its Communication "EU as a global partner for development", the Commission proposes a number of actions to encourage Member States to increase the volume and the effectiveness of aid as well as areas where EU policies could be better coordinated.
on the promotion of peace and stability, development and common prosperity\(^3\). China's official development policy is to pursue cooperation with the focus on sovereignty, solidarity, peace and development with non-interference in domestic affairs and mutual benefit as key principles. Trade, investment, turn-key infrastructure projects and training in China (fellowships) are the main tools supported mainly through loans and in-kind operations\(^4\).

At the Beijing summit in November 2006, China and Africa sealed a new strategic partnership within the framework provided by the Forum on China-Africa Cooperation (FOCAC\(^5\)). Many observers of this process noted a number of shared objectives and interests in promoting Africa's economic growth and integration into the world economy, the pursuit of the Millennium Development Goals (MDG) and efforts to conflict management and peacekeeping.

Moreover, both the EU and China have a strong shared interest in promoting stable and sustainable development in Africa. This reality has been recognised by the EU and China: At the tenth China-EU Summit held in Beijing on 28 November 2007, the EU and Chinese leaders ‘welcomed more practical cooperation by the two sides through their respective existing cooperation mechanisms with Africa so as to contribute to Africa’s peace, stability and sustainable development on the basis of equality and mutual benefit. The two sides agreed to continue their dialogue on African issues, and actively explore effective ways and channels of cooperation among China, the EU and Africa in appropriate areas’.

The Join Africa-EU Strategy explicitly welcomes contributions by other partners and is open to cooperation with third countries on the common objectives of the partnership. These statements therefore provide an explicit opportunity to strategically link and mutually strengthen the EU's partnerships with both Africa and China.

The question is whether more can be done between the EU, Africa and China to reinforce their policy dialogue and cooperation through forms of trilateral cooperation\(^6\) which complement the bilateral partnerships\(^7\). This Communication argues that we should begin on the basis of consensus to establish, in a gradual, but progressive way, a cooperative three way agenda with both our African and Chinese partners in a number of areas where synergies and mutual benefits can be maximised.

2. **The EU policy initiative on trilateral cooperation**

The Commission proposes that Africa, China and the EU should work together in a flexible and pragmatic way to identify and address a specific number of areas that are suitable for

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\(^4\) The exact amounts are difficult to determine, since the accounting methods are very different and China does not publish aid statistics yet. Besides the central government’s programmes there are a large number of provincial and corporate actors that are weaving an increasingly dense and complex web of relations with Africa.

\(^5\) The Forum on China-Africa Cooperation (FOCAC) was inaugurated through a ministerial conference in Beijing in 2000. The third FOCAC was held at summit level in Beijing 3-5 November 2006. Details: http://english.focacsummit.org/

\(^6\) In line with paragraph 19b of the Accra Agenda for Action which encourages triangular cooperation.

\(^7\) The more general impacts of China's rise were addressed in the 2006 Communication EU-China: Closer Partners, growing responsibilities. The present Communication focuses specifically on the EU response to the development opportunities and challenges arising in Africa due to China's emergence as a key development partner of Africa.
trilateral cooperation and to link this cooperation where possible with existing commitments in multilateral fora and in particular the UN. A step-by-step approach should be taken.

2.1. Guiding principles for trilateral cooperation

- **Pragmatic and progressive approach**: Practical cooperation on the ground. This could focus on concrete projects and sectors. Such a result oriented strategy will help in formulating common objectives.

- **Shared approach**: practical cooperation will be conducted in full association and agreement at each stage with interested African partners (at country, or regional level).

- **Effective aid**: the proposed approach aims at (a) avoiding duplication of efforts; (b) ensuring closer coordination of the EU's and China's activities at country level around African countries' development strategies and facilitating the exchange of experience, including China's own development experience, and best practices and (c) contributing to improved aid effectiveness and to exchange of experiences including on the roles of ODA and Foreign Direct Investment (FDI) and other means.

The trilateral co-operation will contribute to enhancing our shared responsibility for global governance and development.

2.2. Concrete objectives of trilateral cooperation

It is proposed to focus the trilateral cooperation - in an initial phase - on the following sectors, which are key for Africa's stability and development and where the added value of trilateral cooperation is expected to be the greatest.

1. **Peace and security in Africa**: These are prerequisites for development. Therefore it is in the interest of Africa, the EU and China to cooperate in order to promote stability and prosperity in African countries and economies and to work with the AU and in the United Nations (UN) with China to strengthen the development of the African Peace and Security Architecture and assist with AU peace-keeping operations, capacity building and training.

