# Action Document for "Africa-EU Investment Indaba"

## ANNUAL PROGRAMME

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

| 1. Title/basic act/CRIS number | Africa-EU Investment Indaba (AE2I)  
CRIS number: DCI/PANAF/2019/041-706  
financed under the Development Cooperation Instrument |
|-------------------------------|-----------------------------------------------------------------------------------------|
| 2. Zone benefiting from the action/location | Pan-African  
The action shall be carried out at the following location: African countries |
| 4. Sustainable Development Goals (SDGs) | SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all  
SDG 12: Ensure sustainable consumption and production patterns  
SDG17: Strengthen the means of implementation and revitalize the global partnership for sustainable development  
Other significant SDG(s):  
SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all  
SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation  
SDG 13: Take urgent action to combat climate change and its impacts |
| 5. Sector of intervention/thematic area | DCI - Sector of Cooperation 3: Continental Economic Integration:  
4.3.1. Integrated markets |
| 6. Amounts concerned | Total estimated cost: EUR 7 000 000  
Total amount of EU budget contribution EUR 4 500 00 |

<table>
<thead>
<tr>
<th><strong>7. Aid modality and implementation modality</strong></th>
<th>States development agencies/financing institutions for a total of EUR 2 500 000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Modality:</strong></td>
<td>Indirect management with the African Development Bank (AfDB)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>8. a) DAC code(s)</strong></th>
<th>25110 Business support services and institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>32110 Industrial Policy and administrative management</td>
</tr>
<tr>
<td></td>
<td>32130 SME Development</td>
</tr>
<tr>
<td></td>
<td>31110 Agricultural policy and administrative management</td>
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<tr>
<td></td>
<td>32130 Small and medium-sized enterprises (SME) development</td>
</tr>
<tr>
<td></td>
<td>23110 Energy policy and administrative management</td>
</tr>
</tbody>
</table>

| **8. b) Main Delivery Channel** | 46 000 – Regional Development Bank |

<table>
<thead>
<tr>
<th><strong>9. Markers (from CRIS DAC form)²</strong></th>
<th><strong>General policy objective</strong></th>
<th><strong>Not targeted</strong></th>
<th><strong>Significant objective</strong></th>
<th><strong>Principal objective</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Participation development/good governance</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
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<tr>
<td></td>
<td>Aid to environment</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
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<tr>
<td></td>
<td>Gender equality and Women’s and Girl’s Empowerment ³</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
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<tr>
<td></td>
<td>Trade Development</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>Reproductive, Maternal, New born and child health</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
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<table>
<thead>
<tr>
<th><strong>RIO Convention markers</strong></th>
<th><strong>Not targeted</strong></th>
<th><strong>Significant objective</strong></th>
<th><strong>Principal objective</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Biological diversity</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td></td>
<td>Combat desertification</td>
<td>☒</td>
<td>☐</td>
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<tr>
<td></td>
<td>Climate change mitigation</td>
<td>☐</td>
<td>☒</td>
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<tr>
<td></td>
<td>Climate change adaptation</td>
<td>☐</td>
<td>☒</td>
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</tbody>
</table>

| **10. Global Public Goods and Challenges (GPGC) thematic flagships** | |

**SUMMARY**

The action is in line with the European Commission Communication "A new Africa-Europe Alliance for Sustainable Investment and Jobs"⁴ and aims at responding to the priorities identified at the 5th AU-EU Summit in Abidjan (Nov. 2017) of investing in people (education and skills development) and mobilising investments for African structural and sustainable transformation. Moreover, the action is in line with the long-term vision presented in the

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³When a marker is flagged as significant/principal objective, the action description should reflect an explicit intent to address the particular theme in the definition of objectives, results, activities and/or indicators (or of the performance / disbursement criteria, in the case of budget support).

⁴Please check the Minimum Recommended Criteria for the Gender Marker and the Handbook on the OECD-DAC Gender Equality Policy Marker. If gender equality is not targeted, please provide explanation in section 4.5.Mainstreaming.

African Union (AU) Agenda 2063, the EU Global Strategy and new Consensus for Development as well as the UN 2030 Agenda and its 17 Sustainable Development Goals and the UN Paris Agreement on Climate Change. More specifically, it will contribute to establish a strategic dialogue between key stakeholders in Africa and Europe on investment climate reforms with the facilitation of the African Development Bank and other European financing institutions, and in cooperation with the African Union Commission, resulting in policy recommendations for priority sustainable investment decisions.

