



## CONCEPT NOTE

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### **Workshop on the Role of Agropoles and Agro-Processing Zones (APZ) in Feeding & Industrializing Africa**

**Abidjan, 22-23 March 2016**

## **I. Background and Rationale for the Seminar**

### **1.1 Background**

1.1.1 In September 2015, the management of the Bank announced its top five priorities, the "High 5s" which are: (i) Light up Africa; (ii) Feed Africa; (iii) Industrialize Africa; (iv) Integrate Africa; and (v) Improve the quality of life of Africans. These High 5s are part of the Bank's Ten Year Strategy (TYS).

1.1.2 During the High Level Conference (HLC) on Agricultural Transformation held in October 2015 in Dakar, the focus was placed on identifying strategies for the successful and efficient transformation of agriculture in Africa. An Agricultural Transformation Agenda (ATA) was defined and elaborated through the action points of the HLC (see Annex 1). One important aspect of the HLC was to identify and adopt innovative approaches for the transformation. These innovative proposals include the development of value chains and supporting agro-processing zones and integrated platforms to determine the strategic choice for the integration and industrialization of the sector.

### **1.2 Rationale for the Seminar**

1.2.1 Some of Africa's strong economic performance in the past decade has been driven by improvements in infrastructure, with many countries relatively unscathed by the global economic crisis, thanks to prudent macroeconomic management, but critical investment and policy coordination challenges remain. Moreover, growth has largely been driven by the extractive industries, remains unevenly spread across the region, has not been sufficiently inclusive, and might not be sustainable. Many efforts are still needed for African countries to diversify and enhance the competitiveness of their economies so that they can absorb the 10 million new entrants into the labor force every year, especially in fragile situations. The balance of growth and competitiveness that Africa requires is likely to come from structural changes such as (1) reducing costs for infrastructure; (2) promoting public private investment to share risk; and (3) incentivizing the participation, particularly of the local private sector, to participate in these projects. Furthermore, Africa's competitive industries—such as agriculture, mining, and tourism—carry vast potential, and they require sustained support if they are to deliver on the promise of comprehensive competitiveness and economic diversification. Regional integration could also be an important path to reinforce competitiveness and build resilience across the continent.

1.2.2 The growth pole approach to economic development looks at how infrastructure that will be developed for an existing private investment in agriculture, mining and tourism can be used to encourage spillovers into other sectors. This could manifest itself through a development corridor or a special economic zone. Growth poles are simultaneous, coordinated investments in many sectors to support self-sustaining industrialization in a country. Growth poles usually combine public and private investments and are specifically built around an already-existing resource at a specific location in an economy. Central to the growth pole is a group of dynamic industries connected around a particular resource. The growth of dominant industries, in turn, generates external effects that stimulate the growth of other industries due to inter-industry linkages. Spatial growth strategies, notably special economic zones, are gaining increasing attention in fragile situations to overcome the constraints of a challenging business environment and unlock the potential of the countries.

1.2.3 In this context, the main justifications for the seminar are summarized below:

(i) *Africa has an enormous potential to enhance agricultural production*: Africa today has more than 60% of reserves of arable land in the world but which is largely untapped (representing 25% of the fertile land in the world), significant water resources and diversified ecological zones for production. The Dakar HLC focused on strategies and tools that would unlock this potential and

turn it into tangible outputs. The outcomes of increased production as a result of the upstream development activities will result in the value addition of downstream activities.

(ii) *Industrialization and regional integration have been identified as continental priorities:* These two initiatives will be critical for agricultural value addition.

(iii) *The need to ensure enhanced integration between upstream and downstream activities of production and a new direction involving the establishment of value chains:* The effective functioning of agricultural markets and higher returns to agricultural activities require the efficient structuring of physical markets (storage and processing capacities, groupings, etc.) and market institutions and regulations (quality standards, information systems, logistics for the distribution of agricultural products, etc.).

