

AFRICAN UNION
الاتحاد الأفريقي
UNIÓN AFRICANA



UNION AFRICAINE
UNIÃO AFRICANA
UMOJA WA AFRIKA

Addis Ababa, Ethiopia P. O. Box 3243 Telephone: +251 115 517 700 Fax: +251 115 517 844
Website: www.au.int

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

Ext/Assembly/AU/Draft/Decl.1(XVII)
Original: English

DRAFT DECLARATION

TABLE OF CONTENTS

SR. NO.	DECLARATION	TITLE	PAGES
1.	Ext/Assembly/AU/Decl.1 (XVII)	NIAMEY DECLARATION ON INDUSTRIALIZATION AND ECONOMIC DIVERSIFICATION	

DRAFT NIAMEY DECLARATION ON INDUSTRIALIZATION AND ECONOMIC DIVERSIFICATION

25 NOVEMBER, 2022

WE, Heads of State and Government of the Member States of the African Union (AU) meeting on 25th November 2022, for the 17th Extraordinary Session of the Assembly of the African Union on Industrialization and Economic Diversification in Niamey, Republic of Niger;

HAVING deliberated on the theme “Industrializing Africa: Renewed Commitment towards Inclusive and Sustainable Industrialization and Economic Diversification”;

ACKNOWLEDGING that Agenda 2063 and the 2030 Agenda for Sustainable Development Goals offer a unique opportunity for Africa to design and implement a coherent and effective development pathway that strengthens and sustains economic growth through sustainable industrialization and leads to a socially inclusive society that works for the well-being of all its people, through appropriate efforts to fight against poverty and inequalities, and offering opportunities of upward mobility to all, including women and young people;

COMMENDING the entry into force of the Agreement Establishing the African Continental Free Trade Area (AfCFTA), the hosting of the AfCFTA Secretariat in Accra, Ghana, and the start of trading under this Agreement on 1 January 2021;

RECOGNIZING that the sustainability of the AfCFTA calls for a strong commitment to accelerate Africa’s productive transformation with a view to building resilient regional value chains for a continental and global productive and competitive economy to fulfil the vision and Aspirations of the African Union’s Agenda 2063;

RECALLING the Industrial Development Decades for Africa (IDDA) I, II and III, the Strategy for the Implementation of the Plan of Action for Accelerated Industrial Development of Africa (AIDA) and other continental strategies and programmes relevant to industrialization;

NOTING WITH CONCERN the slow progress recorded so far on the implementation of these continental strategies and programmes in the light of their limited impact on industrialization, structural transformation and overall development towards the achievement of the ultimate goals of the African Union Agenda 2063;

COGNIZANT that the COVID-19 pandemic, the current geo-political situations and climate change pose unprecedented threats on Africa’s economic growth;

FURTHER RECOGNIZING that the interlinked and cascading effects of climate change, drought and land degradation, bio-diversity loss and pollution threaten the ecological foundation of our economies and the lives and livelihood of millions across the Continent;

MINDFUL OF the deleterious impact of the global crises on African productive capacities, including capital accumulation, and productivity, and on social outcomes including poverty and inequalities;

STRESSING the critical importance of industrial development for economic diversification, value addition, and structural transformation as a critical source of sustained economic growth for African countries;

HAVING EXAMINED the major structural challenges to industrialization within the continent, in the current context of global situation, and the various ways of overcoming them;

RECOGNIZING that economic diversification through an inclusive and sustainable industrial development that build upon Africa's human and natural resource potential is a dynamic tool for poverty eradication, economic resilience and structural transformation;

UNDERSCORING the benefits of an African commodity-based industrialization in optimizing the utilization of African commodities to drive value addition, sustainable industrialization through development of industrial parks and Special Economic Zones (SEZs) for transformative and inclusive development;

BEING AWARE of the need to facilitate production of high-quality goods and services in Africa through harmonization of standards, technical regulations and conformity assessment systems for market access through the elimination of technical barriers to trade;

