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FOOTPRINT REPORT

FOCUS

AFRICA INDUSTRIALISATION WEEK

**PROMOTING INCLUSIVE
AND SUSTAINABLE
INDUSTRIALISATION
IN THE AFCFTA ERA**

**LEVERAGING THE DIGITAL
REVOLUTION AND DATA TO
ENHANCED FOOD SYSTEM
RESILIENCE**

**SETTING UP OF INTEGRATED AGRO-FOOD
PARKS FOR RURAL INDUSTRIALISATION**





“ If your dreams do not scare you,
they are not big enough ”

H. E Ellen Johnson Sirleaf
Former President of the Republic of Liberia



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COVID-19 underscores Africa's reliance on external supply chains and relatively weak health systems

Speaking during the opening ceremony of the Africa Industrialisation week on Monday 16th November 2020, under the theme: *“Inclusive and sustainable industrialisation in the AfCFTA and COVID-19 era”*, the Secretary General of the Africa Continental Free Trade Area (AfCFTA) Mr. Wamkele Mene reiterated: *“Africa needs to deploy more efforts towards achieving its industrialisation goal.”*

The COVID-19 pandemic, which has recorded 55 million plus cases globally took the world unawares creating devastating impacts across diverse sectors. Its abrupt outbreak and rapid expansion have made it one of the most challenging pandemics to deal with both by governments, private institutions and individuals. At the level of the continent, the pandemic has gone



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a long way to underscore Africa's high reliance on external supply chains and relatively weak health systems. With low levels of industrialisation in most parts of the continent, internal lasting solutions to the continent's problems need more urgent and concerted efforts.

To resolve some of the weaknesses exposed by the pandemic, there is need for increased focus on home grown solutions as a means to tackle developmental challenges on the continent. It is against this backdrop that, the African Union Development Agency (AUDA-NEPAD) has come up with the Home-Grown Solutions (HGS) Accelerator for Pandemic Resilience in Africa project with objective to strengthen Africa's pandemic resilience within the immediate and longer-term periods- by accelerating the development and application of home-grown solutions.

Its worthy of note that, innovative solutions have emerged across Africa, largely driven by companies that existed pre-COVID-19. With the HGS project, AUDA-NEPAD intends to build the capacity and provide necessary support needed by internal structures on the continent to provide necessary solutions during and beyond the pandemic.

Preliminary findings prior to project design highlighted the fact that, most HGS require support in four areas, but the nature and specificity of support differed significantly across a company's lifecycle. The areas include:

1. Regulatory and trade facilitation where at the ideation and prototyping stage, the companies need to engage with policy makers to start business. HGS for pandemic resilience tend to involve highly regulated sectors and support in achieving this could go a long way to enhance their introduction, growth and expansion.

2. Access to affordable investment capital where, at the ideation stage, there is need for seed capital for innovator to test and launch solutions after which, follow-on capital needs to be provided.

3. Matching to strategic partners which is critical for initial market traction such as, suppliers, customers, and technical experts. With support in this area, the companies will be able to find new partners and expand to new markets on a fair competition base while at the same time, ensuring equitable access to their products and services.

4. Context specific mentorship which will grant the innovators access to Africa-focused mentors

who have faced similar situations in their company's lifecycle- especially for a less experienced management team

The HGS accelerator project therefore, aims at a focused approach to select high-potential HGS and connect them to enabling resources, in order to scale impact. The end goal of the project is to build a complete ecosystem around home grown solutions that permit for innovation in this area to thrive. To achieve this, AUDA-NEPAD hopes to be able to count on the support of Member States and Regional Economic Communities (REC) especially because, achieving Africa's development objectives set out in Agenda 2063 requires joint efforts in all areas.

Leveraging the digital revolution and data to enhanced Food System Resilience



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Whether you are a farmer, a teacher, a cleaner, a sales person, a development worker or a banker, digital technology in one way or the other has and will still continue to impact your life in even more unexpected ways. Leveraging these technologies can contribute significantly to human existence with the agricultural sector not left out. Without data collected through the use of these technologies, it is difficult to take concrete and timely decisions.

Faced with threats of a double crisis; the COVID-19 pandemic and an eminent food crisis, it is now more than ever primordial to take concrete steps towards ensuring food system resilience. Technology might just be a perfect way out especially because, by creating data capacity to track and forecast food availability,

pricing and accessibility, logistical flows and other factors during and after the crisis, stakeholders across food systems can find wide application and create significant new value pools.

Data presents an opportunity for better decisions as data driven decisions give room to more analytics-based insights for better contextualized decision-making, improve operation efficiency and enhanced monitoring and evaluation processes. When considered, data can be used to ensure resilience through early warning/early action for rapidly evolving situations, it can be used to provide real-time and precision data on which governments can rely, it can ensure for flexible management of supply chains and logistics etc.