(iv) *The commitment of African Heads of State (in the Malabo Declaration) to triple intra-African agricultural trade:* The promotion of agricultural trade is a priority and a key driver for job creation, reduced poverty and malnutrition, improved food security and income generation and is also an important component for regional integration.

(v) *Promotion of strategic commodities and a sustained approach to mobilizing the private sector and professionals:* The promotion of strategic commodities (coffee, cocoa, cassava, etc.) and adoption of transformational policies facilitating the involvement of the private sector in the production, processing and marketing of agricultural products will have a significant positive impact.

(vi) *Integrated approaches focused on value chains to ensure competitiveness and sustainability:* The establishment of effective input supply systems, innovative financing systems for better accessibility to farmers, strengthening value chains and innovative instruments (commodity exchanges, regulatory systems, etc.), strengthening training, agricultural research and extension, development of integrated logistics platforms, etc. are all important factors that may be initiated and rooted in agropoles. The prospects of improving value addition in agricultural production and strengthening value chains are aimed at enhancing the competitiveness and sustainability of the agricultural sector and increased value addition in the sector.

(vii) *Youth in agri-business:* A particular interest is attached to youth in agri-business and improving the attractiveness of the agriculture sector for young people through developing agriculture as a business is one of the biggest challenges that can reduce unemployment if addressed. Agro-industry and value chains offer significant opportunities for youth employment and women including young graduates.

(viii) *The promotion of value chains and the development of agropoles and agro-processing zones (APZ) are priority areas of the ATA in Africa:* This seminar is an outcome of the recommendations of the Dakar HLC and is underpinned by the following action points:

- Action Point 5: Develop agro-allied industrial zones and agricultural corridors;
- Point Action 14: Implement institutional reforms and systemic changes;
- Action Item 16: Secure new private sector investment in Agriculture;
- Point Action 18: Develop robust value chains for key commodities;

1.2.4 *"The issues we have to solve are how to reach a stage where we will sell cocoa instead of cocoa beans and where we will export textiles instead of cotton,"* says Akinwumi Adesina, President of the Bank, convinced that African agriculture needs to move towards the creation of wealth and value. Agriculture must be considered as a business and not simply as a means of livelihood. This is a paradigm shift: conventional agriculture which is dominated by social, economic and institutional constraints should be replaced by agriculture that is practiced as a business and which is efficient, attractive and with high value addition. This environment is where value chains can be implemented effectively and result in a win-win outcome, mobilizing the private sector and professionals and empowering the stakeholders.

## **II. Content of the Seminar**

### **2.1 Objectives of the Seminar**

2.1.1 The general objective of the workshop is to support agribusiness in Africa and to promote the design and implementation of agro-industrial integrated platforms (agropoles, APZ, food technology parks and clusters, etc.) in Africa through sharing experiences and the development of best practices. The specific objectives include: (i) sharing with participants the basics of developing a strategic framework; (ii) developing an operational action plan to accompany the country; and (iii) initiating a network for the exchange and sharing of good practices.

### **2.2 Proposed Approach for the Seminar**

2.2.1 The seminar consists of two parts: i) Strategic level: A ministerial Panel Discussion (Five Ministers: Ethiopia, Cote d'Ivoire, Morocco, Nigeria and Tunisia) and ii) Operational level: Learning and sharing sessions among practitioners and researchers. The proposed approach for the seminar is based on the participation and sharing of experiences and good practices by the participating countries, invited organizations/institutions and resource persons.

2.2.2 The seminar adopts a differentiated approach to the countries based on the stage of advancement of the design and implementation of agro-processing zones and the presence of fragile situations (see details of the categorization in Annex 2). This will lead to a tailored approach to supporting countries in accordance with the Action Plan for the seminar.