2. **Support for African infrastructure**: Infrastructure is the backbone of development, trade and investment: developing common strategies and improving synergies between Africa, the EU and China will help meet enormous Africa's infrastructure needs and common objectives; to promote trilateral cooperation for the delivery of affordable and sustainable infrastructure in Africa, enhancing interconnectivity and regional integration and improving the conditions for sustainable development and economic growth (multimodal transport corridors, telecommunications, energy including renewables, sector approaches). The Infrastructure Consortium for Africa should be a focal point where Africa, the EU and China together with other countries and international organisations coordinate activities and exchange experiences. Coordination on the priorities articulated by Africa (Short Term Action Plan – STAP and the NEPAD Infrastructure Project Preparation Facility — NEPAD-IPPF, 2003) could also be enhanced within the framework provided by the EU-Africa Partnership on Infrastructure.
Sustainable management of the environment and natural resources is key to sustained growth, combating climate change and to mutual trade interests. Trilateral cooperation linked to initiatives such as Extractive Industries Transparency Initiative (EITI), Forest Law Enforcement, Government and Trade (FLEGT), the Kimberley process, could allow African countries to enhance local capacity to manage resources, trade and competition in an open and transparent manner in order to maximise sustainable investment and development outcomes notably in sectors such as forestry, renewable energy, energy efficiency, waste management, fisheries and mining. Given the importance of building long-term national adaptive capacity particularly in the countries most vulnerable to climate change, the Commission proposes to explore the possibility of initiating joint work with the African Union Commission (AUC) and China, for capacity building purposes, on climate change and renewable energy, possibly including technology transfer and increased capacity for Clean Development Mechanism (CDM) investment, also under a post-2012 global climate change agreement. A strong environmental pillar contributes to ensure the livelihood of the poorest and to sustainable peace. Joint capacity building will be consistent with the existing bilateral environmental dialogues between the European Commission and China and the European Union and the African Union.

Agriculture and food security: raising productivity in the agricultural sector is key to achieving progress towards the Millennium Development Goals in general and MDG 1 on poverty and hunger in particular. Trilateral cooperation could enhance Africa's agricultural productivity and production levels, and contribute to greater food security in a sustainable manner, with due attention to the socio-economic, environmental and health aspects of food production. The Commission proposes to explore synergies that could be obtained from trilateral cooperation in: agricultural research and innovation, with a special emphasis on food staples; control of animal diseases; and food safety with a special emphasis on definition and compliance with Sanitary and Phytosanitary Standards. Trilateral cooperation should be framed in the context of the Comprehensive African Agricultural Development Programme (CAADP), which forms the long-term agenda for Africa's agricultural development.

2.3. Development policy dialogue and development partnership

To achieve the above objectives, dialogue at Headquarters and local level should be expanded on the basis of the existing EU-Africa and EU-China dialogues and complement also the UN framework. It is important to foster a culture of exchange and consultation at all levels. A parallel track of think tank dialogues would support policy makers in enhancing mutual understanding on respective policies and approaches and identifying cooperation opportunities while contributing to capacity building on research and fostering people-to-people exchanges.

Dialogue should be organised and strengthened at various levels, building on existing structures and fora:

– at continental level: to promote African continental and regional integration we look to the AUC to play a major role in this dialogue. The Head of the EU Delegation to the AU in
Addis Ababa, Ethiopia, could be a focal point for organising regular and ad hoc consultations between the AU, the EU and China notably in the area of peace and security.

- at regional level: the European Commission has played a unique role in strengthening Africa's Regional Economic Communities (RECs) and has a strong instrument for cooperation under the EDF. The various Regional Strategies and Indicative Programmes could be the starting point to promote trilateral cooperation in all the proposed sectors, but especially in infrastructure where the appraisal and implementation of large energy and telecommunications programmes or multi modal transport corridors need a regional dimension at institutional and managerial level to support the national framework.  

- at country (Ambassador) level for regular and ad hoc exchanges of information and views as well as in multilateral country-led frameworks

- in EU/China bilateral dialogue: put Africa as a regular item on the agenda for EU-China consultations, in the strategic dialogue, joint committee and the Africa troika and the EU-China summits. Where feasible the appropriate African counterparts should be involved.

In order to promote the partnership for development (MDG 8) and the effectiveness of development aid (Paris Declaration on Aid Effectiveness) there is a particular need to expand ongoing exchanges of information and experiences with the African partners on country strategies and how each side carries out and evaluates its development policy with the aim to improve complementarities and division of labour, the use of country systems, predictability and management by results with fewer procedural constraints in delivering aid. This can be done through study visits, placements of officials and regular consultations at headquarters and country level. ‘Donor coordination meetings’ could be expanded into ‘coordination meetings of development partners’, and China’s experiences could be fed into this process.

The International Poverty Reduction Centre in China aims to become a platform for such exchanges and has reached out to the OECD-Development Assistance Committee and traditional donors and the EU should support such endeavours. The Heiligendamm Dialogue Process, in which China is participating, may contribute to providing such a new approach. The OECD's policy of enhanced engagement as well as the DAC's current reflections on preparing a new DAC mandate to meet future challenges may also provide new insights. Trilateral cooperation in Africa could underpin this process with practical experiences and provide useful lessons to feed into the current debate on aid and development effectiveness.

3. **Conclusions**

Trilateral cooperation shall be progressive, but change can bring about improved results in addressing global development challenges in an effective multilateral way. The three partners can jointly develop common interests and discuss crucial global challenges while pursuing their bilateral relations. The process will strengthen their respective bilateral partnerships and

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8 These regional interventions should only be implemented when certain conditions (governance, institutional and managerial capacity at regional level, efficiency of the sector and regional organisations) are in place to enable the favourable environment necessary to carry out the various operations foreseen.

