

AFRICAN UNION

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## AFRICA INDUSTRIALIZATION WEEK 2024

DATE: 9<sup>th</sup> – 13<sup>th</sup> December 2024

Venue: Addis Ababa, Ethiopia

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### THEME

***“LEVERAGING ARTIFICIAL INTELLIGENCE (AI), GREEN INDUSTRIALIZATION, AND INTELLECTUAL PROPERTY FOR AFRICA'S TRANSFORMATION”.***

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### DRAFT CONCEPT NOTE

September 30<sup>th</sup>, 2024

## 1. BACKGROUND

- 1.1. The Assembly of Heads of State and Government of the Organization of African Unity (OAU) at its Twenty-fifth Ordinary Session held on 26<sup>th</sup> July, 1989 in Addis Ababa, Ethiopia (Resolution AHG/res. 180 (XXV)) declared 20<sup>th</sup> November of every year as the Africa Industrialization Day (AID). This declaration was endorsed by the UN General Assembly of 22<sup>nd</sup> December the same year. The AID presents an opportunity for key stakeholders, both from within Africa and abroad, to deliberate on Africa's industrialization agenda and explore strategies for altering the continent's current status quo. Since 2018, the Africa Industrialization Day has been commemorated with weeklong events, an innovation approach that departs from the traditional one-day setup. This change was made to provide more time for discussions and activities due to the significance of industrialization in advancing Africa's structural transformation. This was also on realization that the African Continental Free Trade Area (AfCFTA)-one of the African Union Agenda 2063 first ten-year flagship project's success hinges on developing an industrial sector that supplies this market. The commemoration of the AID thus gave birth to weeklong events known as "Africa Industrialization Week" (AIW).
  
- 1.2. On 25<sup>th</sup> November, 2022, the African Union Commission (AUC), in collaboration with United Nations Industrial Development Organization (UNIDO), United Nations Economic Commission for Africa (UNECA), African Union Development Agency-New Partnership for Africa's Development (AUDA-NEPAD), and the Afro-Champions Initiative, hosted the 17<sup>th</sup> Extraordinary Assembly of the AU Heads of State and Government in Niamey, Niger. The central theme of the summit was "*Industrializing Africa: Renewed Commitment towards Inclusive and Sustainable Industrialization and Economic Diversification*". The summit served as a platform to discuss and strategize on promoting industrialization across the continent. Industrialization is key to the success of the AfCFTA. Realizing the need to ensure inclusivity within the AfCFTA market as well as in line with the protocol on Women and Youth, the summit directed that the African Women in Processing (AWIP) Summit should be held every year on the sidelines of the AIW. This initiative seeks to address the gender gaps in the manufacturing sector by providing a forum for African women to exchange experiences, access new opportunities, and establish partnerships-key to achieving Africa's aspirations embedded in the African Union Agenda 2063, *the Africa We want*.
  
- 1.3. The 17<sup>th</sup> Extraordinary Assembly convened to address the prevalent issues hindering African industrialization and economic diversification. The assembly underscored the necessity of implementing imperative measures that would create a conducive environment for economic progress. This includes, but is not limited to, infrastructure development, workforce skill enhancement, and favorable investment financing. The

Assembly highlighted the need to seamlessly and simultaneously address the many barriers to African industrialization. One of the key factors hindering the growth of industry in Africa is the infrastructure gap. The Assembly emphasized the need for significant infrastructure development, which will lay a solid foundation for industrial growth and diversification. Another crucial factor discussed was workforce development. Investing in skills training and education will ensure that Africa has a skilled workforce ready to contribute to its burgeoning industrial sector. The Assembly also stressed on the importance of providing favorable financing for businesses willing to invest in productive sectors. This will encourage both domestic and foreign investments, furthering economic growth.

- 1.4. Industrialization and economic diversification in Africa can be significantly boosted by leveraging Artificial Intelligence (AI) and green industrialization. Apart from these, the AfCFTA provides a large market for African Manufacturers hence economies of scale and increased competition. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) sets global standards for IP protection, promoting private investment, research, foreign direct investment, technology transfer, and value addition. At the continental level, the AfCFTA Protocol on investment also takes cognizance of the importance of IPRs as they are key to fostering innovation, competitiveness, sustainable development, and economic growth.
  
- 1.5. The 2024 Africa Industrialization Week is set to take place from 3<sup>rd</sup> to 7<sup>th</sup> of December 2024 in Kampala and will be held under the theme: “**Leveraging Artificial Intelligence (AI), Green Industrialization, and Intellectual Property for Africa's Transformation**”. This five-day high-level event is designed to bring together key stakeholders for comprehensive multi-stakeholder dialogue. This event, under ETTIM's Division of Industry, Minerals and Innovation (IMI), focuses on harnessing AI and green manufacturing innovations for sustainable industrialization. Effective Intellectual Property (IP) protection, compliant with the TRIPS Agreement, will catalyze innovation, technology transfer, and foreign direct investment. The event aims to build stronger policy advocacy, harness AI's power in reviving industrial sectors, improve efficiency, boost productivity, and foster innovation. Alongside, the 3<sup>rd</sup> African Women in Processing Summit (3<sup>rd</sup> AWIP) will underscore commitment to progressive development, encouraging investments in Education, Research, and Innovation across Africa. Building capacity in AI is crucial for Africa's prosperous future, and green industrialization is key to sustainable growth. By embracing AI, green technologies, and IP rights, Africa can leapfrog traditional industrial stages and enhance global competitiveness.

