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Third Industrial Development Decade for Africa (IDDA III)

Update on the Third Industrial Development Decade for Africa (IDDA III)

Report by the Director General

In its decision IDB.46/Dec.13, the Industrial Development Board requested the Director General to regularly report on the progress made on the Third Industrial Development Decade for Africa (IDDA III) to the Programme and Budget Committee, the Industrial Development Board and the General Conference, and to the informal working group on PBC-related issues. The present report provides an update to the latest regular report contained in IDB.49/13, and should be considered together with the information on IDDA III contained in Chapter 7 of the *Annual Report of UNIDO 2020*, and with the Note by the Secretary-General on the Third Industrial Development Decade for Africa (2016–2025) (A/74/199).

I. Introduction

1. In July 2016, the United Nations General Assembly adopted resolution 70/293, proclaiming the period 2016–2025 as the Third Industrial Development Decade for Africa. In doing so, the African Union Commission (AUC), the African Union Development Agency (AUDA-NEPAD), the United Nations Economic Commission for Africa (UNECA), and specifically UNIDO were requested to develop, lead and operationalize the implementation of IDDA III. The resolution further called on UNIDO to scale up its technical assistance to African countries. UNIDO was also invited to foster partnerships, as appropriate, with other relevant United Nations entities and to promote the necessary linkages to develop joint initiatives in favour of industrialization.

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II. Progress made in the implementation of the Third Industrial Development Decade for Africa (IDDA III)

2. During the reporting period, the IDDA III Joint Roadmap, which is a programmatic framework for the implementation of resolution 70/293, as well as its monitoring and evaluation framework, were validated by key IDDA III partners in a workshop held in September 2020. The roadmap is comprised of six strategic objectives with 32 strategic areas of action. During the workshop, the need to expedite the establishment and operationalization of an IDDA III Secretariat within UNIDO was discussed.

3. In January 2021, the IDDA III Secretariat was established within UNIDO with the recruitment of a Senior Programme Officer to act as its head. Recruitment of additional staff also continued over the year, including the secondment of a Programme Officer from the Government of China. The Government of Japan continues to support UNIDO's activities related to IDDA III and the IDDA III Secretariat, among others, through a dedicated project with a staff member seconded from the Investment and Technology Promotion Office (ITPO) in Tokyo. Key functions of the IDDA III Secretariat include, but are not limited to, coordinating joint IDDA III programme development and implementation with other United Nations agencies and stakeholders based on the IDDA III Joint Roadmap's focus area related to partnerships and resource mobilization; advocacy and communication of IDDA III activities; knowledge development and management related to Africa's industrialization; organizing global forums on key themes; development and management of special initiatives, including the IDDA III Championship that is comprised of selected African Heads of States; and production of the annual IDDA III progress reports submitted to the United Nations General Assembly through the Secretary-General.

4. In 2021, work towards the Comprehensive Overview Initiative, which was launched in May 2020, advanced. An analysis of the information collected by September 2021 on programmes and projects being implemented in favour of Africa's industrialization was carried out. An inception report was initiated and is expected to be shared with different stakeholders by the end of the year. Overall, the initiative will determine existing gaps in ongoing initiatives; identify additional efforts to be undertaken; and serve as an avenue for the promotion of necessary linkages for joint interventions to be implemented within the IDDA III framework. The overview is expected to ultimately contribute to the establishment of a comprehensive database and associated information system for use by various stakeholders.

A. Scaling up UNIDO's technical assistance

5. In line with resolution 70/293, UNIDO continued to scale up its technical assistance to African countries including through the implementation of Programmes for Country Partnership (PCPs). The number of PCPs in Africa increased from seven to nine with the initiation of a PCP for the United Republic of Tanzania in October 2020, and the launch of a self-starter PCP for Kenya in January 2021. The other seven PCPs (Côte d'Ivoire, Egypt, Ethiopia, Morocco, Rwanda, Senegal, and Zambia) continued to progress at different stages. In April 2021, Egypt and UNIDO signed a five-year €172 million PCP that focuses on industrial policy and governance, investment promotion and green industry. Between February and May 2021, three of the four pilot integrated agro-industrial parks established in Ethiopia with UNIDO assistance were inaugurated.

