



Report of the 2nd CAAPs' Steering Committee Meeting

The Second meeting of the CAAPs Steering Committee (CAAPs-SC) was organized on 18th November 2021, at the margin of the Intra-African Trade Fair in Durban (IATF 2021) in hybrid mode to allow virtual attendance of participants who have not been able to travel to Durban.

The attendance of the Committee members include:

- H.E. Albert Muchanga, the Commissioner for Economic Development, Trade, Industry, and Mining of the African Union Commission (AUC) who chaired the meeting on behalf of H.E. Amb. Josefa Sacko, Commissioner for Agriculture, Rural Development, Blue Economy and Sustainable Environment who excused for the participation of the Her Excellency.
- Dr. Yemi Akinbamijo, the Executive Director of FARA.
- Mrs. Oluranti Doherty, Director of Export Development of the Afreximbank, who represented H.E. Prof Benedict Oramah, the President of Afreximbank.
- Mr. Komla Bissi who represented H.E Wamkele Mene, Secretary General of the AfCFTA.

The attendance of the CAAPs-SC members is supported in situ by part of the members of the CAAPs Technical Coordination Team (CAAPs-TCT), and virtually by the Chair of the CAAPs-TCT, Dr. Janet Edeme, Head of Rural Development Division of the AUC. The other members of the CAAPs-TCT who attended physically and virtually are listed in annex 1.

1. Summary Notes on the Meeting's Interventions

In line with the mandate of the CAAPs-SC to initiate the necessary high-level engagement to building broader cooperation amongst AU member states and stakeholders for fast-tracking implementation of the CAAPs, this 2nd biannual meeting of the CAAPs-SC is organized: - *to reflect on the progress of implementation of the CAAPs activities and the actions planned ahead for the CAAPs coordination organs (CAAPs-TCT and CAAPs-SC); and - to endorse the CAAPs report and recommendations for onward submission to the Fourth Ordinary Session of the Specialized Technical Committee (STC) on Agriculture, Rural Development, Water and Environment (ARDWE) planned for 13th - 17th December 2021.*

In line with these planned objectives, the meeting proceeded with the following, after a short briefing and the presentation of the meeting agenda provided by Dr. Janet Edeme.

- **Excellency Albert Muchanga**, opened the meeting with a warm welcome to the participants. He emphasizes the need for the CAAPs-SC to be set as an actionable platform. Therefore, there is no need to have length speeches, we shall rather focus on actions and allocate more time to the Experts to guide us with action-oriented discussions that will allow us to present the CAAPs progress report at the STC in December. Experiences from the past have shown our weaknesses with length statements and ceremonies instead of focusing on concrete actions, and this is sometimes combined with high targets in our commitments and declarations that we have not been able to achieve. Learning from the past, we shall be action-oriented when developing the CAAPs program. We shall tease out all the challenges and opportunities to come up with forward-looking action programmes that can advance the CAAPs.
- **Mrs. Oluranti Doherty**, Director of Export Development of the Afrexim Bank, conveys the messages of gratitude and commitment of H.E. Prof Benedict Oramah, the President of Afrexim Bank who was

excused for not joining the meeting in person because of other engagements. The Bank is committed to supporting the CAAPs initiative and has already approved a grant of US\$500,000 that will be disbursed for 2022 to 2023 to support the CAAPs-Secretariat at FARA, which is divided into: - US\$250,000 to support the Study on the Financial Option of the CAAPs; - US\$100,000 for leadership engagement activities; and US\$150,000 for capacity building activities on the CAAPs. The Bank has already initiated the requests for proposals (RFP) with shortlisted companies for them to submit their offers on how to carry out the study. The Bank will be able to identify and mobilize very soon key technical partners to contribute to the study. The Bank reaffirms its commitments to the CAAPs initiative because it addresses two key areas of the strategic focus of the Bank which include: - supporting agro-value chains; and supporting the development of agro-industrial parks and agro-processing zones.

- **Dr. Yemi Akinbamiyo**, Executive Director of FARA addressed the committee with a PowerPoints presentation that: *i)- restated the mandate of CAAPs-SC and on the basics of the CAAPs; ii)- enlightened on the spectrum of partnerships required and the leadership engagement strategy of the CAAPs, and iii)- presented the roadmap of the CAAPs-SC members in implementing the CAAPs leadership engagement activities.*

