



# General Assembly

Distr.: General  
9 August 2021

Original: English

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## Seventy-sixth session

Item 15 of the provisional agenda\*

**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](#).

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\* [A/76/150](#).



*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 a report on progress made in the implementation of the Third Industrial Development Decade for Africa (2016–2025).

## **I. Introduction**

1. The present report provides an update on progress made in the implementation of the Third Industrial Development Decade for Africa (2016–2025) for the period from July 2020 to June 2021. It highlights ongoing, completed and new activities and interventions, as well as the milestones reached and the results achieved so far. The report attests to the collaborative efforts made by the international community to 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 global health and economic crisis resulting from the coronavirus disease (COVID-19) pandemic and the associated disruptions to economic activities, in particular global supply chains, weakened manufacturing value added and restrained industrial production growth, compounding the structural risks that Africa has to grapple with in the medium to long term. Despite being the second most populated continent in the world (1.2 billion people), Africa represented only 1.7 per cent of the world's manufacturing value added in the fourth quarter of 2020. Manufacturing output in Africa declined by 15.7 per cent during that period, as strict COVID-19 containment measures were imposed across the continent.

3. Despite the economic consequences of the pandemic, manufacturing output recovered marginally, by 0.8 per cent, during the first quarter of 2021, in comparison with the same period in 2020. Real gross domestic product (GDP) in Africa is projected to grow by 3.4 per cent in 2021, after contracting by 2.1 per cent in 2020. The projected recovery will, however, be dependent, inter alia, on: (a) increased access to vaccination to enable countries to roll back restrictions that have inhibited economic activity; (b) a sustained rebound in commodity prices; (c) increased capital inflows; (d) the implementation of policies facilitating inclusive and sustainable growth; and (e) solidarity and cooperation at the international level.

### **B. New developments in industry in Africa and the global economy**

#### **1. COVID-19 pandemic**

4. Although the first wave of the COVID-19 pandemic progressed more slowly in Africa than in the rest of the world, by December 2020, the second wave appeared to be more aggressive. At the peak of the first wave in Africa, in July 2020, the mean daily number of new cases was 18, 273. The third wave started in May 2021, and by June, about 474,000 new cases had been recorded in Africa. As of June 2021, African countries had reported 5,442,372 COVID-19 cases and 141,698 deaths, accounting for 3 per cent of all cases reported globally. According to the African Development Bank (AfDB), about 39 million Africans could fall into extreme poverty in 2021.

5. The response of Africa to the COVID-19 pandemic continued to intensify at the national, regional and continental levels. In April 2021, the African Union and its Africa Centres for Disease Control and Prevention launched the Partnerships for African Vaccine Manufacturing. The Partnerships aim to leverage pan-African and global partnerships to scale up vaccine manufacturing in Africa in order to respond more effectively to current and future pandemics. In June 2021, the World Health Organization (WHO) and its COVID-19 Vaccine Global Access (COVAX) partners joined forces with a South African consortium comprising Biovac, Afrigen Biologics and Vaccines, a network of universities and the Africa Centres for Disease Control and Prevention to establish its first COVID-19 messenger RNA vaccine technology

transfer hub. In October 2020, the Africa Centres rolled out six additional pandemic response initiatives across the continent, targeting surveillance and testing, medical supply availability, public health and social measures, safe travel, livelihoods and economies, pathogen genomics and the development and supply of vaccines.

6. At the global level, the COVID-19 pandemic continued to disrupt socioeconomic activities. According to the World Bank Group, despite the projected acceleration of global growth to 5.6 per cent in 2021, the level of global GDP is expected to be 3.2 per cent below pre-pandemic projections. Among many emerging markets and developing economies, GDP levels are expected to remain below pre-COVID-19 peaks for an extended period. The International Labour Organization (ILO) figures show that the COVID-19 pandemic triggered an effective loss of 255 million full-time jobs worldwide. In its study entitled *Impact of the Coronavirus COVID-19 on the African Economy*, the African Union estimated that some 20 million jobs were at risk on the continent as a result of the pandemic. Foreign direct investment to the continent is projected to grow by 5 per cent in 2021, lower than both the global and developing country projected growth rates. The average debt-to-GDP ratio for Africa is expected to increase by 10 to 15 percentage points in the short to medium term, fuelled by a surge in government spending coupled with diminishing fiscal revenues.

## 2. African Continental Free Trade Area

7. On 1 January 2021, trading under the African Continental Free Trade Area (AfCFTA) officially commenced, following its launch at the thirteenth Extraordinary Session of the Assembly of Heads of State and Government of the African Union on AfCFTA. As at 7 July 2021, 37 countries had deposited their ratification agreements with the African Union Commission and were thus eligible to trade freely within the area, on the basis of legally implementable and agreed tariff schedules and concessions, rules of origin and customs declaration. Goods for which negotiations about the rules of origin are pending conclusion remain outside the list of tradables. The remaining negotiations on the rules of origin and trade in goods and services were envisaged to be concluded by 30 June 2021 but have been delayed, largely owing to COVID-19.

8. The second phase of the negotiations, which covers intellectual property rights, investment and competition policy, commenced in July 2021 and will complement the efforts undertaken in the areas of tariff concession and rules of origin. Negotiations are expected to build on existing regional- and continental-level mechanisms and should lead to the development of a systematic and comprehensive approach to the incorporation of intellectual property rights issues in the AfCFTA agenda, the promotion of competition, the enhancement of market outcomes for consumers and firms and the creation of a robust continental investment regime. Negotiations pertaining to the second phase and the third phase (e-commerce) are expected to be concluded by the end of 2021. Overall, it is estimated that, by 2035, AfCFTA will increase the volume of intra-African trade by more than 81 per cent, creating opportunities for African manufacturers and workers and raising income on the continent by 7 per cent.