RECOGNIZING that the Fourth Industrial Revolution (4IR) and the digital transformation of industry are a driving force for innovative, inclusive, resilient and sustainable growth;

EMPHASIZING the transformative role that enhanced productive capacities in African industries, including health and pharmaceutical industries can play in strengthening health systems and health security towards socio-economic development;

FURTHER RECOGNIZING the urgent need to complement the public health agenda with a health industry development dimension, that can drive a truly transformational process enhanced through the facilitation of private sector partnerships, technology transfer and investment, skills development, access to affordable finance, mutual recognition of compliance with quality and standards requirements, trade facilitation efforts, and access to adequate infrastructure;

BEING COGNIZANT that fostering economic and social transformation in Africa will require a substantial amount of financial and non-financial resources from all sources;

COGNIZANT of the unpredictability of external financial resources, and underscoring the fundamental role of domestic resources as the main source of finance for economic and social transformation in line with the Addis Ababa Action Agenda of the Third International Conference on Financing for Development;

BEING COGNIZANT that investment by the diaspora network can deepen Africa's inclusion in global financial market and boost foreign direct investments in the continent;

HEREBY DECIDE:

ON STRUCTURAL TRANSFORMATION, ECONOMIC DIVERSIFICATION AND INDUSTRIALIZATION

1. **REITERATE** our resolve to achieve the goals and objectives of industrialization set in Agenda 2063 and its flagship projects as well as the various continental programmes and strategies towards structural transformation and productive diversification;
2. **REAFFIRM** our commitment to the upgrading and diversification of our economies for increased value addition and transformation of commodities through productive capacities, as well as the development of competitiveness in all productive sectors to take advantage of the AfCFTA market and enhance Africa's position in the global economy;
3. **RESOLVE** also to advance the Quality Policy and promotion of Africa branded products should be meant to improve the quality of products so that they are competitive enough to trade at the global arena;
4. **CALL UPON** the African Union Commission to elaborate industrial policies and programmes to support industrialization, economic diversification and the objectives of the AfCFTA.
5. **ALSO CALL UPON** the African Union Commission and the African Union Development Agency (AUDA-NEPAD) in collaboration with Regional Economic Communities (RECs), to support the completion of all outstanding phases of the ongoing AfCFTA negotiations focusing on investment, intellectual property, competition and e-commerce protocols and ensure that such negotiations support the integration and transformative agenda for Africa to foster industrialization, digital transformation, skills upgrading and infrastructure development through the implementation of continental programmes, such as the Programme for Infrastructure Development in Africa (PIDA PAP2), the Comprehensive Africa Agriculture Development Programme (CAADP), the Digital Transformation Strategy for Africa (DTSA), the Science, Technology and Innovation Strategy for Africa (STISA) and the Action Plan for the Accelerated Industrial Development of Africa (AIDA);

6. **FURTHER CALL UPON** the African Union Commission, AUDA-NEPAD, the African Development Bank (AfDB), Afreximbank, Arab Bank for Economic Development in Africa (BADEA) and the African Trade Insurance Agency (ATI) to consider the feasibility of setting up an African Development Financial Institutions Coordination Mechanism and a Fund dedicated for Africa's industrialisation following the due processes of the Union;
7. **URGE** AUDA-NEPAD and the AfCFTA Secretariat, in collaboration with the AUC and with the support of other Partners such as BADEA, Afreximbank and Africa Solidarity Fund to undertake country impact assessments on implementation of the provisions of AIDA and AfCFTA so as to identify national and regional challenges as well as opportunities to be factored by Member States during the design of their National Development Plans, and to accelerate regional integration.
8. **CALL UPON** the Member States to implement policies aimed at the inclusion of African diaspora in the on-going development process to accelerate the continent's economic transformation through increased direct investment, transfer of know-how and experience of foreign markets.

