



## AFRICA INDUSTRIALIZATION WEEK

20-24 November 2021

Virtual

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### Proposed Theme

**“INDUSTRIALIZING AFRICA: RENEWED COMMITMENT TOWARDS INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND ECONOMIC DIVERSIFICATION”.**

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### CONCEPT NOTE

#### 1. Background

- 1.1 20<sup>th</sup> of November was proclaimed **Africa Industrialization Day** by the 25<sup>th</sup> Ordinary Session of the Assembly of Heads of State and Government of the Organisation of African Unity (OAU) by Resolution AHG/res.180 (XXV) in July 1989, Addis Ababa. The same date was set aside annually as Africa Industrialization Day by the General Assembly of the United Nations (UNGA) by Resolution 44/237 of 22 December in 1989.
- 1.2 The 20<sup>th</sup> of November has since been celebrated each year by the African Union Commission, the AU Member States and the United Nations Industrial Development Organisation (UNIDO). Since 2018, the Africa Industrialization Day is commemorated with weeklong events, an innovation marking a departure from the one-day set-up tradition to afford more time given its significance to Africa’s cause for delivering structural transformation, as an entry point towards meeting the objectives of Agenda 2063, and SDGs 2030. The AIW provides an opportunity to key stakeholders to reflect on Africa’s industrialization by looking at how the continent can change its current status quo.
- 1.3 Due to Covid-19 pandemic attendant risks and mitigation measures and in fulfillment of its commitment, the Africa Union Commission (AUC) alongside with the co-organizing partners (the United Nations Industrial Development Organisation (UNIDO), the United Nations Economic Commission for Africa (UNECA), the AUDA-NEPAD and the Afro-Champions Initiative) agreed to organize virtually this Year’s **Africa Industrialization Week (2021 AIW)** from 20<sup>th</sup> to 24<sup>th</sup> November 2020.



1.4 The proposed theme of the 2021 AIW is: **“INDUSTRIALIZING AFRICA: RENEWED COMMITMENT TOWARDS INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND ECONOMIC DIVERSIFICATION”**.

## 2. Cross-cutting contextual issues:

### 1.1 Operationalization of the AfCFTA and nexus with Industry:

- Trading under the AfCFTA Agreement was launched on the 1<sup>st</sup> of January 2021. Once fully implemented, the AfCFTA will create a single African market for goods and services, covering an estimated 1.3 billion people with a combined GDP of over USD \$2.5 trillion across 55 member states.
- In August 2020, the Secretariat of the African Continental Free Trade Area (AfCFTA) was officially opened in Accra, Ghana, a major milestone in the full implementation of the free trade agreement.
- These developments cap a heroic journey to build one-Africa integrated economy that started in earnest decades back, amplified by the 10<sup>th</sup> Extraordinary Session of the Assembly of Africa Union Heads of State and Government (HoS/G) in Kigali, Rwanda that paved way for signature to the African Continental Free Trade Area (AfCFTA)<sup>1</sup> Agreement.
- To achieve the aspirations of the operationalisation of the AfCFTA, Africa’s industrialisation and transformation agenda needs to be supported at the highest national, regional, continental as well as global levels.

1.2 Such a focus will be key to accelerate efforts in a selected number of key policy areas – such as energy and road infrastructure, trade facilitation, financial sector development, education development, agro-industrial transformation, green industrialisation and technological innovation and transformation. Advancing the AfCFTA and Africa-Industrialization side-by-side with deliberate efforts to realize the mutually reinforcing interdependences between the two will provide Africa’s critical success pillar and condition for Agenda 2063 aspiration’s number one “A prosperous Africa based on inclusive growth and sustainable development” and specifically on goal Number 4: Transformed economies and jobs “transforming Africa’s economies through beneficiation from Africa’s natural resources, manufacturing, industrialization and value addition, as well as raising productivity and competitiveness”.

### 1.3 COVID-19 and new narrative toward an accelerated industrialization:

- The advent of COVID-19 early 2020 has posed the most formidable risk to the smooth operationalisation of the AfCFTA, given its disruptive nature to business and commerce, whilst at the same time also putting a check on the vulnerability of African economies, obviating delays in the launch date of the free trade area. Thus, the COVID-19 pandemic has further heightened the risks of perpetuating the continent’s trade and business vulnerability globally, with most of the commodity dependent nations.

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<sup>1</sup> The AfCFTA is one of the flagship projects of Africa Union Agenda 2063, the continent’s 50-year Vision to build a peaceful and prosperous Africa, and the *Africa We Want*.



