



Africa

Industrialization Day 2019

Journée de l'Industrialisation de l'Afrique

يوم الصناعة الأفريقية:

Aide Memoire

THEME:

POSITIONING AFRICAN INDUSTRY TO SUPPLY
THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA) MARKET



I. INTRODUCTION

The post-independence efforts to create an economically integrated Africa have achieved significant integration milestones starting with the formation of the Organization of African Unity (OAU) in 1963 to the Monrovia strategy of 1971, the Lagos Plan of Action and the Final Act of Lagos (1980), the adoption of the Abuja Treaty in 1991 providing for the establishment of an African Economic Community (AEC) through the use of regional economic communities as “building blocks” and finally the Sirte Declaration leading to the preparation and adoption of the Constitutive Act establishing the African Union in 2001; these efforts and their achievements culminated in the signing of the African Continental Free Trade Area (AfCFTA) agreement in 2018. On 30 May 2019, the African Continental Free Trade Area (AfCFTA) agreement came into force. The operational phase of the AfCFTA was launched by at the Extra-ordinary Summit of African Heads of State and Government in Niamey, Niger, on the 7th of July 2019.

The promise of consolidating the continent into one trading area that provides great opportunities for trading enterprises, businesses and consumers across Africa as well as the chance to support sustainable development in the world’s least developed region makes for a highly dynamic market. ECA has estimated that the elimination of import duties in a functioning AfCFTA will potentially boost intra-African trade by 52.3 per cent and even double this trade if non-tariff barriers are also reduced.

However, the extent to which the AfCFTA will reduce barriers to intra-African trade is linked to ongoing negotiations, and realizing these potential benefits of a functioning AfCFTA depends on whether and to what extent the continent can expand and modernize its productive capacities and effectively supply the continental market that is estimated at more than 1.2 billion consumers and accounting for over US dollars 3 trillion of combined Gross Domestic Product (GDP). The crucial role of industry is underscored in the “Agenda 2063, The Africa We Want” of the African Union (2015), which calls for the economic transformation of the continent and acknowledges the centrality of the role of industrialization in the process.

So far and despite a half-century of concerted efforts at economic transformation, African economies have not been very successful in modernizing productive capacities. This inability is reflected in Africa’s slow pace of industrialization, which is evidenced by consistently low and declining manufacturing value added over the years. And yet, historically, industry, particularly manufacturing, is the sector on which economies have relied early in the process of structural transformation. Africa’s experience with industrialization has been generally disappointing despite the implementation of several development strategies over the years. The AfCFTA provides great opportunities for Africa to turn things around for the better.

II. BACKGROUND

Within the framework of the Second Industrial Development Decade for Africa 1991-2000 (IDDA II)¹, the UN General Assembly proclaimed the 20th of November “Africa Industrialization Day” (AID) through Resolution 44/237 of 22 December 1989 for the purpose of mobilizing the commitment of the international community towards Africa’s industrialization. Since then, the African Union Commission (AUC), UNECA and UNIDO together celebrate the AID each year on 20 November under joint organization. The AID was first observed on November 1990.

The theme of this year’s Africa Industrialization Day (AID2019) is aptly: “Positioning Africa’s Industry to Supply the AfCFTA Market.” AID2019 is dedicated to examining the provisions of the AfCFTA and exploring ways in which industry can be positioned to supply the AfCFTA market. It seeks to raise the awareness of the international community about the AfCFTA and its implications for future development assistance, prioritizing, and innovative partnerships. Straddling the Third Industrial Development Decade for Africa 2016-2025 (IDDA III) and the African Continental Free Trade Area (AfCFTA), this year’s Africa Industrialization Day aims at strengthening global dialogue on Africa’s major industrial developmental challenges.

¹ Resolution 47/177 of 22 December 1992 adjusted the period for the programme for the IDDA II to cover the years 1993-2002.