ON ENERGY AND SUSTAINABILITY

9. **URGE** the African Union Commission and the AUDA-NEPAD, in collaboration with the Regional Economic Communities (RECs), the United Nations Economic Commission for Africa (UNECA), the African Development Bank (AfDB), the AFREXIMBANK, Arab Bank for Economic Development in Africa (BADEA), the African Trade Insurance (ATI) Agency, the United Nations Industrial Development Organization (UNIDO), in liaison with the African Energy Commission (AFREC) to support Member States to significantly scale up energy investments as a fundamental priority for Industrial Development;
10. **COMMIT** to urgently engage in robust and innovative actions aimed at strengthening energy security and promote the growth of the green economy, making use of all available opportunities to continually accelerate Africa's clean energy transition to ensure universal energy access, availability of water for livelihood and green industrialization;
11. **DECIDE** to advance the emergence of trading and investment corridors across sub-regions of the continent, placing particular focus on green technology-enabled manufacturing clusters in rural and urban corridors, taking into account the need to promote universal access to energy;
12. **RESOLVE** to ensure that, by promoting investments in sustainable patterns of production and consumption, industrialization efforts in Africa acknowledge international environmental agreements and commitments - including the climate

commitments under the Paris Agreement, the UN Convention on Biological Diversity (CBD) and the UN Convention to Combat Desertification (CCD);

13. **CALL UPON** the international community to support Africa's effort to leapfrog to an inclusive, resource efficient and low carbon economy through the promotion of Green industrialization and circular economy based on efficient utilization of natural resource endowments;

ON INTELLECTUAL PROPERTY PROTECTION

14. **CALL FOR** the operationalization of the Pan African Intellectual Property Organization (PAIPO);
15. **ASSERT** the need to create mechanisms for intellectual property protection and commercialization, especially in the creative art and fashion industries, where Africa has special advantages.

ON HEALTH AND PHARMACEUTICALS

16. **COMMIT** to a collaborative approach to creating an overall market environment that supports investment in, and development of the health industry in Africa in order to improve the availability of, and access to affordable, safe and efficacious medicines and health products and make full use the WTO TRIPS Flexibilities;
17. **REQUEST** the Commission to continue providing support to the Conference of the States Parties to the African Medicines Agency (AMA) Treaty and Rwanda, host of the AMA Headquarters, in the rapid operationalization of the Agency including its regional offices;
18. **ENCOURAGE** Member States that have signed the AMA Treaty to ratify it and **CALL ON** other Member States to sign and ratify the Treaty to safeguard public health, safety and security by operationalizing a medicines regulatory agency that will improve access to quality, safe and efficacious medicines and medical products on the Continent.
19. **CALL UPON** the African Union Commission in collaboration with the AUDA-NEPAD to strengthen collaboration in reviving and supporting the achievement of the goals of the Pharmaceutical Manufacturing Plan for Africa (PMPA) through improved procurement, including pooled procurement and supply chain management system as innovative mechanisms to incentivise local manufacturing and foster a conducive business environment that facilitates the attraction of leading generic pharmaceutical manufacturers to either build plants locally or to partner with local manufacturers and equip them to produce their products under licensed manufactures or in Joint-Ventures.

ON DIGITALISATION

20. **CALL UPON** the African Union Commission, AUDA-NEPAD, United Nations Industrial Development Organization (UNIDO), United Nations Economic Commission for Africa (UNECA) and the Afro-Champions Initiative to accelerate digital cooperation and partnership initiatives for the digital transformation of industry;
21. **URGE** the African Union Commission, AUDA-NEPAD, United Nations Industrial Development Organization (UNIDO), United Nations Economic Commission for Africa (UNECA) and the Afro-Champions Initiative to implement a comprehensive mapping of innovation and digitalization initiatives, policies, strategies, and stakeholders, to improve coordination, identify potential synergies and support the scaling-up of pioneering activities;
22. **COMMIT** to strengthening institutions to design and implement support tools that facilitate the promotion of dynamic innovation ecosystems that enable to fully utilize the opportunities of the fourth industrial revolution through digital start-ups in Africa with a view to harnessing the transformative potential of young entrepreneurs and boost economic diversification and transformation;

