



NGF-FORAF DESK REPORT ON

THE 3RD AFRICAN SUB-SOVEREIGN GOVERNMENTS NETWORK (AFSNET) CONFERENCE

HELD ON THE SIDELINE OF IATF2023

CAIRO, EGYPT

NOVEMBER 2023



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Introduction

The third AfsNET Conference was held on 18 November 2023 in Cairo, Egypt, as a side event of the IATF2023 Trade and Investment Conference. The theme of the conference was “African Sub-Sovereign Governments Network as a Vehicle for Promoting Intra-African Trade and Investment”. The Conference was co-hosted by the African Export-Import Bank (Afreximbank) in collaboration with the United Cities and Local Governments of Africa (UCLGA).

The conference aimed to provide a platform for African sub-sovereign governments, such as states, regions, provinces, counties, municipalities, and cities, to share their experiences, challenges, and opportunities in promoting intra-African trade and investment.

The conference was attended by more than 250 participants, including governors, mayors, ministers, business leaders, financial institutions across the continent.

Objectives

The main objective of the conference is to strengthen the institutional framework established between Afreximbank and UCLG Africa and to facilitate increased collaboration in the promotion of trade, development and investment initiatives within the context of AfCFTA.

Specifically, it will aim to:

- i) Promote dialogue and advocate for the smooth and efficient implementation of the AfCFTA
- ii) Identify challenges which are currently or likely to impact attainment of the Network’s objectives
- iii) Support sub-sovereigns to identify and showcase/promote trade and investment projects in the sub-sovereign governments, with a view to attracting support and funding/investors
- iv) Facilitate Business to Business (B2B) and Government to Business (B2G) sessions and engagements, joint ventures, partnerships, and deal-making
- v) Generate opportunities for enhancing intra-African trade and investment,
- vi) Effectively engage the African diaspora, the Sixth African region as designated by the African Union
- vii) Present and create awareness around the Bank’s suite of products and initiatives designed to facilitate and boost intra-African trade and investment
- viii) Identify a host for the fourth African Sub-sovereign governments network
- ix) Promote the participation of sub-sovereigns in the IATF2023

Summary of Conference Proceedings

Welcome Remarks

OPENING STATEMENT

H.E. Mr. Wamkele Mene, Secretary General of the AfCFTA Secretariat

REMARKS

- Dr. John Olukayode Fayemi, FORAF President
- H.E. Prof. Peter Anyang' Nyong'o, Governor of Kisumu

AfSNET: The Journey So Far (Reflection on the Past, the Present, and Envisioning the Future)

Prof. Ogechi Adeola, Lagos Business School, Pan-Atlantic University, Nigeria

Showcasing of Afreximbank's Products:

- Dr. Gainmore Zanamwe, Acting Director, Intra-African Trade Bank presented its suite of products and initiatives, specifically designed to support African sub-sovereigns in their trade and investment endeavours.

PANEL SESSIONS

The conference featured two panel discussions, moderated by Dr François Paul Yatta, Director of Programs, UCLGA, and Hon. Fredrick Gume Ngobi, Minister of State for Cooperatives of Uganda, respectively.

The first panel discussion focused on the role of sub-sovereign governments in implementing the African Continental Free Trade Area (AfCFTA), which entered into force in January 2021. The panelists highlighted the importance of sub-sovereign governments in creating an enabling environment for trade and investment, such as providing infrastructure, services, security, and regulatory frameworks. They also discussed the challenges they face, such as lack of capacity, resources, and coordination, as well as the opportunities they have, such as leveraging their comparative advantages, diversifying their economies, and attracting foreign direct investment.

The panelists for the first session were:

- Peggy Nkonyeni, MEC for Finance, KwaZulu-Natal, South Africa, who spoke about the initiatives taken by her province to support the AfCFTA, such as establishing a trade and investment promotion agency, developing a provincial trade strategy, and hosting the IATF2021 Trade and Investment Conference.
- H.E. AbdulRahman AbdulRazaq, Governor, Kwara State of Nigeria & Chairman, Nigeria Governors' Forum, who shared his vision of transforming Kwara State into a trade and investment hub, by improving infrastructure, security, and governance, as well as fostering partnerships with other sub-sovereign governments and the private sector.
- H.E. Prof. Peter Nyongo, Governor, Kisumu County, Kenya, who highlighted the potential of Kisumu County as a gateway to the East African Community and beyond, by leveraging its strategic location, natural resources, and cultural diversity. He also emphasized the need for sub-sovereign governments to align their policies and plans with the national and continental agendas.