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

9. Over the reporting period, the Third Decade advanced with the implementation of ongoing projects carried out in collaboration with its focal points from partner institutions. In September 2020, the Third Decade joint road map and its associated monitoring and evaluation framework was validated at the third focal points

workshop, which was attended by 51 participants from various Third Decade partner institutions. The main focus during the period under review was the development and implementation of joint programmes and projects, in particular regional programmes in support of AfCFTA and those aimed at helping African countries to build back better and greener from the impacts of COVID-19.

## **A. Agribusiness and rural development**

10. During the period under review, the United Nations Industrial Development Organization (UNIDO) implemented several projects to stimulate agribusiness and the agro-industry. In Ethiopia, two coffee washing stations and a hulling station were upgraded with eco-friendly processing systems. In the Sudan, a \$2.2 million project was launched to support agricultural value chain development, create jobs in rural areas and ease access to financial services. A cold storage facility was constructed for storing fresh horticultural products. The project aims to reach 3,000 beneficiaries.

11. The Food and Agriculture Organization of the United Nations (FAO) supported the development of the groundnut value chain in Kenya and the passion fruit value chain in Uganda. In Nigeria, FAO collaborated with the International Fund for Agricultural Development (IFAD) and the World Food Programme to support the formulation of effective national responses to climate change with data and evidence-based analyses of the effects, policy responses and long-term options for agrifood system policies and investments. It also organized webinars on the operationalization of the Framework for Sustainable Agricultural Mechanization in Africa in partnership with the African Union Commission and the African Conservation Tillage Network.

12. IFAD partnered with the Government of Mozambique and the private sector to support the cassava and horticulture value chains. The project, which ended in February 2021, benefited 28,535 households, 65 per cent of which were women-led and 19 per cent comprised young people. The project also trained 546 smallholder farmers on post-production, processing and marketing and helped to introduce six improved varieties of cassava.

13. The International Trade Centre and UNIDO joined efforts on the development of a “cotton route” programme. The programme aims to improve the productivity and competitiveness of the cotton, textile and clothing sector and to promote the local processing of cotton. It is also expected to open up opportunities in both subregional and international markets, with a positive impact on direct and sustainable jobs creation in Benin, Burkina Faso, Chad and Mali.

14. The African Union Development Agency launched an integrated irrigation and agro-industry initiative to bring up to 5 million hectares of arable land under irrigation in 16 African Union member States over the period from 2020 to 2030. The initiative will foster public-private partnerships along the agriculture and food systems value chain. Technical support was provided to identify priorities for country-specific agro-industry and irrigation programmes along regional and transnational value chains.

15. The International Atomic Energy Agency (IAEA) continued to implement capacity-building activities aimed at improving water and nitrogen efficiency in small-scale irrigation systems in selected African countries. In the Central African Republic, more than 300 farmers from three localities benefited from training and field visits. In Nigeria, drip irrigation technology contributed to an increase of 60 per cent in crop yields, providing food and a source of income for refugees. In Sierra Leone, IAEA enhanced laboratory capacities for monitoring livestock diseases.

## B. Trade capacity-building

16. The Economic Commission for Africa (ECA), in collaboration with the African Union Commission, the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre, UNIDO, regional economic communities and other partners, continued to support African countries and regions in developing strategies for the implementation of AfCFTA. Forty-one countries, including 21 least developed countries, and four regional economic communities are at various stages of preparation for those strategies, which identify areas of national interest and relevant interventions to ensure that countries and regions fully participate in, and benefit from, the agreement.

17. UNIDO continued to implement a range of projects in support of trade capacity-building. In the Sudan, UNIDO collaborated with FAO to implement a project to increase export revenues in the sesame seeds value chain by improving compliance with sanitary and phytosanitary measures, strengthening testing services and upgrading laboratory capabilities. Over the reporting period, the project helped to establish six farmer field schools and conducted a total of 27 training sessions. UNIDO also implemented an €8 million programme focused on investment promotion through institutional capacity-building of investment promotion agencies in Cameroon, Ethiopia, Ghana, Kenya, Senegal and Zambia.

18. UNCTAD completed three investment policy reviews for Angola, Côte d'Ivoire and Seychelles to encourage official development assistance and investment. In the Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe, UNCTAD provided technical support in preparation for deepening negotiations in the areas of trade, sustainable development and rules of origin under the European Union–Eastern and Southern Africa Economic Partnership Agreement. A new online platform enables beneficiary countries to report on the status of implementation of recommendations emanating from investment policy reviews.

19. The United Nations Environment Programme (UNEP) and ILO continued to collaborate under the Africa Agriculture and Trade Investment Fund, a public-private partnership dedicated to promoting the food and agricultural sector by providing patient capital and technical assistance, targeting small and medium-sized enterprises, large-scale agribusinesses and financial institutions involved in agriculture. Two financial institutions and three agro-processing and trading companies received financing in Benin, Kenya, Nigeria, Senegal, the United Republic of Tanzania and Zambia.

20. IFAD financed a project in Rwanda designed to increase returns for farmers from export-driven value chains. The project has so far benefited 142,296 individuals, 38 per cent of whom are women, and enabled the certification of 25 cooperatives. Other activities include capacity-building at existing coffee washing stations and the establishment of new stations in the coffee expansion areas, resulting in an increase in the share of exported fully washed coffee to 64 per cent.

21. FAO initiated a \$15 million project funded by AfDB in South Sudan on agricultural markets, value addition and trade development. Twenty aggregation business centres, complemented by 10 seed enterprise groups providing improved seeds to 100 business producer associations, will serve as one-stop shops where farmers can access information and be linked to markets. The project will help to increase the productivity and income of almost 20,000 farming families, most of which are former internally displaced persons in need of economic reintegration.