ON INNOVATION, ENTREPRENEURSHIP AND PRIVATE SECTOR DEVELOPMENT

23. **FURTHER COMMIT** to reinforcing our efforts to strengthen innovation, research and development in Africa as a basis to develop capabilities and capacities by using global knowledge and developing domestic capabilities to accelerate industrialization and to leverage the Continent's expertise;
24. **REAFFIRM** that governmental support in improving the business and investment climate, and strengthening of business intermediary and investment promotion organizations will remain at the centre of our priority reform for creating a business environment conducive to private sector development to achieve inclusive and sustainable growth in Africa through industrialization and creation of employment opportunities;
25. **CALL** for the synchronization of African Investment Policies while giving due focus to investment promotion policies, continuity of ongoing collaboration between the African Union Member States, reduction/removal of tariff and non-tariff trade barriers, and enabling reliable mechanisms, establishment of the requisite conducive business environment for the private sector to flourish through strengthened regulatory systems;
26. **CALL UPON** the Members States to create an ecosystem where the African micro, small and medium-sized enterprises (MSMEs) can thrive by easing access to skilled labour, finance and managerial expertise by operationalizing the Enterprise Africa Network.

27. **URGE** that much greater attention be given to expanding and strengthening local entrepreneurship, removing the various structural obstacles to redressing Africa's infrastructural deficits, and accelerating the efforts that have been made to date to remove practices that increase transaction costs to the detriment of industrial development;
28. **CALL FOR** a better leveraging of opportunities for the development of women and youth entrepreneurship as a credible strategy for inclusive growth to ensure that Africa's youthfulness is translated into a full demographic dividend;
29. **REAFFIRM** that achieving gender equality, empowering all women and girls, and the full realization of their human rights are essential to achieving sustained, inclusive and equitable economic growth and sustainable development.
30. **REITERATE** the need for gender mainstreaming, including targeted actions and investments in the formulation and implementation of all financial, economic, environmental and social policies.
31. **RECOMMIT** to adopting and strengthening sound policies and enforceable legislation and transformative actions for the promotion of gender equality and women's and girls' empowerment at all levels.

ON SKILLS DEVELOPMENT AND HUMAN CAPITAL

32. **COMMIT** to develop the necessary skill-sets for the development of an inclusive and sustainable industrial development and enhance university-industry cooperation as a strategic vehicle to build national innovation and technology development and management capacities;
33. **FURTHER COMMIT** to:
 - (i) include in our national development plans initiatives to support the implementation of the AU Roadmap on Harnessing the Demographic Dividend through Investments in the Youth (young men and women) alongside the four thematic pillars namely, employment and entrepreneurship; education and skills development; health and wellbeing; and rights, governance and youth (and women) empowerment;
 - (ii) strengthen Africa's evolving secondary and higher education systems in particular in the areas of Science, Technology, Engineering and Mathematics (STEM); Technical and Vocational Education and Training (TVET); and
 - (iii) mobilize and allocate domestic resources and to promote partnerships in support of the aforementioned initiatives on harnessing the demographic dividend;
 - (iv) Introduce commercial knowledge at the level of kindergarten and above;

- (v) Undertake to do the following: (i) investing in more and better skills; (ii) aligning education with labour market needs; (iii) improving school-to-work transition; (iv) encouraging the long-term adaptability of skills; and (v) promoting international skills mobility with a particular focus on mobilizing and allocating domestic resources and promoting partnerships with a view to aligning skills with the priorities of a competitive industrial sector.