1. CONTEXT ANALYSIS

1.1 Context Description

In the context of the United Nations 2030 Agenda for Sustainable Development, the UN Paris Agreement on Climate Change, the AU’s Agenda 2063, the Summit Declaration of AU and EU Heads of States and Governments of Abidjan of November 2017, the rollout of the African Continental Free Trade Area (AfCFTA), the G20-sponsored "Compact With Africa", and of the post-Cotonou negotiation process between the EU and the ACP Group of States, boosting responsible sustainable investment in Africa is at the centre of attention. This new focus implies re-basing the current and future cooperation between Africa and the EU.

This cooperation should be supported by a shared vision of the economic model of complementarity between the African and European economies over the medium- to long-term with a special consideration for the Mediterranean region as a pivot. Such cooperation should serve the interest of Africa’s continental integration and allow engagement in a constructive triangular dialogue putting together Europe, Africa’s Mediterranean countries and sub-Saharan countries.

Indeed globalisation goes hand in hand with regionalisation, with a view to take advantage of geographic proximity and economic complementarity. This is reflected in enhanced regionalisation in the Americas through ALENA and in Eastern Asia. This regionalisation remains largely uncompleted in the European-Mediterranean-African region. The key question is: how do we envision the respective positioning of African, Mediterranean and European operators along main value chains.

This cooperation should also be supported by consensual or joint views on the state of the investment climate and the priorities of reforms. A minimum of consensus is necessary at country and region levels to ensure that joint efforts are effective to ensure that the desirable reforms are conducted effectively and that operators are convinced of the conduciveness of the environment for their investment.

The European Commission Communication\(^5\) on "A new Africa-Europe Alliance for Sustainable Investment and Jobs: Taking our partnership for investment and jobs to the next level" sets out a new coherent economic strategy for EU-Africa economic relations for the years to come. It puts job creation in Africa, in particular for youth, as a key target, a strategic issue in light of the demographic trend, and it puts African and European sustainable investments as the main vehicle to achieve such target.

The Alliance builds on the EU Council’s conclusions of June 2018 that call for the creation of "a new framework enabling a substantial increase of private investment from both Africans and Europeans", as well as on the European Commission’s proposals for the next


Action n.3 of the Africa-Europe Alliance Communication aims at ensuring Africa and Europe work together on strategic developments and interests. In order to do so the European Commission in cooperation with its African counterparts is bringing together EU and African public, private and financial operators and academia within sectoral Task Forces (TFs) which will focus on Rural Africa/Agriculture, Digital, Energy and Transport/Connectivity. Sectoral TFs will produce joint outcomes to feed into joint sectoral Ministerial Meetings and should help better define the future direction of EU-Africa cooperation in the four identified sectors taking into account existing frameworks at African continental level such as Programme for Infrastructure Development in Africa (PIDA) in Infrastructure.

The EU adopted the External Investment Plan (EIP) in September 2017 to help boost investment in partner countries in Africa. Through its Third Pillar and the related Sustainable Business For Africa (SB4A) platform, it aims at supporting structured dialogues with businesses and other actors at country, sectoral and strategic levels, to address key constraints to investment and promote good governance.

The AfCFTA is a positive signal to actual and potential investors, particularly as it promotes a rules-based free market agenda in Africa, contributes to enhancing a larger market in Africa and incentivises reforms of the investment environment. Investment policy is a key element in phase 2 of the AfCFTA negotiations to start in 2019.

This new focus on investment implies a re-basing of the cooperation between Africa and the EU. AfCFTA negotiations offer an opportunity to hear the voice of private sector and academia from Africa and Europe on how to best improve the investment climate and support sustainable development in the region. Africa-EU cooperation should be supported by consensual or joint views on the state of the investment climate and the priorities of reforms. A minimum of consensus is necessary at country and regional levels to ensure that joint efforts are effective to ensure that the desirable reforms are conducted effectively and that operators are convinced on the conduciveness of the environment for their investment. Though specific macroeconomic and structural reforms aiming at improving the investment climate and business environment clearly need to be implemented by means of dedicated and tailor made initiatives reflecting the specific national contexts, this action intends to support Pillar III of the EIP facilitating this consensus-building on investment priorities and decisions thanks to an informal strategic dialogue on investment climate between EU and Africa called "Africa-EU Investment Indaba".

The AfDB’s Industrialize Africa strategy aims to (i) Develop industrial sector strategies and policy frameworks, (ii) Provide additional funding to private sector projects on the continent, (iii) Integrate Africa into regional and international value chains and (iv) Boost competitiveness and value creation by expanding supply of business services.