9 was. China is a signatory of the Paris Declaration on aid effectiveness endorsed on 2 March 2005. China is actively studying other signatories' and the OECD DAC’s activities in this respect. China also takes part in the follow-up process (e.g. Accra High Level Forum on Aid Effectiveness in September 2008)
increase the African Union's ability to play its role as a key actor in Africa's development and on the international stage. The overall result of this trilateral co-operation will contribute to shared responsibility for global governance and development.

The European Commission invites EU Member States, African and Chinese partners to consider and support the above proposals and to cooperate in organising trilateral initiatives along the following lines:

– Enhance coordination in relevant international organisations and initiatives, particularly around African initiatives, and identify the appropriate modalities for cooperation.

– Enhance the exchange of visits and officials of all sides to learn from each other and create a network supporting trilateral dialogue and cooperation at international, HQ and country level and improve information flow.

– Organise an annual meeting of senior officials (EU-AU-China) at the rotating initiative of the partners to coordinate dialogue and cooperation strategically.

– Invite the AU troika to join the EU-China annual dialogue on Africa.

– Enhance research and knowledge generation in the sectors identified.

– Enter into specific agreements between agencies, institutions and associations to facilitate results-oriented joint initiatives.

– Submit this Communication to the African and Chinese partners for discussion at summit or ministerial levels.

The Commission therefore requests the Council and European Parliament to endorse the above proposals, with a view to further discussion with the EU's African and Chinese counterparts.
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Annexes to the


The EU, Africa and China: Towards trilateral dialogue and cooperation

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**Introduction**

The renewed strong interest of both Europe and China in Africa has given rise to questions and expectations regarding the way Europe and China will engage with each other on and in Africa. While there is arguably an element of competition, there is also scope for cooperation.

**BOX 1: EU and China in Africa at a glance:**

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<tr>
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<th>EU-Africa</th>
<th>China-Africa</th>
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<tbody>
<tr>
<td><strong>Trade</strong></td>
<td>Total 2007: € 232 billion.</td>
<td>Total 2007: € 53.6 billion</td>
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<td></td>
<td>23% of EU imports from Africa are manufactured goods and 11% are food and agricultural products. The EU is the biggest export market for African products. Approximately 85% of Africa’s exports of cotton, fruit and vegetables are imported by the EU.</td>
<td>71.8% of all imports from Africa are fuels and oils.</td>
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<td></td>
<td>In 2007 the EU imported oil from Africa with a value of € 62.5 billion, out of which € 18.9 billion are from Sub-Saharan Africa (30%). Top partners for EU are: Libya, Algeria and Nigeria.</td>
<td>In 2007 China imported 32% of its oil from Africa with a value of € 19 billion, out of which € 17 billion are from Sub-Saharan Africa (90%). Top partners for China are: Angola, Sudan, Congo.</td>
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<td></td>
<td>African Least Development Countries benefit from duty free market access for everything but arms.</td>
<td>China abolished tariffs on 450 types of goods from 29 Least Development Countries in Africa.</td>
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<td><strong>FDI</strong></td>
<td>EU Foreign Direct Investments to Africa in 2005 and 2006 amounted to € 28.124 billion.</td>
<td>According to estimates, the accumulated investment by Chinese firms doubled from USD 6.27 billion in 2005 to USD 12 billion in 2006.</td>
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<td><strong>ODA total</strong></td>
<td>In 2006 the EU (Member States and the European Commission) collectively gave together 62% of its bilateral, regionally allocated aid to Africa and provided more than half of the global aid flows to the region. EU DAC members’ debt relief to Africa in 2006: € 9.7 billion.</td>
<td>China does not publish aid figures. Its aid comparable to the DAC definition of ODA is estimated at about USD 1.5 billion p.a.</td>
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<td></td>
<td>China has cancelled USD 1.4 billion in debt owed by 31 African countries in 2006.</td>
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<td><strong>Peace keeping operations</strong></td>
<td>The EU has set up a new instrument to finance peacekeeping operations, the African Peace Facility, with an amount of € 300 million for 2004-07 and a further € 300 million for 2008-2010. The EU, under the European Security and Defence Policy, has carried out 8 peacekeeping operations in Africa at the request of the UN, the AU or African countries.</td>
<td>There are currently over 1,300 Chinese troops participating in all the UN peacekeeping missions in Africa.</td>
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</table>
Annex 1: Cooperation on peace and security

Trilateral cooperation could enhance mutual awareness and understanding of each partner’s priorities and activities and discuss the effectiveness of concepts of preventive diplomacy, crisis management, post-conflict reconstruction, human security, climate and food security and other security threats as they evolve.

BOX 2: Peace and security

What are Africans doing?

Since 2002, the AU has gradually emerged as a major political and security actor, engaging in concrete actions in the area of conflict prevention, management and resolution.