6. At the national level, the following examples of projects being implemented in Africa provide an overview of the different areas which are covered by UNIDO's interventions:

(a) Agribusiness development: In Sudan, a \$2.2 million project was launched to support agricultural value chain development, create jobs in rural areas and increase

access to financial services. A cold storage facility was also constructed for storing fresh horticultural products. The project aims to reach 3,000 beneficiaries. In Mozambique, a €4.1 million project on improving coffee value chain development was implemented, focused on increasing income generation for smallholder farmers;

(b) Trade capacity-building and investment promotion: At the beginning of 2021, UNIDO started the implementation phase of an €8 million programme focused on investment promotion through institutional capacity building of investment promotion agencies in Cameroon, Ethiopia, Ghana, Kenya, Senegal, and Zambia. In Mozambique, UNIDO continued to implement a \$6.8 million project funded by the European Union to support the priority value chains of processed fruit, nuts, oilseeds, essential oils, crustaceans, molluscs, and fish;

(c) Industry 4.0: UNIDO supported the use of a machine learning model for the mapping of acacia species to enhance the performance of the agricultural sector and related value chains in Namibia. In August 2020, the Ghana Food and Drugs Authority cosmetic laboratory was provided with smart glasses to conduct a virtual assessment and obtain remote assistance. In June 2021, UNIDO launched the first creative hub in Ethiopia to support creative industries and entrepreneurship. The hub will provide access to digital instruments including 3D printers, laser cutters and digital libraries, and will encourage digital payments;

(d) Renewable energy and energy efficiency: The UNIDO Private Financing Advisory Network (PFAN) continues its activities in sub-Saharan Africa, providing entrepreneurs with business coaching on climate adaptation and clean energy. To date, PFAN has globally supported 126 projects, leading to \$1.7 billion in investments. UNIDO also expanded the Global Network of Regional Sustainable Energy Centres with the formal approval in June 2021 of the establishment of a Centre for Renewable Energy and Energy Efficiency for Central Africa (CEREEAC), to be located in Luanda, Angola;

(e) Environment: UNIDO secured more than \$80 million in co-financing for a \$7 million project funded by the Global Environment Facility (GEF) on circular economy for the plastics sector in Ghana. With funding from Japan, the Organization conducted plastic value chain studies in Egypt, Kenya and Nigeria to identify gaps and needs for promoting a circular economy for plastics. In South Africa, UNIDO helped to develop an action plan to promote the local production of sustainable alternatives to plastic;

(f) SARS-CoV-2: To assist countries in mitigating the impact of the COVID-19 pandemic, various projects were implemented in the area of pharmaceuticals. Burkina Faso, Côte d'Ivoire, Guinea, Kenya, Madagascar and Nigeria received support in the local production of health care and personal protective equipment. A project focusing on medical waste management was initiated in South Africa. In collaboration with the West African Health Organization, UNIDO is developing and coordinating a comprehensive programme for the pharmaceutical manufacturing sector in the Economic Community of West African States (ECOWAS) region. UNIDO also conducted a number of surveys on the impact of COVID-19 on industry, the findings of which will serve as a key input to the 2022 edition of its *Industrial Development Report*.

B. Partnership & collaboration with the United Nations and other stakeholders

7. UNIDO continued to support UNECA's work on the development of national and regional strategies for the African Continental Free Trade Area (AfCFTA) implementation. Forty-one countries, including 21 least developed countries, and four regional economic communities (RECs) are at various stages of preparation for those strategies, which identify areas of national interest and relevant interventions to ensure that countries and regions fully participate in, and benefit from, the agreement.

UNIDO's technical assistance is foreseen to play a crucial role in the implementation of these strategies.

8. UNIDO and UNECA initiated collaboration on an AfCFTA-anchored pharmaceutical project which is expected to contribute to improved and economically-sustainable access to safe medicines and the realization of the Pharmaceutical Manufacturing Plan for Africa. UNIDO provided support in conducting inspections of manufacturing facilities and sites. The pilot initiative proposes localized production and pooled procurement, as well as a harmonized regulatory and quality framework. Participating countries include the Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Rwanda, Seychelles and Sudan.

