Study on African Staple Crops Processing Zones (SCPZs)

The Staple Crops Processing Zones (SCPZs) are critical in the Bank’s agenda for the transformation of African’s agriculture. They present a tool that can help to boost increased agricultural productivity and strengthen the capacity of Regional Member Countries (RMCs) to create added value to agriculture, livestock and fisheries, with a view to reduce food imports, initiate a structural change in the agricultural sector and diversify the national economy. SCPZs as a flagship program is already attracting the interest of many RMCs.

Before a full scale, rollout of the implementation of this program, the status study of Africa’s SCPZs was conducted to draw up lessons learned, identify the challenges, risks, success and failure factors, and assess how African SCPZs have contributed to economic development goals. Such knowledge would inform the formulation of the Bank’s strategy to better respond to requests from its RMCs for assistance in establishing SCPZs as part of their agricultural transformation programs. It would also help RMCs to better plan, design and implement their SCPZ programs.

The study assessed the effectiveness of the implementation and the performance of SCPZs in ten African countries, their characteristics, and the lessons learned from these initiatives, the challenges and opportunities they represent. The study covered five French-speaking countries (the Democratic Republic of Congo, Gabon, Morocco, Senegal and Tunisia) and five English-speaking countries (South Africa, Egypt, Ethiopia, Nigeria, and Zambia).

The results of this study show that the SCPZs approach has been implemented in Africa for about 20 years compared to over 50 years elsewhere in the world. The pioneers of this approach in Africa are Morocco and Tunisia, and are even beginning to offer their expertise to other African countries. The study noted that the models of SCPZs sampled vary in form and content: their designs, implementation arrangements, financing and management modalities. The disparities in the findings led to the identification of the following key success factors that would trigger sustainable SCPZs:

1. Adequate policy and regulatory framework and supportive business environment sustained by legislation and official documents describing the national development strategic framework in which they fit.

2. Private sector leadership based on state facilitation in SCPZs’ animation and mobilization of investments. This requires continuity in political will despite changes in government and active promotion of the initiative by very senior level champions in the public and private sectors.

3. Important, patient and inclusive financing accessible to all actors, including small producers and small and medium enterprises operating in the SCPZs.

4. Quality infrastructure (energy, water, roads, ICT) conducive to well managed agro-industrial development maintained in carefully chosen locations.
5. Executive, technological and innovative management capacity capable of ensuring the competitiveness of the agro-industrial sector. This requires availability of skilled labor and support from research, training; and maintenance and repair of the machinery.

6. Connectivity of SCPZ actors to each other and to global markets in an integrated value chain approach, and a governance system that facilitates trade agreements and conflict resolution for increasingly successful value chains.

The study concludes that the SCPZs approach is widespread throughout the world can be successful in Africa and can play an important role in the transformation of African agriculture. However, some issues need special attention for their success in Africa:

1. Securing access to land for the inhabitants of the areas concerned and for small, medium and large scale farmers

2. National consensus on the SCPZs approach for agricultural development, to converge contributions from various sources

3. The dynamics of the relations between the private and the public sectors for a win-win public-private partnership

4. The competitiveness factors of the agro-industrial sector, in particular:
   a. Increase of agricultural productivity
   b. Excellence in executive and technological management
   c. Constant innovation
   d. Quality management and phytosanitary standards for global competitiveness.

The implementation of the SCPZs would require case-by-case adaption of what has worked to the emerging realities of each country, and even of the region of the country where the SCPZ is set up. However, countries that consider adopting this approach should draw on the experience of other countries to avoid mistakes based on experiences.