- While COVID-19 is creating a major economic and health crisis, it also presents an invaluable opportunity for the continent to re-configure its development narrative, towards prioritization of initiatives that foster to accelerate Africa's industrialisation.
- COVID-19 and its attendant disruption of global supply chains has brought to the fore the urgency and significance of driving industrialisation in the continent. More fundamentally, the pandemic has openly exposed the hollowness of African economies on several fronts including the fragility and weakness of Africa's industrial capabilities.
- There is no doubt that, at this juncture, development of strong regional and local/national value chains can be a game changer to build a resilient SMEs production capacity in the continent, to seize the business opportunities emanating from the COVID-19 induced disruptions of Global value chains. Industrialisation prospects for the continent are anchored on unleashing the growth of small and micro-enterprises guided by the African Union SMEs Strategy whose development was informed by evidence-based mapping of the peculiarities of the continent's production systems. By creating business enabling conditions across Member States that can enhance the longevity rate of Micro, Small and Medium Sized Enterprises (MSMEs), the continent's industrialisation momentum can be fuelled.

#### 1.4 IDDA III and Africa's industrialization Agenda

- Whilst the continent's industrial policy landscape stretches back to the 1980s<sup>2</sup> from the First Industrial Decade for Africa, all the way to the Accelerated Industrial Development of Africa (AIDA, 2008), and globally, the United Nations General Assembly (UNGA) has further magnified the significance of Africa's industrialisation through the adoption of Resolution A/RES/70/293 on 15th July 2016 that dedicated the period 2016-2025<sup>3</sup> to the Third Industrial Development Decade for Africa (IDDA III), the performance have remained rather mixed. Under the circumstances, the development challenges currently confronting the continent, therefore necessitate the need for effective, efficient and timely deployment of action beyond political rhetoric for any meaningful impact on delivering sustainable human development in the continent in the medium- to long-term, more so.
- It is encouraging to note that IDDA III presents yet another opportunity to rally global partnerships and efforts to work as a collective to drive structural transformation in Africa, and as such should be optimally leveraged in this endeavour for any meaningful impact on delivering a sustainable and inclusive Industrialisation pathway for Africa. What is critical at the movement for Africa is to acknowledge, the need to chart a revived focus towards a rejuvenated pan-African industrialisation agenda, and framework informed by lessons learnt this far from previous programmes, taking full cognisance of the current and evolving

<sup>2</sup> Africa industrialization policy initiatives: First Industrial Decade for Africa (IDDA I, 1980-1990), the Abuja Treaty, 1991, Second Industrial Decade for Africa (IDDA II, 1991- 2000), Accelerated Industrial Development of Africa [AIDA, 2008], and the Third Industrial Decade for Africa, (IDDA III, 2016 -2025).

<sup>3</sup> The period 2016 -2025: The Decade is not an isolated initiative, but the outcome of an inspiration anchored around several multilateral and bilateral frameworks that include Agenda 2063 and Agenda 2030 for Sustainable Development Goals, AIDA, G20 Initiative on Supporting Industrialization in Africa and LDCs, and the Africa Continental Free Trade Area (AfCFTA), and other bilateral frameworks across Asia, and Europe that seek to strengthen the continent's development prospects in medium- to long-term.

social, economic and political trends, and developmental needs of the continent. The continent's capacity to deliver on Agenda 2063, hinges on industrialization, and to buttress this, the UN SDGs have assigned Goal 9 towards building industries and resilient infrastructure, as a way of strengthening developing economies' capacity to address structural challenges and poverty alleviation.

#### 1.5 Other issues:

- Industrialization should not be perceived as a **single pathway** for sustainable development in Africa. Rather, Industrialization, with strong multisectoral and multi-directional linkages to domestic economies, will help African countries to achieve higher economic growth rates and economic diversification. Success in Industrialisation will be at the core of Africa's efforts to address key structural economic growth and development weaknesses and fragilities, some of which COVID-19 has exposed – from poverty and inequality through to inadequately developed education, health, housing and sanitation services. Seeing beyond the current challenges requires policy makers to tackle head-on other supply side structural bottlenecks and barriers such as energy, and infrastructure for enhanced enterprise competitiveness. This also places due pressure on policy makers to improve business, and regulatory regimes to enhance private capital flows, absorption and adaptation of technology, ICTs, including artificial intelligence, and skills transfer to unleash private sector growth.
- Furthermore, sustainable success on the Africa-Industrialisation front will only be achieved with deliberate efforts to integrate and systemically address Africa's underlying development features, such as the micro-small-medium enterprises and informal economy, the urban-rural transition, socio-economic diversity across the 55 AU member states, as well as linkages between education-skills development and industry. Cross-cutting issues such as gender, climate change, energy security, youthful population and growing unemployment, to facilitate the evolution of a sustainable, and inclusive industrialisation pathway for the continent.
- Africa has a lot to learn from her own experiences on Industrialisation over the last 4-5 decades as well as from other continents. However, what is abundantly clear is that Industrialisation successes in Europe and the Americas and more recent in Asia cannot be replicated in Africa. Apart from just that, Africa has her own unique circumstances, and many of the factors that propelled industrial success in other continents no longer exist. This is why advancing Africa-Industrialisation has to also take deliberate consideration of what can and should work for Africa, while ensuing interdependences with the rest of the world in those areas that can amplify the continent's benefits.

