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**EXECUTIVE COUNCIL
Fifth Ordinary Session
25 June – 3 July 2004
Addis Ababa, ETHIOPIA**

EX.CL/124 (V)

**REPORT ON THE 16TH ORDINARY SESSION OF THE
CONFERENCE OF AFRICAN MINISTERS OF
INDUSTRY (CAMI), HELD IN VIENNA-AUSTRIA
FROM 1 TO 5 DECEMBER 2003**

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Introduction

The Constitutive Act of the African Union (AU) establishes in its Article 14 the Specialized Technical Committee on Industry, Science and Technology, Energy, Natural Resources and Environment. The Conference of African Ministers of Industry (CAMI), in its present form has been inherited from the former OAU, while the African Union is in the process of rationalizing the Specialized Technical Committees.

The legislative mandate and scope of operations for this organ are spelt out in Articles 48 to 60 of the Abuja Treaty establishing the African Economic Community (AEC). The report seeks to convey the outcome of the 16th Ordinary Session of the Conference of African Ministers of Industry (CAMI 16). Accordingly, the Executive Council (Council) is invited to note the main outcome of the deliberations of the 16th Session of CAMI which took place in Vienna, Austria from 1 to 5 December 2003 which included the adoption of the African Productive Capacity Initiative (APCI) and the African Productive Capacity Facility (APCF) respectively.

Council may also wish to note that these documents which were adopted by the 10th Session of the UNIDO General Conference, and upon the request of the AU Ministers of Industry, are being presented to Council for endorsement and for recommendation to the Assembly of Heads of State and Government and for implementation.

Main Outcome of CAMI 16

Council may recall that it was informed in the Report of the Chairperson to the March 2004 Session of the Executive Council of the AU that the main outcome of the Conference was the adoption by the UNIDO General Conference of the following:

- a. African Productive Capacity Initiative and the African Productive Capacity Facility;
- b. Resolution on the Millennium Development Goals
- c. Resolution on South-South Cooperation.

Copies of the said documents are herewith attached for ease of reference.

Key Elements in the African Productive Capacity Initiative and the African Productive Capacity Facility

“The African Productive Capacity Initiative: From Vision to Action” highlights the Ministerial decisions made during the five sub-regional Meetings of CAMI on Industrial Cooperation. It also includes the Africa Productive Capacity Facility (APCI) which puts together a set of industrial strategies and policies at both regional and national levels with the objective of facilitating industrial performance and competitiveness. It also highlights sectoral priorities as part of specific segments of the value chain where Africa has a comparative advantage. APCI contains a set of sub-regional programmes for implementation aimed at boosting Africa’s productive capacity and to be backed by a financing facility. It was understood to be adopted as the Industrial Programme of NEPAD.

APCI is divided into four main parts:

- a. Part I contains the concepts and methodology underlying the Initiative;
- b. Part II describes the APCI outlining its sub-regional and sectoral priorities;
- c. Part III defines and describes the financing facility that would allow the Initiative to become a reality, and
- d. Part IV outlines the specific proposals for national, regional, continental and global initiatives.

East Africa Region

For the East Africa region, APCI recommends that East Africa’s industrial performance should focus on promoting local and global value chains in three major sub-sectors, namely agro-food processing; textiles and garments, and leather and leather products. It selects

three strategic areas namely technology diffusion, capacity building for market access, taking advantage of trade facilitation, agro-industry and global value chain, which is to be developed on a pilot basis while the other identified priority sectors follow. These include chemicals, petroleum, rubber and plastic products. Efforts are to be deployed to reduce post-harvest loss and the production of selected pharmaceutical products using local ingredients.

West Africa Region

In the West Africa region, APCI envisages the harmonization of policies such as the Common Industrial Policy (PIC) of UEMOA (WAEMU) and the West African Common Industrial Policy (PICAO) of ECOWAS. In this context the APCI recommends for the region textiles and garments as well as agro-food processing. To this end a special financing window is to be created at the regional level for cotton/textiles and agro-food processing. It envisages also the establishment of a system of accreditation, standardization and promotion of quality control within ECOWAS.

Central Africa Region

APCI has identified the priority sectors as: agro-food processing e.g. food, beverages, textiles and garments, wood and wood processing. Other sectors include chemicals, petroleum, rubber and plastic products; packaging and preservation techniques to reduce post-harvest loss, and production of selected pharmaceutical products based on local ingredients.

North Africa Region

APCI recommends South-South Cooperation, joint identification of incentive measures to mobilize resources and promote both domestic and foreign investment, production of natural gas and phosphates, increased manufactured products and tourism.

Southern Africa Region

In the Southern Africa region, drawing inspiration from the Southern African Regional Indicative Strategic Development Plan (RISDP), APCI will focus on food processing, textiles and garments, leather and leather products, mineral products, including metals, wood and wood products, automobile equipment and assembly, pharmaceutical and building materials.

The African Productive Capacity Facility (APCF)

The African Productive Capacity Facility (APCF) is designed to be a set of resources dedicated to the support of regional productive capacity initiatives which consists of Grants, Loans, Loan Guarantees, Technical Assistance, Fiscal measures. African and non-African governments as well as partner institutions are to contribute to the APCF. This is to be maintained in an APCF data base as an internet portal to provide a platform for Africa's development partners to notify their contributions. Council is invited to request member States to designate the Coordinating body for the APCF.