- H.E. Oluwaseyi Makinde, Governor, Oyo State, Nigeria, who outlined the steps taken by his state to boost trade and investment, such as establishing an economic advisory council, launching a one-stop shop for investors, and creating a special economic zone. He also stressed the importance of sub-sovereign governments in addressing the social and environmental impacts of trade and investment, such as poverty, inequality, and climate change.
- Governor James Orengo, Siya County
- H.E. Senator Prince Bassey E. OTU, Governor, Cross River State, Nigeria, who showcased the achievements of his state in attracting and retaining investors, such as building a deep seaport, an industrial park, and a garment factory. He also called for more collaboration and integration among sub-sovereign governments, especially in the areas of infrastructure, energy, and transportation.

The second panel discussion focused on the need and modalities for setting up a sub-sovereign network to enhance intra-African trade and investment. The panelists agreed that there was a strong rationale for establishing such a network, as it would enable sub-sovereign governments to share best practices, exchange information, access resources, and advocate for their interests. They also discussed the possible objectives, membership, structure, and functions of the network, as well as the role of Afreximbank and other development partners in supporting its formation and operation.

The panelists for the second session were:

- H.E. Godwin Obaseki, Governor, Edo State, Nigeria, who proposed that the network should aim to create a common market for sub-sovereign governments, by harmonizing standards, regulations, and policies, as well as facilitating trade facilitation, dispute resolution, and market access. He also suggested that the network should have a rotating leadership, a secretariat, and a steering committee, as well as thematic working groups and regional chapters.
A poignant quote by H.E. Godwin Obaseki, Governor of Edo State, Nigeria, underscored the significance of sub-sovereign governments: "There are no federal citizens." This statement highlighted the crucial role of sub-sovereign entities in directly connecting with and impacting the lives of the people.
- H.E. Mbarka Bouaida, President of the Association of the Regions of Morocco, who shared the experience of her association in promoting regional development and decentralization in Morocco, as well as its involvement in various regional and continental initiatives, such as the African Peer Review Mechanism, the African Charter on Decentralization, and the Covenant of Mayors in Sub-Saharan Africa. She also recommended that the network should adopt a bottom-up and inclusive approach, involving all levels and types of sub-sovereign governments, as well as other stakeholders, such as the private sector, civil society, and academia.
- H.E. Charles Soludo, Governor of Anambra State, Nigeria, was represented by Christian C. Udochukwu, the Commissioner for Industry. Mr. Udochukwu conveyed Anambra's commitment to leveraging its position as an entrepreneurial hub, outlining the state's strategic initiatives to become a leading trade center, not just within Nigeria but across the African continent, in alignment with the African Continental Free Trade Area (AfCFTA). He highlighted Anambra's focus on harnessing technological advancements, emphasizing the state's ambition to foster tech startups and develop e-commerce

platforms. These initiatives are aimed at tapping into broader African markets, positioning Anambra as a key player in the digital economy under the auspices of the AfCFTA

- H.E. Dauda Lawal, Governor, Zamfara State, Nigeria, who highlighted the challenges faced by his state in terms of insecurity, poverty, and underdevelopment, as well as the efforts made to overcome them, such as launching a peace and reconciliation initiative, implementing a social protection program, and developing a mineral resources strategy. He also expressed his interest in joining the network and learning from the experiences of other sub-sovereign governments, especially in the areas of peacebuilding, governance, and resource management.
- Mr. M’Houdine Mohamed Zeine, Special Adviser to the Governor of Grande Comore (Ngazidja), Union of Comoros, who presented the specificities of his island, which is part of the Union of Comoros, a federal state composed of four autonomous islands. He also explained the challenges and opportunities of being an island state, such as the vulnerability to natural disasters, the dependence on maritime transport, and the potential for tourism and fisheries. He also expressed his willingness to participate in the network and benefit from the support of Afreximbank and other partners.
- Mr. Humphrey Oriakhi, Managing Director & Chief Executive Officer, PAC Holdings, who represented the private sector perspective and underscored the role of sub-sovereign governments in creating a conducive business environment, by providing infrastructure, security, and incentives, as well as reducing bureaucracy, corruption, and red tape. He also highlighted the benefits of the network for the private sector, such as providing a platform for dialogue, partnership, and advocacy, as well as facilitating access to markets, finance, and technology.