- i)- Dr. Yemi recalled that the CAAPs-SC provides guidance to the CAAPs-TCT and approves technical and progress reports with proposed decisions/recommendations on the CAAPs for onwards submission to the STC for endorsement. The CAAPs-SC has the main responsibility to initiate the necessary high-level engagement for building broader cooperation and partnership for fast-tracking implementation of the CAAPs, and the Committee report achieve. This includes: - *conducting African leaders and stakeholders' awareness meetings, seminars/ conferences on the importance of the CAAPs, to foster a collective leadership in establishing the CAAPs; and - creating publicity and regular and intensive dialogue between Heads of States, African Ministers, African Investors, Business Entrepreneurs on the necessity to work together to make the CAAPs a reality for African development and prosperity.*

He situated the CAAPs in the already existing frameworks on the continent which are the AU Agenda 2063 and the CAADP policy framework as concrete actions to walk the talk. The CAAPs is an initiative spread across the continent that shall galvanize efforts from all stakeholders on the continent to address the dilemma of: - *a continent that has half of the world unused arable land, but its food import has been growing for many years; - a continent which as 80% of water resources but recorded only 2% of irrigated land; - a continent that has the fastest growing population which allowing outsiders to fill the related growing food gaps.* The CAAPs is designed to break that dependence by establishing mega infrastructures along the continent to produce the quantum of food commodities that is taken from outside for each of the commodity selected: *Maize- CAAP; Rice- CAAP; Livestock- CAAP; Poultry- CAAP; Horticulture-CAAP; Roots & Tubers-CAAP; Cocoa-CAAPs; and Wheat-CAAPs.* The 3 phases for developing the CAAPs as endorsed by the 2019 STC were illustrated.

With regards to the presentation of the CAAPs institutional models, reference was made to the 2019 STC decision that fosters the implementation of the CAAPs as a private sector-driven programme in the context of the AfCFTA. The model proposed by the CAAPs-TCT has therefore presented as a PPP-driven model in which a joint venture will be established at the highest political level and which will be coordinated by 3 Special Purpose Vehicles (SPVs) that include: - the **CAAPs Oversight Management Board** which has the role to coordinate the range of PPPs arrangements for developing various Value Chains (VC) of the CAAPs; - the **CAAPs Private Sector Association Board** which will provide the required advisory services to the private sector corporations and smallholders involved in the CAAPs VC; and - the **African Agriculture Investment Bank** which will have the major role to mobilize funding from private and public

investors through a capital market to be established for the CAAPs to finance the capital costs of corporations and smallholders farmers involved in the VC.

- ii)- On the spectrum of partnerships required and the leadership engagement strategy of the CAAPs, Dr Yemi presented the map of the CAAPs stakeholders that will be engaged in the CAAPs and have been clustered in 6 groups including: - *the African Governments and Regional Economic Communities*; - *the CAAPs Coordination institutions*; - *the Financial partner institutions*; - *the Technical institutions*; - *the African Financial Market institutions*; and - *the agri-business corporates and smallholders farmers*.

The CAAPs-SC members will lead the engagements towards: - *the 8 Heads of States and Government proposed to champion the CAAPs (1 HoS per commodity CAAP)*; *the Head of States proposed to champion the establishment of the CAAPs financing mechanism*; - *the President of each of the 8 RECs of the AU*; - *the African Ministers in charge of Agriculture, of Trade and Industry, and of Finance*; - *the Regional Central and other multilateral financial institutions*; and – *the 10 African Investors identified to be involved in champion the CAAPs*.

The CAAPs-SC is also required to provide leadership for organizing an event at the 2023 African Investment Forum to promote private investments in the CAAPs.

- iii)- The roadmap of the CAAPs-SC members' leadership engagement activities has been summarized as for the members of the Committee to:

- *Lead 10 missions at P1-L1 level for Heads of States level engagement based on the model of designating champion Head of State for each Commodity-CAAP.*
- *Lead 8 missions at P1-L3 level for RECs engagement at a political level based on the model direct engagement with RECs' Presidents (EAC, ECCAS, ECOWAS, COMESA, IGAD, SADC, UMA, CenSAD);*
- *Lead 8 missions at P2 level for the engagement with financial partner institutions starting from the African regional central banks (WADB, EADB, BDEA, BDSA, BADEA, IsDB) to discuss funding mechanism of the CAAPs.*
- *Lead 10 missions at P4 level for the engagement with African Capital Market institutions, African investor/business figures to discuss their involvement in the funding mechanism of the CAAPs.*

In total 36 high-level engagement missions have been proposed for the CAAPs-SC members to happen in the year 2022 (covering a period of 10 months), and this gives an average of about 4 missions per month.

The CAAPs-SC members have been requested to explore the use of high-ranking Experts or Emissaries to support them in mitigating their busy agendas. Follow-up on the missions' plan will be done with the office of each member of the Committee for proper planning.