The United Nations Industrial Development Organization (UNIDO) is the specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability. The mandate of UNIDO is to promote and accelerate Inclusive and Sustainable Industrial Development (ISID) in developing countries and economies in transition. The relevance of ISID as an integrated approach to all three pillars of sustainable development is recognized by the recently adopted 2030 Agenda for Sustainable Development and the related Sustainable Development Goals (SDGs), which will frame United Nations and country efforts towards sustainable development till 2030. UNIDO's mandate in SDG-9, calls for the need to "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation".

In July 2016, the objectives of ISID were strengthened when, underlining the need for sustainable industrialization of Africa, the General Assembly proclaimed the period 2016-2025 the Third Industrial Development Decade for Africa (A / RES / 70 / 293) [IDDA III], and called upon UNIDO to develop, operationalize and lead on the implementation of the programme for IDDA III in accordance with the UN 2030 Agenda for sustainable development, the AU's Action Plan for the Accelerated Industrial Development of Africa (AIDA), and the Agenda 2063 of the African Union including its 10 year implementation plan.

UNIDO plays a fundamental role in orchestrating and coordinating the events pertaining to the AID due to its expertise and steadfast commitment in providing technical cooperation to African governments on industrial development issues. Through its ongoing activities, UNIDO seeks to further stimulate the global debate on Africa's major developmental challenges, promote initiatives in favour of African industrialization, foster synergies and engage relevant partners for collective actions that contribute to accelerating African industrialization.

The AID2019 celebrations are an opportunity to display UNIDO's field-level activities in promoting partnerships, mobilizing cooperation among Africa's development partners in local industrial supplies for the AfCFTA and welcoming the import-export country systems to surge their interest in industries.

The AfCFTA will progressively eliminate tariffs on intra-African trade, making it easier for African businesses to trade within the continent and cater to and benefit from the growing African market, and expand intra-Africa trade across the regional economic communities and the continent in general. It will enhance competitiveness and support economic transformation. A successfully functioning AfCFTA is expected to exert significant impact on manufacturing and industrial development, tourism, intra-African cooperation and trade including economic transformation in the continent.

III. AFCFTA: A CATALYTIC ROLE TO PROMOTE INDUSTRIALIZATION

AfCFTA seeks to deepen economic integration of the African continent by creating a single continental market with free movement of businesses, people and investments. This ambition will be achieved through successive rounds of negotiations that progressively eliminate tariffs and non-tariff barriers to trade in goods and liberalize trade in services.

A key objective of the AfCFTA is to "enhance competitiveness at the industry and enterprise level through the exploitation of opportunities for scale production, continental market access and better reallocation of resources". The AfCFTA is a way to promote industrialization on the platform of an integrated market. The proposed elimination of tariff and non-tariff barriers to trade is expected to defragment the markets and enhance industrial performance thus enabling African businesses to achieve economies of scale and build competitive productive capacities for regional and international trade in value-added products, capable of generating the structural transformation, sustained growth and jobs that Africa needs. Free movement of people and capital will support business in gaining access to a pool of resources, including finance and labour. If the AfCFTA is successfully implemented, Africa's manufacturing sector is projected to double in size with annual output increasing to \$1 trillion by 2025 and create over 14 million jobs.

IV. ROADMAP

It is important that stakeholders (private sector, public sector, development partners) understand what the AfCFTA offers and what future negotiations will cover. This is because while all the projected benefits of AfCFTA are significant they are indeed only potential as of now. The ability of the continent to expand and modernize productive capacities to effectively supply the huge market of some 1.2 billion consumers will, to a large extent, determine the success of the AfCFTA.

To set the stage therefore, UNIDO will briefly outline to participants key elements and objectives of the AfCFTA and how these will probably impact industry and industrial activity and processes, also highlighting how the prevailing challenges can be addressed and how the AfCFTA opportunities might be appropriated in order for Africa's economic development potentials to be reasonably unlocked. It is important that stakeholders are fully aware of the issues, potential benefits and opportunities, and the role each can play.