As a structural, long-term response to peace and security challenges on the continent, a comprehensive African Peace and Security Architecture (APSA) is being developed. The APSA consists of several elements and structures, namely an AU Peace and Security Council (PSC), the central AU decision-making organ, a Continental Early Warning System (CEWS) and a Panel of the Wise, with a mandate for conflict prevention and resolution, as well as an African Standby Force (ASF) to be deployed in operations to support peace. The African sub-regional organisations are pillars of the overall security architecture of the AU and contribute to the AU’s efforts through appropriate structures and initiatives.

To date, significant progress has been achieved in building the APSA. The AU PSC has become an active decision-making body. The ASF and CEWS, though still in their early days, are moving forward, and the Panel of the Wise is now in place. African-owned mediation efforts are on the rise and the AU is becoming increasingly active in the area of post-conflict stabilisation.

In parallel with political initiatives for the prevention and resolution of conflicts, a number of African-led peace support operations have been deployed, often in a very hostile natural environment and sometimes in a very sensitive political context (e.g. AMIS, AMISOM).

What is the EU doing?

Over the past years, the role of the EU has increased with the expansion of the EU’s global crisis management activities and EU’s ability to draw on a wide range of instruments at all stages of the conflict cycle (CSPF/ESDP, APF, Instrument of Stability, humanitarian aid, FED). Nowadays, the EU is pursuing a holistic approach to security in Africa combining short term military and civilian interventions (crisis management instruments, diplomacy) with mid- to long term stabilisation and development measures. The EU has agreed to allocate €300 million under the 10th EDF for the period 2008-2010 to the African Peace Facility (established in 2004 and until 2007 supported with €440 million under the 9th EDF), with a view to financing African-led peace support operations, including multi-dimensional operations with civilian as well as military components, the APSA Capacity, including early warning, planning, conduct and control of operations, notably through training for the African Stand-by Forces and the Regional Brigades. Dialogues and cooperation between the AU and EU furthermore span a wide range of subjects and are supported through a number of financial instruments: conventional disarmament objectives and activities are regularly planned and supported. Counter-terrorism initiatives are being pursued, with support for the African Centre for the Study and Research on Terrorism (CAERT), Electoral Observation Missions, transitional justice initiatives, mediation, continental and regional early warning systems, security–development links and coherence in AU and EU relations with the RECs. The EU’s operational engagement in Africa under ESDP goes back to 2003 and 8 major ESDP missions have been carried out or are ongoing in Africa.

What is China doing?

From 1999, China has successively dispatched over 7 000 peacekeepers, comprising military observers, engineering troops and civil police, to take part in 21 peace-keeping missions across the world, more than the rest of the UN Security Council’s permanent five members combined. Currently, China is the thirteenth-largest contributor of peacekeeping troops. Recently, of the 1 666 Chinese peacekeepers, 1 322 were deployed on all seven ongoing UN African missions.

China’s assessment rate for its contribution towards UN peacekeeping has increased from 0.995 percent for 2000, 1.540 percent for 2001-2003 and 2.053 percent for 2004-2006 to 2.667 percent for 2007-2009, which represents a 168 percent increase in seven years. In 2006 China was the ninth largest financial contributor among all 191 UN member states and the largest of all developing member states of the UN. Nevertheless, it still contributed less to peacekeeping operations financially compared to the other P-5 members except for Russia.
In recent years, as China has gradually gained experience as a peacekeeper and a peacekeeping trainer, it is no longer purely a ‘participant’ in various peacekeeping-related international activities, but also an active ‘organiser.’

**What could the three partners do together?**

- Enhance dialogue on challenges to peace and security, in particular through trilateral consultations on issues on the agenda of the UNSC and the AU PSC, such as crisis situations, peace operations, and post-conflict stabilisation and reconstruction in Africa.

- Establish a structured trilateral dialogue on peace-building, post-conflict resolution, crisis prevention and responses, human security, and security implications of the vulnerability of Africa to climate change. This structure may entail official or expert meetings and regular or ad hoc consultations of Special Representatives as appropriate.

- Coordinate support provided by the EU and China to various elements of the African Peace and Security Architecture, through enhanced coordination of support, capacity building and training.

- Identify predictable funding for African-led peace support operations, for instance through (i) enhanced coordination of support provided to Africa’s peace-keeping efforts; (ii) possible cooperation with China under the African Peace Facility, (iii) consultation/coordination with a view to putting in place, under Chapter VIII of the UN Charter, a UN mechanism to provide sustainable, flexible and predictable funding for peace operations undertaken by the AU or African sub-regional organisations.

**Modalities:**

Trilateral dialogue can be organised on the basis of existing modalities (e.g. troikas). Ad hoc meetings among the Heads of Delegations of the EU, special representatives of the EU (EUSR) and China for specific crisis regions, their AU or regional counterparts and, where possible, the UN could be envisaged. Modalities for political dialogue at ministerial level might need to be agreed. To this end a trilateral think-tank dialogue could make a valuable contribution, discussing important issues in depth and in a structured way, especially if attended by officials from the three sides. Exchanges of officials would also contribute to this objective. This proposal for a more regular and structured trilateral dialogue — notably on peace and security matters — will be further developed in a Joint Paper with the General Secretariat of the Council.
Annex 2: Partnership on infrastructure

Africa’s infrastructure needs are huge. The EU-Africa Partnership on Infrastructure based on the EU Strategy for Africa and on Africa’s Infrastructure Action Plan has defined an approach by mapping and identifying the interconnectivity needs at continental, regional and country level. China also has a comprehensive strategy for investing in Africa and for supporting infrastructure development, mainly in hydropower generation and railways, but also in the roads and water sectors. China Development Bank attended the launch of the EU-Africa Partnership on Infrastructure in Addis Ababa, October 2007 and an initial working session with the EC was held. This may lead to closer institutional cooperation between the EC and CDB.