9. As part of the implementation of the UNIDO and AUDA-NEPAD joint Action Plan, UNIDO works together with AUDA-NEPAD, the Japan International Cooperation Agency (JICA) and Boston Consulting Group for the development and implementation of an accelerator programme for private sector-led home-grown solutions (HGS) that can strengthen Africa's ability to respond to future disease outbreaks, with an initial focus on the health sector. In its pilot phase, the HGS initiative seeks to strengthen Africa's pandemic resilience, in line with the African Union's (AU) Agenda 2063. AUDA-NEPAD is also working with UNIDO and other stakeholders to formalize guidelines on the establishment and scaling up of integrated agri-food parks across Africa. The guidelines present best practices and guidance tools to support Member States and partners on issues related to industrial park planning, operation, financing and management.

10. UNIDO, UNECA and the African Development Bank (AfDB) initiated collaboration towards the development of a continental mapping of innovation and digitalization initiatives, policies, strategies and stakeholders to improve coordination, identify potential synergies and support the scaling up of pioneering initiatives to support the implementation of the AU's Digital Transformation Strategy for Africa (2020–2030). The overall objective of the strategy is to “harness digital technologies and innovation to transform African societies and economies to promote Africa's integration, generate inclusive economic growth, stimulate job creation, break the digital divide, and eradicate poverty for the continent's socioeconomic development and ensure Africa's ownership of modern tools of digital management”.

11. In March 2021, the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), UNIDO and Conservation International announced the second phase of the GEF-funded planetGOLD programme aimed at transforming artisanal and small-scale gold mining (ASGM) into a safer, cleaner and more profitable sector. The second phase is expected to build on the work carried out under the first phase, which included the review of the ASGM policy framework, the identification of 3,000 artisanal miners eligible for support, the review of financing options, the design of a mercury-free processing plant and an analysis of the gold market and supply chain. In Burkina Faso, UNIDO continued work on mercury elimination in the ASGM sector by supporting the formalization of the sector; the facilitation of finance and access to international gold markets; the training and scaling of best practices; and awareness raising and knowledge transfer.

12. In support of the Common Market for Eastern and Southern Africa (COMESA)-led Zambia-Zimbabwe Joint Industrialization Programme that is under development, UNIDO, at the request of COMESA, provided a technical briefing in August 2021 on its experience in designing and implementing integrated agro-industrial parks in Africa. The information is expected to assist in mapping the way forward for the planned development of a common agro-industrial park to be established under the joint programme. UNIDO will provide technical assistance for the feasibility study and follow-up activities. The joint industrial programme is part of the UNIDO and COMESA IDDA III Action Plan and presents opportunities for replication beyond Zambia and Zimbabwe. Other partners associated with the programmes include, among others, UNECA and the AfDB.

13. Following the validation in September 2020 of the IDDA III Joint Roadmap and its associated monitoring and evaluation framework by IDDA III partner institutions, UNIDO initiated the development of subregional joint IDDA III Work Plans with COMESA, East African Community, Economic Community of Central African States, ECOWAS, Southern African Development Community, and Arab Maghreb Union for the implementation of the IDDA III Joint Roadmap.

14. In the first half of 2021, UNIDO and the AUC initiated a continental study on the mapping of regional value chains. The need for the study was further recognized during AUC's third Specialized Technical Committee (STC) of the Ministers of Trade, Industry and Minerals, which was held from 31 August to 3 September 2021. The STC specifically called on the AUC, in collaboration with RECs, Afreximbank, AfDB, UNECA, UNIDO and other relevant stakeholders, to join efforts in carrying out the study. The study is expected to contribute to inclusive and sustainable industrial development. Its major outcomes will include the development of a pan-African regional value chain strategy that takes advantage of the opportunities offered by the AfCFTA; promotes institutional capacity strengthening of governments, RECs, AUDA-NEPAD and the AUC; and supports the development and upgrading of 25 specific regional value chains (five in each of the African subregions). The study is expected to support the establishment of a new industrialization framework for the continent that would take into account Africa's changing socioeconomic and political context.

15. The Ministerial Declaration on AUC's third Specialized Technical Committee (STC) of the Ministers of Trade, Industry and Minerals called upon the AUC, Afreximbank, AfDB, UNECA, UNIDO and the African Association of Automotive Manufacturers to expedite the drafting of a continental automotive strategy aimed at building on existing industrial capacities and supporting mobility under the AfCFTA.

16. The AfDB and UNIDO embarked on a study on the impact of COVID-19 on industry. Firm-level surveys were conducted in Côte d'Ivoire, the Democratic Republic of the Congo, Kenya, Mauritius, Rwanda, Senegal, South Africa, Tunisia and Zambia to generate evidence-based research and guide policymaking for the design and implementation of economic recovery and resilience measures for the industrial sector. The report is expected to be published in 2021.

