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**Integrated and coordinated implementation of and follow-up
to the outcomes of the major United Nations conferences and
summits in the economic, social and related fields**

Third Industrial Development Decade for Africa (2016–2025)

Note by the Secretary-General

The Secretary-General hereby transmits the report of the Director General of the United Nations Industrial Development Organization in accordance with General Assembly resolution [70/293](#).

* [A/74/50](#).



Summary

The present report is submitted pursuant to General Assembly resolution [70/293](#), in which the Director General of the United Nations Industrial Development Organization was requested to submit to the General Assembly, through the Secretary-General, a periodic report on progress made in the implementation of the Third Industrial Development Decade for Africa (2016–2025).

I. Introduction

1. The present report provides information, analysis and statistical data on progress in the implementation of the Third Industrial Development Decade for Africa (2016–2025). Described herein are some of the interventions, ongoing or completed, within the priority areas of the Third Decade, as well as projects formulated during the period June 2018 to June 2019 for implementation during the Third Decade. The report bears testimony to the efforts of the international community to enhance its multi-stakeholder partnerships and mobilize financial and non-financial resources at the regional, multilateral and bilateral levels for the successful implementation of the Third Decade.

A. Status of industrial development in Africa

2. During the reporting period, the African economy grew by 3.2 per cent in 2018, down slightly from 3.4 per cent in 2017, buoyed by improved global growth that is increasing demand for Africa's exports and by rising commodity prices, higher investment in infrastructure, strong private consumption and favourable weather. At the subregional level, East Africa led with growth in gross domestic product (GDP) estimated at 5.7 per cent in 2018, followed by North Africa at 4.9 per cent, West Africa at 3.3 per cent, Central Africa at 2.2 per cent, and Southern Africa at 1.2 per cent. In the medium term, growth is projected to accelerate to 4 per cent in 2019 and 4.1 per cent in 2020.

3. Africa's share of manufacturing value added in GDP remained low at 10.3 per cent in 2018. For most African countries agriculture was the main foreign exchange earner, while the services sector continued to grow rapidly. Manufacturing sector growth was subdued, according to the latest United Nations Industrial Development Organization (UNIDO) growth estimates, with a moderate rise in manufacturing output of 0.7 per cent registered in the first quarter of 2019, compared with the same period of the previous year. Manufacturing production continued to be concentrated in low-technology products such as food, textiles, clothing and footwear, although there was growth in the automotive industry throughout 2018. The employment share in manufacturing was estimated at 7 per cent for 2018 compared with agriculture, in which an average of 51 per cent of the working population are employed, and the services sector, in which around 36 per cent are employed.

4. Foreign direct investment flows to the continent rose to \$46 billion in 2018, an increase of 11 per cent over the previous year. Growing demand for some commodities, a corresponding rise in their prices and growth in non-resource-seeking investment in a number of economies underpinned the rise. Although multinational enterprises from developing countries continued to expand their activities in Africa, investors from developed countries remained the key players.

B. New developments in industry in Africa and the global economy: the African Continental Free Trade Area

5. On 7 July 2019, the operational phase of the Agreement Establishing the African Continental Free Trade Area was launched in Niamey. The launch followed the entry into force of the Agreement on 30 May 2019, the largest free trade area in the world in terms of the number of signatory countries since the creation of the World Trade Organization in 1995. The Economic Commission for Africa (ECA) estimates that the African Continental Free Trade Area (AfCFTA) will increase intra-African trade by between 15 and 25 per cent. Provided AfCFTA leads to a 100 per cent tariff

liberalization in trade in goods, the United Nations Conference on Trade and Development (UNCTAD) provides for the achievement of \$16.1 billion in welfare gains, 1 to 3 per cent growth in gross domestic product (GDP), 1.2 per cent increase in employment, 33 per cent increase in intra-African exports and 50 per cent reduction in trade deficit. Welfare gains are expected to be even greater once trade in services and non-tariff barriers are taken into account.

6. AfCFTA is expected to lead to greater exports, higher value addition in manufacturing and services and a more diversified intra-African trade export basket for women, young people and small and medium-sized enterprises. The greatest benefits will be in trade in industrial goods that are expected to increase by up to 30 per cent, accelerating economic industrialization and diversification throughout the continent and generating employment opportunities for Africa's young people. Through expanded and more efficient goods and labour markets, AfCFTA is expected to improve the continent's overall ranking on the Global Competitiveness Index. Similar improvements are anticipated in the competitiveness of industries and enterprises, the exploitation of economies of scale and the efficacy of resource allocation.

Fourth industrial revolution

7. The new industrial revolution, also known as the next production revolution, the fourth industrial revolution, or Industry 4.0, has continued to gain momentum, involving the rapid deployment of advanced technologies that can transform the landscape of manufacturing. Although an increasing number of African enterprises have adopted advanced technologies, the level and impact of the fourth industrial revolution in Africa remains lower than other developing regions as a result of market barriers and other obstacles. Digital infrastructure gaps remain the greatest challenge and progress in this area will undoubtedly facilitate the broader adoption of frontier technologies by African enterprises. The skills gap is similarly pronounced in many African countries, in particular least developed countries. Manufacturing firms continue to face challenges to digitalization among others. Although Internet penetration rates remain relatively low across much of Central Africa, the number of Internet users in Africa is increasing by 20 per cent a year.

II. Progress in the implementation of key priorities of the Third Decade

A. Agribusiness and rural development

8. During the reporting period, UNIDO implemented several projects on value chain development. In Morocco, a project to improve the rosemary value chain provided over 3,000 new cooperatives with new machinery, ensuring the sustainable management of a local resource and increasing the participation of the local population in its value addition. In Namibia, a project funded by Finland was initiated to promote the sustainable bush-processing value chain. In January 2019, South Africa, UNIDO and the Swiss State Secretariat for Economic Affairs (SECO) agreed to support South Africa's efforts to improve the international competitiveness of indigenous essential and vegetable oils. A project in Mozambique, financed by Italy, is promoting value chain development in agro-industries. In Tunisia, a project co-funded by the European Union and Italy, focuses on artisan and design value chains to create employment for vulnerable populations in the country, especially women.

