



**Economic Commission for Africa
Committee of Experts**
Thirty-fifth meeting

**African Union
Committee of Experts**
Second meeting

**Ninth Joint Annual Meetings of the African Union
Specialized Technical Committee on Finance, Monetary
Affairs, Economic Planning and Integration and the
Economic Commission for Africa Conference of African
Ministers of Finance, Planning and Economic
Development**

Meeting of the Committee of Experts
Addis Ababa, 31 March to 2 April 2016

Accra declaration [final version]

Fourth Congress of African Economists

Placing our actions within the dynamic of the first three Congresses of African Economists held, respectively, in Nairobi, Kenya, in 2009 on the theme « Towards the Creation of the African Single Currency », in Abidjan, Côte d'Ivoire, in 2011 on the theme « How to Achieve Strong and Sustainable Economic Growth in Africa, in order to Curb Unemployment and Sustain Regional and Continental Integration Dynamics», and in Dakar, Senegal, in 2013, on the theme “Industrialization and Economic Emergence in Africa” ;

We, African Economists, from the Continent and the Diaspora, meeting in Accra, Ghana, from 16 to 18 November 2015, at the invitation of the African Union Commission (AUC), the African Capacity Building Foundation (ACBF) and the Government of the Republic of Ghana, within the framework of the Fourth Congress of African Economists on the theme: “Industrial Policy and Economic Performance in Africa”;

Noting the limitations of the industrial policy with regard to meeting the challenges of employment, innovation and capacity building for actors in local sectors, as well as the induced negative effects on the social performance of countries;

Observing that the dearth of an industrial strategy is one of the main reasons for the low performance of production units in Africa and for the difficulties faced in creating conditions for socio-economic transformation as in other continents, despite the abundant natural and tourism resources on the continent;

Concerned about the weaknesses which are rife in the political, institutional, economic and social governance system in Africa, and which induce sub-optimal allocation of human and material resources, and which also tend to undermine efforts towards industrialization, creation of value added and development;

Reiterating the need for Africa to effectively use the coming fifty years, within the framework of Agenda 2063, to speed up endogenous wealth creation and to successfully ensure a fair redistribution of purchasing power between Africans, to close the development gap with other continents and to become a credible player in decision-making on global governance issues;

Convinced that industrialization is a major strategic thrust that could help to ensure the structural transformation of Africa by 2063, through the initiation of dynamic and coherent industrial policy frameworks, the diversification of production structures in African industries and their integration into global value chains, in a bid to achieve more robust and sustained economic performance which translates into sustainable and inclusive development;

Convinced that the African Union (AU), Regional Economic Communities (RECs) and Member States are fully aware of the seriousness of the problem posed by the lack of competitiveness of African economies and have recognized the need to involve universities and research centres on the continent, as well as the Diaspora in the search for a suitable response strategy.

Hereby recommend as follows:

I. Concerning Policy and Institutional Environment Predictability

1. The African Union, the RECs and Member States should make political stability and strong institutions based on democratic governance as a first priority. It will thus be necessary to prevent at any cost instability and all forms of national or regional violence (whether political, electoral, community, transnational, etc.);
2. The AU, RECs and Member States should learn from the failures of past industrialization policies implemented since 1960, and put in place and implement alternative policies designed by Africans for Africans;
3. RECs and Member States should create conditions of attractiveness and competitiveness, in the following areas:
 - a) political and institutional governance: government effectiveness, quality of public administration, transparency, accountability, combating corruption, etc.;
 - b) economic and financial governance: infrastructure density and quality, efficiency of the various markets, macroeconomic stability, size of regional market where national companies operate, protection of national infant industries, technological innovation and sophistication of capital markets, etc.;
 - c) social governance: effective fight against poverty, constant search for equity through public spending and taxation, raising educational and health levels, etc.
4. On the basis of good governance conditions, the States, within the framework of RECs, should formulate a vision, as well as genuine industrial policies and strategies for the long term and should engage directly or indirectly, through

regulatory processes, in the industrialization process, which should not be left to private sector initiatives only.