A) Objectives, Outcomes and outputs of the Symposium

Objectives:

- Examine the provisions of the AfCFTA and explore ways in which industry can be enabled to supply the AfCFTA market.
- Raise the awareness of the international community about the AfCFTA and its implications for future development assistance, prioritizing, and innovative partnerships. Strengthen the global dialogue on Africa's major industrial developmental challenges.
- Contribute to forging partnerships and promoting the necessary linkages to develop joint initiatives with high developmental impact on African trade and industry, including the mobilization of resources and increased collaboration between African countries towards defragmenting markets and increasing the sustainability of local manufacturing through economies of scale.

Outcomes:

- A better understanding of the implications of a functioning AfCFTA for industrial production in particular and economic transformation of the continental economy in general.
- A better understanding of what can and should be done to mobilize the private and public sectors so industry can maximize the opportunities offered by the AfCFTA.
- A clearer understanding of what the AfCFTA offers and what future negotiations will cover.
- An understanding of the linkages between the global SDGs and UNIDO's ISID priorities in the context of the AfCFTA market.
- Socially responsible and sustainable partnerships necessary for scaling up and accelerating progress in the trade and industry sectors.
- Greater awareness of UNIDO's services and contributions to industrial development in Africa through flagship initiatives.

Outputs and way forward:

- Follow-up activities/agreement on way forward
- Conference report

B) Date and Venue

The event will take place in Vienna on 20 November 2019, at the UNIDO Headquarters, Vienna International Center, Conference Room 3, C- Building, Wagramerstrasse 5, 1400 Vienna, Austria. The event will commence at 14:30h (2:30pm) and conclude at 17:30h (5:30pm). An evening reception shall follow the event at the same venue.

C) Format of the event

The event will take the form of a symposium with panel discussions guided by a moderator. The panel sessions shall last for half a day. The experts and resource persons will participate in highly-interactive discussions as panellists at the symposium together with possible interventions from participants at the event.

D) Languages

The working languages of the symposium shall be English and French with simultaneous interpretation provided for both languages.

E) Participation

Around 150 participants are expected to attend the AID2019 commemoration event. The invitees' list includes the following main target groups:

- Permanent Missions of UNIDO Member States.
- Financial institutions, donors/sponsors.
- UN agencies and partners.
- Regional Economic Communities (RECs)/Regional groupings.
- High-level speakers and panellists.
- Representatives of public & private sectors and the academia.
- International business influencers (within the agreed theme).
- National counterparts and Vienna based organizations (VBOs).
- Representatives of civil society.
- Representatives of the international media.

Networking

A cocktail reception will be organized in the evening of 20 November 2019 to provide an opportunity for all participants to network, liaise and build win-win partnerships with their peers from Africa, the Arab region, Asia, Europe and Latin America.

F) Financial and Administrative Arrangements

Air tickets & Subsistence allowance

UNIDO is not responsible for travel costs to/from Vienna, subsistence allowance and accommodation expenses.

UNIDO will not assume responsibility for any other costs, including but not limited to the following expenditures, which may be incurred by participants:

- Costs incurred by participants with respect to private local travel, any insurance, medical bills, and hospitalization fees.

- Incidental costs incurred with travel, e.g., passport, visas, private stopover.
- Compensation in the event of death, disability or illness.
- Loss of or damage to personal property
- Purchase of personal belongings and compensation for damage caused to them by climatic and other conditions
- Other unforeseen expenditures.

Panellists and Moderator

The travel costs and a daily allowance shall be paid in accordance with UNIDO's travel policy, for the panellists and moderator of the event. Further details will be communicated directly to the relevant parties upon confirmation of their participation.

Accommodation

Participants should make their own hotel reservations as soon as possible as hotel rooms are scarce at this time of the year. A list of hotels together with contact numbers is attached. Please see **Annex I** for a list of recommended hotels.

Visas

Prior to leaving their home countries, participants are requested to make their own arrangements for entry visas or travel permits that may be required for the entire travel (including for transit countries) to Vienna.

Participants are urged to keep in mind that issuing visas might require advance preparations. The visa procedure itself may require 2 to 3 weeks, depending on the nationality of the participant. Upon request and with a copy of the travel document sent to AID2019@unido.org, UNIDO shall provide participants with a note verbal to facilitate the visa application process.