The EU and the AfDB are forging a strategic partnership based on common values and objectives to increase economic growth and prosperity in the African continent, which provides a long-term framework in which this initiative is embedded. This strategic partnership should, among others, facilitate investment projects for sustainable development in Africa in selected sectors. The Africa Investment Forum (AIF), which has been set up by the AfDB and its partners, could provide an opportunity to promote transactions/projects that have the capacity to transform the continent and will complement other regional initiatives aiming at enhancing the policy dialogue and the exchange of best practices.

Africa is also one of the most vulnerable continents to climate change and climate variability. Africa’s economic sectors are vulnerable to current climate sensitivity, with huge economic
impacts exacerbated by existing challenges such as poverty, weak governance, limited access to funding, natural disasters and conflicts. It is therefore of the outmost importance to reorient investments towards green (including climate resilient) technologies and businesses in order to achieve sustainable and inclusive growth over the long-term as recognized in the European Consensus on Development. Ambitious climate action could deliver a US$26 trillion boost to the global economy between now and 2030. It can deliver over 65 million additional jobs in 2030, save over 700,000 lives thanks to improved air quality, and increase women’s participation in the labour force. And since we know climate impacts are contributing to loss of livelihoods, migration and even conflict, increasing resilience to climate change is an essential pathway to deliver a more peaceful and secure world.

1.2 Policy Framework (Global, EU)

The European Commission Communication\(^6\) on "A new Africa-Europe Alliance for Sustainable Investment and Jobs: Taking our partnership for investment and jobs to the next level" highlights the importance of private sector and the need to strengthen its role in boosting strategic investments in Africa. With this in mind, in implementing the Alliance, the European Commission in cooperation with its African partners, is launching sectoral Task Forces focusing on key sectors such as Agriculture, Digital, Energy and Transport/Connectivity bringing together private, public and financial operators from both continents. Boosting investments in such sectors should include a focus on sustainable growth, benefitting promotion of green and resource-efficient technology that reduces the risks of increasing water and air pollution, waste problems, loss of biodiversity, and naturally mitigation and adaptations to climate change as a cross-cutting issue with green investments, along with higher economic activity in the region.

The Pan-African Multi-annual Indicative Programme 2018-2020 identifies continental economic integration as one of its three main areas of concentration with the aim of facilitating trade and investments within Africa and between Africa and the EU.

These priorities are consistent with other relevant EU policies, contributing notably to the External Investment Plan (EIP) adopted by the Commission in 2016 through its Communication to "Strengthening European Investments for jobs and growth: Towards a second phase of the European Fund for Strategic Investments and a new European External Investment Plan\(^7\)."

The Joint ACP-EU Cooperation Framework for Private Sector Development support in African, Caribbean, and Pacific (ACP) Countries\(^8\) established in 2014 the conviction that a competitive private sector and an enabling business environment are key conditions for achieving smart, sustainable and inclusive growth, creation of decent jobs and poverty reduction. Both the Agenda for Change\(^9\) and the communication on "Strengthening the role of the private sector in achieving inclusive and sustainable growth in developing countries\(^10\)" highlight this priority and commit the EU to developing new ways of getting involved in favour of the private sector so as to attract additional resources.

The public-private dialogue taking place within the framework of this action will have the United Nations Guiding Principles on Business and Human Rights as guiding principles.

\(^6\) COM(2018) 643 final of 12.9.2018
The EU is also committed to scale up the mobilization of international climate finance, as part of the collective developed countries’ goal to jointly mobilize USD 100 billion per year by 2020 through to 2025 for mitigation and adaptation purposes, from a wide variety of sources, instruments and channels. In the Council Conclusions ahead of COP24 the EU and EU Member states welcomed the joint statement by the International Development Finance Club and the Multilateral Development Banks (MDBs) at the 2017 One Planet Summit, reaffirming their joint commitment to align their financial flows with the Paris Agreement and called on MDBs to speed up the alignment of their activities with the objective of making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. Furthermore, the EU promotes climate-sage and green investments also focusing on the reduction in use of chemicals, water and waste pollution, air pollution, etc. which is not always to be connected with climate change, but is often overlapping.

Furthermore, the action will contribute to achieving the objectives of the EU’s Gender Action Plan 2016-202011, namely objective 14 on "Access to decent work for women of all ages", objective 15 on "Equal access by women to financial services, productive resources including land, trade and entrepreneurship" and Objective 6 on "Partnerships fostered between EU and stakeholders to build national capacity for gender equality".