### 3. Main Objectives of the Africa Industrialization Week

- 3.1 The 2021 AIW aims to highlight Africa's renewed determination and commitment to Industrialization as one of the central pillars in attaining the continent's economic growth and development goals as articulated in Agenda 2063 and Agenda 2030.



- 3.2 In light of the key and strategic interdependences between Industrialization and the AfCFTA, the 2021 AIW aims to rally desired political momentum, resources, partnerships and alliances towards an Africa-Industrialization drive. This is along the continent's resolve to drive structural transformation, built around leveraging Africa's rich and diverse natural resources, while at the same time embracing current advances in technologies, continental and global geo socio-political trends and emergence of tradeable services.
- 3.3 The AIW is anticipated to unlock the evolution of a vibrant pan-African enterprise and capital base that will unleash an inclusive and sustainable industrialisation path-way that carries along the participation of all economic agents, including SMEs, youth, and women in the generation of national wealth and creation of jobs as well as expansion of entrepreneurship opportunities for Africa's populations. The impacts of the novel coronavirus pandemic continue to drive the urgent and imperative the need for bold actions to drive transformative change in key economic pillars such as Industrialization.

#### **The specific objectives of the African Industrialization Week are:**

- i. Discuss on a renewed continental policy framework on Africa's industrialisation aimed at rallying the continent's resolve and commitment to a bold set of policy and investment actions to accelerate the continent's industrialisation drive
- ii. Reinforce the development of regional industrial value chains to clearly articulate Africa's quest to industrialize, create jobs and entrepreneurship opportunities for Africa's MSMEs, youth and women within the context of current and emerging continental and global socio-economic trends.
- iii. Provide high-level political support to drive a globally competitive Africa-Industrialization programme through public-private alliances, at the national, regional, continental level, and aligned global policy coherence, coordination and linkages, investment financing. This should take full cognizance of current and emerging key cross-sector needs including energy and water, education and training, Science-Technology and Innovation, climate change, environmental resilience and crisis management.

#### **4. Expected Outcomes**

- 4.1 Renewed high level political resolve and commitment to accelerate Africa's Industrialization alongside advances on the AfCFTA provisions.
- 4.2 Policy guidance for an AU-led broad-based, cross-sector consultation to develop an up-to-date, implementable and results-based Africa-Industrialization Policy Framework, embracing gains and lessons from the continent's experiences, taking cognizance of current and emerging global trends, with special attention to the continent's inclusive social and economic development priorities; and

## 5. AIW 2021 Theme

**Theme:** Industrializing Africa: Renewed commitment towards inclusive and sustainable industrialization and Economic Diversification.

## 6. Who will attend?

6.1 The AIW is also expected to draw the participation of: African Ministers responsible for industry, trade, mining and investment and other relevant ministries; Heads of 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, women and other stakeholders involved in the industrialization of the continent.

## 7. Lead Organising Institutions

The African Union Commission, the United Nations Industrial Development Organisation (UNIDO), the United Nations Economic Commission for Africa (UNECA), the AUDA-NEPAD and the Afro-Champions Initiative.

## 8. Venue and Dates

The Africa Industrialization Week will take place virtually from 20<sup>th</sup> to 24<sup>th</sup> November 2021.

### Contact Information

**Mrs. Ron Omar Osman,**  
Senior Policy Officer Industry  
Division of Industry, Entrepreneurship and Mining  
Department of Economic Development Trade, Industry and Mining  
P.O Box: Box 3243, Addis Ababa, Ethiopia,  
Tel: +251 944067617  
email: [OmarR@africa-union.org](mailto:OmarR@africa-union.org)