5. States should establish mechanisms to enhance social indicators on health and education, through implementation of sound policies that promote greater social cohesion and which help to reduce the brain drain from Africa, while attracting talents from the Diaspora through appropriate professional and financial incentives.
6. Governments should send for approval, by parliaments, all transactions involving the national heritage: privatization, concession contracts, public-private partnerships, contracts on the exploitation of natural resources (forests, mines, energy, etc.). In this connection, national parliaments may request governments to renegotiate contracts that are already in force.

II. Concerning the Determinants of Industrialization in Africa

7. Countries and RECs should put in place dynamic industrial policies based on institutional frameworks which facilitate public-private dialogue, coordination and high-level political support that help to address the requirements for the continent's social and economic transformation.
8. RECs should plan the diversification of production, exports and destinations on the basis of both comparative and competitive advantages so as to buttress the growth of manufacturing value added.
9. Producing all forms of energy and in abundance should constitute one of the priorities for reducing industrial costs and increasing competitiveness.
10. States should put in place policies to increase their capacity to absorb technology (investment rate, infrastructure density and quality, research and development - R & D, agricultural mechanization). It is the increase in technology absorptive capacity which will boost factor productivity and, thereby, overall competitiveness of the economy.
11. Social inequalities should be reduced to permit the middle class to raise its numbers, volume of savings and investment capacity, particularly in small and medium enterprises (SMEs and SMIs).
12. The nature, quality and deployment conditions of net foreign investment flows (direct and portfolio) should be reviewed to render them more profitable to African populations.
13. Closer monitoring of population growth and poverty issues tends to neutralize the industrialization efforts and to maximize opportunities which the demographic dividend presents.

III. Concerning the Role of Industry in Africa's Economic Transformation

14. The AU, RECs and Member States should consider redefining the criteria for assessing the performance of African economies. The main issues reside in the manufacturing sector, productive capacity and shared powers which constitute the engine of efficiency, performance and competitiveness.
15. African countries should develop appropriate industry change trajectories and methodologies so as to address specific population needs in relation to the exigencies of globalization.

16. Agro-industry should constitute one of the driving forces of industrialization because of Africa's agricultural potential. Consequently, Member States should effectively and concretely implement the 2003 Maputo Declaration in respect of allocating at least 10% of their annual budgets to agriculture.
17. It is essential to establish solid supply chains for the agro-industry in Africa, notably by fostering close contacts between producers and processors, as well as through rational planning, which is necessary for reducing losses to a minimum for most crops and livestock that are perishable. Producing a suitable range of species and varieties that mature at different seasons also has its importance.
18. It is vital to emphasize and allocate substantial budgets to enhance entrepreneurship, managerial and strategic skills to sustain productive capacity development in Africa, in conjunction with emerging countries.
19. States should make use of the digital and knowledge economy, especially information and communication technology (ICT), as a leverage effect for enhancing knowledge and technology content to speed up the added value creation process.

IV. Concerning Economic Performance and Regional Integration

20. The AU, RECs and Member States, after realizing that Africa's industrialization and economic development can be accelerated only through integration, should set up observatories to monitor the progress of integration to continental and regional levels in preparation for the advent of the African single market and the common currency.
21. The free movement of people and goods across Africa should constitute one of the indicators of progress towards continental and regional integration.
22. It would be necessary to create competitiveness clusters in the sub-regions with due consideration for every country's comparative and competitive advantages.
23. RECs should establish a scoreboard for monitoring the economy, which is based on macroeconomic convergence criteria, as well as industrial convergence criteria, including: the share of GDP allocated to financing R&D, share of manufactures in exports, share of intra-zonal trade, etc. The regional, continental, and emerging country averages will serve as benchmarks. This scoreboard should be presented annually by the African Union as a means of assessing annual progress in economic transformation.
24. The AU, in collaboration with ECA and AfDB, could establish a scoreboard for monitoring country industries and for providing appropriate guidance.
25. RECs and Member States should engage on regional bases in trade negotiations on manufactured products and in asymmetrical negotiations on high technologies, for the purpose of correcting imbalances which are often to their disadvantage.
26. Regional integration could well prove to be the most effective way of preparing for the implantation of heavy industries, through the mechanism of cost pooling involving the co-production system and partnerships between emerging and developing countries.