1.3 Public Policy Analysis of the partner country/region

The African Union Commission - Agenda 2063 is the strategic framework for the socio-economic transformation of the continent over the next 50 years. Its vision starts with an aspiration of a prosperous Africa based on inclusive growth and sustainable development. It includes flagship initiatives related to the creation of an integration African market, namely the African Continental Free Trade Area (AfCFTA) but also integrated continental strategies in the field of infrastructure (PIDA), digital economy (PRIDA), renewable energy (AREI) and agriculture (CAADP).

The Abidjan Declaration adopted at the 5th AU-EU Summit (November 2017) identifies mobilising investments for African structural and sustainable transformation as one of the four key priorities of cooperation in the period 2018-2020.

1.4 Stakeholder analysis

The action will provide a framework for informal but structured dialogue between African and European figures from business, academic/research, and politics. Financial institutions/development banks such as the African Development Bank and EU Member State organisations will contribute to and benefit from the discussion in the design and analysis of priority initiatives to be supported. The following is an indicative list of the main stakeholders influenced and already identified as possible key actors.

- European Stakeholders
  - European Commission
  - European Financing Institutions
  - European Ministries and agencies relevant to thematic sectors
  - European private sector representatives, think tanks and academia

African stakeholders

- African Development Bank
- African Union Commission
- African private sector representatives, think tanks, academia
- African Investment Promotion Agencies

The thematic task forces initiated under the Africa-Europe Alliance for Sustainable Investment and Jobs, constitute an adequate basis of stakeholders. The composition of the indaba working groups focusing on the same sectors such as Digitalisation, Agriculture, Energy and Connectivity shall be based on the existing composition of the thematic task forces.

1.5 Problem analysis/priority areas for support

This new focus on investment (as presented in Section 1.1) implies a re-basing of the cooperation between Africa and the EU. This offers an opportunity to hear the voice of private sector and academia from Africa and Europe on how to best improve the investment climate and how to link it with climate-safe and inclusive growth. Africa-EU cooperation in this area should be supported by consensual or joint views on the state of the investment climate and the priorities of reforms. A minimum of consensus is necessary at country and regional levels to ensure that joint efforts are effective to ensure that the desirable reforms are conducted effectively and that operators are convinced on the conduciveness of the environment for their investment. This action aims to support and continue the work carried out under the Africa-Europe Alliance for Sustainable Investments and Jobs and its thematic task forces (action n.3) which aim precisely to facilitate the consensus building on investment priorities and decisions through a dialogue on investment climate between EU and African stakeholders.

Concretely, this action aims at the following:

1. Establishment of international ad-hoc working groups per sector with up to 45 members each, with overall balance between European, African members and parity between political, business and academic/research backgrounds, basing their composition, whenever possible, on existing thematic task forces under the Africa-Europe Alliance for Sustainable Investment and Jobs;

2. The working groups will indicatively be organised around six topics, with possible year-on-year flexibility, based on the thematic coverage of the thematic task forces under the Africa-Europe Alliance for Sustainable Investment and Jobs;

3. The working groups will produce, among others and as deemed relevant by the groups, a vision of the medium-term regional cooperation and economic model between Europe and Africa, joint analyses of the investment climate in Africa and proposal of priorities for reforms in favour of sustainable industrialisation and services in Africa, prioritising green industry, efficient technologies, business models and green services (i.e. those based on cleaner production, promoting resource efficiency, renewable energy and climate change mitigation and adaptation technologies), sustainable consumption, and excluding non-sustainable activities and technologies non compatible with the long-term objectives of the Paris Agreement;
4. Identification of specific projects in support of the Europe-North-Africa-Sub-Saharan Africa inter-regional economic integration and triangular cooperation;

5. The working groups common positions could be used in international political dialogue forums and disseminated among relevant EU and African stakeholders.

2. **RISKS AND ASSUMPTIONS**

The inception phase will provide a solid base to identify risks. Nevertheless, the prior analysis shows the following:

<table>
<thead>
<tr>
<th>Risks</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>The policy dialogue could potentially not always translate into concrete decisions about priority of reform or investment priorities</td>
<td>M</td>
<td>Steering, coordination mechanisms and follow up mechanisms will be put in place to facilitate and follow up implementation of the dialogue</td>
</tr>
<tr>
<td>Despite an agreement on policy reforms and priorities for reform, there could be some reluctance or delays in the concrete implementation of the decisions</td>
<td>M</td>
<td>The level of inclusiveness of the dialogue should facilitate the appropriation of the reforms and their acceptance.</td>
</tr>
<tr>
<td>Level of uncertainty that investors will respond positively to the implemented reforms</td>
<td>M</td>
<td>The private sector will be involved in the dialogue, so that proposed areas of work are of high priority to investors.</td>
</tr>
</tbody>
</table>