With the outbreak of COVID-19 and its implications that have expanded from immediate healthcare needs to the broader societal and economic impacts, the resiliency and inefficiencies of global, regional and local food systems have become increasingly apparent for the African continent. While food insecurity across the continent was widespread before COVID-19, the challenges presented to the food systems by the pandemic – from market closures and trade blockages, to labour and income shortages are primed to be particularly acute. Additionally, for many, COVID-19 is adding to the already desperate circumstances smallholder farmers are already faced with, further amplifying their predicament.

At AUDA-NEPAD, we believe COVID-19 is the most important factor driving structural shifts and policy in food production market systems in Africa since it's outbreak. Impacts will be long term and varied while the “new normal” and “reimagined” context for markets, budgets and policy choices from COVID-19 can be expected

to last until at least 2030. It is for this reason that, we believe leveraging technology can contribute greatly to resolve these problems. Hence, as we move towards a more digitalise world, the COVID-19 pandemic has no doubt brought the unique opportunity to be the necessary watershed moment for recognition and alignment around a transformation that is informed by data, to support agriculture and resiliency of food systems in times of crisis.

Used with wisdom, a granular data-driven understanding of communities and individuals, of complex natural ecosystems, of value chains can open new possibilities for well-being and deliver unimaginable benefits. While the timeline for African food systems to “bounce back” once a vaccine is widely available is unknown, stakeholders preparing to bounce back smartly by leveraging data will be a great asset to the continent.

In this regard, it is key for stakeholders to recognize that, the use of data has now evolved



Photo Credit: farmersreviewafrica.com

from old, linear models with a focus on increased efficiency and better post-hoc decision-making especially as, new models are highlighting ways to use data to generate top line value for all actors in the value chain, including farmers. Worldwide, today's use cases frequently draw on data from multiple sources, generate value for multiple entities and embed both end user and partner interests.

As seen in previous editions of the Footprint Report, COVID-19 is predicted to have the potential to spark a food security crisis in Africa, with agricultural production potentially contracting between 2.6% to 7%. The expected

contraction will cause a decline in Africa's agricultural exports, putting livelihoods and jobs at risk. As we celebrate the Africa Industrialisation week, agriculture is one of the key sectors viewed as a vector for the attainment of development objectives and Agenda 2063 in particular.

Setting up of integrated Agro-food Parks for rural industrialisation

The project, which aims at developing a comprehensive publication that guides the development and operation of Integrated Agro-Food Parks (IAFPs) for developing countries will, help advance knowledge and enrich the debate on the role of IAFPs in promoting the development of agro-industries and rural industrialization. It is within this framework that, the United Nations Industrial Development organisation (UNIDO) The World Bank, the African Development Bank, the African Union and other development actors have decided to jointly prepare a publication aimed at guiding Member States towards the attainment of this objective.

Amongst other things, an Integrated Agro-Food Park (IAFP) will ensure the development of an

ecosystem around Africa's agricultural sector permitting for all actors to benefit at every level of the value chain. We will like to emphasise here that, it is one of the practical systemic approaches used by numerous developing countries in order to transform the agroindustry sector as it is a concentration of producers, agribusinesses and institutions that are engaged in the same agro-industrial subsector.

Agriculture constitutes the backbone of most African economies and plays an important part as it provides amongst other things, 60% of all employment, is the largest contributor to GDP in some countries, the biggest source of foreign exchange and, is the main generator of savings and tax revenues. From the results of a recent study carried out by the African Union Development Agency (AUDA-NEPAD) and



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other development actors, it is evident that, the agricultural sector is also still the dominant provider of industrial raw materials with about two-thirds of manufacturing value-added in most African countries based on agricultural raw materials.

It thus, remains crucial for economic growth in most African countries making it an indispensable tool towards achieving the continent's development agenda. However, many developing countries and economies in transition, particularly those with large rural populations suffer from insufficient infrastructure and are poorly integrated into the global markets, especially in rural areas. These problems, are further exacerbated by underdeveloped small and medium enterprises (SMEs), limited access to finance, inadequate forward and backward linkage between farmers and processors, lack of entrepreneurial opportunities, inefficient technologies etc.