9. UNCTAD continued to support a number of countries, including Uganda, Zambia and Zimbabwe, in adding value to their cotton crop, creating new jobs and income. In May 2019, UNCTAD and Mauritius signed a memorandum of understanding on the establishment of a new centre of excellence for the fisheries sector within the Ministry of Ocean Economy, Marine Resources, Fisheries and Shipping. Mauritius is well placed to share its expertise and technology with least developed countries in order to harness the potential of their fisheries and aquaculture sectors for sustainable growth, transformation and poverty alleviation.

10. The Food and Agriculture Organization of the United Nations (FAO) worked with a number of partners to implement projects in support of agribusiness development. A project in Zambia, implemented in collaboration with the International Labour Organization (ILO), focused on the development of private sector-led sustainable business models through a market systems development approach. The project reached over 14,000 rural farming enterprises of which 55 per cent were owned by young people, leading to the creation of 5,487 jobs by December 2018. In collaboration with the Africa Rice Center and the African Union Commission, FAO assessed the role of small and medium-sized rice millers in the development of food systems and presented policy recommendations to member countries of the Coalition for African Rice Development.

11. A project completed in 2018 by the International Atomic Energy Agency (IAEA) on the use of nuclear technologies to promote food security through the control of transboundary animal disease strengthened the capacities of veterinary laboratories of participating Member States. In Ghana, IAEA technical assistance helped the Accra Veterinary Laboratory of the Veterinary Services Directorate of Ghana to assume the status of a regional support laboratory in West Africa, contributing to the control of transboundary animal diseases both in Ghana and the entire subregion.

12. The Common Fund for Commodities invested \$1.5 million in the construction of a cashew nut processing factory in Northern Benin, which will process raw nuts into kernels for export to international markets. In Kenya, with a private sector investment of \$610,000, the Fund is engaged in the construction of storage and processing facility to produce blended cereals from grains supplied by smallholder producers. The project is expected to connect 50,000 local smallholder producers with local supermarkets by 2021, contributing to food security and the availability of added value cereals for the domestic market.

B. Trade capacity-building

13. UNIDO continued to implement regional and national programmes and projects to boost competitiveness and quality infrastructure. In West Africa, a new phase of the competitiveness and quality infrastructure project funded by the European Union was launched in October 2018. Implemented by UNIDO, progress achieved so far includes the development and adoption of a quality policy for the Economic Community of West African States (ECOWAS); the establishment of the ECOWAS Agency for Quality and three accreditation bodies; the alignment of 16 national quality policies with regional policy; and the adoption of 42 regional standards. Training was provided to 4,105 technicians, of whom 350 were trained in metrology. In Central Africa, UNIDO assistance to 21 companies of the sub region enabled 10 to receive International Organization for Standardization certification under standard ISO 22000:2018 on food safety management systems – requirements for any organization in the food chain. The programme raised broad awareness of the importance of quality and supported the processes that will lead to the implementation of a regional organization for standardization. In the Southern African Development Community (SADC), UNIDO organized an expert group meeting in October 2018 to

explore collaboration between national accreditation focal points in countries with national accreditation bodies and those with no national accreditation body.

14. In East Africa, the International Trade Centre (ITC), UNIDO, Deutsche Gesellschaft für Internationale Zusammenarbeit and national partners collaborated on an initiative to increase the exports of agribusiness and horticultural products, and promote regional integration and access to European markets. A 35 million euro market access upgrade programme provides assistance to small and medium-sized enterprises in Burundi, Kenya, Rwanda, Uganda and the United Republic of Tanzania by targeting specific agricultural commodities such as avocado, cocoa, coffee, spices, tea and horticultural products.

15. Under a three-year project financed by the Enhanced Integrated Framework, UNIDO provided support to small enterprises in Benin in three priority sectors with high-employment and export potential: agrifood (in particular pineapple, shea nuts and cashew nuts), fish farming and textiles. By the completion of the three-year project in April 2019, over 30 enterprises had increased their competitiveness on regional and global markets, improved productivity and brought their products into compliance with national and international standards.

16. An industrial restructuring and upgrading programme for Central Africa, funded by the European Union, was completed in February 2019. Implemented by UNIDO, the project enabled beneficiary countries to design and implement initiatives in support of industrial modernization in the private sector and to train national experts in giving assistance to local enterprises wishing to improve their competitiveness. The programme resulted in, among other things, support to national institutions and laboratories, the adoption of a regional quality policy and regional quality awards in the participating countries: Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Gabon, and Sao Tome and Principe. To date, two testing laboratories in each country have received accreditation under standard ISO/IEC 17025:2017 on general requirements for the competence of testing and calibration laboratories.

17. ECA collaborated with partners to support Chad, Djibouti, the Gambia, Guinea, Kenya, Mauritania, Niger, Senegal, Sierra Leone, Togo, Zambia and Zimbabwe in developing national strategies for implementing AfCFTA. National strategies should complement the existing policy framework, identify opportunities for value addition and trade, create awareness of current constraints and actions required to take full advantage of national, regional and global markets in the context of AfCFTA. ECA held a number of events on AfCFTA, including a workshop on the role of regional economic communities in ensuring a gender-sensitive implementation of AfCFTA and a regional trade forum on ways to remove barriers to trade and investment in the Horn of Africa, with particular reference to the pharmaceutical industry.

18. In Malawi, the first testing laboratory received accreditation under a project implemented by UNIDO and the United Nations Development Programme (UNDP). The project contributed to the development of an efficient national quality infrastructure with direct benefits for small and medium-sized enterprises in Malawi and indirect benefits in the form of improved protection of consumer rights. In Nigeria, a UNIDO national quality infrastructure project led, among other results, to the establishment of a national accreditation board and the implementation of four pilot projects on commodity value chains. 162 representatives of Government ministries, departments and agencies and the private sector received training in standard ISO 9001:2015 on quality management systems – fundamentals and vocabulary, and 124 persons were certified as lead auditors and lead implementers.