**Assumptions**

- Changes in national governments, the roles of public institutions, and general political situation in countries allow their involvement in policy dialogue on trade and investment
- International organisations and national authorities continue providing accurate data
- Financial institutions respond positively to policy reform
- The Indaba working groups are a conducive framework for constructive interactions between their members
- Selected members are the right ones in terms of representativeness of Europe, Northern Africa and Southern Africa in their diversities and also in terms of capacity to influence decision makers
- Recommendations of the Indaba working groups and other types of outputs such as position papers will help build common vision on medium-term cooperation between Europe, Northern Africa and Sub-Saharan Africa

3. **LESSONS LEARNT AND COMPLEMENTARITY**

3.1 **Lessons learnt**

The External Investment Plan provides a new integrated approach, based on the assumption that in order to increase sustainable growth and decent job creation in African partner countries, more sustainable investment and the improvement of the investment climate in the countries are both required. At the same time, although a long history of dialogue exists, there is the need of creating consensus between African and European partners as a pre-condition to jointly work towards inclusive growth and decent job creation. This Action should support the thematic groups developed under the Africa-Europe Alliance for Sustainable Investments and Jobs as well as develop new groups to be instrumental in enabling high-level consensus on how to increase investments and how to improve the climate for investments.
The involvement of the European Commission’s various Directorates-General in the framework of the Africa-Europe Alliance for Sustainable Investment and Jobs has proven successful in mobilising new actors, notably from the European private sector and shall be ensured in the frame of this action.

3.2 Complementarity, synergy and donor coordination

The action will build on the achievements of previous EU-funded projects. During the inception phase, fact-finding missions will be launched to seek synergies and complementarities with similar initiatives in North Africa and Sub-Saharan Africa at regional and national level.

This action will come in support of initiatives such as the G20-sponsored Compact With Africa (CwA), or the G7–led initiatives on post-Deauville involving Morocco, Tunisia and Egypt, by engaging African-European representatives on a long term vision of integrated economic development and thereby facilitating the implementation of the CwA agenda. Initiated under the German G20 Presidency, the CwA’s primary objective is to increase attractiveness of private investment through substantial improvements of the macro, business and financing frameworks. It brings together reform-minded African countries, international organisations and bilateral partners from G20 and beyond to coordinate country-specific reform agendas, support respective policy measures and advertise investment opportunities to private investors. The initiative is demand-driven and open to all African countries. Since its launch in 2017 11 African countries have joined the initiative: Benin, Côte d’Ivoire, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, Togo and Tunisia.

Jobs and Growth Compacts are being prepared at country level in sub-Saharan African countries. Their aim is to identify value chains with high sustainable growth, green and decent job creation potential and to ensure that EU Aid For Trade is geared towards gaps along these value chains. This action will facilitate ownership of this process by all stakeholders.

This action will ensure the implementation of the Africa-Europe Alliance for Sustainable Investment and Jobs and more precisely further build on the work of the various sector Task Forces launched so far and co-led by the Directorate-General for International Cooperation and Development and thematic Directorates-General of the European Commission, namely:

- The Task Force on Rural Africa/Agriculture co-led by Directorate-General for Agriculture and Rural Development;
- The Task Force on Digital Economy co-led by Directorate-General for Communications Networks, Content and Technology;
- Task Force on Transport including three clusters on connectivity, aviation and road safety and co-led by Directorates-General for Mobility and Transport.

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12 The Deauville Partnership had been launched by the G7 following the Arab spring in 2011, and was aiming at enhancing relevant reforms addressing economic governance and human capital in the six beneficiary countries, including three in North Africa (Egypt, Libya, Morocco and Tunisia). Following the decision to sunset the initiative as initially conceived, the G7 has agreed to bring the coordination platform at country level in four countries only (Egypt, Morocco and Tunisia, plus Jordan, in the Mashreq region).
4. DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

The overall objective is to promote inter-regional economic integration along the Europe-North-Africa-sub-Saharan Africa axis.

The specific objective is to enhance consensus between key stakeholders from Europe, North Africa and sub-Saharan Africa on strategic sustainable value chains and investment climate reforms building on the thematic task forces of the Africa-Europe Alliance for Sustainable Investment and Jobs whenever possible.