Outcomes

Key outcomes of the Third African Sub-Sovereign Governments Network (AfSNET) Conference can be summarized as follows:

- i. Facilitation of Business Engagements and Partnerships:
The conference successfully facilitated Business to Business (B2B) and Government to Business (B2G) sessions, leading to potential joint ventures, partnerships, and deal-making. Notable examples include:
 - a) Lotus Bank's commitment to finance specific projects, which includes Ogun State's initiatives in Cassava Farming Extension and Silica & Glass Manufacturing.
 - b) there were B2G meetings held at the sidelines of the AfSNET Conference. Notably, were the meetings with Hassan Allam Holdings (Construction) Ltd with the following states: Edo, Ogun, Ekiti, Oyo, and Kwara. These meetings immediately triggered the planning of visits to Nigeria by the managing director to finalize these discussions. He and his team arrive in Lagos, Nigeria, on Wednesday (Nov 22) and will be in the country till December 2nd with scheduled meetings with the Governors.
 - c) The Kisumu Lakefront Development Corporation will be a significant development project when funded.

- ii. **Showcasing of Afreximbank's Products:**
Dr. Gainmore Zanamwe, Acting Director, Intra-African Trade Bank presented its suite of products and initiatives, specifically designed to support African sub-sovereigns in their trade and investment endeavours.
- iii. **Promotion of Sub-Sovereign Project Showcase:**
The conference provided a platform for sub-sovereigns to identify, showcase, and promote trade and investment projects within their jurisdictions, aimed at attracting support and investors.
- iv. **Advocacy for Smooth AfCFTA Implementation:**
There was a focused effort to promote dialogue and advocate for the efficient implementation of the African Continental Free Trade Area (AfCFTA). The AfsNET/FORAF Panel Session titled "The AfCFTA and its Implementation by Sub-Sovereign Governments: Issues, Challenges, and Opportunities" was a significant part of this advocacy.
- v. **Networking and Deal-Making:**
The conference facilitated interactions and deal-making among attendees, contributing to the overall objective of enhancing intra-African trade and investment.

These outcomes reflect the conference's success in meeting its objectives, particularly in terms of promoting trade and investment in the context of the AfCFTA, fostering collaboration, and supporting sub-sovereign governments in Africa.

Recommendations and Way Forward

Importance of Follow-Up on Deals and Implementation:

- Recognizing the importance of continuity and tangible results, it is crucial for the Committee to monitor the progress of the deals and partnerships formed during the conference. Regular follow-ups and assessments of the implementation stages will ensure that the objectives set during the conference translate into concrete and beneficial outcomes for the involved parties, particularly in the context of enhancing intra-African trade and investment under the AfCFTA framework.

Establishment of an Advocacy and Decentralization Platform:

- Create a structured platform dedicated to advocacy and the strengthening of decentralization efforts. This platform will be responsible for overseeing governance, communication, and advocacy initiatives, ensuring a cohesive and effective approach to decentralization across the continent.

Development of a Dedicated AfsNET Website:

- Develop a specialised section for AfSNET under the UCLG Africa internet platform. This website will serve as a central hub for information, resources, and updates specific to AfSNET activities, facilitating better communication and resource sharing among members.

Creation of a Continental Database of Sub-Sovereigns:

- Compile a comprehensive database of sub-sovereign governments across Africa. This database should identify regional champions and key players in each area, facilitating networking, collaboration, and the sharing of best practices.

Structured Approach to Capacity Building and Knowledge Management:

- Implement a formalised framework for capacity building and knowledge management. This would involve regular training programs, workshops, and information-sharing sessions to enhance the skills and knowledge of sub-sovereign entities, thus improving their effectiveness in governance and development projects.

Establishing a Dedicated Secretariat:

- Set up a mini secretariat under FORAF to assist sub-sovereigns in the preparation, financing, and implementation of projects. This secretariat would act as an online 'Help Desk,' providing expert guidance, resources, and support to ensure the successful execution of trade and investment initiatives.

Focus on African Territorial Trade and Investment Agency (ATTIA):

- Prioritize the development and empowerment of the African Territorial Trade and Investment Agency (ATTIA). This agency, dedicated to funding local governance structures, would play a pivotal role in promoting and facilitating trade and investment activities.

Kisumu Economic Forum (March 13-14, 2024):

- Co-hosted by Kisumu County, Afreximbank, and UCLG Africa, this forum will be a critical event for advancing AfSNET's objectives. It will feature the launch of Kisumu's Local Economic Development study, serving as a vital model for trade and investment strategies within African sub-sovereigns.