19. In February 2019, the African Union Trade Observatory was launched as a crucial part of AfCFTA. Funded by the European Union with a total budget of

\$4 million and created at the initiative of the African Union Commission, the Trade Observatory will provide entrepreneurs, policymakers and other key stakeholders with up-to-date, reliable trade data and statistics across the continent. Data and analysis will be available through a web-based platform.

20. In February 2019, UNIDO launched a pilot project in Egypt under the “Better cotton” initiative to support cotton branding as part of a drive to increase sustainability, improve working conditions along the supply chain and support cotton growers and relevant institutions. Training introduced approximately 5,000 smallholder cotton farmers to the benefits of taking a holistic approach to sustainable cotton production.

C. Entrepreneurship and skills development

21. UNIDO, in cooperation with the United States Agency for International Development, the Government of Italy, HP Inc. and the HP Foundation, renewed a public-private partnership to foster youth employment in the interior of Tunisia with a target of 6,000 new jobs by 2021 in new or existing enterprises. To date, over 2,000 jobs have been created, 5,884 aspiring entrepreneurs have successfully been trained through the platform of the HP learning initiative for entrepreneurs and the creation of 94 new start-ups has been enabled. In Madagascar, UNIDO implemented a project supported by Norway to promote creative industries where more than 7,515 students at six high schools benefited from training in production techniques, entrepreneurship, management and marketing.

22. Under the inter-agency “Green jobs” programme, FAO, ILO, ITC, the United Nations Environment Programme (UNEP) and UNCTAD, promoted the creation of green and decent jobs in the construction sector in Zambia. Under the programme, which ended in October 2018, the market system and value chain development approach was applied to strengthen micro-, small and medium-sized enterprises, business linkages, service providers, market structures and the business environment to enhance green competitiveness in industry. The programme reached over 16,000 people with green business advocacy messages and created 4,326 jobs over its five-year duration.

23. ILO, in cooperation with the Swedish International Development Cooperation Agency and a multinational Swedish fashion chain, implemented a project in Ethiopia to support the development of a socially sustainable textile and garment industry through improvements in labour relations, productivity, wages and working conditions. Over 20,000 workers from 12 target enterprises benefited from the project’s interventions. Training was given to over 4,000 workers and managers, to 1,300 officials of regional governments, workers’ organizations and employers’ organizations, 421 leaders and members of trade unions, and 200 labour inspectors.

24. In 2018, the United Nations Human Settlements Programme (UN-Habitat) launched an employment and entrepreneurship programme for public works in Somalia. The project consisted of training in the construction sector with job placement support for 400 young people, of which 200 were women. Training in soft and transferable skills and engineering skills for employment in the construction value chains was given to 330 young women and men, and 70 of them received support with particular focus on entrepreneurship and starting up new businesses by young people. All trainees reported gaining the necessary skills to compete on the labour market in Somalia. Six projects relating to the construction and service sectors were launched in 2018 as a result of the training.

D. Industrial policy and statistics

25. UNIDO carried out a number of activities related to industrial policy advice and statistics. In the area of statistics, UNIDO pioneered training on gender-sensitive statistical analysis with participation from various African countries. The training was held in Addis Ababa in 2018 and covered the basic components of gender-sensitive data collection and related statistical analysis, in particular the collection of sex-disaggregated statistics on employment and wages in the manufacturing sector from primary and secondary data sources. Participants learned how to identify sources of data relating to the gender gap and methods of collecting them, using existing survey data or administrative sources, and understand how to use sex-disaggregated data in evidence-based policymaking for industrial development that leads to a country action plan at the end of the training.

26. In the area of industrial policy, UNIDO, in cooperation with Deutsche Gesellschaft für Internationale Zusammenarbeit, conducted a number of training-of-trainers activities under a project entitled “Enhancing the quality of industrial policy”. Under the same project, young people in Ethiopia are being trained in advanced maintenance of commercial vehicles in order to improve their chances of accessing gainful employment.

27. Under a project on policies for sustainable economic growth in Southern Africa funded from the Development Account, UNCTAD implemented a number of projects designed to strengthen industrial policy and facilitate dialogue between the public sector, the private sector and civil society. In Mauritius, Mozambique and Zambia, workshops were held about key policies that could transform economic structures, with emphasis on sectors and measures previously endorsed by the target countries.

28. SADC, in partnership with the European Union and the German Federal Ministry for Economic Cooperation and Development, is implementing a capacity-building programme to strengthen its national coordination structures. The programme is designed to build the capacity of State and non-State actors to shape regional integration at the national level and monitor progress in the implementation of the SADC agenda. It is aimed at strengthening the capacity of SADC member States to mobilize resources for managing and implementing regional development strategies in the areas of agriculture, industrialization and infrastructure.

29. During the period under review, key publications on various policy-related topics were issued. In March 2019, UNIDO launched its flagship publication, the International Yearbook of Industrial Statistics, which provides economists, planners, policymakers and business people with worldwide statistics on the current level, structure and trends in the manufacturing sector. ITC published a guide explaining the business implications of AfCFTA. UNCTAD and the International Organization for Migration jointly published a policy guide on entrepreneurship for migrants and refugees that supports the objectives of the African Union strategy for the development of small and medium-sized enterprises in Africa. UNIDO worked with the Group of 20 (G-20) Development Working Group and within the G-20 Compact with Africa, prepared a progress report entitled *Industrialization in Africa and Least Developed Countries: Boosting Growth, Creating Jobs, Promoting Inclusiveness and Sustainability*. The report will be included in the comprehensive accountability report to be issued when Japan presides over the G-20 in 2019.