22. Under the AfDB-funded AfCFTA Institutional Support Project, support was provided to several countries. Fifty officials from the Ethiopian Customs Commission were trained on customs modernization and the methodologies and techniques of one-

stop border posts. The bank similarly trained 50 officers from the Malawi Revenue Authority on tariff, origin and valuation, advanced customs and excise.

23. The International Trade Centre, in collaboration with the African Union Commission and the European Union, released the beta version of the African Trade Observatory dashboard in December 2020. The Observatory is one of the five operational instruments of AfCFTA and provides free trade intelligence to businesses, business support organizations and policymakers supporting continental trade integration. The International Trade Centre also collaborated with ECA in the identification of national value chains to be promoted as part of the formulation of strategies supporting the implementation of AfCFTA at the country level.

24. The Economic Community of West African States (ECOWAS) and the International Trade Centre collaborated on the implementation of regional trade obstacles alert systems to identify constraints faced by traders. Since June 2020, the system has recorded more than 100 obstacle reports and addressed over 50 per cent of them. The International Trade Centre engaged regional business associations in ECOWAS to support the establishment of an ECOWAS business council. It also assisted small-scale cross-border traders across seven countries in the Common Market for Eastern and Southern Africa (COMESA) region to improve trade and formalize cross-border business.

### **C. Entrepreneurship and skills development**

25. UNIDO initiated a project in Uganda that will build the country's first training centre for road construction equipment operators, develop state-of-the-art curricula and train over 500 trainers and operators. In the Sudan, 336 micro agri-entrepreneurs in the sesame and groundnut value chains were trained in entrepreneurship. Financial support was extended to 101 beneficiaries, and 321 new jobs were created by the supported enterprises. In Ethiopia, the training institute for commercial vehicle drivers was established under a project to support specialized skills development. More than 1,500 vehicle drivers and driver trainers were trained, tested and certified, 610 new jobs were created, and the income level of 523 drivers increased by at least 40 per cent.

26. In December 2020, ILO signed a memorandum of understanding with the Government of Ethiopia on a new project entitled "ProAgro Ethiopia – Promotion of Decent Work in Agribusiness" targeted at the food and vegetable, edible oil and poultry sectors. Under another project conducted in Ethiopia, four agri-business institutes introduced the ILO Sustaining Competitive and Responsible Enterprises training package, including additional modules on COVID-19 safety and health at work and COVID-19 business continuity planning. In Zambia, ILO contributed to the development of a public-private development partnership for skills development for renewable energy, energy efficiency and regional energy integration technologies under a project funded by the Swedish International Development Cooperation Agency.

27. In May 2021, the African Union Development Agency and Ecobank Group launched the training academy and financing components of the 100,000 micro-, small and medium-sized enterprises initiative to support the growth of such enterprises in Africa. The overarching goal of the initiative is to accelerate economic development through greater formalization of those enterprises in Africa and to promote the creation of decent jobs across the 55 African Union member States. The operational objective is to provide annual support to more than 1.5 million micro-, small and medium-sized enterprises across Africa, connect more than 800,000 such enterprises and women and young entrepreneurs, and use AfCFTA to facilitate access

to transitional markets in Africa to more than 500,000 micro-, small and medium-sized enterprises.

28. IFAD partnered with the Government of Madagascar to implement a vocational training and agricultural productivity improvement programme targeted at young people. To date, the programme has benefited 140,414 smallholder households. In addition to training, project activities included the construction of 12 storage warehouses, the rehabilitation of 23 km of rural roads and the development of 1,592 ha of irrigated land. In Burundi, a value chain development programme supported 35 farmer field schools and 272 microenterprises with the provision of start-up kits and training for beneficiaries. The programme resulted in the establishment of 545 microenterprises.

#### **D. Industrial policy and statistics**

29. In the first half of 2021, UNIDO and the African Union Commission collaborated on a regional study on mapping value chains that will contribute to inclusive and sustainable industrial development. The major outcomes of the study will include the development of a pan-African regional value chain strategy that takes advantage of the opportunities offered by AfCFTA; the institutional capacity strengthening of Governments, regional economic communities, the African Union Development Agency and the African Union Commission; and the development and upgrading of 25 specific regional value chains (five in each of the African subregions). The study is expected to support the establishment of a new industrialization framework for the continent that would take into account the changing socioeconomic and political context in Africa, including the impact of the COVID-19 pandemic.

30. AfDB, in collaboration with UNIDO, initiated work towards the development of an industrialization index of Africa, which will gauge the progress of the continent's industrialization. The index will provide an overall ranking of African countries in terms of their performance in relation to production and export of manufactured goods; progress in putting in place investment and skills as key inputs for industrial development; and progress in establishing other preconditions for industrialization, including infrastructure, macroeconomic stability and a favourable business environment.

31. ECA and the Southern African Development Community (SADC) conducted a study to determine the gap between national and regional industrialization policies and strategies and the integration of the latter at the national level. Focusing on Malawi, Zambia and Zimbabwe, the study examined the extent to which the national industrial policies of Southern Africa aligned with, or departed from, those of the SADC and COMESA industrialization policies and strategies.

32. Between August 2020 and March 2021, the World Intellectual Property Organization (WIPO) provided assistance to three countries in drafting legal provisions aimed at making national legislation compatible with the Protocol Relating to the Madrid Agreement concerning the International Registration of Marks. A further three countries were provided with policy advice on aligning national legislation with international standards on patents, trademarks, industrial designs and geographical indications. In March 2021, WIPO conducted training on the Madrid System with 70 participants from Botswana, Eswatini, Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Rwanda, Sierra Leone, the Sudan, Zambia and Zimbabwe. Training sessions on the Patent Cooperation Treaty were also conducted over the reporting period, attracting more than 400 participants from 30 African countries.