1. Trilateral coordination could **develop synergies and enhance implementation effectiveness for all partners**. Successful outcomes from this dialogue would enhance the **interconnectivity of Africa**, focusing on continental and regional networks, including closing the missing links within countries and regions.

**BOX 3: Infrastructure — Working together to facilitate Africa’s interconnectivity**

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<th>What is Africa doing?</th>
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<td>In 2002, the New Partnership for Africa’s Development (NEPAD), in cooperation with the African Development Bank, elaborated a comprehensive programme for developing Africa’s infrastructure, which consists mainly of a Short Term Action Plan (STAP) and a NEPAD Infrastructure Project Preparation Facility (NEPAD-IPPF, 2003). The STAP provides the foundation for a coherent and structured approach to develop regional and continental infrastructure interconnections. Its main activities comprise capacity building programmes, facilitation and investment projects, and studies. Within the STAP, several flagship projects have been identified as top priorities for their continental importance and impact. These include Inga I &amp; II Rehabilitation, West and Southern Africa Power Pools, West Africa Gas Pipeline, West Africa Road Transport and Transit Programme, East Africa Trade and Transport Facilitation Project, Central Africa (CEMAC) trade and transport facilitation project, Regional Communications Infrastructure Programme, and Nile and Senegal River Basin Development. The estimated total investment cost of the projects included in the STAP is US $8 billion, half of which is to be financed by the private sector. The NEPAD-IPPF helps African countries, Regional Economic Communities (RECs) and related institutions to prepare high-quality and viable regional infrastructure projects and programmes; it supports the creation of an enabling environment for private sector participation in infrastructure.</td>
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<tr>
<th>What is the EU doing?</th>
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<td>The EU is supporting these African initiatives through the Africa-EU infrastructure partnership. EC investment in infrastructure is a development priority in 35 sub-Saharan Africa countries, and together with the EU-Africa Infrastructure Trust Fund is expected to reach €5.6 billion over the period 2008-2013. Apart from the Trust Fund, almost all investment is in the road sector, with a substantial part devoted to the Trans-African Highway Corridors. The Trust Fund is currently dominated by investment in the energy sector — generation and interconnection.</td>
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<tr>
<th>What is China doing?</th>
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<tr>
<td>China is investing in more than 35 African countries, with the biggest recipients being Nigeria, Angola, DRC, Sudan and Ethiopia. Hydropower generation and railways are the major investment sectors, amounting to approximately US$3.3 billion and US$4 billion, respectively, over 2001 to 2007. The ICT sector has benefited from Chinese equipment valued at US$3 billion, while investment in the roads and water sectors is lower at US$700 million.</td>
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</table>
What could the three do together?

- Integrating China into the continental and regional dialogue pursued by the AUC and the RECs with the EC and the EU Member States, as well as cooperating with the EU-Africa partnership on infrastructure.
- Working with China at regional level to identify priority interventions along the multi-modal Trans-African Transport Corridors (roads, railways and ports) and the electricity and telecommunication networks.
- Developing informal joint technical teams for sharing policies, strategies and good practices for enhancing the corridor approach along continental and regional corridors and a sectoral approach at country level.
- Building on ongoing infrastructure cooperation in various countries.
- Considering to establish in the future a procedural system allowing cooperation on specific programmes/projects (especially on the infrastructure sector) and thus the possibility of parallel and joint financing of large infrastructure projects.

BOX 4: Inga Dam: Securing Africa's energy supply

Only 7% of the hydropower potential in Africa is exploited. The basin of the Congo River has a hydropower potential of almost 40,000 MW, but currently only 1 775 MW of this generating capacity is used (Inga I and II). Exploiting this potential is one of the key objectives of the AUC-NEPAD energy agenda for meeting the needs of continental interconnections and substantially improving the security of Africa’s energy supply.

Studies on the further development of Inga show the technical viability of Inga III and Grand Inga. Inga III is expected to provide enough excess generating capacity for a new regional electricity export scheme. Grand Inga could become the largest generating facility in Africa, delivering 39 000 MW.

Within the EU-Africa Infrastructure and Energy Partnerships and the Infrastructure Consortium for Africa, the EU is ready to host discussions on steps to realise this mega-project. China and key African partners that participated at the launch of the Infrastructure Partnership in Addis Ababa, October 2007, could explore and develop tripartite cooperation for implementing the Inga project.