E. Special economic zones and industrial parks

30. UNIDO provided support for the development and management of a new industrial park in Senegal that opened in November 2018. Assistance included the development of a business model and investment incentive package, and the finalization of legal, regulatory and institutional aspects relating to the management and administration of the park. The Diamniadio international industrial park is expected to generate at least 23,000 jobs. Several companies are operating in the park, producing garments, polyvinyl chloride pipes, packaging, magnetic e-cards and electric bicycles. UNIDO is also conducting feasibility studies for agropoles in the southern, northern and central regions of Senegal, financed, respectively, by the Government of Senegal, the African Development Bank (AfDB) and Belgium, which will lead to the creation of new jobs and increase export revenue. Financial partners have pledged investments totalling \$190 million once the feasibility studies are conducted, which represents substantial leveraging in relation to the initial investment of \$100,000 for the prefeasibility study prepared by UNIDO.

31. UNIDO continued to implement a range of activities under its Programme for Country Partnership for Ethiopia. Key results during the reporting period included the initiation of construction of four integrated agriculture industrial parks; the mobilization of \$300 million in public investment by the Government of Ethiopia for infrastructure development; and the ongoing mobilization of private sector investment. To support the development of the leather sector, a feasibility study was conducted for the establishment of a leather district named Modjo Leather City. As a result, 15 million euros was secured from the European Union to support efforts to strengthen the leather value chain, boost competitiveness, facilitate financial investments in the establishment of the leather district and support local economic and social development initiatives, especially for women and young people living in Modjo city, including employment programmes within Modjo Leather City.

32. The work to develop integrated agro-industrial parks in Ethiopia continued to receive support from various United Nations agencies and partners. FAO assisted with an in-depth analysis of prioritized value chains, the development of a business plan, capacity-building for value chain actors and support relating to agro-industrial infrastructure and equipment. ITC is facilitating a \$2 billion investment project to set up a paper mill and a furniture industry park processing domestic bamboo supplies. Bamboo development and pulp-paper manufacturing could directly employ over 3,000 people and produce one million tons of paper per year.

33. In 2018, the China-Africa industrial capacity cooperation fund invested 160 million yuan for the development of the Sukulu metal mine in Uganda and the construction of an industrial park. Rwanda received support from the China Overseas Group for its plans to create a new industrial park under a project that began in December 2018. A project in Ethiopia for an agricultural products processing park received an investment of \$200 million. In November 2018, a ground-breaking ceremony was held for the Jiangxi Multi-Facility Economic Zone, a park to be constructed in Chibombo district in central Zambia. It is expected to promote the agriculture, manufacturing and food processing industries and contribute to local economic development and regional industrial upgrading.

F. Pharmaceutical industries

34. UNIDO continued to implement projects designed to strengthen the capacity of African countries to produce essential medicines locally. In Ghana and Kenya, UNIDO created development strategies for the pharmaceutical sector to promote the

local production of medicines for export to the region and the rest of the world. Following the successful development in Kenya of a road map for good manufacturing practices, UNIDO is currently working with the West African Health Organization to develop such a road map for the ECOWAS region. In the countries of the East African Community, UNIDO worked with UNCTAD and the World Health Organization (WHO) to foster regional policy coherence in intellectual property rights to support the development of pharmaceutical production capacity.

35. In May 2019, UNCTAD, the United Nations Children's Fund, the Joint United Nations Programme on HIV/AIDS, WHO, UNIDO and the Global Fund to Fight AIDS, Tuberculosis and Malaria signed an agreement that paved the way for a strategic and holistic partnership between the signatory organizations, Governments and local stakeholders. In February 2019, a treaty establishing the African Medicines Agency was endorsed by African Heads of State and Government at the thirty-second ordinary session of the Assembly of the African Union. Its role is to coordinate and strengthen continental initiatives to harmonize the regulation of medical products, and to provide guidance and technical support to improve access to good-quality, safe and efficacious medical products and health technologies on the continent.

36. During the reporting period, several events were held that highlighted the importance of developing the pharmaceutical industry. WHO collaborated with the New Partnership for Africa's Development to hold a workshop entitled "Key enabling factors for successful local production and supply of quality-assured medicines" in Addis Ababa in December 2018. The workshop provided guidance on business, policy, regulatory and other factors critical to the local production of essential medicines. In April 2019, WHO and the Government of South Africa hosted a forum on fair pricing and access to medicines to discuss strategies to reduce prices and increase access to medicines. On 20 November 2018, UNIDO, in partnership with the African Union Commission and ECA, celebrated the annual Africa Industrialization Day on the theme "Promoting regional value chains in Africa: a pathway for accelerating Africa's structural transformation, industrialization and pharmaceutical production".

G. Renewable energy and energy efficiency

37. In collaboration with the Austrian Development Agency, UNIDO provided assistance for the establishment of the SADC Centre for Renewable Energy and Energy Efficiency. Inaugurated in October 2018 in Windhoek, the new centre will advise SADC member States on a viable transformation to sustainable energy. It will provide a platform for domestic and international partnerships and serve as a hub for knowledge and technical expertise. In 2019, the Centre, together with the East African Centre of Excellence for Renewable Energy and Efficiency, UNIDO and the Swedish International Development Cooperation Agency, launched a project to transform the market for energy efficient lighting and appliances in the countries of the East African Community and SADC. It is envisaged that the project will bring regional support to private sector-led activities leading to the increased use of energy efficient high quality lighting and appliances.

38. A UNIDO project funded by Japan in support of low carbon and climate-resilient industrial development in Egypt, Kenya, Senegal and South Africa resulted in the adoption of greener and more resource-efficient practices in production cycles. The introduction of successful energy-efficient measures at food processing factories reduced energy consumption by 40 per cent. In Kenya, improved control of tea leaf drying and withering cut energy usage by 60 per cent. In Senegal, innovative drying methods were applied at three millet processing factories. Finally, in Egypt solar power was installed at a food-processing company.

39. Under a UNIDO project in the United Republic of Tanzania, completed in 2019, the installation of eight hydropower-based minigrids with a cumulative capacity of 4,881 kW boosted rural electrification. UNIDO established a technical hub at the College of Engineering and Technology of the University of Dar es Salaam, which offers consultancy and training and manufactures its own micro- and minihydropower turbines.

