



Report of the Inaugural CAAPs' Steering Committee

The Inaugural meeting of the CAAPs Steering Committee (CAAPs-SC) was organized virtually on the 21st of April 2021 with the attendance of the current core institutions members of the Committee which include the African Union Commission (AUC-Chair), the Secretariat of the African Continental Free Trade Area (AfCFTA), the African Export-Import Bank (Afrexim Bank), and the Forum for Agriculture Research in Africa (FARA).

The leaders expected at the meeting were: 1- the AU Commissioner for Agriculture, Rural Development, Blue Economy and Sustainable Environment (Chair of the CAAPs-SC); 2- the AUC Commissioner for Economic Development, Trade, Industry, and Mining; 3- the Secretary-General of the AfCFTA-Secretariat; 4- the President of Afrexim Bank; and 5- the Executive Director of FARA; supported by the technical team.

Whilst the meeting faltered to start because of the difficulty in having the quorum, requiring at least a proxy representation of the above-mentioned substantive members, the Chair finally approved submission of members to proceed with this first meeting, while the Committee will explore ways to arrange another engagement with substantive members who were not available in person.

1. Summary Notes on the Meeting's Proceedings

The objective of this Inaugural meeting was for the CAAPs Steering Committee (CAAPs-SC) to initiate engagement and be briefed on: - the CAAPs' ambitions and progress of the technical coordination team activities; the proposed institutional models and financing models of the CAAPs; and the 2021-2023 Workplans of the technical coordination, that were to be endorsed by the Committee.

In line with the planned objectives, the meeting proceeded with the followings, after a presentation of the Meeting Agenda by Dr Janet Edeme, Head of Rural Development Division of the AUC.

- **Excellency Amb. Josefa Sacko**, opened the meeting with several highlight notes on the challenges faced by African Agriculture with heavy dependence on the importation of food commodities for a continent that has all resources required to transform African agriculture. Several AU Heads of States commitments had pressed for transformative actions for Africa's Agriculture development key amongst which is one of the 2014 Malabo decision on the commitment of "*Tripling intra-African trade in agriculture commodities and services by 2025*". But the implementation of this decision remains very poor because of the limited concrete actions on the ground that should boost agro-industrialization and agribusiness capacities on the continent for greater value addition to our products. The Common African Agro-Parks (CAAPs) Initiative of the AUC, is a panacea to substantially increase productivity, production, value addition, product development, logistics and consumption of major priority agricultural commodities in Africa. In a nutshell, the CAAPs are trans-boundary mega industrial corridors for food production and free trade of agricultural products in the context of The AfCFTA, for which Commissioner Sacko is committed to complete its full design before the end of her current term at the AU Commission.
- **Mrs Oluranti Doherty**, Director of Export Development of the Afrexim Bank, presented the welcome notes on behalf of H.E. Prof Benedict Oramah, the President of Afrexim Bank who could not attend in person at the last-minute due to a conflicting engagement. Mrs Oluranti highlighted the importance of CAAPs and stated that it holds enormous transformative potential for the agro-industrial landscape of the continent, and it is a potential game-changer as it could catalyze value along the entire agro-value

chains. She highlighted that the timing for the CAAPs is strategic as it provides an opportunity to position the continent's agriculture sector to take advantage of the AfCFTA; She further highlighted the fact that the CAAPs is aligned with the Industrialization and Export Development Strategy of Afrexim Bank, whose objective is to stimulate a consistent expansion and diversification of African production and trade, to reduce dependence on commodity exports and exposure to volatility. With the expertise and experience over the past years in financing and developing agro-industrial parks and projects across the continent such as the Afrexim Bank Cocoa Initiative (AFRICOIN) amongst others, the Bank will bring its wealth of experiences to the partnership and the implementation of the CAAPs.

- **Dr Yemi Akinbamijo**, Executive Director of FARA, presented the report of the technical coordination activities implement in conceptualizing the CAAPs and leading the technical process of its endorsement at the Third Ordinary Session of the Specialized Technical Committee (STC) on Agriculture, Rural Development, Water and Environment, held on 21-25 October 2019. Dr Akinbamijo emphasized on the several AU Heads of States Declarations in the Agriculture Sector including the 2006 Abuja Declaration on the Strategic food commodities and development of related production value chains. 15 Years after the Abuja Declaration, no concrete action has been taken yet on the ground.. Stressing that the CAAPs must be taken heart by African Leaders to allow Africa to change the narrative of the agricultural transformation, Dr Akinbamijo acknowledged the diligence and pressure of Amb. Josefa Sacko for taking the CAAPs to the next level and thanked the Commission for endorsing the technical leadership role to FARA. The presentation of Dr Akinbamijo introduced the different phases of establishing the CAAPs, as well as the technical coordination structure composed of two organs: the Technical Coordination Team (the CAAPs-TCT) and the CAAPs Steering Committee (The CAAP-SC). Dr Akinbamijo concluded his presentation with the following submissions on the challenges and recommendations for moving forward the CAAPs Coordination Activities:

Challenges: i)- The Covid 19 pandemic retarded the engagements in 2020. The engagement could not cover the Regional Economic communities as planned for the year 2020; ii)- Although the CAAPs are getting increasing attention, there is no secured funding to finance the technical coordination activities, that FARA has been funding with its limited resources. This resulted in the inability of FARA to fully engage itself in the activities for implementing the CAAPs Phase 1.

Recommendations: iii)- The Committee shall reflect on how to mobilize resources for both the coordination activities as reflected in the 2021-2023 Workplan, but also in building a basket fund for initiating the activities of the CAAPs' Phase 1; iv)- The Committee to increase the level of awareness and engagement on the CAAPs with the implementation of the Roadmap of the CAAPs-SC; v)- The Committee to explore the possibility to establish a Coordination Office of the CAAPs to be hosted at FARA, where staff assigned from the involved institutions could sit as full-time staff to lead the implementation of the CAAPs; vi)- The Committee to approve the 2021-2023 Workplan of the CAAPs Technical Coordination.