Registration procedure

To register for the Africa Industrialization Day 2019 event, please send an email to AID2019@unido.org.

Registration will be open at Checkpoint 1 of the Vienna International Centre (VIC) on 20 November 2019 upon presentation of a national identification card or passport.

Public transport to the venue: Nearest U-Bahn (subway/metro) Station to the VIC: Kaisermühlen-Vienna International Centre - located on the 'U1' Line to the north-east of the city center.

Contact Information

For further information or specific questions, please email to: AID2019@unido.org.

V. DRAFT AGENDA

Date and time: 20 November 2019, 14:30 – 17:30

Location: Conference Room 3, C-Building, Vienna International Centre (VIC) Vienna, Austria

14:30 – 14:35	Welcome by Mr. Victor Djemba, Chief, Regional Division – Africa, Department of Programmes, Partnerships and Field Integration, UNIDO
Opening remarks	
14:35 – 14:45	Opening speech by Mr. LI Yong, Director General, UNIDO
14:45 – 14:55	Message from the UN Secretary-General , delivered by Mr. Yury Fedotov, Director-General, United Nations Office in Vienna
14:55 – 15:05	Joint Statement by AUC, UNIDO and UNECA , delivered by H.E. Ambassador Nada Kruger, Permanent Representative of Namibia to UNIDO and Chairperson of the African Group in Vienna
Panel session I: “Unpacking the AfCFTA: Opportunities and factors of success to catalyse industrialization on the Continent”	
15:05 – 15:20	Keynote Speech by H.E. Ambassador Ahmat Awad Sakine, Permanent Representative of the African Union to Brussels
15:20 – 16:00	Moderated panel discussion
16:00 – 16:15	Coffee break , Location: VIC, C-Building 7th floor, Coffee Corner, right side
Panel session II: “Mobilizing policymakers, development partners and the private sector to address the opportunities of the AfCFTA”	
16:15 – 17:00	Moderated panel discussion
Closing remarks	
17:00 – 17:15	Interventions from the floor facilitated by the moderator Ms. Selma Prodanovic
17:15 – 17:20	Wrap-up by the moderator Ms. Selma Prodanovic
17:20 – 17:30	Closing by UNIDO, Mr. LI Yong, Director General, UNIDO
17:45	Dinner reception Location: Restaurant in the F-Building, ground floor, Mozart Room
21:00	Farewell

ANNEX I

LIST OF RECOMMENDED HOTELS IN VIENNA WITH SPECIAL UN/UNIDO RATES CLOSE TO THE VENUE OF THE CONFERENCE

Subject to direct reservation with hotels.

Hotel NH Danube City****

Few minutes walking distance from VIC, U1/Alte Donau Address: Wagramer Strasse 21, 1220 Vienna
For reservations call: 0820 40115536
E-mail: reservierungen.at@nh-hotels.com

ARCOTEL Kaiserwasser ****

U1/Vienna International Centre, opposite VIC Address: Wagramerstrasse 8, 1220 Vienna
Tel. (43-1)52165 813, Fax (43-1) 52165 810
E-mail: reservation.kaiserwasser@arcotel.at
Internet: www.arcotel.at/kassierwasser

Park Inn by Radisson Uno City ****

Few minutes walking distance from VIC, U1/VIC Address: Wagramer Strasse 16, 1220 Vienna,
Tel: (43-1) 260 400, Fax (43-1) 260 40-699
E-mail : reservation.vienna@rezidorparkinn.com
Internet: www.rezidorparkinn.com

Hotel Melia*****

350 m from VIC
Donau-City-Strasse 7, 1220 Wien
E-mail: www.melia.com
Tel. +43 (0) 1 90 104 - 2041

Hotel City Central****

U1/Schwedenplatz
Address: Taborstrasse 8, 1020 Vienna
Tel. (43-1) 211 05-0, Fax (43-1) 211 05-140
Email: city.central@schick-hotels.com
Internet: www.schick-hotels.com



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