Dr. Yemi concluded the presentation with a suggestion of a ***CAAPs Leadership Engagement preparation retreat*** for the CAAPs-SC members, that will help the Leaders to discuss the preparation of the planned engagement missions. The proposal was made for the Retreat to coincide with the 3rd Meeting of the CAAPs-SC and to 2 days Retreat at the margin of the *World Economic Forum (WEF) in 2022*.

- **Mr. Komla Bissi** sent warm regards from H.E Wamkele Mene, Secretary General of the AfCFTA who has not been able to attend because of other commitments. In his address on behalf of the SG, Mr. Komla stressed the need for moving straight in business while avoiding heavy processes that may take too much time. We can start something concrete based on what we already know. For example, we know the facts and the political environment of the cocoa sector, and we may not need to wait for an

establishment of a financing mechanism before developing the cocoa-CAAP. He stressed that we shall schedule things that we can quickly start to allow the CAAPs to happen in our lifetime.

- **Dr Janet Edeme** presented the CAAPs progress report, and the draft decisions prepared for consideration the 4th Ordinary Session of the Specialized Technical Committee on Agriculture, Rural Development, Water and Environment of the African Union planned for 13-17 December 2021. The proposed STC decisions on the CAAPs include:
 - *STC Ministers would be requested to support the sensitization and leadership engagement on the CAAPs by approaching fellow Ministers of Finance and Trade.*
 - *The STC would be requested to endorse the institutionalization of the CAAPs Coordination Structure, and the CAAPs-Secretariat hosted at FARA.*
 - *The STC would be requested to approve the 2021-2023 Workplan of the CAAPs Technical Coordination and the Detailed Budget for the CAAPs – Phase I.*
 - *The STC would be requested to decide on the organizing of an event at the 2023 African Investment Forum to promote private investments in the CAAPs.*
 - *The STC would request for the AU Regional Deans to propose/nominate 10 Ministers (2 per region) (Agric/Trade) after consultations with their regional member states to support the leadership engagement towards Heads of States and High-Profile Investors on the CAAPs.*

2. Summary of the discussion on the orientation notes provided by the Committee

The following points summarize the issues of clarification and discussion made during the interventions:

2. A) *On the CAAPs ambitions and scale:*

2. 1. For many years, Africa has been categorized as the only continent which a huge food trade dependency for having most of its countries reporting severe import dependence in line with the ratio of basic food balance to total merchandise exports. This narrative must change.
2. 2. The CAAPs will be developed on a continental scale like the AU PIDA programme. With the CAAPs, Africa will generate a considerable quantum of foods to serve the inter-African trade of food commodities within the AfCFTA. We need to intensify the production systems with adequate logistics chains in Africa to make the best use of the economy of scale to be competitive with the external markets. Africa's food scenario is really worrying, and we do not do anything, nobody will do it for us.
2. 3. A good example of large agro-parks at the scale of the CAAPs have been given and include the Australian Agro-industrial parks of more about 120 km x 120 km and a Brazilian agro-park of 300,000 ha.
2. 4. There is a strong need to engage the farming communities in the design of the CAAPs.
2. 5. There is a need to provide more comprehensive statistics on Africa food imports.
2. 6. Proposal to mainstreaming discussion on agricultural issues at the Trade Fair through the exhibition of agriculture equipment and technologies.

2. B) *On the need for short term actions in implementing the CAAPs:*

2. 7. Let's consider not wasting time too much in too many analyses. Let's think about actions to start within the short and long terms. We can come with short-term actions for 12-24 months while we are also driving long-term actions.

2. 8. We can tap into existing financing mechanisms to initiate the short-term actions with the possibility to identify projects as tests while relying on the CAAPs' financing mechanism for the long-term actions. This will help to have concrete deliverables in the next 12-24 months.
2. 9. For those projects to be identified, there is no need to go through a political process as we can attempt to scale up existing projects.

2. C) On Private Sector Involvement:

2. 10. The emphasis made on the private sector investment in the CAAPs is a very good approach. Successful experiences of Afreximbank on private sector involvement under projects implemented in 5 countries, enlightened the discussion of the agility of the private sector in driving successfully similar process of the CAAPs.
2. 11. There is a need for a clear plan for the PPP in the CAAPs and on how to bring them in partnership with African governments. The ongoing study led by the Afreximbank on the Financial and PPP options of the CAAPs will inform on how to better involve the private sector.
2. 12. As the CAAPs seem to promote a private sector-driven model as opposed to the state-driven model that has failed in the past, there is a need to bring the CAAPs to the attention of the private stakeholders at this early stage.
2. 13. It is advised to build on the existing success case of the PPP by picking winners to build on.
2. 14. It is compelling to have the private sector represented in the CAAPs Steering Committee.
2. 15. The African Private Sector Forum is one of the flagship programmes of the AU, the CAAPs Steering Committee shall consider a request to the Forum to identify a Representative of the Private Sector to be nominated to sit in the CAAPs Steering Committee. It was advised to approach the President of the African Business Council to formulate the request.