ON FINANCING AND RESOURCE MOBILISATION FOR INDUSTRIALIZATION

- 34. COMMIT** to enhancing domestic resources mobilisation to ensure sustainable financing of Africa's industrialization;
- 35. CALL UPON** the African Union Commission and the AUDA-NEPAD to assist Member States in their efforts to broaden and diversify financial products for industrialization through innovative financial mechanism such as sovereign wealth funds (SWFs), pension funds, insurance savings, private equity funds, diaspora and sovereign bonds, impact investing, green bonds, remittances, public-private partnerships (PPPs) — as well as the curtailment of illicit financial flows and tax evasion practices;
- 36. ALSO CALL UPON** Member States to allocate a minimum of 5 - 10% of the national budget to industrial development;
- 37. FURTHER CALL UPON** the Africa's development finance institutions to consider creating an African Development Finance Institutions Working Group and to study the feasibility and financial implications of setting a Fund for Industrialization under the auspices of the African Union Commission, the AUDA-NEPAD, the African Development Bank and the Afreximbank, Arab Bank for Economic Development in Africa (BADEA), following due processes of the African Union.
- 38. RECOMMIT** to redouble efforts to reduce illicit financial flows with a view to eliminating them, including by combating tax evasion and corruption through strengthened national regulation and increased international cooperation;
- 39. URGE** Member States that have not yet signed and ratified the Legal Instruments establishing the AU Financial Institutions (African Investment Bank, African Monetary Fund, African Central Bank and the Pan-African Stock Exchange) to expedite their signing and ratification as a way of widening continental financial mechanism for industrialization and development;
- 40. URGE** the international community to deliver on their financial, technology transfer investment and human capital development commitments to achieve Africa's industrialization through the implementation of AU Agenda 2063 and the UN Sustainable Development Goals;

41. **FURTHER URGE** Africa's development finance institutions to play an intermediary role between African States and international finance institutions towards reviewing their lending policies and related risk assessments, terms and conditions for accessing loans with a view of their adaptation to Africa's industrial development and structural transformation needs;
42. **WELCOME** with appreciation the commitment of African Financial Guarantee Institutions: African Solidarity Fund (ASF), the African Guarantee and Economic Cooperation Fund (FAGACE), African Trade Insurance Agency (ATI-ACA), the African Guarantee Fund (AGF) and the Arab Bank for Economic Development in Africa (BADEA) to guarantee USD 1,000,000,000 towards lending that is targeted at supporting MSME's access to finance in the next twelve months;
43. **URGE** the said institutions to work with the African Union Commission and other stakeholders, including Development and Commercial Banks in the implementation of the AU SME Strategy, as well as in improving MSME's access to financing across Africa so as to strengthen their competitiveness and their participation in Regional, Continental and Global Value Chains.
44. **(ALSO URGE** AUDA-NEPAD to work closely with the AfCFTA Secretariat, in coordination with the AU Commission and in partnership with stakeholders such as BADEA, African Solidarity Fund, Afreximbank, AfDB, the World Bank Group, to ensure the successful organisation of the upcoming High Level Conference on Infrastructure Financing to be held in Dakar, Senegal, on 02-03 February 2023, in view of the acceleration of the implementation of the PIDA PAP 2 Financing Strategy).

ON REGIONAL VALUE CHAINS AND SPECIAL ECONOMIC ZONES

45. **REQUEST** the African Union Commission in close collaboration with AUDA-NEPAD, RECs, UNECA, UNIDO to support Member States developing regional value chains in priority sectors of food, automotive, apparel of cotton, pharmaceuticals, among others, in the context of the AfCFTA;
46. **COMMIT** to develop sustainable Special Economic Zones/industrial parks as a means to overcome existing industrial infrastructure constraints and barriers to firm entry into the common AfCFTA market and leverage such Special Economic Zones /Industrial Parks to become hubs for regional value chain integration;
47. **RECOMMIT** to increasing investments in sustainable and resilient infrastructure through special economic zones and industrial parks, as a pre-requisite for achieving industrial development with specific consideration for domestic investment, domestic market and Women and Youth.