33. The United Nations Development Programme (UNDP) supported Uganda in the preparation for its national industrial policy and related strategic plan, as well as the national implementation strategy for AfCFTA. In Mauritius, UNDP facilitated a national dialogue with the manufacturing sector on the role of industrialization in the implementation of AfCFTA.

34. UNCTAD, ECA, UNIDO and the Organisation for Economic Co-operation and Development collaborated on the *Production Transformation Policy Review of Egypt*. The report, to be launched in July 2021 and the first of its kind to be released in Africa, discusses the participation of Egypt in global value chains and identifies ways in which domestic policy, investment and international cooperation can unlock the potential of existing assets and foster new ones, while accelerating sustainable development.

35. UNIDO conducted industrial diagnostics that serve as baselines for the development of programmes for country partnership and country programmes. The diagnostics involve, inter alia, the identification of both opportunities and bottlenecks for advancing inclusive and sustainable industrial development; a review of existing relevant industrial policies and strategies; the identification of the industrial subsectors and focus areas with the greatest potential for developmental impact while taking into account social and environmental framework conditions; and the mapping of potential development partners and interventions with opportunities for synergy. The diagnostics were completed in Zambia and initiated in Côte d'Ivoire, Guinea and the Sudan.

## **E. Special economic zones and industrial parks**

36. UNIDO continued to support the development of industrial parks. Between February and May 2021, three of the four pilot integrated agro-industrial parks established with UNIDO assistance within the framework of the programme for country partnership were inaugurated in Ethiopia. A self-starter programme for country partnership was launched in Kenya in January 2021, and technical cooperation on the establishment of an integrated agro-industrial park for the transformation of agricultural produce began in Nyamira County, funded by China. In April 2021, Egypt and UNIDO signed a five-year €172 million programme for country partnership that focuses on industrial policy and governance, investment promotion and green industry. A global eco-industrial parks programme was launched in South Africa in December 2020. Funded by the State Secretariat for Economic Affairs of Switzerland, the programme will improve the environmental, economic and social performance and competitive advantage of industrial parks, contributing to strengthening economic development.

37. COMESA spearheaded a joint industrialization project in Zambia and Zimbabwe aimed at developing a common agro-industrial park. The two countries signed a memorandum of understanding in March 2021 that offers opportunities for enhanced collaboration between ECA, UNIDO, COMESA and AfDB. ECA provided support for a pre-feasibility study, while a \$15 million application grant was submitted to AfDB. In May 2021, COMESA developed two key policy instruments to support the implementation of AfCFTA: the COMESA framework for managing special economic zones; and an implementation strategy of the COMESA local content policy framework.

38. The African Export-Import Bank assisted the Export Development Fund of Malawi in preparing feasibility studies for two industrial parks that will promote industrialization and agribusiness. In Benin, the bank is supporting the development of the Glo-Djigbé special economic zone, in particular for cashew and cotton transformation. An integrated industrial and logistics park is under development in

Togo that will focus on cotton bales. In Burkina Faso, the bank is supporting the establishment of an industrial complex for the integrated processing of local cotton fibre into finished and semi-finished products.

39. The Arab Bank for Economic Development in Africa supported the development of industrial zones in the Congo, Ethiopia and Guinea. In Guinea, a sum of \$28 million was provided for the establishment of Fangi industrial zone, while \$50 million was pledged for an industrial zone in the Congo. In Ethiopia, the bank is financing \$50 million for a project to raise the agricultural productivity of integrated agro-industrial zones, youth employment and the development of agricultural value chains.

40. The African Union Development Agency is working with UNIDO and other stakeholders to formalize guidelines on the establishment and scaling-up of integrated agrifood parks across Africa. The guidelines present best practices and guidance tools to support Member States and partners on issues related to industrial park planning, operation, financing and management.

## **F. Pharmaceutical industries and COVID-19**

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

42. In June 2020, the Common Fund for Commodities launched a \$2 million emergency liquidity facility to provide urgent working capital support to qualifying small and medium-sized enterprises struggling with the impact of the pandemic in commodity-dependent developing countries. The Common Fund Executive Board also helped small and medium-sized enterprises to withstand the negative effects of the pandemic by amending repayment schedules of Common Fund loans in compelling cases.

43. Over the reporting period, the African Union Development Agency launched an initiative to accelerate African home-grown solutions to improve resilience to current and future pandemics. The Pandemic Resilience Accelerator helps African health-related businesses to improve their health-care capacity and reduce their reliance on external medical supply chains. The initiative is a partnership between the African Union Development Agency and the Japan International Cooperation Agency, with support from the Boston Consulting Group and other public and private organizations. After its pilot phase in the East African Community region, it will be extended to the rest of Africa in the second half of 2021.

44. WHO, the African Union Commission and the African Union Development Agency continued to work on the establishment of the African Medicine Agency. Advocacy work was carried out to obtain the 15 ratifications required to set up the agency. As of September 2020, 17 African Union member States had signed the treaty, of which 5 had ratified it. The agency will regulate and harmonize the local manufacture of medical products, ensuring the safety, quality and effectiveness of products for the African market.

45. AfDB and UNIDO embarked on a study on the impact of COVID-19 on industry. Firm-level surveys were conducted in Côte d'Ivoire, the Democratic

Republic of the Congo, Kenya, Mauritius, Rwanda, Senegal, South Africa, Tunisia and Zambia to generate evidence-based research and guide policymaking for the design and implementation of economic recovery and resilience measures for the industrial sector. The report is expected to be published in September 2021. UNIDO also collaborated with AfDB on a report entitled “COVID-19 pandemic management: study of the impact on the Moroccan agri-business industries and a proposal of recovery strategy”.