Continental Level Operations of APCI

APCI envisages that the African Union and the NEPAD Secretariat, with the support of other regional institutions should play a coordinating role. To that end Council is invited to endorse APCI recommendations that the AU and the NEPAD should:

- a. Ensure that value chain approach and the promotion of selected productive sectoral sub-segments contained in APCI constitute the new dynamic and collective approach in Africa's industrial development to inter-alia fight against poverty;
- b. Foster regional, sub-regional and national interests for promoting collective/joint linkages between agriculture and industry sectors, and ensure that the common position is clearly mentioned in the next session of the UN General Assembly in order to channel financial resources through NEPAD for APCI;
- c. Encourage the development of partnership schemes to forge a common negotiating position in international negotiations;

- d. Promote market access for African Agro-based products and processed products;
- e. Harmonize information sources on business opportunities for investment, technology diffusion etc;
- f. Ensure fulfillment of international standards and best practices at production, management and networking levels; and
- g. Enhance collaboration for knowledge sharing and value-addition through global forum activities.

Sustainability of CAMI

During the 16th Ordinary Session of CAMI the question of the Permanent Secretariat for the Conference of African Ministers of Industry (CAMI) was raised by a number of Ministers. While consultations were yet to be undertaken, Egypt announced in the resumed session that it was offering to host the proposed Permanent Secretariat of CAMI. On the other hand Cote d'Ivoire also reminded Ministers of their previous decisions in respect of the Alliance for Africa's Industrialization (AIA). On that occasion the Ivorian representative went on to inform Ministers about the efforts being deployed by the Ivorian Government to establish an autonomous Secretariat for AIA as one of the operational agencies of CAMI. He also informed the Ministers of the well-equipped offices that the Ivorian Government has reserved for the Alliance for Africa's Industrialization.

In response to the offer, the Nigerian Minister, the Chairperson of CAMI also shared with the meeting the views of his Government on the question of the sustainability of CAMI. He stated inter-alia that it was envisaged to have a permanent outfit for CAMI which would serve as a Consultative Body with a Permanent Secretariat with adequate technical and logistical support. He went on to say that there will be sub-regional offices of the CAMI Secretariat to help operationalize the APCI. The proposed CAMI Secretariat would work with the various national business associations and would have technical committees as well its own Committee of the Whole.

On that occasion, after various views were expressed on the matter, it was decided to refer the matter to the next Session of CAMI.

Outcome of the First Meeting of the Bureau of 16th CAMI

In response to invitations issued by the Hon. Ambassador Magaji Mohammed, the Minister of Industry of the Federal Republic of Nigeria in his capacity as the Chairperson of CAMI Bureau, the Bureau members met in Abuja-Nigeria from 22 to 23 April 2004. The main issues considered at the meeting included, modalities for the promotion and monitoring of the Africa Productive Capacity Initiative (APCI); modalities for cooperation between CAMI, AU and NEPAD; modalities of partnership and collaborative efforts between APCI and NEPAD as well as the organized private sector; resource mobilization from CAMI members for the flexible African Productive Capacity Facility (APCF); Designation of the Core Group to mobilize additional resources for APCF; modalities and suggestions for a permanent CAMI Secretariat, including location and operational costs, within the context of the implementation of the APCI in partnership and collaboration with NEPAD; the theme of forthcoming “Africa Industrialization Day” and the Programme of activities of the CAMI 16 Bureau for 2004 and 2005.

Recommendations

Taking into account the conclusions of the 16th Ordinary Session of CAMI held in Vienna-Austria in December 2003, outcome of the first and second meetings of the Bureau of the 16th CAMI held in Abuja, Nigeria on April 2004 and Addis Ababa-Ethiopia in June 2004 respectively, Council is invited to recommend to the Assembly of Heads of State and Government that:

- a. the African Productive Capacity Initiative (APCI) and the Africa Productive Capacity Facility (APCF) be adopted as Africa’s new Industrial Development Programme of the African Union, a successor to the 2nd Industrial Development Decade for Africa (IDDA); and for implementation by the Secretariats of the Regional Economic Communities (RECs) and the Commission of the African Union;
- b. the AUC incorporates the APCI as part of its Four Year Strategic Plan of Action for its operations.
- c. all Member States of the AU are urged to contribute financially to the APCF in order to demonstrate Africa’s ownership;

- d. Bilateral partner Governments and Africa's regional institutions and all other development partners in the international community to formally pledge support for the APCF. To that end request the endorsement of the seed money concept for the implementation of the APCI in supporting forthcoming sectoral, promotional, funds and resource mobilization gatherings as well as institutional arrangements.
- e. Popularization of the APCI and APCF be launched by the AU Commission, and UNIDO targeted at all key development partners of the AU, the civil society, including the African Diaspora to ensure the mobilization of resources and expertise for the implementation of the APCI.
- f. Request AU Commission, UNIDO, NEPAD and the RECs and the private sector representative institutions such as the Chambers of Commerce and Industry in Member States, the African Business Roundtable (ABR) to prepare implementation sectoral plans and sectoral road-maps in order to increase Africa's negotiation capacity on Africa's industrial development. This is to ensure public-private sector partnership in order for the African private sector to gradually take the lead .
- g. Request UNIDO to support and contribute to the implementation of the AU Four Year Strategic Action Plan on sustainable industrial development based on APCI and the value chain approach. To that end request synergies and complementarities between trade and industry sectors bearing in mind the integrated nature of the global production network systems.

Conclusion

In light of the foregoing Council is invited to consider the elements in the APCI and APCF and recommend the same to the Assembly of Heads of State and Government for political endorsement and to request all concerned to proceed with the implementation phase.

2004

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