40. Under the project entitled “Developing, expanding and reinforcing energy-planning capabilities, including nuclear power”, IAEA continued to assist Member States in subregional energy planning. Groups of countries in North, West and East Africa are updating and verifying their national case studies and subregional interconnection projects.

41. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States is implementing a project to strengthen productive capacity in least developed countries by providing an enabling environment for investment in sustainable energy. A pilot study prepared in February 2019 demonstrated how Malawi could attract and generate the required investment to leapfrog to clean energy.

H. Environment and Climate Change

42. A joint initiative by UNIDO and UNDP, and funded by the European Union, under a programme to transfer environmentally sound technology in the southern Mediterranean region (SwitchMed programme) was implemented in Algeria and Egypt. In Algeria, pilot enterprises participating in Transfer of Environmentally Sound Technology in the Southern Mediterranean Region Med Test II demonstrated savings of 29.8 GW of energy per year, water savings of 435,489 m³ per year, 14,514 tons of raw materials per year, 18.818 tons of CO₂ per year and a reduction in solid waste of 819.3 tons per year. In Egypt, 255 resource efficiency measures were identified in 28 demonstration companies with a potential annual saving of over 10.3 million euros, resulting in energy savings of 411,049 MWh per year, water savings of 2,020,608 m³ per year, raw material savings of 12,246 tons per year and the avoidance of 12,188 tons per year of solid waste being landfilled.

43. In Morocco, during the reporting period, 30 technology enterprises received mentoring and coaching from specialists in clean technology and in business development under the Global Cleantech Innovation Programme implemented by UNIDO and the Government of Morocco, and with the support of the UNEP Global Environment Facility (GEF). At the “Pollutec Maroc” international exhibition, in October 2018, awards were presented to start-ups and small and medium-sized enterprises in the clean technology field for technological innovations that they had developed under the Programme. The national grand prize was awarded to an enterprise that uses thermal and visual cameras on board air drones or land vehicles to remedy failures in, among other things, photovoltaic solar power plants.

44. UNEP provided training, mentorship and toolkits to some 3,000 micro-, small and medium-sized enterprises in Burkina Faso, Ghana, Kenya, Mauritius, South Africa and Uganda on the adoption of innovative green business practices and sustainable consumption and production practices in the priority sectors manufacturing, tourism, integrated waste management and agriculture. A total of \$11.5 million was disbursed to grantees through the United Nations Office for Project Services during the first phase of the project. UNEP also supported the adoption of an approach to planning based on the principles of the green economy, leading to the greening of industrial and manufacturing sectors at the subnational and national levels in Ethiopia, Ghana, Kenya and Mozambique.

45. In February 2019, UNDP, UNEP, UNIDO, Conservation International and the Governments of eight participating countries including Burkina Faso and Kenya forged a new partnership to reduce the use of mercury in artisanal gold mining and facilitate access to mercury-free extraction methods. Funded by GEF, the partnership has as its objective to reduce the use of mercury in the artisanal gold mining sector in the participating countries by facilitating access to finance for artisanal miners and mining communities so that they can introduce low- and non-mercury technologies and techniques, and by developing sustainable gold supply chains.

46. With the entry into force in January 2019 of the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, UNIDO has stepped up support to countries so that they can ratify the Amendment. Projects on plans to phase out the use of hydrofluorocarbons are currently being implemented in 34 countries in Africa, and on activities to enable the phasing out of hydrofluorocarbons in 11 countries. The entry into force of the Kigali Amendment will help to reduce the production and consumption of hydrofluorocarbons, which are potent greenhouse gases, and thus to avoid global warming by up to 0.4°C this century.

47. Under a project funded by GEF, UNIDO is helping vulnerable farming communities in Western Uganda to adapt to the effects of climate change. The six-year project, scheduled for completion at the end of 2019, follows a value chain approach to improve the overall performance of the banana sector, incorporating appropriate, low-carbon production technologies that ensure sustainable natural resource management, and identifying and promoting investment prospects. In collaboration with the Ministry of Trade, Industry and Cooperatives, and the Ministry of Agriculture, Animal Industry and Fisheries, UNIDO supported an indigenous agribusiness company with the development and supply of clean tissue-culture banana plantlets to enable farmers to build resilience to climate change.

48. In June 2018, ITC, in partnership with the African Guarantee Fund, the Nordic Development Fund and AfDB, held the 2018 “Green finance” conference in Abidjan, Côte d’Ivoire. Participants discussed ways to finance the transition to a low carbon economy with a focus on the solutions for environmentally friendly and climate-smart initiatives.

I. Information and communications technology

49. The International Telecommunications Union (ITU) is supporting the Government of the Niger in the implementation of a “smart villages” project to improve social and financial inclusion in rural areas by providing broadband connectivity and digital services. The aim is to improve the delivery of vocational and literacy training. The aim of the project is to assist in modernizing the agriculture, livestock and fisheries sectors by providing timely information to rural populations and facilitate the exchange of best practices in agriculture. In September 2018, ITU held a forum session at the Telecom World 2018 conference held in Durban, South Africa, entitled “Digital innovation ecosystems: the key to Industry 4.0”. At a round table, held during the event, on leveraging emerging technologies for sustainable development, a topic with particular relevance for Africa, participants exchanged views on and analysed the development of telecommunications and information and communications technology infrastructure.

50. UNIDO is collaborating with key actors to implement the pilot application of blockchain technology along the cocoa value chain in Ghana. The partnership includes retailers, chocolate producers, technology suppliers, freight forwarders, cooperatives and producers. The project will enable actors along the value chain and

consumers to access reliable information and will help to minimize and offset the environmental damage caused by cocoa farming.

51. The World Trade Organization assisted in the development of an e-commerce strategy in Senegal and an e-commerce project on productive capacity in Rwanda that focused on improving e-payment solutions, strengthening the regulatory framework for consumer protection and improving the capacity of small and medium-sized enterprises.