The expected outputs of the action are:

Output 1: Dialogue is organised between key stakeholders from Europe, North Africa and sub-Saharan Africa on strategic sustainable value chains and investment climate reforms, in relation to the preparation of the African CFTA.

Output 2: Key stakeholders enabled to discuss an inter-regional economic integration model, along the Europe-North Africa-Sub-Saharan Africa axis, that reinforces the Africa-EU Partnership and fast-tracks investments in the selected sectors.

Output 3: Joint recommendations are provided at continental, sub-regional and country levels on sustainable value chain development strategies and investment climate priority reforms in sectors with high potential for climate-safe and decent job creation and sustainable economic transformation.

Each thematic working group will produce policy documents on an annual basis, which will provide a snapshot of its recommendations to be presented ahead of annual EU-AU ministerial meetings and Commission-to-Commission meetings and to be considered in the framework of planning of country-specific or regional initiatives addressing both policy dialogue and financial cooperation.

4.2 Intervention Logic

The Africa-EU Investment Indaba ("Indaba project") will provide a framework for informal but structured dialogue between African and European figures from business, academia/research and politics, to produce innovative recommendations and consensus on the medium-term economic model between the two regions and on priorities for investment climate reforms in key sectors. Interactions will be organised around an agenda of sustainable investment related issues at continental, sub-regional and country levels. A selection of countries will be looked into according to their relevance for specific agenda topics.

The European Commission will play a central role in the project which will revolve around a multi-donor trust fund (MDTF) to be established by the AfDB. In this framework methodological/conceptual support related to the establishment of the below mentioned working groups will be contracted via a specialised entity directly by the AfDB as part of the establishment of the MDTF.

Therefore the project will benefit from AfDB’s comparative advantage, notably:

- Established dialogue with major private sector actors in strategic sectors in Africa;
- Established relationship with Governments and Regional Economic Communities;
- Value chain analysis of the 15 main industrial services sectors across the continent conducted by the AfDB to inform priority actions;
- Partnership with UNIDO based on a sound methodological framework for industrial policy formulation (currently applied in Morocco);
- Large experience in establishing trust funds for investment projects;
- Facilitation of investment projects in African countries.
Up to 6 international working groups will be established per sector with overall balance between European, African (including Northern African) members, and parity between political, business and academic/research backgrounds, based whenever possible on the composition of the task forces established under the Africa-Europe Alliance for Sustainable Investment and Jobs.

Each working group will be led by a high-level facilitator and a project manager (long-term expert) and assisted by secretarial capacity. Continuity of the work carried out under the Alliance thematic task forces will be ensured.

Working groups will build on the work carried out by the thematic task forces whenever possible. They will produce a vision of the medium-term regional cooperation and economic model between Europe and Africa, joint analyses of the investment climate and propose priorities for reforms in favour of industrialisation and services in Africa.

Working groups may identify specific projects in support of the Africa-Mediterranean-Europe inter-regional economic integration, including and in particular strategic investment projects. They may also formulate common positions which could be used in international political dialogue forums.

The working groups will indicatively be organised around six topics reflecting the thematic focus of the Alliance task forces, with possible year-on-year flexibility.

If the action delivers on these activities and outputs, it will reach its specific objective of enhancing consensus between key stakeholders from Europe, North Africa and sub-Saharan Africa on strategic sustainable value chains and investment climate reforms. The Action will thrive to select working group members who are truly representatives of the private and public spheres from Europe, North Africa and Sub-Saharan Africa with the capacity to influence decision-makers, and ensure a conducive framework for their constructive interactions.

If the action succeeds in enhancing consensus in this field, in the long-term it will promote inter-regional economic integration, along the Europe-North-Africa-sub-Saharan Africa axis. The main assumption in this explanation is that recommendations and outputs resulting from the indaba working groups are fed into the decision-making processes leading to more economic integration and agreed investments in key sectors.

4.3 Mainstreaming

The PANAF MIP and this action are non-discriminatory in general. The Design and Monitoring Frameworks for the action will include indicators which require sex disaggregated data and set targets for the participation of women. It is expected that the action should have a beneficial climate and environmental impact in the long-run through, for example, promoting climate-safe technologies and business models, sustainable value chains, innovation to transform onto low-carbon and climate-resilient pathways and providing tools to promote e.g. the commercialisation of and value generation from origin-based and local made products that should have less environmental impact. The action should favour sustainable investments that can be aligned with the Paris Agreement and with proper environmental regulation and end-of-pipe solutions along with technology upgrades being more resource-efficient and climate-safe.