17. In July 2021, UNIDO and AUDA-NEPAD organized a webinar on circular economy entitled "Supporting Africa's Sustainable and Resilient Development" in order to foster opportunities to achieve Africa's development aspirations. The webinar gathered policymakers and governmental officials; representatives of multilateral sectors at the continental, regional and national levels, including, but not limited to, from RECs and the AU; members of the private sector and civil society interested in applying circular design principles to products or services; and representatives of think tanks and research centres. The webinar provided an introduction to circular economy principles, practices and policy tools, and helped participants understand how these may be applied in their respective work.

18. In March 2021, UNIDO, the AfDB and the International Trade Centre (ITC) organized a webinar on "Implementing the AfCFTA: the need for deepening private sector engagement and commitment". Attended by over 400 participants, discussions focused on boosting private sector involvement in policy dialogues on trade, investment and infrastructure, strategies to increase participation by micro-, small and medium-sized enterprises as well as the need for greater partnerships to attract investment in promising industries.

19. In November 2020, UNIDO collaborated with the AUC, UNECA, AUDA-NEPAD, and the AfroChampions Initiative to co-organize the Africa Industrialization Week. Gathering more than 2,500 virtual participants, the event provided a platform to deliberate on areas of strategic importance to enhancing Africa's industrialization, including: Industry 4.0; regional value chains; trade capacity-building; renewable energy; agro-industry; industrial parks; and the pharmaceutical industry. A major outcome was a declaration to sustain the momentum towards concrete actions leading

to the AU Summit on Africa's Industrialization and Economic Diversification, which will be co-organized by the AUC, UNIDO, UNECA, AUDA-NEPAD and the AfroChampions Initiative in November 2021.

20. UNIDO and ITC partnered with the Permanent Mission of Burkina Faso to UNIDO, to host the World Cotton Day on 6 October 2020. The event, which was attended by key stakeholders, including the Organisation of African, Caribbean and Pacific States (OACPS), the European Union, C4 countries (Benin, Burkina Faso, Chad and Mali), and the private sector, discussed cotton as a sustainable and inclusive value chain with the potential to drive industrialization and jobs.

III. Outlook

21. Joint programmes and projects development: The development of joint programmes and projects will continue to be the major focus of the IDDA III Secretariat. Particular attention will be paid to the development of regional programmes in support of the AfCFTA. Programmes and projects that focus on helping African countries to build back better from the impacts of COVID-19 will also be given priority.

22. AU Summit on Africa's Industrialization and Economic Diversification: UNIDO will continue to play an active role in the preparations of the Summit, as requested through decision Assembly/AU/Dec.751(XXXIII) of the thirty-third ordinary session of the Assembly of Heads of State and Government of the Africa Union, held in February 2020. The Summit, which is set to take place in Niger, was originally planned to be held in November 2020 but was postponed to November 2021 due to the COVID-19 pandemic. A key expected outcome of the Summit is a decision on a renewed continental industrialization framework taking into account new developments such as the COVID-19 pandemic and the launch of trading under the AfCFTA.

23. Continuation of the comprehensive overview exercise on programmes and projects being implemented by various stakeholders in support of Africa's industrialization: Following the analysis of the information gathered by September 2021 on programmes and projects being implemented in support of Africa's industrialization, an inception report is expected to be completed and presented as a knowledge product to the AU Summit on Africa's Industrialization and Economic Diversification.

24. Support to the development of an African industry observatory and the Africa Industrialization Report and Industrialization Index: Discussions have been initiated with selected partners on the need to have an African industry observatory established at the AUC level. The observatory and the index are expected to help inform policy decisions and assist in monitoring selected industrialization parameters within the AfCFTA framework. The AUC, AUDA-NEPAD, AfCFTA Secretariat, AfDB and Afreximbank expressed support for this initiative.

25. IDDA III Secretariat: Following the establishment of the Secretariat and building on the support provided by selected Member States, additional efforts will be made to ensure the mobilization of both financial and human resources to assist the implementation of programmes and projects within the IDDA III Joint Roadmap.

IV. Action required of the Conference

26. The Conference may wish to take note of the information contained in the present document.