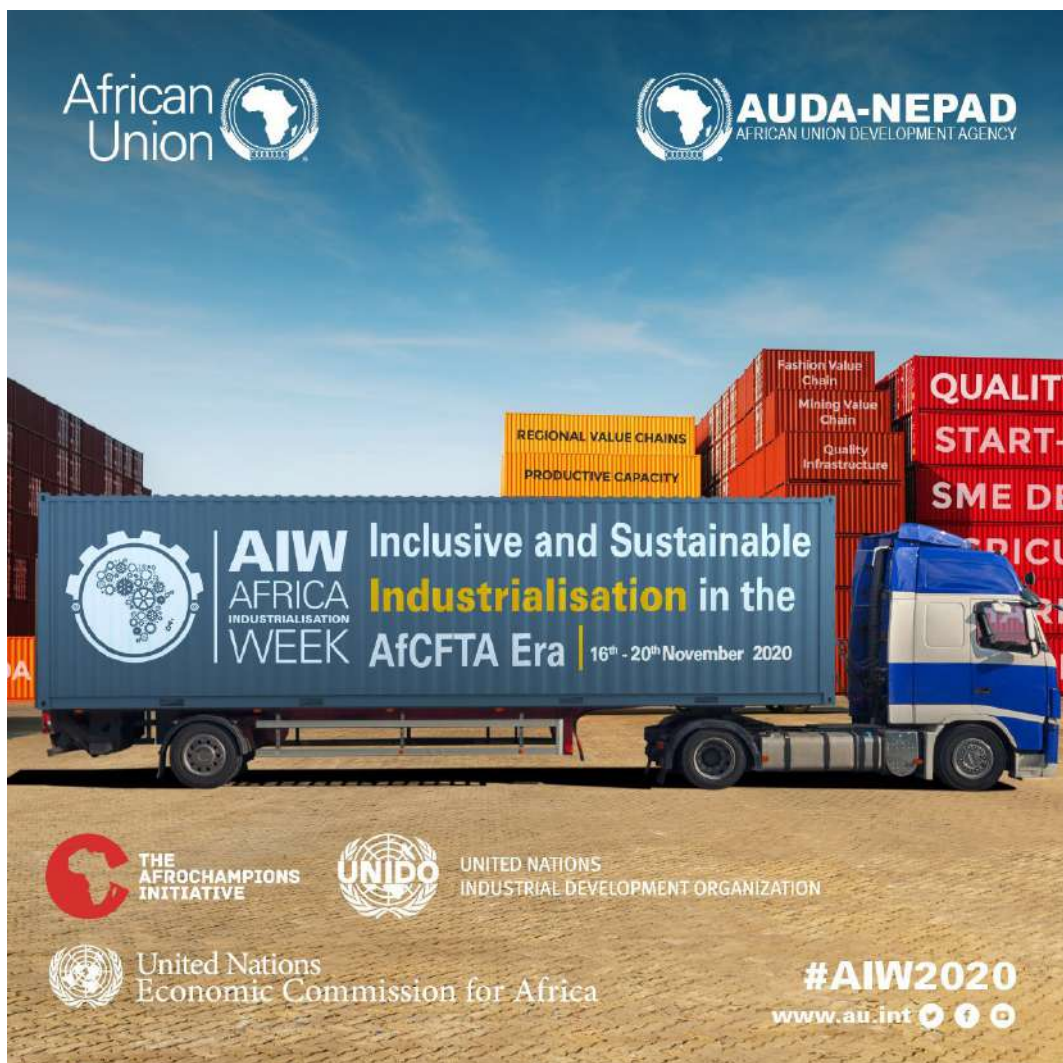
The development of agro-industry and rural industrialization presents a promising prospect for developing countries and economies in transition. It gives them an opportunity to interconnect and build value networks when addressing common challenges and pursuing common opportunities. However, the development of IAFP is a complex process as it involves various actors and processes and, many developing countries have limited capacity to plan and implement the IAFP initiative adequately. Hence, a range of specific derivative documents and tools, including those focusing on a specific type of parks, have to be developed to supplement the existing guidelines and frameworks. This is where the need for a publication comes in with the hope that, it will guide Member States as they work towards the establishment of IAFPs in their various countries.

Promoting an inclusive and Sustainable Industrialisation in the AfCFTA Era

Africa Industrialization Day which was launched on the 16th of November this year brought together various stakeholders involved in Industrialisation on the continent. Speaking during the opening ceremony, the Secretary General of the Africa Continental Free Trade Area (AfCFTA) Mr. Wamkele Mene added,

“We must double intra-African trade by 2021”. He is of the opinion that, an industrialised Africa is not possible without concerted efforts at the level of all stakeholders.

The goal of this year’s commemoration was to raise awareness on the strides made to industrialize Africa, to highlight the various activities being implemented as well as the



challenges faced in the efforts to advance structural transformation in Africa. It also provided an opportunity to share best practices from other parts of the globe that made advancements in their Industrialisation drive including the development of start-ups possible.

The series of weeklong activities were attended virtually by Heads of States, Ministers of Trade and Industry, representatives from African Union (AU) Member States, representatives of the private sector, quality infrastructure institutions and stakeholders, Regional Economic Communities (RECs), United Nations (UN) Agencies, African Union Commission (AUC),

African Union Development Agency (AUDA-NEPAD), Development Banks among others.

This year's celebrations presented a unique opportunity to consolidate the continent's vision to build **a self-resilient, self-reliant Africa, the Africa We Want**, given remarkable political traction on regional economic integration, as confirmed by milestones this far on the trade front through fruition of the Africa Continental Free Trade Area (AfCFTA), a liberal trading regime that will create an enlarged USD 3 trillion market, with 1.27 billion consumers. More details on outcome of these activities will be available in our next issue.



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For clarifications, technical support or specific capacity building in any of the areas listed, AU Member States Officials are welcome to contact the AUDA-NEPAD COVID-19 Task Force using this email address : **COVID19@nepad.org**.



AUDA-NEPAD Agency
230 15th Road, Midrand, South Africa.
Tel: +27 11 256 3600
Email: info@nepad.org
<https://www.nepad.org/>