## **G. Renewable energy and energy efficiency**

46. UNIDO continued to host the Private Financing Advisory Network programme in sub-Saharan Africa, which provides entrepreneurs with business coaching on climate adaptation and clean energy projects in developing countries. To date, the Network has supported 126 projects, leading to an investment of \$1.7 billion. UNIDO also expanded the Global Network of Regional Sustainable Energy Centres programme with the formal approval in June 2021 for the establishment of a centre for renewable energy and energy efficiency for Central Africa, to be located in Luanda.

47. The United Nations Office for Project Services (UNOPS) and UNDP launched a project to install solar-powered mini-grids in Burkina Faso, Mali and the Niger. The project covers the development of local capacity in both the public and private sectors for the effective operation and maintenance of the grids. In Guinea and Nigeria, the Sustainable Investments in Infrastructure and Innovation initiative pledged to mobilize resources to build an additional 250,000 sustainable and affordable homes. The homes will incorporate green technology and will be built using local skills and equipment, providing thousands of new employment opportunities for local people and contributing to local economic development.

48. FAO and UNIDO are engaged in a \$27.6 million project to improve bioenergy production by smallholder farmers in Côte d’Ivoire. The project focuses on accelerating the use of biomass and bioenergy sources from agriculture and forestry for rural electricity and energy generation. While FAO is concentrating on agricultural waste production and collection, UNIDO is involved in energy transformation, distribution and marketing.

49. UNIDO, in collaboration with the International Network on Small Hydro Power and the Global Network of Regional Sustainable Energy Centres, compiled the *Small Hydropower Technical Guidelines*, which provide guidance to Member States on ways to improve small hydropower policies in order to better integrate state-of-the-art small hydropower technologies in the national context. The complete guidelines, which are of particular relevance for most countries in Africa, will be released in 2021.

50. In September 2020, UNEP, in partnership with the Technical University of Denmark, joined forces with Kenyan and international stakeholders to develop the *Kenya National Energy Efficiency and Conservation Strategy 2020*. The strategy provides a road map for setting and achieving energy efficiency goals through, inter alia, a significant increase in the number of energy-related audits.

## **H. Environment and climate change**

51. UNIDO secured more than \$80 million in co-financing for a \$7 million Global Environment Facility-funded project on a circular economy for the plastic sector in Ghana. With funding from Japan, UNIDO conducted plastic value chain studies in Egypt, Kenya and Nigeria to identify gaps and needs for promoting a circular economy for plastics. In South Africa, UNIDO helped to develop an action plan to

promote the local production of sustainable alternatives to plastic. At the global level, UNIDO and the Central European University organized a summer course on “Green industrialization: pathways towards inclusive and sustainable industrial development” for participants from 20 African countries.

52. UNEP mobilized \$90,000 for the implementation of a project on greening health infrastructure in Ethiopia and Kenya. An additional \$75,000 was mobilized to implement a project on how to promote green technology through consumption choices. UNEP, FAO, the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa and 10 other agencies and development banks continued to support the Great Green Wall for the Sahara and the Sahel Initiative, which strives to combat land degradation, desertification and drought by growing vegetation and restoring a band of land covering 100 million hectares from Senegal to Djibouti. The initiative received \$14 billion in additional funding pledges for the next 10 years.

53. In March 2021, UNDP, UNEP, UNIDO and Conservation International announced the second phase of the Global Environment Facility-funded planetGOLD programme aimed at transforming artisanal and small-scale gold mining into a safer, cleaner and more profitable sector. Activities undertaken during the reporting period under the first phase of the programme included the review of the artisanal and small-scale gold mining policy framework, the identification of 3,000 artisanal miners eligible for support, the review of financing options, the design of a mercury-free processing plant and an analysis of the gold market and supply chain. In Burkina Faso, UNIDO continued work on mercury elimination in the sector by supporting the formalization of the sector; the facilitation of finance and access to international gold markets; the training and scaling of best practices; and awareness knowledge transfer.

54. The United Nations Framework Convention on Climate Change, ECOWAS, SADC and the East Africa Community launched a needs-based finance project in October 2020 to help with the development of a strategy to enhance access to and the mobilization of climate finance for the implementation of priority mitigation and adaptation actions. The project includes an assessment of the climate finance needs and flows of more than 46 participating countries, as well as assistance in the development of regional climate finance strategies. The Framework Convention also supported the development of a standardized baseline grid emission factor for Kenya that came into force in December 2020, as well as an update of the West African Power Pool standardized baseline.

55. UNIDO and UNEP continued to co-host the Climate Technology Centre and Network, the operational arm of the United Nations Framework Convention on Climate Change Technology Mechanism. Over the reporting period, the Climate Technology Centre and Network implemented a project to strengthen the local capacity to operationalize the ECOWAS policy for gender mainstreaming in energy access through technology and capacity-building. Burkina Faso, Mali and the Niger received support in their efforts to improve access to affordable, reliable and sustainable energy through mainstreaming gender in new energy policies, capacity-building, knowledge exchange, investment promotion and business development.

56. The IAEA Water Availability Enhancement Project, which supports countries’ efforts to integrate the use of isotope hydrology into national water infrastructure and programmes, was expanded to Mali, Senegal and Togo, following its implementation in Benin, Cameroon, Ghana, the Niger and Nigeria. The Project was used to perform an in-depth situation analysis for Eswatini in preparation for its first isotope hydrology project.

## I. Information and communications technology

57. During the reporting period, UNIDO implemented a number of programmes and projects on the promotion of the fourth industrial revolution, Industry 4.0. In Namibia, it supported the use of a machine-learning model for the mapping of acacia species to enhance the performance of the agricultural sector and related value chains. In August 2020, analysts at the Ghana Food and Drugs Authority cosmetic laboratory were provided with smart glasses to conduct a virtual assessment and obtain remote assistance. In June 2021, UNIDO launched the first creative hub in Ethiopia to support creative industries and entrepreneurship. The hub will provide access to digital instruments, including 3D printers, laser cutters and digital libraries, and will encourage digital payments.