2. D) On the proposed CAAPs Institutional and Financing models

2. 16. It is sensitive to creating the African Agriculture Investment Bank, and this must go through the Finance Ministers to decide. There is also a need to complete engagement with them and many other stakeholders at an early stage to discuss the proposals made in the CAAPs institutional model. Earlier is better as advised by the Chair.
2. 17. We also have institutions that can manage African funds that can be used without creating new financing institutions for the CAAPs. The ongoing *Study on Financial Options of the CAAPs* shall explore what we currently have in terms of institutions and their capabilities, to better advise on the need to create new institutions or to use the existing financing structure.
2. 18. The institutional and financing model is not cast-in-stone shall be continuously revised based on the recommendations provided.

2. E) On the CAAPs Leadership Engagement Strategy

2. 19. As land allocation will be a critical issue in the CAAPs, there is a need to include African Ministers in charge of Land use in the list of Ministers targeted to be engaged in the CAAPs which already include: Agriculture, Finance, Trade, and Industry.
2. 20. There is a to ensure all partners come on board and to harmonize the CAAPs with similar initiatives on the continent. Examples of country-level agro-parks initiatives of the Feed Africa Agenda of the AfDB; and of any relevant initiative that AUDA/NEPAD might be implementing.

2. F) On the proposed Heads of State Champions of the CAAPs and their roles

2. 21. We shall consider the President of the Republic of Ghana who is already the Champion of the AU Financial Institutions, to lead the engagement of the financial mechanism of the CAAPs instead of proposing a new Head of State. This will help to avoid overlap.
2. 22. There is a need to reduce the number of Heads of States Championing the CAAPs. Eight proposed Heads of state will bring the coordination to the AUC. A good example is the AfCFTA process which was led by only 1 Head of state.
2. 23. It was clarified that the role of the Champion Heads of States is more about political advocacy and sensitization of peer Heads of States for promoting the CAAPs agro-industries and value chains.
2. 24. Specific Terms of References (ToRs) for the Heads of States championing the CAAPs shall be prepared.
2. 25. The contents of the TORs could guide the number of Heads of States to be designated as Champions. But one Head of States shall be enough.
2. 26. It is also important to have a Private Sector Champion as part of the CAAPs Champions to avoid the CAAPs process being too politically driven.
2. 27. There is a need to prepare the ToRs of the Private Sector Champion as well as the CAAPs.

2. G) On carrying out the Leadership Engagement activities by the CAAPs-SC members

2. 28. There is a need to work out the message that the CAAPs-SC members will carry to the Heads of State and the other stakeholders they meet. Need to clarify the specific requests to make to the Heads of States, whether it is about the allocation of lands or other issues.
2. 29. The number of missions towards the African Heads of State will be revised based on the revision of the number of Heads of States Champion.
2. 30. The proposed Leadership engagement Plan in **Annex 2** shall also be revised based on the recommendations provided in the Leadership engagement strategy.
2. 31. The next CAAPs-SC meeting is proposed as a two-day Retreat of the CAAPs-SC members at the margin of the World Economic Forum (WEF) in mid-January in Davos-Klosters, Switzerland, to allow the members to take time to endorse the TORs of Heads of States and conclude on the final draft of the CAAPS Leadership Engagement Plan to be implemented by the members of the Committee.
2. 32. Process of having the new proposed members such as the private sector representative shall be concluded before the retreat.

2. H) On the signature of the Afreximbank Grant Agreement on the CAAPs

2. 33. There is a need to clear the Grand Agreement by the AU Legal Council even if the grant is implementing an already cleared MoUs for the coordination institutions on the CAAPs.
2. 34. The signature of both the Grant Agreement and the MoUs are proposed to be done during the 4th Ordinary Session of the Specialized Technical Committee on Agriculture, Rural Development, Water and Environment of the African Union planned for 13-17 December 2021.