At country level, trilateral cooperation would involve working through a targeted dialogue with Chinese ministerial bodies and investment banks. It would involve establishing informal joint technical teams for sharing policies, strategies and good practices. The dialogue could start by identifying common interests and problems and then go on to address the issues that underpin the sustainability of investments and the benefits brought about by improved infrastructure and services.

Such an exercise would facilitate closer trilateral integration within a wider country-led effort to coordinate development partners in support of the principles of the Paris Declaration on Aid Effectiveness — ownership, alignment and harmonisation. Overall, developing closer working practices between African institutions, the EC, China and other donors will benefit African partners by reducing transaction costs and improving the effective delivery of support to infrastructure.
Modalities

The EU and China should conduct their dialogue with Africa within the Infrastructure Consortium for Africa and agree joint activities through, for instance, an exchange of letters with one or more interested organisations. Consultations should also be held at country or regional level as appropriate.

Exchanges of officials between headquarters and workshops with experts of each side could increase knowledge of working methods, approaches and procedures.
Ensuring the governance of natural resources is one of the key challenges faced by African countries and the international community in the 21st century. Demand for Africa's resources represents an opportunity for Africa but for mining or other activities to have a positive effect on sustainable development the activities themselves should be carried out in a socially and environmentally responsible manner. Revenues to government from these activities should be provided in a transparent manner and used for long-term development. Sharing experiences and best practices between established and new players may raise awareness for these issues in the corporate world where most of the problems arise (cf. in this context the work of OHADA: Traité relatif à l'harmonisation du droit des affaires en Afrique).

In the Joint Africa-EU Strategy, Africa and the EU agreed to enhance cooperation in the context of international initiatives to counter illicit trade and to promote the transparent and equitable management of natural resources, such as the Kimberley certification process, the Forest Law Enforcement Governance and Trade (FLEGT) action plan and the Extractive Industry Transparency Initiative (EITI). The EU recognised the importance of EITI, to which 16 African countries have applied for validation. Extractive and mining industries, a major source of pollution need environmental safeguards.

Therefore, the multilateral initiatives mentioned in the Africa-EU joint strategy, such as the Kimberley Process, EITI and FLEGT, could be used as starting points for trilateral dialogue and cooperation in those African countries that have subscribed to them.

BOX 5: Sustainable management of natural resources: forestry

Africa, the EU and China have committed themselves politically to ensuring forest law enforcement and governance and combatting illegal logging, notably through the Yaoundé Ministerial Declaration on Forest Law Enforcement and Governance (FLEG) and recent EU-China summit statements. In 2007 China hosted an EU-China conference on FLEG, which included representatives from a number of African countries.

As the main markets for African timber, the EU and China can help support African efforts towards sustainable forest management and the effective regulation of Africa's forests through demand side measures such as public procurement policies as well as through development and private sector cooperation.

Possible collaborative actions could include:

- Support for national processes in African countries to clarify what is legal timber
- Support for triangular cooperation between private sector timber producers in Africa, processors in China and retailers in EU.
- Technical support for government agencies, communities and the private sector to improve forest management and reforestation
- The Congo Basin Forest Partnership, which brings together the major actors in forest conservation and management in Central Africa, could have a useful role to play in such collaboration.
- Assess how Chinese government guidelines and regulations, Chinese companies' participation in the UN Global Compact and work in the ISO could be supported in partnership with European and African players to improve the development impact of corporate actors and help African countries to enforce regulations.

Sustainable management of energy resources is another important topic for cooperation at international level, notably in the context of climate change. Renewable energies could therefore become a focus for trilateral dialogue and cooperation. As one of the major global emitters of greenhouse gases, China is beginning to take a more proactive role in global climate change negotiations, for example under the UN Framework Convention on Climate Change (UNFCCC). Recently, Chinese officials have pointed not only to domestic mitigation and adaptation actions, but also to capacity building that China is supporting in Africa on e.g. the Kyoto protocol’s Clean Development Mechanism (CDM). The European Commission, alongside the EU Member States, is itself active in mitigation and adaptation capacity
building in Africa, in line with broader development objectives. The Global Climate Change Alliance proposal allows for learning lessons three ways on e.g. mainstreaming adaptation into aid spending and on adaption practices. Given the importance of building long-term national adaptive capacity, particularly in the countries most vulnerable to climate change, the Commission proposes to explore the possibility of initiating joint work with the AUC and China, particularly in Africa, for capacity building purposes, on climate change and renewable energy, possibly including the CDM as it currently stands, and also under a post-2012 global climate change agreement. The European Commission has recently launched an initiative for technology transfer and innovative financing of investment for clean energy in developing countries: the Global Energy Efficiency and Renewable Energy Fund (GEEREF). The focus will be on encouraging small projects generally ignored by commercial investors, with a special emphasis on serving the needs of sub-Saharan Africa. The possibilities for China to contribute to this initiative should be explored.

Gas flaring reduction is also an important part of the efforts to reduce greenhouse gases and to expand access to a cleaner energy source. The European Commission has recently joined the Gas Flaring Initiative of the World Bank, in which many EU companies as well as African countries and companies are participating. To this end, it is important to seek ways of involving China in this initiative.