58. The World Bank Group continued to implement the Digital Economy for Africa Initiative, which addresses gaps in five areas, namely, digital infrastructure, digital skills, digital platforms, digital financial services and digital entrepreneurship. Work continued in Somalia on a \$31 million digital uplift project that has helped to establish a new micro-, small and medium-sized enterprises financing facility structured on private sector principles and designed to attain far greater leverage of public funds than a typical line of credit. Overall, the World Bank Group is likely to spend an estimated \$25 billion through the International Bank for Reconstruction and Development and the International Development Association windows and additional crowdfunding through the private sector.

59. The International Telecommunication Union (ITU), in collaboration with UNDP, FAO, WHO, the United Nations Children's Fund and the United Nations Educational, Scientific and Cultural Organization (UNESCO), is contributing to the implementation of the Niger 2.0 Smart Villages project, which aims to reduce disparities between urban and rural areas by digitally opening up remote or underserved areas. The objective is to enable about 15,000 administrative villages to accelerate and facilitate the connection of more than 85 per cent of the population. The World Bank Group has pledged \$100 million to the initiative. FAO continued to operationalize the 1,000 Digital Villages initiative to promote the digital transformation of villages and small towns across the world and, ultimately, to convert them into digital village hubs and introduce e-commerce, drones, big data, cloud platforms, climate-smart agriculture and other solutions to rural areas.

60. The Department of Economic and Social Affairs collaborated with UNESCO, ITU, ECA and the other regional economic and social commissions of the United Nations to publish its biennial United Nations E-Government Survey in July 2020, tracking e-government development for the 193 Member States, including the 54 countries in Africa. The survey highlights regional trends in the use of information and communications technology in the public sector and the expansion of online services, as well as the challenges and opportunities for digital transformation in Africa. Preparation for the 2022 edition is under way.

61. The International Trade Centre implemented a project funded by the World Bank Group that aims to increase exports from women-led micro-, small and medium-sized enterprises in Tunisia through virtual marketplaces as a new channel to expand export markets and open up business opportunities. The project trained a core group of e-commerce advisors who are providing coaching and advisory services to 130 such enterprises, enabling them to use the virtual marketplaces as an effective way to promote and sell their products and services.

## J. Outreach and global forums

62. UNIDO, the African Union Commission, ECA, the African Union Development Agency and the AfroChampions Initiative co-organized the Africa Industrialization Week in November 2020. With more than 2,500 virtual participants, the event provided a platform to discuss areas of strategic importance to enhancing the industrialization of the continent (including Industry 4.0), regional value-chains, trade capacity-building, renewable energy, agro-industry, industrial parks and the pharmaceutical industry. A major outcome was a declaration to sustain the momentum for concrete actions leading to the African Union Summit on Industrialization and Economic Diversification to be held in November 2021. UNIDO organized a side event to launch the 2020 edition of the Competitive Industrial Performance Report, which includes an extensive analysis of the industrial competitiveness of Africa and introduced the application of an industry tracker for Sustainable Development Goal 9.

63. The International Trade Centre and UNIDO partnered with the Permanent Mission of Burkina Faso in Geneva to celebrate World Cotton Day, on 6 October 2020. The event, which was attended by stakeholders, including the Organization of African, Caribbean and Pacific States, the European Union, Benin, Burkina Faso, Chad, Mali and the private sector, offered an opportunity to discuss ways of addressing cotton as a sustainable and inclusive value chain with the potential to drive industrialization and job creation.

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

65. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States hosted the first session of the Intergovernmental Preparatory Committee for the Fifth United Nations Conference on the Least Developed Countries in New York, in May 2021. The outcomes of the discussions will feed into the work of the Preparatory Committee, which has the mandate to agree on elements of the new Programme of Action for the Least Developed Countries. A UNIDO side event held on 24 May 2021 on “The future of manufacturing in least developed countries: first lessons for the post-pandemic era” provided anecdotal evidence of policy responses to mitigate the impact of COVID-19 on the manufacturing sector of least developed countries.

66. In partnership with the Arab Maghreb Union, the International Trade Centre hosted a webinar on 30 March 2021 on “Operationalizing the AfCFTA in North Africa: new opportunities for micro-, small and medium-sized enterprises growth and integration”. The webinar provided an opportunity to inform policymakers, trade and investment support institutions and micro-, small and medium-sized enterprises of the opportunities offered by AfCFTA, discuss challenges faced by such enterprises in North Africa in gaining access to the North African market and the new African single market, and propose an action plan aimed at developing trade and investment in the context of AfCFTA.

67. In April 2021, the European Investment Bank, in partnership with the European Union, hosted the European Union-Africa Green Talks to discuss best practices, partnerships and practical solutions to accelerate sustainable development, green investment and post-pandemic recovery with African and European partners. The

talks were held ahead of the High-level European Union-Africa Green Investment Forum, which was held in Lisbon on 23 April.

## **K. Partnerships and resource mobilization**

68. In October 2021, AfDB approved support for the industrial and financial sectors of Madagascar with a concessional loan of €14.52 million as part of the Industrialization and Financial Sector Support Project. In November 2020, the bank granted \$799,800 to the United Republic of Tanzania to finance the Africa Franchise Accelerator Project, which is designed to promote franchising as a national tool for the development of small and medium-sized enterprises. Also in November, AfDB approved a grant of UA250,000 to Côte d'Ivoire to support the Industrial Services Improvement Project, which is aimed at improving the competitiveness of industry and creating jobs.