The project will embed and track the environmental, gender and youth dimension through relevant indicators. Disaggregated information will be collected and analysed in the project context, whenever possible. Gender and youth mainstreaming throughout the project activities will be ensured by fostering inclusive participation of women in working groups, projects activities and outputs. Suggestions for indicators linked with the Green Economy, including a proper indicators for green investments and green and decent jobs creation, can be found in

4.4 Contribution to SDGs

This intervention is relevant for the United Nations 2030 Agenda for Sustainable Development Goals which established 17 Sustainable Development Goals (SDG)\(^{13}\) and 169 associated targets demonstrate the scale and ambition of this new universal Agenda.

The action contributes primarily to the progressive achievement of SDG 7 “Ensure access to affordable, reliable, sustainable and modern energy for all”, SDG 8 "Decent work and economic growth" (Target 8.2, Target 8.3 and Target 8.4), SDG 9 "Industry, innovation and infrastructure" (Target 9.2, Target 9.4 and Target 9.5), SDG 12 “Ensure sustainable consumption and production patterns”, SDG 13 “Take urgent action to combat climate change and its impacts” and SDG 17 "Partnership for the goals" (Target 17.11). While also contributing to SDG 5 "Gender Equality" (Target 5.5 and Target 5.7).

5. IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the regional organisation.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is **48 months** from the date of the adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission’s responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3 Implementation of the budget support component

N/A

5.4 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures\(^ {14}\).

5.4.1 Indirect management with the African Development Bank

This action may be implemented in indirect management with the African Development Bank. This implementation entails the achievement of the results described in section 4. The envisaged entity has been selected using the following criteria: Pan-African/Cross-regional organisation with expertise in investment projects and mandated to deal with investment policy and projects in the whole of the African continent.

\(^{13}\) https://www.un.org/sustainabledevelopment/sustainable-development-goals/

\(^{14}\) www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.
If negotiations with the above-mentioned entity fail, this action may be implemented in direct management in accordance with implementation modalities identified in section 5.4.2.

5.4.2. Changes from indirect to direct management mode due to exceptional circumstances

Grants (direct management)

(a) Purpose of the grant(s)

The objective would remain the same as stated in point 4.1 above

(b) Type of applicants targeted

The potential applicants would have to be entities with strong conceptual capacities and in-depth knowledge of medium-term economic models between Europe and Africa, and on priorities for investment climate reforms in key sectors. The entities should have an extensive network of top level political and business contacts on which to draw and should have excellent track records in facilitating and guiding high level brainstorming sessions and in nurturing and accompanying embryonic new strategic thinking.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

<table>
<thead>
<tr>
<th></th>
<th>EU contribution (EUR)</th>
<th>Partner contribution EU Member States (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.4.1 Indirect management with AfDB</td>
<td>4 500 000</td>
<td>2 500 000</td>
</tr>
<tr>
<td>5.9 Evaluation and 5.10 Audit/Expenditure verification</td>
<td>Included in the 4 500 000</td>
<td>N.A.</td>
</tr>
<tr>
<td>5.11 Communication and visibility</td>
<td>Included in the 4 500 000</td>
<td>N.A.</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>4 500 000</strong></td>
<td><strong>2 500 000</strong></td>
</tr>
</tbody>
</table>

5.7 Organisational set-up and responsibilities

The EU will sign a contribution agreement with the African Development Bank.

AfDB will establish a multi-donor trust fund. The choice of this financial vehicle stems from the wish to ensure the sustainability of the scheme, and also its openness to a variety of potential donors. Apart from the AfDB and the European Commission, contributors to the
trust fund and initial members of its steering committee will include EU Member States
development agencies/financing institutions.

The AfDB will cover the secretarial costs of the trust fund (administrative, financial
management and backstopping). The AfDB will contract out the provision of
methodological/conceptual support related to the establishment of the below mentioned
working groups via a specialised entity including such provisions as part of the establishment
of the MDTF.

The Oversight Committee (OC) will consist of two representatives of the EU and the AfDB
and one representative from each of the contributors to the Fund. The OC will provide general
policy and strategic guidance, review and approve the operational guidelines of the Fund,
annual reports, annual work programme and budgets, manage the funds and ensure the project
is managed in accordance with its objectives, and with principles of sound financial
management.

A Steering Committee (SC) will also be established tasked with providing recommendations
to the Oversight Committee. The SC will not have budget attributions and could include,
besides members of the Oversight Committee, representatives of the European Commission
various thematic DGs, the African Union Commission, additional EU and African
development finance institutions, and EU and African think tanks.