## 2. CONTEXTUAL ISSUES

- 2.1. The African Union's 2024 theme, "**Educate an African fit for the 21st Century**," underscores the imperative for innovative and technologically-driven industrialization, aligning with CESA 2016-2025, SDG 2030, and Agenda 2063. Africa's industrial growth hinges on advanced technical skills in Artificial Intelligence (AI) and green technologies, with effective Intellectual Property (IP) protection, compliant with the TRIPS Agreement, catalyzing innovation, technology transfer, and foreign direct investment (WIPO, 2022). According to the United Nations (2020), technology transfer and cooperation are critical for achieving the Sustainable Development Goals (SDGs). By integrating AI, green technologies, and IP rights, Africa can leapfrog traditional industrial stages, fast-track sustainable development, and enhance global competitiveness, driven by initiatives like the Niamey Decisions to establish the African Manufacturing Institute (AMI). Africa's future prosperity depends on its ability to harness science, technology, and innovation. Strategic partnerships and capacity-building programs will ensure inclusive and resilient growth.
- 2.2. Africa stands at a crossroads of rapid socio-economic change, driven by advanced technologies and the need for sustainable industrial development. Harnessing Artificial Intelligence (AI) and green industrialization can accelerate structural transformation, boost intra African trade, driving Africa's emergence as a significant global economic player. Effective Intellectual Property (IP) protection, compliant with the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, will catalyze innovation, technology transfer, and foreign direct investment. As the nature of work evolves with technological progress, market integration, and new production methods, IP rights will foster creativity, entrepreneurship, and job creation, mitigating disruption and unlocking new opportunities for sustainable growth and global competitiveness<sup>1</sup>.
- 2.3. Intellectual Property (IP) is crucial for value addition in products, services, and economies, particularly in the knowledge-based economy where intangible assets dominate global trade flows. With Artificial Intelligence (AI) and Green Industrialization amplifying IP's significance, companies proactively exploit IP rights to capture value, improve competitiveness, and influence markets. IP-intensive industries benefit employment and trade, generating 63 million jobs (29% of EU employment) and €182 billion trade surplus (2016 EU GDP), and 41% of US GDP (\$7.8 trillion) and 44% of employment<sup>2</sup>. In Africa, IP rights promote investment, innovation, and value addition, boosting technology markets vitality, cutting transactions costs, and fostering

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<sup>1</sup> The Changing Nature of Work: <https://pubdocs.worldbank.org/en/923491519602595879/2019-WDR-Concept-Note-Feb-25.pdf>

<sup>2</sup> USPTO Intellectual Property and the U.S. Economy (2019), 3rd edition

innovation and economic growth<sup>3</sup>. Effective IP protection and strategic exploitation will drive Africa's industrialization and economic transformation, enhanced by AI-powered IP management, green technologies, and sustainable innovation.

- 2.4. In the African context, a comprehensive few studies regarding the contribution of IPR-Intensive industries have been studied, that analyzed the relationship between IP rights, innovation and value addition in the six African countries, namely: Benin, Cote d'Ivoire, Senegal, Kenya, South Africa and Tunisia. The results of the study were not conclusive: In the majority of the countries, IP rights emerged as a firm instrument for promoting investment and innovation which ignites value added creation, and; innovation featured as the source of added value creation, economic growth and development. However, for some countries, namely Cote d'Ivoire and Senegal, IP rights brought a negative impact although not significant<sup>4</sup>. The study further concluded that IPR play an important role in value addition by boosting technology markets vitality and transactions cost-cutting. It also emerged from the study that by fostering innovation, its use and imitation, IP rights promote value addition, economic growth and development<sup>5</sup>.
- 2.5. AI and automation are poised to transform traditional industries, giving rise to novel forms of work and shifting demand for skills<sup>1</sup> in Africa. AI can also enhance trade under the AfCFTA especially on trade facilitation. AI ecosystem exists in Africa, with pockets of activity that could be prioritized, coordinated, and funded to result in an energized and productive AI infrastructure<sup>6</sup>. For example, Mauritius ranks 45<sup>th</sup> in the world on the 2022 global Government AI Readiness Index<sup>2</sup>. This demonstrates that some African countries are making significant progress in adopting AI technologies. However, it's crucial to note that the adoption of AI across Africa is not uniform. While some countries have made substantial progress others are still at their early stages.
- 2.6. Building capacity in AI requires investment in education, research, and innovation<sup>2</sup>. This involves creating "innovation universities" that integrate teaching, research, community service, and commercialization<sup>2</sup>. These institutions will play a crucial role in equipping young Africans with the skills necessary to drive AI-led industrialization<sup>2</sup>. Furthermore, the role of green industrialization presents an opportunity for Africa to