69. The United Nations Capital Development Fund deployed a total of \$30.1 million to de-risk bankable small and medium-sized enterprises and digital solutions. The investments unlocked an additional \$83.5 million in financial and catalytic leverage from private and public sector funders. In Uganda, the blended finance facility of the Fund provided \$0.9 million in concessional funding for 11 agricultural small and medium-sized enterprises that leveraged \$3.9 million in own equity contributions and in additional resources from financial institutions. The assistance is expected to create more than 500 new jobs and increase market access for over 75,000 smallholder farmers. In Guinea, the Fund created a new funding mechanism on local development aimed at reserving a percentage of mining royalties for intergovernmental fiscal transfers, resulting in a \$5 million transfer.

70. In 2020, the European Investment Bank provided €5 billion for new private and public investment across Africa, of which €2.4 billion was in support of the private sector. Overall, the bank backing for investment in Africa represented a 50 per cent increase over the previous year. UNIDO and the bank continued to collaborate on the \$8.8 million Leather Initiative for Sustainable Employment Creation project in the Modjo leather industrial park, in Ethiopia, with the objective to support access to finance, especially for young men and women.

71. Over the reporting period, seven Common Fund for Commodities agro-commodity projects were being implemented across Africa, for a value of \$21 million. In Kenya, a loan of \$610,000 was provided for the construction of a storage and processing facility for blended cereals, from which up to 50,000 farmers are expected to benefit. A further 3,000 farmers are expected to benefit from a Common Fund trade finance loan of \$500,000 to expand the production and export of organic avocado oil. In the United Republic of Tanzania, a \$500,000 working capital loan was provided to support a vanilla value chain initiative that is expected to benefit more than 5,000 farmers. The Common Fund also supported selected impact investment funds worth \$348 million, including the Africa Agriculture and Trade Investment Fund, valued at \$228 million, the Moringa Agroforestry Fund, valued at €84 million, and the Africa Agriculture Small and Medium-sized Enterprises Fund, valued at \$36 million.

72. The Islamic Development Bank continued to support the West Africa Small and Medium-sized Enterprises Programme designed by the International Islamic Trade Finance Corporation to improve access to lines of finance for small and medium-sized enterprises in eight countries through capacity-building and advisory services. During the reporting period, the bank supported the wood and manganese global value chains in Gabon and facilitated their upgrading. Other high priority projects in preparation in Gabon include the construction of the Tsengué-Lélédi hydropower dam for a cost of \$759 million, the Trans-Gabon Railway track duplication for the Libreville-to-

Ndjole section for a cost of \$1.15 billion to facilitate the transport of manganese, and the bypass of Libreville to the port of Owendo for a cost of \$187 million to facilitate the transport and shipment of wood.

73. The International Monetary Fund (IMF) and the World Bank Group continued to support the implementation of the Debt Service Suspension Initiative of the Group of 20. The potential saving for sub-Saharan African countries was initially estimated at \$5.5 billion by December 2020, but the Initiative effectively delivered about \$1.8 billion to 30 sub-Saharan African countries. From January to June 2021, savings for the region totalled \$4.3 billion. Under the IMF Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative, Ethiopia is seeking a flow rescheduling, while Chad and Zambia have requested debt restructuring to support a strong and lasting recovery from the COVID-19 pandemic.

74. FAO, UNDP and the United Nations Capital Development Fund, in cooperation with the Ministry of Trade of Malawi, implemented an \$8 million joint sustainable development goal fund project aimed at catalysing private sector investment through innovative financing. It is envisaged that the project will receive an additional \$35 million of private investment and will support efforts aimed at increasing investments in agriculture and manufacturing and service supply chains through technology and innovation.

## **L. South-South cooperation**

75. During the period under review, the United Nations Office for South-South Cooperation, in cooperation with the China International Centre for Economic and Technical Exchanges, continued to implement its digital platform known as the South-South Galaxy. To date, 500 solutions have been shared on the platform. The Office also continued its support for the African Union Commission in developing capacities for young entrepreneurs in Africa and engaging them with their peers in Asia to form mutual learning and partnership opportunities.

76. UNCTAD partnered with the Alliance of International Science Organizations and the Aerospace Information Research Institute under the Chinese Academy of Sciences to work on the application of a crop monitoring system using satellite data to raise productivity. Participants from 12 countries, including Algeria, Kenya, Malawi, Mauritius, Nigeria and South Africa, completed a two-month online workshop during which they learned the theory, methodology and application of the CropWatch system. Under its South-South Integration and the Sustainable Development Goals project, UNCTAD assisted Ethiopia with an in-depth analysis of strategic debt sustainability and debt management.

77. The Islamic Development Bank continued to implement a capacity development programme for enhancing national ecosystems for South-South and triangular cooperation. In April 2021, the bank launched the Africa E-Learning and Knowledge Sharing Platform, in cooperation with the International Islamic Trade Finance Corporation as part of its efforts to connect the global South with countries that have developed solutions to mitigate and address the effects of the pandemic. The webinars included discussions on the response to the COVID-19 pandemic among medical and paramedical staff and were attended by 17,500 participants in total, including more than 6,000 medical and paramedical attendees from 25 Islamic Development Bank African member countries.

### **III. Cross-cutting issues**

#### **A. Integration of women into industrial development**

78. UNIDO collaborated with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and FAO on the implementation of the second phase of its flagship project in the Middle East and North Africa region in support of the economic empowerment of women through entrepreneurship development. A regional survey was launched in seven countries in the region, including Algeria, Egypt, Morocco and Tunisia, on women entrepreneurs' access to, and use of, information and communications technology and a gender-sensitive assessment of women entrepreneurs. In Mali, UNIDO partnered with the United Nations Capital Development Fund to support agropastoral women in the management of risks linked to environmental degradation through measures to adapt to climate change in areas at risk of intercommunity conflict. The project will support local government planning and climate change adaptation measures and investments through performance-based climate resilience grants.

