



**SEVENTEENTH EXTRAORDINARY SESSION
OF THE ASSEMBLY OF THE AFRICAN UNION
ON INDUSTRIALIZATION AND ECONOMIC DIVERSIFICATION
25 November 2022
NIAMEY, NIGER**

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DRAFT DECISION

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**DECISION ON AFRICA'S INDUSTRIALIZATION AND ECONOMIC
DIVERSIFICATION**

The Assembly,

TAKES NOTE with concern of the slow progress recorded so far on the implementation of the Industrial Development Decades for Africa (IDDA) I, II and III, Strategy for the Implementation of the Action Plan for Accelerated Industrial development of Africa (AIDA) and other Continental Strategies and Programmes relevant to industrialization, structural transformation and development towards the achievement of the African Union Agenda 2063;

REAFFIRMS that achieving the Vision and Aspirations of Agenda 2063, will require an equally ambitious, comprehensive, holistic and transformative approach with respect to sustainable financing mechanisms;

ALSO REAFFIRMS its determination to ensure that Africa's industrialization and economic diversification is financed in a predictable manner with the full ownership by its citizens;

RECALLS the need for leveraging the capacity of the private sector in driving Africa's Industrialization and Economic Diversification;

FURTHER REAFFIRMS the importance of identifying and addressing the impediments to productivity and growth through infrastructural development, energy, access to finance, digitalization, innovation, and skills development to achieving economic diversification;

UNDERScores the benefits of an African Commodity-Based Industrialization in optimizing the utilization of African commodities to drive value addition and sustainable industrialization through the development of Industrial Parks and Special Economic Zones (SEZ) for transformative and inclusive development;

RECALLS Executive Council Decision EX.CL/Dec.1144(XL) that endorsed the Africa Quality Policy;

ALSO RECALLS Executive Council Decision (EX.CL/Dec.1032(XXXIV) in February 2019 that adopted the African Union Strategy on Small and Medium Enterprise/Industries and its Delivery Framework;

TAKES NOTE of the urgent need to align technical skills with the changing priorities of competitiveness to develop the necessary human capital for an inclusive and sustainable industrial development, and enhance university-industry cooperation as a strategic vehicle to building national innovation, technology development and management capacity;

REAFFIRMS the importance of a comprehensive implementation plan and follow-up mechanisms to track the progress made, and devise strategies to overcome the challenges faced;

DECIDES as follows:

1. **ACCELERATE** a Commodity-Based Industrialization as an engine of growth, productive jobs and economic diversification through a regional value chains on the continent's natural resources endowments, with priorities on health and pharmaceutical, automotive, minerals beneficiation, food and nutrition and apparels of cotton industries in order to reduce the continent's external dependency; **REQUEST** the Commission to prepare a report with clear recommendations concerning strengthening regional value chains ;
2. **MASSIVELY INVEST** in infrastructure and energy with the support of financial institutions and partners to reduce production costs, and boosts the competitiveness of the African economies;
3. **ENHANCE** domestic resource mobilization to ensure sustainable financing on Africa's industrialization, and allocate a minimum of 5 - 10% of the National Budget dedicated to the Industrial Development;
4. **COMMIT** to develop sustainable Special Economic Zones and Industrial Parks as well as work with and supporting existing ones in Member States as a means to overcoming existing industrial infrastructure constraints, and become hubs for regional value chain integration;
5. **URGE ALL** Member States to have regular dialogue with the Private Sector in order to scale up high level engagement on Industrialization;
6. **CALL UPON** the African Business Council (AfBC) and the Pan African Manufacturers Association (PAMA) to mobilize investments in Africa directed towards manufacturing and agro-processing;
7. **ENDORSE** the African Union Small and Medium Strategy, and **URGE** the African Union Commission to establish and operationalize the Africa Enterprise Network;
8. **INSTRUCT** the African Union Commission with other relevant institutions to step up their support to Member States in creating an enabling business environment for private sector to thrive;
9. **DIRECT** the African Union Commission to work with the African Regional Standards Organization (ARSO) and the Pan-African Quality Infrastructure (PAQI) to expedite the finalization of the Made in Africa Standards and Guidelines;

10. **RESERVE** a minimum of 10% of public procurement to local enterprises, in order to strengthen the private sector development and Industrialization;
11. **ESTABLISH** a program for industrial linkages between the educational system and the labour market aimed at promoting competitiveness of the private sector through development of soft and hard skills necessary for industrialization in particular in the areas of Science, Technology, Engineering, and Mathematics (STEM); Technical and Vocational Education and Training (TVET), Robotics and Artificial Intelligence;
12. **REQUEST** the African Union Commission to work in collaboration with the African Capacity Building Foundation (ACBF) to prepare a feasibility study, for consideration by the AU Policy Organs, on the establishment of an African Manufacturing Institute to support Member States and the Private Sector in the development of modern manufacturing skills and fostering innovation in the manufacturing sector that will accompany the ongoing structural economic transformation in Africa. The study includes, inter alia, the value addition expected from the Institute and the legal, financial and structural implications of establishing the institute
13. **INSTRUCT** the African Union Commission to work closely with AUDA-NEPAD, UNIDO, AfDB and other relevant institutions to produce and widely disseminate amongst Member States an annual Africa's Industrial Development Report base on an African Industrial Development Index, and fast-track the establishment of the African Industrial Observatory.
14. **APPOINT** H.E Mohamed Bazoum, President of the Republic of Niger as the African Union Champion on Inclusive and Sustainable Industrialization and Productive Transformation, to provide political leadership and awareness, and ensure a follow-up on the progress regarding the industrial development on the continent in order to achieve Africa's transformation under the "*African Union Agenda 2063, The Africa We Want*".
15. **DIRECT** the African Union Commission to set-up an Inter-Institutional Coordination Mechanism to provide technical assistance to the AU Champion on Inclusive and Sustainable Industrialization and Productive Transformation. The Inter-Institutional Mechanism should work with Member States, RECs, AUDA-NEPAD, UNIDO, UNECA, ITC, the Pan-African Private Sector, AfDB, Afreximbank, BADEA, and other relevant partners in order to ensure coordination, harmonization, information sharing and resources mobilization for the follow-up on the implementation of the decisions relevant to the Africa's Industrialization, and report on progress at each Session of the Assembly.
16. **REQUEST** the Commission to prepare an action plan for the provisions of this decision with a clear monitoring and evaluation process for implementation, as well as a resource mobilization plan to ensure that the outcomes will be implemented.

COVID-19 TRIPS WAIVER

17. **RECALL** the Pharmaceutical Manufacturing Plan for Africa (PMPA) which is designed to catalyze local pharmaceutical production on the continent which in turn should contribute to improved health security in Africa.
18. **AFFIRM** the Decision of the 34th Summit of the African Union to support the WTO Waiver from certain provisions of the TRIPS Agreement for the Prevention, Containment and Treatment of COVID-19 as contained in WTO Document IP/C/W/669 as critical to ramping-up and diversification of production of COVID-19 medical products across the world;
19. **DECIDE** that exceptional circumstances exist justifying the extension of the MC12 Ministerial Decision on the TRIPS Agreement to cover therapeutics and diagnostics to ensure a comprehensive response for the prevention, containment and treatment of COVID-19 so as to diversify production, especially in Africa that accounts for less than 5% of global production of all medical products which exposes Africa`s vulnerabilities and fragility in times of pandemics and calls on all WTO Members to support the extension of the TRIPS Waiver to cover the production and supply of COVID-19 diagnostics and therapeutics no later than 17 December 2022.