Another promising area for cooperation could be the fisheries sector. The EU and China, as major global actors in the fisheries sector, have a joint responsibility for strengthening control, research and stock management capacities in cooperation with the African coastal states concerned. Based on the principle of African ownership, China, African countries and the EU could cooperate to enable these countries to ensure the sustainability of fish stocks and other living aquatic resources in their Exclusive Economic Zones and in the waters of relevant Regional Fisheries Management Organisations (RFMOs) to which they are contracting parties. Such dialogue and cooperation should be embedded in relevant international conventions and agreements such as the UN Fish Stocks Agreement (UNFSA), and partners who have not yet ratified and implemented them should be encouraged to do so. The three partners should enhance dialogue and cooperation to enhance the sustainability of aquatic resources under the UN Fish Stocks Agreement and within Regional Fisheries Management Organisations.

Under the Basel Convention on the Control of Trans-boundary Movements of Hazardous Waste and their Disposal, Parties including the EU, China and African countries work together in the protection of human health and the environment against the adverse effects resulting from the generation, management, trans-boundary movements and disposal of hazardous and other wastes.
Modalities

Depending on the sector, there are various African, bi- or multilateral frameworks for a general policy dialogue. Existing bilateral dialogues, such as on FLEGT or Kimberley, should be continued and expanded where appropriate. Pilot activities need to be country-led and should therefore be discussed between the three partners at country level.

Exchanges of officials between headquarters and workshops with experts of each side could increase knowledge of working methods, approaches and procedures.
Annex 4: Partnership on food security and agricultural production

The importance of agriculture, including livestock, in African economies cannot be overemphasised — in many countries 70-90 percent of the population depends on agriculture for their livelihoods. Nearly 40 percent of Africa’s export earnings come from agriculture, which also provides the source for 75 percent of manufacturing value addition, and creates 60 percent of employment. Nevertheless, due to low productivity and dependency on rain-fed agriculture, food insecurity and malnutrition are highly prevalent in rural areas, particularly in sub-Saharan Africa. Agriculture has a pivotal role in economic growth, and is directly linked to social development, food security, and sustainable resource management.

The recent increase in commodity prices raises both opportunities and challenges for African countries: while many commodity-exporting countries have witnessed a favourable impact on their economies, net food- and oil-importing countries have been negatively affected, particularly the poorest households. The effects on the poor in these countries threaten to reverse the progress made towards achieving the Millennium Development Goals. At the same time, high food prices create opportunities for African agriculture, which could be captured through an improved policy framework, enhanced investment and additional external support and advice. It is in this area that the Partnership on food security and agriculture could play a useful role.

For Africa to increase its internal food trade and access to international markets for agricultural and livestock products, compliance with SPS (Sanitary and Phytosanitary) measures will be essential. Nevertheless, many African countries find it difficult to comply with SPS measures due to limited human, technical, institutional and financial capacities, along with inadequate harmonisation of standards.

BOX 6: Food security and agricultural production

What is Africa doing?
To foster agricultural development, African countries, through the AU and NEPAD, have launched the Comprehensive Africa Agriculture Development Programme (CAADP). Moreover, within this CAADP framework, an overall AU vision has emerged on what should be achieved in agriculture by 2015.

The CAADP initiative takes a continent-wide view, but builds on national and regional plans for the development of agriculture. It contains a set of key principles and targets to: (i) guide country strategies and investment programmes; (ii) enable regional peer learning and review; and (iii) facilitate greater alignment and harmonisation of development efforts. For development partners, the CAADP offers significant opportunities for progress on the Paris Declaration.

CAADP is developing four thematic ‘pillars’ to serve as policy frameworks for national and regional programmes: (i) land and water management, (ii) infrastructure and markets, (iii) food security and nutrition, and (iv) agricultural research and innovation. CAADP programmes at national and regional levels will follow a specific ‘round table’ process that will result in country and regional ‘CAADP Compacts’, covering policy reforms and guiding public and private investment and intervention.

What is the EU doing?
Over the years, the EC has been a strong partner for Africa’s agriculture and has supported numerous projects and programmes on agricultural research, production, disease control, management of resources, trade assistance and food security. Moreover, special programmes exist for sugar and bananas, while other commodities like cotton, coffee and cocoa also receive substantial assistance. The EC has also contributed significantly to the eradication of rinderpest on the continent as well as to the strengthening of veterinary control systems. The main support instruments are the Food Security Thematic Programme (FSTP) and the European Development Fund (EDF). The FSTP (2007-2010) has significant budgets for agricultural research (€230 million, of which a large part will benefit Africa), food security information (€65 million) and a special allocation for Africa (€100 million) focusing on policy development & institutional strengthening, natural resource management and risk management. Agriculture and rural development are making a come-back in the strategies for EDF assistance to African countries in the coming years: 23 African countries have selected agriculture, food security and/or rural
development as focal sectors in their cooperation for the period 2008-2013. Overall, this is likely to lead to an average level of assistance of well above €400 million per year.

What is China doing?