52. UNIDO is assisting in the establishment of a smart factory in Morocco that is to serve as a demonstration plant to showcase the potential application of technologies of the fourth industrial revolution in fast-moving sectors such as the aerospace industry. The project includes a platform, or digital observatory, to monitor trends and statistics relating to the integration of the fourth industrial revolution in the country. It also includes the development, together with private sector partners, of a curriculum on the fourth industrial revolution to equip micro-, small and medium-sized enterprises for the opportunities offered by the fourth industrial revolution. UNIDO is supporting the development of the country's e-commerce sector by means of electronic procurement platforms to improve the competitiveness of merchants, as well as the adoption of a coherent regulatory framework and quality infrastructure.

53. In Cabo Verde, UNIDO helped to develop an action plan for technical cooperation and capacity-building for the strengthening of the country's national system of innovation. Through a learning-by-doing approach, the project built skills within the Government of Cabo Verde to measure and monitor the national system of innovation, providing it an effective tool for evidence-based policy.

54. Events held during the period under review included the first regional edition of the UNCTAD "eCommerce week", held in Nairobi in December 2018 on the theme "Empowering African economies in the digital era". The resulting Nairobi manifesto on the digital economy and inclusive development in Africa sets out policy recommendations related to e-commerce. In March 2019, under the auspices of the Global Manufacturing and Industrialization Summit, UNIDO and the American University in Cairo held an event entitled "Industry 4.0: boosting employment, innovation and competitiveness in Egyptian manufacturing". In addition to discussing the fourth industrial revolution and its local implications, participants also took part in the first consultation round of the UNIDO Programme for Country Partnership in Egypt. The World Intellectual Property Organization organized training workshops in Botswana, Côte d'Ivoire, Egypt, Ethiopia, the Gambia, Kenya, Malawi, Mauritania, Morocco, Rwanda, South Africa and Zimbabwe on national networks of technology and innovation support centres.

J. Outreach and global forums

55. In September 2018, the second high-level event on the Third Industrial Development Decade for Africa (2016–2025) was held on the margins of the General Assembly in New York. Participants in the event, which had been organized by UNIDO, the African Union Commission, AfDB, ECA and FAO, discussed, inter alia, key elements to ensure the successful implementation of AfCFTA as part of the Third Decade. A Third Decade championship initiative for the period 2018–2020 was formally launched and is currently comprised of the Heads of State and Government of Côte d'Ivoire, Egypt, Kenya, Malta, the Niger, Senegal, South Africa and Zambia. The objective is to leverage high-level political leadership for the promotion of inclusive and sustainable industrialization as part of the Third Decade.

56. In January 2019, UNDP, the World Bank and AfDB held the third International Conference on the Emergence of Africa on the theme emergence, the private sector

and inclusiveness. The conference, which took place in Diamniadio, Senegal, and was attended by over 1,300 decision makers from 50 countries, underscored the imperative need for a common vision on the part of the State and the private sector to ensure that African countries followed a path to inclusive emergence.

57. In March 2019, the fifty-second Conference of African Ministers of Finance, Planning and Economic Development took place in Marrakech, Morocco, on the theme “Fiscal policy trade and the private sector in the digital era: a strategy for Africa”. Participants reviewed key topics, including improved budget management, the use of new technologies and tax policies, and the role of the private sector in the digital era. It adopted the theme “The future of Africa: industrialization in the digital era” for the following conference, to be held in Ethiopia in 2020.

58. In October 2018, a ministerial meeting was held in Tokyo as part of the Tokyo International Conference on African Development, organized by the Government of Japan, UNDP, World Bank and the African Union Commission. On the margins of the ministerial meeting, the UNIDO Investment and Technology Promotion Office in Tokyo hosted a multi-stakeholder dialogue entitled “Africa and the seventh Tokyo International Conference” on cooperation.

59. In April 2019, a special event held in New York by UNIDO and FAO during the Economic and Social Council Youth Forum focused on ways to prepare young people in Africa for quality jobs in agriculture, in particular in value-adding segments such as horticulture, floriculture and agroprocessing. The event brought together young representatives and entrepreneurs from sub-Saharan Africa, who shared their experiences, best practices and lessons learned. A conference entitled “Youth in agriculture as a solid solution to ending hunger and poverty in Africa” was held in Kigali in August 2018 by the African Union and the Ministry of Agriculture and Animal Resources of Rwanda in partnership with UNIDO, ILO and other organizations. Stakeholders exchanged their views on knowledge and best practices regarding the interfaces between agriculture, youth employment, entrepreneurship and information and communications technology innovations.

60. In October 2018, the UNCTAD World Investment Forum 2018 took place in Geneva. It included several events of specific relevance to Africa. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and UNCTAD held a ministerial round table of least developed countries that confirmed the important role of foreign direct investment in building productive capacity, in diversifying economies and in achieving the Sustainable Development Goals in least developed countries. During the Forum, countries showcased their investment opportunities and established contacts with prospective investors at an “investment village”.

61. In December 2018, in Vienna, more than 500 representatives of government, international organizations, the private sector, civil society and academia attended a high-level forum entitled “Taking cooperation to the digital age”. The participants, whose number included African Heads of State and Government, discussed deepening economic and trade relations between Africa and Europe in order to create sustainable jobs and growth. In particular, the forum highlighted the Africa-Europe alliance for sustainable investment and jobs, which was launched in September 2018 and focused on partnering in four areas: strategic investment and job creation; investment in education and matching skills and jobs; business environment and investment climate; and economic integration and trade. Several side events were held on the margins of the forum, including one entitled “From entrepreneur to CEO: channeling the power of the diaspora”, which was aimed at forging linkages between the diaspora and young entrepreneurs in their countries of origin that would contribute to social and economic development.