ON ALIGNMENT AND IMPLEMENTATION OF POLICIES AND FRAMEWORKS

48. **COMMIT** ourselves to the vigorous pursuit and implementation of the policy recommendations emanating from our deliberations and to aligning our national industrial development strategies with these in order to ensure that tangible results are achieved;
49. **ENGAGE** to give high priority to clearly defined long-term industrial strategies and plans at national, regional and continental levels with a strategic focus on priority sectors in agriculture, industry and services by supporting the development of dynamic agro-industries to feed Africa and to become the bread basket of the world in the coming decade;
50. **FURTHER CALL UPON** the African Union Commission and the African Union Development Agency (AUDA-NEPAD) together with all relevant partners to work closely to ensure a better interface among all continental policy standards, frameworks and strategies, to ensure complementarities and coherence;
51. **REQUEST** the African Union Commission in close collaboration with AUDA-NEPAD, RECs, UNECA, UNIDO and other relevant stakeholders taking into account the review of AIDA, to develop an up-to-date, implementable and results-based on continental industrialization policy framework, embracing gains and lessons from monitoring and evaluation the experiences of the continent and other regions of the world, taking cognizance of current and emerging global trends, with particular attention to the continent's inclusive social and economic development priorities.

ON GOVERNANCE AND COORDINATION

52. **NOTE WITH CONCERN** the slow progress recorded so far on the implementation of these continental strategies and programmes in the light of their limited impact on industrialization, structural transformation and overall development towards the achievement of the ultimate goals of the African Union Agenda 2063;
53. **RECALL** the Industrial Development Decades for Africa (IDDA) I, II and III, the Strategy for the Implementation of the Plan of Action for Accelerated Industrial Development of Africa (AIDA) and other continental strategies and programmes relevant to industrialization;
54. **STRESS** the critical importance of economic diversification, and structural transformation as a critical source of industrial development and economic growth in African countries for the successful implementation and beneficiation of the AfCFTA;

55. **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, awareness and ensure effective implementation of Africa's industrial development.
56. **CALL UPON** Member States to take the necessary national level measures to accelerate Africa's industrialization to achieve the Vision and Aspiration of Agenda 2063;
57. **CONGRATULATE** the African Union Commission for the launch of the new African Women in Processing Initiative; **APPLAUD** the successful organization, under the leadership of H.E. Mohamed BAZOUM, President of the Republic of Niger, of the First African Women in Processing Summit, and **URGE** the African Union Commission to organize such continental gathering as a regular annual event within the Africa Industrialization Week.
58. **RESOLVE** to set-up of an Inter-Institutional Coordination Mechanism to provide technical assistance to the AU Champion on industrialization and Productive Transformation under the auspices of the AUC in close collaboration with the AUDA-NEPAD. The Inter-Institutional Mechanism should work with Member States, RECs, UNIDO, UNECA, ACBF, ITC, the private sector, financial institutions (AfDB, Afreximbank, BADEA) and other partners to ensure coordination, harmonization, information-sharing and resource mobilization for the follow-up of recommendations set in this Declaration and report on progress made at each Session of the Assembly.
59. **DIRECT** the AUC to build a comprehensive implementation plan and follow-up mechanism capable of harnessing the political commitment, strong institutional foundation and relevant partnerships towards the achievement and impactful development results at scale.

VOTE OF THANKS

60. We thank the Government and people of the Republic of Niger for the hospitality afforded to all participants and for the courtesies which ensured the success of the Summit;
61. Finally, we wish to extend our gratitude to the African Union Commission, Regional Economic Communities (RECs), United Nations Industrial Development Organization (UNIDO), United Nations Economic Commission for Africa (UNECA), United Nations Development Programme (UNDP), International Trade Centre (ITC), AfroChampions, AUDA-NEPAD, African Development Bank (AfDB), African Export and Import Bank (Afreximbank), Arab Bank for Economic Development in Africa (BADEA), African Capacity Building Foundation (ACBF), and African Organisation for Standardisation (ARSO) for successfully convening

the African Industrialization Week and their support to the organization of the 17th Extraordinary Session of the Assembly of the African Union.

Adopted on this 25th day of November, 2022 in Niamey, Niger.