New commitments have been made on agricultural and rural development, including agricultural cooperation, such as agro-infrastructure development, assistance with farming and breeding, the exchange and transfer of applied agricultural technology, technical assistance and skills transfer, and assistance with the manufacturing of farm machinery and the processing of farm produce. Furthermore, by late 2009, more than 100 senior Chinese agricultural experts are to be sent to Africa, 10 agricultural demonstration sites will be completed on the continent, and 100 rural schools are to be constructed across the countries that have diplomatic relations with China. Next year’s FOCAC ministerial meeting will focus on agricultural production.

What are China and the EU doing together?

The EC and China have long been engaged in dialogue on the establishment of a ‘knowledge-based bioeconomy’ (KBBE) and on related research addressing agriculture, forestry, fisheries, aquaculture, food and biotechnologies. Moreover, Chinese partners (the Chinese Academy of Agricultural Sciences and the National Centre for Biotechnology Development) have participated in EU-funded research projects on food quality and safety. The signature of a Joint Statement on research fields for the development of joint actions expands on this cooperation. Several research fields have been identified, including animal, plant and fish breeding, animal diseases and control, and food safety. The EU and China, in coordination with other major global actors and regional organisations, have also joined forces and contributed to building an international partnership to fight avian and pandemic influenza.

What can the three do together?

– Enhance agricultural research and innovation, strengthen institutional cooperation and coordination between national agricultural research systems (NARS) and regional and international research programmes and promote the use in Africa of the results of joint research activities on e.g.: animal, plant and fish breeding; animal diseases and control; animal drugs, vaccines and vaccination strategies; and food safety.
– Enhance dialogue and cooperation to support sustainable agriculture and resource use in Africa.

Trilateral cooperation could enhance Africa’s agricultural productivity and production levels, and contribute to greater food security in a sustainable manner, with due attention to the socio-economic, environmental and health aspects of food production. The Commission proposes to explore synergies that could be obtained from trilateral cooperation in: agricultural research and innovation, with a special emphasis on food staples (including cereals); control of animal diseases; food safety with a special emphasis on definition of and compliance with SPS standards. Trilateral cooperation will need to be framed in the context of the Comprehensive African Agricultural Development Programme (CAADP), which forms the long-term agenda for Africa’s agricultural development.
Modalities

Creation of joint research and innovation networks integrated with African structures and initiatives (e.g. linked with the Forum for Agricultural Research in Africa — FARA).

Involvement of EU and Chinese experts in CAADP Country Round Table processes, while recognising African leadership.

Exchanges of officials between headquarters and workshops with experts from each side could increase knowledge of working methods, approaches and procedures.
Annex 5: List of Acronyms

AfDB  African Development Bank
AMIS  African Union Mission in the Sudan
AMISOM  African Union Mission in Somalia
APF  African Peace Facility
APRM  African Peer Review Mechanism
APSA  African Peace and Security Architecture
ASF  African Standby Force
AU  African Union
AUC  African Union Commission
CAERT  Convention on the Prevention and Fight Against Terrorism
CDM  Clean Development Mechanisms
CEMAC  Communauté Economique et Monétaire en Afrique Centrale
CEWS  Continental Early Warning System
DRC  Democratic Republic of Congo
EC  European Commission
EDF  European Development Fund
EITI  Extractive Industries Transparency Initiative
EITI-MDTF  EITI Multi Donor Trust Fund
ESDP  European Security and Defence Policy
EU (MS)  European Union (Member States)
FDI  Foreign Direct Investment
FLEG  Forest Law Environment Governance
FLEGT  Forest Law Environment Governance and Trade
FOCAC  Forum for China Africa Cooperation
GEEREF  Global Energy Efficiency and Renewable Energy Fund
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>GFTN</td>
<td>Global Forest Trade Network</td>
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<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>IFI</td>
<td>International Finance Institutions</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>ISO</td>
<td>International Standards Organisation</td>
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<tr>
<td>MDG</td>
<td>Millennium Development Goals</td>
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<td>NEPAD</td>
<td>New Partnership for Africa's Development</td>
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<tr>
<td>NEPAD-IPPF</td>
<td>NEPAD Infrastructure Project Preparation Facility</td>
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<tr>
<td>NEPAD-iSTAP</td>
<td>NEPAD infrastructure Short Term Action Plan</td>
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<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>OECD-DAC</td>
<td>Organisation for Economic Cooperation and Development - Development Assistance Committee</td>
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<tr>
<td>OHADA</td>
<td>Organisation pour l'Harmonisation du Droit des Affaires en Afrique</td>
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<td>PK</td>
<td>Peace Keeping</td>
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<tr>
<td>PSC</td>
<td>AU Peace and Security Council</td>
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<tr>
<td>REC</td>
<td>Regional Economic Communities</td>
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<td>RFMOs</td>
<td>Regional Fishery Organisations</td>
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<td>SALW</td>
<td>Small arms and light weapons</td>
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<td>SSA</td>
<td>Sub-Saharan Africa</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNFCC</td>
<td>UN Framework Convention on Climate Change</td>
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<td>UNFSA</td>
<td>UN Fish Stocks Agreement</td>
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<td>United Nations Security Council</td>
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<td>WB</td>
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