62. In November 2018, the European Union-Africa Business Summit was held in Marrakech, Morocco. It offered new perspectives on the economic relationship between African countries and the European Union, with a focus on investment. During a panel discussion on investment and access to finance in Africa, UNIDO introduced its flagship Programme for Country Partnership approach. Government representatives of current partnerships under the Programme shared their experiences, their achievements and their vision for the future at an advance meeting of the seventh inclusive and sustainable industrial development forum held by UNIDO in Vienna in November 2018.

63. On 22 November 2018, in Addis Ababa, the European Investment Bank (EIB) and UNIDO jointly held EIB Africa Day. The event highlighted the need for sustainable industrialization in Africa. The UNIDO-led panel discussion entitled “From words to action: implementing industrialization in Africa” focused on the role of multilateral, regional, and bilateral cooperation in fostering Africa’s sustainable industrial development.

64. In January 2019, the second meeting of the African Union Specialized Technical Committee on Trade, Industry and Minerals at Senior Officials level workshop held in Addis Ababa. The Committee adopted a number of strategies relating, inter alia, to the development of small and medium-sized enterprises. The meeting tasked the African Union Commission with developing, in collaboration with States members of the African Union, ECA and relevant stakeholders, a comprehensive African Union development strategy for digital trade and the digital economy that enables African countries to fully benefit from the fourth industrial revolution and facilitate the implementation of AfCFTA and, ultimately, Africa’s economic and structural transformation.

K. Partnerships and resource mobilization

65. The World Bank Group, the International Monetary Fund and other financial partners are working with African countries under the G-20 Compact with Africa to frame reform agendas in support of private investment and increased private sector activity. The G-20 Compact with Africa brings together African countries, international organizations and bilateral partners from G-20 countries and beyond to coordinate country-specific reform agendas, support policy measures and promote investment. The International Finance Corporation, the private sector arm of the World Bank Group, supports firms engaged in productive enterprises, and in doing so focuses on small and medium-sized enterprises, including those owned by women. As part of the Africa Investment Forum, held in Johannesburg, South Africa, in November 2018, ministers from the G-20 Compact with Africa assessed its role in attracting private sector investment to Africa.

66. In Ethiopia and Senegal, the United Nations Global Compact and UNIDO are helping to promote the 10 principles of the United Nations Global Compact among businesses to advance the goals of sustainable and inclusive growth. Since June 2018, Global Compact local networks in the Democratic Republic of the Congo, Kenya, Morocco, Nigeria, South Africa, the Sudan, Tunisia, and the United Republic of Tanzania have organized over 25 multi-stakeholder events in support of private sector contributions to sustainable development, involving over 1,000 companies in Africa.

67. In March 2019, Morocco became the third country in Africa to join the UNIDO Programme for Country Partnership. The programme will focus on industrial zones, agroindustry, energy, circular economy, the fourth industrial revolution and e-commerce. Following a collaboration agreement with UNIDO, the United Nations Global Compact is mobilizing local networks in support of the Programme for

Country Partnership for Morocco to explore potential partnerships and engage the private sector in programming under the Programme.

68. In September 2018, the Export-Import Bank of China and the African Finance Corporation signed a \$300 million agreement on a working capital loan. The loan funds will be used preferentially to support economic and trade exchanges between China and members of the Corporation and to solve the capital needs of China and the import and export enterprises in the region.

69. ITC, the Department for International Development of the United Kingdom of Great Britain and Northern Ireland, the China Council for the Promotion of International Trade and the China-Africa Development Fund are partners in a project to increase investment and local development in agroprocessing and light manufacturing in Ethiopia, Kenya, Mozambique and Zambia. The Partnership for Investment and Growth in Africa is aimed at boosting manufacturing and create jobs by increasing foreign direct investment. In Ethiopia, ITC is facilitating a \$2 billion investment project to set-up a paper mill and a furniture industry park using domestic bamboo supplies.

70. In March 2019, in Vienna, UNIDO convened the first meeting of focal points representing the key institutions involved in the implementation of the Third Decade. Participants held consultations and exchanged information on, inter alia, areas for development and implementation of joint programmes, a coordination mechanism for the effective implementation of Third Decade activities and a resource mobilization strategy. The meeting stressed the importance of the road map for the implementation of the Third Decade as a blueprint for guiding concerted international action in support of the industrialization of African countries consistent with General Assembly resolution [70/293](#).

L. South-South cooperation

71. As part of its support to South-South and triangular cooperation, FAO is collaborating with the Department of Agriculture, Food and the Marine of Ireland on the development of an agrifood sector strategy in Africa. The initiative contributes to the sharing of experience with the African Union Commission and participants in the country agribusiness partnerships framework under the Comprehensive Africa Agriculture Development Programme.

72. The project entitled “Supporting Indian trade and investment for Africa”, designed and implemented by ITC, is strengthening business linkages between India and five East African countries. The aim is to contribute to value addition and industrialization in Africa. To date, the project has facilitated investments worth \$58 million in East Africa, notably in textile, leather, spices and high-value crops. The project is currently providing support to 20 companies in upgrading and improving their production processes in order to obtain certification for hazard analysis and critical control points in agribusiness.

73. Under an initiative spearheaded by the Islamic Development Bank under the Bank’s “Revers linkage” approach, Morocco is sharing with Mali its experience and expertise in the area of rural electrification. As a result, 24 villages are expected to receive electrification, which will benefit around 35,000 rural inhabitants. The Bank is also implementing a “Reverse linkage” initiative on vocational training between Guinea Bissau and Morocco in order to enhance vocational training infrastructure in Guinea Bissau.

74. The third annual event entitled “Belt and Road Initiative: Developing Green Economies (BRIDGE) for Cities, held by UNIDO and the Finance Centre for South-

South Cooperation in Vienna in October 2018, focused sustainable industrial development in cities to foster economic and infrastructural growth. The event, which drew 1,057 participants from 188 cities, promoted the implementation of the 2030 Agenda for Sustainable Development. Participants explored the role of the fourth industrial revolution in fostering urban innovation in cities covered by the Belt and Road Initiative and beyond.