### **2.3 Seminar Participants**

2.3.1 The seminar will bring together representatives of 39 African countries which will be invited (with experience or who have expressed an interest): Algeria, Angola, Benin, Burundi, Burkina Faso, Cameroun, Central African Republic, Chad, Comoros, Congo, Cote d'Ivoire, DRC, Eritrea, Ethiopia, Gabon, Ghana, Guinea, Guinea Bissau, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Morocco, Nigeria, Rwanda, Sierra Leone, Somalia, South Sudan, Sudan, Tanzania, Togo, Tunisia, Senegal, Zambia and Zimbabwe. The following ministers will be invited: Minister of Agriculture (Angola), Minister of Agriculture, Fisheries and Livestock (Congo DRC), Minister of Agriculture (Ethiopia), Minister of Agriculture (Cote d'Ivoire), Minister of Agriculture (Liberia), Minister of Agriculture (Morocco), Minister of Agriculture (Nigeria) and Minister of Industry (Tunisia).

2.3.2 The Seminar will also include representatives of the following international organizations: UNIDO, FAO, IAM, World Bank, IFAD, EU, Grow Africa and IITA among others.

### **2.4 Venue and dates for the Seminar**

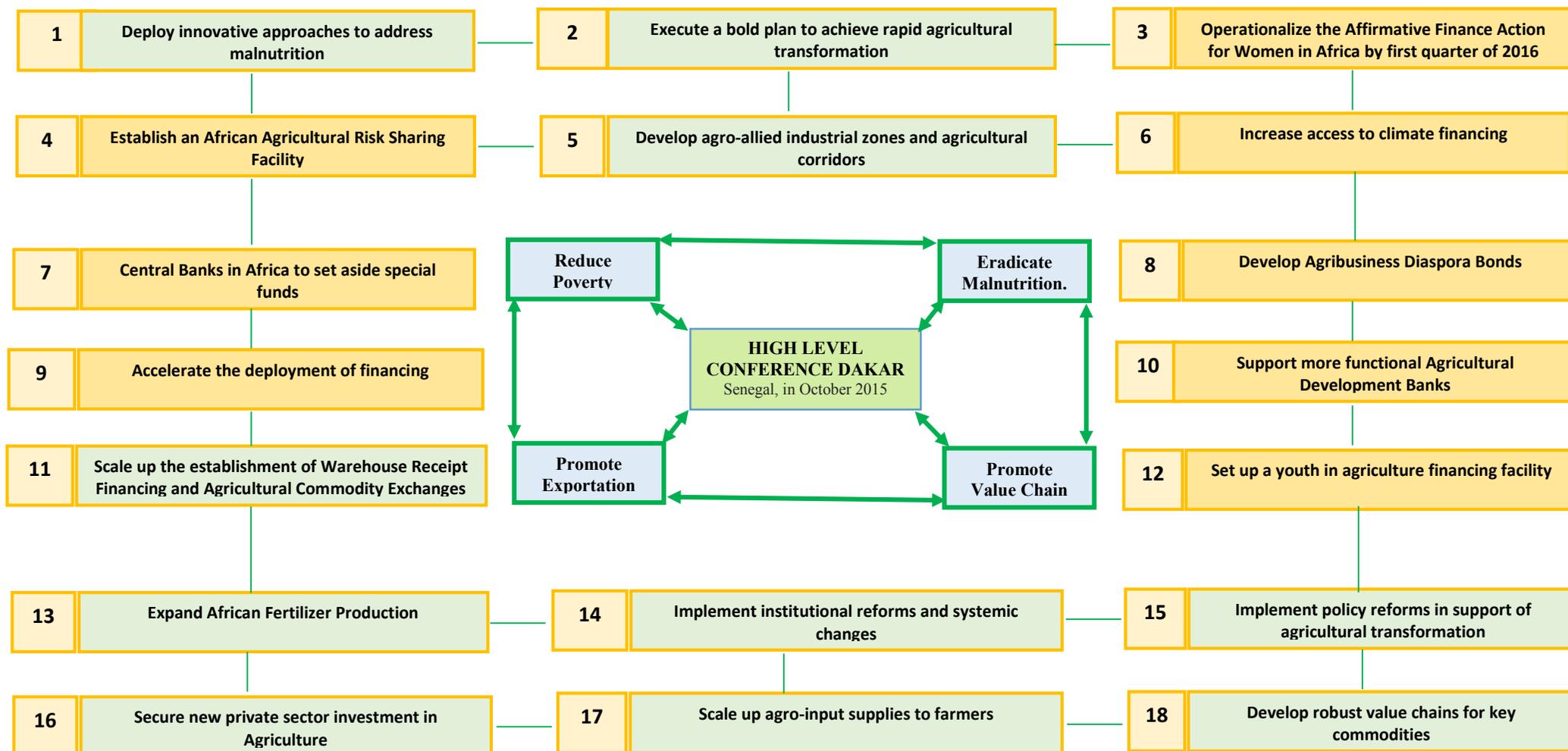
2.4.1 The seminar will be held in Abidjan (CCIA-Auditorium) during 22-23 March 2016.

