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#IDDA3

**The Third Industrial
Development Decade for Africa**

EXECUTIVE SUMMARY

ROADMAP FOR THE IMPLEMENTATION
OF THE THIRD INDUSTRIAL
DEVELOPMENT DECADE FOR AFRICA
(2016-2025)





PROPOSED ROADMAP BY THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO) FOR THE IMPLEMENTATION OF THE THIRD INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA (2016-2025)

Background

On 25 July 2016, the United Nations General Assembly (UNGA) adopted **Resolution A/RES/70/293**, which proclaimed the period 2016-2025 as the Third Industrial Development Decade for Africa (IDDA III). IDDA III builds on and expands the *acquis* of IDDA I (1980-1990) and IDDA II (1993-2002), both of which sought to promote internal engines of growth, by leveraging on Africa's wealth and natural resources, to enable the continent to progressively achieve self-reliance through inclusive and sustainable industrialization.

This document outlines a proposed Roadmap, which shall serve as the guiding maxim for the implementation of IDDA III. Its purpose is to guide the efforts of African countries and their development partners towards inclusive and sustainable industrial development. The Roadmap outlines a guiding structure in the form of pillars and constituent programmes and projects, with the aim to support Africa's industrialization efforts at all levels – working with the African Union, the Regional Economic Communities, and African countries – to realize an industrially-driven structural transformation in the decade 2016-2025.

This Roadmap for IDDA III is fully in line with other key development initiatives. It is aligned to the 2030 Agenda for Sustainable Development and its Sustainable Development Goals, in particular Goal 9 to “build resilient infrastructure, promote sustainable industrialization and foster innovation”; the African Union's Agenda 2063: The Africa we want, the Addis Ababa Action Agenda on financing for development, and several other bilateral and multilateral initiatives.

Rationale

Inclusive and sustainable industrialization is critical for economic growth and sustainable development. Data indicate that the average manufacturing value added (MVA) per capita of industrialized countries is 10 times higher than that of developing countries, and 90 times higher than the average of least developed countries (LDCs), which are mostly based in Africa.

Many African economies are de facto structurally stagnant due to the slow pace of industrialization and the continent is still the least industrialized region of the world. Furthermore, regional economic integration is very low, and Africa's integration in the global economy is unfavorable. The continent plays the role of a supplier of agricultural and mineral raw materials to the world, while depending on the rest of the world for manufactured consumer and investment products. At the same time, high unemployment



presents a challenge.

In order to achieve inclusive and sustainable economic growth, African countries must change the structures of their economies by substantially increasing the shares of industry – especially manufacturing – in national investment, output, and trade. Accordingly, African countries, individually and collectively, must prioritize industrial transformation.

Vision

The vision for the implementation of IDDA III is to *firmly anchor Africa on a path towards inclusive and sustainable industrial development.*

The achievement of this vision requires the transformation of African countries into locations of competitive industrial production. The necessary enabling framework conditions for this industrial transformation include the strengthening of key elements of industrial productive capacity, such as infrastructure, innovation and technology transfer, industrial financing, industrial knowledge and skills, and the support from public and private sector institutions that regulate and advocate industrial development.

Various development interventions and broad-based partnerships are required to improve the enabling framework, as well as to encourage productive industrial investment ventures in Africa.

Guiding principles

Four guiding principles are deemed critical to ensuring the successful implementation of IDDA III:

- (a) *Government ownership and leadership of the initiative.* The success of IDDA III depends on a clear vision, commitment, and resolve by African governments.
- (b) *A strengthened enabling business environment.* A robust framework for industrialization needs to be developed, or enhanced. Such a framework should include the appropriate policies, infrastructure, knowledge and skills, financing, technologies and market institutions.
- (c) *Sectors with high potential for growth, and which can therefore meaningfully contribute to the reduction of poverty, must be prioritized.*
- (d) *Strong partnerships for financial and non-financial resource mobilization at the multilateral, regional and bilateral levels need to be built.*

Proposed structure of the Roadmap, including its six pillars

The proposed Roadmap for the implementation of IDDA III is based on the following thrust of UNGA Resolution A/RES/70/293:

- (a) The need for the African continent to advance sustainable industrialization, with the support of the international community, as a key element of increasing value addition, economic diversification and job creation, thus reducing poverty and contributing to the achievement of the 2030 Agenda for Sustainable Development.



- (b) The expressed willingness by the international community to enhance partnerships with African stakeholders in support of industrial development, and the readiness of the international community to take action, and to use industrialization as a vehicle for meeting the Sustainable Development Goals (SDGs).