75. At the Beijing Summit of the Forum on China-Africa Cooperation held in September 2018, leaders of African countries and China agreed to intensify their cooperative partnership further. In its final declaration, the Summit agreed to form a strong synergy between the Belt and Road Initiative, which provides financial support and delivers infrastructure in Africa, the 2030 Agenda, Agenda 2063 of the African Union, as well as with the development strategies of African countries. China signed cooperation documents under the Initiative with 28 African countries, bringing the total number of signatories in addition to the African Union Commission to 37.

III. Cross-cutting issues

A. Integration of women into industrial development

76. During the period under review, the ITC “SheTrades” initiative helped African countries to deliver capacity-building activities to businesses owned by women. Launched in September 2018 in partnership with the Enhanced Integrated Framework, SheTrades Zambia is aimed at connecting 3 million female entrepreneurs to international markets by 2021. Other SheTrades projects are being implemented in the Gambia, Ghana, Kenya, Nigeria and Zambia. The Enhanced Integrated Framework initiative on the economic empowerment of women entitled “Empower women, power trade” is aimed at ensuring that 50,000 female entrepreneurs in the least developed countries realize the full potential of new trade opportunities.

77. In Gabon, a new project funded by Japan will contribute to the achievement of the national strategic plan entitled “Gabon émergent” and its 10-year plan for the empowerment of women. With the support of Japan, UNIDO is helping the Government to diversify the economy and promote non-oil sectors such as agroindustry in an effort to overcome the country’s prolonged economic and financial crisis triggered by the decline in oil reserves and the drop in international oil prices. UNIDO will continue to strengthen the economic competitiveness of Gabon, boost access to international markets and improve livelihoods by enhancing the country’s quality infrastructure and training consumers and female producers.

78. In Madagascar, a creative industry project implemented by UNIDO and UNDP focused on the handicraft sector to create productive activities and diversify revenues for vulnerable women with funding from Italy. Over 1,000 vulnerable rural women, and 200 craftspeople and small and medium-sized enterprises, have produced high-quality chairs, bags, tables, mats and other products. In 2018, with support from UNIDO, the first group of 20 students graduated as masters in design and innovation.

79. Young people and women in the Gao and Timbuktu regions of Mali received post-conflict assistance jointly implemented by UNIDO and UNDP to consolidate the reconciliation and peace-building process in the northern part of the country. Funding was provided to 27 women’s groups comprising 961 women for the development of income-generating activities. A total of 580 women were trained in improved agropastoral techniques and 300 young people received training in support professions that included work placements in local companies.

B. Youth employment

80. During the period under review, 7,515 students from six schools in Nigeria received entrepreneurship education under a pilot project launched by UNIDO and the Government of Nigeria in November 2018. Funded by Japan, the project provides students with the technical, trade and entrepreneurial skills needed to promote social stability and economic development in areas where there are high concentrations of internally displaced young people. The Government of Japan is also funding a project being implemented by UNIDO in Liberia to promote social stabilization by creating jobs and livelihoods for vulnerable people and communities, in particular young people, in key sectors of economic growth.

81. In Cabo Verde, a joint project by ILO and UNDP is increasing the employment prospects of young people in tourism, agriculture, fisheries, the green economy, creative industries and other sectors with a high growth potential. During the second half of 2018, over 1,000 young people were trained in business development services. In Somalia, under a new employment and entrepreneurship programme for public works launched in 2018, UN-Habitat provided training in the construction sector with job placement support for 400 young people, half of whom were women. Six construction and service sector projects were launched in 2018 as a direct result of the training.

82. FAO coordinated an event in partnership with the African Union and the Ministry of Agriculture and Animal Resources of Rwanda on ways to promote agriculture as a source of employment for young people in Africa. A report issued by FAO early in 2019 entitled “Empowering youth to engage in responsible investment in agriculture and food systems: challenges, opportunities and lessons learned from six African countries” summarized the main findings from a series of capacity-assessment workshops with participants from Côte d’Ivoire, Malawi, Mozambique, Namibia, South Africa and Uganda.

83. In November 2018, the United Nations Capital Development Fund, UNCTAD, ILO, ITC and UNIDO as partners of the Global Initiative on Decent Jobs for Youth jointly held a youth entrepreneurship and self-employment forum in Dakar. At the event, 200 key stakeholders discussed priorities for young people in Africa, including digital skills, green jobs and the blue economy.

IV. Conclusions and recommendations

84. **In the coming decades, Africa will be the youngest and most populous continent in the world, with a working-age population expected to grow by around 70 per cent to 450 million by 2035. Policymakers acknowledge that the continent’s economies require a systematic structural transformation from resource-based to more diversified economies, specifically by increasing the shares of manufacturing and agro-related industry in national investment, output and trade. Future industrial development in African countries will require a workforce that is able to take advantage of new technologies and innovations, yet currently below 25 per cent of students in Africa graduate in science, technology, engineering and mathematics. Technological innovation is vital to addressing both low structural transformation and the lack of inclusive development on the African continent.**

85. **AfCFTA can catalyse structural transformation by boosting industrialization, economic diversification and employment throughout Africa. It will create a continental market of 1.2 billion consumers and a combined GDP of \$2.5 trillion. It is crucial that African Governments accelerate the**

implementation of AfCFTA in order to prepare the continent for the full impact of technological change. In order to fully harness the industrialization potential of AfCFTA, African policymakers and businesses will need to adapt to the new digital climate.

86. The fourth industrial revolution is rapidly altering the traditional labour-intensive path to industrialization. The slow rate of digitalization in Africa requires urgent attention. It is debatable whether Africa currently has the legal framework and enabling environment for digital trade and other activities related to digital technology to flourish in the future AfCFTA market. Only 1 per cent of all funding provided under Aid for Trade is currently allocated to information and communications technology solutions and multilateral development banks are investing a mere 1 per cent of their total spending on information and communications technology projects. It is crucial that African countries put in place policies to adapt to the digital future in order to attract production to Africa and at the same time avoid the reshoring of manufacturing tasks from Africa to other emerging economies.