79. UN-Women collaborated with FAO, IFAD and the World Food Programme to implement the Joint Programme on Accelerating Progress towards the Economic Empowerment of Rural Women in Ethiopia, Liberia, the Niger and Rwanda. The programme is expected to strengthen food security and nutrition, income security, leadership and participation, as well as the creation of an enabling policy environment for gender-responsive rural development. The programme has benefited more than 75,000 women and 384,000 members of their families. In Côte d'Ivoire, UN-Women also conducted an impact study of the COVID-19 pandemic on women-owned small and medium-sized enterprises.

80. During the reporting period, ILO embarked on the Decent Work for Sustainable and Inclusive Economic Transformation in Mozambique project, which sponsored the production of 10,000 face masks in the country. The project also helped to secure women's employment, reorient women businesses towards manufacturing personal protective equipment and create an additional source of income for four women-led associations. ILO collaborated with UNDP in the United Republic of Tanzania to help targeted enterprises to move up the value chain, with a focus on young people and women. Through the ILO Start and Improve Your Business Programme, 2,712 young people and women have received training.

81. The United Nations Capital Development Fund, in collaboration with UNDP and UN-Women, conducted local gender-sensitive economic assessments in Uganda and the United Republic of Tanzania as part of a pilot project. To date, the Fund has unlocked \$3.5 million from local partners for 25 localized investments in women's empowerment, directly benefiting more than 32,000 women in the targeted countries. In August 2020, the Fund and UNDP created a new platform for local development tailored especially for women and young people in Togo. The partners continued to support similar financing schemes in Mali.

#### **B. Youth employment**

82. UNIDO continued the implementation of a \$14.7 million project to generate 6,000 sustainable jobs for young people in Tunisia. The project is geared towards providing direct support to aspiring and existing entrepreneurs through entrepreneurship training courses, business coaching and technical assistance to strengthen existing enterprises and foster new ones. Under its Innovation, Development and Entrepreneurship for All project, UNIDO helped to identify five

value chains in agricultural technology, creative industries, business, technology and auto mechanics to promote decent jobs for young people in Nigeria.

83. ILO supported the upgrading and repairing of road sections and waterways under its Employment Intensive Investment Programme in Mozambique. Training was provided to 25 small and medium-sized enterprises, 44 per cent of which were led by women and 72 per cent by young people, on the implementation of business continuity planning tools to ensure income generation during the COVID-19 pandemic. ILO also facilitated the training of 28 young people in business skills through its Start and Improve Your Business Programme module. The participation of young people, women and persons with disabilities in the delivery of road infrastructure increased through vocational and artisanal skills training.

84. The International Trade Centre implemented the Youth and Trade Programme, aimed at building the entrepreneurial capacity of young people to mitigate the negative effects of the COVID-19 pandemic. More than 23,000 young Africans gained skills for employment, decent jobs and entrepreneurship through online courses provided by the International Trade Centre SME Trade Academy.

#### **IV. Conclusions and recommendations**

85. The COVID-19 pandemic continues to cast a shadow on industrial and socioeconomic development in Africa. While prospects for 2021 have somewhat brightened, with better access to vaccination, economic risks remain. The current third wave of the pandemic has unquestionably dampened prospects for a quick post-COVID-19 economic recovery, and the journey to rebuild economies to the pre-crisis era will require robust policies that prioritize socioeconomic investments and economic diversification and address the challenge of climate change.

86. Industrial policy direction at the national, regional and continental levels requires revisiting. There is likewise a need for the coordination of strategies among countries as an entry point for the identification of regional competitive advantages, the strengthening of existing linkages among firms and, consequently, an expansion in regional sourcing. In the medium to long term, regional value chain development can unleash regional investment and industrial production systems that can diversify export capacity and unlock the continent's structural transformation potential.

87. The implementation of programmes focused on the development and enhancement of local production of pharmaceuticals, including COVID-19 vaccines, is of utmost urgency. It requires the enhanced enforcement of initiatives, such as those encompassed under the Pharmaceutical Manufacturing Plan for Africa, the African Medicine Agency, the African Vaccine Regulatory Forum, the African Union and Africa Centres for Disease Control and Prevention Partnerships for African Vaccine Manufacturing and the recommendations contained in the resolution on strengthening local production of medicines and other health technologies to improve access adopted by the World Health Assembly in May 2021.

88. If Africa is to stay on the transformation track and recapture lost gains, it is imperative to focus on the smart use of digital technologies. Industry 4.0 holds an immense transformative potential for achieving Africa's inclusive and sustainable industrialization. Through the effective use of Industry 4.0, African countries can emerge from the pandemic with more resilient economies, stronger public health systems and more inclusive and equitable societies. Particular attention should be paid to the institutionalization of an ecosystem of innovation with well-calibrated regulatory frameworks, investment in infrastructure, digital skills and socioeconomic

inclusion, including of young people, through the promotion of science, technology, engineering and mathematics.

89. AfCFTA continues to present the greatest hope for resurgence in the structural transformation and industrialization prospects of Africa in the medium to long term. AfCFTA would not only reduce the vulnerability of Africa to global disruptions, but also boost regional competition, improve productivity, attract foreign investment and promote food security. Actors in the international community must continue to work with stakeholders on innovative ways to address the development challenges of Africa by assisting countries and regions to make best use of AfCFTA and accelerate post-COVID-19 recovery. A structural shift in production towards semi-processed goods would anchor prospects for an inclusive and sustainable industrialization pathway in the continent, boosting prospects for the realization of both the Agenda 2030 for Sustainable Development and Agenda 2063.

90. Building back better does not have to be a choice between socioeconomic recovery and environmental sustainability. A greener recovery path from the COVID-19 crisis shall remain a priority. Adopting holistic approaches for a transition to low-carbon economies through sustainable energy investments, circular economy models, resource-efficient and cleaner production as an integral part of the wider recovery can enable Governments to achieve multiple economic and social objectives in the pursuit of a resilient future that leaves no one behind.

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