- **Mr. Komla Bissi** who intervened on behalf of the Secretary-General of the AfCFTA Secretariat, H.E. Wamkele Mene, recalled the importance of agriculture in Africa's economies and its implications for the AfCFTA implementation which is expected to create a single market of 1.2 billion people and a GDP of \$2.5 trillion and offers opportunity enhancing regional agricultural value chains. He recognized the importance of the Common African Agro-Parks (CAAPs) as a trans-boundary and regional initiative to be implemented by AU Member countries as a catalyst to leverage private sector investments in agro-processing and light manufacturing to boost agricultural led industrialization and trade. He empathized with the importance of the CAAPs in contributing to the implementation of the AfCFTA in developing trans-boundary value chain infrastructure for agro-industrialization on the continent. Mr. Bissi further maintained that the CAAPs initiative will be a key instrument for advancing the implementation of the AfCFTA that will demonstrate concrete action on the ground and hence must be encouraged.

- Two other technical presentations were made respectively by Anselme Vodounhessi, Lead Specialist M&E at FARA, and Babajide Sodipo, Senior Manager at the AU/AfCFTA and Trade Unit of Afrexim Bank, complementing the presentations of Dr Akinbamijo.
 - **Mr Vodounhessi** provided on behalf of the CAAPs-TCT, detailed information on the Institutional and Financing Models for establishing the CAAPs. Detailed information was provided on the roles and responsibilities of the two organs CAAPs-TCT and the CAAPs-SC in coordination with the establishment of the CAAPs. With regards to the Financing Models that are presented to be *PPP-driven financing* in response to the several related AU Heads of States' Declarations, Mr Vodounhessi further illustrated the Proposals to develop and promote approaches for Market-based financing by issuing securities (stocks, bonds) at all levels in Africa within the context of AfCFTA, to raise funds from countries, finance institutions, and individual investors for Agriculture development. In the related financing model presented, the *African Agriculture Investment Bank* will have a key role to play in facilitating the African Capital Market for financing the constructions and operations of infrastructures involved in establishing the CAAPs. A decision will still have to be made on how to provide the seed money for running Phase 1 and the coordination activities of the CAAPs. The proposal of an initial capitalization of the African Agriculture Investment Funds which targets a yearly contribution of at least 7% of each AU Member States' annual agriculture budget, is to be confirmed and documented through an Analytical Study that is to be initiated by the CAAPs-TCT.
 - **Mr Sodipo** presented on behalf of the CAAPs-TCT, the overall roadmap for establishing the CAAPs as endorsed by the STC, which include: - Phase I of the Preliminary Study, Planning and Design of the CAAPs; the Phase II of Preparation and Commissioning the construction of the CAAPs infrastructure; and the Phase III of Installation and Construction of the CAAPs Infrastructure through all forms of partnership in private sector involvement. He also provided details of the 2021-2023 Roadmap of the CAAPs-TCT and CAAPs-SC, with a list of activities to be implemented before the AU ARDWE STC 2021, and the activities between the STC 2021 and STC 2023.
- **The discussion** held after the series of interventions were around several issues of clarification that include: i)-the involvement of the African Development Bank which has been initiated but still needs to be reinforced to get them on board ; ii)- the participation of the substantivel members of the Steering Committee of the CAAPs or a proxy of their representation in case of announced absence, an approach must be found to engage with members who were absent to provide full briefings of the outcomes of this inaugural meeting; iii)- the finalization of the membership structure of the CAAPs-TCT where all institutions shall officially send nominees to be part of the CAAPs-TCT; iv)- the funding of the technical coordination activities for which the CAAPs-TCT has been requested to work out the final budget that was announced to be around 2 million USD for the period of 2021-2023; v)- the funding of the Phase 1 which full budget was estimated at 37 million for which the CAAPs-TCT will have to develop a resource mobilization strategy in establishing a basket fund for leading all the planned studies. On the important issues of funding, H.E. Amb. Josefa Sacko committed to engaging with the AfCFTA-Secretariat to explore funding avenues for funding the Phase 1 of the CAAPs. Mrs Oluranti of Afrexim Bank, also committed to exploring internally at the Afrexim Bank the possibilities of providing resources for undertaking the analytical study.

2. Deliberations and Action Points

The following action points have been agreed upon with responsibility assigned in the last column:

CAAPs-SC M2021-01-1.	Revision of Draft Budget with detailed cost elements for submission to the CAAPs-SC.	CAAPs-TCT
CAAPs-SC M2021-01-2.	Engage AfCFTA on potential access to resources to support CAAPs.	AUC
CAAPs-SC M2021-01-3.	Resend letter/memo requesting nomination of Technical Focal Point from AUC, Economic Development, Trade, Industry and Mining Department, to the CAAPs-TCT.	AUC
CAAPs-SC M2021-01-4.	Resend letter to AfCFTA requesting nomination of Technical Focal Point for CAAPs-TCT.	AUC
CAAPs-SC M2021-01-5.	Follow up with AfDB on their engagement on the CAAPs and requested nomination of Technical Focal Point for CAAPs-TCT.	AUC
CAAPs-SC M2021-01-6.	Follow up with Afrexim Bank on the proposal to support the undertaking of the feasibility study.	AUC
CAAPs-SC M2021-01-7.	Propose tentative dates for Extraordinary CAAPs-SC Meeting, with tentative agenda including amongst other issues request for Proxy representation by Substantive SC Members.	CAAPs-TCT

Rapporteured by the CAAPs-TCT

Recorded on the 21 April 2021