In this context, the Roadmap will develop joint initiatives in support of Africa's industrialization in the following ten priority areas, as stipulated in the UNGA Resolution A/RES/70/293:

- (a) access to information and communication technology;
- (b) action on climate change;
- (c) agribusiness value chains development;
- (d) human capital development;
- (e) industrial policy;
- (f) product diversification;
- (g) renewable energy and energy efficiency;
- (h) special economic zones and industrial parks;
- (i) technology transfer on mutually agreed terms; and
- (j) trade capacity-building.

The proposed Roadmap defines six pillars for the implementation of IDDA III:

- *Pillar 1* focuses on outreach and global forums. It aims to increase the visibility of IDDA III, and take stock of its implementation. The forums will be used to create new partnerships and build synergies with key implementation partners and stakeholders.
- *Pillar 2* focuses on enhancing strategic support for the development and management of industrial policy instruments. In this regard, the United Nations Industrial Development Organization (UNIDO) stands ready to partner with other stakeholders to provide technical support, including in the area of development and management of industrial data systems.
- *Pillar 3* focuses on technical cooperation, which includes the development and implementation of multi-disciplinary programmes and projects in key areas, such as the development of industrial parks and special economic zones; energy security and access; trade capacity building; agro value chain development; technology transfer; investment promotion; innovation; entrepreneurship and private sector development – with youth and women's empowerment as cross-cutting issues.



Special emphasis will be placed on expanding UNIDO's Programme for Country Partnership (PCP)¹ approach to other countries in Africa.

- *Pillar 4* focuses on enhancing the cooperation with the African Union Commission and the African Regional Economic Communities, with emphasis on implementing the Plan of Action of the Accelerated Industrial Development of Africa (AIDA). In this regard, activities will be designed to support these institutions to effectively implement IDDA III.
- *Pillar 5* focuses on partnerships and resource mobilization. Mobilizing financial and non-financial resources is critical to the success of the implementation of the IDDA III. Joint multi-stakeholder initiatives are of paramount importance. Towards this end, we believe that the convergence of official development aid flows and investments along a specific, country-owned industrial policy direction is crucial to ensure effectiveness and large scale development impact.
- *Pillar 6* focuses on communication and advocacy to promote and publicize the implementation of IDDA III and, in particular, to communicate and disseminate the key developmental results and impact generated through these interventions. Appropriate modes of communication and advocacy will be developed within this pillar, including an IDDA III Goodwill Ambassador programme to help promote its key messages. The implementation of IDDA III shall require the mobilization and deployment of substantial financial and non-financial resources. The collective efforts shall be guided by a Resource Mobilization and Deployment Strategy.

Each of the six pillars is divided into several programmes, and each programme contains several projects. These programmes and projects will seek to promote linkages between the involved institutions. Commensurate with the principles of Results-Based Management (RBM), the implementation of the various programmes and projects included in the Roadmap shall be guided by a robust and feasible Results-based Monitoring, Evaluation and Reporting (MER) Framework.

Stakeholder co-ordination

IDDA III requires intense consultations with all implementing stakeholders. This necessitates the design and operationalization of an appropriate oversight and consultation mechanisms. The following inter-institutional groups shall be created (subject to approval by the institutional partners):

- (a) A **Core Group** consisting of representatives from UNIDO, the African Union Commission (AUC), the New Partnership for Africa's Development (NEPAD), and the

¹ The PCP is a multi-stakeholder partnership for the promotion of inclusive and sustainable industrial development. It builds on partnerships with various stakeholders, including development finance institutions (DFIs) and the private sector, to mobilize large-scale resources and achieve a greater development impact.



United Nations Economic Commission for Africa (UNECA), for the purpose of developing and leading the operationalization of the Roadmap.

- (b) An **Implementing Group** with representatives from UNIDO, the United Nations Conference on Trade and Development (UNCTAD), the Food and Agriculture Organization of the United Nations (FAO), the World Intellectual Property Organization (WIPO), the International Labour Organization (ILO), United Nations Environment (UN Environment), the International Monetary Fund (IMF), the World Bank (WB), the African Development Bank (AfDB), and the European Investment Bank (EIB).
- (c) An **Expanded Group**, including government representatives, UNIDO, UNCTAD, FAO, WIPO, ILO, UN Environment, the International Telecommunication Union (ITU), the International Trade Centre (ITC), the World Health Organization (WHO), IMF, WB, the United Nations Development Programme (UNDP), the African Development Bank (AfDB), the European Investment Bank (EIB), academia, the private sector, bilateral development co-operation agencies and other donors, non-governmental organisations, the Group of 20 (G 20), and the Organisation for Economic Co-operation and Development (OECD).



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