3. Guidance notes on the way forward

The following points were provided by the Chair on the way forward:

3. 1. Refine the CAAPs Institutional Models and Leadership Engagement Strategy to include the orientations provided at this 2nd CAAPs-SC meeting.
3. 2. The CAAPs -TCT to engage with the Office of the Commissioner for Economic Development, Trade, Industry, and Mining of the African Union Commission to reach out to the President of *African Business Council* on the submission made on Private Sector Engagement.
3. 3. The CAAPs shall be submitted as a Flagship Project of the Agenda 2063 for the next 10 Years Implementation Plan 2023-2033.
3. 4. Next year will be adopted the list of the Projects for the 2nd Ten-Year Implementation of the Agenda 2063, the CAAPs-TCT shall there prepare a Concept Note of the CAAPs ready for submission once the request is opened by from the AUC Strategic Planning Department.
3. 5. Get ready the Afreximbank's Grant Agreement and the MoUs to be signed in at the STC.

4. Action Points for the CAAPs Technical Coordination Team

The following action points are to implement by the CAAPs-Secretariat and CAAPs-TCT members to respond to the deliberations of the 2nd Meeting of the CAAPs Steering Committee:

Code Action	Action Items	Responsibility/ <i>Deadline</i>
CAAPs-SC M2021-02-1.	Finalize the Afreximbank Grant Agreement and the MoUs on the CAAPs, in consultation with the AU Legal Counsel, for signed at 4 th STC of ARDWE planned for 13 th - 17 th December 2021	AUC/ <i>By 10 Dec 2021</i>
CAAPs-SC M2021-02-2.	Get the Template and develop the Draft Concept Note for the inclusion of the CAAPs as a Flagship Project of the Agenda 2063 for the next 10 Years Implementation Plan 2023-2033	CAAPs-TCT <i>By 15 Jan 2021</i>
CAAPs-SC M2021-02-3.	Develop the ToRs for the Heads of Heads and Private Sector Leader Champions of the CAAPs.	CAAPs-TCT <i>By 15 Jan 2021</i>
CAAPs-SC M2021-02-4.	Present and endorsed by the CAAPs- Steering Committee, both the ToRs of the CAAPs Champions and the Draft Concept Note for the inclusion of the CAAPs as a Flagship Project of the Agenda 2063.	CAAPs-TCT <i>By 20 Jan 2021 (At the margin of WEF 2022)</i>
CAAPs-SC M2021-02-5.	Engage with the President of the African Business Council to address recommendations made on Private Sector Involvement, as in <i>Section 2. C)</i>	AUC <i>By 10 Jan 2021</i>
CAAPs-SC M2021-02-6.	Refine the CAAPs Institutional Models and Leadership Engagement Strategy to include the orientations provided during the meeting	CAAPs-Secretariat <i>By 10 Jan 2021</i>
CAAPs-SC M2021-02-7.	Provide progress report and possibly the anticipated outcomes of the <i>Study on the Financial Options of the CAAPs</i> based on the Inception report of the Consultant, for submission during the forthcoming CAAPs Leadership Retreat.	Afreximbank <i>By 10 Jan 2021</i>

Rapporteured by the CAAPs-Secretariat.

ANNEXES

Annex 1: Full Participant Lists

African Union Commission

- ÷ H.E. Albert M. Muchanga – Commissioner for Economic Development, Trade, Industry and Mining (ETIM/AUC)
- ÷ Dr. Janet Edeme - Head, Rural Economy Division, Chair of the CAAPs-TCT (DARBE/AUC)
- ÷ Mr. Jean Bertand Azapmo - Regional Trade Adviser (ETIM/AUC)
- ÷ Mr. Kenedy Ayason, member of the CAAPs-TCT (DARBE/AUC)
- ÷ Mr. Haile Abebe – AUC, Support Officer (DARBE/AUC)
- ÷ Ms. Evelyn Nasimiyu Wechulli, Logistics Assistant (DARBE/AUC)

AfCFTA-Secretariat

- ÷ Mr. Komlan Bissi, Senior Advisor, represented the Secretary General of the AfCFTA
- ÷ Mr Themba Khumalo, Senior Industrial Development Officer, Member of CAAPs-TCT.

Afreximbank

- ÷ Mrs. Oluranti Doherty – Director of Export Development, represented the President of Afreximbank.
- ÷ Mr. Babadjide Sodipo, Senior Manager, Member of CAAPs-TCT
- ÷ Mr. Christian Ndikumajenge – Manager, Export Development.

FARA

- ÷ Dr. Yemi Akinbamijo, Executive Director of FARA
- ÷ Mr. Anselme Vodounhessi, Lead Specialist at FARA, CAAPs Programme Coordinator
- ÷ Ms. Merline Mensah, CAAPs Programme Assistant

Annex 2: Draft Leadership engagement Strategy and Missions Plan

In Attachment.

Annex 3: PowerPoints presentation of Dr Yemi Akinbamijo

In Attachment.

Annex 4: PowerPoints presentation of Dr Janet Edeme

In Attachment.