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<sup>3</sup> Ibidem at 6

<sup>4</sup> Oloukoi L & Senou M 'Intellectual property rights and innovation: Implications for added value creation in Africa' (2016) 15 British Journal of Economics, Management & Trade 3

<sup>5</sup> Ibidem at 6

<sup>6</sup> Responsible artificial intelligence in Sub-Saharan Africa: landscape and general state of play: <https://idl-bnc-idrc.dspacedirect.org/handle/10625/59997>

pursue economic growth while minimizing environmental degradation<sup>7</sup>. This involves transitioning towards renewable energy sources, adopting cleaner production and trading methods, and promoting sustainable consumption habits<sup>6</sup>. And lastly, the advent of digital platforms has created new forms of work that were previously unimaginable<sup>8</sup>. From online customer service providers to social media managers, these jobs represent a form of "cyber-industrialization," which leverages the power of the internet and AI technologies<sup>7</sup>.

- 2.7. Despite the promising potentials, integrating AI into Africa's economic landscape is not without challenges. A key concern is the potential creation of a new digital divide due to the complex technological conditions needed to advance AI<sup>1</sup>. In addition, there are concerns about data privacy and security associated with the use of AI. For instance, the misuse of personal data in public service delivery could harm marginalized populations<sup>9</sup>. Moreover, while AI technologies can be applied beneficially, they can also be harnessed maliciously. There have been cases of hackers using advanced technologies to compromise systems or networks<sup>10</sup>. Such threats necessitate the need for robust cybersecurity measures to safeguard against the malevolent use of AI.

### 3. **OBJECTIVES**

- 3.1. The overall objective emphasizes building synergies between policy, investments, innovation, and capacity building across sectors to effectively leverage AI and green solutions for inclusive and sustainable industrial development in Africa, as underlined below. The following are the specific objectives:
- i. Build stronger policy advocacy around leveraging AI, green industrialization, AfCFTA and effective Intellectual Property (IP) protection for innovative growth.
  - ii. Highlight strategies and best practices for harnessing AI, IP and green technologies to boost productivity and intra-African trade.

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<sup>7</sup> Reviving industrialization in Africa: <https://www.emerald.com/insight/content/doi/10.1108/978-1-78743-783-820192021>

<sup>8</sup> The cyber-industrialization of catfishing and romance fraud:

<https://www.sciencedirect.com/science/article/pii/S0747563223004843>

<sup>9</sup> Digital discretion and public administration in Africa: Implications for the use of artificial intelligence: <https://journals.sagepub.com/doi/abs/10.1177/02666666922117526>

<sup>10</sup> Malicious use of artificial intelligence in Sub-Saharan Africa: Challenges for Pan-African cybersecurity: <https://journals.rudn.ru/international-relations/article/view/31408>

- iii. Promote investments in AI solutions, IP-intensive industries and green technologies to transform key industries that will supply the AfCFTA market.
- iv. Facilitate experience and knowledge sharing on integrating AI, IP and green technologies in production systems among policymakers, industries, academia, civil society and development partners.
- v. Showcase innovative AI, green industrialization, and IP use cases by youths and women entrepreneurs in Africa.

#### **4. EXPECTED OUTCOMES**

4.1 The following are the expected outcomes:

- i. Strengthening policy frameworks supporting integration of AI, green industrialization and IP in Africa's development policies and strategies at national, regional and continental levels.
- ii. Increased awareness and knowledge on the applications of AI, and IP in enhancing industrial development and the AfCFTA.
- iii. Enhanced collaboration between policymakers, industries, academia and other stakeholders to develop sector-specific AI adoption roadmaps.
- iv. Increased knowledge on databases and knowledge exchange platforms developed to showcase AI green technology, and IP innovations by youth and women entrepreneurs in Africa.
- v. Comprehensive policy recommendations and action plans developed for mainstreaming AI, green technologies and IP in Africa's development policies and strategies.
- vi. Increased commitment and collaborative funding initiatives for AI research and development from stakeholders to advance Africa's industrialization and the AfCFTA.

#### **5. WHO WILL ATTEND?**

5.1 The AIW2024 participants expected at this event are as follows: African Heads of State and Government; African Ministers responsible for Industry, Trade, Mining and Investment and other relevant ministries; Heads of regional and international development institutions including the UN agencies; Chief Executives of Regional Economic Communities; Regional and International Development Finance Institutions; representatives of the private sector, civil society, Youth start-Ups, African Women in

Processing and other stakeholders involved in the industrialization agenda in the continent. Inclusion of women and youth start-ups ensures that the future leaders and innovators get a chance to voice their creative ideas and get invaluable exposure, as well as for achieving gender parity in industry and promoting women empowerment.

## **6. VENUE AND DATES**

6.1 The Africa Industrialization Week event 2024 will take place in Addis Ababa, Ethiopia from **9<sup>th</sup> –13<sup>th</sup> December 2024**.

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