## **III. Expected outcomes of the seminar**

The seminar will lead to the following results:

- (i) A strategic framework developed with the participants for the promotion of agro-processing zones in Africa;
- (ii) An operational action plan by category of country (see annex 2 for categorization) defining key actions to promote agropoles and APZ in Africa under the Agricultural Transformation Agenda (ATA);
- (iii) The establishment of a network of agropoles and APZ in Africa as a platform for the exchange and sharing best practices and experiences.

**Action Plan for the African Agricultural Transformation Agenda (ATA) resulting from the Dakar HLC (18 action points).**



**Categorization of countries by the state of advancement of the establishment of agropoles and agro-processing zones.**

<b>Category of Country</b>	<b>Categorization Criteria</b>	<b>Status/stage of advancement</b>	<b>Assistance Required</b>
<b>Category A</b>	<ul style="list-style-type: none"> <li>• Country in advanced stage having launched the establishment and functioning of agro-processing zones. Countries that have developed the legal and regulatory framework.</li> <li>• Management tools and promotion of APZs developed with advanced strengthening the institutional environment.</li> </ul>	Advanced	<ul style="list-style-type: none"> <li>• Developing the capacity of actors</li> <li>• Develop best practices</li> <li>• Benchmarking</li> <li>• Attractiveness for investors</li> <li>• PPP building</li> <li>• Sustainable Development Charter</li> </ul>
<b>Category B</b>	<ul style="list-style-type: none"> <li>• Advanced stage of development of the conceptual framework and addressing key issues in the design and conditions for success</li> <li>• Studies Completed</li> <li>• Sites have been selected or are in process of being launched</li> </ul>	In process of being launched	<ul style="list-style-type: none"> <li>• Strengthen the institutional framework</li> <li>• Developing the capacity of stakeholders</li> <li>• Develop best practices</li> <li>• Benchmarking</li> <li>• Inclusion of relevant stakeholders</li> <li>• Strengthening PPP environment</li> </ul>
<b>Category C</b>	<ul style="list-style-type: none"> <li>• Countries that have expressed interest to develop APZs</li> <li>• Request transmitted to the Bank for support and funding</li> <li>• Conceptual discussions have begun</li> <li>• Confirmation of sites is ongoing</li> </ul>	Initial stage	<ul style="list-style-type: none"> <li>• Strengthen the institutional framework</li> <li>• Developing the capacity of actors</li> <li>• Develop best practices</li> <li>• Benchmarking</li> <li>• Strengthening PPP environment</li> </ul>
<b>Category D</b>	<ul style="list-style-type: none"> <li>• Countries that have not yet begun the initial stage</li> </ul>	Initial Stage	<ul style="list-style-type: none"> <li>• Strengthen visibility</li> <li>• Strengthen the conceptual framework</li> </ul>