The SC will be informed of the main developments in the running of the trust fund, and will
provide recommendations.

A Technical Assistance Team (TAT) will ensure the Management of the AE2I programme
and will be contracted by the AfDB as manager of the Trust Fund. The TAT will be
composed of:

- A Team leader/project director (full time), in charge of the overall management of the
  project.
- An Administrator (part-time), in charge of the administrative and financial management of
  the project.
- An IT and communications expert (full time), in charge of setting up and maintaining the
  website, and of all communication/information tasks.

Additionally, the up to six working groups will be led each by high-level short-term experts
(STEs) and managed by long-term experts (LTEs). Each LTE will manage up to 2 working
groups in close coordination with the European Commission’s thematic services currently in
charge of the thematic task forces launched under the Africa-Europe Alliance for Sustainable
Investments and Jobs. These Commission services will be co-chairing all thematic meetings.

For each working group, the Programme Management will present an annual work plan for
the year ahead to the Steering Committee for recommendations and to the Oversight
Committee for approval.

5.8 Performance and Results monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be
a continuous process, and part of the implementing partner’s responsibilities. To this aim, the
implementing partner shall establish a permanent internal, technical and financial monitoring
system for the action and elaborate regular progress reports (not less than annual) and final
reports. Every report shall provide an accurate account of implementation of the action,
difficulties encountered, changes introduced, as well as the degree of achievement of its
results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the Logframe matrix (for project modality).

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

Having regard to the importance of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the AfDB at least one month in advance of the dates foreseen for the evaluation missions. The AfDB shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the relevant stakeholders. The AfDB and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.
The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.
## APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

<table>
<thead>
<tr>
<th>Results chain</th>
<th>Indicators</th>
<th>Sources and means of verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| **Overall objective: Impact**  
The overall objective is to promote inter-regional economic integration along the Europe-North-Africa-sub-Saharan Africa axis | 1. EU merchandise trade with Africa (in EUR)  
2. Incidence of non-tariff measures in Africa (number of)  
3. Progress (%) in implementation of Trade Facilitation Agreement commitments by developing MSs in Africa  
4. Share of EU Investments in Africa  
5. Share of Intra-African trade and investment flows (with reference to concentration of in African countries and largest traders in Africa) | 1. Eurostat report on Africa-EU Key Statistical Indicators  
2. WTO website  
3. WTO dashboard  
4. UNCTAD World Investment Reports/AfDB’s African Economic Outlook reports/OECD-AU’s Africa’s Development Dynamics | |
| **Specific objective: Outcome**  
Enhance consensus between key stakeholders from Europe, North Africa and sub-Saharan Africa on strategic value chains and investment climate reforms. | 1. Extent to which recommendations provided by the Indaba working groups are implemented by decision-makers and investors in Africa and Europe  
2. Number of investment projects launched in the key economic sectors identified by the project | 1. Analysis of AU policy decisions, RECs decisions, National Parliaments decisions complying with the recommendations for reforms and investments. Analysis to be carried out by AfDB, AUC, UNECA, RECs, EU Delegations in Africa and to the RECs an AU.  
2. UNCTAD World | 1. Policymakers have necessary resources (technical, human, financial) to implement the recommendations  
2. Private sector operators have the necessary access to information, contacts and finance/guarantees needed to invest |
<table>
<thead>
<tr>
<th>Output 1</th>
<th>Output 2: Key stakeholders enabled to discuss an inter-regional economic integration model, along the Europe-North Africa-sub-Saharan Africa axis, that reinforces the Africa-EU Partnership and fast-tracks investments in the selected sectors.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Number of Indaba working groups held</td>
</tr>
<tr>
<td></td>
<td>1. Reports of Indaba working groups held</td>
</tr>
<tr>
<td></td>
<td>Basis for a consensus between members of the working groups exist. Policymakers have necessary resources (technical, human, financial) to implement the recommendations</td>
</tr>
<tr>
<td>Output 2</td>
<td>Output 3: Joint recommendations are provided at continental, sub-regional and country levels on value chain development strategies and investment climate priority reforms in sectors with high potential for decent job creation and sustainable economic transformation.</td>
</tr>
<tr>
<td></td>
<td>1. Number of recommendations developed which respond to the requirements set out in output 3 which are based on sound analysis and relevant for policy making. Specify how many of them integrate inclusion of women and disadvantaged groups and how many focus on the causes of exclusion from markets of women and marginalised groups.</td>
</tr>
<tr>
<td></td>
<td>1. List of recommendations from each Indaba working group</td>
</tr>
</tbody>
</table>