V. Concerning the Financing of Industrialization

27. Member States of the African Union should speed up the process of signing and ratifying the Protocols establishing the Pan-African Financial Institutions, namely the African Central Bank (ACB), the African Monetary Fund (AMF) and the African Investment Bank (AIB). These institutions are major tools for the financial empowerment of the continent with good prospects for the development of its industrial fabric.
28. The AU, RECs and Member States, in cooperation with the AfDB and ECA, should initiate a continental and global campaign for mobilizing domestic resources and fighting against illicit financial flows which deprive the continent of significant resources for its industrial development and structural transformation.
29. Member States of the African Union should participate in the international initiative to harmonize fiscal and customs statistics which aims to facilitate comparison of fiscal policies and engage in transparent dialogue with citizens and their representatives.
30. The AU, RECs and Member States, with support from other partners, should consider implementing policies to support access to credit by African populations, developing and diversifying funding institutions as well as encouraging specialization of banks, such as, community public banks in addition to private banks, development banks, investment banks, agricultural banks, etc.
31. Since the lack of guarantees is one of the main obstacles to credit in Africa, States should make efforts to make available full information on property and facilitate access to such information. This will help reduce the cost of monitoring and therefore of credit.
32. Since long-term financing for industrialization is difficult to obtain, the development of renewable short-term funding mechanism could be considered.
33. The AU, in collaboration with the AfDB, ECA and the African private sector should establish an African fund to accelerate African industrialization to support the development of productive capacity.
34. One of the industrial convergence criteria could consist in systematically reallocating a proportion of national income, particularly proceeds from natural resources, to finance the acquisition of technological content and expertise for the structural transformation of the industrial sector in Africa.

VI. Concerning the Strengthening of Economic and Social Research in Africa

35. The AU, RECs and Member States should work in perfect harmony to promote research in key areas affecting the economic and social transformation of Africa.
36. The AU, in collaboration with the RECs, Member States and research centres of African universities should produce an economic report on Africa, known as: "*Dynamics of African Economies*". The report will provide an African assessment of prospects relating to development issues on the economic and social transformation of Africa.
37. The AU should, in collaboration with the RECs, establish a continental platform, known as "*African Forum of Economic and Social Research Centres*", dedicated to linking up these institutions in order to better enhance

their contribution to the debate on achieving Africa's transformation over the next five decades.

38. The AU should, in collaboration with the RECs and Member States, establish a continental think tank called "The African Research Centre for Economic Analysis and Management". The Centre will be devoted to conducting studies on issues obstructing the economic and social transformation process by formulating appropriate policies.

VII. Vote of Thanks

We would like to express our profound gratitude and thanks to His Excellency John Dramani Mahama, President of the Republic of Ghana, his Government and the Ghanaian people for the warm welcome extended to all participants. We would also like to commend the legendary hospitality that has always characterized the people of this country, land of Pan-Africanism par excellence. Furthermore, we would like to commend the commitment of the President of the Republic of Ghana to the promotion of sustainable development and economic transformation on the continent, as evidenced by his unwavering commitment to industrialization and his support for the organization of this Congress.

We are equally grateful to the African Union Commission and the African Capacity Building Foundation (ACBF) for the opportunity we were afforded to contribute to the debate on issues relating to industrial policy and economic performance with a view to economic transformation, which are critically important for the development of the continent.

We thank all African experts from the continent and the Diaspora for their contribution. We invite African States, RECs and the AU to request the participation of African experts more regularly.

We pledge to take the recommendations from our discussions into consideration in conducting our activities.

Done in Accra, Ghana, on 18 November 2015.